Creating impact together

ABN AMRO Bank N.V.

Impact Report 2022

About this report

Welcome to ABN AMRO Bank N.V.'s 2022 Impact Report. This is our fifth annual Impact Report, containing our Integrated Profit & Loss (IP&L) statement.

This report is based on our 2022 assessment, which examines the impact of ABN AMRO's business, strategy and activities on the bank's four main stakeholder groups: clients, employees, investors and society.

The Report is structured around four sections:

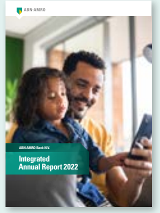
- Results of our 2022 assessment
- Analysing our impact
- Our Impact Statements
- Methodology and approach

This year, in the *Analysing impact section*, we have included feature items to illustrate ABN AMRO's impact in three areas:

- Mortgages and the housing market
- Biodiversity
- Impact by sector – a deeper look at the impact arising in the sectors we finance

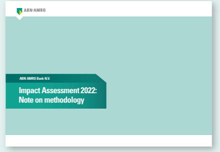
Please note that this Report should be read in conjunction with other ABN AMRO publications, including the bank's 2022 Integrated Annual Report. There is also a separate Note on Methodology, which provides more detail on the methodology used to compile this Report. All ABN AMRO publications are available online at abnamro.com.

Other ABN AMRO reports



Integrated Annual Report 2022

Human Rights Report 2022



Impact Assessment 2022: Note on methodology

Pillar 3 Report 2022

Abbreviations and definitions of important terms 2022

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Welcome to our 2022 Impact Report

"Our strategic and investment choices are a risk/return trade-off where impact plays a role of growing importance"

Our purpose 'Banking for better, for generations to come' clearly reflects what we intend to achieve and how we contribute to society. It's not only about our strategy and the activities we perform for our clients, it's also about the role we play in society and how we add value for all our stakeholders. Both society and our clients are in a period of transition towards a more just and sustainable economy and we have a role to play in actively supporting our clients in this.

To play our role in the best possible way, we must understand the consequences of our business activities: what is their impact and how do we create value for our stakeholders? As a bank, we contribute to many different forms of value creation, be it financial, social, environmental or others. We strive to be transparent about impact, whether positive or negative. Many of the negative impacts are related to the costs to society that are not included in the price companies charge for their products.

The revised Dutch Corporate Governance Code states that management boards are responsible for the continuity of their company and for sustainable long-term value creation by the company. This means we need insight into the value we create and the impact we make. We take a three-step approach to this. First, we identify areas where ABN AMRO can create value. We then define our strategy to ensure value creation. A good example is our Climate Strategy that was published in 2022. Finally, we measure value creation, impact and progress towards delivering on our strategy.

The 2022 Impact Report builds on a solid and accepted methodology, which will help ABN AMRO to meet changing compliance standards and new regulations. As a financial institution, our impact stems largely from our lending and investment services. In this report, we provide insight into what these impacts are and who they affect, both positively and negatively. Our strategic and investment choices are a trade-off where impact plays a role of growing importance, alongside risk & return. The impact of our business activities is greatest in the value chains of our clients. This year we took steps to better understand the impact arising from the sectors within our portfolios. In 2023, we aim to take this work further, working with sector experts and clients to produce actionable data and insights on the impact arising in key portfolio sectors and steer towards sustainable change.

We strive to be transparent about impact, whether positive or negative

We are working hard to enhance the positive impacts and reduce the negative impacts. We are convinced we have a vital role to play in the transition of society towards a sustainable one which serves the generations to come.

Robert Swaak
CEO of ABN AMRO

Results of our 2022 assessment

This section sets out the results from our 2022 impact assessment, showing how we create value for different stakeholder groups.

Our 2022 assessment

ABN AMRO is one of the Netherlands' leading banks. Every year, we provide financial services and advice to millions of individuals and businesses. In doing so, we play an important role in both the Dutch and European economies. Our activities often have a significant impact on those around us – this impact stems largely from our lending and investment services. We also have an impact through employment, procurement and other business practices. This impact may be positive or negative – in other words, it may create or deplete value for stakeholders. By providing mortgages, for example, we offer borrowers the benefits of home ownership. But we are also encouraging new house builds, which increases consumption of natural resources and damages the environment. Similarly, by lending to companies, we support economic growth and job creation, but may also contribute to climate change and biodiversity loss. Assessing our impact ensures we understand these trade-offs, and can maximise value creation for stakeholders, while minimising the adverse effects of our business activities.

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

Why we measure and value impact?

- It allows us to anticipate future risks and opportunities in areas such as climate change, biodiversity and human rights.
- It supports our strategy by identifying possible trade-offs and allows us to manage risks and returns for our stakeholders. This is made possible through impact valuation which allows for comparability of impact information.
- Because it helps build trust and understanding of value created by the bank and the decisions required to maintain long-term value creation.

Reading our Impact Statements'

Our assessment examines impact through two lenses:

- Stakeholders – i.e., who are we creating value for?
- Capitals – i.e., what kind of value are we creating?

Our assessment is based on a series of 'material impacts' – 57 in all, ranging from the benefits of home ownership and health & safety in the workplace through to cybercrime and the use of natural resources. These material impacts are listed on pages 38-41. Each impact is measured and assigned a euro-equivalent value, allowing us to compile an Integrated Profit and Loss (IP&L), which shows the effect of our business activities on both our main stakeholder groups and capitals. A dashboard summary of our IP&L may be found on page 7. A more detailed IP&L is included on pages 24-25.

This approach also allows us to monetise *external costs* – i.e., those costs that are not currently priced into the bank's transactions, such as environmental pollution or harm done unintentionally to labour rights. Most of these costs are incurred within ABN AMRO's wider value chain, both *upstream* among suppliers and *downstream* among the bank's clients (see page 9).

We appreciate that measuring value creation is not an exact science. We work hard every year to strengthen our approach and methodology. Currently, we are using euro-equivalent ranges to show impact, rather than specific amounts. For this assessment, we have compared 2022 results with figures for 2021 updated to reflect recent changes in the database underpinning our methodology. Throughout the Report, these figures are labelled as '2021'. See pages 32-41 for more details about our methodology and comparisons with previously published results for 2021.

Our 2022 impact dashboard

ABN AMRO provides valuable financial services that benefit different stakeholders, but at the same time, this also leads to negative impact, mostly for society.

This dashboard shows how we create value for stakeholders by capital:

Commercial capital for investors decreased in 2022
The difference between the market capitalisation and the book value is a driving factor in this change. In 2022, book value increased more than market capitalisation which results in a lower impact for investors.

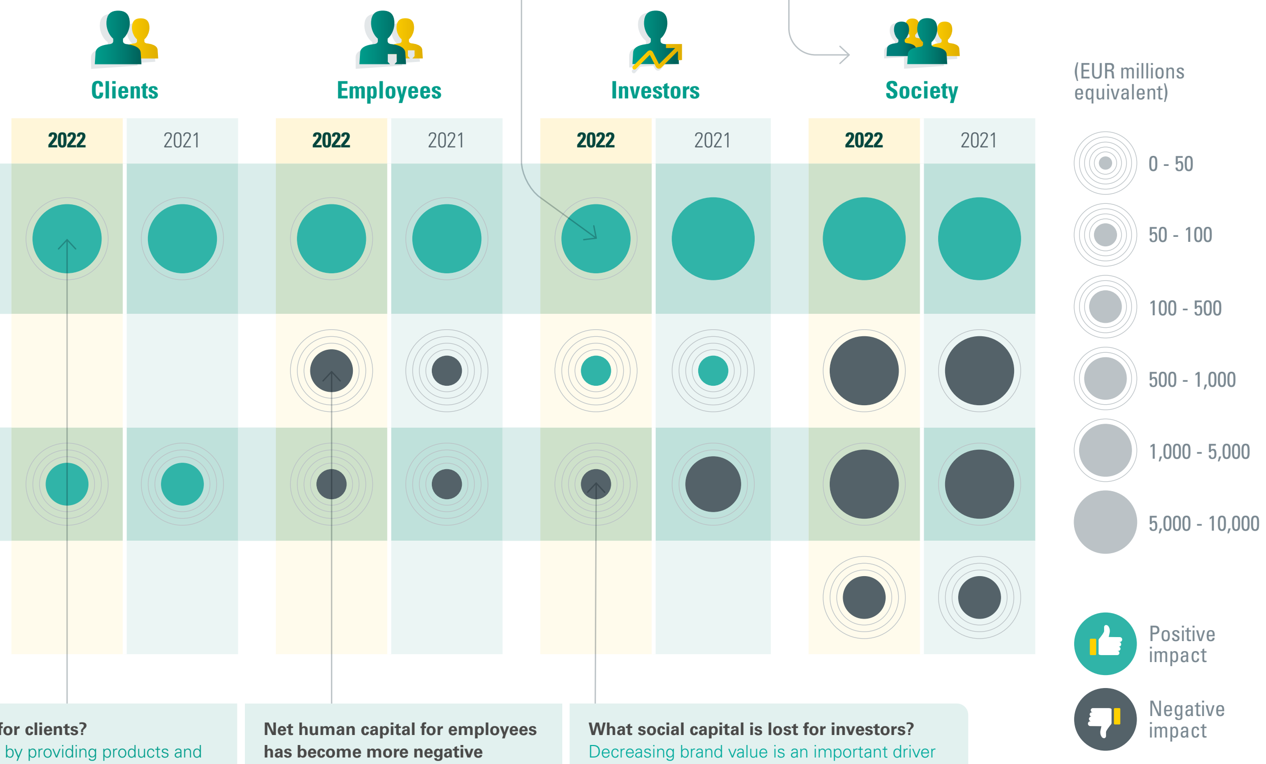
Who are 'Society'?
Society is one of our largest and most important stakeholder groups. This encompasses our suppliers, whom we pay for services, government to whom we pay taxes (see positive commercial capital for society) and importantly, this includes all the people and business that are in the value chains of our clients. Unfortunately, in these value chains there are environmental and human rights impacts and we account for those in the human, social and natural capitals.

Commercial – Commercial capital is the combination of manufactured, financial and intellectual capital (as used in the Integrated Annual Report)[1]. Includes value of housing and other banking and investment services, fees, commissions and other income, payments to suppliers, employees and investors, as well as value of data protection and other bank systems and processes.

