

# DUTCH CORPORATE CLIMATE RESPONSIBILITY MONITOR 2023

ASSESSING THE TRANSPARENCY AND INTEGRITY OF THE  
CLIMATE ACTION PLANS OF SEVEN FINANCIAL INSTITUTIONS

FINAL REPORT

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# Summary (English)

In this study we assess the transparency and integrity of the climate action plans of seven financial institutions as of 2023. The results show that the transparency of most plans can be labelled as 'moderate', while the integrity is scored as 'low'.

## About the assignment, method and results from the previous CCRM

On behalf of Milieudefensie (Friends of the Earth Netherlands), SEO Amsterdam Economics (SEO) assesses the transparency and integrity of the current climate action plans of seven Dutch financial institutions as of 2023. This assessment is conducted using the guidance and assessment criteria as published by the New Climate Institute (NCI) in July 2022 (hereafter: 'methodology'). Milieudefensie has selected the following financial institutions: ABN AMRO, ABP, Atradius, ING Group, NN Group, PFZW and Rabobank. In line with the methodology, we focus on four key areas, namely: *i*) the tracking and disclosure of emissions, *ii*) the setting of emission reduction targets, *iii*) the reduction of financed and own emissions, and *iv*) the use of climate contributions and (future) offsets. With *transparency* and *integrity*, NCI refers to the extent to which an institution publicly discloses information regarding its climate plans and the quality, credibility and comprehensiveness of its approaches towards the four key areas.

The findings documented and interpreted in this research are the result of an in-depth study of publicly available sources. All sources, including annual reports, sustainability reports, risk policies, and the websites of the institutions, are collected through a desk study. In addition, institutions have the option to submit their own sources. Only sources that are publicly available before the 1<sup>st</sup> of June 2023 are taken into account. After conducting our initial assessment, we shared our preliminary findings with the institutions for validation. All institutions responded that they have received our assessment and five of them also provide constructive and detailed feedback.

This study documents the results of the second edition of the Dutch Corporate Climate Responsibility Monitor (CCRM) for financial institutions. The first edition, called '*Evaluating Corporate Target Setting in the Netherlands*', was conducted by NCI and published in July 2022. This study concludes that the integrity of the climate action plans of most financial institutions is 'low', with one institution scoring 'very low' due to a lack of published goals (NCI, 2022b, p. 11). The results of the transparency assessment show more variation. The transparency of three financial institutions is labelled as 'reasonable', that of two as 'moderate', one as 'low' and one as 'very low'.

*"Dutch financial institutions are key players in the climate transition and that is why their plans should be assessed"*

*"The financial sector plays a pivotal role in averting dangerous climate change. The 2015 Paris Climate Agreement noted that to strengthen the global response to the threat of climate change, financial flows should be made consistent with a pathway towards low GHG emissions and climate-resilient development (Article 2, para 1(c)). The actions and strategies of financial institutions are key to achieve this aim. Through their financing and financial services, Dutch financial institutions have significant leverage over the development of new and existing economic activities, both positively by financing and facilitating sustainable economic activities and negatively by financing and facilitating GHG emissions at levels not consistent with the 2015 Paris Climate Agreement. In 2022 research bureau Profundo set out to estimate the financed and facilitated emissions of 13 of the largest Dutch financial institutions using the PCAF methodology (Profundo, 2022). The research found that even when only including S1 and S2 of the clients' emissions, the financed and facilitated emissions of these institutions amounted to 228 MtCO<sub>2e</sub> in 2021 (approximately 60 MtCO<sub>2e</sub> more than attributed to the Netherlands as a country, and that is without including the S3 emissions of their clients)."*

Source: Milieudefensie (2023)

**Overall results:**

Four institutions have a 'low' integrity assessment, one is 'very low', and two are 'moderate'.

	ABN AMRO	ABP	Atradius	ING Group	NN Group	PFZW	Rabobank
Transparency	Moderate	Moderate	Very Low	Reasonable	Moderate	Reasonable	Moderate
Integrity	Low	Moderate	Very Low	Low	Low	Moderate	Low

Source: SEO Amsterdam Economics (2023) using the methodology of NCI (2022a)

- The integrity of the climate action plans of most financial institutions is low. The two pension funds, ABP and PFZW, receive a 'moderate' integrity rating, while four institutions score 'low' and one scores 'very low'. When we look at the transparency of the plans, we note that most institutions score 'moderate'. We observe that, for all institutions, their transparency score equals or surpasses their integrity score. This intuitively aligns with the notion that plans must be transparent before an integrity assessment may be conducted.

**Key area 1: about the tracking and disclosures of emissions**

Regarding the tracking and disclosure of financed emissions there is little variation between the institutions

Emissions Operations	0.05 MtCO <sub>2</sub> e	?	?	0.03 MtCO <sub>2</sub> e	0.01 MtCO <sub>2</sub> e	<0.01 MtCO <sub>2</sub> e	0.06 MtCO <sub>2</sub> e
	High	Very Low	Very Low	High	High	Low	High
Financed emissions	ABN AMRO	ABP	Atradius	ING Group	NN Group	PFZW	Rabobank
	Moderate	Moderate	Very Low	Moderate	Moderate	Moderate	Moderate
	22.6 MtCO <sub>2</sub> e	16.3 MtCO <sub>2</sub> e	?	56.0 MtCO <sub>2</sub> e	5.7 MtCO <sub>2</sub> e	5.8 MtCO <sub>2</sub> e	51.5 MtCO <sub>2</sub> e

Note: SEO Amsterdam Economics (2023) using the methodology of NCI (2022a)

- Most institutions use the PCAF estimation methodology to track and disclose financed emissions (S3, category 15). This results in a range from 5.7 MtCO<sub>2</sub>e (NN Group) to 56.0 MtCO<sub>2</sub>e (ING Group). Variations in reporting transparency emerge, including variations in the asset classes and financial services taken into account for estimations and the clarity of explaining estimation uncertainties within published materials. Despite some variations in reporting, the overall transparency level of most institutions is more or less the same, i.e. 'moderate'. We observe that the reported financed emissions from the majority of the financial institutions encompass their clients' S1 and S2 emissions, but do not or only partially factor in their clients' S3 emissions. In cases where the institutions do account for their clients' S3 emissions, they usually only do so for specific sectors or financial services, leaving out other areas. The methodology mentions it is best practice to report S3 emissions separately, where relevant. We expect that for some sectors and services these emissions are significant.
- Most institutions disclose emissions from their own operations. However, the extent of transparency varies considerably. For example, we did not identify any information for ABP and Atradius, resulting in a 'very low' score. For the institutions that reported their emissions, we found that the absolute size of these emissions is relatively low, ranging from 0.00 MtCO<sub>2</sub>e (PFZW) to 0.06 MtCO<sub>2</sub>e (Rabobank). Furthermore, we found that not all institutions adhere to the requirements of the (guidance documents of the) GHG Protocol.

## Key area 2: about the setting of emission reduction targets

There is a lot of variation in the transparency of the emission reduction targets

	ABN AMRO	ABP	Atradius	ING Group	NN Group	PFZW	Rabobank
Transparency	Moderate	High	Very Low	High	Low	Reasonable	Moderate
Integrity	Low	Moderate	Very Low	Low	Low	Low	Low

Source: SEO Amsterdam Economics (2023) using the methodology of NCI (2022a)

### Reduction targets for financed emissions:

- ABN AMRO, ING Group and Rabobank are members of the Net-Zero Banking Alliance (NZBA). This means that these institutions are committed to financing ambitious climate action to transition the real economy to net-zero GHG emissions by 2050. According to the NZBA guidelines, the banks will have to focus on ‘priority sectors’ where they can have the most significant impact and publish 2030 targets. For ABN AMRO we identified targets for five sectors, covering € 164.3 billion. For ING Group and Rabobank we found targets for respectively nine and twelve sectors, covering € 335.1 and € 250.7 billion outstanding. When comparing the covered sectors with the total assets of the institutions, we note that the targets cover 43.3 percent for ABN AMRO, 34.6 percent for ING Group and 39.2 percent for Rabobank. Regarding this indicator, we want to note that it will never reach 100 percent. Lastly, we note that almost all targets of the three banks are intensity based.
- ABP and PFZW are aiming for a climate-neutral investment portfolio by 2050, in line with efforts to limit global warming to 1.5°C. To achieve this, both financial institutions have set a 50 percent absolute reduction target for 2030, using a 2019 baseline. The target of PFZW covers S1 and S2 for all GHG emissions for all its listed shares, liquid credit and real estate portfolio. The target of ABP covers all scopes (CO<sub>2</sub>) for the investment portfolio.
- As a member of the Net-Zero Insurance Alliance (NZIA), Atradius was committed to transitioning all operational and attributable GHG emissions from its insurance and reinsurance underwriting portfolio to net-zero emissions by 2050. In May 2023, the institution left the NZIA, though, resulting in unclarity about its commitments. NN Group has established interim targets for 2030 for parts of its portfolio, but not for all financial services. The institution mentions that it wants to transition its proprietary investment and insurance underwriting to net-zero GHG emissions by 2050. For its emissions related to its insurance underwriting we did not identify any targets.
- We note that, given the current financed emission reduction targets, it is likely that the overall climate plans of most financial institutions will fall short from global efforts required to almost halve absolute emissions by 2030 to limit global warming in line with 1.5°C.

### Reduction targets for emissions from own operations:

- Rabobank notes that the majority of its operational GHG emissions fall within three categories. The bank has set intensity targets for 2030 for these categories. ABN AMRO is committed to achieve carbon-neutrality for S1, S2 and S3 business travel emissions by 2030 (2015 baseline and offsetting 5 percent). ING Group mention that it has set a 2025 target to reduce CO<sub>2</sub>e emissions by 75 percent (2014 baseline). It previously shared a S1 and S2 target of a 90 percent reduction by 2030 and mentions it plans to come up with a new 2030 target.
- Targets for own operations could not be found for ABP. PFZW is committed to achieving net-zero operational emissions (S1 and S2) by 2030. The organization is actively exploring various pathways to accomplish this goal.
- Atradius mentions that it aims to achieve carbon-neutrality in its own operations. Little further information was found. NN Group wants to become net-zero by 2040. It has set several accompanying reduction targets, namely: 35 percent reduction for its own business operations by 2025 and 70 percent reduction for its own business operations by 2030 (S2 market-based approach, compared to its 2019 levels).

### Key area 3: about the reduction of financed and own emissions

Most institutions provide limited information regarding the reduction of financed and own emissions

	ABN AMRO	ABP	Atradius	ING Group	NN Group	PFZW	Rabobank
Transparency	Moderate	Low	Very Low	Reasonable	Reasonable	Reasonable	Moderate
Integrity	Low	Moderate	Very Low	Low	Low	Moderate	Low

Source: SEO Amsterdam Economics (2023) using the methodology of NCI (2022a)

#### Procurement of renewable electricity

- The methodology contains guiding principles and assessment criteria for the procurement of renewable electricity by the financial institutions (2022a, pp. 31-35). In short, the financial institutions are asked to share detailed information on their procured energy supply contracts. The results of this study show that most financial institutions score 'low' on this indicator. Only one institution (ING Group) scores 'moderate'. For five institutions an integrity-assessment was not feasible due to unclear renewable energy supply constructs. ABN AMRO and ING Group provided more information. They mention that they use Guarantees of Origin (GOs), Retail Supply Contracts, Virtual PPAs and unbundled EACs. Based on the methodology and the used constructs, these institutions scored 'low' (NCI 2022a, p. 35).
- Some institutions indicate that they rent their office spaces, making them reliant on the building's landlord for their electricity supply contracts. Additionally, some institutions mention that they have a relatively low electricity consumption. These institutions argue that they perceive this indicator as being overemphasized.

#### Exclusion and engagement policy

- Similar to the previous edition of the CCRM, the transparency of the exclusion policy of most financial institutions is labelled 'high'. When it comes to the integrity of these policies, four policies are categorized as 'moderate' and three policies are labelled as 'low'. Regarding the transparency of the engagement policies, three policies received a 'high' label, three were labelled as 'moderate' and one scored 'low'. None of the institutions scored a 'high' integrity label.
- Most institutions publish an investment framework that includes a list of which activities, product categories and companies are excluded. In these documents the institutions describe minimum requirements and criteria. We note that a lot of the exclusion lists are not strictly binding or are restricted to certain financial services or products only. For example, some institutions allow activities in certain sectors or services (such as fossil fuels) under certain conditions (such as a having a credible transition plan or a maximum percentage of revenues derived from this activity). Furthermore, some institutions mention that they use different threshold acceptance levels for new and existing clients, making it difficult to assess the outcomes of the policies. Lastly, some financial institutions clearly link their climate strategy and targets to the used instruments (such as engagement, exclusion and deciding where to invest) and activities (such as divesting from 'misaligned' activities).
- The methodology mentions that the institutions should provide dedicated information on their exclusion, engagement and divestment policies. Some institutions argue that it is unclear what qualifies as 'dedicated information'.

**Key area 4: about the use of (future) offsetting and climate contributions**

The climate plans of the institutions score (very) low on the topic of ‘climate contributions & offsetting’

	ABN AMRO	ABP	Atradius	ING Group	NN Group	PFZW	Rabobank
Transparency	Very low	Low	Very Low	Low	Low	Low	Low
Integrity	Very low	Moderate	Very Low	Very low	Very low	Moderate	Very low

Source: SEO Amsterdam Economics (2023) using the methodology of NCI (2022a)

Offsetting

- The methodology provides assessment criteria and guidelines for offsetting claims today and neutralisation plans for the future. In short, the financial institutions are asked to share information on the (future) use of offsetting and provide details on the volume, projects and scope of the neutralisation claims.
- Atradius does not disclose any information. NN Group currently offsets emissions from its own operations using voluntary carbon credits and is likely to continue this practice to achieve its net-zero ambition. Information about the offsetting of its financed emissions is unavailable. ABP mentions that it will not offset any emissions to achieve its targets and PFZW mentions that it will not offset to reach its intermediate target. However, there is uncertainty about PFZW's future policy as it is currently conducting research to determine whether offsetting might be necessary as part of its long-term approach. ABN AMRO currently procures credits to offset emissions from its own operations. The bank mentions that it will offset 5 percent of these emissions in the future. Concerning its financed emissions, ABN AMRO mentions that it has not envisioned a role for carbon credits in the short term, but recognizes that some sectors will require solutions for residual emissions in the long run. Rabobank mentions that it relies on offsetting emissions from its own operations to achieve its net-zero ambition. It is unclear to what extent the bank will rely on the use of offsets for its financed emissions. Lastly, ING Group mentions that it no longer uses offsetting measures, but there is uncertainty regarding its future policy. Overall, we have obtained little data regarding volumes and projects, resulting in low scores.
- Some institutions report that offsetting is not their first choice of action and that their climate plans primarily focus on the reduction of GHG emissions. Additionally, some institutions express uncertainty about the long-term role of offsetting, making it challenging to disclose information on the topic. They believe that the low scores do not accurately represent their awareness and efforts in this regard.

Climate contributions

- We identify only a few climate contributions. A climate contribution is defined as the financial support provided by a company to support climate change action *beyond* the institution’s own value chain, without claiming to neutralise its own emissions. In reviewing the feedback from institutions, many institutions mention that they are investing in 'green' or 'sustainable' projects. However, this concerns investments in their own value chain, not beyond their value chain.

### A comparison with the previous edition of the CCRM

When we compare the results of this study to the results of the previous edition, we conclude that the integrity of the climate action plans for most financial institutions remains unchanged. The two pension funds, ABP and PFZW, receive a 'moderate' integrity rating (previously: low) while four institutions score 'low' (unchanged) and one scores 'very low' (unchanged). Similar results are observed when we compare the overall transparency of the climate plans, with five out of seven institutions receiving a similar transparency score as in the previous edition of this monitor.

#### The integrity of the climate plans of ABP and PFZW improved

	ABN AMRO	ABP	Atradius	ING Group	NN Group	PFZW	Rabobank
Integrity CCRM 2022	Low	Low	Very Low	Low	Low	Low	Low
Integrity CCRM 2023	Low	Moderate	Very Low	Low	Low	Moderate	Low

Source: SEO Amsterdam Economics (2023) using the methodology of NCI (2022a) and the CCRM 2022 (NCI 2022b, p.9)

In comparison to the previous edition of the CCRM, both ABP and PFZW achieved a higher overall integrity score. The main reason behind this improvement is their enhanced performance in their reduction of financed emissions. Both financial institutions have taken a semi-proactive approach, implementing established and effective emission reduction measures to tackle significant sources of emissions (such as actively divesting from fossil fuel companies and voting on climate-related shareholder meetings against the boards of companies that are currently lagging in terms of their climate ambitions).

Lastly, we note that many of the conclusions from this edition of the CCRM align with the findings from the previous edition. This includes the incomplete reporting of GHG emissions (Clients’ S3 of S3 category 15), the note that the current emission reduction targets are likely to fall short from global efforts required to almost halve absolute emissions by 2030 and the frequent use of intensity targets. Below, Milieudefensie has summarized some key findings from the first edition of the CCRM.

#### “The first edition of the CCRM revealed a range of serious shortcomings in the climate plans of institutions”

*“The previous CCRM (NCI, 2022b) revealed a range of serious shortcomings in the climate plans of the reviewed financial institutions. These included the failure to comprehensively report on clients’ S3 emissions (NCI, 2022b, p. 23), targets for 2030 falling well short of the ambition required to align with the internationally agreed goals of the 2015 Paris Climate Agreement (NCI, 2022b, p. 23), the use of qualitative or intensity based interim targets only, which could still lead to overall growth of emissions whilst targets must reflect global emission reduction pathways (NCI, 2022b, p. 26) and the insufficiency of exclusion and engagement policies (NCI, 2022b, p. 27). Given the fast-moving developments in the field of corporate climate responsibility, a re-assessment of the adequacy of Dutch financial institutions’ current climate plans is warranted to assess whether the weaknesses signalled last year have been addressed.”*

Source: Milieudefensie (2023)

# Samenvatting (Nederlands)

In dit rapport beoordelen we de transparantie en integriteit van de klimaatplannen van zeven financiële instellingen. De transparantie van de meeste plannen wordt als 'matig' beoordeeld, terwijl de integriteitsoordelen voornamelijk 'laag' zijn.

