

<b>UN</b> environment programme		<b>finance initiative</b>
Principles for Responsible Banking		



Principles for Responsible Banking

# Reporting and Self-Assessment ABN AMRO

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## 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. De MyExpenes startpagina.

## Business model

**Describe (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 across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.**

### Response

ABN AMRO is one of the leading banks in the Netherlands. We provide banking services to retail, private and business clients. We have 20,000 employees. We serve clients where we have scale in the Netherlands and Northwest Europe, providing a range of products and services including loans, mortgages, payments, financial advice and asset management. We serve approximately 5.2 million retail clients, 100,000 private banking clients, 350,000 small and medium-sized businesses and 8,500 medium-sized and large corporate clients and financial institutions.

### Links and references

[2022 Integrated Annual Report](#),

Our bank, page 7-9

## Strategy alignment

**Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?**

Yes

No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

**Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?**

- UN Guiding Principles on Business and Human Rights
- International Labour Organization fundamental conventions
- UN Global Compact
- UN Declaration on the Rights of Indigenous Peoples
- Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: NFRD
- Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: NFRD
- None of the above

**Response**

Our purpose – Banking for better, for generations to come – guides us through change, is the basis for how we shape and deliver on our strategy, and encourages high performance and engagement from our employees. Our strategy has three strategic pillars: customer experience, sustainability and future-proof bank. These are our guiding principles in acting on our purpose. Sustainability has been a core element of our strategy since 2018 and is core to our purpose. Our goal is to help clients transition to more sustainable business models. We are focused on the wider sustainability shift: our efforts are designed to help mitigate climate change, accelerate circular business practices and create positive social impact. We also strive to lead by example, reducing our carbon emissions, strengthening our approach to human rights, increasing our positive social impact and also improving gender diversity of our staff – particularly among those at the ‘sub-top’ immediately below the most senior management levels. In creating value for our stakeholders, our aim is also to contribute to the UN Sustainable Development Goals. During 2022, we developed a bank-wide approach to achieve our net zero ambitions and mitigate the transition risks associated with climate change. We aim to support our clients in decarbonising their business models and footprint through continuous engagement, offering advice and financing solutions. We have formalised our climate commitment by joining the Net-Zero Banking Alliance, becoming part of a global group of banks committed to aligning their lending and investment portfolios with net zero emissions by 2050. We have begun to set intermediate carbon reduction targets for several portfolios and for our own operations and have a roadmap for further target setting. As regulation, technological developments and methodology progress in the coming years, we will update our targets and further develop our plans on a regular basis.

**Links and references**

[2022 Integrated Annual Report](#), Strategy and value creation, page 18 - 19

SDGs: [2022 Integrated Annual Report](#), Supporting the UN Sustainable Development Goals (SDGs), page 28

Climate Strategy: [ABN AMRO 2022 Climate Strategy Targets.pdf](#)  
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## 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.

### 2.1 Impact Analysis (Key Step 1)

**Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting.**

The impact analysis shall be updated regularly<sup>1</sup> and fulfil the following requirements/elements (a-d)<sup>2</sup>:

- a) **Scope: What is the scope of your bank's impact analysis?** Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

<sup>1</sup> That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

<sup>2</sup> Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

## Response

ABN AMRO uses The IIRC methodology to create an overview of our Impacts. They are called

Value-Creating Topics (ESG materiality assessment)

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.

Our 2020 assessment identified nine strategic differentiators, linked to our three strategic pillars. In addition to these strategic differentiators, we also identified 27 fundamental value creators, which we consider important for protecting our license to operate. These fundamental value creators are not directly linked to our strategic KPIs.

In 2021 a pulse check was conducted to identify emerging topics and validate the 2020 results. This has not led to an adjusted materiality matrix.

Our 2020 assessment comprised of four distinct steps:

1. We define an initial long list of topics, based on a comprehensive review of media and trend reports, peer disclosures, current reporting requirements and the bank's Risk Event register.
2. By using this long list:
  - we cover the geographies ABN AMRO is present (with North west Europe as our main strategic focus),
  - we have a coverage of our main activities/sectors.
3. The long list is reduced to a short list, which is then submitted to stakeholders, the bank's Extended Leadership Team and other senior management for prioritisation.
4. From the results, we identify our strategic differentiators and fundamental value creators.
5. Based on the materiality matrix results, an assessment was conducted by Group Strategy & Sustainability and our Strategy Execution Team to define which topics were strategically differentiating to ABN AMRO based on our corporate strategy, strategic pillars and KPIs. The materiality matrix including the classification of strategic differentiators and the KPIs were subsequently validated by the Executive Board.

Our climate strategy, launched in 2022, is an action plan designed to achieve our goal of bringing our portfolios into line with the scenario of limiting global warming to 1.5°C and supporting the transition to a net zero economy by 2050. We have set intermediate targets for 2030 for five sectors: oil and gas, power generation, shipping, commercial real estate and residential mortgages (the largest asset class in our books).

We have also set a carbon reduction ambition for our client assets portfolio and aim to achieve carbon neutrality in our own operations in 2030. We have formalised our climate commitment by joining the Net-Zero Banking Alliance, becoming part of a global group of banks committed to aligning their lending and investment portfolios with net zero emissions by 2050.

