

Stakeholder dialogue Climate

Report

June 24, 2016



Multi-stakeholder dialogue on Climate

Engaging stakeholders to gain broad insight...

As part of ABN AMRO's Stakeholder management and in order to further facilitate the development of ABN AMRO's sustainability strategy, ABN AMRO and Sustainalize (see slide 6) conducted a stakeholder dialogue on the topic 'Climate'. The outcome of this stakeholder dialogue helps ABN AMRO to gain insight in what stakeholders find important and helps to take action regarding these topics in line with stakeholders' expectations

...on our role and impact on climate change,

Climate Change is one of the biggest challenges that we face today. By helping our clients to operate more sustainably and by reducing our own impact on the climate, ABN AMRO is taking its responsibility. One example of this responsibility is signing the [Climate Statements](#), an agreement between Dutch banks stating that we will structurally improve the sustainability of the sector. This stakeholder dialogue was organized in order to determine our role in this important topic and to formulate specific action points for now and for the future.

in order to formulate action points

To increase the depth of the stakeholder dialogue, prior to the dialogue, the stakeholders were asked to prioritize the ten points from the Climate Statements in regards to their relevance for ABN AMRO. Based on the results of this survey, six of the ten Climate Statements were prioritized and subdivided into two clusters, namely (1) "Lobbying" and (2) "Finance and Investment services", each cluster covering three Climate Statement points. These clusters formed the basis of two break-out sessions, in which different topics were discussed.

For the sake of consistent and comparable results, the break-out sessions were broken down into three consecutive phases. First, participants were asked to determine how ABN AMRO should act in different situations and what role it should take on the different Climate Statement points. Second, with the help of statements, the stakeholders went into depth on each Climate Statement point. Third, after taking position on the role and statements, the implementation of these standpoints were discussed by formulating specific action points. Finally, after the break-out sessions, action points recommended by the stakeholders were summarized by Sustainalize in a plenary session and presented to ABN AMRO (see slide 5 for a complete overview).

Input from a diverse range of stakeholders

26 internal and external stakeholders participated in the stakeholder dialogue. The external stakeholders represented the following parties or organizations.



Outcomes of break-out session 1: ‘Lobbying’

1. Positioning: role ABN AMRO

Below you find the results of the session regarding the type of role ABN AMRO should take concerning the different Climate Statements points.

Climate Statements	The role that stakeholders expect ABN AMRO to take in the future (reactive/active/proactive/gamechanger)
Enter into dialogue and collaboration with society on climate adaptation and mitigation and its financing	PROACTIVE
Encourage the Dutch government to implement binding, effective European climate objectives, including in its capacity as future holder of the EU Presidency	ACTIVE / PROACTIVE
Encourage the Dutch government to provide incentives for companies and institutions and enable them to publish their CO ₂ emissions so that banks can better include the climate impact in their financing and investment decisions	PROACTIVE

2. Deepening

In the deepening phase several statements have led to interesting discussions regarding ‘Lobbying’. The most interesting findings are presented below.

- The top level of ABN AMRO should be involved in the dialogue. For example, by communicating major projects in which ABN AMRO is a frontrunner or taking a leading position in its dominant sectors.
- Sustainability within ABN AMRO, the sector and in general needs to be simplified. In this process, calculating impact is an important element. ABN AMRO will actively have to take its role in the discussion on what and how Sustainability can be measured. In this way, ABN AMRO can become a leader in this field and lead the discussion with other parties in the sector and beyond.
- ABN AMRO should put a dot on the horizon and adopt a proactive role. This implicates that dialogues should be held with the government for tougher climate targets.
- ABN AMRO’s role in these dialogues is to lobby and influence the government. However, eventually the content should be decided by the government.

Outcomes of breakout session 2: 'Finance and Investment services'

1. Positioning role ABN AMRO

Below you can find the session results on the role that ABN AMRO should take regarding the different Climate Statements.