## Over de opdracht, methode en resultaten van de vorige editie van de CCRM

In opdracht van Milieudefensie heeft SEO Economisch Onderzoek (SEO) de transparantie en integriteit van de klimaatplannen van zeven financiële instellingen beoordeeld. Deze beoordeling vond plaats langs de meetlat van de methodologie van het *New Climate Institute*, kortweg de methodologie (NCI, 2022a). De methodologie beschrijft op welke wijze de beoordeling van de klimaatplannen moet gebeuren. Het document bevat daartoe richtlijnen en beoordelingscriteria. Het doel van iedere beoordeling is om uitspraken te kunnen doen over de transparantie en integriteit van het klimaatplan. Transparantie heeft betrekking op de publieke beschikbaarheid, volledigheid en duidelijkheid van het plan. Integriteit gaat om hoe alomvattend, betrouwbaar en toereikend het plan is. De methodologie beschrijft vier kerngebieden: i) het in kaart brengen en openbaar maken van emissies, ii) het stellen van doelen voor emissiereductie, iii) de vermindering van de uitstoot van gefinancierde en eigen emissies en iv) claims ten aanzien van (toekomstige) klimaatbijdragen en compensatie. Milieudefensie selecteerde de zeven instellingen: ABN AMRO, ABP, Atradius, ING Group, NN Group, PFZW en Rabobank.

Het onderzoek is gebaseerd op een analyse van openbaar beschikbare bronnen van de instellingen. Alle bronnen, waaronder jaarverslagen, duurzaamheidsverslagen, het risicobeleid en de websites van de instellingen, zijn verzameld door middel van een bureaustudie. Aanvullend konden de instellingen zelf bronnen aanleveren. Alleen bronnen die voor 1 juni 2023 openbaar beschikbaar waren, zijn onderzocht. Na het opstellen van de eerste onderzoeksresultaten heeft een validatiefase plaatsgevonden. We hebben van alle instellingen een ontvangstbevestiging ontvangen. Vijf instellingen hebben feedback aangeleverd.

Dit onderzoek bevat de resultaten van de tweede editie van de Corporate Climate Responsibility Monitor (CCRM). De eerste editie van de CCRM, *'Evaluating Corporate Target Setting in the Netherlands'*, is uitgevoerd door NCI. Deze editie concludeerde dat de integriteit van de klimaatplannen van de meeste instellingen 'laag' was, waarbij één instelling zelfs 'zeer laag' scoorde (NCI, 2022b, p. 11). De transparatiescores varieerden meer, drie plannen werden als 'redelijk' bestempeld, die van twee als 'matig', één als 'laag' en één als 'zeer laag'.

*"Het beoordelen van het de klimaatplannen van financiële instellingen is belangrijk voor de klimaattransitie".*

*"De financiële sector speelt een cruciale rol in de strijd tegen klimaatverandering. Volgens het Klimaatakkoord van Parijs moeten geldstromen in lijn worden gebracht met een traject naar broeikasgasarme en klimaatveerkrachtige ontwikkeling (artikel 2, lid 1(c)). De acties en strategieën van financiële instellingen zijn daarmee van groot belang om dit doel te bereiken. Via hun financiering en financiële diensten hebben deze instellingen een hefboomwerking op de ontwikkeling van huidige en nieuwe economische activiteiten, zowel positief door duurzame economische activiteiten te financieren en faciliteren als negatief door GHG-emissies te financieren en faciliteren op niveaus die niet in lijn zijn met het Klimaatakkoord van Parijs van 2015. In 2022 schatte onderzoeksbureau Profundo de omvang van de gefinancierde en gefaciliteerde uitstoot van dertien grote Nederlandse financiële instellingen met behulp van de PCAF-methodologie (Profundo, 2022). Dit onderzoek toonde aan dat, zelfs als we alleen rekening houden met de S1- en S2- emissies van hun klanten, de gefinancierde en gefaciliteerde emissies van deze instellingen in 2021 afgerond 228 MtCO<sub>2e</sub> bedroegen. Dit is ongeveer 60 MtCO<sub>2e</sub> meer dan wat aan Nederland als land wordt toegeschreven, en dat is exclusief de S3-emissies van hun klanten."*

Bron: Milieudefensie (2023)

## Overkoepelende bevindingen

Vier instellingen hebben een 'lage' integriteitsbeoordeling, één is 'zeer laag' en twee zijn 'matig'.

	ABN AMRO	ABP	Atradius	ING Group	NN Group	PFZW	Rabobank
Transparantie	Matig	Matig	Zeer laag	Redelijk	Matig	Redelijk	Matig
Integriteit	Laag	Matig	Zeer laag	Laag	Laag	Matig	Laag

Bron: SEO Economisch Onderzoek (2023) o.b.v. de methodologie van NCI (2022a)

- De integriteit van de klimaatplannen van de meeste financiële instellingen is 'laag'. Alleen de pensioenfondsen ABP en PFZW behalen een 'matige' integriteitsscore. Atradius scoort 'zeer laag'. Wat betreft de transparantie behalen de meeste instellingen een 'matige' score. We zien dat voor alle instellingen de transparantiescore gelijk is aan of hoger is dan de integriteitsscore. Dit sluit intuïtief aan bij het idee dat plannen eerst transparant moeten zijn voordat een integriteitsbeoordeling kan plaatsvinden.

## Kerngebied 1: het in kaart brengen en openbaar maken van emissies

Wat betreft het bijhouden en openbaar maken van gefinancierde emissies is er weinig variatie tussen de instellingen

Operationele emissies	0.05 MtCO <sub>2e</sub>	?	?	0.03 MtCO <sub>2e</sub>	0.01 MtCO <sub>2e</sub>	<0.01 MtCO <sub>2e</sub>	0.06 MtCO <sub>2e</sub>
	Hoog	Zeer laag	Zeer laag	Hoog	Hoog	Laag	Hoog
	ABN AMRO	ABP	Atradius	ING Group	NN Group	PFZW	Rabobank
Gefinancierde emissies	Matig	Matig	Zeer laag	Matig	Matig	Matig	Matig
	22.6 MtCO <sub>2e</sub>	16.3 MtCO <sub>2e</sub>	?	56.0 MtCO <sub>2e</sub>	5.7 MtCO <sub>2e</sub>	5.8 MtCO <sub>2e</sub>	51.5 MtCO <sub>2e</sub>

Bron: SEO Economisch Onderzoek (2023) o.b.v. de methodologie van NCI (2022a)

- De meeste instellingen schatten de omvang van hun gefinancierde emissies (S3, categorie 15) in met behulp van de PCAF-methode. De schattingen lopen uiteen van 5,7 MtCO<sub>2e</sub> (NN Group) tot 56,0 MtCO<sub>2e</sub> (ING Group). Niet alle instellingen hanteren dezelfde mate van transparantie in hun rapportage. Sommige instellingen geven duidelijk aan welke financiële diensten wel of niet zijn meegenomen in de schattingen, terwijl andere minder gedetailleerde informatie verstrekken. Bovendien rapporteren niet alle instellingen even grondig over de mate van onzekerheid in de schattingen. Ondanks dit soort variaties is het algemene niveau van de meeste instellingen min of meer gelijk, namelijk 'matig'. De gerapporteerde gefinancierde emissies van de meeste financiële instellingen omvatten enkel S1 en S2 van hun klanten. S3 wordt dan niet meegenomen. In gevallen waarin de instellingen wel rekening houden met S3, doen ze dat meestal slechts alleen voor specifieke sectoren of financiële diensten en laten ze andere delen buiten beschouwing. De methodologie stelt dat het *best practice* is om deze S3-emissies waar relevant separaat te rapporteren. We verwachten dat voor sommige sectoren en diensten deze emissies aanzienlijk zijn.
- De meeste instellingen publiceren over de operationele emissies van hun eigen activiteiten. De mate van transparantie varieert aanzienlijk. We hebben bijvoorbeeld geen informatie gevonden voor ABP en Atradius, wat resulteert in een 'zeer lage' score. Voor de instellingen die wel over hun emissies rapporteren valt op dat de absolute emissieomvang relatief laag is, variërend van 0,00 MtCO<sub>2e</sub> (PFZW) tot 0,06 MtCO<sub>2e</sub> (Rabobank). Daarnaast blijkt dat niet alle instellingen voldoen aan de eisen van (de supplementen van het) het *GHG Protocol*.

## Kerngebied 2: het stellen van doelen voor emissiereductie

De transparantie van de emissiereductiedoelstellingen vertoont aanzienlijke variatie

	ABN AMRO	ABP	Atradius	ING Group	NN Group	PFZW	Rabobank
Transparantie	Matig	Hoog	Zeer laag	Hoog	Laag	Redelijk	Matig
Integriteit	Laag	Matig	Zeer laag	Laag	Laag	Laag	Laag

Bron: SEO Economisch Onderzoek (2023) o.b.v. de methodologie van NCI (2022a)

### Reductiedoelen voor gefinancierde emissies

- ABN AMRO, ING Group en Rabobank zijn lid van de *Net-Zero Banking Alliance* (NZBA). Dit betekent dat deze instellingen zich committeren aan het financieren van ambitieuze klimaatacties, met als doel om de reële economie tegen 2050 klimaatneutraal te maken. Volgens de richtlijnen van de NZBA moeten de banken zich richten op 'prioriteitssectoren' waar ze de grootste impact kunnen maken en moeten ze doelen voor 2030 opstellen. Voor ABN AMRO hebben we doelen voor vijf sectoren aangetroffen. In totaal heeft de bank voor euro 164,3 miljard in deze sectoren uitstaan. Voor ING Group en Rabobank vonden we doelen voor respectievelijk negen en twaalf sectoren, met een uitstaand totaalbedrag van euro 335,1 en euro 250,7 miljard. Wanneer we de drie uitstaande bedragen vergelijken met de totale activa van de banken komen we voor ABN AMRO uit op 43,3 procent, voor ING Group op 34,6 procent en voor Rabobank op 39,2 procent. Het is belangrijk om op te merken dat de waarde van deze indicator nooit 100,0 procent zal bereiken. Tot slot merken we op dat de drie instellingen hoofdzakelijk gebruikmaken van intensiteitsdoelstellingen.
- ABP en PFZW streven naar een klimaatneutrale beleggingsportefeuille in 2050, in lijn met het beperken van de wereldwijde opwarming tot 1,5°C. Om dit te bereiken hebben beide financiële instellingen een doel vastgesteld van 50 procent absolute reductie in 2030 vergeleken met 2019. De doelstelling van PFZW omvat S1 en S2 voor alle broeikasgasemissies voor alle beursgenoteerde aandelen, liquide kredieten en vastgoedportefeuilles. De doelstelling van ABP heeft betrekking op alle scopes (CO<sub>2</sub>) voor de gehele beleggingsportefeuille.
- Als lid van de *Net-Zero Insurance Alliance* (NZIA) heeft Atradius zich gecommitteerd om alle operationele en toerekenbare broeikasgasemissies van haar verzekerings- en herverzekeringsportefeuille tegen 2050 terug te brengen tot netto-nul. De instelling stapte in mei 2023 uit de NZIA, waardoor het onduidelijk is of Atradius hier nog steeds naar streeft. NN Group heeft tussentijdse doelen voor 2030 vastgesteld voor een deel van haar portefeuille. De instelling vermeldt dat ze haar beleggings- en verzekeringsactiviteiten wil omvormen naar netto-nul broeikasgasemissies in 2050. Voor de emissies gerelateerd aan de verzekeringstak hebben we geen geoperationaliseerde doelstellingen aangetroffen.
- We stellen vast dat, gezien de huidige reductiedoelen voor gefinancierde emissies, het aannemelijk is dat de klimaatplannen van de meeste instellingen achterblijven bij de wereldwijde inspanningen die nodig zijn om absolute emissies bijna te halveren voor 2030 om de opwarming van de aarde te beperken tot 1,5°C.

### Reductiedoelstellingen voor operationele emissies van eigen activiteiten

- Rabobank stelt dat het merendeel van haar operationele broeikasgasemissies onder drie categorieën valt. De bank heeft voor deze categorieën intensiteitsdoelstellingen vastgesteld voor 2030. ABN AMRO streeft naar koolstofneutraliteit voor S1, S2 en een deel van S3 (uitstoot van zakenreizen) in 2030 (vergeleken met 2015, met 5 procent compensatie). ING Group heeft als doel om in 2025 de CO<sub>2</sub>e-uitstoot met 75 procent te verminderen (vergeleken met 2014). Eerder publiceerde ING Group een S1 en S2 doelstelling van 90 procent reductie in 2030. ING meldt dat het van plan is om met een nieuwe doelstelling voor 2030 te komen.

- Voor ABP konden we geen doelen voor de eigen activiteiten vinden. PFZW streeft naar netto-nul operationele emissies (S1 en S2) in 2030. De organisatie onderzoekt verschillende manieren om dit doel te bereiken.
- Atradius vermeldt dat het streeft naar koolstofneutraliteit van de eigen activiteiten. Er is weinig verdere informatie gevonden. NN Group wil in 2040 netto-nul zijn en heeft verschillende reductiedoelstellingen vastgesteld, namelijk: 35 procent reductie voor de eigen bedrijfsvoering in 2025 en 70 procent reductie in 2030 (*market-based approach* voor S2, vergeleken met 2019).

### Kerngebied 3: het terugdringen van gefinancierde en eigen emissies

De meeste instellingen verstrekken beperkte informatie over de vermindering van gefinancierde en eigen emissies

	ABN AMRO	ABP	Atradius	ING Group	NN Group	PFZW	Rabobank
Transparantie	Matig	Laag	Zeër laag	Redelijk	Redelijk	Redelijk	Matig
Integriteit	Laag	Matig	Zeër laag	Laag	Laag	Matig	Laag

Bron: SEO Economisch Onderzoek (2023) o.b.v. de methodologie van NCI (2022a)

#### Inkoop van hernieuwbare elektriciteit

- De methodologie bevat richtlijnen en beoordelingscriteria voor de inkoop van hernieuwbare elektriciteit door de instellingen (2022a, pp. 31-35). Samengevat worden de instellingen verzocht om gedetailleerde informatie te verstrekken over hun energieleveringscontracten. De resultaten van deze analyse laten zien dat de meeste instellingen 'laag' scoren op deze indicator. Slechts één instelling, de ING Group, behaalt een 'matige' score. Voor vijf instellingen konden we geen integriteitsbeoordeling uitvoeren omdat informatie over de contracten ontbrak. ABN AMRO en ING Group publiceerden wel de gevraagde informatie. Zij geven aan gebruik te maken van *Guarantees of Origin (GO's)*, *Retail Supply Contracts*, *Virtual PPA's* en *unbundled EAC's*. Op basis van de methodologie en de door de instellingen gebruikte constructen scoren zij 'laag' (NCI 2022a, p. 35).
- Meerdere instellingen geven aan dat zij hun kantoorpand huren, waardoor zij voor hun contracten afhankelijk zijn van de verhuurder van het pand. Daarnaast geven sommige instellingen aan dat zij relatief weinig elektriciteit verbruiken. Zij vinden daarom dat er in deze analyse te veel gewicht op deze indicator wordt gelegd.

#### Exclusion en engagement policy

- Net als in de eerste editie van de CCRM is de transparantie van de *exclusion policy* van de meeste instellingen als 'hoog' beoordeeld. Vier instellingen kregen een 'matige' integriteitsbeoordeling, en drie scoorden 'laag'. Wat betreft de transparantie van het *engagement policy* werden drie instellingen als 'hoog' beoordeeld, drie scoorden 'matig' en één scoorde 'laag'. Geen enkele instelling behaalde een 'hoge' integriteitsbeoordeling.
- De meeste instellingen publiceren een *investment framework* met daarin een lijst van activiteiten, bedrijven en productcategorieën die zijn uitgesloten. Deze documenten bevatten dan minimumeisen en toetsingscriteria. We merken op dat de lijsten vaak niet strikt bindend zijn of zich beperken tot bepaalde financiële diensten en producten. Sommige instellingen staan bijvoorbeeld activiteiten in bepaalde sectoren of diensten (zoals de fossiele sector) toe onder bepaalde voorwaarden (zoals het hebben van een geloofwaardig transitieplan of ze besluiten om toch bedrijven te financieren die een beperkt aandeel van hun omzet uit de uitgesloten activiteit verkrijgen). Verder geven sommige instellingen aan dat ze verschillende drempels hanteren voor nieuwe en bestaande klanten, waardoor het moeilijk is om de uitkomsten van het beleid te beoordelen. Tot slot koppelen sommige instellingen hun klimaatstrategie en -doelen op een inzichtelijke wijze aan de beleidsinstrumenten (zoals *engagement*, *exclusion* en investeringsbeslissingen) en activiteiten (zoals het afstoten van 'misplaatste' activiteiten).

- De methodologie geeft aan dat de instellingen toegewijde informatie ('*dedicated information*') over hun *exclusion and engagement policies* moeten verstrekken. Sommige instellingen stellen dat het niet duidelijk is wat als 'toegewijde informatie' wordt beschouwd.

### Kerngebied 4: claims ten aanzien van (toekomstige) klimaatbijdragen en compensatie

De klimaatplannen van de instellingen scoren (zeer) laag op het onderwerp 'klimaatbijdragen en compensatie'.