The choice of sectors for the first wave of target setting was based on a climate risk heatmap exercise performed in 2021, which took into

## Links and references

[Integrated Annual Report 2022.pdf](#)

Value creating topics:  
Page 20 IAR

Methodology value creating topics:  
Page 339 - 342 IAR

[Integrated Annual Report 2022.pdf](#)

Our strategic pillars:  
Page 19

IAR page 10 and 11, methodology value creating topics:  
Page 339 - 342 IAR

Social impacts:  
Page 37 IAR

[ABN AMRO 2022 Climate Strategy](#)

[Targets.pdf](#)

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consideration the size of the portfolios and their carbon intensity, and availability of methodologies and data.

b) **Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis?** Please provide proportional composition of your portfolio globally and per geographical scope

i) by sectors & industries<sup>3</sup> for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or

ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

### Response

By using the IIRC methodology with different points of view we aim to create an overview of the most relevant Impacts. In this methodology we define an initial long list of topics, based on a comprehensive review of media and trend reports, peer disclosures, current reporting requirements and the bank's Risk Event register.

By using this long list:

- we cover the geographies ABN AMRO is present (with North west Europe as our main strategic focus),
- we have a coverage of our main activities and sectors.

Our climate strategy, launched in 2022, is an action plan designed to achieve our goal of bringing our portfolios into line with the scenario of limiting global warming to 1.5°C and supporting the transition to a net zero economy by 2050.

We also made scope decisions based on our climate strategy.

As climate change is a major impact of our loan portfolio we determined where the impact of climate change in our assets is by looking at the scope. This resulted in intermediate targets for 2030 for five sectors: oil and gas, power generation, shipping, commercial real estate and residential mortgages (the largest asset class in our books). We have also set a carbon reduction ambition for our client assets portfolio and aim to achieve carbon neutrality in our own operations in 2030. We have formalised our climate commitment by joining the Net-Zero Banking Alliance, becoming part of a global group of banks committed to aligning their lending and investment portfolios with net-zero emissions by 2050.

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### Links and references

[Integrated Annual Report 2022.pdf](#)

Page 9, 340 IAR

[ABN AMRO 2022 Climate Strategy](#)

[Targets.pdf](#)

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<sup>3</sup> 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

- c) **Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?**<sup>4</sup> Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

### Response

In the operating environment of ABN AMRO climate change, regulatory change and changing societal attitudes are relevant topics.

#### Climate change

According to the UN Environment Programme (UNEP), we are currently on course for global warming of +2.8°C, above the +1.5°C target set out in the 2015 Paris Climate Agreement. Therefore, climate change remains a priority for ABN AMRO, both in managing climate risk in our own business and in supporting our clients' transition to new, low-carbon business models.

#### Regulatory change

EU regulators have also introduced new rules on sustainable finance – these include the Sustainable Finance Disclosure Regulation (SFDR), which applies to asset managers and investment advisers, and the planned Corporate Sustainability Reporting Directive (CSRD), due to come into effect from 2024.

As of 2025, the CSRD will require all large companies to report more on their social and environmental performance, an important step in increasing funding for more sustainable businesses.

#### Changing societal attitudes

Societal attitudes continue to change, and we are seeing a greater emphasis on diversity, inclusion and fairness following the pandemic. At the same time, attitudes in the workplace are changing. The increase in at-home working since Covid-19 has highlighted the importance of well-being, with renewed pressure on employers to support mental health.

### Links and references

[Integrated Annual Report 2022.pdf](#)

Page 9, 10, 11

Full details of regulatory developments in 2022: IAR: page 349

**Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)**<sup>5</sup>? Please disclose.

<sup>4</sup> Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

<sup>5</sup> To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.



As can be seen in previous paragraphs In our Value-Creating Topics (ESG materiality assessment), we defined value creating topics for targeting the most strategic topics our Stakeholders and our board have prioritised. One of the strategic differentiators was responsible investment and financing.

Related to this strategic differentiator topic is the KPI of the SAS volume which is used in our annual report. Besides climate, this responsible investment and financing also includes social impacts like human rights and gender and cultural diversity as described in in our annual report.

In relation to the outcome of our materiality assessment and the value creating topic: responsible investment and financing, and in line with our strategy and the Signing of the Dutch Financial Sector Climate Commitment, we formulated a climate strategy and targets. Climate is a major Impact and related to the climate KPI referred to in this report.

Climate change is one of the biggest challenges of our time and ABN AMRO is committed to making a difference.

In our climate strategy, the choice of sectors for the first wave of target setting was based on a climate risk heatmap exercise performed in 2021, which took into consideration the size of the portfolios and their carbon intensity, and availability of methodologies and data.

In line with our purpose, 'Banking for better, for generations to come', we aim to make a positive impact, working together with our clients to tackle the challenges of our times. Sustainability has been core to our strategy since 2018 and is part of the regular dialogue we have with our clients.

## Links and references

[Integrated Annual Report 2022.pdf](#)

Value creating topics:  
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[ABN AMRO 2022 Climate Strategy](#)

[Targets.pdf](#)

- d) For these (min. two prioritized impact areas): **Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts?** Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

## Response

Sustainability has been a core element of our strategy since 2018 and is core to our purpose. Our goal is to help clients transition to more sustainable business models. To support our objectives, we defined responsible investment and financing as a strategic differentiator in our value creating topics process. For measuring the progress we set clear sustainability acceleration targets. We aim to increase the asset volume of sustainable client loans (including mortgages and corporate loans) and ESG and impact investments, as part of the bank's outstanding mortgage loan book, corporate loan book and relevant client asset volume from 27% in 2021 to 36% in 2024. We are making good progress, with a score of 31% as of 31 December 2022.

For ESG+ Impact investments we aim for 42% (2024). Current score is already 46% (2022). Score in 2021 was 38%.

For residential mortgages we aim for 34% (2024). Current score is 28% (2022). Score in 2021 was 25%.

