ABN AMRO Bank N.V.

Banking for better

Impact Report 2023

About this report

Welcome to ABN AMRO Bank N.V.'s sixth annual Impact Report.

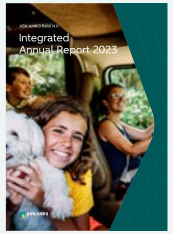
The purpose of this report is to show the impact of ABN AMRO's activities on the bank's main stakeholder groups: clients, employees and investors, as well as on broader society.

The Report is based on results from ABN AMRO's 2023 impact measurement and contains four sections:
- **Results** (which outlines the main results from our 2023 assessment)
- **Analysis** (which provides further analysis in three key areas – mortgages, biodiversity and corporate lending by sector)
- **How we use impact thinking** (which sets out how ABN AMRO uses results from its impact measurement as an input to management decisions)
- **ABN AMRO Impact Statements** (including the bank's Integrated Profit & Loss Statement)

In addition, there is a Note on Methodology, which provides more detail on the methodology used to compile this report. Please note that this report should be read in conjunction with other ABN AMRO publications, including the bank's 2023 Integrated Annual Report, available online at abnamro.com.

The Impact Report and the underlying methodology (including the monetised impact values and the integrated profit and loss statement) should be seen as a publication that helps us to better understand the impact we make as a bank and which could support us in future CSRD compliance. This Impact Report is not intended to meet CSRD requirements that are applicable to the bank (as per 2024 Integrated Annual report), as the goal of the Impact Report is different. The methodology, scope and definitions used in the Impact Report were designed for a different purpose than ESRS compliance and so are not fully aligned with the definitions used in ESRS, more detailed information on the differences can be found on page 38. This Impact Report should therefore be seen as a complementary view on the impact of the bank, next to the Integrated Annual Report, which is our main report for ESRS compliance in the future.

Other ABN AMRO reports



Integrated Annual Report 2023

Note on methodology: As used in the Impact Report 2023

Pillar 3 Report 2023

Abbreviations and definitions of important terms 2023

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Welcome to our 2023 Impact Report

"Because we realise its importance, we have been working hard to embed *impact* throughout our organisation."

This is ABN AMRO's sixth annual Impact Report. Our reporting has grown in importance and sophistication – we have become better at measuring the impact of our activities. Over the past six years, I am proud of what we have been able to achieve.

Understanding impacts is important – first, because it gives us better insight in the effects we have on our stakeholders. By understanding the positive and negative effects, we can work to reduce the negative ones – and we do, through our approach to risk management and by working closely with clients and partners.

It also helps us to identify opportunities – and to seize these opportunities by directing more attention to areas where we know we have a positive impact, particularly through our loans and investment services, or where we can reduce the risks by seizing the opportunities.

Because we realise the importance of understanding impact, we have been working hard to embed Impact Thinking throughout our organisation.

In the recent years we made many impact reports which helped us to assess the high-level sustainability consequences of our loan portfolio. To make it more concrete for our clients we needed to dig deeper and to understand the consequences per sector.

We are using Impact Thinking increasingly with our Social Impact Fund to make investment decisions – we have found that it provides valuable insights for us as investors and for the companies in which we are investing, to help them build and grow their businesses.

In recent years, we have seen regulators take more interest in key information beyond the traditional P&L. It is the recognition of the (positive) role banks play in society, but also of the new risks banks face, especially as a result of worsening climate change. Our experience in measuring and reporting also helped us to respond quickly to new regulatory requirements.

We realise that impact is not just about a series of numbers. Thinking and managing in terms of impact is about a cultural shift. It is about Impact Thinking – in other words, making sure we take impact into account when making our decisions: impact on the bank, of course, but also through our clients and the impact on those who depend on us. Ultimately, Impact Thinking will make the bank stronger.

"Ultimately, *Impact Thinking* will make the bank stronger"

And in making the bank stronger, we will be better able to manage risk, better able to seize opportunities for growth, better able to support and protect our clients and contribute to a fairer, more sustainable society in line with our purpose: Banking for better, for generations to come.

Robert Swaak
CEO of ABN AMRO

Results of our 2023 assessment

This section sets out the principal results from ABN AMRO's 2023 assessment, showing how the bank creates value for different stakeholder groups.

Our 2023 assessment

ABN AMRO is one of the Netherlands' leading banks. We provide loans and other financial services to individuals and businesses, both in the Netherlands and elsewhere in north-west Europe.

Our activities often have a significant impact on stakeholders – not just our clients and those working for the bank, but also on our shareholders and investors, on suppliers to the bank and other business partners, as well as on broader society.

We realise that this impact may be *positive* or *negative*. By providing mortgages, for example, we are offering borrowers the benefits of home ownership. But by having to repay mortgage loans, some clients may experience financial distress.

Similarly, by lending to companies, we may add to economic growth and job creation but could also contribute to climate change or biodiversity loss.

Input to and complementing European sustainability reporting standards

The Impact Report's measurement approach draws from impact methodologies such as the Impact-Weighted Accounts Framework (IWAF), the basis of which was established in 2019. We use external data sources such as social and environmental databases, government data and academic literature to estimate the impact of the bank. As such, the results presented in this report are used as one of several inputs to the double materiality assessment as part of European Sustainability Reporting Standards (ESRS). For more information on how this has been used please see page 7.

The two frameworks partly overlap in their underlying concepts however there are several key differences, such as the topics in scope and methodological features used in the Impact Reporting methodology such as monetisation and attribution (see page 38 in the Annex for further details).

CSRD and the Impact Report methodology complement each other. CSRD will unlock a wealth of data on environmental and social topics. In the future the impact methodology can serve as a tool to leverage this data for decision making. For example, the impact methodology can be used by the bank to support Sector bankers in specific sectors to measure client impact across topics and provide support in managing this impact.

Using Impact Thinking in our decision-making

Integrating impact thinking in our decision-making allows us to identify potential risks and opportunities, both for ourselves and our stakeholders[1]. Since we launched our first Impact Report in 2018, interest in Impact Thinking has grown, both within ABN AMRO and the banking sector.

While managing risks, assessing impact helps us identify potential social and environmental risks. Identifying these risks means we can take action, deliver on our sustainability ambitions, avoid financial losses, or damage to our reputation, as well as protecting our clients. For example, we look at the potential contribution to the loss of biodiversity, including which sectors and business lines have the biggest footprint and explore what we can do to contribute to solutions.

Assessing impact is also helping ABN AMRO meet new regulatory requirements. Regulators are beginning to put more emphasis on companies' social and environmental disclosures.

[1] See page 44 for how we define our stakeholders.

As of 2024, CSRD and ESRS require companies – including ABN AMRO – to disclose material Impacts, Risks and Opportunities.

We are using impact measurement to support the impact investing portfolio of our Sustainable Impact Fund (SIF). SIF makes direct investments in companies and projects involved in the energy transition, in the circular economy, and in social areas like inclusion and health & wellbeing.

Finally, we are continuously working on improving the granularity and coverage of our impact data client level. This will help us, and our banking clients make more tailored decisions specific to their circumstances. This year we started a case study in the textile sector to look what it takes to further implement our Impact methodology on sector level. Currently such detailed data is difficult to come by, but we expect that to change as new reporting regulations come into effect. You can read more about our approach to Impact Thinking on pages 20-25.

Support for our double materiality assessment
During the past year, we started using impact data in our new double materiality assessment. An important data source for our Impact data was the Impact Institute's Global Impact Database. This data proved useful not only in helping identify impacts, but also in linking these impacts to the ESRS – the reporting standards underpinning the EU's new Corporate Sustainability Reporting Directive (CSRD). Double materiality assessments became mandatory with the CSRD's introduction at the beginning of 2024.[1]

For more information, see our 2023 Annual Integrated Report, available online.

[1] These assessments measure materiality from two perspectives: impact materiality – i.e., issues that impact people and the environment and financial materiality – i.e., matters that effect the company's development, financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium- or long-term.

How to read our Impact Statements

Our assessment examines impact through two lenses: first, *who is impacted?* Second, *what kind of impact is it?*

This assessment is based on a series of 57 impacts, ranging from the benefits of home ownership and health & safety in the workplace through to the effects of cybercrime and use of natural resources.

Each impact is measured and assigned a euro-equivalent value; this allows us to compile an Integrated Profit & Loss Statement (IP&L). Impacts are shown by stakeholder group (who is impacted?) and by 'capital' (what kind of impact is it?).[1]

A dashboard summary of our IP&L may be found on page 9.

This approach also allows us to identify external costs – i.e., those costs that are not currently priced into the bank's transactions, such as environmental pollution or harm to labour and human rights. More than 90% of these costs occur downstream, primarily as a result of ABN AMRO's lending and investment activities. It is important to note that impacts in the value chain of ABN AMRO are estimated based on external data sources and models. At this point, primary data on the actual impact created by clients and investees (and their value chains) is not readily available.

We appreciate that measuring value creation is not an exact science. We work hard every year to strengthen our approach and methodology. Currently, we use euro-equivalent ranges to show impact rather than specific amounts.

For this report, we are comparing our 2023 results with 2022 figures restated to reflect changes in our database and to incorporate new data.

For more information:

- External costs within the bank's value chain – page 11
- Integrated Profit & Loss Statement – page 28
- Note on methodology – page 36
- Description and definition of impacts – page 46

Details of our main stakeholder groups and 'capitals' may be found in the impact dashboard.

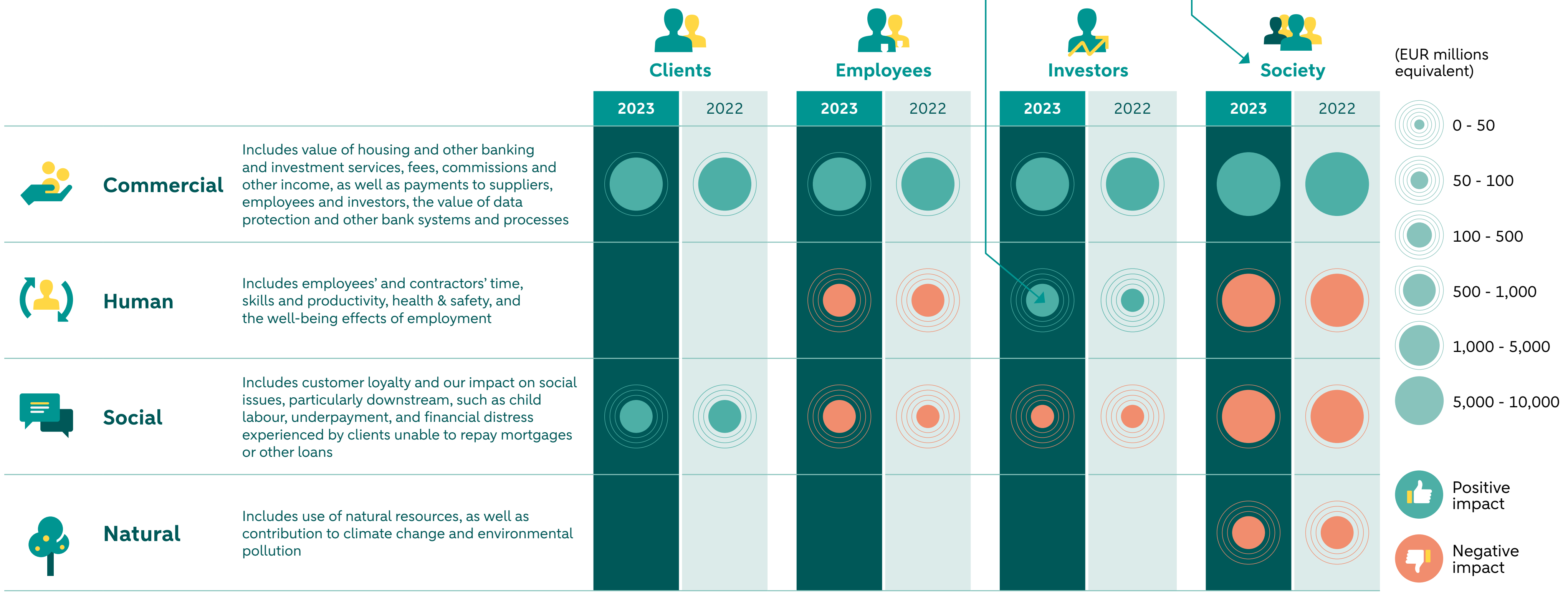
[1] We have also started using non-monetised data. Please see pages 18-19 for an example.

Our 2023 impact dashboard

ABN AMRO provides financial services that benefit different stakeholders, but at the same time, this is also expected to result in negative impact, mostly for society. This dashboard shows how we create value for stakeholders by capital:

Human capital for investors has increased driven by higher profits by the bank. This leads to a high return on human capital for investors.

Who are 'Society'?
Society is one of our most important stakeholder groups. It includes suppliers, governments and all people and businesses working in our clients' supply chains.



The chart above shows impact by affected stakeholder group and type or *capital* (commercial, human, social and natural); these capitals are taken from the Integrated Reporting <IR> framework. Commercial is a combination of the <IR> Framework's manufactured, financial and intellectual capitals. All impacts are shown in euro-equivalent ranges. In the chart above, we have highlighted the main changes compared with 2022.

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Our 2023 impact takeaways

We did not see significant year-on-year changes in our impact

Results from our 2023 assessment do not differ greatly from our 2022 results. This is due mainly to the fact that there were no significant changes in our operations or business portfolio since the wind-down of our former non-core portfolio, started in 2021. Results were influenced by changes in economic conditions, most notably higher interest rates but these were not significant enough to be visible in our dashboard summary.

We continued to create positive commercial value for all stakeholders

As in previous years, we continued to create value in terms of commercial capital for all our stakeholders, through our reliable financial products and services, salaries and benefits paid to employees, and dividends for investors. During 2023, higher interest rates created value for investors, largely through increased net interest income for the bank. Society continued to benefit from the bank's digital payment systems and tax contributions.

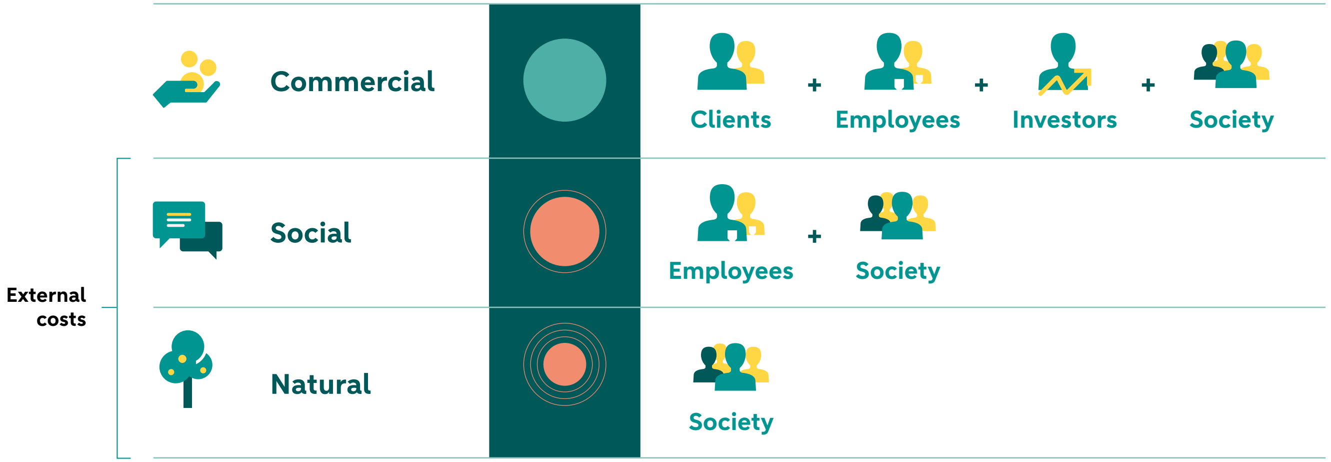
A significant amount of negative impact still occurs in our value chains

Our 2023 results also show estimated negative impacts, occurring primarily downstream at our clients or within their supply chains. Because they are our clients, we are partly associated with their impacts. These impacts relate to social and environmental issues such as climate change, low pay and human rights violations.