	ABN AMRO	ABP	Atradius	ING Group	NN Group	PFZW	Rabobank
Transparantie	Zeer laag	Laag	Zeer laag	Laag	Laag	Laag	Laag
Integriteit	Zeer laag	Matig	Zeer laag	Zeer laag	Zeer laag	Matig	Zeer laag

Bron: SEO Economisch Onderzoek (2023) o.b.v. de methodologie van NCI (2022a)

#### Compenseren ('*offsetting*')

- De methodologie bevat beoordelingscriteria en richtlijnen voor compensatie- of neutralisatieclaims, zowel voor vandaag als voor in de toekomst. In het kort wordt de instellingen gevraagd om informatie te delen over het gebruik van compensatiemaatregelen en om het volume, de projecten en de reikwijdte te specificeren.
- Atradius maakt geen enkele informatie bekend. NN Group compenseert momenteel de uitstoot van de operationele activiteiten met *voluntary carbon credits* en zal deze praktijk waarschijnlijk voortzetten om de gestelde ambitie te bereiken. Er is geen informatie over de compensatie van de gefinancierde emissies. ABP vermeldt dat het geen emissies zal compenseren om de doelstellingen te behalen en PFZW vermeldt dat het geen emissies zal compenseren om de tussentijdse doelstelling te behalen. Er is echter onzekerheid over het toekomstige beleid van PFZW, omdat het momenteel onderzoekt of compensatie mogelijk nodig is als onderdeel van de langetermijnaanpak. ABN AMRO koopt momenteel kredieten om de emissies van de operationele activiteiten te compenseren. De bank geeft aan dat ze in de toekomst 5 procent van deze emissies zal compenseren. Met betrekking tot de gefinancierde emissies geeft ABN AMRO aan dat zij op de korte termijn geen rol ziet weggelegd voor *carbon credits*, maar dat sommige sectoren op de lange termijn oplossingen nodig hebben voor resterende emissies. Rabobank geeft aan dat het gebruikmaakt van de compensatie van emissies van de eigen activiteiten om haar ambitie te behalen. Het is onduidelijk in hoeverre de bank gebruik gaat maken van compensatie voor haar gefinancierde emissies. Tot slot vermeldt ING Group dat zij niet langer gebruikmaakt van compensatiemaatregelen, maar er is onzekerheid over het toekomstige beleid. Over het algemeen zijn er weinig gegevens verkregen over volumes en projecttypes, wat resulteert in lage scores.
- Sommige instellingen geven aan dat zij zich hoofdzakelijk richten op het verminderen van de uitstoot en dat compensatie van broeikasgassen minder prioriteit heeft. Daarnaast geven enkele instellingen aan dat de rol van compensatie op de lange termijn (zeer) onzeker is, waardoor het lastig is om informatie over dit onderwerp te publiceren. Ze zijn van mening dat de lage scores geen accurate weergave zijn van hun bewustzijn en inspanningen op dit gebied.

#### Bijdragen aan het klimaat ('*climate contributions*')

- In deze studie hebben we slechts een beperkt aantal klimaatbijdragen aangetroffen. Een klimaatbijdrage wordt gedefinieerd als financiële steun van een bedrijf om klimaatverandering tegen te gaan. Het is daarbij van belang dat de steun *buiten de eigen waardeketen* van de instelling valt en dat de instelling geen aanspraak maakt op het neutraliseren van de eigen emissies. In de feedback vermelden veel instellingen dat ze investeren in 'groene' of 'duurzame' projecten. Dit betreft echter investeringen in hun eigen waardeketen, niet daarbuiten.

### Een vergelijking met de vorige editie van de CCRM

Wanneer we de resultaten van dit onderzoek vergelijken met de resultaten van de vorige editie, concluderen we dat de integriteit van de klimaatactieplannen voor de meeste financiële instellingen onveranderd blijft. De twee pensioenfondsen, ABP en PFZW, krijgen een 'matige' integriteitsscore (voorheen: laag), terwijl vier instellingen 'laag' scoren (ongewijzigd) en één instelling 'zeer laag' (ongewijzigd). Wanneer we de algehele transparantie van de klimaatplannen vergelijken, zien we overeenkomstige resultaten, waarbij vijf van de zeven instellingen eenzelfde transparantiescore krijgen als in de vorige editie van deze monitor.

#### De integriteitsbeoordelingen van de klimaatplannen van ABP en PFZW zijn verbeterd

	ABN AMRO	ABP	Atradius	ING Group	NN Group	PFZW	Rabobank
Integriteit CCRM 2022	Laag	Laag	Zeer laag	Laag	Laag	Laag	Laag
Integriteit CCRM 2023	Laag	Matig	Zeer laag	Laag	Laag	Matig	Laag

Bron: SEO Economisch Onderzoek (2023) o.b.v. de methodologie van NCI (2022a) en de CCRM 2022 (NCI 2022b, p.9)

In vergelijking met de vorige editie van de CCRM hebben zowel ABP als PFZW een hogere integriteitsscore behaald. De belangrijkste reden hiervoor is hun verbeterde prestatie op het gebied van het terugdringen van gefinancierde emissies. Beide financiële instellingen hebben gekozen voor een semi-proactieve benadering, waarbij bewezen en effectieve emissiereductiemaatregelen worden geïmplementeerd om belangrijke emissiebronnen aan te pakken. Het gaat hier om bijvoorbeeld het actief desinvesteren in de fossiele sector en actief aandeelhouderschap (middels het stemmen op aandeelhoudersvergaderingen en het doen van voorstellen bij bedrijven die achterblijven).

Tot slot concluderen we dat veel van de conclusies van deze editie van de CCRM overeenkomen met de resultaten uit de vorige editie. Dit betreft onder andere de onvolledige rapportage van emissies (S3 van S3 categorie 15), het waarschijnlijk tekortschieten van de huidige emissiereductiedoelen ten opzichte van de wereldwijde inspanningen die nodig zijn om de absolute emissies bijna te halveren en het frequente gebruik van intensiteitsdoelstellingen. Hieronder heeft Milieudefensie enkele kernbevindingen van de eerste editie van de CCRM samengevat.

#### “De vorige CCRM bracht een reeks serieuze tekortkomingen in de klimaatplannen van instellingen aan het licht”

“De vorige CCRM (NCI, 2022b) bracht een reeks serieuze tekortkomingen in de klimaatplannen van de beoordeelde financiële instellingen aan het licht, waaronder het ontbreken van volledige rapportage over de S3 emissies van klanten (NCI, 2022b, p. 23), doelen voor 2030 die ruim tekortschieten bij de ambitie die nodig is om in lijn te komen met de internationaal overeengekomen doelen van het Parijse Klimaatakkoord van 2015 (NCI, 2022b, p.23), het enkele gebruik van kwalitatieve of intensiteitsgebaseerde tussendoelen die nog steeds kunnen leiden tot groei van emissies terwijl de doelstellingen de mondiale emissiereductiepaden zouden moeten reflecteren (NCI, 2022b, p. 26), en onvoldoende uitsluitings- en engagementbeleid (NCI, 2022b, p. 27). Gegeven de snelle ontwikkelingen op het gebied van de klimaatverantwoordelijkheid van bedrijven, is een herbeoordeling van de huidige klimaatplannen van Nederlandse financiële instellingen op zijn plaats om te beoordelen of de tekortkomingen die vorig jaar geconstateerd werden aangepakt zijn.”

Source: Milieudefensie (2023)

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# Introduction

In this study we assess the transparency and integrity of the climate action plans of seven financial institutions as of 2023. The findings are the result of an in-depth study of publicly available sources.

## SEO conducts an assessment of the climate action plans of seven financial institutions

On behalf of Milieudefensie (Friends of the Earth Netherlands), SEO Amsterdam Economics (SEO) assesses the transparency and integrity of the current climate action plans of seven Dutch financial institutions as of 2023. This assessment is conducted using the guidance and assessment criteria published by the New Climate Institute (NCI) in July 2022 (hereafter: 'methodology'). Milieudefensie has selected the following financial institutions (in alphabetical order): ABN AMRO, ABP, Atradius, ING Group, NN Group, PFZW and Rabobank.

## The goal of this study is to assess the transparency and integrity of these action plans

With *transparency* and *integrity*, NCI refers to the extent to which an institution publicly discloses information on its climate plans and the quality, credibility and comprehensiveness of its approaches towards the four key areas. In line with the methodology, we focus on four key areas, namely:

1. The tracking and disclosure of emissions;
2. The setting of emission reduction targets;
3. The reduction of financed and own emissions; and
4. The use of climate contributions and (future) offsets.

## The findings are the result of an in-depth study of publicly available sources

The findings documented and interpreted in this research are the result of an in-depth study of publicly available sources. All sources, including annual reports, sustainability reports, risk policies, and the websites of the institutions, are collected through a desk study. In addition, institutions have the option to submit their own sources. Only sources that are publicly available before the 1<sup>st</sup> of June 2023 are taken into account. After conducting our initial assessment, we share our preliminary findings with the institutions for validation. All institutions respond that they have received our assessment and five of them also provide constructive and detailed feedback.

### Overview of steps from sources to findings



Source: SEO Amsterdam Economics (2023)

## About this study

- The summary contains an overview of the overall findings per key area;
- Chapter 2 of this study focuses on the methodology;
- Chapter 3 of this study contains the individual assessments;
- The appendices contain information on the assessment criteria, a glossary and the names of the institutions.

# Methodology

## About the methodology of NCI

On behalf of Milieudefensie (Friends of the Earth Netherlands), SEO Amsterdam Economics (SEO) assesses the transparency and integrity of the current climate action plans of seven Dutch financial institutions as of 2023. This assessment is conducted using the guidance and assessment criteria published by the New Climate Institute (NCI) in July 2022 (hereafter: the 'methodology'). To provide transparency, the assessment criteria used in this study are extracted from the methodology and listed in Appendix A of this report for easy reference. We have also included a list of abbreviations and a glossary in Appendix B. We would like to stress that the original NCI documentation provides additional guidelines and other information that has been used. The full document can be found on the NCI website and is called '*Corporate climate responsibility: Guidance and assessment criteria for good practice corporate emission reduction and net-zero targets (Version 2.0)*'.

## About adopting the methodology of NCI

In its 2022 methodology, NCI mentions that *"the contents of this document represent the views of the authors, based on our interpretation of existing research and current developments. Our assessments of specific companies are based upon these perspectives and interpretations, which may not be universally held views"* (2022a). Milieudefensie has commissioned research that fully aligns with the 2022 methodology of NCI to ensure comparability of the results over time. We have had multiple meetings and discussions with NCI to secure the alignment.

## About the field data collection

- Start of the project: On March 20<sup>th</sup>, Milieudefensie sends a letter to the financial institutions, notifying them that they have been selected to participate in the second edition of the CCRM. In this letter, the financial institutions are requested to submit their climate plans and all pertinent details by April 24<sup>th</sup>. The institutions are also informed that the second assessment will be conducted by SEO Amsterdam Economics.
- All financial institutions submit their documentation: ABN AMRO (April 17<sup>th</sup>), ABP (April 24<sup>th</sup>), Atradius (April 25<sup>th</sup>), ING Group (April 24<sup>th</sup>), NN Group (April 24<sup>th</sup>), PFZW (April 26<sup>th</sup>) and Rabobank (April 21<sup>st</sup>).
- Further information is provided by SEO: On June 21<sup>st</sup>, all institutions receive an email informing them that they will receive our preliminary findings for validation no later than July 1<sup>st</sup>. All institutions are told that they can respond in writing by August 1<sup>st</sup> at the latest. Some institutions indicate that they need more time. In these cases, individual arrangements are made. Later on, ABN AMRO, ABP, Atradius, NN Group and PFZW are informed that there will be a one-week delay, postponing the date to July 8<sup>th</sup>.
- All financial institutions receive their preliminary results: ABN AMRO (July 7<sup>th</sup>), ABP (July 2<sup>nd</sup>), Atradius (July 6<sup>th</sup>), ING Group (July 1<sup>st</sup>), NN Group (July 8<sup>th</sup>), PFZW (July 8<sup>th</sup>) and Rabobank (July 1<sup>st</sup>). After sending the preliminary results, some institutions ask if it is possible to discuss these results in a video call. Although not officially part of the study, we agree to their requests during the period when the institutions can submit their feedback.
- All institutions respond: ABN AMRO (August 30<sup>th</sup>), ING Group (July 28<sup>th</sup>), NN Group (August 8<sup>th</sup>), PFZW (July 18<sup>th</sup>) and Rabobank (August 31<sup>st</sup>) submit feedback through email. We receive letters from ABP (July 3<sup>th</sup>) and Atradius (July 27<sup>th</sup>) confirming receipt of our preliminary findings; however, no additional responses are received. Consequently, for these two institutions the preliminary findings are considered the final results. For the remaining five institutions, we process all the feedback provided.

### About this research

- As previously mentioned, only documentation that is publicly available before the 1<sup>st</sup> of June 2023 is taken into account. Considering the rapid pace of developments in this field, it is important to note that additional information has become available for certain companies. For instance, in July 2023, NN Group released its Climate Action Plan Update, which is not reflected in this assessment.
- Similar to the first edition of the CCRM, this study uses the 2022 methodology of NCI (2022a). In 2023, NCI published a new methodology. Since the new version does not contain guidelines or assessment criteria for financial institutions and our assignment is to ensure comparability of the results over time, we have opted for the 2022 methodology.

### About the assessment

Each assessment contains five sections:

- The first section contains global information on the institution, such as the operating sector, a financial metric indicating size, the reported GHG emissions, the headline pledge or commitment and the institution’s overall score reflecting the transparency and integrity. The two overall scores are assessed on a five-point scale, ranging from 'very low' to 'high'.

COMPANY NAME					
Sector	Financial metric	Emissions	Pledge	Transparency	Integrity
Financial institution	€ ... bn	... MtCO <sub>2</sub> e	...	Overall score	Overall score

- The second section focuses on the *tracking and disclosure of emissions*. In the left corner, it presents the reported GHG emissions originating from the institution’s own operations and its estimated financed emissions. This information is also visually represented in the graph on the right, with distinct colours indicating its score. For more information on the scoring, we refer to Figure A.1 in Appendix A of this study. Furthermore, the overview contains some text on the major emissions sources (Text 1) and the disclosure of the GHG emissions (Text 2). Lastly, there is an indicator that shows if the subsidiaries are covered. The goal of this section is to assess if institutions are transparent about their GHG emission footprints.

1. Tracking & disclosure of emissions		OVERALL SCORE (Transparency and integrity)
<b>Operations:</b> ... MtCO <sub>2</sub> e <b>Financed:</b> ... MtCO <sub>2</sub> e	 Subsidiaries are covered.	GRAPH
<b>Major emissions sources</b>	TEXT 1	
<b>Disclosure</b>	TEXT 2	

- The third section is about the *setting of reduction targets*. Similar to the previous section it distinguishes between financed emissions (Text 1 to 4) and emissions from own operations (Text 5). For more information about the scoring, we refer to Figure A.2 to A.4 in Appendix A. In addition, the section distinguishes between short- and medium-term targets (up to 2030) and long-term targets (beyond 2030). The goal of this section is to assess whether targets are specific and substantiated and focus on the coverage of emissions sources in the headline pledge.

2. Setting emission reduction targets		OVERALL SCORE (transparency)	OVERALL SCORE (integrity)
<b>Headline target or pledge for financed emissions</b>	TEXT 1		
<b>Coverage of financed emissions sources</b>	TEXT 2	Score	Score
<b>Short- &amp; medium-term targets</b> (up to 2030)		Score	Score
Portfolio emission reductions (compared to emissions in 2021)	... by 2030	TEXT 3	
<b>Long-term vision</b> (beyond 2030)		Score	Score
Portfolio emission reductions (compared to emissions in 2019)	... by 2050	TEXT 4	
<b>Headline target or pledge for business operation emissions</b>	TEXT 5		

- The fourth section is about the reduction of financed and own emissions. The overview table contains information on the exclusion and divestment policy (Text 1), the engagement policy (Text 2) and about the procurement of renewable energy (Text 3). For more information about the scoring, we refer to Figure A.5 and A.6 in Appendix A. For this indicator, the Methodology of NCI contains a selection of focus areas (2022a, p.28). For example, regarding the first indicator the Methodology mentions that financial institutions should exclude and divest from companies active in coal mining, oil and gas productions, fossil fuel transport infrastructure (coal, oil and gas), coal, oil and gas-fired power generation, high-carbon stocks land-use change and intensive livestock farming. The goal of this section is to assess those measures for deep emission reduction that fall under the focus areas of the methodology of NCI.

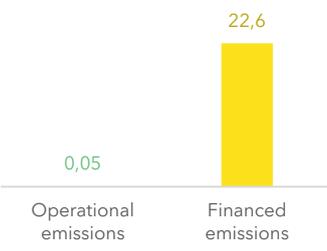
3. Reducing financed and own emissions		OVERALL SCORE (transparency)	OVERALL SCORE (integrity)
<b>Emissions reduction measures</b>	<b>Exclusion and divestment policy:</b> TEXT 1	Score	Score
	<b>Engagement policy:</b> TEXT 2	Score	Score
<b>Renewable electricity procurement</b>	TEXT 3	Score	Score

- The last section contains information about the use of offsetting and climate contributions. With offsetting we mean that a company is claiming to neutralise its emissions, for example through carbon dioxide removals or emission reduction offset credits. The study distinguishes between offsetting claims that are being made today and about plans for the future. A climate contribution is defined as the financial support provided by a company to support climate change action *beyond* the institution’s own value chain, without claiming to neutralise its own emissions. The goal of this section is to assess if responsibility is taken for unabated emissions.

4. Climate contributions & offsetting		OVERALL SCORE (Transparency)	OVERALL SCORE (Integrity)
<b>Responsibility for unabated emissions</b>	TEXT	Score	Score
Climate contributions	TEXT	Score	Score
Offsetting claims today	TEXT	Score	Score
<b>Offsetting plans for the future</b>	TEXT	Score	Score

# Case studies

This chapter contains the seven individual assessments of the financial institutions.

ABN AMRO					
Sector	Operating inc.	Emissions	Pledge	Transparency	Integrity
Financial institution	€ 7.8 bn (2022)	22.6 MtCO <sub>2</sub> e (2022)	Net-zero by 2050 or sooner across all its portfolios	Moderate	Low
1. Tracking & disclosure of emissions				Transparency & Integrity	
<b>Operations:</b> 0.046 MtCO <sub>2</sub> e (2022)		 Subsidiaries are covered.			
<b>Financed:</b> 22.6 MtCO <sub>2</sub> e (2022)					
<b>Major emissions sources</b>	Financed emissions (S3 - category 15) are estimated at 22.6 MtCO <sub>2</sub> e. This is the vast majority of the total emissions.				
<b>Disclosure</b>	Emissions from lending portfolio and clients' assets disclosed. Approximately 62% of the total assets under management are in scope for financed emissions estimations.				
2. Setting emission reduction targets				Transparency	Integrity
<b>Headline target or pledge for financed emissions</b>	Bringing its portfolios in line with limiting global warming to a 1.5°C scenario and supporting the transition to a net-zero economy by 2050 (NZBA)				
<b>Coverage of financed emissions sources</b>	Covers emissions from lending portfolio and investments (S3, category 15), but not all financial services and all sectors. There is no clear link between the 5 sectors/region combinations and the headline target since there are no '2050' targets and not all sectors ('shipping') align with the headline target.			Moderate	Moderate
<b>Short- &amp; medium-term targets (up to 2030)</b>	Several short- and medium-term targets identified			High	?
Portfolio emission reductions (compared to emissions in 2021)	?	by 2030	ABN AMRO has set interim intensity targets (2030) for 5 sectors. Sector-specific targets may be 1.5°C-aligned, but not all sectors are included (the combined sectors amount to circa € 164.3 billion). An overall reduction target is not quantifiable <b>Intermediate targets (2030):</b> - Residential mortgages -34% kgCO <sub>2</sub> /m <sup>2</sup> - Commercial real estate -46% kgCO <sub>2</sub> /m <sup>2</sup> - Power generation <188 kg CO <sub>2</sub> /MWh - Oil and gas -22% absolute - Shipping -24% gCO <sub>2</sub> /DWT n.m.		
<b>Long-term vision (beyond 2030)</b>	No long-term targets identified alongside the pledge			Low	?
Portfolio emission reductions (compared to emissions in 2019)	?	by 2050			
<b>Headline target or pledge for business operation emissions</b>	Compared to 2015, ABN aims to reduce 95% of its S1, S2 and S3 business travel emissions, and compensate for the remaining 5% using carbon removal credits. In total, this leads to the net-zero target for own operations that ABN aims at.				