For corporate loans to clients we aim for 27% (2024). Current score is 19% (2022). Score in 2021 was 14%.

In our Climate strategy and targets publication we define targets for the main sectors. The NZBA framework for climate target setting and actions provides us with an internationally recognised and science-based guidance to steer our decarbonisation efforts. A key component of our climate strategy is to align our activities with a net-zero trajectory. We have begun to set intermediate carbon reduction targets for several portfolios and for our own operations and have a roadmap for further target setting. As regulation, technological developments and methodology progress in the coming years, we will update our targets and further develop our plans on a regular basis.

## Links and references

Sust. Acceleration targets  
Page 20 & 33 IAR

[ABN AMRO 2022 Climate Strategy](#)

[Targets.pdf](#)  
Page 5 & 7

## Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?<sup>6</sup>

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

*Other:*

*Our strategic differentiator responsible investment and financing measured through our Sustainability acceleration targets as mentioned in our annual report.*

*Our Climate Strategy & Targets as defined in our Climate strategy report.*

**How recent is the data used for and disclosed in the impact analysis?**

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: IAR, Impact report and Human rights report *Based on 2022 figures. These start 1<sup>st</sup>. jan 2022 to 31 dec. 2022.*

<sup>6</sup> You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

## 2.2 Target Setting (Key Step 2)

**Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.**

The targets<sup>7</sup> have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

- a) **Alignment:** which international, regional or national policy frameworks to align your bank's portfolio with<sup>8</sup> have you identified as relevant? Show that the selected indicators and 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. You can build upon the context items under 2.1.

In our Annual Integrated report we report on responsible investment and financing through our sustainability acceleration targets.

We further align with this indicator with SDG 12 by providing financing to companies adopting more sustainable business models.

In our climate strategy we define targets for the main sectors.

We are working to align with Paris 2015. We published a Climate strategy, which is a relevant step in this alignment. We have joined the Net Zero Banking Alliance (NZBA) in 2022. In the shipping sector we have taken the trajectory set by the Poseidon principles as our benchmark scenario.

ABN AMRO is using regulatory and supervisory guidance, such as the Taskforce on Climate-related Financial Disclosures (TCFD) framework of the Financial Stability Board and the ECB Guide on climate-related and environmental risks.

### Links and references

[Integrated Annual Report 2022.pdf](#)

Page 21 Sust. Targets  
Page 28 SDGs

[ABN AMRO 2022 Climate Strategy](#)

[Targets.pdf](#)

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Page 2, 26 NZBA  
Page 9, 37 Paris 2015 alignment  
Page 12 Poseidon principles

- b) **Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment?** Please disclose the indicators used as well as the year of the baseline.

*You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.*

<sup>7</sup> Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

<sup>8</sup> Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

*A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.*

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
<b>Climate change mitigation</b>	...	
	...	
	...	

Impact area	Indicator code	Response
<b>Financial health &amp; inclusion</b>	...	
	...	
	...	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

We have identified other indicators.

In our Annual Integrated report we report on our sustainability acceleration targets (percentage sustainability (acceleration) asset volume – 2022: 31%, 2021: 27%). We show them in relation to baseline and previous years, which indicates the progress made.

In our Climate strategy and targets publication we define baselines for these sectors.

- CO2 reduction in our residential mortgages portfolio (gross carrying amount 145.5 EUR billion). With a baseline (2021) of 27.6 (kg CO2/m2),
- CO2 reduction in our commercial Real Estate portfolio (gross carrying amount 12.9 EUR billion). With a baseline (2021) of 66.7 (kg CO2/m2),
- Power Generation portfolio (gross carrying amount 0.8 EUR billion). With a baseline (2021) 17.6 (Convergence target (kgCO2/MWh).
- Oil and Gas portfolio (gross carrying amount 0.5 EUR billion). This measured through absolute committed financing. Baseline (2021) is 1.3 billion.
- Our shipping portfolio (gross carrying amount 4.6 EUR billion), measured through alignment delta (%) based on AER in gCO2/DWT, nautical miles) and with a baseline of 2.6% (2021)

#### Links and references

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Page 21 Sust. Targets

[ABN AMRO 2022 Climate Strategy Targets.pdf](#)  
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As this strategy is published in December 2022, no information is yet published on the progress made.

c) **SMART targets** (incl. key performance indicators (KPIs)<sup>9</sup>): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). **Which KPIs are you using to monitor progress towards reaching the target?** Please disclose.

## Response

In our Annual Integrated report we report on sustainability SMART targets. We aim to increase the asset volume of sustainable client loans (including mortgages and corporate loans) and ESG and impact investments in 2024 to:

- ESG + impact investments: 42%
- Residential mortgages: 34%
- Corporate loans to clients: 27%

In our Climate strategy and targets publication we show SMART targets for the main sectors. We aim for

- a CO2 reduction of 34% in our residential mortgages portfolio in 2030. With a baseline (2021) of 27.6 (kg CO2/m2), and a interim target (2030) of 18.3 (kg CO2/m2).
- a CO2 reduction of 46% in our commercial Real Estate portfolio in 2030. With a baseline (2021) of 66.7 (kg CO2/m2), and a interim target (2030) of 35.7 (kg CO2/m2).
- an interim target (2030) of less than 188 kg CO2/MWh for our Power Generation portfolio.
- an interim target (2030) of -22% for our Oil and Gas portfolio. This measured through absolute committed financing. Baseline (2021) is 1.3 EUR billion, target (2030) is 1.0 EUR billion.
- an interim target (2030) for our shipping portfolio to be fully aligned with IMO 4 Trajectory – Implied intensity target: -5.2 gCO2/DWT nm (-24%). measured through alignment delta (%) based on AER in gCO2/DWT, nautical miles) and with a baseline of 2.6% (2021).