These costs are borne mostly by society, we aim to reduce them where possible by upholding minimum standards in our loans and investment services. Through our Climate Strategy, we will also bring our lending and investment portfolios into line with targets set out in the 2015 Paris Climate Agreement.

Impact Summary

We create significant positive commercial value for all stakeholders but this still comes at a cost for people and the planet. In the figure, spheres represent euro-equivalent impact ranges. See page 27 for impact range information.



In this figure we focus on commercial capital and external costs for employees and society. These external costs are mostly social and natural capital effects. For this reason not all stakeholder and capital groups are included in this visual.

External costs within our value chain

There are unintended external costs resulting from our activities. These are costs not currently priced into the bank's transactions, such as the cost of environmental pollution or infringement of labour rights. Most are incurred downstream through our lending and asset management.

As a matter of policy, we do not finance activities linked to tobacco, tar sands, oil & gas exploration in the Arctic, new thermal coal plants or companies involved in human rights abuses or widespread deforestation.

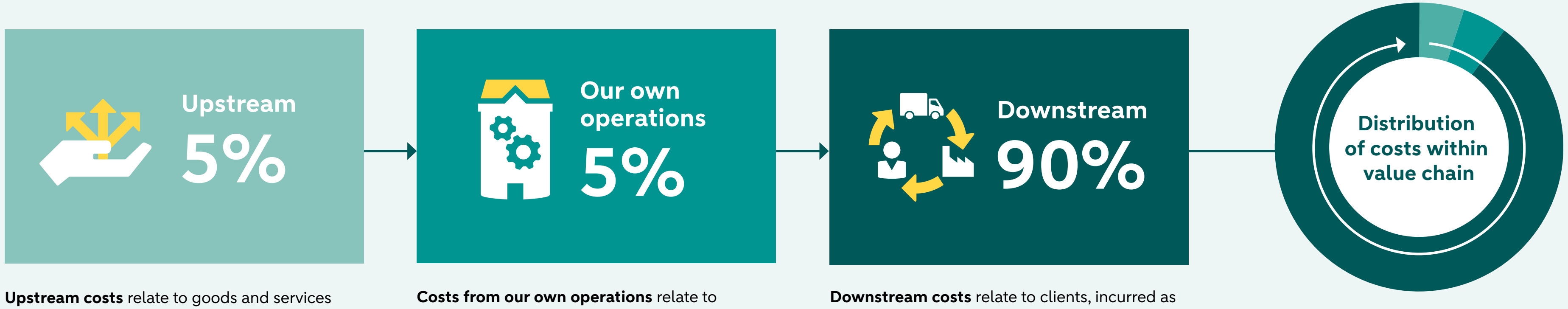
Findings from our 2023 assessment

Results from our assessment showed that most external costs were estimated to be similar to those in 2022.

Among the leading external costs were estimated to be again downstream contributions to air pollution, climate change, underpayment, risk of money laundering, use of scarce materials and gender inequality.

The chart below shows external costs in 2023 by both stakeholder group and capital; it also identifies where in our value chain these costs occur:

Costs within the ABN AMRO value chain



Upstream costs relate to goods and services bought by the bank (including IT services, property & equipment and consultancy work).

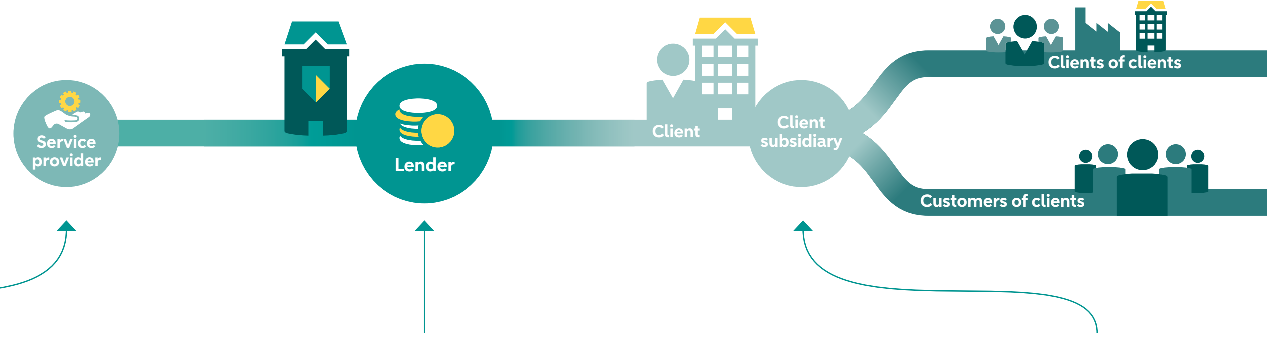
Costs from our own operations relate to ABN AMRO's workforce, offices, branches and other activities.

Downstream costs relate to clients, incurred as a result of ABN AMRO's lending and investment services.

Figures in this graph have been rounded.

Understanding our external costs

We are working to apply our external cost methodology to the sectors we finance. Details may be found in the Corporate lending - impact by Sector section on pages 15-17.



Upstream

Society	2023	2022
Occupational health and safety incidents		
Gender inequality		
Underpayment		
Child labour		
Forced labour		
Contribution to climate change		
Use of scarce materials		
Air pollution		
Water pollution		
Use of scarce water		
Land use		

Own operations

Employees	2023	2022
Occupational health and safety incidents		
Effect on health and safety due to Covid-19[1]		
Gender Inequality		

Society	2023	2022
Effect on health and safety due to Covid-19[1]		
Gender inequality		
Contribution to climate change		
Use of scarce materials		

Downstream

Clients	2023	2022
Occurrence of cybercrime		
Unintended incidents with personal information		

Society	2023	2022
Occupational health and safety incidents		
Risk of contribution to money laundering		
Gender inequality		
Underpayment		
Child labour		
Forced labour		
Contribution to climate change		
Use of scarce materials		
Air pollution		
Water pollution		
Use of scarce water		
Land use		

Positive impact	Negative impact
>10,000	<-10,000
5,000 to 10,000	-5,000 to -10,000
1,000 to 5,000	-1,000 to -5,000
500 to 1,000	-500 to -1,000
100 to 500	-100 to -500
50 to 100	-50 to -100
10 to 50	-10 to -50
5 to 10	-5 to -10
1 to 5	-1 to -5
0 to 1	0 to -1

In the table above, lines represent negative external costs in euro-equivalent ranges.

[1] This impact is put to zero in 2023 as data collection on Covid-19 incidents has been discontinued.

Analysing the impact

This section looks in more detail at the results of our 2023 assessment by examining the impact in three specific areas: mortgages and the housing market, biodiversity and corporate lending impact by sector.

Mortgages and the housing market

Our largest portfolio

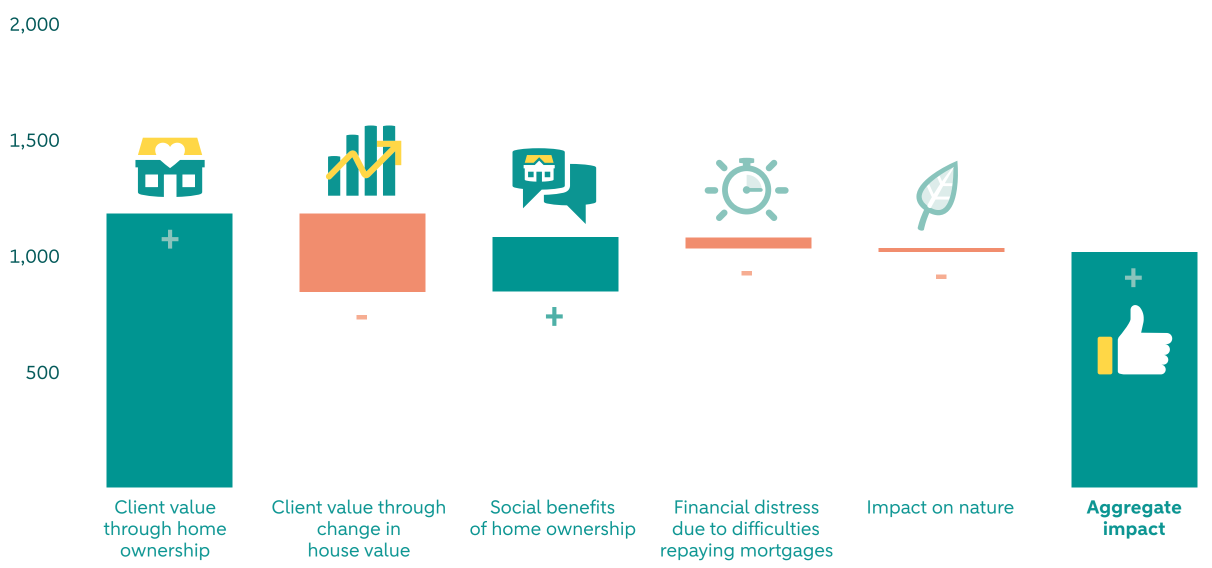
We are one of the Netherlands' leading mortgage lenders. We create value through home ownership, but recognize that our mortgages also have adverse effects: through for example increased climate change from energy use and stress among clients who may face difficulties repaying their loans.

How we are minimising the negative impacts

- We have included residential mortgages as a target sector in our Climate Strategy, aiming to reduce carbon intensity by 34% by 2030 compared to 2021.
- With our expertise we will help homeowners and buyers increase their homes' energy performance outlining costs, subsidies and potential savings associated with energy efficiency measures.
- Inflation and rising energy costs increase financial pressures on homeowners, for some, increasing the difficulty to repay loans. To relieve financial difficulty for clients we offer budget coaching and debt counseling. We do not offer this service exclusively to mortgage clients, but also to other clients in personal banking.

What is the Impact?

(EUR millions)



Clients pay interest for mortgages and get, in return, a mortgage loan. In addition, they experience the following effects:

Client value through home ownership: Clients also benefit financially from home ownership as opposed to renting. Renting is generally more expensive than buying a house in the Netherlands. With rising interest rates on mortgage loans in 2023, costs for mortgage holders have increased, reducing the financial benefit from home ownership slightly (impact indicator 25).

Client value through change in house value: They may also experience a change in the value of their property – between 2022 and 2023 house prices in the Netherlands have been declining, which results in a negative impact for home-owners (impact indicator 2).

Social benefits of homeownership: There are other social benefits from owning your own home – increased life satisfaction, for example (impact indicator 49).

Financial distress due to difficulties in repaying mortgages: Some clients experience distress if unable to repay their mortgages (impact indicator 48).

Impact on nature: Houses also cause environmental damage, contributing to air pollution, climate change and consumption of scarce natural resources. Less construction of new housing reduced emissions and material use in 2023. Overall, this leads to a small decrease in climate change, air pollution and energy use impacts associated with our mortgage portfolio (impact indicators 51-53).

Corporate lending – impact by sector

Banks as stewards of capital can advance sustainable change

Banks play an important role in combating climate change through their ability to allocate capital. In this Sector Analysis we only focus on the negative impacts of the portfolio, to create more insights where improvements are possible. A large part of our impact arises from our corporate lending services. Tackling and reducing this impact is an important step in supporting the fight against climate change, biodiversity loss and other environmental and social issues.

Understanding our impact

Through our corporate lending portfolio, we facilitate companies in their growth, leading to positive commercial capital impacts but also negative environmental and social impacts such as air pollutants, scarce material, and land use, as well as underpayment.

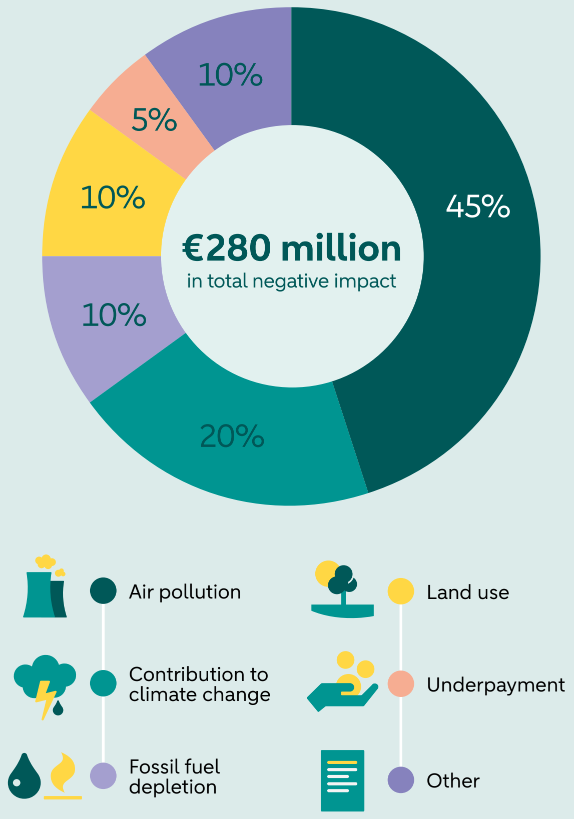
In 2023, a total negative impact of €280 million was estimated to be indirectly generated through our corporate lending portfolio. We have identified that this effect is mainly determined by the following five drivers: air pollution, climate change, and to a lesser degree, use of scarce materials, land use, and underpayment. Impact is mainly driven by transport and storage, as well as agriculture, forestry and fishing, which are also identified as priority sectors in our Climate Strategy.

In all sectors, air pollution is the biggest negative impact; this is in a large part due to nitrogen and particulate matter emissions which have detrimental health effects on humans. Contribution to climate change is also a major impact; this is in large part due to the remediation costs associated with preventing a changing climate. In general, environmental impact drivers cause more than 90% of all negative impacts in these sectors.

The impact of ABN AMRO's corporate loan portfolio does not change significantly between years. Instead, we look at the relative magnitude of impacts and key drivers by sector alongside estimations of impact intensity. This provides actionable and steerable information for portfolio managers, sector bankers and other relevant stakeholders.