3. Reducing financed and own emissions		Transparency	Integrity
Emissions reduction measures	<b>Exclusion policy:</b> Dedicated reporting on exclusion across all financial services, covering project finance for several harmful activities, including some oil and gas exploration and production and new coal-fired power plants.	High	Moderate
	<b>Engagement policy:</b> Applies to all financial services, but the bank provides limited details on harmful activities it engages in.	Moderate	Low
Renewable electricity procurement	Limited information provided.	Low	Low

4. Climate contributions & offsetting		Transparency	Integrity
Responsibility for unabated emissions	Offsetting approaches with limited information.	Low	Low
Climate contributions	- No climate contributions identified.	N/A	Low
Offsetting claims today	- Offsetting of emissions of own operations (37.4 ktCO <sub>2</sub> credits), but type of credits unclear	Low	Low
Offsetting plans for the future	Role in offsetting for S3, category 15 is unclear. For its own operations, ABN AMRO claims neutralisation of its emissions by offsetting 5% of the emissions.	Low	Low

RATINGS **Transparency** refers to the disclosure of information. **Integrity** refers to the quality and credibility of the approach.  
**Overall** Average of sections 1-4 ■ High ■ Reasonable ■ Moderate ■ Low ■ Very Low;  
**Sections 1-4** Average of criteria in each section ■ ■ ■ ■ ■; **Rating criteria** See methodology for rating criteria ■ ■ ■ ■ ■.

Source: SEO Amsterdam Economics' interpretation of identified public documentation from ABN AMRO

## ABN AMRO

ABN AMRO is the third largest bank in the Netherlands. As part of its climate strategy, ABN AMRO intends to align its financial services with a maximum global warming target of 1.5°C and wants to become net-zero by 2050. Multiple interim targets have been set for five sector/region combinations, but no long-term targets are given in a similar manner. There are multiple dashboards with the planned outline of emission reductions until 2050. However, there are no quantitative targets given like there are for 2030 (ABN AMRO, 2022a, p. 15). The bank manages a total of € 396 billion in assets. About 62 percent of these assets are in scope for financed emissions estimations. The previously mentioned sector/region combinations impact approximately € 164.3 billion of the bank's loan book.

### ABN AMRO reports on both financed emissions and emissions from business operations.

- Financed emissions (i.e. S3, category 15). The bank provides a detailed breakdown of financed emissions into emissions of the balance sheet and emissions of clients' assets (ABN AMRO, 2022c, p. 149). Not all financed emissions are included in the estimations. According to the 2022 integrated annual report, approximately 38 percent of the total assets are not in scope for estimating financed emissions. This percentage can be calculated by dividing the total assets that are out of scope for financed emissions (151,234) by the total amount of assets (396,414). We note that ABN AMRO also has lending activities that are out of scope of the PCAF methodology, such as lending to central banks. Lastly, ABN AMRO mentions that due to poor data availability and reliability, their financed emission estimations exclude their clients' S3 emissions for their investment services (ABN 2022e, p.25).
- In 2022, emissions from the bank's own operations (S1, S2 and partly S3) are estimated to be 0.046 MtCO<sub>2e</sub>. We calculated this number by adding up the GHG emissions for S1 (3 ktCO<sub>2e</sub>), S2 (3 ktCO<sub>2e</sub>) and S3 for own operations (41 ktCO<sub>2e</sub>). While key S3 emission sources are disclosed, smaller sources may be missing (ABN AMRO, 2022b). Emissions are reported separately for the Netherlands and the rest of the world. The disclosure of these emissions enables a thorough understanding by providing a detailed analysis of the data pertaining to individual emission sources, along with the presentation of historical data for each source. From 2021 to 2022, emissions from own operations have been reduced by 12.5 percent (ABN AMRO, 2022d, tab.3).

### ABN AMRO has set several interim targets for its financed emissions and for its own business operations.

- For its financed emissions, ABN AMRO clearly reports on the year of the interim targets (2030) and clearly states the baselines used. However, it could improve the transparency of its targets by adding the regional scope. For example, on page 5 of its 2022 Climate Strategy Targets document the institution omits regional information, while on page 4 of the same document it clearly states that it only covers the Dutch commercial real estate portfolio and Dutch residential mortgages (2022a, pp.4-5). The interim targets for the 5 sectors are all intensity based and cover circa € 164.3 billion of the bank's loan book.<sup>1</sup> The included sectors are residential mortgages, commercial real estate, power generation, oil & gas and shipping (ABN AMRO, 2022a, p.5). For the included sectors, the pathway from 2021 to 2050 is given with an interim goal for 2030. We note that the presented

<sup>1</sup> To obtain this number, the following figures were combined: residential mortgages (145.5), commercial real estate (12.9), power generation (0.8), oil and gas (0.5), and shipping (4.6) – see p.5 of ABN Climate Strategy Targets document.

pathways (2022a, p.15) do not include long-term targets for 2050, although they might be implied in the graphs. Furthermore, we note that other important carbon intensive sectors (such as agriculture) are not included in its target setting. ABN AMRO mentions that it is expanding its sector coverage (2022a, p.17).

- ABN AMRO aims to achieve carbon-neutrality across its own business operations in 2030. The bank aims to achieve a 95 percent reduction in absolute emissions below the 2015 levels by 2030 across all scopes (ABN AMRO, 2022a, p.23). Regarding real estate properties owned and rented by the bank, ABN AMRO has committed to ensuring that all of them attain an A-rated energy label by 2023 (ABN AMRO, 2022a, p.23).

### **ABN AMRO seeks to reduce its financed emissions through the exclusion of harmful activities and the engagement of its clients in climate action ambition.**

The bank applies a sustainability risk policy framework to assess and mitigate environmental risks associated with its business activities (ABN AMRO, 2022c, p. 139). The policy defines the bank's exclusion and sustainability standards and policies, and sets out the bank's sustainability risk defence mechanism (ABN AMRO, 2022c, p. 139). ABN AMRO intends to reduce emissions from its lending portfolio and investment services (most sources of emissions) via negative screening of some harmful activities. The bank applies an exclusion list that covers project finance for some harmful activities, including the acquisition or building of thermal coal mines; new coal fired power plants; oil and gas exploration in the Arctic region and associated services; exploration and processing of tar sands and the transportation of tar sand oil. Also on the exclusion list are project finance for deforestation related to large-scale agricultural plantations and large-scale ruminant farming (ABN AMRO, 2022f, p. 1). However, ABN AMRO does not fully rule out financing or investing in power generation using fossil fuels and oil and gas extraction via its exclusion list (ABN AMRO, 2022f). It is not clear how stringently the bank applies its exclusion list, as it does not seem to be strictly binding ("In case the client's sustainability performance is 'below par', the transaction can only be accepted if the business line has ensured that the client is willing and able to meet the requirements in the ABN AMRO Sustainability Risk Policy Framework in due time.") (ABN AMRO, 2021a, p. 2).

Although ABN AMRO states that it pursues a structured, "high-intensity" engagement strategy covering all financial services, it provides only moderate levels of detail regarding the thematic scope of engagement efforts. For its lending portfolio, the bank applies a focus list approach through which it prioritizes engagement needs with high-risk companies (ABN AMRO, 2022d). The bank states that it engages clients when they are operating in "very sensitive circumstances" with high inherent risk, "when they are material to the bank due to the nature of the relationship", or where clients "operate in sectors (or multiple sectors) with high potential risks" (ABN AMRO, 2022d). The bank also claims to proactively engage with corporate loan and mortgage clients and advise them on environmental risks and sustainable investment opportunities. For its investment services, ABN AMRO delegates proxy voting on ESG issues for investments in listed companies to a stewardship service provider (ABN AMRO, 2022c), but notes that it also actively participates in direct engagement activities. The bank may decide to engage with clients on specific topics, but provides limited details as to when and under what conditions it would start such thematic engagement. While ABN AMRO acknowledges thematic engagement as a "perfect example of accelerating the sustainability shift", it is not clear to what extent the bank actively uses engagement on climate-related issues with its clients (ABN AMRO, 2022d). Although ABN AMRO does not disclose specific details and company names of divestments, the bank acknowledges the importance of divestment when engagement efforts prove unsuccessful. ABN AMRO mentions instances in its lending portfolio where it has chosen to "exit" engagements, including energy and climate related cases (ABN AMRO, 2021c).

**ABN AMRO on its renewable electricity procurement:**

In its 2022 Climate Strategy & Targets document, ABN AMRO mentions that it procures renewable electricity, biogas and CO<sub>2</sub>-neutral district cooling in the Netherlands (2022a, p. 24). In its 2022 'Non-financial data & Engagement Factsheet', we found that ABN AMRO currently procures renewable energy through guarantees of origin (GOs) for its energy use in the Netherlands (2022d, tab 3. Environmental results). In its public documentation, we did not find more details on its pursued renewable energy supply constructs. This means that according to the Methodology the transparency will be assessed as 'low' (NCI, 2022a, p. 35). In the guidelines from the Methodology, NCI also concludes that GOs often do not contribute to additional renewable electricity capacity (NCI, 2022a, p. 32). Because of this, the integrity is also assessed as 'low' according to the Methodology of NCI (NCI, 2022a, p. 35).

**ABN AMRO on offsetting:**

- **For its financed emissions:** As part of its upcoming climate strategy, ABN AMRO intends to ratchet up its climate ambitions and steer its financial service provision towards alignment with a maximum global warming target of 1.5°C to reach net-zero by 2050 (ABN AMRO, 2022a, 2022b). However, this pledge does not specify what portion of that target will be achieved through emission reductions and what role removals or offsets will have. ABN AMRO states: "We have initially not envisioned a role for carbon credits in the short term. We see our success in enabling the transition by helping our clients. For the long term we recognize that this will be hard to achieve in some sectors and will require solutions for residual emissions".
- **For its own operations:** In 2022, ABN AMRO procured credits to offset 37.4 ktCO<sub>2</sub>e (ABN AMRO, 2022d). ABN AMRO claims neutralisation of its emissions in the future by offsetting 5 percent of the emissions from its own operations. The bank does not provide sufficient details to assess the integrity of these credits (ABN AMRO, 2022a, p. 24). Climate contributions are not identified.

ABP						
Sector	Assets	Emissions	Pledge	Transparency	Integrity	
Financial institution	€ 459 bn (end of 2022)	16.3 MtCO <sub>2</sub> e (end of 2021)	Climate-neutral investment portfolio by 2050	Moderate	Moderate	
1. Tracking & disclosure of emissions				Transparency & Integrity		
<b>Operations:</b> Unknown <b>Financed:</b> 16.3 MtCO <sub>2</sub> e (end of 2021)		 Subsidiaries are covered.		 16.3		
<b>Major emissions sources</b>	Financed emissions (GHG S3, category 15) are estimated at 16.3 MtCO <sub>2</sub> e, covering its clients' S1 and S2 emissions. For some financial services or sectors, S3 is included.					
<b>Disclosure</b>	According to ABP, the S3 category 15 emission estimations cover 61.5% of invested assets covered by the PCAF methodology. No reporting on own operational emissions.					
2. Setting emission reduction targets				Transparency	Integrity	
<b>Headline target or pledge for financed emissions</b>	Climate-neutral investment portfolio by 2050					
<b>Coverage of financed emissions sources</b>	Targets covers all emissions from all investment categories (GHG S3 - category 15).		High	High		
<b>Short- &amp; medium-term targets (up to 2030)</b>	Several 2030 targets identified:  Portfolio emission reductions (compared to emissions in 2019) <b>50%</b> by 2030		High	Moderate		
<b>Long-term vision (beyond 2030)</b>	No long-term targets identified alongside the pledge.  Portfolio emission reductions (compared to emissions in 2019) <b>?</b> by 2050		Low	?		
<b>Headline target or pledge for business operation emissions</b>	No information identified.					
3. Reducing financed and own emissions				Transparency	Integrity	
<b>Emissions reduction measures</b>	<b>Exclusion and divestment policy:</b> The pension fund maintains an exclusion list that excludes certain sectors and countries, but does not extend to other products and sectors. ABP has divested (partly) from fossil fuels, which shows it is willing to take the necessary steps.		Low	Moderate		
	<b>Engagement policy:</b> There is information regarding engagement efforts, but there is ambiguity around the extent of engagement across all thematic focus areas and the criteria for determining when an escalation process is necessary.		Moderate	Moderate		
<b>Renewable electricity procurement</b>	No information identified.		Low	?		

4. Climate contributions & offsetting		Transparency	Integrity
<b>Responsibility for unabated emissions</b>	No information identified.	Low	Low
Climate contributions	- No climate contributions identified.	N/A	Low
Offsetting claims today	- No offsetting claims identified.	N/A	N/A
<b>Offsetting plans for the future</b>	ABP clearly states that it will not use removals or offsets to neutralise emissions in order to achieve its targets.	Moderate	High

RATINGS **Transparency** refers to the disclosure of information. **Integrity** refers to the quality and credibility of the approach.  
**Overall** Average of sections 1-4 ■ High ■ Reasonable ■ Moderate ■ Low ■ Very Low;  
**Sections 1-4** Average of criteria in each section ■ ■ ■ ■ ■; **Rating criteria** See methodology for rating criteria ■ ■ ■ ■.

Source: SEO Amsterdam Economics' interpretation of identified public documentation from ABP

## ABP

ABP is a Dutch pension fund for public service and education, as well as a number of independently affiliated employers. ABP is the country's largest pension fund. It manages pensions for over three million individuals and almost 3,500 employers. ABP currently reports its emissions on 61.5 percent of its investment portfolio. As of January 2023, ABP has divested a substantial portion of its investments in fossil fuel producers, encompassing oil, gas and coal, which represented 3 percent of ABP's assets under management (ABP, 2022b, p. 5). Additionally, in December 2022 ABP released its climate policy report for the period of 2022 to 2030. In this report, the pension fund commits to achieving a climate-neutral investment portfolio by the year 2050.

**ABP tracks and discloses information on financed emissions (S3 - category 15), but does not report on its own operational emissions.** The pension fund estimates that the S1 and S2 emissions of its investee companies (S3 - category 15) in 2021 totalled 16.3 MtCO<sub>2</sub>e (ABP, 2022c, p.3). These emission estimates were calculated using methodologies compliant with the PCAF methodology and accounted for 61.5 percent of ABP's total invested assets (end of 2021). The calculations considered the S1 and S2 emissions from investments in the real estate sector (incl. S3 emissions), as well as its shares and private equity investments (incl. S3 emissions from the energy and mining sector), along with corporate and green bonds. ABP has expressed its intention to incorporate emissions from the infrastructure sector and government bonds into its calculations starting in 2023. Last year, ABP reported 21.4 MtCO<sub>2</sub>e. ABP does not report on its own operational emissions.

**About the climate objectives of ABP.** ABP's primary interim target is to achieve an absolute CO<sub>2</sub> reduction of 50 percent by 2030, using 2019 as the base year. This target encompasses all investment categories, including S1, S2 and S3 emissions. The pension fund does not intend to rely on CO<sub>2</sub> compensation to meet this target. Furthermore, ABP aims to invest € 30 billion in climate transition by 2030, of which €10 billion will be impact investments. ABP aims for net-zero GHG emissions by 2050. No targets were identified for its own operations.

**ABP is phasing out its investments in fossil fuel producers.** In October 2021, ABP announced that it would stop investing in fossil fuel producers (2021a). ABP's divestment decision applies to all fossil fuel producers whose coal mining, oil, or gas extraction activities generate more than 1 percent of their revenues. However, this excludes illiquid investments and futures contracts related to oil and gas (ABP, 2022b, p.5). On the 8<sup>th</sup> of February 2023, ABP announced that it had sold the majority of its shares in these fossil fuel companies.<sup>2</sup> According to ABP, at this moment it has divested for about € 9 billion. On the 3<sup>rd</sup> of April 2023, ABP published its overview of investments.<sup>3</sup> According to ABP, the overview shows that all investments in producers of fossil energy in established countries (Europe and the US) have been divested. Furthermore, ABP claims that it is currently working on divesting its illiquid investments (€ 5 billion, which is still tied up in long-term contracts) and its investments in pools with other pension funds (€ 1 billion). ABP claims that as long as it is part of these pools, it is possible that shares will still be purchased.

<sup>2</sup> See announcement: [Merendeel 'fossiele beleggingen' verkocht | ABP](#)

<sup>3</sup> See announcement: [Beleggingen in grote fossiele producenten verkocht | ABP](#)

**ABP lacks a comprehensive exclusion policy for sectors or products that are not in line with the temperature objectives of the Paris Agreement.** The pension fund maintains an exclusion list that primarily includes companies and countries involved in tobacco production, prohibited weapons as per international treaties, and nuclear weapons, but which does not extend to other products and sectors (ABP, 2023j, 2022g, p. 57). Despite ABP's divestment announcement in October 2021, fossil fuel producers have not yet been added to the exclusion list. Furthermore, the application of ABP's exclusion policy to assets managed by third parties (such as APG) remains unclear. This potential loophole could undermine the effectiveness of ABP's current and future exclusion policies regarding sectors and products that are not aligned with the temperature objectives of the Paris Agreement.