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Acceleration targets

[ABN AMRO 2022 Climate Strategy](#)

[Targets.pdf](#)

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d) **Action plan:** which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

<sup>9</sup> Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

## Response

In our Annual Integrated report we show the actions of the role we want to play in helping build a more sustainable society.

To support our objectives, we set clear sustainability acceleration targets. We want more of our loans, proportionally, to go to businesses that meet our sustainability standards and more of our Wealth Management clients to choose ESG funds and strategies. With more focus on sustainability across the economy, we are seeing continued demand from businesses and individual investors.

In Corporate Banking, we are mobilising capital to support the sustainability transition through products such as Groenbank loans, sustainability-linked loans and bonds. Our teams are working closely with clients to address relevant sector topics.

In Wealth Management, we have a dedicated ESG & sustainability investment team to support clients. ESG investment is the default option across our wealth management business.

In our Climate strategy and targets publication we show an action plan targeting the main sectors.

This is done through:

- aligning our portfolio and operations with a net zero trajectory
- engaging with clients to support them in their low carbon transition
- improving and scaling our offering of solutions across capital, expertise and partnerships
- enhance our climate governance and risk management practices.

## Links and references

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[ABN AMRO 2022 Climate Strategy](#)

[Targets.pdf](#)

Page 21 Climate strategy & targets

## Self-assessment summary:

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...Scope:

	... first area of most significant impact: ... <i>(Climate change, measured through various indicators)</i>	... second area of most significant impact: ... <i>(Other Impacts: through SAS KPI)</i>	<i>(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)</i>
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

Baseline	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Yes
	<input type="checkbox"/> In progress	<input type="checkbox"/> In progress	<input type="checkbox"/> In progress
	<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Yes
	<input type="checkbox"/> In progress	<input type="checkbox"/> In progress	<input type="checkbox"/> In progress
	<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No
Action plan	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
	<input checked="" type="checkbox"/> In progress	<input checked="" type="checkbox"/> In progress	<input type="checkbox"/> In progress
	<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No

## 2.3 Target implementation and monitoring (Key Step 2)

### For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

**Or, in case of changes to implementation plans (relevant for 2<sup>nd</sup> and subsequent reports only):** describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

### Response

In our previous UNEP FI PRB progress report we mentioned the KPI targets of Sustainability Acceleration Volume,

We aim to increase the asset volume of sustainable client loans (including mortgages and corporate loans) and ESG and impact investments as part of the bank's outstanding mortgage loan book, corporate loan book and relevant client asset volume from around one-fifth to over one-third in 2024. We are making good progress, with a score of 31% at the year-end, this compared to 27 % in 2021. This included increases in all three (sub)indicators, which are ESG+ Impact investments: from 38 to 46%, residential mortgages (from 25 to 28%, and corporate loans to clients: from 14 to 19%. The overall target for sustainability (acceleration) asset volume is calculated as the sum of sustainability (acceleration) asset volume (mortgages and corporate loans) and sustainability (acceleration) client asset volume, divided by the sum of

### Links and references

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the outstanding mortgage loan book, corporate loan book and relevant client asset volume.

Further details of progress made against our sustainability pillar can be found in our annual report.

### **Climate strategy**

We came in 2022 with a specific Climate strategy which specifically defines (new) targets and actions. This specific climate strategy came about as a result of ABN AMRO signing the Dutch Climate agreement, Action plans are currently in progress or under development considering the Climate strategy came out in December 2022.

[ABN AMRO 20  
22 Climate Strategy  
Targets.pdf](#)

## 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. 2.1 Impact Analysis (Key Step 1)

### 3.1 Client engagement

**Does your bank have a policy or engagement process with clients and customers<sup>10</sup> in place to encourage sustainable practices?**

Yes       In progress       No

**Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?**

Yes       In progress       No

**Describe 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<sup>11</sup>. It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.**

*This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).*

#### Response

One of the pillars of our strategy focuses on 'supporting our clients' transition to sustainability'. Promoting responsible relationships has therefore 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 proactively include sustainability in their contacts with clients.

In our roles as lender and investor, we may be exposed to environmental, social and governance (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.

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

#### Links and references

[2022 Integrated Annual Report](#), Sustainability, p. 33-38

[2022 Non-financial Data & Engagement Factsheet](#), Engagement Overview, tab 4b

[Sustainability policy](#)

<sup>10</sup> A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

<sup>11</sup> Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

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, as part of the Sustainability Risk Management Framework. In 2022, we formally engaged with 16 lending clients. In January 2021 we formed a partnership with EOS at Federated Hermes to significantly scale up our engagement with companies our clients invest in. This resulted in 747 corporate engagements in 2022.

## 3.2 Business opportunities

**Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period.** Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

### Response

We will look to capitalise on opportunities by providing access to capital, expertise and partnerships, our key tools for change as a bank. Our three main focus areas in sustainability are climate change, the circular economy and social impact.

In Corporate Banking, we are mobilising capital to support the sustainability transition through products such as Groenbank loans, sustainability-linked loans and bonds. Our teams are working closely with clients to address relevant sector topics such as upcoming disclosure requirements and climate change related risks and opportunities. At the same time, we are helping clients through initiatives such as Impact Nation, designed to support our clients with their key sustainability challenges. We are also working through the Poseidon Principles to decarbonise international shipping. We have a program in place to facilitate corporate real estate clients making their assets more sustainable and we are providing advice to clients on possible government support and subsidies. Since 2019, we have provided financing for nearly 190 circular deals that re-use waste materials, reducing pressure on often scarce natural resources. In total, we have committed over EUR 1.7 billion to circular economy deals, putting us on course to meet our EUR 3.5 billion target by 2024. In 2022, we agreed additional financing for a total of EUR 361 million, which is the same amount as in the previous year.