Human – Includes employees' and contractors' time, skills and productivity (gained through experience and employee training), health & safety, and the well-being effects of employment.

Social – Includes customer loyalty and impact on social issues such as child labour, underpayment (payment below a living wage) in our value chain and financial distress experienced by clients unable to repay mortgages and other loans.

Natural – Includes use of scarce natural resources, as well as contribution to climate change and pollution.



How does the bank create commercial capital for clients?
ABN AMRO creates commercial capital for clients by providing products and services that lead to value creation for clients. One important way ABN AMRO does this is through mortgage lending. Mortgage loans allow clients to purchase assets, and in the case of the Dutch housing market, where prices continue to increase, this is an asset that increases in value for clients.

Net human capital for employees has become more negative
The impact model indicates less accumulation of human capital and skills by existing employees influenced by less internal mobility.

What social capital is lost for investors?
Decreasing brand value is an important driver of the loss of social capital for investors. However, the result is less negative compared to 2021 due to improving NPS scores in personal banking in 2022.

[1] More information on this can be found in the Methodology annex.

Where no range is provided, this is due either to a lack of available data or because impacts are not considered sufficiently material. For more information on how we define our stakeholders, see page 36.

Our 2022 impact takeaways

We create steady positive commercial value for all stakeholders

As in previous years, ABN AMRO continues to create value in terms of commercial capital for all stakeholders (see Impact Summary figure below). We do this by providing reliable financial services for our clients, paying salaries and benefits to employees, generating dividends for investors and contributing to tax collection through digital payments which create value to society.

We recognise this often comes at a cost for people and the planet and are committed to minimising this

However, whilst our services allow companies to grow and prosper, this also makes us partly responsible for the negative impact occurring at our client or in their value chains. These costs continue to be bourn mostly by society – both people and the planet – and include effects like contribution to climate change, underpayment in our value chain and potential effect of crime propagated through money laundering. These costs are still unfortunately too prevalent in the way we do business and we are committed to working to reduce these.

Through our climate strategy we work to decrease our negative impact

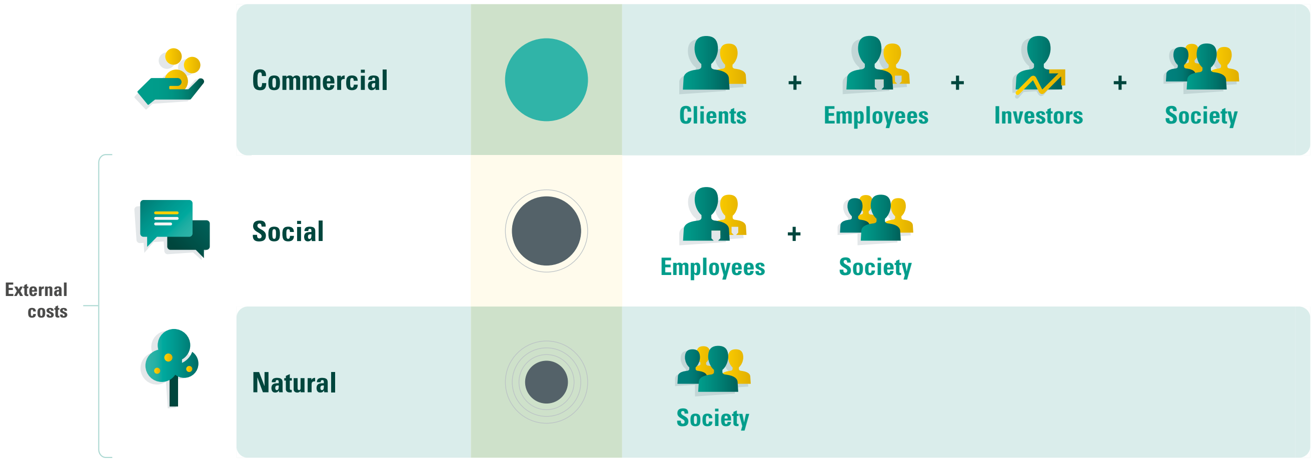
In 2022, we put in place a climate strategy which aims to reduce our contribution to climate change throughout strategic sectors that we finance. Closer to home, we also are working to reduce and offset more of our carbon emission from travel and own operations.

Beyond climate, we are working to better understand and manage the impact of our financing

Beyond our climate strategy we took steps in 2022 to better understand the externalities that occur throughout our lending and asset management portfolios by looking deeper into the impact arising within each sector we finance. In 2023 we will explore the development of sector KPIs and integrate impact insights into decision making and client relationships.

Impact Summary

We create significant positive commercial value for all stakeholders but this still comes at a cost for people and the planet. We are working to minimise these external costs. In the figure, spheres represent euro-equivalent impact ranges. See page 7 for impact range information.[1]



[1] 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

As we have seen, there are unintended external costs associated with our business activities; these relate to costs that are not currently priced into the bank's transactions, such as environmental pollution or infringement of labour rights. Most are incurred in the bank's wider value chain, particularly downstream through lending and asset management (see illustration below).

As with the IP&L, our assessment breaks down external costs by stakeholder group and capital, and identifies where in the value chain these costs occur. Full details may be found on pages 24-25.

Findings from our 2022 assessment

Our latest assessment found that:

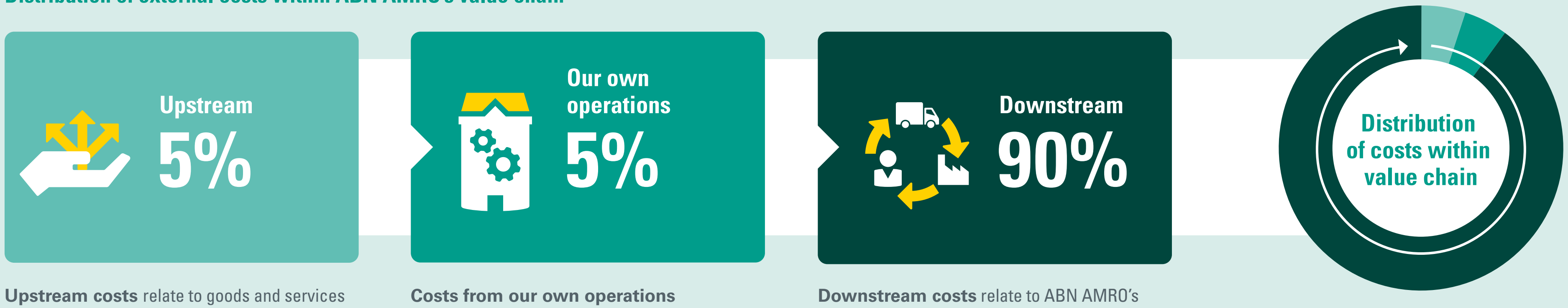
- Most external costs are similar compared with 2021. Among the leading external costs of the bank were again air pollution, contribution to climate change, low pay, risk of money laundering, use of scarce materials and gender inequality.
- External costs across the value chain increased slightly (although many changes are not visible in the ranges). Higher profitability for ABN AMRO indicates a higher influence over the impact of our clients and their value chains. As such, a higher share of the responsibility for impact is attributed to the bank.

In 2021, there was a significant reduction in external costs in society following the wind-down of our Corporate & Institutional Banking (CIB) business outside Europe. The wind-down included the sale of a number of loan portfolios in high-impact sectors and regions.

Our approach to managing external costs

We work hard to reduce external costs, cooperating closely with clients and suppliers to address social and environmental costs inherent to their businesses. As a matter of policy, we do not finance activities we consider to be ecologically, socially or ethically unacceptable (including new thermal coal plants, tobacco, tar sands, oil & gas exploration in the Arctic or companies involved in human rights abuses or widespread deforestation).

Distribution of external costs within ABN AMRO's value chain



Upstream costs relate to goods and services bought by the bank (including IT services, financial resources and consultancy work).

Costs from our own operations relate to the bank's workforce, offices and other activities.

Downstream costs relate to ABN AMRO's clients (and their value chains) via lending and asset management.

We are working to implement the impact methodology further within the sectors that we finance. This year, to better understand our external costs, we took a deeper look at the impact arising within our clients' sectors and value chains. Results are described in the section Impact by sector.

Upstream

Society	2022	2021
Society	IIIIII	IIIIII
Occupational health and safety incidents	II	II
Gender inequality	IIII	IIII
Underpayment	III	IIII
Child labour	II	II
Forced labour	I	I
Contribution to climate change	IIII	IIII
Use of scarce materials	IIII	IIII
Air pollution	IIII	IIII
Water pollution	I	I
Use of scarce water	II	II
Land use	III	III

Own operations

Employees	2022	2021
Employees	IIIII	IIIII
Occupational health and safety incidents	I	I
Effect on health and safety due to Covid-19	II	II
Gender Inequality	IIIII	IIIII
Society	IIIII	IIIII
Effect on health and safety due to Covid-19	III	II
Gender inequality	IIIII	IIII
Contribution to climate change	II	II
Use of scarce materials	II	III

Downstream

Clients	2022	2021
Clients	IIIII	IIII
Occurrence of cybercrime	IIII	IIII
Unintended incidents with personal information	II	I
Society	IIIIIIII	IIIIIIII
Occupational health and safety incidents	II	II
Risk of contribution to money laundering	IIIIIIII	IIIIIIII
Gender inequality	IIII	IIII
Underpayment	IIII	IIII
Child labour	III	II
Forced labour	I	I
Contribution to climate change	IIIII	IIIII
Use of scarce materials	IIIII	IIII
Air pollution	IIIIII	IIIII
Water pollution	III	II
Use of scarce water	III	II
Land use	IIII	IIII

Positive impact		Negative impact	
>10,000	IIIIIIIIII	<-10,000	IIIIIIIIII
5,000 to 10,000	IIIIIIIII	-5,000 to -10,000	IIIIIIIII
1,000 to 5,000	IIIIIIII	-1,000 to -5,000	IIIIIIII
500 to 1,000	IIIIIII	-500 to -1,000	IIIIIII
100 to 500	IIIIII	-100 to -500	IIIIII
50 to 100	IIIII	-50 to -100	IIIII
10 to 50	IIII	-10 to -50	IIII
5 to 10	III	-5 to -10	III
1 to 5	II	-1 to -5	II
0 to 1	I	0 to -1	I