**ABP provides some information regarding its engagement efforts, but there is ambiguity surrounding the extent of engagement across all thematic focus areas and the criteria for determining when an escalation process is necessary.** In its 'Climate Policy ABP 2022 - 2030', ABP states that it will leverage its influence by engaging in dialogues with companies and considering climate reports/plans when voting for Executive Board members and rewards (ABP, 2022b, p. 11). It expresses its intention to engage in intensive dialogues with significant energy consumers and companies with a substantial climate impact. According to ABP, this primarily includes the utility sector, transport sector, iron, steel, cement, chemical sector, and the financial sector. ABP states that it will periodically assess whether these companies are taking the necessary actions to align with the goals of the Paris Climate Agreement. To achieve this, ABP requires companies to report on emissions from their production and supply chains. Additionally, companies are expected to report on emissions from product usage where applicable. ABP also mandates that companies set short, medium, and long-term goals for reducing greenhouse gas emissions, aligning them with the Paris Climate Agreement. However, it remains uncertain under what circumstances ABP will make decisions to initiate an escalation process and whether engagement efforts encompass all thematic focus areas. Further clarification is necessary to fully understand ABP's engagement practices and their scope.

ABP releases annual lists of investee companies with whom it has engaged in the previous year (ABP, 2022i). The pension fund states that engagement efforts will continue until a company changes its course and meets all the sustainability requirements outlined by ABP and the Paris Agreement. However, the criteria for determining when ABP considers its engagement efforts sufficient and decides to proceed with divestment are not clearly specified. It is also unclear how ABP assesses the effectiveness of interim targets and whether the climate targets and plans of investee companies align with the goal of limiting global warming to 1.5°C. Explicit information on the evaluation of these aspects is lacking.

**ABP does not report on emissions resulting from its own business operations, nor does it present a strategy for reducing them.** Although the emissions generated directly by ABP's business operations (i.e. scope 1, 2, and some scope 3 emissions) are likely overshadowed by its financed emissions, ABP could strengthen its commitment to climate responsibility by monitoring and disclosing all pertinent emissions, establishing reduction targets, and presenting a credible plan to accomplish them. We also did not find any information regarding the procurement of renewable electricity for its primary business operations.

# Atradius

Sector	Revenue	Emissions	Pledge	Transparency	Integrity
Financial institution	€ 2.4 bn (2022)	Not disclosed	Net-zero insurance underwriting portfolio by 2050	Very low	Very low

1. Tracking & disclosure of emissions			Transparency & Integrity	
<b>Operations:</b> ? MtCO <sub>2</sub> e (2022)		Subsidiaries are covered.		
<b>Financed:</b> ? MtCO <sub>2</sub> e (2022)				?
<b>Major emissions sources</b>	Financed emissions are likely, but not reported.			
<b>Disclosure</b>	Not available.			

2. Setting emission reduction targets			Transparency	Integrity
<b>Headline target or pledge for financed emissions</b>	Net-zero portfolio by 2050			
<b>Coverage of financed emissions sources</b>	Unknown		Low	?
<b>Short- &amp; medium-term targets (up to 2030)</b>	N/A		Low	Low
Portfolio emission reductions (compared to emissions in 2019)	?% by 2030			
<b>Long-term vision (beyond 2030)</b>	N/A		Low	Low
Portfolio emission reductions (compared to emissions in 2019)	?% by 2050			
<b>Headline target or pledge for business operation emissions</b>	Net-zero operations by 2050			

3. Reducing financed and own emissions			Transparency	Integrity
<b>Emissions reduction measures</b>	<b>Exclusion policy:</b> limited information provided.		Low	Low
	<b>Engagement policy:</b> limited information provided.		Low	Low
<b>Renewable electricity procurement</b>	Limited information provided.		Low	?

4. Climate contributions & offsetting			Transparency	Integrity
<b>Responsibility for unabated emissions</b>	No information identified on how the company takes responsibility for unabated emissions.		Low	Low
Climate contributions	- No climate contributions identified.		N/A	Low
Offsetting claims today	- No offsetting claims identified.		N/A	N/A
<b>Offsetting plans for the future</b>	No information identified.		Low	?

RATINGS **Transparency** refers to the disclosure of information. **Integrity** refers to the quality and credibility of the approach.  
**Overall** Average of sections 1-4  High  Reasonable  Moderate  Low  Very Low;  
**Sections 1-4** Average of criteria in each section     ; **Rating criteria** See methodology for rating criteria     .

Source: SEO Amsterdam Economics' interpretation of identified public documentation from Atradius

## Atradius

Atradius, a prominent international credit insurance holding company, has pledged to achieve GHG emission neutrality by the year 2050 (Atradius, 2022A). However, both Atradius and its parent company, Gruppo Catalana Occidente, disclose limited information regarding their emissions, climate action and sustainability policies in their annual reports. Atradius reports that it will be setting targets for the next five years in 2023. It is unclear if it will continue to do so after leaving the Net-Zero Insurance Alliance (NZIA).

### **Limited data regarding the tracking and disclosure of emissions of Atradius are found.**

In its 2022 annual report, Atradius does not disclose any information on its emissions, no matter whether it concerns its own direct business operations or financed emissions (2022b). In previous years, the company did disclose emissions for its own direct business operations from energy use and travel (2022c). This year, we did not find any such information. More importantly, we also were unable to identify any financed emissions (S3, category 15), which are likely to account for the vast majority of the company's GHG footprint. GCO does disclose information on its S1, S2, and some emission categories of S3. However, we do not know how these emissions relate to the emissions of Atradius. Furthermore, the disclosed emissions exclude (amongst others) S3 category 15.

### **About the climate objectives of Atradius**

In its 2022 annual report, Atradius mentions that it is shifting its operations to become net-zero (2022a, p. 57). This holds for both its operational and financed emissions. In the report we did not find any targets alongside this headline pledge. However, we did find information that Atradius will be setting targets for the next five years in 2023. This means that Atradius is still working on setting targets, although it is unclear if it will continue to do so after leaving the NZIA. Due to the lack of information regarding Atradius' emissions and the unclear communication of the company's targets (including the year and scope of the targets), it is not possible to make an assessment according to the 2022 Methodology of NCI. The same applies for GCO. In its 2022 sustainability report, GCO states that its intention is to establish gradual, science-based intermediate targets that will contribute to various goals, including climate-neutrality. This means that GCO's targets are also still unclear.

### **Atradius provides limited information on its exclusion and engagement policy.**

Atradius provides limited information on its engagement efforts in its annual report and other key publications. If GCO's Sustainability Policy is applicable, Atradius intends to foster sustainability-oriented stakeholder involvement (GCO, 2022b). Both GCO and Atradius do not provide extensive information or details regarding engagement, thematic focus, targets, nor outcomes. However, we did find information on company goals. In its annual report (2022a, p. 57), Atradius mentions it aims to help customers find planet-positive trading partners, support customers' transitions to clean product and supply chains and support customers to lower their carbon footprint. Atradius also presents an example of an activity, namely a virtual event that it organised.<sup>4</sup> Little further information was found.

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<sup>4</sup> The title of this event was 'Clean energy transition: a new way forward for Global trade?'. The goal of this meeting was to highlight and explore some of the key issues and risks facing businesses in the areas of clean energy transition specifically and sustainability more generally (2022b, p.59).

In 2022, GCO conducted a thorough evaluation of its existing Responsible Investment strategy. This has resulted in a plan to implement a new Investment strategy in 2023, incorporating additional measures to exclude investments in specific economic sectors that have environmental concerns. These sectors include thermal coal, oil and gas exploration in the Arctic, and shale energy. Furthermore, a new criterion known as positive screening will be introduced, which involves excluding investment in companies with inadequate ESG risk management. The evaluation of risk management will be based on a risk rating that is assigned to the companies by an external provider (GCO, 2022b, p. 22). We did not find any exclusion lists. It is also not clear if and how the exclusion principles are applied across Atradius' different financial services and subsidiaries.

**Atradius offers limited transparency regarding the proportion of its electricity derived from renewable sources and does not provide any disclosure regarding its reliance on offsetting measures and contributions towards climate initiatives.** It is unclear if, or how, it explicitly procures renewable electricity. Atradius also does not report current or intended actions to take responsibility for its emissions, either via climate contributions or offsetting. In its annual report, Atradius mentions that it is implementing new Corporate Real Estate Standards (CRES) with embedded ESG goals for energy saving measures and new procurement procedures. The current status of this endeavour is unclear. For GCO, we found information that 75 percent of its electricity comes from renewable sources (2022b, p. 47). Given the presented information, no further assessment is possible.

ING Group					
Sector	Operating inc.	Emissions	Pledge	Transparency	Integrity
Financial institution	€ 18.6 bn (2022)	56 MtCO <sub>2e</sub> (2022)	Aiming to steer most carbon-intensive portfolio parts towards net-zero by 2050	Reasonable	Low

1. Tracking & disclosure of emissions			Transparency & Integrity
<p><b>Operations:</b> 0.029 MtCO<sub>2e</sub> (2022)</p> <p><b>Financed:</b> 56 MtCO<sub>2e</sub> (2022)</p>	<p>● Subsidiaries are covered.</p>		
<b>Major emissions sources</b>	Financed emissions (GHG S3, category 15) are estimated at 56 MtCO <sub>2e</sub> , covering its clients' S1 and S2 emissions.		
<b>Disclosure</b>	According to ING, the S3 category 15 emission estimations cover 94.7% of lending activities covered by the PCAF methodology. The remaining percentage is not in scope. Also, lending activities that are not in scope for PCAF are excluded from the estimations.		

2. Setting emission reduction targets			Transparency	Integrity
<b>Headline target or pledge for financed emissions</b>	Goal: aiming to steer the most carbon-intensive parts of its portfolio towards net-zero by 2050.			
<b>Coverage of financed emissions sources</b>	Covers emissions from lending portfolio and investments (S3, category 15), but not all financial services and all sectors.		High	Moderate
<b>Short- &amp; medium-term targets (up to 2030)</b>	Several 2025 and 2030 targets identified:		High	?
	<p><b>Medium-term Terra targets (2030):</b></p> <ol style="list-style-type: none"> <li>1. Power generation (-53%) S1/2</li> <li>2. Up- &amp; midstream oil and gas (-19%) N/A</li> <li>3. Commercial real estate (-35%) S1/2</li> <li>4. Residential real estate (-57%) S1/2</li> <li>5. Cement (-31%) S1/2</li> <li>6. Steel (0%) S1/2</li> <li>7. Automotive (-49%) S3</li> <li>8. Aviation (-33%) S1</li> <li>9. Shipping (0%) S1</li> </ol> <p>Target 2 is absolute, the other targets are intensity-based. Base years vary between 2018 and 2021.</p>			
Portfolio emission reductions (compared to emissions in 2019)	?	by 2025 & 2030		
	<p><b>Short-term targets (2025):</b></p> <ol style="list-style-type: none"> <li>1. Commits to phase out coal to close to zero by 2025.</li> <li>2. Commits to reduce upstream fossil fuel by 12% by 2025 (base year 2019).</li> </ol>			

<p><b>Long-term vision</b> (beyond 2030)</p> <p>Portfolio emission reductions (compared to emissions in 2019)</p>	<p>Several 2050 targets identified:</p> <p><b>Long-term Terra targets (2050):</b></p> <ol style="list-style-type: none"> <li>1. Power generation (-100%) S1/2</li> <li>2. Up- and midstream oil and gas (-69%) N/A</li> <li>3. Commercial real estate (-100%) S1/2</li> <li>4. Residential real estate (-99%) S1/2</li> <li>5. Cement (-69%) S1/2</li> <li>6. Steel (0%) S1/2</li> <li>7. Automotive (-98%) S3</li> <li>8. Aviation (-87%) S1</li> <li>9. Shipping (0%) S1</li> </ol> <p>Target 2 is absolute, the other targets are intensity-based. Base years vary between 2018 and 2021.</p> <p><b>No further overall reduction targets (alongside the headline pledge) identified.</b></p>	<p>High</p>	<p>?</p>
<p><b>Headline target or pledge for business operation emissions</b></p>		<p>Reduce S1, S2, and S3 business travel CO<sub>2</sub>e emissions by 75% by 2025 (base year 2014). Net-zero in all ING buildings (rented or owned) by 2035.</p>	

3. Reducing financed and own emissions		Transparency	Integrity
<p><b>Emissions reduction measures</b></p>	<p><b>Exclusion policy:</b> ING has a relatively extensive exclusion policy, though it does not exclude/actively divests from all sectors mentioned in the NCI methodology (2022a).</p>	<p>High</p>	<p>Moderate</p>
	<p><b>Engagement policy:</b> ING has a relatively detailed engagement policy and also publishes a stakeholder engagement case. The absolute scope of the engagement policy is unclear. ING mentions it is working on expanding the absolute scope of its engagement approach (2023d).</p>	<p>High</p>	<p>Low</p>
<p><b>Renewable electricity procurement</b></p>	<p>Limited information provided. Some cited examples of on-site solar PV investments. Renewable electricity sourcing includes retail supply contracts, financial/virtual PPAs and unbundled EACs (2023c).</p>	<p>Moderate</p>	<p>Low</p>

4. Climate contributions & offsetting		Transparency	Integrity
<p><b>Responsibility for unabated emissions</b></p>	<p>No compensation claim, but own established contribution approach.</p>	<p>Moderate</p>	<p>Low</p>
<p>Climate contributions</p>	<p>Since 2022, ING no longer purchases VCUs as a contribution (previously "compensation") measure for own emissions. Its contribution approach has evolved to stress impact-focused organisations, without further disclosure.</p>	<p>Moderate</p>	<p>?</p>
<p>Offsetting claims today</p>	<p>On S3 cat 15: "in our approach we prioritise real decarbonisation efforts and do not use any offsetting in measuring our portfolio".</p>	<p>N/A</p>	<p>N/A</p>
<p><b>Offsetting plans for the future</b></p>	<p>As of 2022, the bank no longer uses offsetting measures, but no guarantees for the future are disclosed.</p>	<p>Low</p>	<p>?</p>

RATINGS **Transparency** refers to the disclosure of information. **Integrity** refers to the quality and credibility of the approach.  
**Overall** Average of sections 1-4 ■ High ■ Reasonable ■ Moderate ■ Low ■ Very Low;  
**Sections 1-4** Average of criteria in each section ■ ■ ■ ■ ■; **Rating criteria** See methodology for rating criteria ■ ■ ■ ■ ■.

Source: SEO Amsterdam Economics' interpretation of identified public documentation from ING

## ING Group

ING Group is a global financial services company headquartered in Amsterdam and involved in a large variety of sectors. The company aims to steer the most carbon-intensive parts of its lending portfolio towards net-zero by 2050, with the objective of limiting the global temperature increase to a maximum of 1.5°C throughout this century. ING participates in various climate-related initiatives within and outside the financial sector, and has developed its own climate approach known as 'Terra', which specifically targets sectors within its lending portfolio that have significant climate impact. These Terra targets impact circa 49.2 percent of the total lending activities in scope (using the PCAF methodology).

### ING tracks and discloses information on both financed emissions and emissions from business operations.

- For financed emissions (S3, category 15), a high-level total estimate of 56 MtCO<sub>2e</sub> for 2022 is published for its lending portfolio. These estimates are performed using PCAF-compliant methodologies and cover 94.7 percent of the lending activities covered by this methodology. The remaining 5 percent is related to commercial real estate, which ING aims to disclose in 2023 (ING Group, 2022a, p. 81). Furthermore, ING reports that there are also other sorts of lending activities that are excluded from the analysis as they are out of scope for PCAF (2022b, page 171). In its 2021 climate report, ING estimates its financed emissions to be 42 million tons of CO<sub>2</sub> at year-end 2020. Re-stating 2020 absolute emissions using the 'improved' methodology and the PCAF database means that ING's previous financed emissions would add up to 63 million tons of CO<sub>2e</sub> at year-end 2020. This shows that there was and still is a lot of uncertainty, which ING also underlines (by presenting the PCAF data quality score and presenting a brief discussion on the data limitations, among other things). Lastly we note that the estimate of 56 MtCO<sub>2e</sub> includes their clients' S1 and 2 emissions (ING, 2022a, p.81), but excludes their clients' S3 emissions.
- Emissions from direct business operations (S1, S2, and business travel S3) account for 0.029 MtCO<sub>2e</sub> of ING Group's total emissions. They include emissions from the use of natural gas and fuel oil, from the use of non-renewable electricity and district heating, and from business travel by plane and car. Compared to 2014, the total actual carbon emissions have decreased by 72 percent (ING Group, 2023a).

### About the climate objectives of ING.<sup>5</sup>

- *Reaching net-zero in its own operations* (with a mid-term target for 2025 of reducing S1, S2, and S3 business travel CO<sub>2e</sub> emissions by 75 percent compared to a 2014 baseline). ING hopes to reach this target by, for example, focusing on the electrification of the leased cars fleet, a focus on improving the energy efficiency of buildings, and moving towards district and electrified heating systems (ING Group, 2022a, p. 21).
- *Steering its portfolio towards net-zero by 2050 or sooner* using the Terra approach and sector alignment targets and steering. In brief, the Terra approach focuses on nine key sectors with high emission intensities, incorporating both long-term (by 2050) and medium-term (by 2030) targets (mostly intensity based). It utilizes various methodologies to evaluate the emissions of each sector, and the specific scopes covered depend on the sector. However, S3 emissions are excluded for all sectors except the automotive sector. The nine key sectors are: power generation, up- and midstream oil and gas (ING Group, 2023b), commercial real estate, automotive, shipping, residential real estate, cement, steel, and aviation.

<sup>5</sup> The following list is not exhaustive.

When assessing the integrity of the coverage of ING's emission sources we note that the company's operational emission targets include S1 and S2 in full (see first objective) and include S3 emissions (namely business travel) as well. Furthermore, we note that the financial institution has set targets for financed emissions (S3, category 15). However, the targets do not cover the full financial services and do not cover all sectors, such as agriculture, mining and land-use. To further illustrate the scope of the Terra targets: the 2022 annual report mentions that the total lending activities in scope (using the PCAF methodology) are € 680.9 billion (2022b, page 171). Comparing this value to the total lending activities in scope for the nine Terra sectors, shows that the Terra targets impact circa 49.2 percent (€ 335.1 billion/ € 680.9 billion)<sup>6</sup> of the total lending activities in scope. For the remaining lending activities in scope there are no medium- or long-term Terra targets.<sup>7</sup>

### **ING adopts a selective approach to excluding specific climate-relevant activities from its portfolio.**

In its Environmental Social Risk Framework 2022, ING formulates the financial institution's approach and criteria applied to restricting the provision of financial services to activities that might be harmful to the environment. The list includes, among other things, mining, exploration and upgrading of gas in Europe; removal of primary high conservation value forests; oil/tar sands trading; as well as mining, trading, or processing dedicated to thermal coal; companies engaged in thermal coal power production; and new thermal coal power plants. The threshold acceptance level may be different for existing and new clients (ING Group, 2021a, pp. 10-11). In our opinion, the company provides dedicated reporting on its exclusion policy. However, whilst the distinction in threshold acceptance levels is clearly explained, the outcomes of this differential treatment remain unclear. Engagement is one part of ING's integral sustainable investment process, and the engagement guidelines are described in its Engagement Guidelines (ING Group, 2021c). In ING's annual report (2022b) we see some outcomes of engagement initiatives that were undertaken (in case studies).