In Wealth Management, we have a dedicated ESG & sustainability investment team to support clients. ESG investment is the default option across our wealth management business. As part of the bank's climate strategy, we will be working with clients to set ambitions for their investments, based on carbon intensity.

In Personal & Business Banking, we are working directly with mortgage clients to improve the energy efficiency of their homes. The Mortgage Advice

### Links and references

[2022 Integrated Annual Report](#), Sustainability, page 33 - 38

Policy stipulates that every advisor is required to discuss additional financing options for sustainability improvements at every mortgage consultation and list the options customers have for making their properties more sustainable. This subject is also included in the mortgage advice report. We use the Energy Saving Check to provide insight into energy-saving measures. We have also made it easier for residential buy-to-let projects if properties have an A or B energy efficiency label. We have stepped up training among bank staff and intermediaries to support better client engagement.

We aim to increase the asset volume of sustainable client loans (including mortgages and corporate loans) and ESG and impact investments as part of the bank's outstanding mortgage loan book, corporate loan book and relevant client asset volume from around one-fifth to over one-third in 2024. We are making good progress, with a score of 31% at the end of 2022.

## Principle 4: Stakeholders



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

### 4.1 Stakeholder identification and consultation

**Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups<sup>12</sup>) you have identified as relevant in relation to the impact analysis and target setting process?**

Yes       In progress       No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

#### Response

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 our stakeholder [webpage](#) to learn more about our stakeholder management regarding sustainability topics central to our strategy.

#### Materiality

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 Note on value creation in our 2022 Integrated Annual Report explains the process and which stakeholders we have consulted.

#### Human Rights Salience determination

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. In 2022 we have carried out a 'salience pulse check' to check whether our salient issues have changed. An explanation of the changes to our salient issues is provided in the 2022 Human Rights Report.

#### Links and references

Overall stakeholder approach:  
[Stakeholder webpage abnamro.com](#)

[2022 Integrated Annual Report](#),  
Note on value creation,  
page 340 - 342

[2020 Salient Human Rights Issues](#)

[2022 Human Rights Report](#),  
Carrying out the pulse check, page 22 - 24

[2022 Non-financial Data & Engagement Factsheet](#),

<sup>12</sup> Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

### Human rights in particular

The Sustainability Centre of Excellence department is in charge of managing our human rights programme. This entails participating in external forums such as Shift's Business Learning Program, as well as in many other working groups, forums and conferences. In addition to our numerous bilateral stakeholder engagements, we regularly convene larger sessions to obtain feedback on draft statements, our governance structure and reporting efforts.

### Engagement and leverage

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 2022 is provided in our 2022 Non-financial Data and Engagement Factsheet.

### Climate and Biodiversity

ABN AMRO interacts with several stakeholders to streamline its approach to the transition to a low-carbon economy; ABN AMRO participates in the Partnership for Carbon Accounting Financials (PCAF) steering committees and several working groups and Partnership for Biodiversity Accounting Financials (PBAF). PCAF aims 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 better align their portfolios with climate scenarios.

## Principle 5: Governance & Culture



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

### 5.1 Governance Structure for Implementation of the Principles

**Does your bank have a governance system in place that incorporates the PRB?**

Yes       In progress       No

Please describe 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 the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

#### Response

Together, the Executive and Supervisory Boards are responsible for ABN AMRO's long-term value creation:

Both boards are expected to take into account the long-term viability of the bank's strategy when making decisions.

In developing the strategy, the Executive Board takes a view on long-term value creation (taking into account relevant stakeholder interests).

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.

The governance on targets and performance follows the regular ABN AMRO processes related to the governance of the bank with regards to implementation of the bank's strategy.

#### Sustainability governance

Strong governance is essential to the success of our approach to sustainability. We want to ensure that all decision-making within the bank takes into account our sustainability objectives. In 2022, we established a

#### References:

[2022 Integrated Annual Report](#),  
Page 33 IAR

Sustainability Centre of Excellence and a Group Sustainability Committee to oversee implementation of our sustainability strategy.

Good corporate governance is critical for us to realise our strategic ambition of being a trusted and professional partner for all our stakeholders: our clients, shareholders, investors, employees and society at large. In 2022, we addressed the question of how we can incorporate sustainability even more into our corporate governance. In doing so, we took into account our societal impact, environmental impact and organisational culture, all in equal measure. Societal impact refers to how society is impacted by the bank and the ABN AMRO group as a whole, including our influence on all our stakeholders. Environmental impact refers to our geophysical environment and footprint. Organisational culture refers to our relationships within the ABN AMRO group, including our board members, managers, internal stakeholders and all of our employees.

ABN AMRO publishes this Management Control Statement to demonstrate its accountability for Risk Management and Culture, as stipulated in Principles 1.4 and 2.5 of the Dutch Corporate Governance Code

Most recently, the Executive Board established the Group Sustainability Committee to assist and support the Executive Board in the performance of its duties regarding matters relating to ESG oversight and strategy for the entire Group and its functions and client units, in particular (but not limited to) ESG opportunities, long-term, medium-term and short-term strategy, value creation, targets, KPIs, commitments, support for the stakeholder dialogue on ESG and due diligence obligations with respect to the Group's own operations and value chains. This involves preparing decision-making by the Executive Board, taking decisions on these topics within its mandate and maintaining oversight over ESG commitments.