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

Our contribution to the UN Sustainable Development Goals

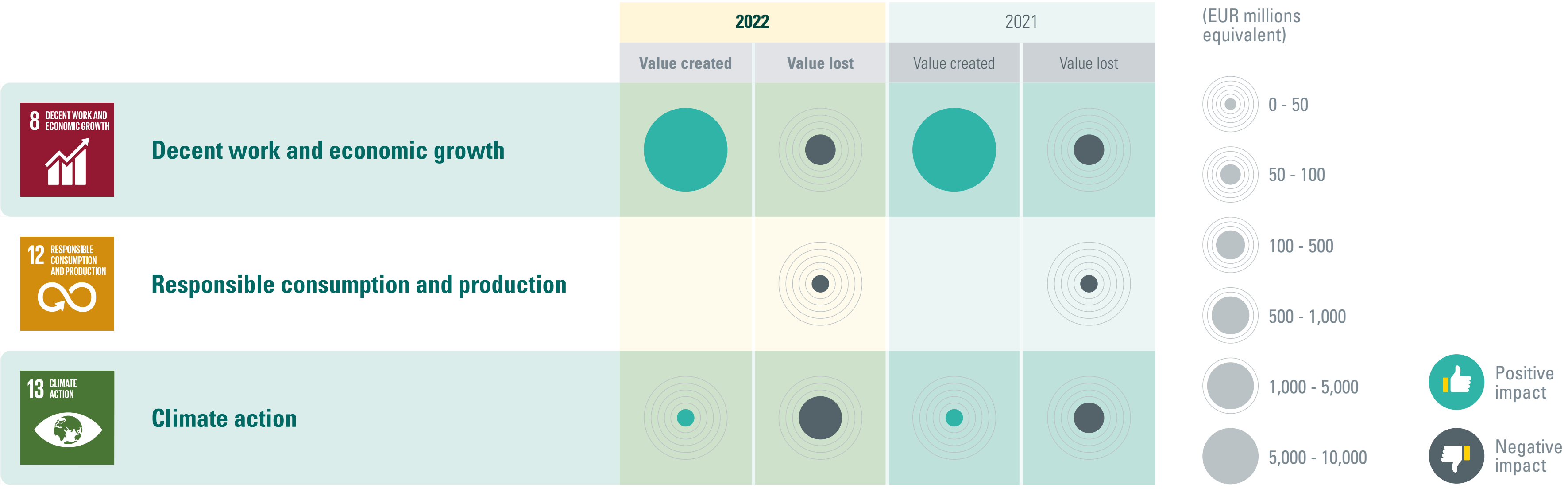
Through our business activities, we contribute to the UN Sustainable Development Goals (SDGs). There are seventeen SDGs in total; we support every goal, but there are three where we believe ABN AMRO has most to contribute as a provider of loans, banking and investment services:

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

For two of these (SDG 12 and SDG 13), we are working to reduce the bank's negative impact. By lending to business, we are in effect encouraging consumption of natural resources and other materials.

Our 2022 assessment showed that:

- Our contribution to SDG 8 and SDG 12 was unchanged from 2021.
- On SDG 13, we saw a slight increase in our negative impact which resulted in a change in the reported bubble size.[1]



[1] This increase is in large part due to higher profits, resulting in proportionally more responsibility for the impact being attributed to ABN AMRO (rather than any underlying increase in impact).

Analysing our impact

This section looks in more detail at the results of our 2022 impact assessment by examining ABN AMRO's impact in three specific areas: mortgages and the housing market, biodiversity and impact by sector.

1 Mortgages and the housing market

Our most important portfolio

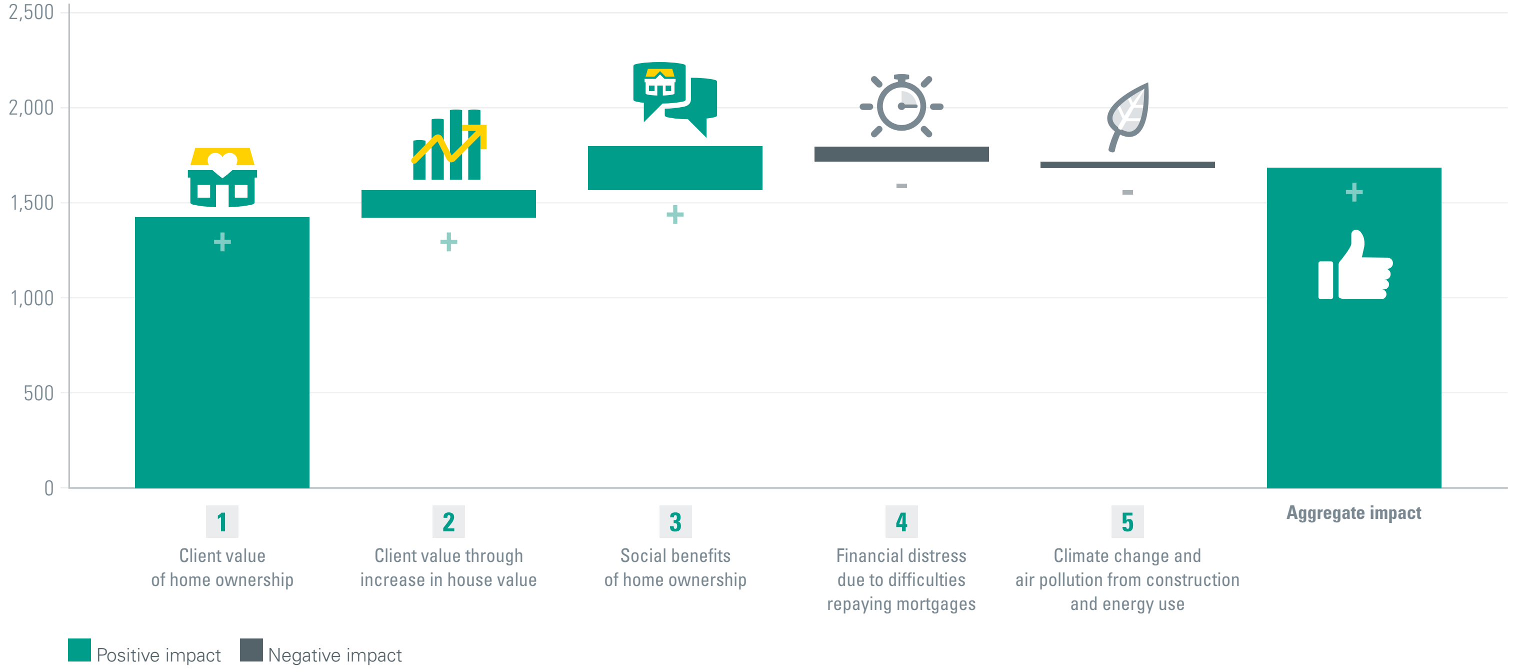
We are one of the Netherlands' leading mortgage lenders. We create value through home ownership, but recognise that our mortgages also have adverse effects: through increased climate change from house construction and stress among clients who may face difficulties repaying their loans.

How we are minimising our negative impacts:

- We have included Residential Mortgages as a target sector in our Climate Strategy alongside four other sectors: commercial real estate, power generation, oil & gas and shipping.
- Part of this Climate Strategy is aimed at improving energy efficiency labels for homes we finance in the Netherlands.
- We also offer more attractive terms to clients buying homes with top-ranking A or B energy labels and tools to help homeowners limit their energy consumption (such as the Energy Savings Check).
- For clients in financial difficulty, we provide budget coaches and debt counsellors.

What is ABN AMRO's impact?

(EUR millions)



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

- Clients also benefit financially from home ownership as opposed to renting, which is generally more expensive in the Netherlands.[1]
- They may also benefit from a rise in the value of their property – in recent years, Dutch house prices have been rising sharply, though prices started to decline towards the end of 2022.[2]
- There are other social benefits from owning your own home – increased life satisfaction, for example.
- Some clients experience distress if unable to repay their mortgages.
- Houses also cause environmental damage, contributing to air pollution, climate change and consumption of scarce natural resources.

[1] Since 2022, mortgage interest rates have been increasing; however these apply to new mortgages only (approximately 10% of our current mortgage portfolio).

[2] Currently, ABN AMRO is predicting a decline in average house prices in the Netherlands for 2023.

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2 Biodiversity

Minimise Biodiversity loss

Around the world, we are facing a serious biodiversity crisis. Biodiversity underpins a healthy and productive natural world that provides us the food we eat, the water we drink and the air we breathe. Thousands of businesses depend on natural resources, it is estimated that half of the world's GDP is dependent on nature[1]. Biodiversity loss is an increasingly important topic for ABN AMRO – we must act to minimise any unintended impact on biodiversity as a result of our business activities.

What is ABN AMRO's impact?

Through our lending and asset management, we provide capital to allow companies to grow. In doing so, however, they consume more natural resources and put increased pressure on biodiversity. 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, industry and cattle farming

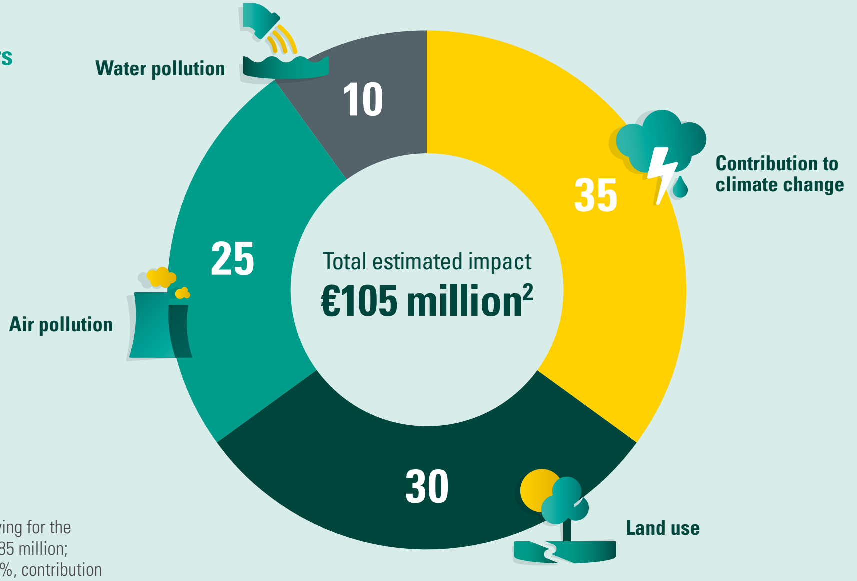
These environmental pressures effect ecosystem health. This happens directly through habitat loss from land use or the emission of damaging pollutants that adversely affect the health of species. Biodiversity loss also occurs indirectly, through, for instance, pollutants that alter the ecological balance. Another example of an indirect driver is climate change, which rapidly changes ecosystems faster than species can adapt.

