

Sustainable Banking

Stakeholder dialogue on natural resources and bio-diversity

12 Oktober 2017

Relevance

Why we conducted a stakeholder dialogue

As part of ABN AMRO's stakeholder management and in order to further facilitate the development of its sustainability strategy, ABN AMRO has conducted a stakeholder dialogue on the subject of natural capital and biodiversity. The outcome of this dialogue helps ABN AMRO to gain insight into what stakeholders find important and to take action regarding this topic in line with stakeholders' expectations

Objective of the stakeholder dialogue

ABN AMRO has organised a stakeholder dialogue on the subject of natural capital and biodiversity. It is only recently that banks have started measuring their impact on biodiversity and managing and reporting on this subject. ABN AMRO has an impact on biodiversity in various ways, but our biggest impact comes from our financing activities. We want to use the stakeholder dialogue to discover the following:

- How does a financial institution like ABN AMRO have an impact on biodiversity?
- What do stakeholders expect of a financial institution with respect to biodiversity?
- How can ABN AMRO's impact on biodiversity be made more measurable?

The objective of the dialogue was twofold:

- To have expert stakeholders talk about which biodiversity-related issues are most relevant to ABN AMRO;
- To formulate advice on, and define follow-up actions related to, ABN AMRO's impact on biodiversity.



Photos have been blurred to protect privacy.

Approach

Preparation

To enrich the stakeholder dialogue, stakeholders were asked a few questions prior to the dialogue and were given the definition of biodiversity that was to be used during the dialogue:

'Biological diversity' means the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems. CBD definition (Convention on Biological Diversity)

In the survey, stakeholders were asked in which areas biodiversity should be taken into account:

- The bank's own operations
- Loans to clients
- Client investments

The outcome in all three areas was high.

Method

Daphne de Kluis, CEO of Commercial Banking, kicked off the dialogue, after which the relevance and objective of the dialogue were presented. Following the presentation of the survey results and explanation of the approach, participants were divided into three groups. Each group discussed a case about a financing application possibly involving biodiversity issues. The group then discussed the outcome. The dialogue was concluded and the morning finished up with a lunch.

Input from a diverse range of stakeholders

Ten external stakeholders participated in the dialogue. The external stakeholders represented the following parties or organisations.



Summary of recommendations

General

- Check existing (sector) policies on biodiversity.
- Make sure you have a vision at a higher level.
- Explore best practices. What went wrong in the past?
- Organise brainstorm sessions with experts with advance studies of scenarios.
- When financing a consortium, ABN AMRO will try to determine the biodiversity criteria with the consortium.
- Share findings (e.g. with other banks).
- Dialogue with the client, and also with the consortium, is key.

Process

- Review good examples in the market.
- Check your own policies as well as international guidelines.
- Link with human rights.
- Check the legacy of the area. When providing a loan to a current client, ask yourself how the company has affected the biodiversity since its existence.

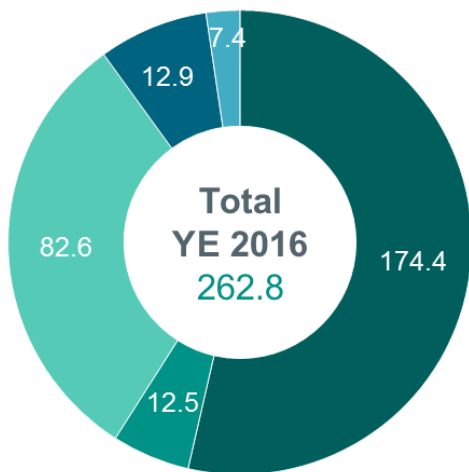
Data

- A large number of methods and data suppliers has been mentioned.
- Using secondary data is advisable as the decline of a population cannot always be correlated with the development of a factory, harbour, etc. There could be other causes.

Background organisation

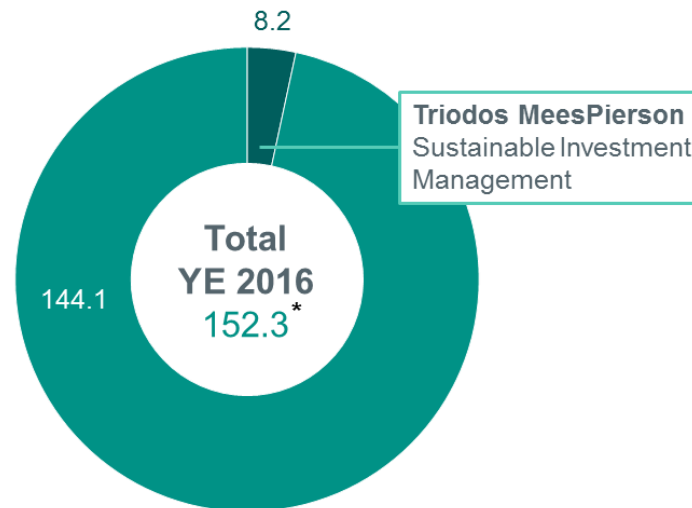
ABN AMRO is a Dutch bank serving retail, private and corporate banking clients with a primary focus on Northwest Europe and with selective operations internationally. In the Netherlands, we offer clients a comprehensive and full range of products and services through omni-channel distribution, including advanced mobile applications and internet banking. The bank's loan book totalled almost EUR 263 billion at year-end 2016, including EUR 147 billion in mortgage loans. Assets invested amounted to over EUR 152 billion, including more than EUR 8 billion that meets the strictest sustainability requirements (see the figure below). In 2016, the bank's operating income amounted to EUR 8,588 million, 80% of which was generated in the Netherlands. Retail Banking clients contributed 46%, Corporate Banking clients 37% and Private Banking clients 15%. For more information, see www.abnamro.com.

Financing - in billions



- Residential mortgages
- Consumer loans
- Commercial loans
- Loans to banks
- Other loans

Investments - in billions



- Sustainable assets under administration
- Other assets under administration

* ESG screening takes place for all these investments.