### **ING about renewable energy for its own operations.**

In its 2022 climate report, ING reports that in both 2020 and 2021 it has reached 100 percent renewable energy in its owned and managed buildings worldwide (see page 98). The report also provides detailed insights into the utilization of renewable electricity in several countries, including the Netherlands, Belgium, Poland, Turkey and Germany. The report mentions that ING generates renewable energy onsite through roof-top solar installations and nearby solar parks. Furthermore, it mentions that the vast majority of ING's remaining electricity for its own operations comes from RECs (wind, solar, and hydro-electric power facilities). The company provides a moderate level of detail on the pursued renewable RECs. Renewable electricity sourcing (for a total of 176 MWh in 2022) includes retail supply contracts, financial/virtual PPAs and unbundled EACs (2023c, p. 32).

**As of 2022, ING no longer buys Voluntary Carbon Units (VCUs) to support conserving tropical forest as a compensation measure for its corporate emissions.** The company states to have evolved its contribution approach to stress impact-focused organisations that work on restoring nature, empowering communities and developing carbon removal technologies. The contents of these contributions, however, are unknown (ING Group, 2023a). The company provides insufficient information to assess the sufficiency of its climate contribution.

<sup>6</sup> The figure of 335.1 billion was calculated by adding up the numbers in the second column on page 54 of ING's climate report. In short, power generation (8.9), upstream oil and gas (3.1), commercial real estate (10.9), automotive (2.4), shipping (6.5), residential real estate (297.0), cement (0.337), steel (2.9), and aviation (3.1).

<sup>7</sup> We note that ING also has lending activities that are out of scope of the PCAF methodology.

NN Group					
Sector	Operating res.	Emissions	Pledge	Transparency	Integrity
Financial institution	€ 1.7 bn (2022)	5.7 MtCO <sub>2</sub> e (2022)	Transition proprietary investment & underwriting portfolio to net-zero GHG emissions by 2050	Moderate	Low
1. Tracking & disclosure of emissions				Transparency & Integrity	
Operations: 0.01 MtCO <sub>2</sub> e (2022) Financed: 5.7 MtCO <sub>2</sub> e (2022)		 Subsidiaries are covered.			5,7
<b>Major emissions sources</b>	Financed emissions (S3, category 15) are estimated at 5.7 MtCO <sub>2</sub> e, covering its clients' S1 and S2 emissions.			0,01	
<b>Disclosure</b>	NN Group's financed estimations are based upon 62% of its total assets.			Operational emissions	Financed emissions
2. Setting emission reduction targets				Transparency	Integrity
<b>Headline target or pledge for financed emissions</b>	Transition proprietary investment & underwriting portfolio to net-zero GHG emissions by 2050.				
<b>Coverage of financed emissions sources</b>	Covers emissions from investments activities and insurance underwriting portfolio (S3, category 15), but not all.			Low	Moderate
<b>Short- &amp; medium-term targets (up to 2030)</b>	Some short- and medium-term targets identified			High	?
Portfolio emission reductions (compared to emissions in 2019)	? by 2030	<b>Proprietary investments:</b> a) Phase out thermal coal-exp. comp. by 2030 b) Invest € 11 billion by 2030 in climate solutions c) GHG reduction targets for corporate investments: -25% by 2025 and -45% by 2030 <b>Insurance underwriting:</b> no targets identified <b>The overall reduction target is not quantifiable</b>			
<b>Long-term vision (beyond 2030)</b>	No long-term targets identified alongside the pledge.			Low	?
Portfolio emission reductions (compared to emissions in 2019)	?% by 2050				
<b>Headline target or pledge for business operation emissions</b>	GHG reduction targets: -35% by 2025 and -70% by 2030 (versus 2019) and net-zero by 2040. Other targets: 100% electric car fleet in Netherlands by 2025.				
3. Reducing financed and own emissions				Transparency	Integrity
<b>Emissions reduction measures</b>	<b>Exclusion policy:</b> NN Group has a relatively extensive exclusion policy with clear communication on the coverage for the most relevant sectors.			High	Low
	<b>Engagement policy:</b> Detailed standard, covering some harmful activities, applicable to most of its proprietary assets.			High	Moderate
<b>Renewable electricity procurement</b>	No information identified.			Low	?

4. Climate contributions & offsetting		Transparency	Integrity
<b>Responsibility for unabated emissions</b>	Limited information provided (mainly own operations)	Low	Low
Climate contributions	- No climate contributions identified.	N/A	Low
Offsetting claims today	- NN Group currently uses offsets.	Moderate	Low
<b>Offsetting plans for the future</b>	No information identified.	Low	?

RATINGS **Transparency** refers to the disclosure of information. **Integrity** refers to the quality and credibility of the approach.  
**Overall** Average of sections 1-4 ■High ■Reasonable ■Moderate ■Low ■Very Low;  
**Sections 1-4** Average of criteria in each section ■■■■■; **Rating criteria** See methodology for rating criteria ■■■■.

Source: SEO Amsterdam Economics' interpretation of identified public documentation from NN Group

## NN Group

NN Group is an international financial services company with a strong presence in a number of European countries and Japan. The company is committed to align its proprietary investments and its underwriting portfolio to net-zero GHG emissions by 2050.<sup>8</sup> The firm's total assets are approximately € 217 billion. Around 64 percent of these assets are assessed for financed emissions estimations. The company has set several interim targets, mainly aimed at reducing its emissions from corporate investments. These corporate investments account for approximately 66 percent of the total estimated emissions.<sup>9</sup>

### NN Group discloses information on emissions of own operations and financed operations.

- Emissions from direct business operations (S1, S2, and business travel S3) account for 0.013 MtCO<sub>2e</sub> with the location-based approach for S2 emissions (0.009 MtCO<sub>2e</sub> with a market-based approach). The disclosure is not complete (2023d, p. 145, footnote 5), but information is presented in clear way that facilitates a thorough understanding (NN Group, 2023d, p. 145).
- Financed emissions (i.e. S3, category 15) are estimated to be 5.7 MtCO<sub>2e</sub> for its proprietary assets (2023d, p. 146) and thus make up the vast majority of NN Group's total reported emissions. These estimations are based on 82 percent (€ 139 billion) of NN Group's proprietary assets. The proprietary assets comprise approximately 80 percent of NN Group's total assets. This means that the financed emissions estimations are based upon 64 percent of NN Group's total assets. This percentage was calculated by dividing the reported 'Assessed Assets under Management' (€ 139 billion, 2023d, p. 146) by the 'Total Assets' reported on the consolidated balance sheet of NN Group (€ 217 billion, 2023d, p. 159). Lastly we note that the financed emission estimations account for the S1 and S2 emissions for most proprietary assets. For estimating the carbon footprint of government bonds NN Group accounts for S1 and S2 (own activity of the government) as well as emissions from government financing in other sectors within a country (S3).

### About the climate objectives of NN Group.

- NN Group wants to become net-zero for its own emissions by 2040. Therefore, it has set several reduction targets (NN Group, 2023d, p. 16), which are a 35 percent reduction for its own business operations by 2025 and a 70 percent reduction for its own business operation by 2030 (S2 market-based approach, compared to 2019).
- For emissions related to its proprietary investment portfolio, the company has set interim intensity reduction targets of a 25 percent reduction by 2025 and a 45 percent reduction by 2030 in its corporate investments portfolio. No interim targets were found for (amongst other things) its residential mortgages and real estate investments. According to its 'roadmap to net-zero GHG emissions', these two interim targets will be set in 2023. However, we note that the corporate investments are accountable for the largest share (3.7 MtCO<sub>2e</sub>) of estimated emissions (2023d, p. 146). We have not found any mention that the company will set interim targets for its government bonds (1.4 MtCO<sub>2e</sub>). Regarding increasing investments in climate solutions, NN Group has set a target of investing around 11 billion in climate solutions (green bonds, renewable infrastructure, and energy efficient real estate) in 2030 (2023d, p. 150). In 2022, the invested amount was € 8,167 million (NN Group, 2023d, p. 142).
- For emissions related to its insurance underwriting we were unable to identify any targets alongside the headline pledge to have net-zero emissions in 2050.

<sup>8</sup> The Climate Action Plan for 2023, which is set to be published in July 2023, is not included in this analysis.

<sup>9</sup> This percentage was calculated by dividing 3,725 MtCO<sub>2e</sub> by 5,665 MtCO<sub>2e</sub> (2023d, p. 146).

**NN Group about its exclusion and engagement policy:**

NN Group uses both voting, restriction and engagement strategies to address and mitigate negative impacts, as stated in its responsible investment framework. This framework is applicable to all assets managed by NN Group businesses in which it holds a majority stake and businesses under its management control. It does not extend to equity interests in life insurance, pension plans and similar entities (NN Group, 2023a, p. 1).

NN Group's restricted investment policy applies to all financial instruments in proprietary portfolios managed by or on behalf of NN Group. For proprietary assets that NN Group invests via private limited partnerships in which other investors also participate, NN Group cannot enforce that its restricted policy is applied. However, it ensures to communicate its policies and restrictions to responsible investment managers, refers to its restrictions in management agreements, and monitors investments and compliance (NN Group, 2023l, p. 10). The group places companies that do not comply with its exclusion criteria on its restriction list, provided that it considers engagement not feasible or if engagement over a three-year period has not led to the desired changes (NN Group, 2023a, p. 7). For unconventional oil and gas activities, NN Group applies an exclusionary approach. For example, NN Group restricts companies that are directly involved in offshore oil and gas exploration and production in the Arctic region, deriving more than 5 percent of their revenues thereof. (NN Group, 2023c, p. 5). For conventional activities, NN Group is focused on engagement with existing investments in its portfolio and, as of June 2023, applying strict rules on new investments and clarity on its position in oil and gas investments. For example, NN Group no longer allows new investments in companies that are active in the oil and gas supply chain and that are "not aligned" under the Paris Alignment categorization framework. Companies with more than 30 percent of revenues coming from oil and gas upstream, midstream, and/or downstream require a credible transition strategy that can be categorised as 'committed to aligning'. For existing investments, NN Group keeps assets until maturity and places great emphasis on engagement (NN Group, 2023c, p. 6, paragraph 3.2.3).

NN Group says to actively engage, both directly, or through collaborative efforts, with stakeholders to request companies to align their actions in line with the Paris Agreement goals. In its 2022 annual report NN Group announced that it will work on a stakeholder engagement policy describing its principles and approach for its relations with stakeholders (NN Group, 2023d, p. 67). Specifically, the group claims to use its voting powers to for example drive target setting and disclosure at investee companies (NN Group, 2023d, p. 47). In the annual report of NN Group (2023d) we see some outcomes of engagement initiatives that were undertaken (in case studies). However, it is difficult to monitor if engagement activities are successful and have the desired effect. In April 2023 NN Group published a detailed engagement policy framework for its proprietary assets that encompasses various forms of engagement, triggers, and the overall process and requirements (NN Group, 2023e).

**NN Group on the procurement and use of renewable electricity:**

NN Group provides no details on its pursued renewable energy supply constructs. Hence, an assessment is not feasible. According to the annual report, in 2022 approximately 61 percent of its total electricity consumption (18 MWh) came from renewable sources (2023d, p. 145). Also, its Roadmap mentions that in 2024 the company will further improve the efficiency in buildings and increase the use of renewable electricity. In its CDP disclosure, NN Group mentions that its S2 electricity estimations are based upon the electricity consumption data received from the energy supplier or landlord.

**NN Group on offsetting:**

- NN Group claims that its direct own business operations have been carbon neutral since 2007 by offsetting remaining emissions through the use of voluntary carbon credits from forest conservation (NN Group, 2023d, p. 145; 2022a, p. 38). For its own operations, NN Group relies on offsetting to "neutralise" emissions to achieve

its net-zero ambition (2023d, p. 33). NN Group reports that the current emissions in scope for offsetting include S1, S2 (market-based) and S3 business air travel. The total amount offset (carbon credits) equals 9 ktCO<sub>2</sub>e (2023d, p. 145). NN Group does not explain why it chooses to offset the lower market-based estimation (9 kt) instead of the higher S2 location-based estimation (13 kt). With regard to the future, NN Group is not clear about its plans for neutralisation. However, its 'roadmap to net-zero GHG emissions' states that it will further improve its carbon offsetting approach. We therefore assume that it has the intention to use offsets in the future as well.

- We were unable to find any information regarding the (future) use of offsets for financed emissions.

PFZW					
Sector	Assets	Emissions	Pledge	Transparency	Integrity
Financial institution	€ 216.5 bn (2022)	5.8 MtCO <sub>2e</sub> (2022)	Climate-neutral investment portfolio by 2050	Reasonable	Moderate

1. Tracking & disclosure of emissions			Transparency & Integrity	
<p><b>Operations:</b> 0.0001 MtCO<sub>2e</sub> (2021)</p> <p><b>Financed:</b> 5.8 MtCO<sub>2e</sub> (2022)</p>	 Subsidiaries are covered.			
<b>Major emissions sources</b>	Financed emissions (S3, category 15) are estimated at 5.8 MtCO <sub>2e</sub> , covering its S1 & S2 emissions. This is the majority of the total emissions reported.			
<b>Disclosure</b>	PFZW discloses emissions from listed shares, liquid credit, real estate and infrastructure investments. The estimations are based upon 43.2% of the total invested assets.			

2. Setting emission reduction targets			Transparency	Integrity
<b>Headline target or pledge for financed emissions</b>	PFZW aims for a climate-neutral portfolio by 2050, in line with efforts to limit global warming to 1.5°C			
<b>Coverage of financed emissions sources</b>	Covers emissions from multiple asset classes (not all). More information is required about the scope, base year and design of the long-term target.		Moderate	Moderate
<b>Short- &amp; medium-term targets (up to 2030)</b>	<p>Several interim targets identified:</p> <p><b>Intermediate GHG reduction target</b></p> <ul style="list-style-type: none"> <li>50% absolute reduction (S1&amp;S2) of all GHG emissions by 2030 (2019 baseline) for all its listed shares, liquid credit and real estate portfolio. The asset classes have specific sub targets and reduction pathways (2023a, p. 10).</li> </ul> <p><b>Indirect GHG reduction targets</b></p> <p>Furthermore, PFZW has set targets that might (and likely will) have an indirect impact on its GHG emissions, such as:</p> <ul style="list-style-type: none"> <li>Paris-aligned investments;</li> <li>Climate solutions; and</li> <li>Requirements for product &amp; behaviour.</li> </ul>		High	?
<b>Long-term vision (beyond 2030)</b>	Some 2050 targets identified alongside headline pledge.		Low	?
	<p><b>Long-term GHG reduction targets</b></p> <ul style="list-style-type: none"> <li>PFZW reports a GHG reduction target for 2050. However, it is not clear what the scope is and which base year is used. More information is required (2023a, p. 10).</li> </ul> <p><b>Long-term indirect GHG targets:</b></p> <ul style="list-style-type: none"> <li>Paris-aligned investments.</li> </ul>			
<b>Headline target or pledge for business operation emissions</b>	Reduce S1 and S2 to net-zero by 2030 (2023a, p. 21)			

3. Reducing financed and own emissions		Transparency	Integrity
Emissions reduction measures	<b>Exclusion policy:</b> Reporting on exclusion across all financial services, covering several harmful activities like coal, shale gas and tar sands. PFZW disinvests from investee companies in the fossil fuel energy sector unless they commit to a 1.5°C pathway by the end of 2022 and present a climate strategy by the end of 2023.	High	Moderate
	<b>Engagement policy:</b> PFZW applies 'smart engagement' with companies in the energy sector. Moreover, it has an intensive dialogue with companies that are not performing well yet, but have communicated a desire to improve. There is a programme with set deadlines for when what steps are to be taken.	High	Moderate
Renewable electricity procurement	No information identified.	Low	?

4. Climate contributions & offsetting		Transparency	Integrity
Responsibility for unabated emissions	Limited information provided on the responsibility for unabated emissions	Low	Low
Climate contributions	- No climate contributions identified.	N/A	Low
Offsetting claims today	- No offsetting claims identified.	?	N/A
Offsetting plans for the future	CO <sub>2</sub> compensation will not be used to reach its intermediate climate targets. PFZW is currently conducting research.	Moderate	High

RATINGS **Transparency** refers to the disclosure of information. **Integrity** refers to the quality and credibility of the approach.  
**Overall** Average of sections 1-4 ■ High ■ Reasonable ■ Moderate ■ Low ■ Very Low;  
**Sections 1-4** Average of criteria in each section ■ ■ ■ ■ ■; **Rating criteria** See methodology for rating criteria ■ ■ ■ ■.

Source: SEO Amsterdam Economics' interpretation of identified public documentation from PFZW

## PFZW

PFZW, the second largest pension fund in the Netherlands, has a crucial role in managing the pensions of individuals within the healthcare sector. In 2022, the company invested a total amount of € 216.5 billion. PFZW estimates its total emissions at 5.8 MtCO<sub>2e</sub>. This estimate is based upon 43.2 percent of its total amount invested. In May 2023, PFZW released a new climate strategy, including new (and more challenging) targets, additional exclusion criteria and reduction trajectories for its entire portfolio. PFZW has committed to become climate-neutral by 2050.

### PFZW discloses limited information on emissions of its own operations and financed operations.

- Financed emissions (S3, category 15) are estimated to be 5.8 MtCO<sub>2e</sub> (2022a, p. 23) and make up most of PFZW's reported total emissions. Estimations are derived from 43.2 percent of PFZW's total invested assets.<sup>10</sup> In addition, the disclosure of the financed emissions includes investees' S1 and S2 emissions as the quality and availability of S3 emissions is currently insufficient according to PFZW. PFZW states that its carbon footprint (tCO<sub>2e</sub>/€m invested assets) remains unchanged at 62.6 tCO<sub>2e</sub>/€m in 2022 compared to 2021, while total emissions have decreased from 8.2 MtCO<sub>2e</sub> in 2021 to 5.8 MtCO<sub>2e</sub> in 2022 (PFZW, 2022a, p. 23). This means that the decrease in total absolute emissions can be attributed primarily to the decrease in the total assets under management.
- In 2021, the emissions from own business operations were 102 tCO<sub>2</sub> for S1 and S2 combined. S3 is not included, as PFZW mentions there are measuring challenges due to a lack of available data, insight in value chains, emission factors and capacity (2023a, p. 21). Based on its documentation it is unclear if PFZW uses a location-based or market-based approach to calculate S2.