Just under two-thirds of our impact on biodiversity comes from two factors: the contribution to climate change and land use.

Our assessment shows that, in 2022, the vast majority of our impact – nearly three-quarters – 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 Brazil, Greece, Belgium and the US. In Greece, our impact arises mainly through financing of the shipping industry, in the US through lending to the electricity generation sector and in Brazil to the cattle industry. In Belgium this arises mostly though financing of energy production.

More information on ABN AMRO's biodiversity impact, and the methodology used to measure it, can be found in the bank's Biodiversity publication published last year.

Zoom in on our negative biodiversity impact drivers
(in %)



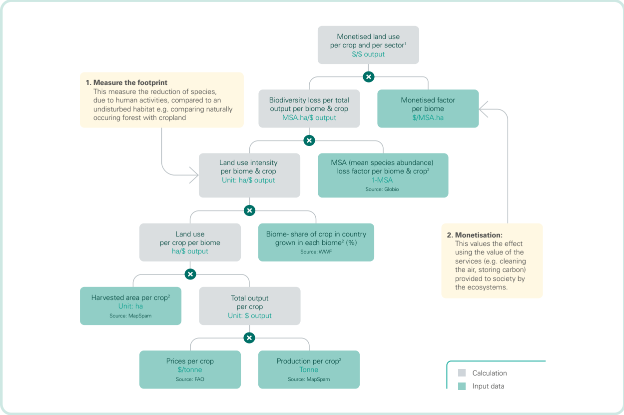
Figures for 2022 compare with the following for the previous year:[3] Total impact for 2021 is €85 million; water pollution – 10%, air pollution – 25%, contribution to climate change – 35%, land use – 30%.[4]

[1] World Economic Forum (WEF) (2020) Half of World's GDP Moderately or Highly Dependent on Nature, Says New Report.
[2] This represents the share of impact attributed to the bank. This is not the total amount of biodiversity loss by the mentioned sectors, only the share attributed to ABN AMRO based on their added value in the value chain.
[3] The increase in impact in 2022 was due to higher profits, resulting in proportionally more responsibility for the impact being attributed to ABN AMRO (rather than any underlying increase in impact). For more information on attribution, see section Methodological Approach of the Note on Methodology.
[4] Results for 2021 have been updated since the publication of the 2021 Impact Report due to updates in the data source used to calculate them, see 'Updating our 2021 results' in the Methodology section. As a consequence, results in this report can not be directly compared with those from the 2021 Impact Report.

How we are minimising our impact

- We exclude some activities from lending or asset management – we don't lend to companies involved in deforestation for land clearance, oil & gas exploration in the Artic, or palm oil companies not members of the Roundtable for Sustainable Palm Oil (RSPO). Palm oil has been cited as a major contributor to deforestation in parts of Africa and Asia.
- We engage with corporate clients to help them reduce their impact on biodiversity, cutting back on carbon emissions and avoiding pollution.
- We are also members of partnerships addressing the biodiversity crisis, including the Partnership for Biodiversity Accounting Financials (PBAF) and the Finance for Biodiversity Pledge.

For an example of how the methodology is applied for one Biodiversity impact click here:



Impact Report applications for the Risk Management Cycle

The Impact Report and its underlying data is a reference for different internal assessment efforts at ABN AMRO, including those developed by Central Risk Management as part of the bank's Enterprise Risk Management Cycle.

First of all, it helps determine our risk appetite. The Impact Report highlights the bank's impact on natural capital. The underlying data has been used to integrate environmental risks into the bank's internal risk monitoring metrics.

Secondly, it is part of our Environmental Risk Heatmap. Biodiversity loss is one of the main topics in the Impact Report and is also central to the first Environmental Risk Heat map. This risk assessment tool, developed by ABN AMRO, estimates the dependency on ecosystem services and biodiversity of our corporate clients. Both efforts, the Impact Report and the Heat map, use the Global Impact Database for assessing the drivers of biodiversity loss.

Finally we used natural capital impact indicators to update the bank wide materiality assessment framework. By using these impact indicators, we make clear that impact materiality can inform risk assessments.

The Netherlands' impact on biodiversity

ABN AMRO released a study in 2022 on the impact of the Dutch economy on biodiversity, based on data from 2020. In this study, we used the same impact methodology as for this Impact Report. The study showed that the negative impact of the Dutch economy on biodiversity totalled nearly EUR 40 billion that year alone – roughly equivalent to 5% of the country's gross domestic product.

The study looked at the detrimental effects of 65 industry sectors resulting from trade with 140 countries and the use of 42 crop types.

It's not the sectors themselves, but the suppliers and customers in their chains who are responsible for the vast majority of these effects. Indeed, 70% of all negative impact caused by the Dutch economy is actually generated outside the Netherlands. Examples include cocoa imports, which go hand in hand with land use in Ivory Coast and Ghana; beef production, which has a direct impact on water pollution and land use in Argentina; and the manufacture of hardware for the IT industry, which involves the extraction of metals, contributing to water pollution and other problems.

Clearly, no one sector can solve the problem of the Dutch economy's negative impact on biodiversity. Instead, we need a wide-ranging perspective and a coordinated approach.

3 Impact by sector

We create economic value, but also negative impact

As one of the largest banks in the Netherlands, we are actively involved in financing companies in a wide range of sectors. While we create economic value in all of the sectors we are active in, we also realise that the companies we finance and their value chains are also responsible for negative environmental impacts. An important goal of our strategy is to improve on the positive impacts and to reduce the negative impacts. Therefore we first need to have insight into and understand the various impacts.

Understanding our impact

Through our corporate lending and asset management[1] we facilitate companies in their growth, a positive commercial impact, but therefore also share responsibility for their social and environmental impacts. These negative social and environmental impacts are not priced in, but are costs that we bear as society; these costs are often referred to as 'externalities' or 'external costs'. Next to our big positive impacts, in 2022, we indirectly generated a total negative impact of €310 million through corporate lending and asset management.

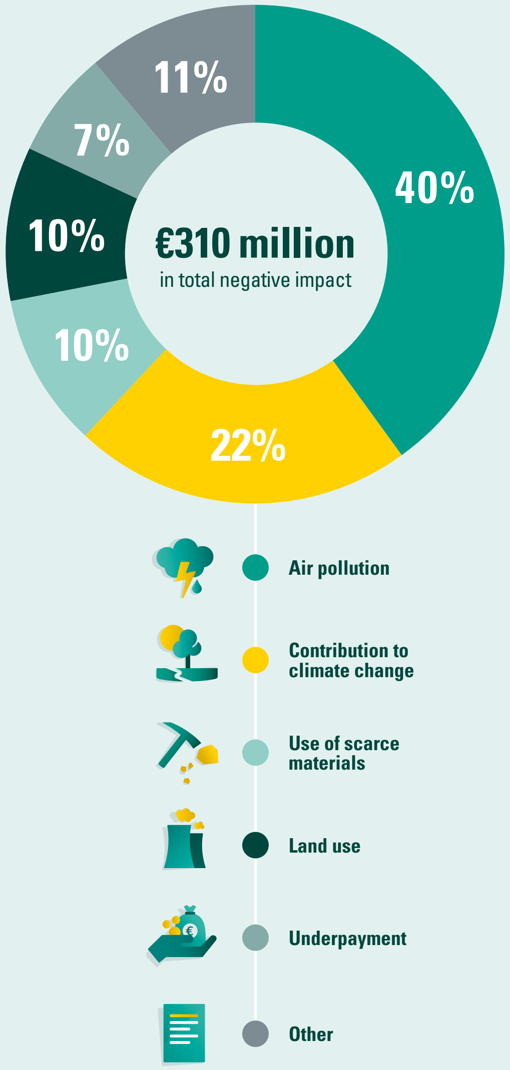
We have identified that this effect is mainly determined by the following five drivers: air pollution, climate change, and to a lesser degree, use of scarce materials, land use, and underpayment.

Impact and the key drivers differ by geography and sector. So to better understand the impact we have through our financing, we have looked at the impact arising in each sector. This provides more actionable and steerable information for portfolio managers, sector bankers and other relevant stakeholders.

Transport, agriculture and manufacturing are the largest contributors to the total negative impact of the lending and asset management portfolios. In all sectors, air pollution is the biggest negative impact; this is in large part due to nitrogen and particulate matter emissions which have detrimental health effects for humans. Contribution to climate change is also a major impact. In general, environmental impact drivers cause more than 90% of all negative impacts in these sectors.

