

## Reporting on ABN AMRO's progress towards implementing the Principles for Responsible Banking – Self-Assessment 2021

In 2019, ABN AMRO signed the UN Principles for Responsible Banking, together with 129 other international banks. The signatories, representing one-third of the total assets of all banks worldwide, agreed that they will align their business strategies with the UN Sustainable Development Goals and with the Paris Climate Agreement. In this publication, ABN AMRO reports on its progress towards implementing the Principles for Responsible Banking for the second time, using the self-assessment template provided by the UNEP FI.

This second self-assessment was published on 28 May 2021 and reports on our progress from the date of signing until publication date. For the reporting period 2020, our self-assessment can be found [here](#).

## Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

| Reporting and Self-Assessment Requirements  | High-level summary of bank's response   | Reference(s)  |
|---|---|---|
| <p><b>1.1 Describe</b> (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p> | <p>ABN AMRO is one of the Netherlands' leading banks. Our focus is on Northwest Europe. We provide banking services to retail, private and business clients. ABN AMRO has more than 19,000 employees worldwide. We want to be a personal bank in the digital age, serving clients where we have scale in the Netherlands and Northwest Europe. We are also committed to accelerating the shift to a sustainable economy – by providing more sustainable financing, by working closely with clients and by building a bank fit for the future. We take a responsible, long-term approach to doing business.</p>  | <ul style="list-style-type: none"> <li>▶ 2020 Integrated Report, Our Bank, p. 7 – 9</li> <li>▶ 2020 Integrated Report, Strategy and Value Creation, p. 15 – 26</li> <li>▶ Annual Report, Total Assets Overview, p. 161-165</li> </ul>   |
| <p><b>1.2 Describe</b> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>  | <p>To remain relevant and responsible now and in the future, we have defined a clear purpose to guide us through change: Banking for better, for generations to come. To continue creating lasting value for all of our stakeholders, we pursue a strategy aimed at building a bank fit for the future, able to adapt to a rapidly changing economic and social environment. Central to this strategy are the bank's clients, and helping them make the shift to sustainability. Our strategy is based on three pillars: support clients' transition to sustainability, reinvent the customer experience, and build a future-proof bank. We report on our progress through our annual reporting and publications throughout the year.</p> | <ul style="list-style-type: none"> <li>▶ 2020 Integrated Report, Strategy and Value Creation, p. 15 – 26</li> <li>▶ SDGs: 2020 Integrated Report, Supporting the international development agenda, p. 44</li> <li>▶ Climate action: 2020 Integrated Report, Sustainable Investment &amp; Financing, Sustainability Risk, p. 41-42</li> <li>▶ 2020 Human Rights Report</li> <li>▶ 2020 Annual Report, Sustainability Risk Management, p. 31, 86-87</li> <li>▶ Report 'Guiding a Bank's portfolio to Paris'.</li> </ul> |

## Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

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|---|---|---|
| <p><b>2.1 Impact Analysis:</b></p> <p>Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <p>a) <b>Scope:</b> The bank's core business areas, products/ services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.</p> <p>b) <b>Scale of Exposure:</b> In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.</p> <p>c) <b>Context &amp; Relevance:</b> Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.</p> | <p>► <b>Value creating topics &amp; materiality assessment</b></p> <p>We carry out a regular assessment of our operating environment. This allows us to identify our most important social, economic, financial and environmental issues. These issues – or value-creating topics – are where we believe ABN AMRO can create most value for its stakeholders. This assessment was carried out again in 2020, which led to a new prioritisation of the topics.</p> <p>► <b>Salience analysis 2015</b></p> <p>In 2020, ABN AMRO conducted an analysis to identify the bank's salient human rights issues, aligned with our Enterprise Risk Management. Our salient issues should be understood in the broadest sense. Every sector and every client may face different salient human rights risks. Effective management of our salient issues depends on the successful identification of human rights risks. In our efforts to be as concrete and objective as we possibly can, we have put in place very comprehensive policies that we require our corporate clients to adhere to.</p> | <ul style="list-style-type: none"> <li>► 2020 Value-creating topics Report</li> <li>► 2020 Human Rights Report</li> <li>► Sustainable Development Goals Report 2017</li> <li>► SDGs: 2020 Integrated Report, Supporting the international development agenda, p. 44, Impact Report, p. 13, 21, 22</li> <li>► Impact: 2019 Integrated Annual Review, Our Impact, p. 64-65, 2020 Impact Report</li> <li>► 2019 Annual Report, Sustainability Risk Management, p. 86-87</li> <li>► Guiding a bank's energy portfolio to Paris (2020), p. 4, 14 – 18, Guiding a bank's portfolio to Paris (2021).</li> <li>► Salience determination: Human Rights Report 2020 and Salient Human Rights Issues 2020</li> </ul> |

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

ABN AMRO has partially fulfilled the requirements regarding Impact Analysis. This second reporting on our progress towards implementing the UN PRBs has not yet obtained limited third-party assurance.