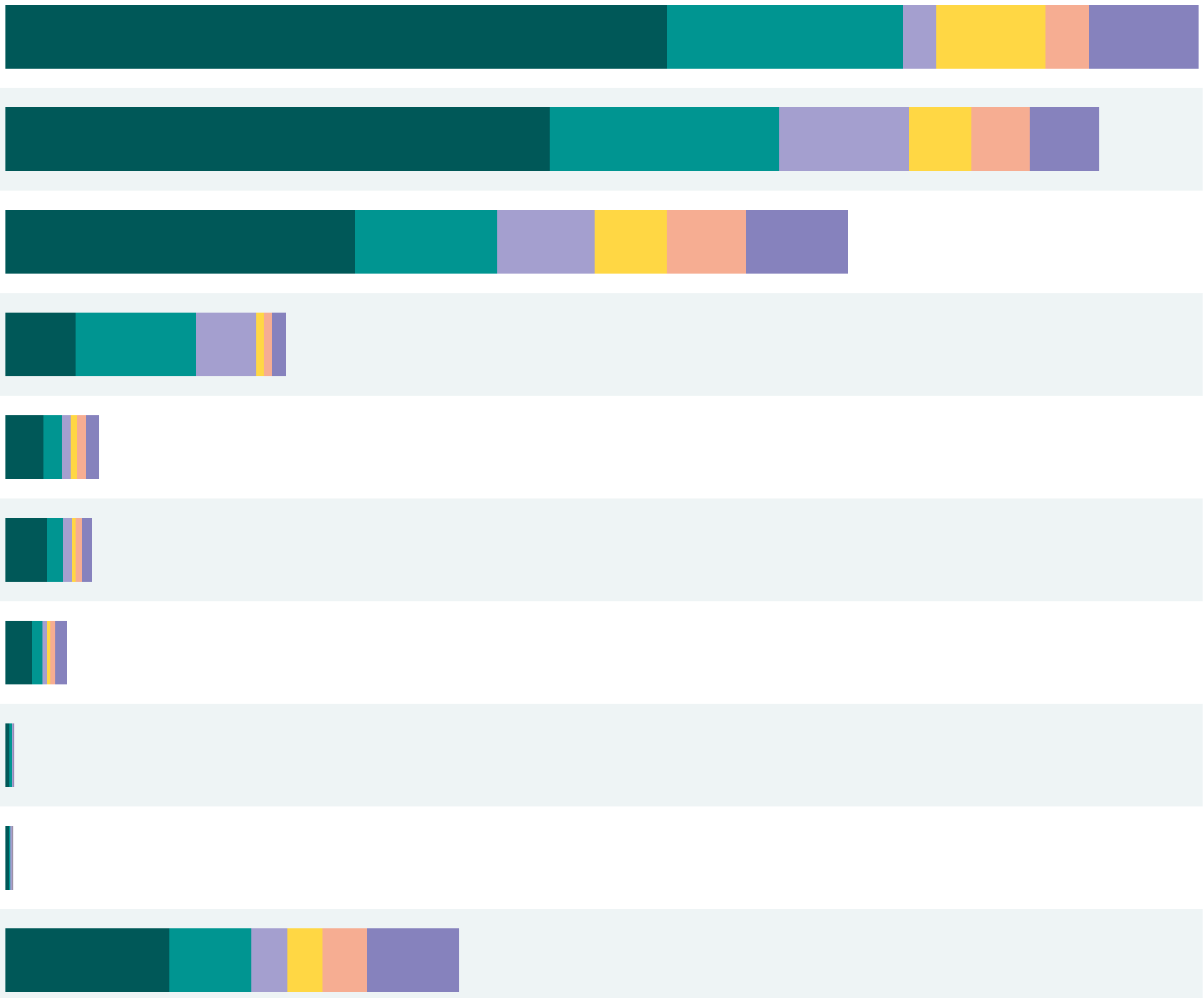
ABN AMRO's portfolio impact

Total negative impact from lending by impact drivers in 2023 – in %



Due to rounding, figures in this graph may not add to 100%.

Sectors[1]	Impact intensity[2] →	External costs (and share%)[3]
Agriculture, forestry and fishing	high	30%
Transportation and storage	high	25%
Manufacturing	medium	20%
Electricity, gas, steam and air conditioning supply	high	5%
Wholesale and retail trade; repair of motor vehicles and motorcycles	low	<5%
Construction	low	<5%
Real estate activities	low	<5%
Water supply; sewerage, waste management and remediation activities	low	<5%
Mining and quarrying	high	<5%
Other	low	10%



Air pollution
Contribution to climate change
Fossil fuel depletion
Land use
Underpayment
Other

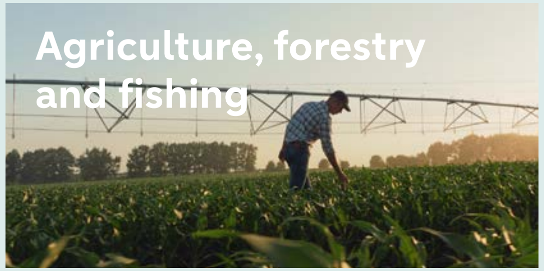
Other includes the following impacts: Gender inequality, child labour, use of scarce water, use of scarce materials, forced labour, occupational health and safety incidents, and water pollution

[1] Results are shown here using NACE sectors, also often used in PCAF reporting (NACE is the abbreviation for the Statistical Classification of Economic Activities in the European Community).
[2] This is a measure of how much impact is created per unit of economic activity, in a given sector. Sectors which produce a lot of pollution to perform their activities are generally more impact intensive.
[3] Due to rounding, figures in this graph may not add to 100%.

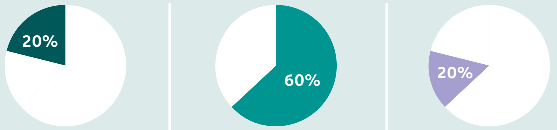
Impact breakdown in the top three sectors

Impact occurs throughout the value chains of clients. For example, a shipping company has direct impact through the operation of ships, it has upstream impact from the production of transported goods, and downstream impact from their use and disposal. A share of each value chain step is then attributed to ABN AMRO's clients and then the bank itself. Knowing where this impact occurs across the portfolio can be a first step in engaging with clients to reduce their impact. For our most impactful sectors, this is distributed in different ways across the value chain.

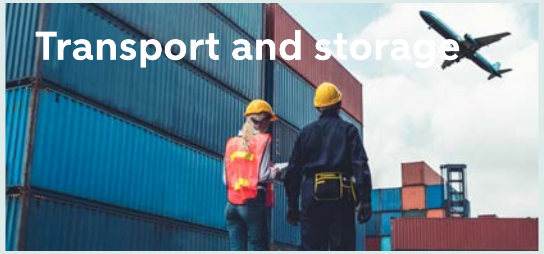
Top three sectors | **Description** | **Environmental and social impact in our client's value chain**



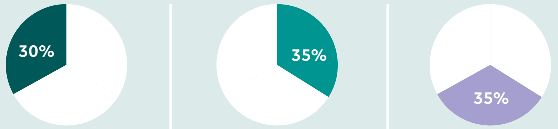
Agriculture, forestry, and fishing are also expected to account for a significant portion of our negative impact. The majority of this impact arises directly at our clients and is mainly linked to air pollution. Animal rearing and the use of fertilisers are important drivers of this environmental damage. In the value chain of our clients, the production of agricultural inputs, such as feed for animals as well as the manufacture of food products drive approximately 40% of total impact.



Upstream	Direct	Downstream
20%	60%	20%
Suppliers of agricultural inputs e.g. agrochemical and machinery companies, grain and soy used for animal feed.	Agricultural companies e.g. livestock farms and crop field farms.	Companies downstream of agricultural companies e.g. manufacturing of food products, transportation, and super markets.

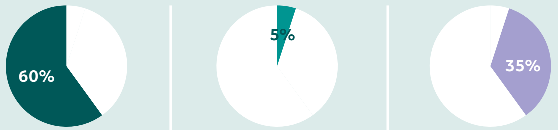


Significant impact is esimated in the transport sector. A third of this impact occurs directly at our corporate lending clients and is mainly linked to air pollution. The shipping industry is, in particular, responsible for significant volumes of pollutants such as nitrogen and sulphur oxides. Two thirds of the impact of our clients occur upstream and downstream in their value chains. This is mainly linked to the production and use of transported goods, such as for example the growing of feed for agricultural production.



Upstream	Direct	Downstream
30%	35%	35%
Producers of transported goods and transport inputs e.g. fuel providers and seed producers.	Transport companies e.g. airlines, cargo shippers and trucking companies.	Users of transported goods e.g. users of agricultural inputs for farming.

The manufacturing sector includes the production of a wide range of products including metal products, food products as well as chemical and petroleum products. In this sector the majority of the impact is estimated in the value chain of our clients. Next to environmental issues such as air pollution and climate change, social issues are prevalent, including underpayment and gender inequality. These social and environmental effects are mainly linked to the extraction of resources for the production of goods such as mining and farming. Downstream of our manufacturing clients, impact arises from the transportation of materials and use of produced goods.



Upstream	Direct	Downstream
60%	5%	35%
Producers of input for manufactured products e.g. mining companies, cotton farmers and forestry companies.	Manufacturing companies, e.g. food producers, producers of wood, textile and metal products.	Transport and users of produced goods e.g. transport companies, use of products by businesses.

To avoid double counting between the impact of the sectors, we use attribution. For example, a transport company operates in the value chain of a manufacturer of goods as it transports produced goods. As a value chain partner, it also receives a share of the impact of production. This is a part of the methodology and emphasises the concept of shared association with impacts across the value chain. For further insight see the Note on methodology - As used in the Impact Report 2023.

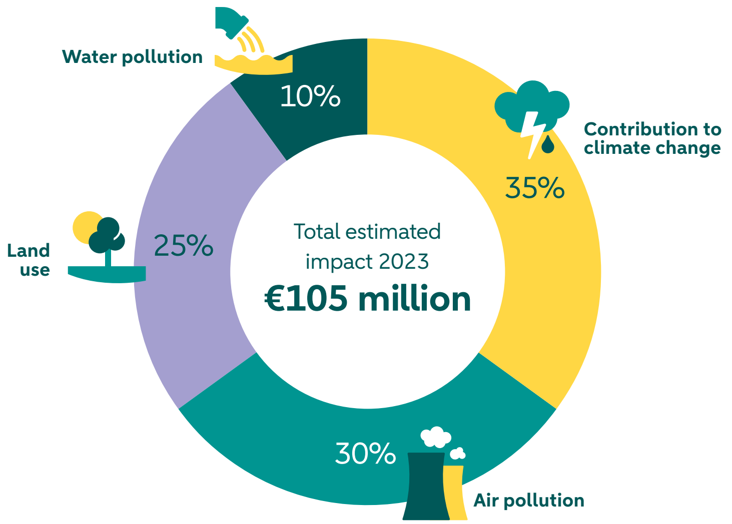
Figures in the graphs above have been rounded.

Impact on biodiversity

The biodiversity crisis

Scientists with the leading IPBES platform are warning that one million species of plants and animals worldwide are facing extinction[1] – at a faster rate than ever before in human existence. A more recent estimate shows the figure may in fact be underestimated, as the number of insect species under threat appears to be closer to two million[2].

Total monetised biodiversity impact per driver



Due to rounding, figures in this graph may not add to 100%.

Figures for 2023 compare with the following for the previous year: Total impact for 2022 is €105 million; water pollution – 10%, air pollution – 25%, contribution to climate change – 35%, land use – 30%.

The loss of biodiversity could weaken the ability of ecosystems to provide ecosystem services. These include such things as crop pollination, carbon storage, water and air purification and protection against diseases. More than half of the global economy depends on these services to a medium or high degree, making this a long-term risk for the bank, our clients and society. Research by the European Central Bank shows that 75 percent of all eurozone bank loans are issued to companies with a high dependency on at least one ecosystem service[3].

Biodiversity loss constitutes a highly important topic for ABN AMRO – we aim to minimise any unintended impact on biodiversity as a result of our activities.

What is the Impact?

Through our lending and wealth management, we provide capital to allow companies to grow. However, growth comes with higher resource use, which can contribute to further depletion of natural resources and put increased pressure on biodiversity. Previous analyses of our portfolio carried out together with Impact Institute show that the greatest damage inflicted on biodiversity by the bank – as a service provider – occurs through our clients[4].

The main drivers of biodiversity loss we measure are:

- Contribution to climate change from increased greenhouse gas emissions, often arising through sectors such as energy production or transportation
- Land use, often to accommodate agriculture
- Air pollution, arising from industrial production
- Water pollution, from for example, cattle farming[5]

[1] See the global assessment report on biodiversity and ecosystem services published by IPBES in 2019.
[2] See "A multi-taxon analysis of European Red Lists reveals major threats to biodiversity" published by Hochkirch A, Bilz M, Ferreira CC, Danielczak A, Allen D, Nieto A, et al.
[3] See occasional paper series of the European Central Bank no. 333: Living in a world of disappearing nature: physical risk and the implications for financial stability.
[4] See more details in our publication on our impact on biodiversity in 2021
[5] Although we have not yet been able to quantify the overexploitation of nature and the effect of invasive exotic species, these are also causers of biodiversity loss worth mentioning here.

These environmental pressures affect the health of ecosystems. This happens directly through habitat loss from land use or the emission of damaging pollutants. Biodiversity loss also occurs indirectly through for instance, pollutants that alter the ecological balance.

Our 2023 biodiversity results show that through our lending and wealth management activities, an estimated total deterioration of 30 thousand bio-hectares[1] occurred. This is roughly equal to the size of Rotterdam.

Expressed in monetary terms, this loss amounts to an estimated EUR 105 million[2]. This represents the value of ecosystem services lost due to a reduction in species abundance and diversity, in a particular biome, in our case, mainly in the Netherlands. The vast majority of this impact comes from two key drivers, namely contribution to climate change and land use. Nearly 80% of the total impact comes from Dutch clients and suppliers, a reflection of the bank's strategic focus on the Netherlands and Northwest Europe. We also have impact on biodiversity through clients in Greece, Belgium, the United Kingdom and Norway. The sector with the highest negative impact on biodiversity is agriculture, mainly through environmental pollution caused by nitrogen from manure as well as land use required for the production of crops and the rearing of cattle. In addition, the transport sector is associated with significant biodiversity loss. Shipping is responsible for a large share of emissions such as nitrogen oxide and sulphur dioxide.

What are we doing to minimize our negative impacts?

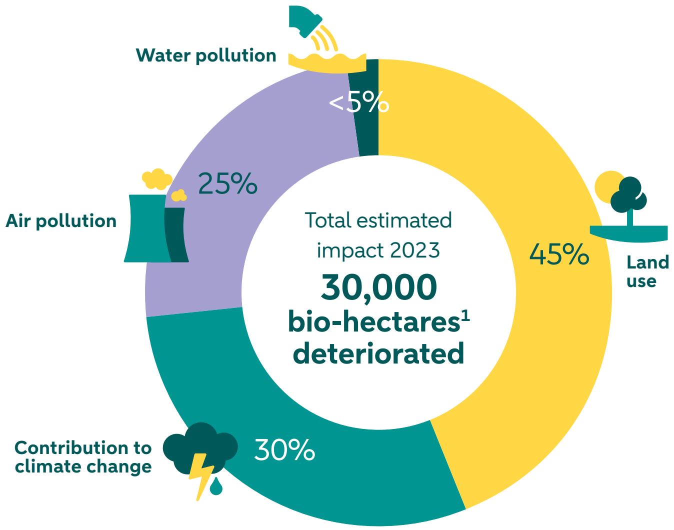
ABN AMRO can support nature most effectively by helping clients in their transition and therefore by minimizing their negative impact. This means, that we do not grant loans for activities on our Exclusion List, such as deep sea mining. We also discuss with our clients their impact on nature, for example with farmers to reduce their environmental impact, retailers to adopt more circular working practices, and food producers to limit their deforestation impact.

We took further steps in 2023, for example by designing an action plan[3] to integrate this topic more deeply into the heart of our operations. The plan will generate nature goals that are co-owned by various departments of the bank and relate to activities such as lending and investing. As well as reducing the negative impact of us and our clients on nature, with our plans we can help clients anticipate pending legislation.