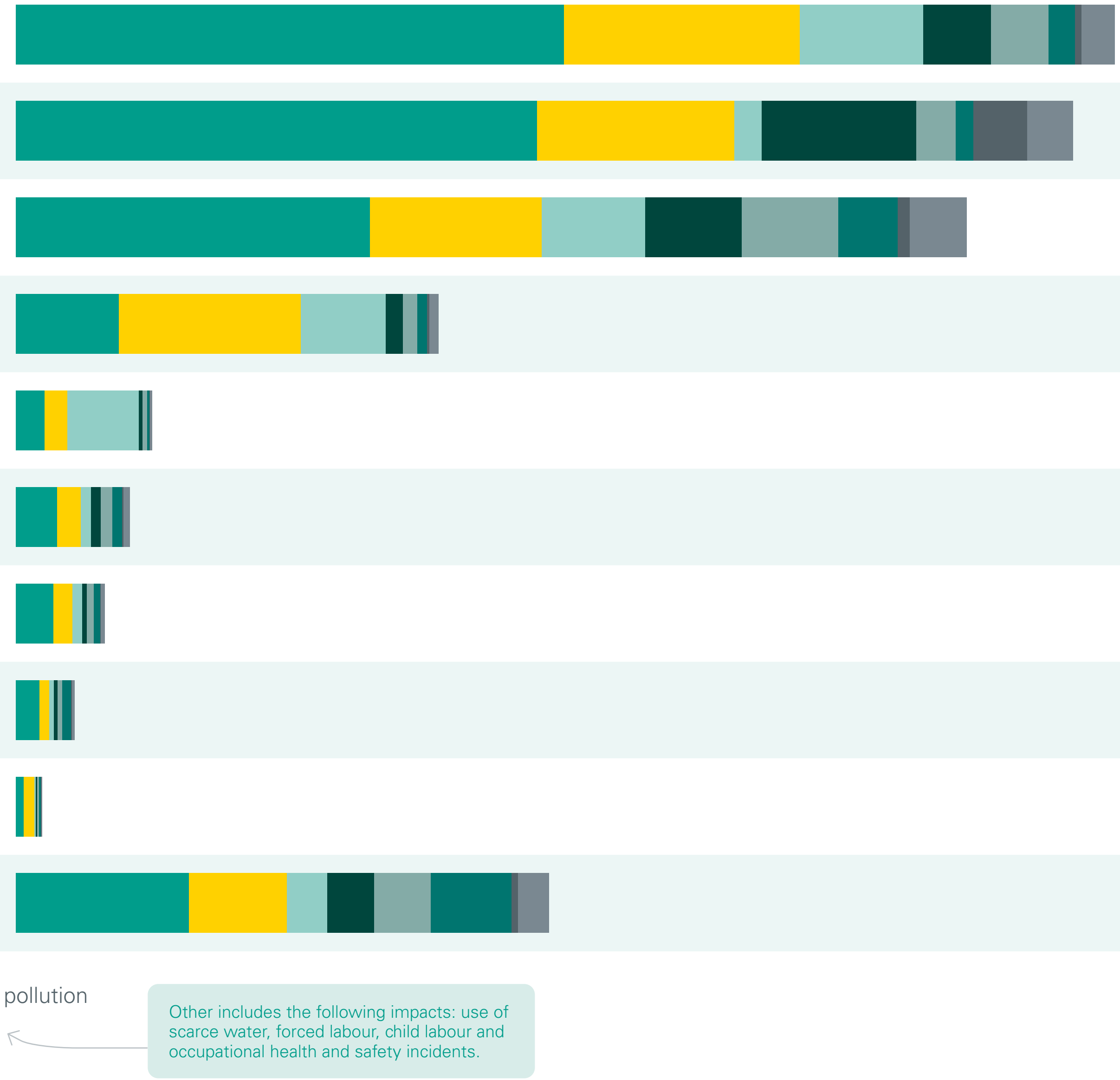
ABN AMRO's portfolio impact

Total negative impact from lending and asset management by impact drivers in 2022 – in %



[1] Only corporate lending and asset management portfolios are in scope for this analysis. Additionally, only a set of key externalities arising from these portfolios are included.

Sectors[1]	Impact intensity[2]	External costs (and share%)
Transport	high	25%
Agriculture	high	25%
Manufacturing	low	20%
Electricity, gas, steam and air conditioning	medium	10%
Mining and quarrying	medium	<5%
Trade	low	<5%
Construction	low	<5%
Real estate activities	low	<5%
Water supply	medium	<5%
Other		10%



[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.

This year we selected three key sectors, where impact considerations are quickly becoming very important for our clients and sector bankers. We looked at the social and environmental impacts that occurred within three sectors that we financed in 2022, namely Transport, Agriculture, and Trade.

Transport is the largest contributor to negative impact. This is a highly impact-intensive sector: it is responsible for 25% of all external costs measured, despite being a smaller share of our asset management and corporate lending portfolios. Environmental damage is significant in this sector. Notably, exhaust fumes from ships, trucks, and air freight are all significant sources of ambient air pollution and greenhouse gas emissions.

Agriculture also accounts for a significant portion of our negative impact – approximately a quarter of generated impact across all sectors. Animal rearing and the use of synthetic fertilisers are important causes of environmental damage. Both are key sources of nitrogen in soils and release methane and nitrous oxide respectively, contributing to climate change and air pollution.

The trade sector includes both retail (e.g. grocery and clothing stores) and wholesale trade. Impact in this sector typically arises in the value chains of the goods being sold, mostly in the manufacturing or processing of the goods. Human rights issues such as underpayment or unequal pay for workers are pervasive issues in many of these value chains.

We interviewed three experts within these sectors to discuss developments in their sectors and the value of impact data and information to better engage with clients. In this way we aim to contribute to improving on our positive, and reducing the negative, impacts.

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Pierre Berntsen sector banker Agri-business

The Dutch Agricultural sector will shrink over time and will become more sustainable and circular. The negative impact of the sector will reduce significantly because businesses will stop, transfer or innovate (for instance through extensive agriculture) their activities.

Bart Banning sector banker Transport & Logistics

Moving the goods we use which are produced all over the world, the transport sector is crucial to multiple value chains, with many of those goods arriving at Dutch and foreign ports to be carried further by road, rail or ship.

Henk Hofstede sector banker Retail

The impact data per sector published in this Impact Report gives clients and the bank valuable insights into becoming sustainable and provides our relationship managers with more knowledge about the sustainability status of specific sectors.

Pierre Berntsen
sector banker Agri-business

The Dutch Agricultural sector will shrink over time and will become more sustainable and circular. The negative impact of the sector will reduce significantly because businesses will stop, transfer or innovate (for instance through extensive agriculture) their activities.

Greenhouse farming will have to wean itself off fossil fuels. Dairy farmers are focusing on reducing nitrogen emissions. With these actions, we should see negative impact gradually reduce on a number of key indicators. With the wealth of information available within these agrisectors, we aim to model a clearer picture of their impact. We are currently making this information more accessible to better understand impact and help our agribusiness clients accelerate the transition.

We feel it is important to be able to stand behind important decisions our clients make, whether it is to cease operations, innovate or relocate. Our role also involves monitoring revenue models and safeguarding against excessive lending.

Understanding the farmer's role and impact in the value chain is key to determining a strategy that is right for the client. A farmer's margins alone often cannot cover the higher cost of sustainable production. ABN AMRO is applying its insight at sector, sub-sector and individual client level to serve our clients in areas that benefit them the most. A good example is the transition in the poultry sector through the Better Life certificate, where risk and additional costs are shared between the poultry farmer, slaughterhouse and retail sector, enabling the bank to facilitate the transition.

As they move to a business model that maximises positive, and reduces negative, impact, ABN AMRO supports its clients by charging favourable rates, adjusting repayment periods for organic farmers, setting lower solvency requirements for bona fide sustainable farms and occasionally taking on the higher risk of sustainable initiatives. We've also launched a pilot project providing additional support to regenerative agriculture throughout the transition. It is vital that we continue to bolster our efforts to help accelerate the transition and reduce impact.

> **"It's vital that we continue to bolster our efforts to help accelerate the transition and reduce impact"**

Bart Banning sector banker Transport & Logistics

Moving the goods we use which are produced all over the world, the transport sector is crucial to multiple value chains, with many of those goods arriving at Dutch and foreign ports to be carried further by road, rail or ship.

Offshoring and the recent surge in e-commerce have resulted in an unprecedented increase in transport – and with that an increase in emissions. But the transport sector is taking its responsibility seriously to help make supply chains more sustainable, having enshrined its shipping and aviation goals at a global level and those for inland navigation and road transport at EU and national level.

Legislation will dictate how the sector achieves emissions reductions, with technology helping to power ships and trucks, and making more efficient use of existing capacity. For instance the EU's Fit for 55 package aims to reduce carbon emissions by 55 percent by 2030, thereby also improving the emissions of other pollutants.

[1] Corporate Sustainability Reporting Directive (CSRD) is EU legislation requiring large companies and listed companies to publish regular reports on the social and environmental impact of their activities and the social and environmental risks they face.

Under the new Corporate Sustainability Reporting Directive (CSRD)[1], companies must explicitly report on the ESG impacts of production and the distribution logistics of their supply chains. While not (yet) affected by the CSRD, smaller businesses will have to start providing more detailed information to their supply chain partners. Company-specific data will help pinpoint impact and facilitate the transition to sustainability.

> **"Company-specific data will help pinpoint impact and facilitate the transition to sustainability"**

But regulations are not enough. New technologies like electrification and hydrogen are more expensive than traditional fuels such as diesel. Every player in the chain, and their customers, will have to embrace these sustainability goals, or we simply will not succeed.

ABN AMRO is playing its part by actively engaging with its clients to support their sustainability ambitions and investments, financing zero-emission transport vehicles and granting Green Loans, which will result in a decrease in negative impact. To have data available on negative impact is very useful in this engagement process.

One example of a transition loan ABN AMRO Lease arranged for Koninklijke Euser was a package to finance zero-emission electric trucks to supply stores and businesses in cities. Leaders like Euser are taking the first step, and ABN AMRO is there to help them.

Henk Hofstede
sector banker Retail

The impact data per sector published in this Impact Report gives clients and the bank valuable insights into becoming sustainable and provides our relationship managers with more knowledge about the sustainability status of specific sectors.

Transparency is a pressing issue in the retail sector. Even in its current, still-evolving form, impact information provides a sound basis for engaging with clients. In the clothing industry, for instance, we put the methodology to use to establish the true value of a pair of jeans, a project that gave us deeper insight into the industry's value chain.

When value chains involve numerous players, as they often do in retail, implementing structural changes is harder, particularly since clients still lack data on themselves and their supply chains. Once the new CSRD comes into effect, more value chain data will be available to calculate our clients' impact and better sector-wide comparatives. The introduction of an extended producer responsibility (EPR) approach will also result in more data and greater transparency from importers and retailers.

ABN AMRO's retail sector is made up of the automotive, food, fashion and wholesale sub-sectors. These sectors currently use certificates to inform the public about product sustainability. Part of the industry aims to generate returns by keeping prices low and volumes high, a linear approach that generally does not contribute to sustainability. Sector-wide shifts are usually triggered by changes in legislation and consumer behavior. But consumers feel sustainability is first and foremost the responsibility of the government and producers, rather than their own.