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| <p>d) Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.</p> <p>(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</p> <p>Show that building on this analysis, the bank has</p> <ul style="list-style-type: none"> <li>▶ Identified and disclosed its areas of most significant (potential) positive and negative impact</li> <li>▶ Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts</li> </ul> | <p>▶ <b>SDG selection</b></p> <p>In 2017, ABN AMRO identified three SDGs as most closely related to the bank's sustainability approach – where the bank believes it has most to contribute, both in terms of positive impact and in reducing the negative effects of its business. In our Impact Report, we report on the impact of all 17 SDGs.</p> <p>▶ <b>Guiding a bank's energy portfolio to Paris 2020 &amp; Guiding a bank's portfolio to Paris 2021</b></p> <p>In the context of the Paris Agreement of 2015 (COP21), ABN AMRO participated in a banking pilot project established by the 2-degrees Investing Initiative (2DII). The main objective of this cooperation was to compare ABN AMRO's exposure to clients active in power generation and upstream fossil fuel extraction with the International Energy Agency's climate scenarios, which correspond to what was agreed during COP21. This pilot, and first publication, enables ABN AMRO to explore the opportunities for setting science-based targets that align financial flows with the aim of limiting global warming to below 2 degrees Celsius. In 2021, the second publication was launched, covering our own business operations, energy portfolio, commercial real estate portfolio, mortgage portfolio and investment services.</p> |              |

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|  | <p><b>► Impact Report</b></p> <p>We published our first Impact Report in 2018, using the Integrated Profit &amp; Loss (IP&amp;L) Assessment method. To put together the 2019 Impact Report, we used the Impact Institute's IP&amp;L Assessment methodology. This methodology allows us to quantify our value creation, and gives us a tool to manage the bank according to the impact we have on our stakeholders. Our impact may be positive or negative – it may be financial in nature (through the dividends we pay investors, for example), or non-financial (through increased job satisfaction or the benefits of home ownership for our mortgage clients). The IP&amp;L Assessment captures material impacts – there are 54 in total – and monetises them into euro equivalent amounts. In March 2021, we published our third Impact Report. New in this report is that ABN AMRO made a comparison between the 2019 and 2020 results. These main results were also part of our Integrated Report and received limited assurance from our assurance provider.</p> <p><b>► High sensitive sector policies</b></p> <p>ABN AMRO applies a <a href="#">sustainability risk policy framework</a>. Amongst others, this means that ABN AMRO applies specific policy requirements for its lending clients in seven high-risk sectors. Each sector is divided into multiple subsectors and activities at different places in the supply chain and matched with specific policy requirements.</p> |              |

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## Reporting and Self-Assessment Requirements

### 2.2 Target Setting

**Show** that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.

**Show** that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.

**Show** that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.

## High-level summary of bank's response

Acknowledging the areas of most significant impact, ABN AMRO set several targets and ambitions for 2020, such as:

- ▶ Renewable energy commitment: investing 20% of our overall energy portfolio in renewable energy per 2020
- ▶ Sustainable financing: 3 billion EUR per 2020
- ▶ Client's sustainable investment: 22.5 billion EUR per 2020
- ▶ Mission 2030: All real estate objects (residential and commercial) we help finance to have an average energy label A by 2030.

The following new targets and ambitions have been set for 2024:

- ▶ Percentage sustainability (acceleration) asset volume to 30%
- ▶ Increase client ESG and impact investments to EUR 46 billion
- ▶ Increase financing for circular economy deals to EUR 3.5 billion
- ▶ Increase percentage energy label A in our mortgage portfolio to 28%