The Executive Board is accountable for establishing an effective sustainability risk management framework in the bank and for setting, approving and overseeing the bank's strategy, including the sustainability pillar.

The Executive Board has delegated management of sustainability risk, including CER, to the Group Risk Committee. This means that the committee maintains oversight on sustainability risk through the enterprise risk management report (containing the status of adherence to the bank's Risk Appetite Statement) and is responsible for approval of sustainability risk issues. In 2022, the GRC discussed and approved the development of the climate plan, which was published in December 2022, in response to the increasing climate transition risk and in line with the sustainability pillar in the bank's strategy.

A dedicated Sustainability Risk team within the Central Risk Management department is responsible for the sustainability risk management framework and acts as the second line of defence. Central Risk Management also monitors the implementation of the sustainable finance regulations throughout the bank.

Besides the Executive Board and the Group Risk Committee, various other committees are increasingly involved in the management of sustainability risk:

Page 179 IAR

Statement:  
Page 155 IAR

Committees:  
Page 184 IAR

Risk appetite  
framework:  
Page 65 IAR

Oversight:  
Page 67

Policy framework:  
Page 139 - 140 IAR

Risk governance:  
Page 140 IAR

Risk management  
framework  
Page 141 IAR

CER materiality:  
Page 142 - 148 IAR



Business Risk Committees (BRC) for oversight on sustainability risk within the specific business lines and approval of business line-specific sustainability risk issues (e.g. scenario analysis);

Engagement Advisory Committee (EAC) for oversight on client engagement; Å Group Sustainability Committee (GSC) for internal advice on sustainability matters affecting the bank and the business environment;

Scenario Analysis and Stress-test Committee (SSC) for oversight on climate-related and environmental risks scenario analyses and stress testing;

Central Credit Committee (CCC) for oversight on the application of the sustainability risk policy framework in credit decisions.

The Rules of Procedure of the Executive Board are available on abnamro.com. These Rules of Procedure were last updated in 2022 to include reference to the newly established Group Sustainability Committee.

### **Ethics Committee**

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.

### **Remuneration**

Our remuneration principles and policies show a balanced approach, taking our three strategic pillars into account, (Customer experience, Sustainability, Future proof bank).

This includes sustainability KPI setting (DJSI).

Our performance management aims to create a clear link between performance (realistic, sustainable results) and reward in a way that ensures that any award of fixed and variable remuneration is aligned with both the employee's and the bank's performance. The KPIs used are financial and non-financial, as well as qualitative and quantitative.

### **Bonus prohibition**

As long as the Dutch State holds an interest in ABN AMRO, the bonus prohibition is applicable to a specific group of senior staff, as defined in the Wbfo legislation; in other words, the Executive Board (also of subsidiaries in our group with a Dutch banking licence) and a specific group of senior staff. Due to the bonus prohibition, the Executive Board and a specific group of senior staff are also not entitled to variable remuneration or individual salary increases. The salary increases applying to this group are those provided for in the CLA for the banking sector

The Supervisory Board discusses, monitors and constructively challenges the Executive Board with respect to the group's strategy, including the long-term value creation strategy, and the values that contribute to a culture focused on long-term value creation.

Remuneration  
Page 211 IAR

KPI setting  
Page 212 IAR

Page 214 IAR

Bonus prohibition  
Page 213 IAR

Page 226 - 227 IAR

## 5.2 Promoting a culture of responsible banking

**Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).**

ABN AMRO has a wide variety of initiatives to stimulate a culture of responsible banking, for instance through training, incentives and awareness: In terms of training and education, among others: E-learning module (Sharp!) on non-financial risks, Permanent Education Programme for senior management and the Executive Board, twice a year ABN AMRO organises a Learning Week for employees on a wide range of topics, with a focus on the three strategic pillars. In 2019, the bank set up the Circl Academy to act as a new sustainability 'training ground' for employees.

### Non-monetary incentives

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.

### Awareness

ABN AMRO publishes a Sustainable Banking Newsletter every quarter, presenting inspiring stories, examples and dilemmas on the progress on the three sustainability focus areas of the bank. Additionally, a couple of times a year, internal knowledge sessions are organised, focusing on inspiring employees and creating awareness about the bank's three sustainability focus areas.

### Strategic pillar II

Sustainability has been a core element of our strategy since 2018 and is core to our purpose.

### Ethics & Integrity

Set up speak up culture

### Client tax integrity

Training personnel

### Risk culture

Culture change plan

By virtue of Principle 2.5 (Culture) of the Code, the Executive Board is responsible for promoting a culture aimed at creating long-term value for the company and its affiliated enterprises.

### Culture and long-term value creation

### Links and references

Sust. Banking newsletter;  
[sustainable-banking-newsletter](#)

Pillar II: Page 19 IAR

Speak up  
Page 42 IAR

Tax integrity  
Page 43 IAR

Page 65 IAR

Page 155 IAR

People and culture  
Page 158 IAR

Page 227 IAR

## 5.3 Policies and due diligence processes

**Does your bank have policies in place that address environmental and social risks within your portfolio?<sup>13</sup> Does your bank have policies in place that address environmental and social risks within your portfolio?** Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

### Response

As a bank, we have a responsibility to do business while respecting international human rights – we believe respecting human rights is key to living our purpose. To support our work in this area, we have a detailed Human Rights Statement, which sets out our commitments. Consideration for human rights is also integrated into our Sustainability Risk Framework.