Future sub-sector-level impact analysis will result in more uniform target groups, facilitate discussions with clients and feed into the choices both they and the bank will have to take. This impact methodology will help us make the retail sector more sustainable and turn key impact indicators into understandable, quantifiable talking points.

"The impact methodology will help us make the retail sector more sustainable"

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 6 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 dark gray. Where no lines are included, this is due either to a lack of available data or because impacts were not considered sufficiently material. For more information on our methodology and approach, see pages 32-41.

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 ABN AMRO's impact from the perspective of our main stakeholder groups. For reference, impacts are also shown by capital.

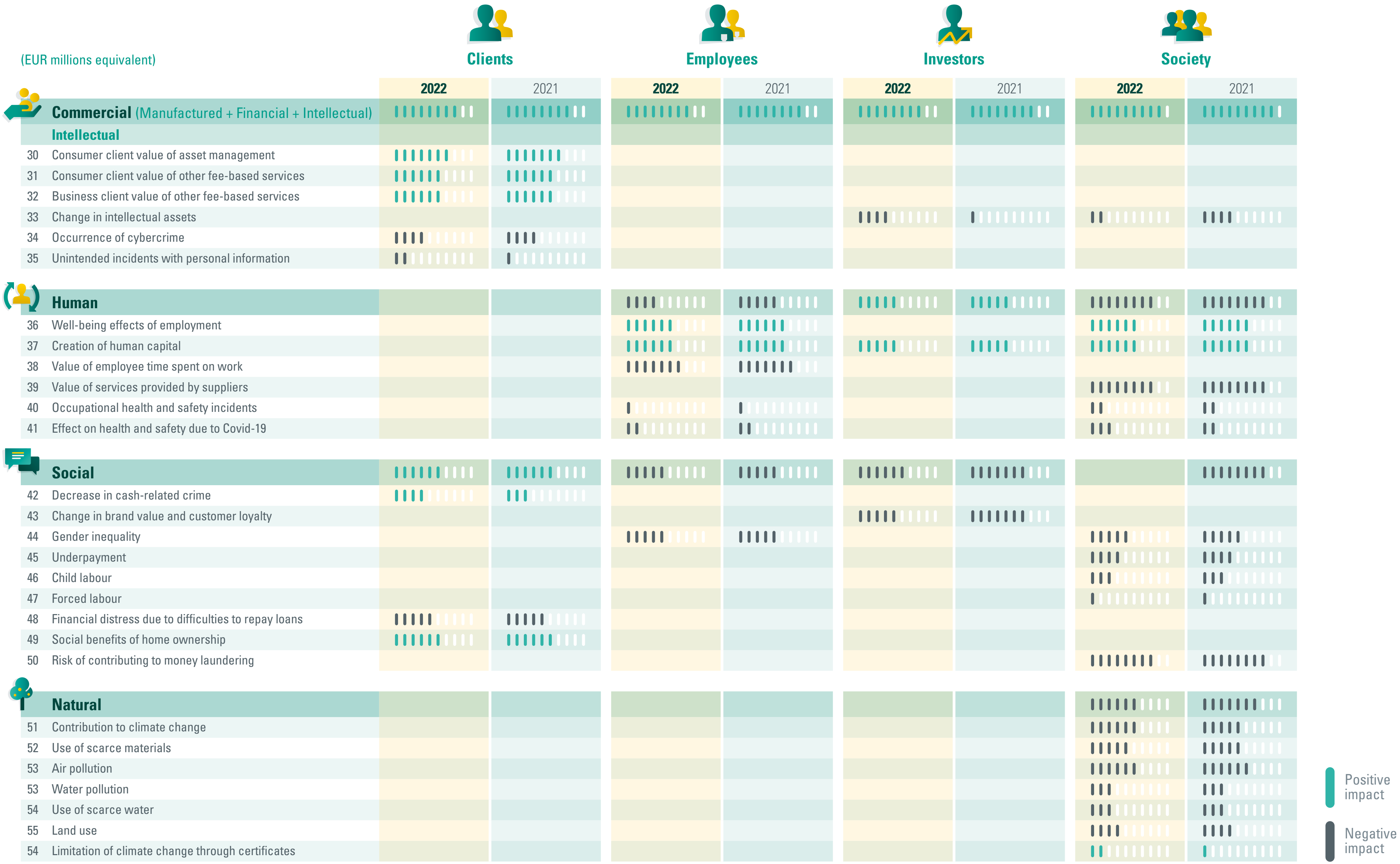
(EUR millions equivalent)

		Clients 2022	Clients 2021	Employees 2022	Employees 2021	Investors 2022	Investors 2021	Society 2022	Society 2021
	Commercial (Manufactured + Financial + Intellectual)								
	Manufactured								
1	Contribution to final goods and services in value chain								
2	Client value through increase 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

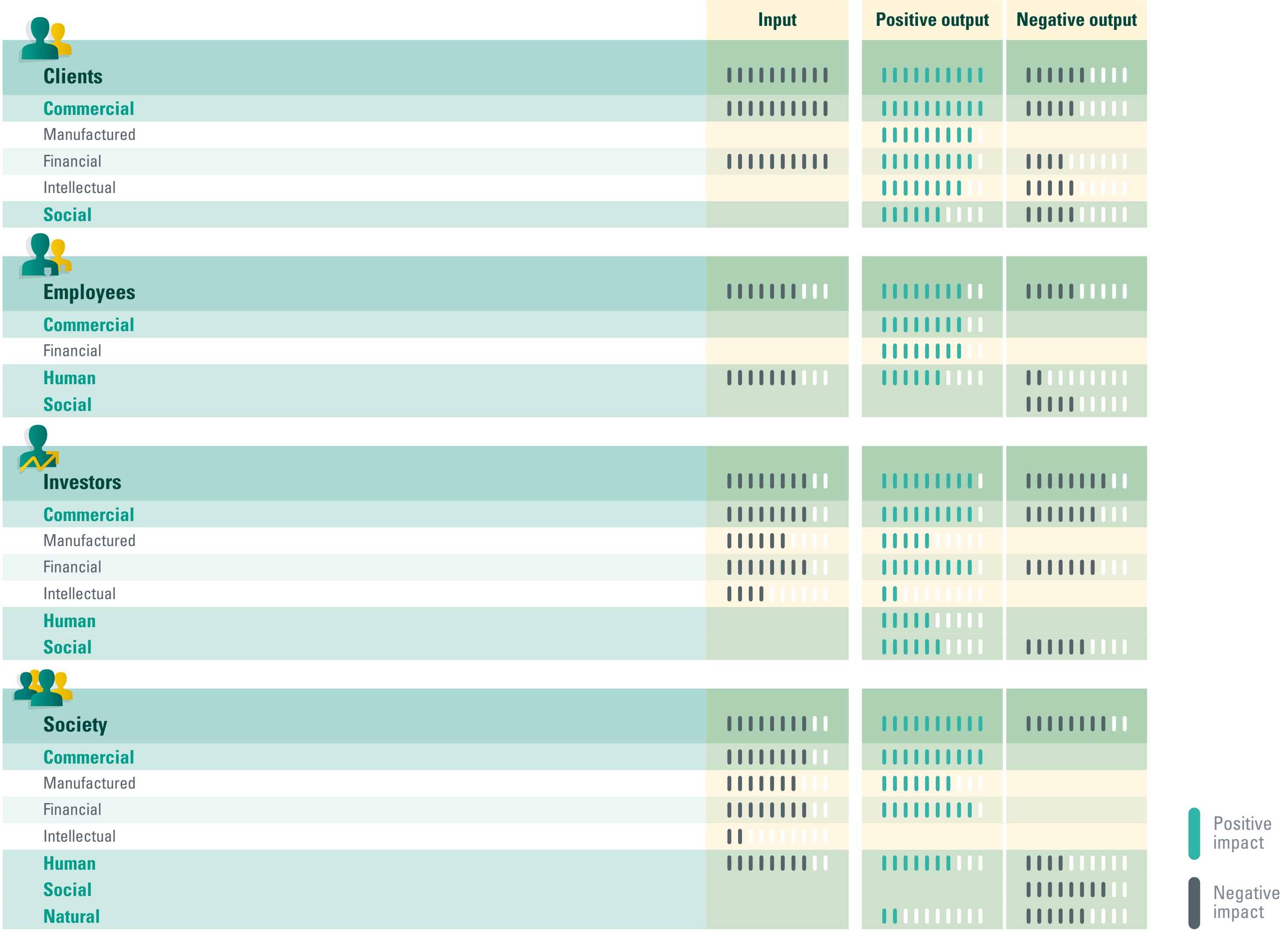
Negative impact

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


(EUR millions equivalent)
Clients
Employees
Investors
Society
2022
2021
Commercial (Manufactured + Financial + Intellectual)
Intellectual
30 Consumer client value of asset management
31 Consumer client value of other fee-based services
32 Business client value of other fee-based services
33 Change in intellectual assets
34 Occurrence of cybercrime
35 Unintended incidents with personal information
Human
36 Well-being effects of employment
37 Creation of human capital
38 Value of employee time spent on work
39 Value of services provided by suppliers
40 Occupational health and safety incidents
41 Effect on health and safety due to Covid-19
Social
42 Decrease in cash-related crime
43 Change in brand value and customer loyalty
44 Gender inequality
45 Underpayment
46 Child labour
47 Forced labour
48 Financial distress due to difficulties to repay loans
49 Social benefits of home ownership
50 Risk of contributing to money laundering
Natural
51 Contribution to climate change
52 Use of scarce materials
53 Air pollution
53 Water pollution
54 Use of scarce water
55 Land use
54 Limitation of climate change through certificates
Positive impact
Negative impact