## Reference(s)

- ▶ 2020 Integrated Report, Key indicators and targets, p. 19, 20

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| <p><b>2.3 Plans for Target Implementation and Monitoring</b></p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>  | <p>In November 2018, ABN AMRO announced its refreshed strategy, which was reviewed in 2020. To monitor the process on our strategy, we have put in place a dedicated Execution Office, overseen by ABN AMRO's Chief Innovation &amp; Technology Officer, and reporting regularly to the bank's Executive Committee.</p> <p>To support our strategy, we have put in place non-financial targets. Our targets relate both to group performance and more specifically to the bank's three strategic pillars. Alongside these, we have other internal targets to ensure our strategy is integrated into our operations. Meeting all targets will be a priority for 2021 and beyond.</p>   | <p>▶ 2020 Integrated Report, p. 19, 20 and Our Performance and Outlook section, p. 27-45.</p> |
| <p><b>2.4 Progress on Implementing Targets</b></p> <p><b>For each target separately:</b></p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p><i>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</i></p> <p><i>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</i></p> | <p>The following progress has been made on targets previously set:</p> <ul style="list-style-type: none"> <li>▶ Renewable energy commitment: In 2020, 21% of our overall energy portfolio stems from renewable energy</li> <li>▶ Sustainable financing: <ul style="list-style-type: none"> <li>ABN AMRO continued to expand sustainable financing in 2020. The goal was to increase this financing to EUR 3 billion in outstanding volume by 2020, around 7% of ABN AMRO's total commercial banking loan book. The results in 2020 were EUR 5 billion.</li> </ul> </li> <li>▶ Client's sustainable investment: <ul style="list-style-type: none"> <li>By the end of 2020, clients' sustainable investments with ABN AMRO totalled EUR 26.2 billion – this means we have surpassed our original EUR 16 billion target for 2020, a year ahead of schedule.</li> </ul> </li> </ul> | <p>▶ 2020 Integrated Report, p. 19, 20 and Our Performance and Outlook section, p. 27-45.</p> |

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|--|---|--------------|
|  | <p>► <b>Mission 2030:</b></p> <p>In 2019, we launched our Sustainable Home Mortgage. This mortgage will finance home improvements, strengthening energy efficiency and reducing utility bills for our clients. We are also making progress with Mission 2030. By the end of 2020, 62% of residential properties on our books had an energy label between A and C. Our goal was to increase the proportion rated A-C to at least 63% by 2020. For commercial properties, 39% were rated A at the end of 2020, an improvement from 17% the year before.</p> |              |

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## Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

| Reporting and Self-Assessment Requirements  | High-level summary of bank's response  | Reference(s)  |
|---|--|---|
| <p><b>3.1 Provide</b> an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p> | <p>ABN AMRO announced its refreshed strategy in November 2018, guided by our purpose: Banking for better, for generations to come. One of the strategic pillars focuses on 'supporting our clients' transition to sustainability'. With this, promoting responsible relationships has been integrated in our regular contact with clients: We support our clients as they make the transition to new, sustainable products and models that enhance people's welfare. Our relationship managers pro-actively include sustainability in their contact with clients. For instance:</p> <ul style="list-style-type: none"> <li>▶ Sustainable investment offerings</li> <li>▶ The Sustainable Home Mortgage</li> <li>▶ Providing insights through the CASY Sustainability Rating Tool</li> <li>▶ Business Innovation Workshop: A two-day workshop for clients to investigate opportunities for circular business models</li> <li>▶ Impact Based Banking, together with EcoChain, offering clients insight in their company's footprint to identify significant investments</li> </ul> | <ul style="list-style-type: none"> <li>▶ ABN AMRO's Quarterly Sustainable Banking newsletter: <a href="https://www.abnamro.com/en/about-abnamro/in-society/sustainability/newsletter/index.html">https://www.abnamro.com/en/about-abnamro/in-society/sustainability/newsletter/index.html</a></li> <li>▶ 2020 Integrated Report, p. 42 Exclusions and engagement</li> <li>▶ ABN AMRO Human Rights Report 2020, p. 58, 66</li> </ul> |