The plan also includes a targeted approach, focusing first on the agricultural sector, which we started working on in the fourth quarter of 2023. The approach is based on a vision for the medium term linked to a concrete action plan with goals for the coming years, which we work on further in 2024. The comparable approach will be applied to the built environment, starting in 2024.

Finally, we are mapping the impact, interdependencies and risks associated with the erosion of ecosystems. On the basis of the environmental risk heatmaps developed in 2022, a broader analysis of the entire corporate loan book was conducted in 2023. The analysis weighs physical risks per sector (such as crop failures due to drought) and transition risks (such as major investment requirements to comply with rules and regulations).

Total footprint biodiversity impact per driver



Due to rounding, figures in this graph may not add to 100%.

[1] This refers to the bio-hectares deteriorated through the companies in our corporate loan portfolio and their value chains. For biodiversity loss occuring in the Netherlands, a bio-hectare refers to a deteriorated hectare of shrubland and grassland.

[1] Bio-hectares refer to the size of the pristine land cover in a particular biome, for example a bio-hectare in the Netherlands refers to a hectare of shrubland and grassland.
[2] For more information on how biodiversity impact is calculated, please refer to pages 39-41 in the methodology annex.
[3] abnamro.com/en/news/abn-amro-moves-ahead-on-biodiversity-with-action-plan

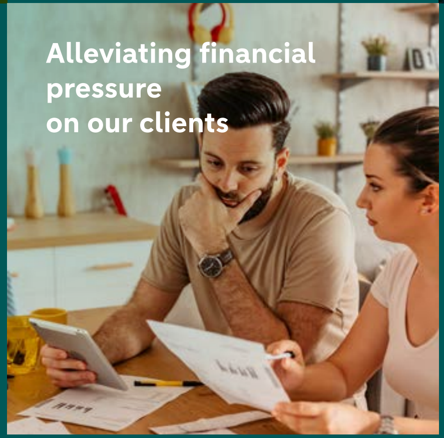
How we use Impact Thinking

This section looks at how impact thinking and impact information is being used throughout ABN AMRO.

In 2023 we used environmental and social impact data in several sustainability risk identification and measurement processes.

ABN AMRO Sustainable Impact Fund (SIF) published their first Impact Report in 2023, showcasing the impact results achieved over 2022 for all 14 companies in the portfolio.

We are moving towards capturing impact on a client level, starting with a pilot on the textile sector.



Our Financial Health department is helping Personal Banking clients who are facing financial distress.

Impact Thinking throughout the bank

Impact methodology in our risk assessment processes

In 2023 we used environmental and social impact data in several sustainability risk identification and measurement processes.

Risk identification

We used impact data to identify risks in our climate, environmental and social risk heatmaps. These risk heatmaps identify potential climate, environmental and social risk hotspots in our corporate lending and residential real estate portfolios.

Risk identification is based on the potential impact of sectors in which our clients operate (also known as the inherent potential risk). This is not the same as the actual impact made by our clients, which may be smaller as a result of the measures we take to mitigate adverse human rights risks.

For the social risk heatmap, we only focused on the risk of adverse impact. The climate and environmental risk heatmaps identified the risks of adverse impacts, which we then combined with data on sector-relevant policy and technological developments to arrive at a measure of transition risk. You can find more information on this in the ABN AMRO Annual Report 2023.

Risk measurement

In the area of risk measurement, we used impact data in our cross-sector environmental risk scenario analysis. In this analysis, we assumed that European water and air pollution and nature conservation regulations will be implemented and enforced strictly in the Netherlands over the coming seven years.

Impact data informed our risk heatmaps which we use to enhance our strategic decision making.

Using sectoral environmental impact data from Impact Institute, Dutch Emission Registration, and geographic data from PBL Netherlands Environmental Assessment Agency and the National Institute for Public Health and the Environment, we simulated the cost and business continuity risks for our clients. Costs were calculated by assuming the internalisation of external environmental costs of pollution and business continuity risk was calculated by assuming permit limitations for clients that are both in high impact sectors and operate in highly sensitive natural areas. You can find more information on this in the ABN AMRO Annual Report 2023.

Impact Thinking throughout the bank

The true value of investing in transitions

ABN AMRO Sustainable Impact Fund (SIF) published their first Impact Report[1] in 2023, showcasing the impact results achieved over 2022 for all 14 companies in the portfolio.

Using the Impact measurement and valuation methodology, quantitative results demonstrate that through these investments, ABN AMRO Sustainable Impact Fund generates a 39% positive impact return.

ABN AMRO Sustainable Impact Fund was launched in 2021, with a commitment of EUR 500 million. It builds on the efforts and knowledge of preceding funds, the ABN AMRO Social Impact Fund and the ABN AMRO Energy Transition funds, and aims to help accelerate the transition towards a sustainable economy.

For us, impact investing is not a modern form of philanthropy or a feel-good activity. It is about transition: changing the world by changing the way we make money. It is about providing capital which allows for daring new business models, innovative technologies, the break-up of traditional value chains or the development of new market structures. We aim to realise a lasting positive and scalable impact for climate, people and planet, while at the same time making a profit. Examples of investments are electronics manufacturer Fairphone, sustainable detergent and soap brand Seepje, and the Danish sustainable fashion brand Colorful Standard.

We use impact thinking to estimate the social and environmental impact of our investments.

Impact measurement and impact thinking has long been central to the strategy of ABN AMRO SIF. Prior to investment, portfolio companies undergo an Impact due diligence together with the traditional legal and commercial due diligence procedures. This includes a review of the companies potential to create and demonstrate positive impact as well as identifying potential negative impact risks.

[1] The SIF Impact Report was published in 2023. The information included in this section is directly drawn from this report. Click here to access the full report.

Impact of our Sustainable Impact Fund

Results show that the fund generates a 39% positive impact return. The Impact Return is the ratio of the sum of the impacts of the companies in 2022 over the total investments in these companies.

Our assessment shows that our fund contributes most to the energy and environmental transition through avoided greenhouse gas emissions, air pollution and scarce material use. In addition, society and employees have benefitted from job creation and fair wages through the activities of the companies in our portfolio. While our portfolio companies contribute to environmentally and socially sustainable solutions, their procurement and production processes have a negative impact on the environment through the contribution to climate change and air pollution.

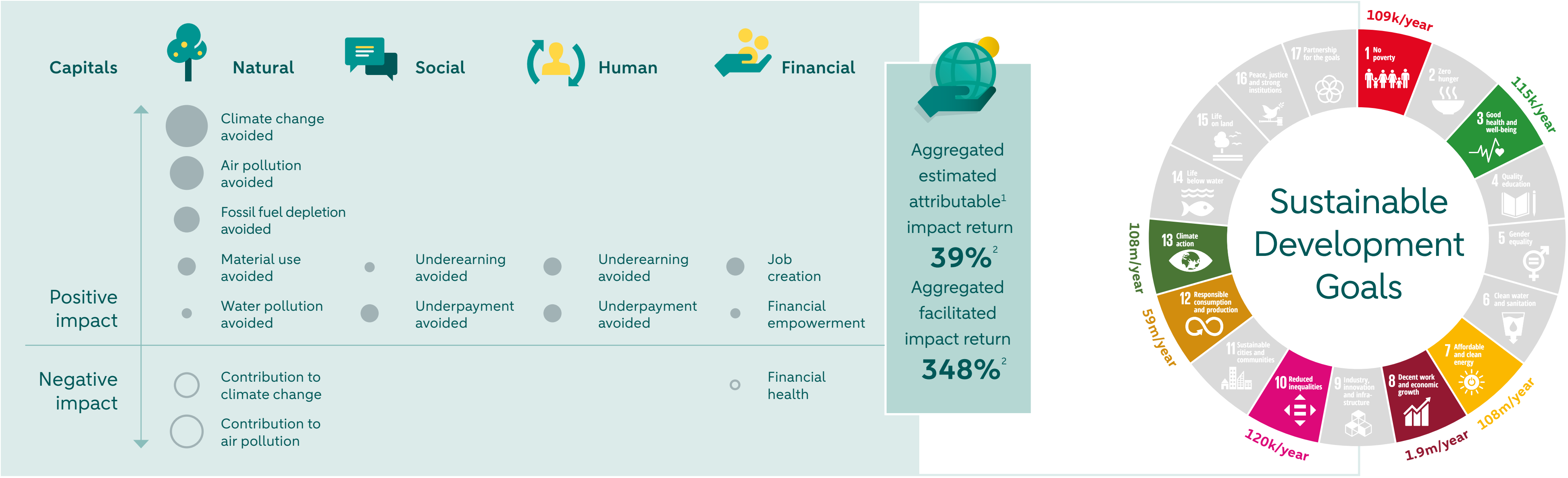
Calculating the impact

Calculations are done using the Impact Weighted accounts framework (IWA framework). The IWA Framework is based on the same Impact methodology as this Impact Report.

This methodology highlights the importance of not only considering financial performance, but considering environmental and social performance as well. This means that on top of a company's usual financial costs or P&L, the climate, environmental and social costs are also taken into consideration. The negative impacts plus the financial costs are jointly called the true costs. This delivers transparency regarding where these true costs are, i.e., where impact has been made and where improvements are still possible.

All information in this article can also be found in this publication.

Results from the SIF Impact Report



[1] The impacts attributable per company have been aggregated.
[2] Both percentages are 2022 returns based on the aggregated impacts attributable to the fund.

Impact Thinking throughout the bank

Measuring impact at client level

We are moving towards capturing impact on a client level, starting with a pilot on the textile sector.

ABN AMRO uses an impact methodology to continuously improve its insight into where it makes the greatest impact. Knowing this in terms of both sectors and clients enables us to open the conversation with clients that perform very well on certain topics but could improve on others. In this way, we want to give clients the opportunity to leverage impact information much more proactively, and to base investment choices not just on financial aspects but also their social impact.

Textile industry pilot

The textile sector has already introduced various initiatives and tools to increase transparency and make production more sustainable. But identifying the relevant social and environmental indicators is not easy: the textile chain is complex, and impact is strongly affected by factors like the client's business model, choice of materials and production location, and the large number of subcontractors involved.

Information about the impact of textile production is certainly available at the level of individual clients, but in other parts of the chain it is often fragmented and long production chains (outside the EU) can make it very difficult for clients to get a clear picture of the situation. The textile sector makes use of certificates to provide insight into different topics and parts of the chain. Because these certificates tend to focus on specific social or environmental indicators rather than looking at the whole chain, the data provided does not fully match the broad scope of our impact methodology.

Increasing availability of client level data

In the coming years, legislation will be rolled out around the Corporate Sustainability Reporting Directive (CSRD), under which large companies will be required to report on sustainability-related topics. Although many of our clients in the textile sector are too small to be in scope for the CSRD, increasing supply of client data will be useful in impact assessments for other sectors. We are working to further develop our thinking and tools to incorporate client level data into our engagement with clients and portfolio management.

Moving towards integrating client level data will help us steer on impact.

Impact Thinking throughout the bank

Alleviating financial pressure on our clients

Our Financial Health department works towards reducing negative impact on clients.

Our Financial Health department is helping Personal Banking clients who are facing financial distress.

As part of the indicators included in the Impact Report, we measure financial distress to clients. Financial distress is an important topic in the Netherlands as six in ten households sometimes have difficulties making ends meet. This is partly due to inflation and rising energy costs and can give rise to financial distress. Financial distress in private households in turn impacts society, for example by causing economic downturn or by putting additional pressure on the health care system. ABN AMRO's Financial Health department is there to help clients facing these problems, making them financially resilient or preventing them from getting into debt.

Proactive

There are many reasons why people may get into financial trouble, such as divorce, illness, job loss or outstanding student loans. Many clients facing money problems don't raise the alarm until it is too late, with predictable consequences. That's why we want to help our clients as early as possible. Our debt assistance advisers and budget coaches advise our clients about measures that boost income and help them gain overview of their incomes and expenditures. Clients can also get in touch with a savings coach through the ABN AMRO app and learn where they could save costs during a coaching session.

The younger, the better

A survey carried out by Deloitte showed that 45 percent of young people aged 18 to 25 are financially unhealthy or vulnerable. Prevention and financial awareness are important: the younger people become aware, the better. We are therefore focusing on this target group, by giving guest lessons at schools and by offering the Gimi app, a fun way to teach children about money. These initiatives help the next generation build financial knowledge and skills.

Banking is about people

Our Financial Health department offers support across all life phases. This aligns with our purpose: "Banking for better, for generations to come". We are there for our clients every step of the way, in good times and in bad times. Our department helped 21,000 unique clients this past year. In doing so, ABN AMRO is looking to contribute to a society in which everyone can take part, where equal opportunities and financial inclusion are the norm.

Our impact statements

The next few pages contain our impact statements – including our core Integrated Profit & Loss Statement

Readers’ guide

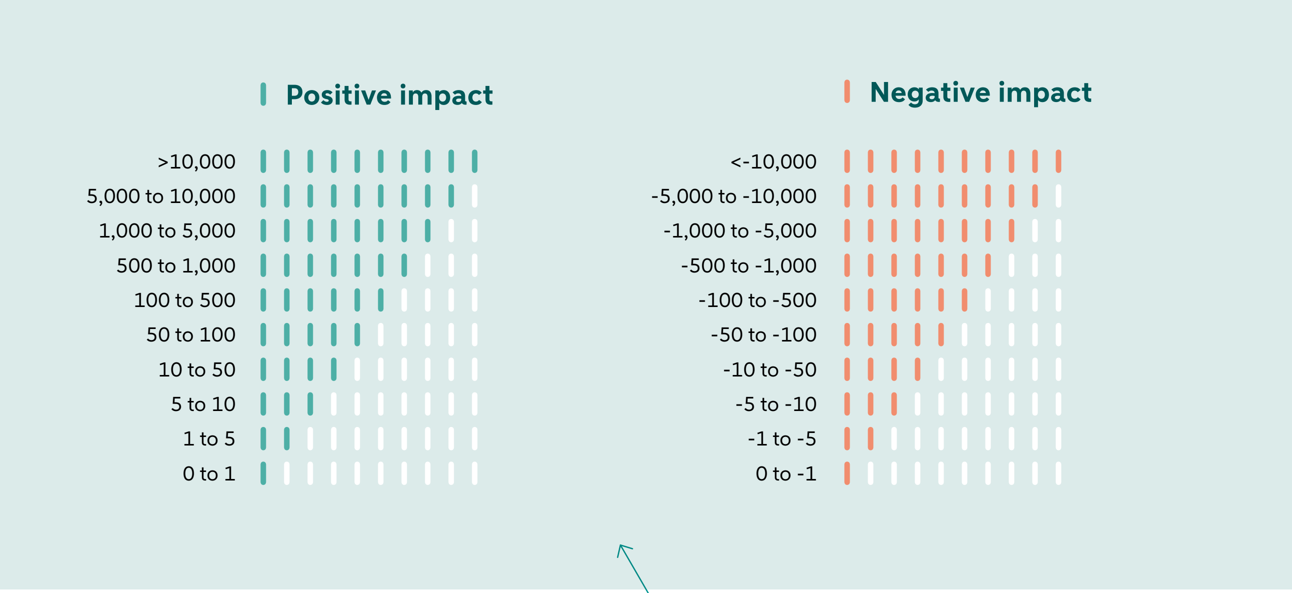
This Report contains five separate Impact Statements:

- Integrated Profit & Loss Statement
- Stakeholder Value Creation Statement
- Investor Value Creation Statement
- External Costs Statement
- ABN AMRO’s Contribution to the UN Sustainable Development Goals

Each of these statements shows estimated impact in euro-equivalents by both stakeholder group and capital. More information on impact statements can be found on page 42 and in the Methodology section. All statements relate to ABN AMRO Bank N.V. and include both direct and indirect impacts. The IP&L Statement is our principal value creation statement; it provides an overview of the bank’s impact, including whether value has been created, lost or transferred. This Statement acts as the basis for the other statements.