### About the climate objectives of PFZW.

Pledge: PFZW aims for a climate-neutral portfolio by 2050, which is in line with efforts to limit global warming to 1.5°C. Its approach to achieving climate-neutrality involves a combination of CO<sub>2</sub> reduction, investments aligned with the Paris Agreement, adherence to a minimum set of values by investee companies, and investing a portion of its capital in demonstrable climate Sustainable Development Goals (SDGs) and EU Taxonomy climate goals. For this it considers three instruments, namely a sustainable capital allocation, being an active shareholder, and taking into account the impact of companies on the climate when composing its investment universe (2023a, p. 4).

To achieve this pledge, PFZW has set multiple short-term, interim and long-term targets.

- GHG reductions: Firstly, PFZW has set a 50 percent absolute reduction target (S1 and S2) for all GHG emissions for all its listed shares, liquid credit and real estate portfolio between 2019 and 2030. For each of these investment categories there are separate climate goals. For example, for liquid credit the targets are a 20 percent reduction by 2025 (base year 2021), a 50 percent reduction by 2030 (base year 2019) and a 100 percent reduction by 2050. The 2023 update of its climate plan is less elaborate when it comes to the long-term reduction target. Page 10 of this report mentions targets for GHG reduction measures for listed stocks and liquid credits. However, the base year is missing, it is unclear if and to what extent these targets will rely on offsetting

<sup>10</sup> We calculated this percentage as follows:  $(40.645 * 1 + 21.867 * 1 + 11.979 * 0.68 + 20.302 * 0.66 + 12.677 * 0.74) / 216.5 \approx 93.438 / 216.5 \approx 43.2$  percent. Here, the value of 216.5 represents the total invested assets as published in PFZW's 2022 annual report. We multiplied the figures of 40.645 (*Beursgenoteerde aandelen*) and 21.867 (*Liquide krediet*) by 1 because PFZW mentions that the reported emissions include all investments in these categories.

(since it is currently conducting research to determine whether offsetting might be necessary as part of its long-term approach) and the design and scope of the target is considered unclear. PFZW could improve on this by explaining what these targets exactly mean.

- Climate investments: Secondly, by 2030 at least 15 percent of the invested assets should contribute to climate SDGs, and 8 percent to climate goals of the EU taxonomy.
- Paris alignment: For the other investment categories, the (interim) targets are to be Paris aligned. However, the listed real estate target only applies to the actively managed part of the portfolio (50 percent of the total portfolio), with no specific target set for the passive part. For government bonds, mortgages, insurance and credit risk sharing, PFZW currently does not have climate targets (PFZW, 2023a, p. 10). Furthermore, it only asks that a company has a goal and a plan. Their realisation is not a requirement. In its climate report, PFZW mentions that it is currently researching opportunities to reduce the CO<sub>2</sub> emissions for credit risk sharing and that it will start reporting on the CO<sub>2</sub> emissions from mortgages from 2024 onwards.
- Requirements for product & behaviour: the exclusion and engagement policy will be addressed below.

For its own operational emissions (S1 and S2), PFZW aims to reduce its emissions to net-zero by 2030.

#### **PFZW on its exclusion and engagement policy.**

- PFZW communicates transparently on its engagement and exclusion policy. It has established an exclusion policy that outlines the types of companies in which it will not invest. This includes companies that generate more than 5 percent of their revenue from coal, and/or companies with more than 1 percent revenue from tar sands, and oil and gas drilling in the Arctic (PFZW, 2023c, p. 3). In 2020, PFZW stated that it would look into upping the demands set for coals and tar sand (PFZW, 2020, p. 11). In its Climate plan of 2023, it has done so indeed. In 2020, PFZW terminated investments in companies that derived more than 30 percent of their revenue from coal mining or coal-fired power plants. In 2023, this threshold was lowered to 5 percent. For oil sands, it was originally set at 10 percent and then lowered to 1 percent (PFZW, 2022a, p. 10). The pension fund states that it divests from companies that fail to meet its minimum sustainability criteria, which are based on guidelines such as those of the OECD, the UN Guiding Principles for Business and Human Rights, and the UN Global Compact. In cases where companies do not meet these criteria, PFZW initiates a dialogue with them as part of its engagement policy (PFZW, 2022a, p. 6). Also, PFZW does not invest in companies that do not adhere to the OECD guidelines for international business or the UN Global Compact principles (PFZW, 2023a, p. 10).
- Also, PFZW states to have voted on climate-related resolutions at 48 shareholder meetings in 2022 (PFZW, 2022a, p. 33). This is an increase of 21 climate-related shareholder meeting votes compared to 2021 (PFZW, 2021a, p. 34). Furthermore, PFZW voted against the boards of 33 companies that are currently lagging in terms of their climate ambitions (PFZW, 2022a, p. 34).
- In addition to voting at shareholder meetings, PFZW engages with several companies to encourage and/or support them with improving their sustainability performance (PFZW, 2023a, p. 7). As part of its engagement policy, PFZW has introduced 'smart engagement' for the energy sector to support its transition to net-zero. Therefore, PFZW says to only invest in companies in the energy sector that are aligned with the Paris agreements and credibly shape the energy transition. Currently the 'smart engagement' policy is only used in the energy sector, but PFZW has the ambition to extend it to more sectors in the future (PFZW, 2023a, p. 8). In line with its 'smart engagement', from 2024 onwards PFZW will only invest in oil and gas companies that have started a convincing and verifiable energy transition in line with the Paris Climate Agreement. In 2022, PFZW sold its shares in 114 companies as they did not have a CO<sub>2</sub> reduction target, and in the beginning of 2023 it sold its shares in 78 companies that didn't commit to the Paris agreement (PFZW, 2023c). PFZW engages in an "intensive dialogue" with 12 oil and gas companies, representing approximately 28 percent of its total investments in the sector at the beginning of the engagement programme in September 2022 (PFZW, 2023b &

PFZW, 2023d). PFZW sets deadlines for these companies, expecting climate strategies and promises, and announcing votes on board members (PFZW, 2023b, p. 2). If the set requirements are not met within the given timeframes, the pension fund will divest (PFZW, 2022a, p. 8). To date, PFZW has divested from 192 companies, representing approximately 18 percent of its total investments in oil and gas companies at the start of the engagement programme in September 2022.

PFZW does not provide information on its renewable electricity procurement.

### **PFZW on climate contributions and offsetting**

PFZW is currently conducting research to explore various approaches to offsetting and identify sectors where offsetting is necessary due to limited potential for emission reduction. The research is based on the scenarios provided by the IPCC and aims to leverage offsetting specifically for emissions whose reduction is otherwise challenging. However, for the climate reduction targets mentioned in the Climate Plan of PFZW (2023a) CO<sub>2</sub> offsetting will not be used (PFZW, 2023a, p. 27). PFZW does not provide any information about climate contributions without a neutralisation claim.

Rabobank					
Sector	Operating inc.	Emissions	Pledge	Transparency	Integrity
Financial institutions	€ 12.1 bn (2022)	51.6 MtCO <sub>2e</sub> (2021)	Bring its financial resources in line with 1.5°C pathways	Moderate	Low

1. Tracking & disclosure of emissions			Transparency & Integrity						
<p><b>Operational:</b> 0.058 MtCO<sub>2e</sub> (2022)</p> <p><b>Financed:</b> 51.5 MtCO<sub>2e</sub> (2021)</p>	<p>● Subsidiaries are covered.</p>		<table border="1"> <tr> <th>Category</th> <th>Emissions (MtCO<sub>2e</sub>)</th> </tr> <tr> <td>Operational emissions</td> <td>0,058</td> </tr> <tr> <td>Financed emissions</td> <td>51,5</td> </tr> </table>	Category	Emissions (MtCO <sub>2e</sub> )	Operational emissions	0,058	Financed emissions	51,5
Category	Emissions (MtCO <sub>2e</sub> )								
Operational emissions	0,058								
Financed emissions	51,5								
<p><b>Major emissions sources</b></p>	<p>Financed emissions (GHG S3, category 15) are estimated at 51.5 MtCO<sub>2e</sub>, including its clients' S1 and S2 emissions. This is the vast majority of Rabobank's total emissions.</p>								
<p><b>Disclosure</b></p>	<p>Rabobank discloses its S3 category 15 emissions, 72% of the assets of which are in scope for financed emissions. Of these, 87% are covered by financed emissions estimations (Rabobank, 2022c, p. 29).</p>								

2. Setting emission reduction targets			Transparency	Integrity
<p><b>Headline target or pledge for financed emissions</b></p>	<p>Committed to transition all operational and attributable GHG emissions from its lending and investment portfolios to align with 1.5°C pathways by mid-century or sooner, including CO<sub>2</sub> emissions reaching net-zero by 2050 at the latest (NZBA).</p>			
<p><b>Coverage of financed emissions sources</b></p>	<p>Covers emissions from lending portfolio and investments (S3, category 15), but not all financial services nor all sectors. This has resulted in a 'moderate' integrity assessment. In its headline target, Rabobank mentions it aims for reaching net-zero by 2050 at the latest. In its Road to Paris document, the company publishes interim 2030 targets for some sectors. We did not identify 2050 targets for these sectors. Furthermore, the company mentions that for nine out of twelve sectors it doesn't know if its carbon intensities are compatible with 1.5°C pathways (2022b, p. 3) due to issues with data and methodologies. This makes it unclear how the targets relate to the headline pledge.</p>		Moderate	Moderate
<p><b>Short- &amp; medium-term targets (up to 2030)</b></p>	<p>Several short- and medium-term targets identified:</p>		High	?
<p>Portfolio emission reductions (compared to emissions in 2019)</p>	<p>?</p> <p>by 2030</p>	<p>Rabobank has set medium-term targets (2030) for twelve region/sector combinations. Most of these targets are intensity based. Sector-specific targets may be 1,5°C-aligned, but not all sectors are included. An overall reduction target is not quantifiable.</p>		
<p><b>Long-term vision (beyond 2030)</b></p>	<p>No long-term targets identified alongside the pledge. For some sector/region combinations, 2050 targets are visually implied (see for example 2022b, p. 51).</p>		Low	?
<p>Portfolio emission reductions (compared to emissions in 2019)</p>	<p>?</p> <p>by 2050</p>			
<p><b>Headline target or pledge for business operation emissions</b></p>	<p>Reduction targets for real estate, lease cars and air travel. All three targets are intensity-based.</p>			

3. Reducing financed and own emissions		Transparency	Integrity
Emissions reduction measures	<b>Exclusion policy:</b> Rabobank has an extensive exclusion policy, though the outcomes of the policy remain unclear.	High	Low
	<b>Engagement policy:</b> Applicable to its full lending portfolio, but provides some details on thematic focus and describes possible consequences of non-compliance.	Moderate	Moderate
Renewable electricity procurement	Rabobank provides very limited information on renewable electricity procurement for its own operations (S2).	Low	?

4. Climate contributions & offsetting		Transparency	Integrity
Responsibility for unabated emissions	Rabobank offsets its residual emissions through different types of carbon credits. Provided details are limited.	Low	Low
Climate contributions	<i>No climate contributions identified.</i>	N/A	Low
Offsetting claims today	Rabobank uses both permanent and non-permanent removal credits to compensate for residual carbon emissions from its own operations	Low	Low
Offsetting plans for the future	Also in the future, Rabobank plans to offset	Moderate	Moderate

RATINGS **Transparency** refers to the disclosure of information. **Integrity** refers to the quality and credibility of the approach.  
**Overall** Average of sections 1-4 ■ High ■ Reasonable ■ Moderate ■ Low ■ Very Low;  
**Sections 1-4** Average of criteria in each section ■ ■ ■ ■ ■; **Rating criteria** See methodology for rating criteria ■ ■ ■ ■ ■.

Source: SEO Amsterdam Economics' interpretation of identified public documentation from Rabobank

## Rabobank

Rabobank is a multinational banking and financial services company headquartered in Utrecht and involved in a large variety of sectors. The company has a strong focus on the food and agriculture industry, trade industry and services sector, as well as leasing. It has committed to aligning its lending portfolio with pathways to net-zero emissions by 2050 or sooner. Rabobank participates in various climate-related initiatives within the financial sector and has presented targets and transition plans for both its own operations and for twelve high-emitting sector/region combinations. The bank manages a total of € 640 billion in assets, 72 percent of which are in scope for financed emissions (S3, category 15). Of the assets in scope, 87 percent are covered by financed emissions estimations. The targets for the twelve high-emitting sector/region combinations impact circa 67 percent of the total assets in scope and 51 percent of the total calculated emissions.

### Rabobank discloses information on emissions of own operations and financed operations

- In 2022, emissions from own operations are estimated to be 0.058 MtCO<sub>2e</sub> (Rabobank, 2022d, p. 13). The disclosure of these emissions is complete and presented in a way that facilitates a thorough understanding. For calculating the total amount, the company uses a location-based calculation method.
- Financed emissions (i.e. S3, category 15) are estimated to be 51.5 MtCO<sub>2e</sub> (2021) and make up more than 99 percent of Rabobank's total emissions (Rabobank, 2022c, p. 31). These emissions include S1 and S2 emissions of all in-scope portfolios, and S3 emissions for selected portfolios. Disclosed financed emissions cover 87 percent of the bank's "climate material"<sup>11</sup> portfolio, or around 63 percent (87 percent of 72 percent) of the bank's total assets under management. Financed emissions reporting is in place for 24 percent of the bank's international leasing portfolio, 89 percent of its wholesale and rural banking portfolio, 100 percent of Dutch business clients, 99 percent of loans to private households and 23 percent of other assets. The remaining category ('Non-eligible for FE') is currently not in scope. The disclosure of financed emissions is therefore not complete. The bank reports financed emissions as "estimates on a best effort basis" (Rabobank, 2022c, p. 29).

### About the climate objectives of Rabobank.

For own operations, Rabobank aims to comply with a <1.5°C warming scenario. Therefore, it has set several emission intensity reduction targets for its real estate, lease cars and air travel for 2030. In addition, the bank has introduced several sub-targets and initiatives, such as targets for the energy label of its buildings (Rabobank, 2022b, p. 23). For financed emissions, Rabobank defines decarbonization pathways and sets 2030 intermediate GHG emission reduction targets for twelve high-emitting sector/region combinations (Rabobank, 2022c, p. 29). These sectors are divided in an energy transition and a food transition part (Rabobank, 2022c, p.32). The bank follows the Net-Zero Banking Alliance (NZBA) guidelines, by which Rabobank commits to align its lending and investment portfolios with pathways to net-zero GHG emissions by 2050 and to set reduction targets (mostly intensity reduction targets) (Rabobank, 2022b, p. 17). The twelve high-emitting sector/region combinations are 67 percent of the climate material assets and 51 percent of the total calculated emissions (Rabobank, 2022c, p. 32).<sup>12</sup> The company does not set long-term targets for the twelve sector/regions combinations.

<sup>11</sup> According to Rabobank, climate materiality refers to the impact of the balance sheet on the climate (Rabobank, 2022b).

<sup>12</sup> 26.2 of the 51.5 MtCO<sub>2</sub> equals 51 percent, the other percentage is reported (Rabobank, 2022c, p. 31)

**Rabobank on its exclusion and engagement policy and on renewable electricity procurement:**

- Rabobank has constructed an exclusion list, describing activities that it will not finance. These include, amongst others things, oil and gas exploration and production in the Arctic region or below the Wadden Sea, and the exploration and production of shale gas and other non-conventional minerals (Rabobank, no date, p. 87). Furthermore, the bank continues to exclude the financing of coal-related activities and new oil exploration and extraction activities (Rabobank, 2022b, p. 59). Rabobank states that it will still do business with clients involved in the excluded activities, provided that the services of the bank are not directly used for the excluded activities (Rabobank, no date, p. 87). The bank does not mention how it ensures that its financing does not (in)directly benefit harmful activities. Therefore, the outcomes of the exclusion policy remain unclear. Furthermore, the Methodology mentions several exclusion/divestment focus areas (2022a, p. 28). We did not find information that Rabobank excludes or divests from companies that are active in some of these sectors (such as intensive livestock).
- Rabobank mentions that it helps clients transition, stimulate system change, and set policies and conditions. Activities and outcomes can be described as raising awareness, increasing knowledge, stimulating and providing clear indications of what Rabobank expects from its clients (Rabobank, 2023, p. 30). The report provides limited details on the thematic focus, the scope of engagement activities and the consequences of non-compliance. In its ESG Facts & Figures 2022 document, however, we found more information (2022d, p. 23). Rabobank mentions that possible outcomes of the engagement process could be setting up a time-bound plan, including specific actions that the client will undertake to become fully compliant, or terminating the relationship with the client if such a plan cannot be agreed upon. Furthermore, Rabobank mentions that most of the 2022 client engagement cases were closed by year-end. Lastly, we found information on sector-specific engagement policy in its Global Standard on Sustainable Development.
- In its 2022 annual report, Rabobank explains that it is investing (S3 category 15) in renewables and is decreasing the share of fossil energy. In its 2022 report called 'Our Road to Paris', Rabobank shows that the emissions from electricity for own operations (S2) decreased from 83.911 metric tonnes of CO<sub>2</sub> in 2018 to 34.902 metric tonnes of CO<sub>2</sub> in 2021. Furthermore, its 'ESG Facts & Figures 2022' document shows that 80 percent (242 out of 302 Terajoules) of its electricity consumption is 'green'. For its operational real estate targets, the bank also has set an interim target for 2030 to generate electricity (at least 35 kWh per square metre). However, we did not find any information regarding the pursued renewable energy supply contracts. According to the assessment criteria of NCI (2022a, p. 35), companies that provide more detailed information on their pursued renewable energy supply contracts score higher on the transparency scale. Given that we did not obtain information on the renewable energy supply contracts of Rabobank, an integrity assessment was also not feasible.