| Reporting and Self-Assessment Requirements  | High-level summary of bank's response   | Reference(s)  |
|---|---|---|
| <p><b>3.2 Describe</b> how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p> | <p><b>Engagement:</b></p> <ul style="list-style-type: none"> <li>▶ Corporate clients: As part of the Sustainability Risk Management Framework, ABN AMRO engages regularly with companies it finances or invests in on environmental, social and governance issues. In 2020, we formally engaged with 35 clients.</li> <li>▶ Investment services: In January 2021 we formed a partnership with EOS at Federated Hermes to significantly scale up our company engagement.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>▶ We recognise that, in our roles as lender and investor, we may also be exposed to environmental, social and governmental (ESG) risks through the direct activities of our clients and the companies in which we invest on behalf of our clients and through the activities performed in these companies' value chains. To manage these sustainability risks, we have defined a specific risk appetite in line with a moderate risk profile.</li> <li>▶ In order not just to manage risk, but also to use our leverage positively in our client relationships, business partners and companies that clients can invest in, we strive for an inclusive approach of engagement and dialogue. The goal of such a dialogue or engagement is to improve the sustainability performance of our relations, so that they (at least) meet ABN AMRO's sustainability standards.</li> </ul> | <ul style="list-style-type: none"> <li>▶ 2020 Integrated Report, Sustainability Risk, p. 42</li> <li>▶ 2020 Non-Financial Data and Engagement Report, p. 22-26</li> <li>▶ 2020 Human Rights Report, p. 43-69</li> </ul> |

**Reporting and Self-Assessment  
Requirements****High-level summary of bank's response****Reference(s)**

We publish a list of ABN AMRO's engagement with clients on high-risk ESG issues related to ABN AMRO's lending and investment products and services in 2020.

- ▶ ABN AMRO uses different forms of engagement to positively leverage our influence, for instance through client engagements, investor engagements, round table memberships or participation in multi-stakeholder platforms. For a case study on palm oil, see 2020 Human Rights Report page 64.

## Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

| Reporting and Self-Assessment Requirements  | High-level summary of bank's response  | Reference(s)  |
|---|--|---|
| <p><b>4.1 Describe</b> which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p> | <p>► <b>Overall approach</b></p> <p>We frequently engage with stakeholders in many ways and on many topics. ABN AMRO's stakeholders include clients, employees, investors and society. Value created for each of these groups depends on their relationship with the bank. We engage regularly with our stakeholders – through polls, surveys, meetings, conferences and seminars. Please see: <a href="https://www.abnamro.com/en/about-abnamro/in-society/sustainability/stakeholders/index.html">https://www.abnamro.com/en/about-abnamro/in-society/sustainability/stakeholders/index.html</a> to learn more about our stakeholder management regarding sustainability topics central to our strategy.</p> <p>► <b>Materiality</b></p> <p>ABN AMRO conducts a regular assessment of its operating environment. This allows us to identify our value-creating topics – those topics where we potentially create value for our stakeholders. The 2019 Value-Creating Topics Report explains the process and which stakeholders we have consulted herein.</p> | <ul style="list-style-type: none"> <li>► 2020 Value-Creating Topics Report, p. 4, 8</li> <li>► 2020 Non-financial data and Engagement Report, p. 22</li> <li>► 2020 Human Rights Report, p. 27</li> <li>► Salient Human Rights Issues 2020</li> </ul> |

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|--|---|--------------|
|  | <p>▶ <b>Human Rights Salience determination</b></p> <p>For the determination of our salient human rights issues in 2020, we engaged with internal and external stakeholders through in-depth interviews and surveys. The Salient Human Rights Issues 2020 report describes this process in detail.</p> <p>▶ <b>Human Rights in particular</b></p> <p>The Group Sustainability Department is in charge of managing our human rights programme. This entails participating in external forums such as the Dutch Responsible Business Conduct on Human Rights and Shift's Business Learning Program, as well as in many other working groups, forums and conferences. In addition to the numerous bilateral stakeholder engagements we hold, we regularly convene larger sessions to obtain feedback on draft statements, our governance structure and reporting efforts.</p> <p>▶ <b>Engagement and leverage</b></p> <p>We also engage with our clients, to improve the sustainability performance of our relations, so that they (at least) meet ABN AMRO's sustainability standards. A list of ABN AMRO's engagement with clients on high-risk ESG (environmental, social, governance) issues related to ABN AMRO's lending and investment products and services in 2020, is provided in our 2020 Non-financial data and Engagement Report.</p> |              |

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|  | <p>► <b>Climate</b></p> <p>ABN AMRO interacts with several stakeholders to streamline our approach to the transition to a low-carbon economy;</p> <ul style="list-style-type: none"> <li>- ABN AMRO participates in the Partnership for Carbon Accounting for Financials (PCAF) steering committees and several working groups. PCAF intends to contribute to a harmonised framework for science-based targets and has developed a methodology for measuring the carbon footprint of investments and loans. This methodology enables financial institutions to align their portfolios better with climate scenarios.</li> <li>- In the context of the Paris Agreement of 2015 (COP21), ABN AMRO has participated in a banking pilot project established by the 2-degrees Investing Initiative (2DII).</li> <li>- Having taken the first important steps towards implementing the TCFD recommendations since its public commitment to do so in November 2017, ABN AMRO has participated in the United Nations Environment Programme Finance Initiative (UNEP-FI) TCFD Pilot Phase 2 to gain further understanding of and build the capacity needed to assess climate risks and opportunities at a borrower and portfolio level.</li> <li>- ABN AMRO signed the Dutch Climate Agreement for the financial sector in 2019</li> </ul> |              |

## Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

| Reporting and Self-Assessment Requirements  | High-level summary of bank's response  | Reference(s)   |
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| <p><b>5.1 Describe</b> the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p> | <p>Together, the Executive and Supervisory Boards are responsible for ABN AMRO's long-term value creation:</p> <ul style="list-style-type: none"> <li>▶ Both Boards are expected to take into account the long-term viability of the bank's strategy when making decisions.</li> <li>▶ In developing the strategy, the Executive Board takes a view on long-term value creation (taking into account relevant stakeholder interests).</li> <li>▶ When implementing the bank's strategy, the Executive Board's aim is to contribute to long-term value creation, and to build and maintain the corporate culture required to ensure this.</li> </ul> <p>▶ <b>Ethics Committee:</b><br/>Our Ethics Committee considers moral issues that need to be addressed. If our employees come up against problems for which neither law nor regulations provide unambiguous answers, they can put the matter to the Ethics Committee. The Committee meets every quarter and convenes in the interim to address specific situations. It has six permanent members from senior management, including the CEO.</p> | <ul style="list-style-type: none"> <li>▶ 2019 Integrated Annual Review, page 56, 58</li> <li>▶ 2018 Human Rights Update, page 8 - 9</li> </ul> |

Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.

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|  | <p>► <b>Human Rights in particular</b></p> <p>ABN AMRO's human rights programme started when the Group Sustainability Department identified human rights as one of its focus areas. Since then, a governance structure has emerged in which our CEO as the Chairman of the Executive Board is directly responsible for this programme.</p> <p>Sustainability Risk Management Framework, a combination of policies and processes, includes our overarching Sustainability Risk Policy and numerous sub-policies that govern and define how we manage the sustainability risks of our corporate clients and risks associated with our investment services.</p> <p>ABN AMRO has a Sustainable Risk Policy, which sets out principles guiding our approach to lending, investment, procurement and product development. Our Sustainable Risk Policy is supported by specific sector guidelines. These guidelines set out minimum ESG standards in areas like corruption, working conditions, environmental performance and health &amp; safety. In addition, this is strengthened by our Exclusion List and Controversial Weapons List, the latter entails companies we exclude because they are involved in controversial weapons. The Chief Risk Officer oversees the sustainability risk framework of ABN AMRO.</p> |              |

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| <p><b>5.2 Describe</b> the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p> | <p>The Group Sustainability Department reports directly to the CEO, who has determined that sustainability is the 'CEO's responsibility'. The entire Executive Committee is responsible for implementing ABN AMRO's sustainable strategy.</p> <hr/> <p>ABN AMRO has a wide variety of initiatives to stimulate a culture of responsible banking, for instance through training, incentives and awareness:</p> <p>In terms of training and education, amongst others:<br/>           E-learning module (Sharp!) on non-financial risks,<br/>           Permanent Education Programme for senior management and Executive Board, twice a year ABN AMRO organises a Learning Week for employees on a wide range of topics. In 2019, the bank set up the Circl Academy to act as a new sustainability 'training ground' for employees.</p> <p>► <b>Non-monetary incentives</b><br/>           ABN AMRO has embedded its long-term corporate strategy and interests as well as its sustainability policies into its remuneration policy and principles. Non-financial KPIs that are part of the remuneration package of 'identified staff' include sustainability.</p> <p>► <b>Awareness:</b><br/>           ABN AMRO publishes a Sustainable Banking Newsletter every quarter, presenting inspiring stories, examples and dilemma's on the progress on the three sustainability focus areas of the bank.</p> | <p>► 2020 Integrated Report, p. 35<br/>           ► 2018 Human Rights Report, p. 50<br/>           ► 2019 Annual Report, Remuneration Report, p. 166 - 16</p> |

Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.