All impacts are shown in ranges (see table opposite). Positive impact is shown in **light green**, negative in **coral red**. Where no lines are included, this is largely due to a lack of available data. For more information on our methodology and approach, see pages 36-45.

Estimated impact (in EUR millions, equivalent)



We report our impact in ranges – these ranges do not use a linear scale, so should not be added or multiplied.

Integrated Profit & Loss statement

The IP&L Statement shows our impact from the perspective of our main stakeholder groups. For reference, impacts are also shown by capital.

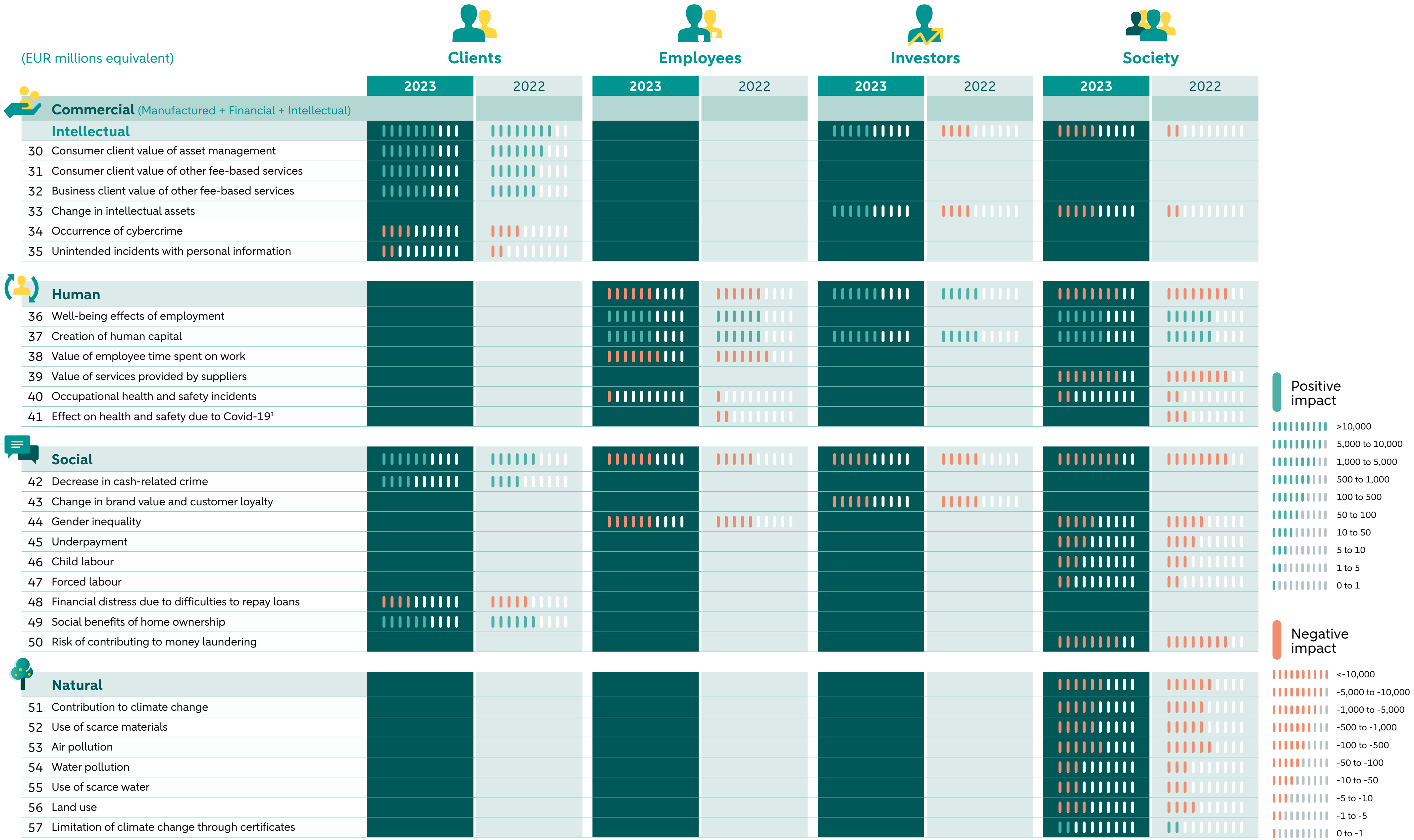
(EUR millions equivalent)

		Clients 2023	Clients 2022	Employees 2023	Employees 2022	Investors 2023	Investors 2022	Society 2023	Society 2022
	Commercial (Manufactured + Financial + Intellectual)								
	Manufactured								
1	Contribution to final goods and services in value chain								
2	Client value through change in house value								
3	Client value of money transfers								
4	Client value of money storage and management								
5	Client value of other infrastructure services								
6	Value of infrastructure services provided by suppliers								
7	Balance of value of goods received from suppliers and provided to buyers of divested assets								
8	Client value of housing								
9	Gross increase in tangible assets								
10	Depreciation of tangible assets								
	Financial								
11	Payments by clients								
12	Payments made by other stakeholders								
13	Payments to suppliers for expensed goods and services								
14	Employee payments								
15	Income tax payments								
16	Interest payments								
17	Net profit/loss								
18	Corrections for non-financial profit items								
19	Balance of payments to suppliers for investments and from buyers for divested assets								
20	Cost of capital								
21	Value of capital								
22	Value of services (financial) provided by suppliers								
23	Consumer client value of lending services (non-mortgage)								
24	Business client value of lending services								
25	Consumer client value through home ownership								
26	Change in share price not captured in comprehensive income								
27	Added value of prevented bankruptcies due to Covid-19 financial support measures[1]								
28	Contribution to tax collection through payment system								
29	Other financial impacts								

Positive impact
- >10,000
- 5,000 to 10,000
- 1,000 to 5,000
- 500 to 1,000
- 100 to 500
- 50 to 100
- 10 to 50
- 5 to 10
- 1 to 5
- 0 to 1

Negative impact
- <-10,000
- -5,000 to -10,000
- -1,000 to -5,000
- -500 to -1,000
- -100 to -500
- -50 to -100
- -10 to -50
- -5 to -10
- -1 to -5
- 0 to -1

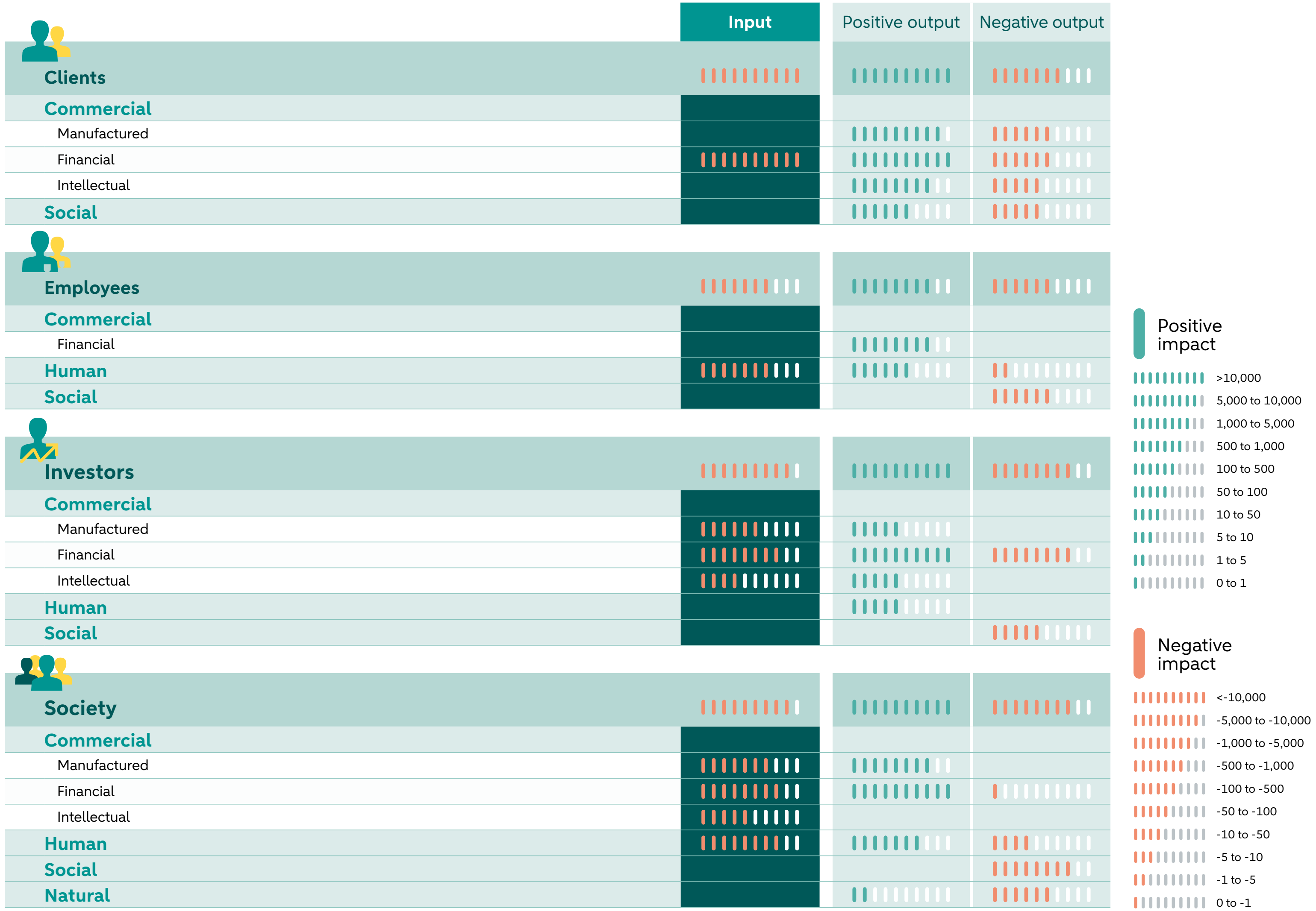
[1] This impact is estimated to be zero in 2023 and 2022 due to the fact that ABN AMRO provided no Covid-related bankruptcy support in both years.



[1] This impact is put to zero in 2023 as data collection on Covid-19 incidents has been discontinued.

Stakeholder value creation statement

This Statement shows net value creation by capital for each of our main stakeholder groups. Results are provided by input (i.e., resources provided to the bank by each stakeholder group) and output (i.e., value either created or lost).



Investor value creation statement

This Statement shows value created or lost for investors by both capital and input/output. Please note that results shown below have a more significant impact effect on the bank's shareholders than its bondholders.

	Input	Positive output	Negative output
Commercial			
Manufactured			
Gross increase in tangible assets			
Depreciation of tangible assets			
Financial			
Interest payments			
Net profit/loss			
Corrections for non-financial profit items			
Cost of capital			
Value of capital			
Change in share price not captured in comprehensive income			
Other financial impacts			
Intellectual			
Change in intellectual assets			
Human			
Creation of human capital			
Social			
Change in brand value and customer loyalty			

Positive impact

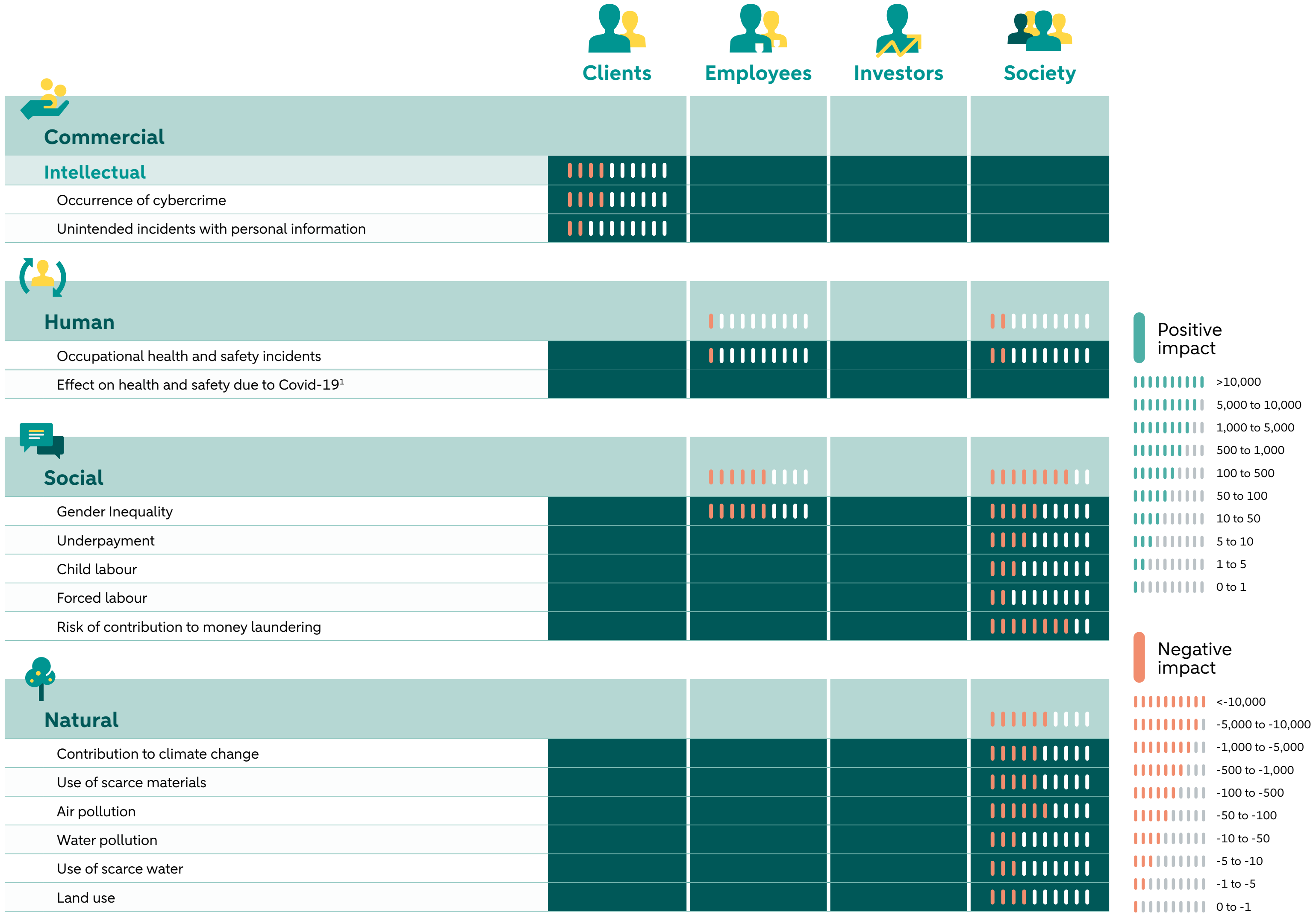
- >10,000
- 5,000 to 10,000
- 1,000 to 5,000
- 500 to 1,000
- 100 to 500
- 50 to 100
- 10 to 50
- 5 to 10
- 1 to 5
- 0 to 1

Negative impact

- <-10,000
- -5,000 to -10,000
- -1,000 to -5,000
- -500 to -1,000
- -100 to -500
- -50 to -100
- -10 to -50
- -5 to -10
- -1 to -5
- 0 to -1

External costs statement

This Statement summarises external costs by stakeholder group; these costs result from ABN AMRO's activities (mainly lending, banking and investment services).