In 2022, ABN AMRO recognised sustainability risk as a standalone risk type and defined it in the broader context of Environmental, Social and Governance-related risks factors.

### Credit risk management approach

#### CASY NextGen

CASY NextGen is a client assessment tool for assessing the ESG performance of companies that the bank finances. The tool collects relevant data to help safeguard the bank against sustainability and reputational risks, and provides a basis for having strategic discussions on sustainability with clients.

#### Credit Risk Sustainability

Credit Risk Sustainability, as the second line of defence, conducts client-level due diligence and oversees engagement both for lending and non-lending clients. Clients with a high sustainability risk level require an additional second-line advice from Credit Risk Sustainability, which validates the first-line assessments conducted through CASY NextGen and assesses clients against the bank's sustainability risk framework.

Sustainability risk is defined in the risk taxonomy as the risk that Environmental, Social or Governance-related (ESG) factors will have a financial or reputational impact on ABN AMRO, either directly or via other risk types.

### Links and references

Page 37 IAR

Page 64 IAR

Page 70 IAR

Page 71 IAR

Page 71 IAR

<sup>13</sup> Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

Sustainability risk management is a fundamental part of safeguarding a moderate risk profile and supporting ABN AMRO's strategic objectives. ESG factors relate to, but are not limited to the following:

**Environmental:** climate change, biodiversity loss, natural resources depletion and pollution. Climate-related and environmental risks (CER) can refer to both transition and physical risk and to so-called inside-out risks or outside-in risks.

**Social:** substandard working conditions, forced labor and child labour, human trafficking, indigenous peoples' rights, privacy, animal welfare and public health.

**Governance:** corporate governance (e.g. remuneration, diversity and balancing the interests of stakeholders), corporate behaviour (e.g. corruption and bribery) and ethical business conduct.

### Sustainability risk policy framework

ABN AMRO has in place a sustainability risk policy framework, which is an integral part of the bank's risk management framework. It ensures that sustainability risk is properly identified, measured, managed, mitigated, monitored and reported on in line with the bank's risk appetite and in support of the bank's strategic objectives. These processes are supported by exclusions, statements and standards that underpin the way the bank executes its sustainability risk management.

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## Self-assessment summary

**Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?**

Yes  No

**Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?**

Yes  No

**Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?**

Yes  In progress  No

## 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.

### 6.1 Assurance

**Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?**

Yes       Partially       No

If applicable, please include the link or description of the assurance statement.

All items that relate to the three [Key Steps](#) have limited assurance undertaken by an independent third party with relevant expertise in the field. These are:

- 2.1 Impact Analysis
- 2.2 Target Setting
- 2.3 Target Implementation and Monitoring
- 5.1 Governance Structure for Implementation of the Principles

Links and references

Op te nemen assurance verklaring EY

### 6.2 Reporting on other frameworks

**Does your bank disclose sustainability information in any of the listed below standards and frameworks?**

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other: Integrated reporting framework , IFRS, NFRD

## Response

List of IR, IFRS, NFRD.

ABN AMRO reports on / is rated by different rating agencies.  
For a full overview (including CDP) see link:

### Approach to reporting:

The bank applies its own reporting principles for the mentioned KPI's:

### SAS KPI:

The definition of sustainability (acceleration) asset volume is based on ABN AMRO's Sustainability Acceleration Standards. These standards contain clear definitions with regard to clients' sustainability policies, practice and governance. The overall target for sustainability (acceleration) asset volume is calculated as the sum of sustainability (acceleration) asset volume (mortgages and corporate loans) and sustainability (acceleration) client asset volume, divided by the sum of the outstanding mortgage loan book, corporate loan book and relevant client asset volume.

### For the Climate strategy indicators:

We have outlined a generic framework consisting of eight criteria, which we used to develop sector-specific methodologies and targets.

These eight criteria are:

Financing scope, Which financial products to include in the target setting scope for each sector, and which financing amount to be covered (e.g., drawn/committed).

Activity and emissions scope: Which part of the value chain to include in the target setting scope (e.g., upstream) and which GHG emissions to include in scope (e.g., Scope 1, Scope 2, Scope 3).

Metrics: Which metrics to use to set targets on (e.g., absolute financing, physical emission intensity).

Baseline year: Which year to use as baseline for the calculation of each target (e.g., 2021, 2022).

Interim target year: Which year to set a target for (e.g., 2025, 2030).

Decarbonisation scenario: Which sector-specific decarbonisation scenario to choose each sector to be benchmarked for target setting (e.g., IEA NZE, CRREM, IMO).

Data: Which data to use to track and steer the portfolio and where to source the data needed (e.g., third-party data provider, public disclosures).

Calculation methodology: What calculation method to use to calculate baseline emissions and our targets (e.g., PCAF, Institutional Shareholder Services' framework).

## Links and references

[2022 Integrated Annual Report](#),  
Page 1 IAR

[abn-amro esg-scores](#)

[ABN AMRO 2022 Climate Strategy Targets.pdf](#)

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## 6.3 Outlook

**What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis<sup>14</sup>, target setting<sup>15</sup> and governance structure for implementing the PRB)? Please describe briefly.**

### Response

Considering the new upcoming EU legislation (CSRD, ESRS) and related actions, We will take the first steps implementing this legislation. This EU legislation will include Impact analysis, target setting and governance structure.

#### **Our 2022 assessment for future steering as from 2023**

We conducted our latest assessment in 2022 in order to align the bank's steering on these topics in 2023 with our strategy. This assessment used a double materiality approach (applying both impact materiality & financial materiality) based on the Integrated Reporting Framework approach in combination with own criteria. The own criteria were based on the draft European Sustainability Reporting Standards (ESRS) in preparation of the EU's planned Corporate Sustainability Reporting Directive (CSRD).