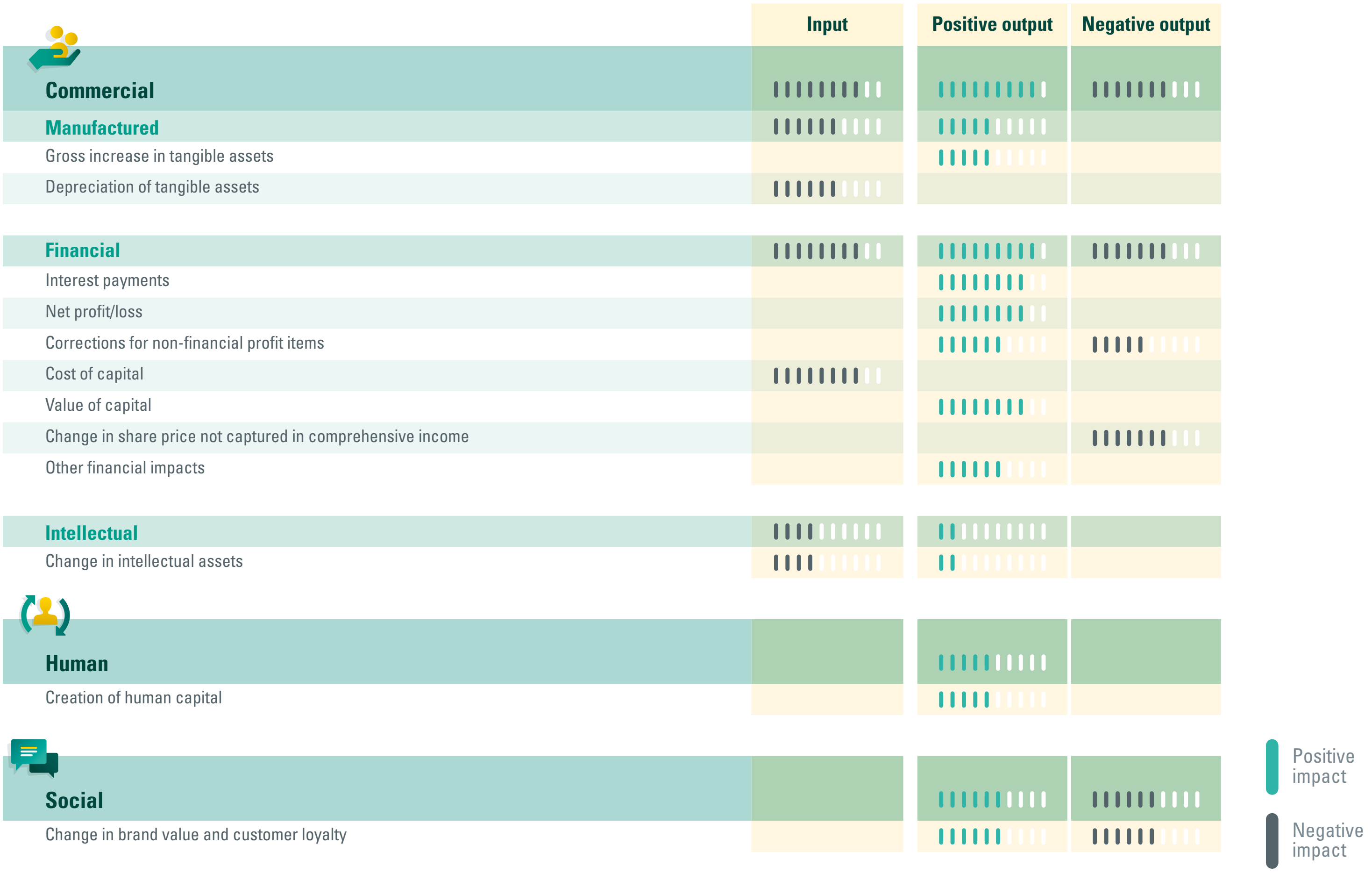
Stakeholder value creation statement

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).



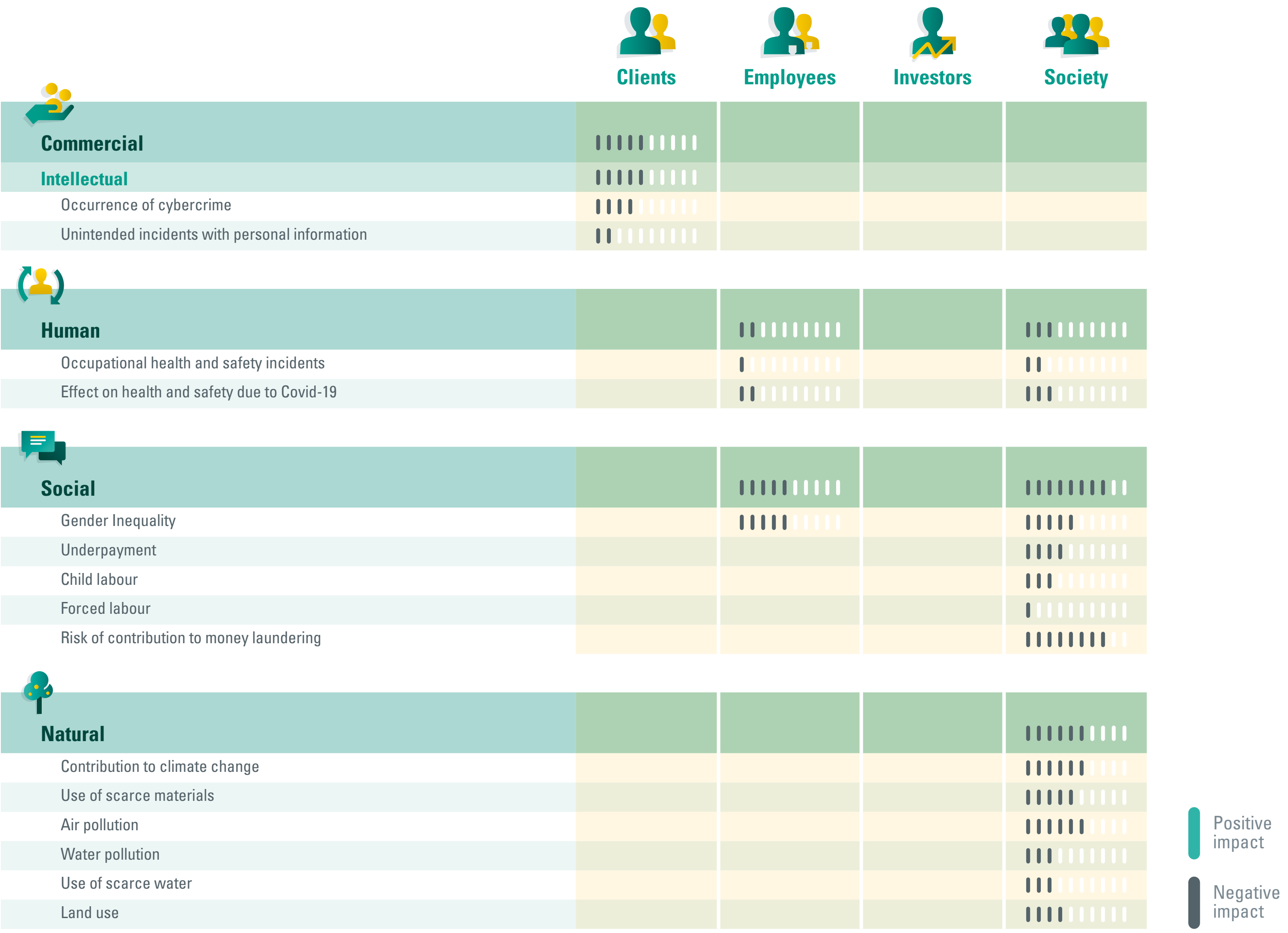
Investor value creation statement

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.



External costs statement

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



ABN AMRO's contribution to UN Sustainable Development Goals

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 2022 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.

	2022	2021
SDG 1 – No poverty		
Underpayment	● Negative, no change from 2021	–
SDG 2 – Zero hunger		
Not material		
SDG 3 – Good health and well-being		
Well-being effects of employment	● Positive, no change from 2021	+
Financial distress due to difficulties to repay loans	● Negative, no change from 2021	–
Air pollution	● Negative, no change from 2021	–
Water pollution	● Negative, no change from 2021	–
Effect on health and safety due to Covid-19	● Negative, no change from 2021	–
SDG 4 – Quality education		
Not material		
SDG 5 – Gender equality		
Gender inequality	● Negative, no change from 2021	–
SDG 6 – Clean water and sanitation		
Use of scarce water	● Negative, no change from 2021	–

	2022	2021
SDG 7 – Affordable and clean energy		
Use of scarce materials	● Negative, no change from 2021	–
SDG 8 – Decent work and economic growth		
Employee payments	● Positive, no change from 2021	+
Income tax payments	● Positive, no change from 2021	+
Net profit/loss	● Positive, no change from 2021	+
Contribution to final goods and services in value chain	● Positive, no change from 2021	+
Client value of money transfers	● Positive, no change from 2021	+
Client value of money storage and management	● Positive, no change from 2021	+
Change in intellectual assets	↓ Less negative than 2021	–
Creation of human capital	● Positive, no change from 2021	+
Occupational health and safety incidents	● Negative, no change from 2021	–
Gender inequality	● Negative, no change from 2021	–
Child labour	● Negative, no change from 2021	–
Forced labour	● Negative, no change from 2021	–
Added value of prevented bankruptcies due to Covid-19 financial support measures	↓ Less positive than 2021	+
Effect on health and safety due to Covid-19	● Negative, no change from 2021	–
SDG 9 – Industry, Innovation and Inftrastructure		
Change in intellectual assets	↓ Less negative than 2021	–
Creation of human capital	● Positive, no change from 2021	+

2022

● Positive, no change from 2021

● Negative, no change from 2021

↑ More positive than 2021

↓ Less positive than 2021

↓ Less negative than 2021

↑ More negative than 2021

2021

+ Positive 2021

– Negative 2021

	2022	2021
SDG 10 – Reduced inequalities		
Underpayment	●	–
SDG 12 – Responsible consumption and production		
Use of scarce materials	●	–
SDG 13 – Climate action		
Contribution to climate change	↑	–
Use of scarce materials	●	–
Limitation of climate change through certificates	↑	+
SDG 14 – Life below water		
Water pollution	●	–
SDG 15 – Life on land		
Air pollution	●	–
Use of scarce water	●	–
Land use	●	–
SDG 16 – Peace, justice and strong institutions		
Contribution to tax collection through payment system	●	+
Occurrence of cybercrime	●	–
Unintended incidents with personal information	↑	–
Decrease in cash-related crime	↑	+
Risk of contribution to money laundering	●	–
Child labour	●	–
Forced labour	●	–
SDG 17 – Partnerships for the goals		
Employee payments	●	+
Income tax payments	●	+

2022

- ● Positive, no change from 2021
- ● Negative, no change from 2021
- ↑ More positive than 2021
- ↓ Less positive than 2021
- ↓ Less negative than 2021
- ↑ More negative than 2021

2021

- \+ Positive 2021
- – Negative 2021

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 our own carbon emissions that arise at our offices and through our business travel, we know we also share responsibility for 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 measured 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.