[1] This impact is put to zero in 2023 as data collection on Covid-19 incidents has been discontinued.

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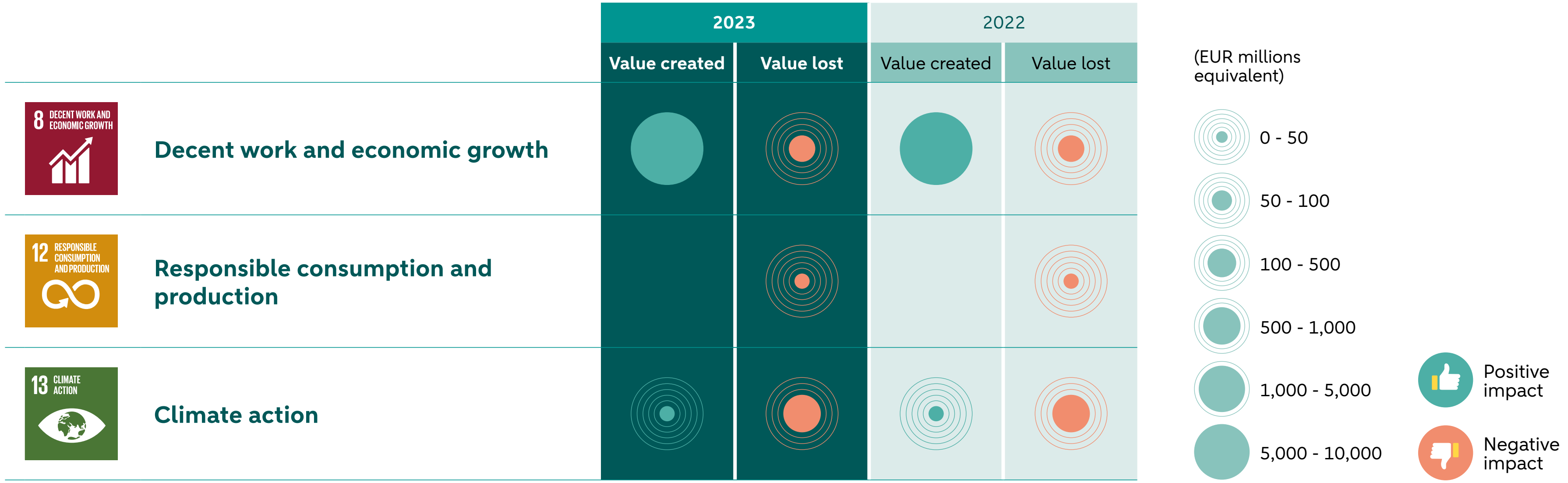
Our contribution to the UN Sustainable Development Goals

Through our activities, we contribute positively to the UN Sustainable Development Goals (SDGs). There are seventeen SDGs in total. We support every goal, but there are three where we believe ABN AMRO has most to contribute as a provider of loans, banking and investment services:

- **SDG 8**: Decent work and economic growth
- **SDG 12**: Responsible production and consumption
- **SDG 13**: Climate action

For two of these – SDG 12 and SDG 13 – we are working to reduce the bank's negative impact by collaborating closely with clients to reduce their contribution to climate change and to use natural resources and other materials more responsibly.

According to our 2023 assessment, our contribution to these three strategic SDGs was unchanged from the previous year:



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This Statement shows the bank's contribution to the UN Sustainable Development Goals.

To compile this Statement, we assessed all impacts from our IP&L Statement against the UN SDGs. In some cases, where relevant, impact has been shared across more than one SDG. Results from our 2023 assessment show that ABN AMRO has measurable impact against 14 of the 17 SDGs. Please note that this table, unlike previous tables, shows positive or negative impact only, not the estimated size of impact. For more information on our approach to the SDGs, see our Integrated Annual Report, available online.

	2023	2022
SDG 1 – No poverty	● (negative)	
Underpayment	● (negative)	–
SDG 3 – Good health and well-being	↑ (more positive)	
Well-being effects of employment	● (positive)	+
Financial distress due to difficulties to repay loans	↓ (less negative)	–
Air pollution	● (negative)	–
Water pollution	● (negative)	–
Effect on health and safety due to Covid-19	● (negative)	–
SDG 5 – Gender equality	● (negative)	
Gender inequality	● (negative)	–
SDG 6 – Clean water and sanitation	● (negative)	
Use of scarce water	● (negative)	–
SDG 7 – Affordable and clean energy	● (negative)	
Use of scarce materials	● (negative)	–

	2023	2022
SDG 8 – Decent work and economic growth	● (positive)	
Employee payments	● (positive)	+
Income tax payments	● (positive)	+
Net profit/loss	● (positive)	+
Contribution to final goods and services in value chain	↑ (more positive)	+
Client value of money transfers	● (positive)	+
Client value of money storage and management	● (positive)	+
Change in intellectual assets	● (negative)	–
Creation of human capital	● (positive)	+
Occupational health and safety incidents	● (negative)	–
Gender inequality	● (negative)	–
Child labour	● (negative)	–
Forced labour	↑ (more negative)	–
Added value of prevented bankruptcies due to Covid-19 financial support measures	● (negative)	–
Effect on health and safety due to Covid-19	● (negative)	–
SDG 9 – Industry, Innovation and Infrastructure	● (positive)	
Change in intellectual assets	● (negative)	–
Creation of human capital	● (positive)	+
SDG 10 – Reduced inequalities	● (negative)	
Underpayment	● (negative)	–
SDG 12 – Responsible consumption and production	● (negative)	
Use of scarce materials	● (negative)	–

2023

- ● Positive, no change from 2022
- ● Negative, no change from 2022
- ↑ More positive than 2022
- ↓ Less positive than 2022
- ↓ Less negative than 2022
- ↑ More negative than 2022

2022

- \+ Positive 2022
- – Negative 2022

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	2023	2022
SDG 13 – Climate action	● Negative	
Contribution to climate change	● Negative	−
Use of scarce materials	● Negative	−
Limitation of climate change through certificates	● Positive	+
SDG 14 – Life below water	● Negative	
Water pollution	● Negative	−
SDG 15 – Life on land	● Negative	
Air pollution	● Negative	−
Use of scarce water	● Negative	−
Land use	● Negative	−
SDG 16 – Peace, justice and strong institutions	● Positive	
Contribution to tax collection through payment system	● Negative	+
Occurrence of cybercrime	● Negative	−
Unintended incidents with personal information	● Negative	−
Decrease in cash-related crime	● Positive	+
Risk of contribution to money laundering	● Negative	−
Child labour	● Negative	−
Forced labour	↑ More negative	−
SDG 17 – Partnerships for the goals	● Positive	
Employee payments	● Positive	+
Income tax payments	● Positive	+

2023

- ● Positive, no change from 2022
- ● Negative, no change from 2022
- ↑ More positive than 2022
- ↓ Less positive than 2022
- ↓ Less negative than 2022
- ↑ More negative than 2022

2022

- \+ Positive 2022
- − Negative 2022

Methodology and approach

We believe that understanding our impact is essential to creating long-term value for our stakeholders.

How we measure impact

Explained through an example, contribution to climate change.

1. Consider the value chain

The first step to understanding our impact, is to understand our value chain. While we are responsible for the carbon emissions that arise at our offices and through our business travel, we are also associated with the emissions that arise in our value chain. This means we need to understand the impact arising upstream, at our suppliers, at our bank and downstream, impact arising at our clients, and at their clients or at the companies they invest in.

2. Measure our impact footprint

An impact footprint tells us about the size of the impact. For contribution to climate change the footprint is Carbon Dioxide equivalent (CO_2 eq) emissions. This is the amount of gas emitted into the air that contributes to climate change. CO_2 is included as are gases such as methane and nitrous oxide. Footprints are estimated using a combination of direct data gathered by the bank and secondary data which estimates how much CO_2 eq emissions occur at clients or suppliers and within their value chains.

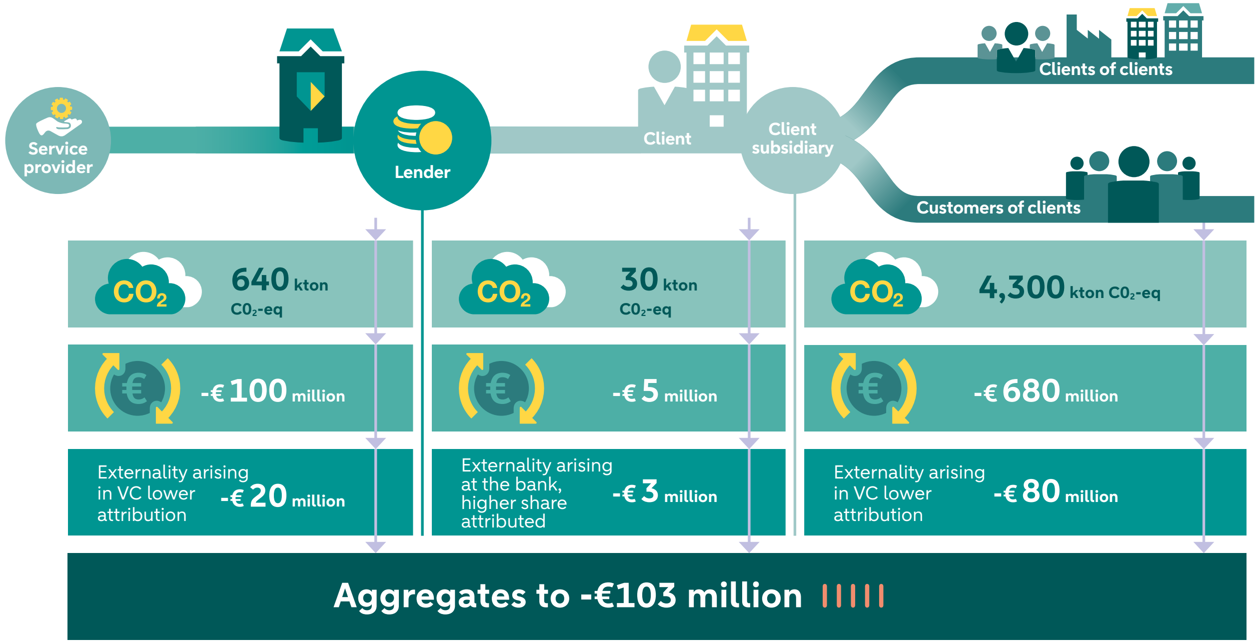
3. Monetise impact

Next, we apply a monetisation factor which reflects the desirability of an impact. Large negative monetisation factors demonstrate that an impact is very undesirable. We aim to use monetisation factors developed in alignment with international norms and standards and while this process can be argued to be subjective, monetisation offers a transparent and consistent approach for allowing us to weigh, compare and aggregate very different impacts. The monetisation value used here (-€0.17/kg) is the abatement cost for the 2-degree global warming target in the long term. This is in line with the Paris Agreement.[1]

4. Attribute to the bank

The final step is attribution. While ABN AMRO creates some impact directly (see carbon emissions from their own buildings and travel), the majority of impact is indirect. Since ABN AMRO is more directly associated with the impact arising at the bank, we attribute a higher share of these emissions to the bank, than we do of the carbon emisssions arising in the value chain. The share of emissions in the value chain is calculated by considering ABN AMRO's added value, whilst avoiding any double counting. This means that the carbon emissions recorded here should not appear in the impact statements of other companies.

[1] More information on the monetisation factors can be found here: trueprice.org/monetisation-factors-for-true-pricing/.



Number may not add up exactly due to rounding.

Key conceptual similarities and differences between the Impact Report and ESRS under CSRD

The Impact Report draws from impact methodologies such as the Impact-Weighted Accounts Framework (IWAF). While the Impact Report and CSRD/ESRS in part overlap, they also have important differences. The table below describes how key concepts are integrated in both the Impact Report and ESRS under CSRD.

Concept	Key similarities and differences
Impact-based	Reporting on positive and negative impacts is the core of both the Impact Report and ESRS. The Impact Report classifies the impacts under 6 capitals: Financial, Manufactured, Intellectual, Human, Social and Natural Capital, while ESRS reports under three areas: Environmental, Social and Governance. There are several topics which overlap between ESRS and the Impact Report, however not all ESRS impact topics are covered in the Impact Report (and vice versa). In particular, governance is not included as an impact area in the Impact Report, as in Impact Thinking it is not considered as an impact in itself. Good or bad governance can influence the size of other impacts (e.g. a strong due diligence process for instance, can reduce the chance of deforestation and biodiversity loss within client value chains). The Impact Report also presents impacts in monetary terms to integrate impact into business language and ensure comparability and cohesion in understanding for employees, investors and other stakeholders. In addition, monetary valuation enables trade-offs between social, environmental and financial topics by expressing them in the same language. Under CSRD monetisation is not required.
Double materiality	Under CSRD a double materiality approach is required to order and select sustainability matters. This means the effect on both ABN AMRO and on stakeholders is considered in the selection of relevant topics. Following the Impact methodology, we aim to give a bank-wide view on how the bank's activities affect its stakeholders (clients, employees, investors and society). The Impact Report includes the quantitative estimation of all impact indicators.
Value chain	The Impact Report estimates impact on stakeholders. As such, impact is estimated for all organisations throughout a value chain. In the impact methodology, impacts are attributed across the organisation's value chain to avoid double counting. Under CSRD on the other hand attribution is not prescribed.

How we measure impact on biodiversity

In this publication we base the biodiversity impact calculations on four drivers, the same ones that we use in the report to calculate our impact on natural capital. The key drivers considered are:
- Contribution to climate change
- Air pollution
- Water pollution
- Land use change

Other drivers of biodiversity loss such as direct exploitation of natural resources and invasive species are not considered in our methodology. Reason for this is limited data availability.

Capturing biodiversity footprints

The four drivers are an aggregation of relevant indicators that are measured as either a direct physical footprint on biodiversity or as an indirect loss of biodiversity.

Climate change and pollution are quantified with GHG or other emissions leading to environmental impacts, while land use change is measured by the use of land for economic activity in hectares, compared to land used for primary vegetation.

Emissions and land use change have an effect on species abundance. To capture this effect on biodiversity, values are converted to biodiversity hectares (bio-ha). One bio-ha unit translates to the loss of one hectare with pristine biodiversity in a respective biome.

Monetisation

Footprint results are monetised through the value of the ecosystem services lost. This allows to compare biodiversity loss with other impacts.

The graph on the next page illustrates the steps associated with this measurement process in more detail.