### Links and references

[2022 Integrated Annual Report](#),  
Page 340 IAR

## 6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

**What challenges have you prioritized to address when implementing the Principles for Responsible Banking?** Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- |  |   |
|--|---|
| <input type="checkbox"/> Embedding PRB oversight into governance                               | <input type="checkbox"/> Customer engagement    |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank                           | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input type="checkbox"/> Data availability      |
| <input type="checkbox"/> Conducting an impact analysis   | <input type="checkbox"/> Data quality           |
|  | <input type="checkbox"/> Access to resources    |

<sup>14</sup> For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

<sup>15</sup> For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

- Assessing negative environmental and social impacts
- Choosing the right performance measurement methodology/ies
- Setting targets
- Other: ...overlap with other methodologies.
- Reporting
- Assurance
- Prioritizing actions internally



# Limited assurance report of the independent auditor on ABN AMRO Bank N.V.'s selected information in the Principles for Responsible Banking – Reporting and Self-Assessment of ABN AMRO Bank N.V. for the year 2022

To: The executive board and supervisory board of ABN AMRO Bank N.V.

## Our conclusion

We have performed a limited assurance engagement on selected information in the Principles for Responsible Banking – Reporting and Self-Assessment report for the year 2022 of ABN AMRO Bank N.V. at Amsterdam.

Based on our procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected information is not prepared, in all material respects, in accordance with the reporting criteria as included in the Reporting criteria section of our report.

The selected information consists of the following sections of the Principles for Responsible Banking – Reporting and Self-Assessment report:

- 2.1 Impact Analysis
- 2.2 Target Setting
- 2.3 Target Implementation and Monitoring
- 5.1 Governance Structure for Implementation of the Principles

## Basis for our conclusion

We have performed our limited assurance engagement on the selected information in accordance with Dutch law, including Dutch Standard 3000A, "Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)" [Assurance engagements other than audits or reviews of historical financial information (attestation engagements)]. Our responsibilities under this standard are further described in the Our responsibilities for the assurance engagement on the selected information section of our report.

We are independent of ABN AMRO Bank N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch code of ethics).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Reporting criteria

The reporting criteria used for the preparation of the selected information are the UN Principles for Responsible Banking and the applied supplemental reporting criteria. The applied supplemental reporting criteria are custom criteria developed by ABN AMRO Bank N.V. These criteria have been disclosed in Section 6.2 of the Principles for Responsible Banking – Reporting and Self-Assessment.

The absence of an established practice on which to draw, to evaluate and measure the selected information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Consequently, the selected information needs to be read and understood together with the reporting criteria used.

#### Unassured corresponding information

No assurance engagement has been performed on the selected information for the year 2021. Consequently, the corresponding selected information and thereto related disclosures for the period 2021 is not assured.

#### Limitations to the scope of our assurance engagement

Our assurance engagement is restricted to the selected information. We have not performed assurance procedures on any other information as included in the Principles for Responsible Banking – Reporting and Self-Assessment report in light of this engagement.

The selected information includes prospective information such as ambitions, strategy, plans, targets, expectations and estimates. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the selected information.

The references to external sources or websites are not part of our assurance engagement on the selected information. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect of these matters.

#### Responsibilities of the executive board and the supervisory board for the selected information

The executive board is responsible for the preparation of the selected information in accordance with the reporting criteria as included in the Reporting criteria section of our report. The executive board is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting. In this context, the executive board is responsible for the identification of the intended users and the criteria being applicable for their purposes. The choices made by the executive board regarding the scope of the selected information and the reporting policy are summarized in in Section 6.2 of the Principles for Responsible Banking Report.

Furthermore, the executive board is responsible for such internal control as it determines is necessary to enable the preparation of the selected information that is free from material misstatement, whether due to error or fraud.

The supervisory board is responsible for overseeing the reporting process of the selected information of ABN AMRO Bank N.V.

Our responsibilities for the assurance engagement on the selected information

Our responsibility is to plan and perform our limited assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance obtained in a reasonable assurance engagement.

We apply the Nadere voorschriften kwaliteitssystemen (NVKS, Regulations for quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

The procedures of our limited assurance engagement included among others:

- Performing an analysis of the external environment and obtaining an understanding of the sector, insight into relevant sustainability themes and issues, relevant laws and regulations and the characteristics of the company as far as relevant to the selected information
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures on the selected information. This includes the evaluation of the reasonableness of estimates made by the management board
- Obtaining through inquiries a general understanding of internal control, reporting processes and information systems relevant to the preparation of the selected information, without obtaining evidence about implementation or testing the operating effectiveness of controls
- Identifying areas of the selected information with a higher risk of misleading or unbalanced information or material misstatements, whether due to error or fraud. Designing and performing further assurance procedures aimed at determining the plausibility of the selected information responsive to this risk analysis. These further assurance procedures consisted amongst others of:
  - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the selected information
  - Obtaining assurance information that the selected information reconciles with underlying records of the company
  - Reviewing, on a limited test basis, relevant internal and external documentation
  - Performing an analytical review of the data and trends
- Reading the information in the Principles for Responsible Banking – Reporting and Self-Assessment report which is not included in the scope of our assurance engagement to identify material inconsistencies, if any, with the selected information
- Evaluating the overall presentation and content of the selected information

Den Haag, 3 October 2023

Ernst & Young Accountants LLP

signed by R.J. Bleijs