

ABN AMRO group n.v.: talking transparently about sustainability, value and impact

Winner: Communicating integrated thinking award

What

ABN AMRO, a Dutch bank, has built sustainability into the very core of its purpose and strategy. With its forward-thinking range of reports, ABN AMRO has been a leader in communicating integrated thinking to investors and other stakeholders. It was the first bank in the world to publish an Impact Statement in its reporting – including positive and negative impacts.

In its Integrated Annual Review, ABN AMRO clearly shows how it centres sustainability, applies integrated thinking and creates long-term value with its activities. ABN AMRO has championed the review as the core stakeholder report; it is front and centre in ABN AMRO's reporting.

Long-term value creation is at the heart of ABN AMRO's thinking and communications. The bank's reporting allows stakeholders to incorporate sustainability and integrated thinking into their own decisions, by giving a complete, clear and comprehensive picture of how ABN AMRO creates value and impact.

'I believe finance professionals have a key role to play in the transition towards sustainable business. We are strategically placed to provide our businesses with the insights they need to thrive.'

Clifford Abrahams,
CFO ABN AMRO

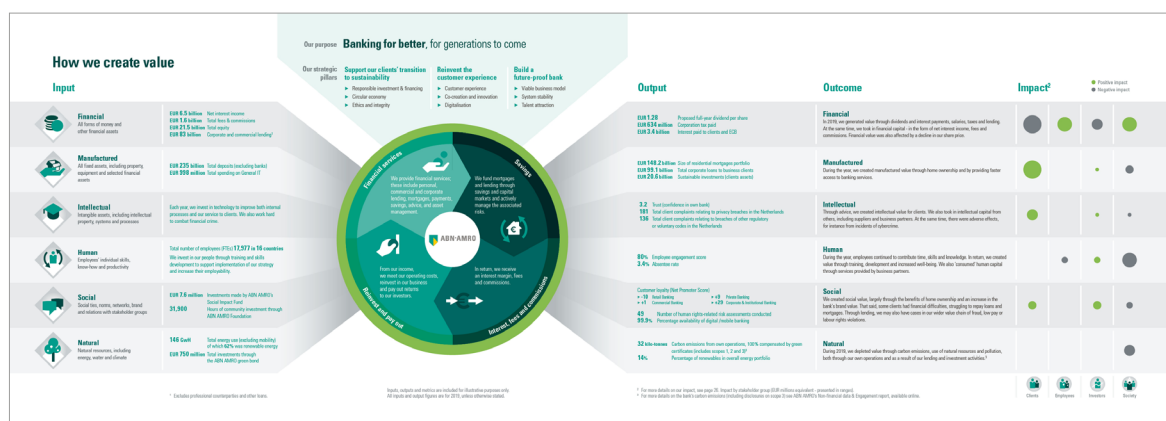
Why

ABN AMRO believes that integrated thinking and integrated reporting improve decision-making. With a full understanding of how value is created, ABN AMRO has the information it needs to steer value creation and adapt its approach when needed.

Showing a comprehensive picture of value creation in reports also incentivises ever more integrated decision-making, which bolsters the role of integrated thinking throughout the bank in a virtuous cycle.

ABN AMRO thinks that by communicating transparently with stakeholders – about its approach, impacts, successes and dilemmas – the bank delivers a form of quality assurance to stakeholders. The bank's communications can assure providers of financial capital that ABN AMRO makes sound decisions using a range of information and multiple viewpoints.

Communicating integrated thinking strengthens ABN AMRO both internally, in improving its management and decision-making, and externally, in building investors' trust.



'ABN AMRO's core strategy refresh puts its clients' sustainability transition at its heart. Their sleek 'core and more' approach puts the Integrated Review at the centre of its communications suite.'

Finance for the Future Awards judges

How

ABN AMRO used a range of approaches to build its integrated reporting:

- > ABN AMRO **engaged stakeholders** from the start. Stakeholders contributed to defining ABN AMRO's new value-creating topics.
- > ABN AMRO **refined its strategy and purpose** with sustainability at the core. Corporate strategy is fully integrated with sustainability and drives decision-making.
- > The bank developed a **range of reports** to show the full scope of its integrated thinking.
- > By **refocusing its reporting** and centring the Integrated Annual Review as its core report, ABN AMRO gave investors a more complete picture of its integrated thinking.
- > **Reports were designed** for different stakeholders.
 - >> The Integrated Annual Review is designed to tell the corporate story in an accessible and understandable manner so it can be used by a broader audience. It is presented in a visual way, including the bank's value creation model.
 - >> The Annual Report has detailed financial information needed by larger investors.
 - >> The Impact Report gives investors insight into ABN AMRO's different capitals and impacts. It includes an integrated profit and loss statement and an external costs statement.
 - >> The Human Rights Report is focused on four key human rights issues and documents ABN AMRO's work, progress and challenges in these areas.
- > **Transparency** has been vital for ABN AMRO in developing stakeholder trust. Its reporting talks openly about problems – not just what went well.
- > ABN AMRO is highly engaged with the **International Integrated Reporting Council** (IIRC), which developed an integrated reporting framework.
- > To add credibility, the bank appointed Ernst & Young to provide **limited assurance** on ABN AMRO's Integrated Annual Review and its alignment with the IIRC's reporting framework.
- > ABN AMRO wants to **inspire other companies**. It hopes to collaborate with companies and other banks on integrated thinking, impact reporting and how these fit in the market.



The role of finance in integrated reporting

The finance function has been fully engaged in ABN AMRO's integrated reporting from the beginning. The initial drive for integrated reporting came from its then-CFO, Kees van Dijkhuizen, who later served as CEO from 2017 to April 2020. ABN AMRO has found another finance champion of integrated thinking and reporting in its current CFO, Clifford Abrahams.

The finance function feeds into the development and writing of the Integrated Annual Review. A combined working group, that includes people from finance, communications, investor relations and strategy, produces the review. Finance leads on presenting ABN AMRO's strategic targets. Finance is also heavily involved in producing data for the Impact Report. The CFO for each business line delivers detailed financial datapoints so that impacts can be calculated.

Embedding integrated thinking at ABN AMRO is another area where finance plays a key role. Finance co-develops integrated dashboards for the board and monitors both financial and non-financial KPIs.

The finance function is integral to ABN AMRO's integrated thinking, from assessing value creation to communicating about sustainability. It represents a crucial component of the bank's stakeholders; finance understands what investors want to know and has insight into banking regulation and oversight. It's essential for finance to engage with ABN AMRO's thinking about sustainability and value creation and communicate pertinent information clearly to financial and regulatory stakeholders.

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