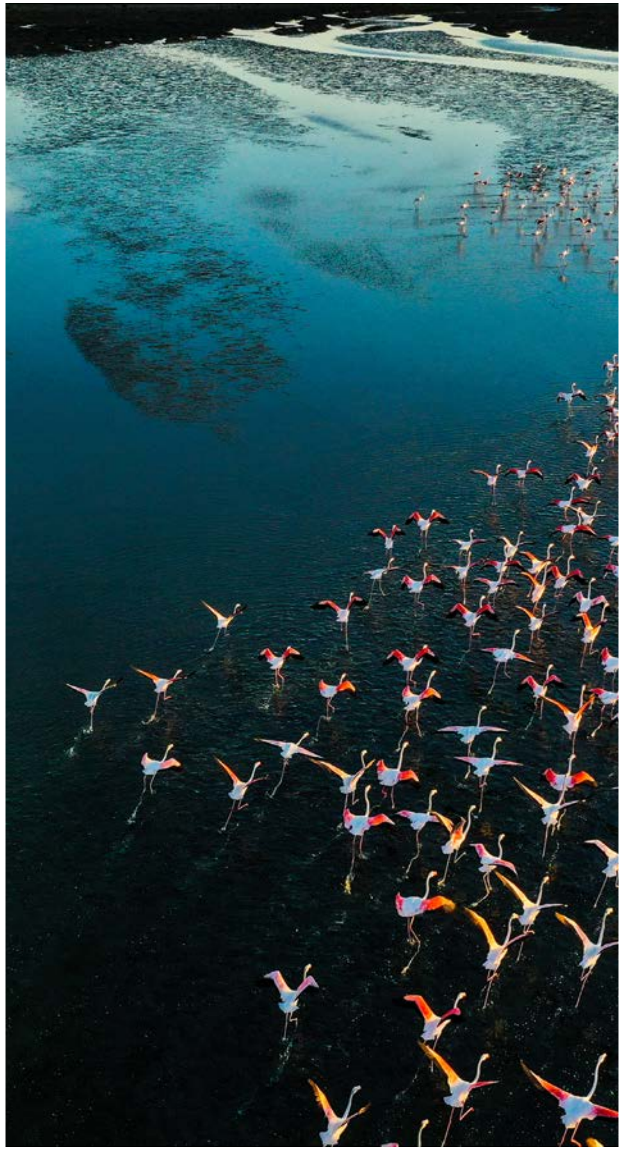
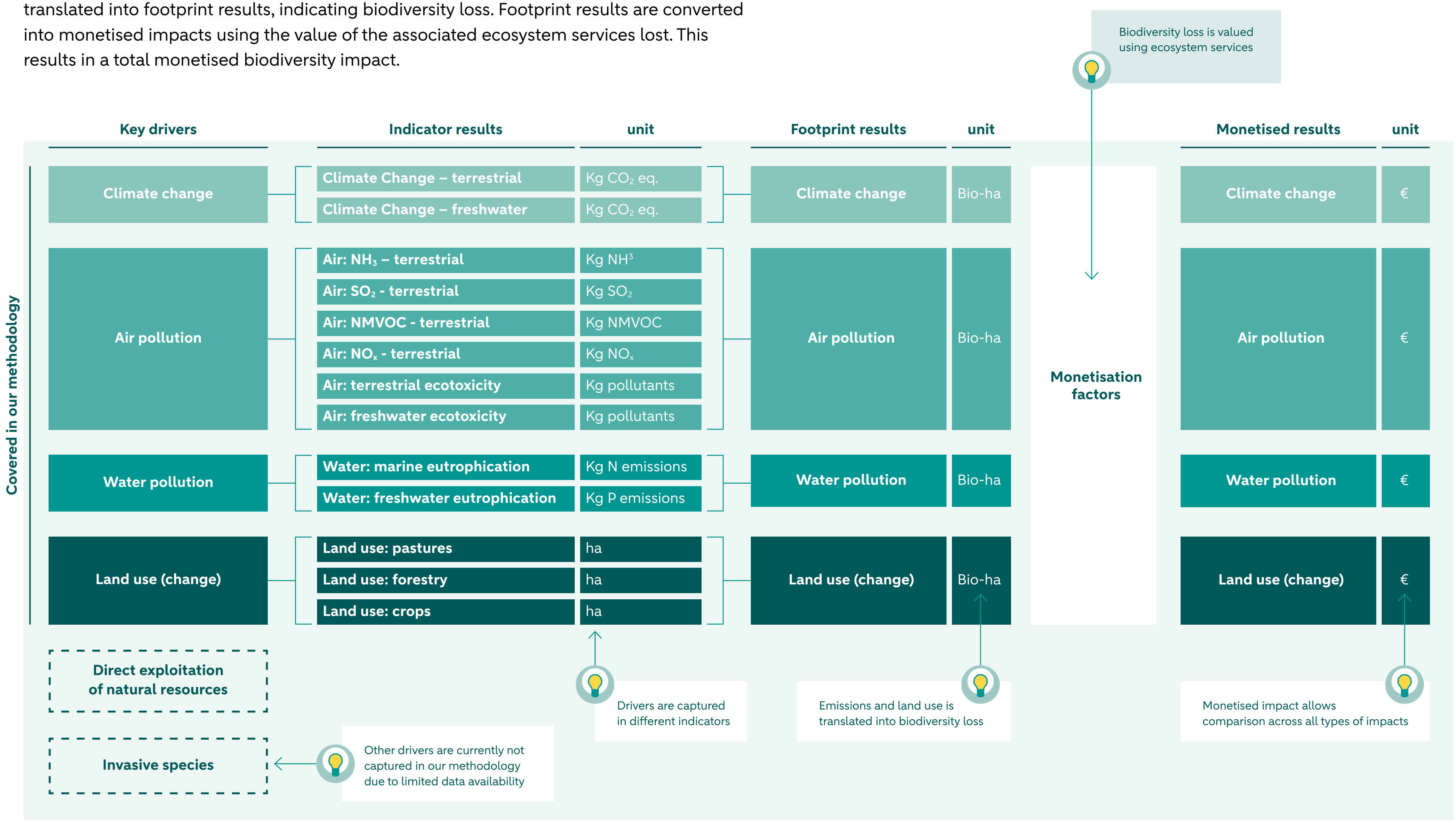


Illustration of our approach to measuring the impact on biodiversity

The figure below illustrates the different steps taken to capture biodiversity impacts. Biodiversity loss is captured through four key drivers, namely climate change, air pollution, water pollution and land use. These drivers are captured through different indicators and translated into footprint results, indicating biodiversity loss. Footprint results are converted into monetised impacts using the value of the associated ecosystem services lost. This results in a total monetised biodiversity impact.

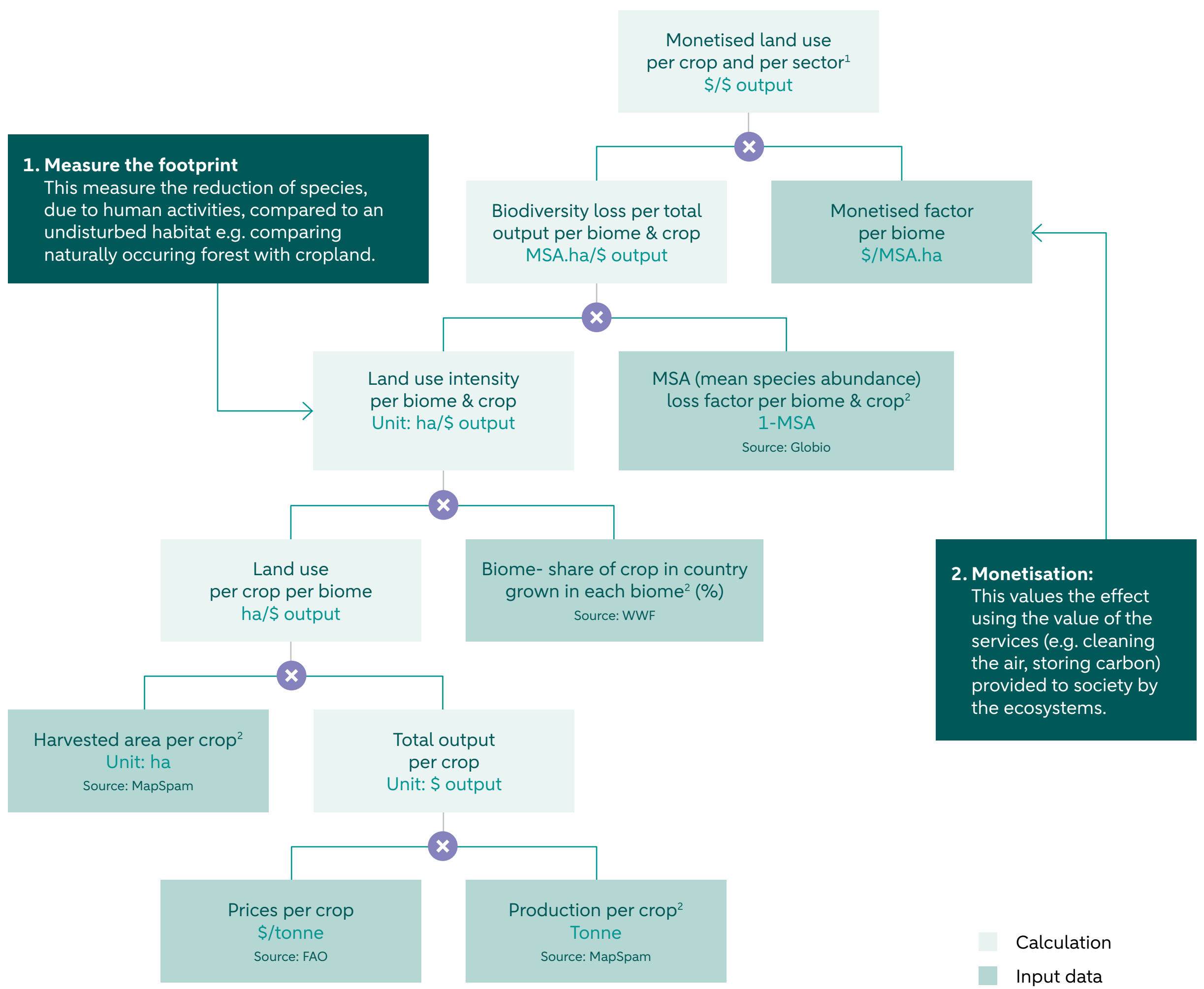


To the right we provide a more specific example of how we measure part of our biodiversity impact. The diagram shows the main components used to assess the impact of using previously undisturbed biomes (e.g. forests, grasslands) for cropland.

Broadly there are two stages to the calculation:

1 Measure the footprint
In this step, the reduction in species is measured per sector, crop and biome. For example, the total loss of species within the cereal grains sector, when naturally occurring forests are used for the production of wheat. This is biome and crop specific as they carry unique MSA (mean species abundance) values, or in other words, the amount of biodiversity is not the same across different cropland and biomes. This is divided by the total output per crop (measured in terms of economic value).

2 Monetisation
In this step, a monetary value is added to the impact. This is based on the value of ecosystem service loss associated with the biodiversity. More information on this methodology can be found in the Land use, Land use change, biodiversity and ecosystem services publication by True Price and Wageningen Economic Research.



[1] Data is aggregated across biomes per crop and sector.
[2] Data is available at gridlevel and aggregated to country level.

Our approach to reporting

Our general approach

Wherever possible, this Report aims to follow the principles and concepts set out in the Impact-Weighted Accounts Framework (IWAF) published by the Impact Economy Foundation (IEF) as well as Impact Institute's Framework for Impact Statements (FIS). Definitions, criteria and other requirements are drawn from the Impact Institute's Integrated Profit & Loss Assessment Methodology (IAM) – core version.

In addition to this Report, there is a separate, more detailed Note on Methodology, available online.

Impact Statements

All Impact Statements, on pages 28-35, are in the form of an IP&L, showing value created or lost during the year for each of the bank's main stakeholder groups. All assessments are based on chosen impacts; there are 57 impacts to represent the scale and breadth of the bank's activities. Prior to inclusion, all impacts are monetised and assigned a euro-equivalent value. Impacts are shown by stakeholder group and/or capital.

We use capitals taken from the <IR> Framework, though this year we have decided to combine manufactured, financial and intellectual capital into commercial capital to reflect the value created through our core activities. Definitions of these impacts may be found on pages 46-49.

Our capitals are defined as follows:

Commercial	A combination of the three capitals in the IP&L • **Manufactured:** Fixed assets, including house values and the value of banking and investment services. • **Financial:** All money and financial assets. • **Intellectual:** All internal systems, procedures, protocols and other forms of intellectual property.
Human	• Individuals' time, skills and productivity (including the well-being effects of employment and workplace health and safety).
Social	• Social ties, norms, networks and stakeholder relations (including the bank's impact on social issues such as child labour, gender discrimination, low pay and financial distress among clients unable to repay loans).
Natural	• Social ties, norms, networks and stakeholder relations (including the bank's impact on social issues such as child labour, gender discrimination, low pay and financial distress among clients unable to repay loans).

Selecting impacts

To identify and select impacts, we use several sources, including:

- Results from similar exercises carried out by peers
- Existing impact studies from ABN AMRO and other organisations
- Inputs from subject-matter experts within the bank

The IAM lists impacts by groups or classes. Of these, most were in scope for our 2022 assessment, similar to the previous year. Other impacts were added from outside these lists – these were either specific to the banking sector or to relevant events (such as the Covid-19 pandemic). At the same time, some impacts were excluded, or their scope reduced, because of a lack of data. Examples of this are impacts related to individuals and society such as harassment, discrimination on the basis of race or disability, displacement of indigenous groups or other communities and freedom of opinion and expression. In addition positive impacts, especially related to biodiversity restoration and conservation are not included in this report. In other cases, scope was limited to reliable data only (for example, results for air and water pollution include only pollutants for which there is data on both emissions and valuations).

Scope and boundaries

Our assessment covers both direct impacts and impacts to which ABN AMRO contributes only indirectly (the latter may be client activities, for example, made possible by loans or investment services granted by the bank).

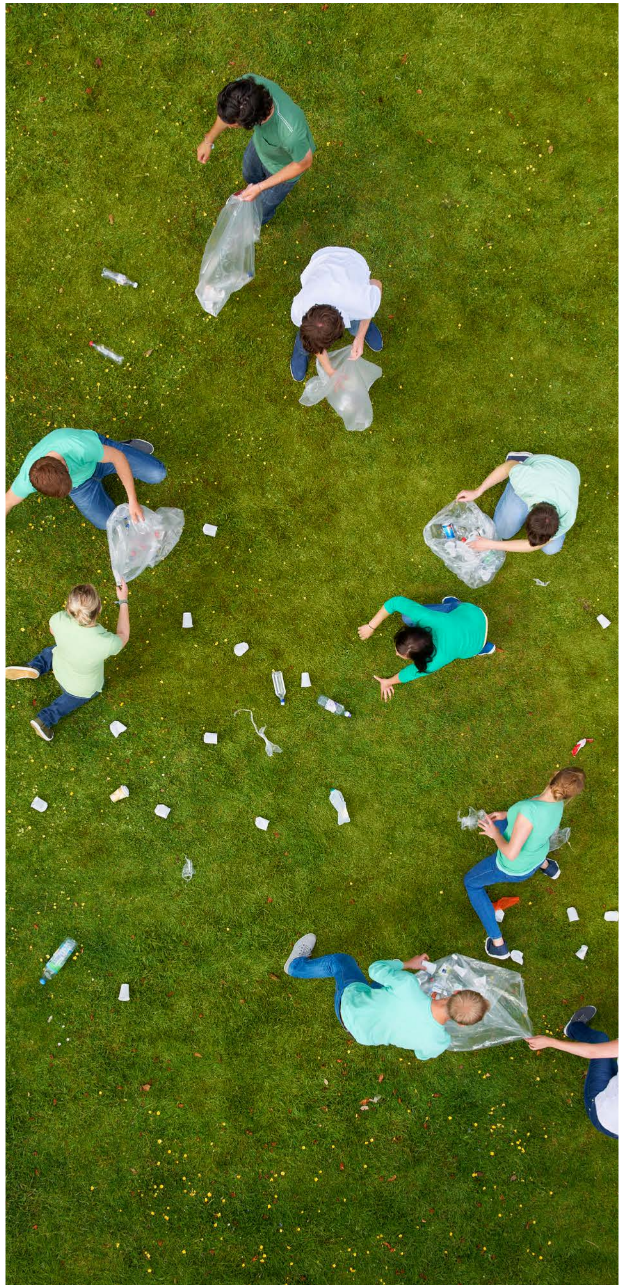
This assessment covers:

- 95% of the bank's activities in terms of internal impacts (i.e., those impacts already priced into the bank's transactions).
- 80% of activities in terms of external impacts (i.e., those impacts not priced in, such as the effects on climate, environment, or human rights, reflected as external costs).