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|---|---|--------------|
| <p><b>5.3 Governance Structure for Implementation of the Principles</b></p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> <li>a) target-setting and actions to achieve targets set</li> <li>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</li> </ul> | <p>Additionally, 5 – 6 times a year, internal knowledge sessions are organised, focussing on inspiring employees and creating awareness about the three sustainability focus areas of the bank.</p> <p>► <b>Sustainability risks and opportunities:</b></p> <p>In 2020 we continued to expand the use of the Global Sustainability Risk Indicator (GSRI) tool in assessing clients against the requirements of the sustainability risk policy framework. The scope for using the GSRI tool has been widened, such that clients operating in low-risk sectors are now being assessed, too.</p> <p>ABN AMRO's former CEO, Kees van Dijkhuizen, signed the Principles for Responsible Banking in September 2019. The bank's Group Sustainability Department falls under the direct responsibility of the CEO, and has oversight of, and monitors progress on commitments such as the UN Principles for Responsible Banking, and reports this to the CEO.</p> |              |

Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.

ABN AMRO has partially fulfilled the requirements regarding Governance Structure for Implementation of the Principles. This second reporting on our progress towards implementing the UN PRBs has not yet obtained limited third-party assurance.

## Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

| Reporting and Self-Assessment Requirements   | High-level summary of bank's response  | Reference(s)   |
|--|--|--|
| <p><b>6.1 Progress on Implementing the Principles for Responsible Banking</b></p> <p><i>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</i></p> <p><i>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</i></p> <p><i>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</i></p> | <p>In this second publication on our progress on the Principles for Responsible Banking, we have given an overview of our adherence to the principles (see previous pages). Below, we specify some recent initiatives related to our areas of most significant impact:</p> <p>► <b>Paris-proof</b></p> <p>In March 2021, ABN AMRO published its second climate report 'Guiding a bank's portfolio to Paris', in which the bank measures the exposure of ABN AMRO's corporate loan book to different high and low carbon technologies across several climate relevant sectors and assesses the alignment of the production plans of ABN AMRO's clients with a scenario in line with the Paris Agreement.</p> <p>Based on the outcomes of this analysis, ABN AMRO is working towards setting targets aligned with the Paris Agreement.</p> <p>ABN AMRO will further develop carbon accounting skills as a partner of Partnership for Carbon Accounting for Financials (PCAF). This will enable the bank to move from measuring portfolio alignment with the Paris Agreement towards steering on GHG emission reductions measured in the real world</p> | <ul style="list-style-type: none"> <li>► Guiding a bank's portfolio to Paris</li> <li>► 2019 Annual Report, p. 67</li> <li>► ABN AMRO 2020 Human Rights Report</li> <li>► Non-financial Data &amp; Engagement Report 2020, p. 18-20</li> </ul> |

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking

ABN AMRO has partially fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking. This second reporting on our progress towards implementing the UN PRBs has not yet obtained limited third-party assurance.

| Reporting and Self-Assessment Requirements | High-level summary of bank's response   | Reference(s) |
|--|---|--------------|
|  | <p>▶ <b>Taskforce on Climate-related Financial Disclosures</b><br/>           ABN AMRO is committed to implementing the recommendations of the Financial Stability Board Taskforce on Climate-related Financial Disclosures (TCFD). Having taken the first important steps towards implementing the TCFD recommendations since its public commitment to do so in November 2017, ABN AMRO has participated in the United Nations Environment Programme Finance Initiative (UN-EP-FI) TCFD Pilot Phase 2 to gain a better understanding of, and build the capacity needed to assess climate risks and opportunities at a borrower and portfolio level.</p> <p>▶ <b>Partnership for Carbon Accounting for Financials</b><br/>           ABN AMRO participates in the Partnership for Carbon Accounting for Financials (PCAF). PCAF's objective is to improve carbon accounting by increasing transparency and uniformity in carbon footprinting and target-setting in the financial sector. PCAF Global was launched at an event held at ABN AMRO's New York office during the New York Climate Week in September 2019 and welcomed many new members in 2020.</p> <p>▶ <b>Human rights</b><br/>           ABN AMRO continues to develop policy requirements on grievance mechanisms for its clients in order to gain insight into the quality of these mechanisms. ABN AMRO is currently looking into the possibilities related to an independent grievance mechanism by defining the contours of a possible independent bank-level grievance mechanism, drawing on a dialogue with twenty stakeholders in October 2019 in which representatives from academia, civil society organisations and other banks took part.</p> |              |

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking

ABN AMRO has partially fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking. This second reporting on our progress towards implementing the UN PRBs has not yet obtained limited third-party assurance.