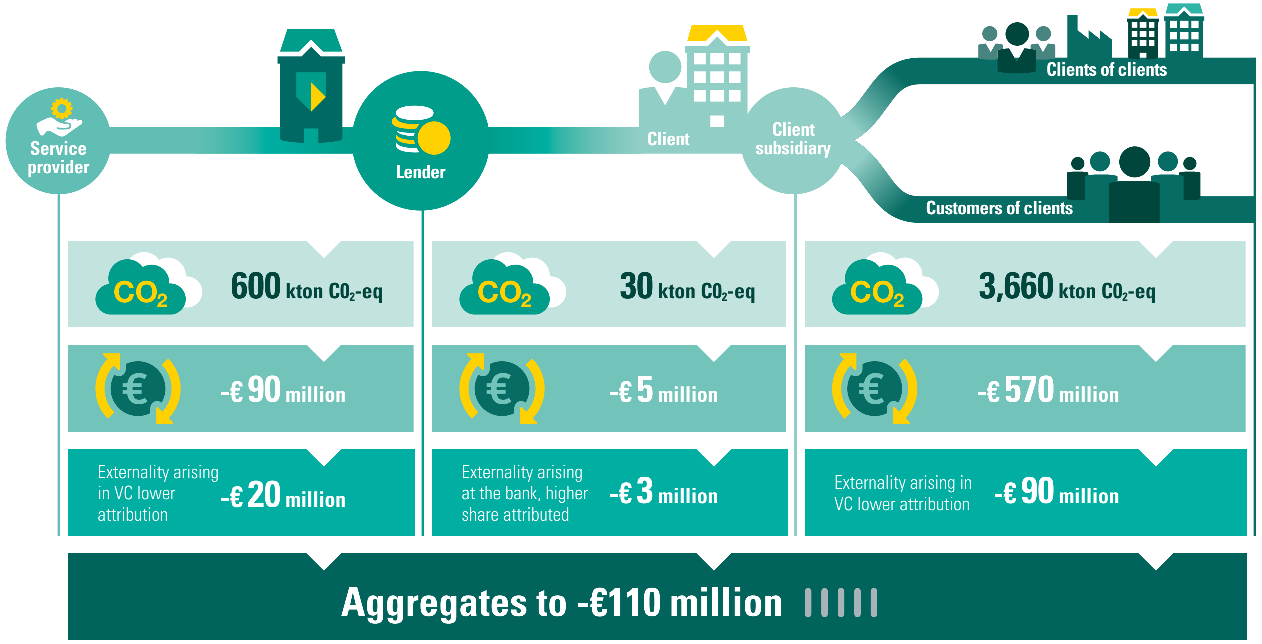
3. Monetise impact

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 (-€0.15/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 has greater influence and responsibility over the impact arising at the bank directly, 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 as well as their influence, 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/.



[1] Number may not add up exactly due to rounding.

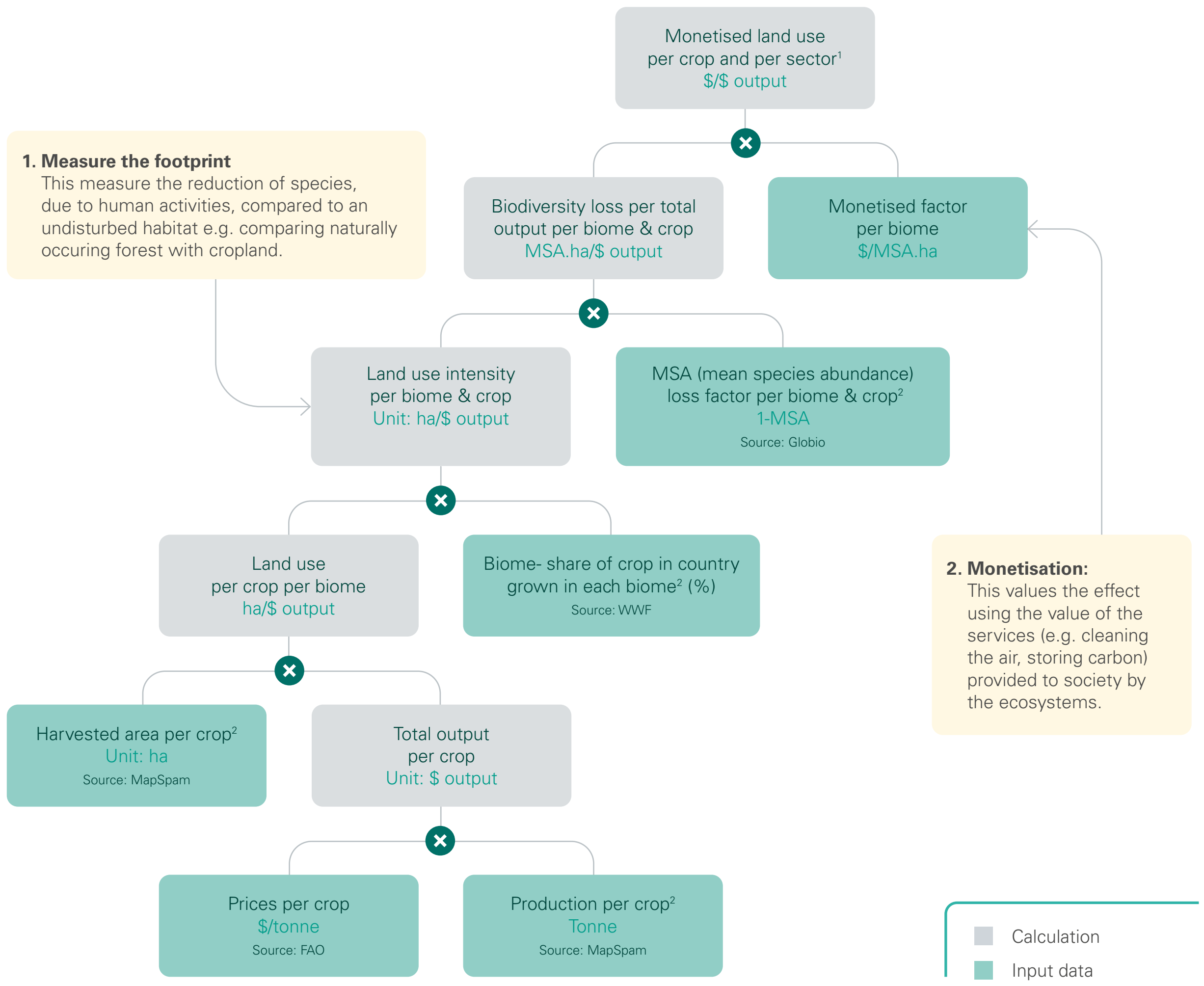
How we measure biodiversity

To the right we provide an 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 impact reporting

Our general approach
Wherever possible, this Report follows the principles and concepts set out in the Impact Institute's Framework for Impact Statements (FIS). All Impact Statements are based on the FIS. Definitions, criteria and other requirements are taken 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. In compiling this Report, we used the Integrated Reporting <IR> Framework as a reference; the <IR> Frameworks also serves as a reference for ABN AMRO's Integrated Annual Report.

Impact Statements
All Impact Statements, on pages 24-30, 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 material impacts; there are 57 such impacts to represent the scale and breadth of the bank's business 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 business activities. Definitions of these material impacts may be found on pages 38-41.

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).
Human	▶ 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 material impacts
To identify and select material impacts, we use several sources, including:
- Results from ABN AMRO's recent materiality exercise (for details, see the bank's Integrated Annual Report, available online)
- 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 potentially material impacts were excluded, or their scope reduced, because of a lack of data. 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 2021 results

- Reducing the number of capitals from six to four by aggregating manufactured, financial and intellectual capital into commercial capital. This provides a clearer focus on ABN AMRO's main impacts relating to human, social and natural capitals.
- The impact unintended incidents with personal information was updated to better assess potential damage done to clients.

A number of updates to secondary data were made:

- Impact Institute's Global Impact Database (GID) has been updated; the 2021 assessment was carried out using GID version 3.1. The update resulted in changes to most impacts but in particular it led to a revision in the impact of air pollution and water pollution, which led to a revision on the total natural capital impact result.
- A number of other data points were also updated, this was done in cases where 2021 data was not available at the time of the publication of the Impact Report 2021, but was now available. To allow comparison, we have also restated our 2021 results, using the updated methodology. All comparisons throughout this Report are made against updated 2021 results.

	Clients	Employees	Investors	Society
Updated 2021 results				
Unintended incidents with personal information (intellectual)				
Decrease in cash-related crime (social)				
Original 2021 results				
Unintended incidents with personal information (intellectual)				
Decrease in cash-related crime (social)				
Natural capital				
Updated 2021 results				
Original 2021 results				

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

Calculating impact

To calculate 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 responsible. 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 for which no one organisation can be held primarily responsible. We identified no **Category 3** impacts in our 2022 assessment, however.

Internal and external data sources

Internal data: data compiled by the bank itself, including ABN AMRO's 2022 Financial Statements. Where 2022 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 assessment 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	When attributing impact, we follow provisions in the IAM's Supplement on 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 2022 by both stakeholder group and capital.
Representativeness	Most of the bank's activities and material 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 material impacts

This assessment is based on 57 material 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 increase 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 (for which the organisation is not directly responsible) through offsetting; this limits climate change and represents a positive impact.

Research & data collection
Impact Institute (Amsterdam)

Design & layout
DartGroup (Amsterdam)

Editorial support
Kōan Group (Amsterdam)

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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