Updating our 2022 results

Impact Institute's Global Impact Database (GID) has been updated to include most recently available data. The update resulted in minor changes to some impacts. Most notably, it led to a change in the impact of forced labour and contribution to final goods and services in the value chain.

	Clients	Employees	Investors	Society
Updated 2022 results				
Forced labour				
Contribution to final goods and services in the value chain				
Original 2022 results				
Forced labour				
Contribution to final goods and services in the value chain				



Defining our stakeholders

We define our stakeholders as follows:

Any group or individual the bank affects through its activities or products and services who, in turn, may affect the bank's ability to achieve its goals.

Using this definition, we recognise four main stakeholder groups: clients, employees, investors and society:

Clients	• Personal & Business Banking clients • Wealth Management clients • Corporate Banking clients
Employees	• Full-time and part-time employees, sub-contractors
Investors	• Shareholders, bondholders
Society	• Suppliers and external consultants, other business partners, local communities, governments, regulators and NGOs

Estimating impact

To estimate impact, we use both bottom-up and top-down analysis. Bottom-up uses ABN AMRO data; top-down uses both ABN AMRO and other external data to provide a more complete assessment (this applies to the bank's corporate client, wealth management and supplier portfolios where it is not feasible to build bottom-up models since these relate to other companies or value chains).

Within a value chain, it is possible that several organisations will contribute to a specific impact. In these cases, the total impact is divided among these organisations in a way that avoids double counting, but still ensures the entire impact is accounted for. To do this, impacts are categorised as follows:

- **Category 1:** impacts that may be attributed fully to ABN AMRO (because the activities in question are controlled directly by the bank). These are primarily internal impacts. In this case, there is no attribution of impact to other organisations. Examples include salaries paid to employees, payments to investors or suppliers, or payments made by clients in return for banking and other financial services.
- **Category 2:** impacts that may be attributed to several organisations, but for which one organisation is primarily associated with. Most external impacts fall into this category. In this case, most of the impact (at least 50%) is attributed to this one organisation. Examples include occupational health & safety, financial distress among clients unable to repay loans or mortgages, or contributions to climate change.

In addition to the above, there is a third category relating to impacts that may be attributed to several organisations, but which arise at no organisation in particular. We identified no **Category 3** impacts in our 2023 assessment.

Internal and external data sources

Internal data: data compiled by the bank itself, including ABN AMRO's 2023 Financial Statements. Where 2023 data was not available, the most recent period was used instead. In some cases, full-year data was extrapolated from data from either the first three quarters or eleven months of the year.

External data: External data: economic, social and market data, including national statistics, international databases and academic research. Data was also taken from the Impact Institute.[1]

Four-step process

Our impact measurement is based on a four-step process (as set out in the FIS):

- **Frame** – define initial expectations and objectives
- **Scope** – decide which activities and impacts should be included
- **Measurement and valuation** – collect all relevant data, calculate and monetise impact and define a value creation model, based on both bottom-up and top-down analyses
- **Reporting** – analyse and confirm results

Our process is overseen by a Steering Committee, comprising members of ABN AMRO's communications, strategy and sustainability teams. All findings are submitted to internal experts for review and approval prior to publication.

[1] This includes factors used to calculate euro-equivalents, data from the Impact Institute's Global Impact Database and social and environmental data to assess supply chain impacts.

Compliance with Integrated Profit & Loss Assessment Methodology

This Report is written in accordance with the IAM. The table below shows how we comply with the IAM's main principles and concepts:

Principles and concepts	ABN AMRO's approach
Impact contribution	Our IP&L Assessment covers impacts from ABN AMRO's own operations and its wider value chain.
Reference scenario	Impact is reported as an absolute (rather than measured against an alternative scenario). Marginal impacts are not in scope.
Valuation	Impact is shown in euro-equivalents, reflecting its value to stakeholders. Well-being impacts relate to the well-being of individuals. All individuals are weighted equally. Impacts affecting basic rights are based on estimated costs of remedying any infringement or violation.
Realised impact	Our IP&L Assessment provides an overview of value created or lost in 2023 by both stakeholder group and capital.
Representativeness	Most of the bank's activities and impacts are included; B2B and B2C are assessed in separate analyses.
Balance	This report aims to provide a balanced overview of both positive and negative impacts.
Conservativeness	To assess impact, we use a best-estimate valuation. Where there is uncertainty, we generally select the more conservative option. This, in effect, minimises positive impacts and maximises negative.
Functional unit	Our assessment relates to ABN AMRO Bank N.V.
Stakeholder scope	This assessment covers the bank's four main stakeholder groups (clients, employees, investors and society).
Capital scope	All six <IR> capitals are covered by our assessment (human, social, natural and commercial, which combines manufactured, financial and intellectual).
Netting and aggregation	External costs are not netted unless shown unaggregated elsewhere in the Report.

Further information on our approach may be found in our separate Note on Methodology, available online.

Description of impacts

This assessment is based on 57 impacts, as below:

	Commercial	Description
	Manufactured	
1	**Contribution to final goods and services in value chain**	When the organisation engages in lending and investment, this contributes to the creation of goods and services that have value for final users (positive impact).
2	**Client value through change in house value**	When homeowners see the value of their houses increase (or decrease) during the reporting period, this is shown as an increase (or decrease) in manufactured capital.
3	**Client value of money transfers**	Client value of money transfers created by the bank through the provision of financial infrastructure (positive impact).
4	**Client value of money storage and management**	Client value of money storage and management created by the bank through the provision of financial infrastructure (positive impact).
5	**Client value of other infrastructure services**	Client value of other infrastructure services such as securities and custodian services provided by the bank (positive impact).
6	**Value of infrastructure services provided by suppliers**	Value of infrastructure services provided by the bank's suppliers, such as payments, securities and custodian services (negative impact).
7	**Balance of value of goods received from suppliers and provided to buyers of divested assets**	The balance of goods received from suppliers (represented by a negative change in manufactured capital for suppliers) and the divested assets of ABN AMRO to buyers of the assets (represented by a positive change in manufactured capital for buyers in society). A positive value indicates that the value of divested assets is larger than the value of goods purchased from suppliers, resulting in a net positive change in manufactured capital for society. A negative value indicates the value of goods purchased from suppliers is larger than the value of goods divested, resulting in a net negative change in manufactured capital for society.
8	**Client value of housing**	Client value of living in a house as (co-) facilitated by the bank through mortgage provision (positive impact).
9	**Gross increase in tangible assets**	Gross increase in value during the year of tangible assets such as property, plant and equipment (positive impact).
10	**Depreciation of tangible assets**	Decrease in value through depreciation during the year of tangible assets such as property, plant and equipment (negative impact).
	Financial	
11	**Payments by clients**	Payments from clients to the organisation (experienced as a negative impact on financial capital for clients).
12	**Payments made by other stakeholders**	Payments from stakeholders other than clients to the organisation (experienced as a negative impact on financial capital for these stakeholders).
13	**Payments to suppliers for expensed goods and services**	Payments from the organisation to suppliers for payments included as expenses in the Income Statement (experienced as a positive change in financial capital for suppliers).

Commercial	Description
Financial	
14 **Employee payments**	Payments from the organisation relating to employee expenses, including gross salary and a number of social security and pension contributions (experienced as a positive change in financial capital for employees and the government through taxes).
15 **Income tax payments**	Payments from the organisation to the government relating to income tax obligations (positive impact on financial capital for the government).
16 **Interest payments**	Interest payments from the organisation to their clients, bondholders and others (positive impact in financial capital for these clients, bondholders and other stakeholders).
17 **Net profit/loss**	If an organisation makes a net profit for a reporting year, this increases the organisation's stock of financial capital and there is a positive change in capital. Part of this may, in turn, be used to pay dividends to shareholders. If the organisation makes a net loss, this reduces its stock of financial capital, and there is a negative change in the capital.
18 **Corrections for non-financial profit items**	Various non-financial capital changes (e.g. depreciation) are recognised as income and expenses in the Income Statement. In the IP&L Assessment, these changes are recognised under their respective capitals. This group consists of changes to balance financial capital.
19 **Balance of payments to suppliers for investments and from buyers for divested assets**	The balance of payments from the organisation to suppliers for investments (not included as expenses in the Income Statement) and payments from buyers of divested, capitalised assets. A positive value indicates that payment to suppliers for investments is larger than payments received from buyers, which is a net positive change in financial capital for society. A negative value indicates that payments received from buyers are larger than payments to suppliers for investments, which is a net negative change in financial capital for society.
20 **Cost of capital**	The cost of capital provided to the organisation by clients, equity holders, bondholders and others (negative impact).
21 **Value of capital**	The value of capital provided to the organisation and to the organisation's stakeholders (positive impact).
22 **Value of services (financial) provided by suppliers**	When an organisation receives goods in some form from its suppliers, these represent negative changes in financial capital for suppliers.
23 **Consumer client value of lending services (non-mortgage)**	Value of (non-mortgage) lending services delivered by the organisation, which are experienced as positive changes in financial capital for consumer clients.
24 **Business client value of lending services**	Value of lending services delivered by the organisation, experienced as positive changes in financial capital for business clients.
25 **Consumer client value through home ownership**	Clients of the bank experience savings and other financial capital benefits from home ownership, represented as a positive change in financial capital for clients.
26 **Change in share price not captured in comprehensive income**	A positive (negative) change in the organisation's share price – to the extent this is not captured in comprehensive income – generates a positive (negative) change in financial capital for shareholders.
27 **Added value of prevented bankruptcies due to Covid-19 financial support measures**	Added value loss avoided because of bankruptcies prevented by Covid-19-related financial support provided by the bank to clients (positive impact on financial capital for clients and society).
28 **Contribution to tax collection through payment systems**	Additional tax revenue that is collected from governments as a result of digital payment systems provided by the bank (positive impact for society).
29 **Other financial impacts**	Other changes in financial capital to the organisation and its stakeholders relating to the organisation's operations.

Commercial	Description
Intellectual	
30 **Consumer client value of asset management**	Value of asset management services for consumer clients delivered by the organisation (represents positive change in intellectual capital for clients).
31 **Consumer client value of other fee-based services**	Value of other fee-based services for consumer clients delivered by the organisation (represents positive change in intellectual capital for clients).
32 **Business client value of other fee-based services**	Value of other fee-based services for business clients delivered by the organisation (represents positive change in intellectual capital for business clients).
33 **Change in intellectual assets**	Positive or negative changes in intellectual assets (e.g. intellectual property rights) owned by the organisation or its stakeholders.
34 **Occurrence of cybercrime**	Incidents of cybercrime are represented as negative impacts and external costs, if they occur at the company (direct impact) or in the value chain (indirect impact).
35 **Unintended incidents with personal information**	Unintended incidents regarding data and client privacy are represented as negative impacts and external costs.

Human	Description
36 **Well-being effects of employment**	The increase in employees' well-being caused by employment through, among other things, effects on self-esteem, autonomy, social relations, and social status (positive impact when contributing to employment; negative impact when contributing to unemployment).
37 **Creation of human capital**	Increases in the expected value add generated due to improved productivity as a result of working at the organisation.
38 **Value of employee time spent on work**	The value of time employees spend on work, representing a negative (opportunity) cost for employees, since during the time they work they cannot do other valuable activities.
39 **Value of services provided by suppliers**	Value of services purchased by the organisation, representing (predominantly) negative changes in human capital for suppliers of the services.
40 **Occupational health and safety incidents**	Fatal and non-fatal occupational incidents and diseases in the workplace, constituting negative impacts and external costs. This applies both to occurrences at the organisation itself (direct impacts) and those in the value chain (indirect impacts).
41 **Effect on health and safety due to Covid-19**	Covid-19-related illnesses in the workplace, representing a negative impact for employees. Further, the spread of the virus from employees to others outside the organisation represents a negative impact for society.

Social	Description
42 **Decrease in cash-related crime**	Decrease in harm to clients from robberies and fraudulent banknotes due to the provision of a digital payment infrastructure (positive impact).
43 **Change in brand value and customer loyalty**	Changes in brand value and customer loyalty, represented as changes in the organisation's social capital (since these are assets that help the organisation attract and retain clients and employees).
44 **Gender inequality**	Gender inequality refers to unequal access to highly skilled jobs on the basis of gender. In addition, this impact considers the difference in salaries between women and men. A gender pay gap, as either a direct or indirect impact, constitutes a negative impact and an external cost.

Social	Description
45 **Underpayment**	Underpayment occurs when employees earn less than a living wage required for a decent standard of living (including as an indirect impact). This constitutes a negative impact and an external cost.
46 **Child labour**	The presence of child labour in violation of legal and/or international standards (including as an indirect impact). This constitutes a negative impact and an external cost.
47 **Forced labour**	Forms of employment where the worker has not offered themselves voluntarily or does not have the freedom to leave voluntarily. This occurs in the value chain of the bank (negative impact for society).
48 **Financial distress due to difficulties to repay loans**	Stress experienced by clients as a result of payment difficulties relating to loans (negative impact).
49 **Social benefits of home-ownership**	Value of increase in well-being and other social benefits related to home ownership (positive impact).
50 **Risk of contributing to money laundering**	Indirect impact of organised crime as a result of money laundering (negative impact for society).

Natural	Description
51 **Contribution to climate change**	The contribution to climate change through emissions of greenhouse gases, which negatively affect both people and eco-systems. This constitutes a negative impact and an external cost.
52 **Use of scarce materials**	Use of mineral and fossil fuel resources makes them unavailable to others. This contribution constitutes a negative impact and an external cost.
53 **Air pollution**	Negative impacts on air quality (e.g. due to the emission of pollutants), constituting negative impacts and external costs.
54 **Water pollution**	Negative impacts on water quality (e.g. due to the emission of pollutants), constituting negative impacts and external costs.
55 **Use of scarce water**	Use of scarce water resources makes them unavailable for others. This constitutes a negative impact and an external cost.
56 **Land use**	Land use, relating to the impact of historic land transformation from an original state with a high natural capital value to a state with a lower value. This constitutes a negative impact and an external cost.
57 **Limitation of climate change through certificates**	Reduction in greenhouse gas emissions through offsetting; this limits climate change and represents a positive impact.

Glossary and acknowledgments

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Abbreviations used in this Report

B2B	Business-to-business
B2C	Business-to-consumer
CIB	Corporate & Institutional Banking
ESG	Environmental, social and governance
FIS	Framework for Impact Statements
IAM	Integrated Profit & Loss Assessment Methodology
IP&L	Integrated Profit & Loss
<IR>	Integrated reporting
NGO	Non-Governmental Organisation
NPS	Net Promoter Score
PBAF	Partnership for Biodiversity Accounting Financials
RSPO	Roundtable for Sustainable Palm Oil
SDG	Sustainable Development Goal

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Our Integrated Annual Report and other publications are available at:
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