Climate Statements	The role that stakeholders expect ABN AMRO to take in the future (reactive/active/proactive/gamechanger)
Take sustainability, climate impact and environmental damage into consideration in our financing and investment decisions	GAME CHANGER
Work towards transparency regarding the positive and negative impact of our finance and investment services on climate change	GAME CHANGER
Encourage our customers to reduce CO ₂ emissions wherever possible and provide products and services to assist them in this endeavor	PROACTIVE / GAME CHANGER

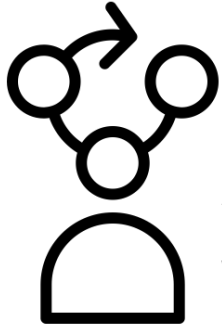
2. Deepening

In the deepening phase several statements have led to interesting discussions regarding 'Finance and Investment services'. The most interesting findings are presented below.

- ABN AMRO should take a leading role, but not at the expense of its own business model. ABN AMRO can for example take the lead by distinguishing itself from other banks in the area of transparency and impact measurement.
- ABN AMRO should take a facilitating role instead of encouraging customers to change their choices. For example, it's not ABN AMRO's responsibility to encourage individuals to reduce their footprint by influencing their choices. This is mainly the customer's own responsibility. In a facilitating role, ABN AMRO could start with identifying all capitals (natural, human, etc.) and the impact of its products. By making this transparent, a customer can make a better choice.
- ABN AMRO should provide more insight (increase transparency) in the impact of its products and services on the environment. Activities in the field of impact weighting in decision-making should go further than current law & regulation. For example, the possibility should be offered to customers to have insight into the climate impact of alternative products.

Summary of recommendations

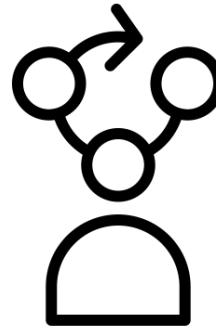
'Lobbying' session



Role: **Proactive**

ABN AMRO should be actively involved in preventing climate change within its value chain

'Finance and Investment services' session



Role: **Game changer**

ABN AMRO should take a leadership role in preventing climate change within its value chain

Recommendations from the stakeholders



Be transparent and try to embed internally what you want to convey to others.



Do not be put off by any 'inferiority complex'; take active responsibility when needed.

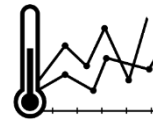


Start progressing from sectors in which ABN AMRO has a dominant position in order to create the largest possible impact.

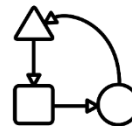
Recommendations from the stakeholders



Take a leading and steering role and advise clients on the societal costs and risks related to the products they purchase. Emphasise the positive and negative effects of a client's choice. Herewith, facilitate the purchase of products which accelerate the energy transition.



Take responsibility regarding COP21. It's essential to give clients a choice between products. This can be realised by providing insight in the climate impact of products or applying weightings



Finance of new business models, to facilitate new sustainable growth and speed scaling.

Organizers and facilitators

About ABN AMRO

ABN AMRO is an all-round bank serving retail, private and commercial banking clients. ABN AMRO offers a full range of services to its clients, not only in the Netherlands, but wherever their business takes them. Based on the engagement with stakeholders, ABN AMRO draws up a plan of action, monitors progress and reports the results in the Annual Report. Reporting the progress on stakeholder engagement, such as in this leaflet, is therefore part of the annual sustainability reporting of ABN AMRO over the year 2016.

Additional information about Sustainable Banking is posted on www.abnamro.com/en/sustainable-banking. For further inquiries about stakeholder engagement, please contact Lea Zeemans, Stakeholder Manager Sustainable Banking (lea.zeemans@nl.abnamro.com).

About Sustainalize

Sustainalize is a consulting and interim-management firm specialized in Corporate Social Responsibility (CSR) and sustainability. We help organizations in the Benelux with every aspect of CSR implementation and give insight into their non-financial performance: from strategy development to the actual reporting, and from the initial stage to anchoring of the strategy, control and management of CSR.

Sustainalize is experienced in dealing with large companies, SMEs and not for profit institutions.



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