**Rabobank on offsetting and climate contributions:**

- For its own operations, Rabobank relies on offsetting to "neutralise" emissions so as to achieve its net-zero ambition. The ambition is to increase the share of permanent removal credits of its total carbon offset to 100 percent by 2030. In the meantime, the bank employs a combination of additional avoidance and (non-permanent) removal credits without detailing which projects are utilised and to what extent each one compensates Rabobank's footprint (Rabobank, 2022b, p. 22).
- It is unclear to what extent the bank will rely on the use of offsets to reach its net-zero target by 2050 or sooner for financed emissions. However, for some sector/region combinations it mentions that offsetting might be an option for reaching the interim targets (for an example, see Beef Australia on page 42 of its report 'Our Road to Paris').

- We did not identify climate contributions. A climate contribution is defined as the financial support provided by a company to support climate change action *beyond* the company's own value chain, without claiming to neutralise its own emissions (NCI 2022a, p38).

# Results of the assessment

## Overall results:

	ABN AMRO	ABP	Atradius	ING Group	NN Group	PFZW	Rabobank
Transparency	Moderate	Moderate	Very Low	Reasonable	Moderate	Reasonable	Moderate
Integrity	Low	Moderate	Very Low	Low	Low	Moderate	Low

## Key area 1: about the tracking and disclosure of emissions:

Emissions Operations	0.05 MtCO <sub>2</sub> e	?	?	0.03 MtCO <sub>2</sub> e	0.01 MtCO <sub>2</sub> e	<0.01 MtCO <sub>2</sub> e	0.06 MtCO <sub>2</sub> e
	High	Very Low	Very Low	High	High	Low	High
Financed emissions	ABN AMRO	ABP	Atradius	ING Group	NN Group	PFZW	Rabobank
	Moderate	Moderate	Very Low	Moderate	Moderate	Moderate	Moderate
	22.6 MtCO <sub>2</sub> e	16.3 MtCO <sub>2</sub> e	?	56.0 MtCO <sub>2</sub> e	5.7 MtCO <sub>2</sub> e	5.8 MtCO <sub>2</sub> e	51.5 MtCO <sub>2</sub> e

## Key area 2: about the setting of emission reduction targets

	ABN AMRO	ABP	Atradius	ING Group	NN Group	PFZW	Rabobank
Transparency	Moderate	High	Very Low	High	Low	Reasonable	Moderate
Integrity	Low	Moderate	Very Low	Low	Low	Low	Low

## Key area 3: about the reduction of financed and own emissions

	ABN AMRO	ABP	Atradius	ING Group	NN Group	PFZW	Rabobank
Transparency	Moderate	Low	Very Low	Reasonable	Reasonable	Reasonable	Moderate
Integrity	Low	Moderate	Very Low	Low	Low	Moderate	Low

## Key area 4: about the use of (future) offsetting and climate contributions

	ABN AMRO	ABP	Atradius	ING Group	NN Group	PFZW	Rabobank
Transparency	Very low	Low	Very Low	Low	Low	Low	Low
Integrity	Very low	Moderate	Very Low	Very low	Very low	Moderate	Very low

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# Appendix A Assessment criteria

This appendix includes the assessment criteria defined by the NCI Methodology used in this study.

Figure A.1 Theme 1: Assessment criteria for tracking and disclosure of emissions

**Table 1 C: Assessment criteria for tracking and disclosure of emissions (real-economy companies and financial institutions)**

1C Tracking and disclosure of emissions	
Assessed for the following emission scopes individually: <ul style="list-style-type: none"> <li>■ Scope 1</li> <li>■ Scope 2</li> <li>■ Scope 3 upstream</li> <li>■ Scope 3 downstream</li> <li>■ All emission scopes from subsidiary companies</li> </ul>	<b>Very high</b> The company provides useful information and data on activity indicators and emission intensities, in addition to the good practice disclosure criteria below.
	<b>High</b> The disclosure of emissions from the emissions scope is complete, and presented in a way that facilitates a thorough understanding: <ul style="list-style-type: none"> <li>✓ An annual disclosure;</li> <li>✓ A breakdown of the data to specific emission sources;</li> <li>✓ The presentation of historical data for the same emission sources;</li> <li>✓ If relevant: disclosure of non-GHG climate forcers;</li> <li>✓ The company explains why any omitted emissions categories are not tracked.</li> </ul>
	<b>Moderate</b> The disclosure of emissions from the emissions scope is complete, but the level of detail does not facilitate a thorough understanding of emission sources.
	<b>Low</b> The emissions scope is not tracked and disclosed, or only to a limited extent.

**Table 1 D: Additional assessment criteria for tracking and disclosure of emissions (financial institutions)**

1D Tracking and disclosure of emissions	
Assessed for financial institutions' emissions from investments (scope 3, category 15)	<b>Very high</b> <ul style="list-style-type: none"> <li>✓ Financed emissions are calculated using the operational or financial control approach across all financial services. Reporting is disaggregated by financial service and sector.</li> <li>✓ The financial institution's reported scope 3 emissions cover investees', borrowers', or clients':                             <ul style="list-style-type: none"> <li>■ Absolute scope 1 and scope 2 emissions;</li> <li>■ Absolute scope 3 emissions, reported separately;</li> <li>■ Avoided emissions, where applicable; and</li> <li>■ Emission removals, where applicable.</li> </ul> </li> </ul>
	<b>High</b> <ul style="list-style-type: none"> <li>✓ Financed emissions are calculated using the operational or financial control approach across all financial services. Reporting is disaggregated by financial service and sector.</li> <li>✓ The financial institution's reported scope 3 emissions cover investees', borrowers', or clients':                             <ul style="list-style-type: none"> <li>■ Absolute scope 1 and scope 2 emissions; and</li> <li>■ Absolute scope 3 emissions, based on estimates if needed.</li> </ul> </li> <li>✓ Financial institutions must report investee companies' scope 3 emissions according to the timeline defined in the guiding principles.</li> </ul>
	<b>Moderate</b> The financial institution's disclosure of investee companies' emissions is incomplete but covers at least all emissions from financial services provided to the most carbon-intensive clients/sectors. If data on those emissions is not available, financial institutions should provide estimates instead. <i>(The assessment is based on expert judgement.)</i>
	<b>Low</b> The financial institution's disclosure of investee companies' emissions excludes certain emission sources without a justification.

Source: New Climate Initiative (2022a, p. 17) as published in 'Corporate Climate Responsibility (Version 2.0)'

Figure A.2 Theme 2: First and second assessment criteria for setting of emissions reduction targets

Table 2 A: Assessment criteria for coverage of emission sources in targets (real-economy companies and financial institutions)

2A Assessment criteria for coverage of emission sources in targets	
<p><b>Transparency</b></p> <ul style="list-style-type: none"> <li><b>High</b> The company clearly communicates the scope and year of their target.</li> <li><b>Moderate</b> N/A</li> <li><b>Low</b> The company does not [or not clearly] communicate scope or year of their target.</li> </ul>	<p><b>Integrity</b></p> <ul style="list-style-type: none"> <li><b>Very High</b> The company's target meets the good practice criteria and covers all subsidiary companies.</li> <li><b>High</b> The company's target covers Scope 1, 2, and 3 emissions in full (including all upstream and downstream emissions). Where relevant, the target also covers non-GHG climate forcers.</li> <li><b>Moderate</b> The company's target includes Scope 1 and Scope 2 emissions in full and includes major Scope 3 emissions. Where relevant, the target also covers non-GHG climate forcers.</li> <li><b>Low</b> The company's target coverage omits either Scope 1, 2 or 3 emissions or – if relevant – non-GHG climate forcers.</li> <li><b>?</b> The company's target is unclear, untransparent and no assessment is possible.</li> </ul>

Table 2 B: Assessment criteria for coverage of financed emissions (scope 3, category 15) in targets (financial institutions)

2B Coverage of emission sources in targets	
<p><b>Transparency</b></p> <ul style="list-style-type: none"> <li><b>High</b> The company clearly communicates the scope and year of their target.</li> <li><b>Moderate</b> N/A</li> <li><b>Low</b> The company does not [or not clearly] communicate scope or year of their target.</li> </ul>	<p><b>Integrity</b></p> <ul style="list-style-type: none"> <li><b>High</b> The financial institution sets targets for financed emissions (scope 3, category 15), covering 100% of its financial services and for all sectors.</li> <li><b>Moderate</b> The financial institution sets targets for financed emissions (scope 3, category 15), covering at least emissions from their most relevant financial services. Asset classes without targets are justified and communicated transparently. <i>(The assessment is based on expert judgement.)</i></li> <li><b>Low</b> The company's target coverage omits 3 emissions.</li> <li><b>?</b> The company's targets are unclear, untransparent and no assessment is possible.</li> </ul>

Source: New Climate Initiative (2022a) as published in 'Corporate Climate Responsibility (Version 2.0)' on page 21

Figure A.3 Theme 2: third assessment criteria for setting of emissions reduction targets

Table 2 C: Assessment criteria for the specificity of emission reduction targets in headline pledges (real-economy companies and financial institutions)

2C Emission reductions in the headline pledge	
<p><b>Transparency</b></p> <p><b>High</b> The company's main headline climate pledge is a specific target for emission reductions, that is independent from neutralisation through carbon dioxide removals or emission reduction offsets.</p> <p><b>Moderate</b> The company's headline pledge is dependent on neutralisation through carbon dioxide removals or emission reduction offsets, but the company's communication of that headline pledge also prominently specifies what portion of that target will be achieved through emission reductions.</p> <p><b>Low</b> The communication of the company's headline pledge does not prominently specify what portion of that target will be achieved through emission reductions.</p>	<p><b>Integrity</b></p> <p>Both of the following criteria are fulfilled:</p> <ul style="list-style-type: none"> <li>✓ If the headline pledge is a net-zero or carbon neutrality target, the specific emission reduction component is equivalent to at least 90% below 2019 levels. This ensures that the net-zero terminology is not misleading, regardless of the target year, but it is not alone a measurement of sufficiency in terms of 1.5°C compatibility.</li> <li>✓ The specific emission reduction component of the headline target is in line with 1.5°C compatible trajectories or benchmarks for the sector, according to available literature.</li> </ul> <p><b>High</b> The criteria for high integrity are met for at least one of the company's major relevant emission scopes, while for other emission scopes the sufficiency or insufficiency of targets cannot be confirmed.</p> <p><b>Moderate</b> No specific emission reduction target is pledged, or the specific emission reduction target is not in line with 1.5°C trajectories or benchmarks for the sector, according to available literature.</p> <p><b>Low</b> An assessment of the specific emission reduction target is dependent on the availability of sector-level benchmarks, or methodologies to assess the sector-specific emission reduction reductions in line with the Paris Agreement temperature objectives. The unavailability of these benchmarks or methodologies in the existing literature does not allow for an assessment of the specific sector at this point in time.</p>

Source: New Climate Initiative (2022a) as published in 'Corporate Climate Responsibility (Version 2.0)' on page 23

Figure A.4 Theme 2: fourth assessment criteria for setting of emissions reduction targets

Table 2 D: Assessment criteria for substantiating long-term pledges through interim targets (real-economy companies and financial institutions)

2D Substantiation of long-term pledges through interim targets	
<p><b>Transparency</b></p> <ul style="list-style-type: none"> <li><b>High</b> The company prominently provides details of interim targets alongside headline pledges.</li> <li><b>Moderate</b> The company has interim targets that are not easily accessible/found.</li> <li><b>Low</b> The company does not refer to any interim targets.</li> </ul>	<p><b>Integrity</b></p> <p>Interim targets comply with all the following criteria:</p> <ul style="list-style-type: none"> <li><b>High</b> <ul style="list-style-type: none"> <li>✓ Targets are aligned with long-term vision in terms of coverage and depth.</li> <li>✓ Targets are likely aligned with a 1.5°C trajectory for the sector (according to available literature for specific sectors and global economy-wide emissions pathways)</li> <li>✓ First interim target is on a timescale that likely requires immediate action and accountability (maximum 5 years in the future).</li> </ul> </li> <li><b>Moderate</b> Interim targets exist but only comply with two of the good practice criteria.</li> <li><b>Low</b> Interim targets do not exist or do not comply with at least two of the good practice criteria.</li> <li><b>?</b> The information provided does not facilitate an assessment; or the absence of sectoral decarbonisation benchmarks does not allow to determine whether a company's interim target is aligned with a 1.5°C trajectory for the sector.</li> </ul>

Source: New Climate Initiative (2022a) as published in 'Corporate Climate Responsibility (Version 2.0)' on page 25

Figure A.5 Theme 3: first and second assessment criteria for setting emission reduction measures

Table 3 C: Assessment criteria for financial institutions' emission reduction measures

3C Emission reduction measures	
Transparency	Integrity
<p><b>High</b></p> <p>The financial institution provides detailed information on emission reduction measures for most sources of emissions (scope 1, 2 and 3).</p> <p>The financial institution provides dedicated reporting on exclusion, engagement, and divestment policies for all financial services, as well as on implementation and impact of approaches.</p>	<p><b>High</b></p> <p>The financial institution adopts demonstrated good practice emission reductions measures to address relevant emission sources across scope 1, 2 and upstream and downstream scope 3.</p> <p>In addition, for financed emissions (scope 3, category 15), the financial institution applies the following approaches across all financial services.</p> <ul style="list-style-type: none"> <li>✓ The financial institution has a comprehensive exclusion policy, covering at least the sectors defined in the guiding principles; and</li> <li>✓ The financial institution has a comprehensive engagement and stewardship strategy, covering at least the sectors defined in the guiding principles.</li> <li>✓ Where relevant and required: the financial institution proactively divests from clearly misaligned activities (exclusion/divestment column of Table ), as well as where engagement activities on the key focus areas (engagement column of Table ) are not successful.</li> </ul>
<p><b>Moderate</b></p> <p>The financial institution provides detailed information on emission reduction measures for most sources of emissions (scope 1, 2 and 3).</p> <p>The financial institution provides dedicated reporting on exclusion, engagement, and divestment policies for at least the most relevant sources of emissions, and on the implementation and the expected impact of its approaches.</p>	<p><b>Moderate</b></p> <p>The financial institution takes a semi-proactive approach and adopts demonstrated good practice emission reduction measures to address relevant emission sources across scope 1, 2 and upstream and downstream scope 3</p> <p>The financial institution applies the following approaches across the most significant financial services and sectors.</p> <ul style="list-style-type: none"> <li>✓ The financial institution has a comprehensive exclusion policy, covering the most relevant sectors defined in the guiding principles; and</li> <li>✓ The financial institution has a comprehensive engagement and stewardship strategy, covering the most relevant sectors defined in the guiding principles (or defines other comprehensive targeting approaches which effectively ensure engagement across harmful sectors and clients).</li> <li>✓ Where relevant and required: the financial institution proactively divests from clearly misaligned applicable activities, as well as where engagement activities are not successful.</li> </ul> <p><i>(The assessment is based on expert judgement.)</i></p>
<p><b>Low</b></p> <p>The company provides no or limited information on reduction measures.</p>	<p><b>Low</b></p> <p>The financial institution does not meet one or more of the following criteria:</p> <ul style="list-style-type: none"> <li>✗ The financial institution has a comprehensive exclusion policy, covering the most relevant sectors defined in the guiding principles; and</li> <li>✗ The financial institution has a comprehensive engagement and stewardship strategy, covering the most relevant sectors defined in the guiding principles (or defines other comprehensive targeting approaches which effectively ensure engagement across harmful sectors and clients).</li> <li>✗ Where relevant and required: the financial institution proactively divests from clearly misaligned applicable activities, as well as where engagement activities are not successful.</li> </ul> <p><b>?</b> The company's measures are unclear and no assessment is possible.</p>

Source: New Climate Initiative (2022a) as published in 'Corporate Climate Responsibility (Version 2.0)' on page 30

Figure A.6 Theme 3: first and second assessment criteria for setting emission reduction measures

Table 3 E: Assessment criteria for procurement of renewable electricity (real-economy companies and financial institutions)

3E Procurement of renewable electricity	
<p><b>Transparency</b></p> <p><b>High</b> The company provides thorough details on the pursued renewable energy constructs.</p> <p><b>Moderate</b> The company provides a moderate level of detail on the pursued renewable energy constructs.</p> <p><b>Low</b> The company provides very limited to no details on its pursued renewable energy supply constructs.</p>	<p><b>Integrity</b></p> <p><b>Very High</b> The company has installed on-site renewable energy capacity and storage; or monitors and watches [electricity/energy] consumption with renewable energy on a 24/7 basis &lt;AND&gt; These procurement options account for 100% of the company's electricity demand.</p> <p><b>High</b> The company pursues one or a combination of the following options:  <ul style="list-style-type: none"> <li>On-site renewable energy capacity with or without and storage;</li> <li>Monitoring and watching [electricity/energy] consumption with renewable energy on a 24/7 basis;</li> <li>High-quality PPAs.</li> </ul>                     &lt;AND&gt;                      These account for more than 90% but less than 95% of the company's electricity demand.                      The company uses a capacity expansion premium to cover the majority of its energy/electricity consumption                      &lt;OR&gt;                      The company uses one or a combination of the following options, but these do not account for the majority of the company's energy/ electricity consumption:  <ul style="list-style-type: none"> <li>On-site renewable energy capacity with or without storage;</li> <li>Monitoring and watching electricity consumption with renewable energy on a 24/7 basis;</li> <li>High-quality PPAs.</li> </ul> </p> <p><b>Low</b> The company uses some higher quality procurement options, but these account for a minor share of its consumption                      &lt;OR&gt;                      The company uses unbundled or bundled RECs;                      &lt;OR&gt;                      The company does not pursue any renewable energy procurement option.</p> <p><b>?</b> The company's renewable energy supply constructs are unclear, and an assessment is not feasible.                      The disclosure of emissions from the emissions scope is complete, but the level of detail does not facilitate a thorough understanding of emission sources.                      The emissions scope is not tracked and disclosed, or only to a limited extent.</p>

Source: New Climate Initiative (2022a) as published in 'Corporate Climate Responsibility (Version 2.0)' on page 30

Figure A.7 Theme 4: first assessment criteria (responsibility for unabated emissions)

Table 4 A: Assessment criteria for good practice climate contributions (real-economy companies and financial institutions)

### 4A Responsibility for unabated emissions

<p><b>Transparency</b></p> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #2e8b57; margin-right: 5px;"></div> <p style="font-size: 8px; margin: 0;">High</p> </div> <p>The transparency score for <b>responsibility for unabated emissions</b> reflects the combined average transparency score for <b>climate contributions</b> (section 4.2 Table 4 B) and <b>offsetting claims today</b> (section 4.2 Table 4 D).</p> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #ffc107; margin-right: 5px;"></div> <p style="font-size: 8px; margin: 0;">Moderate</p> </div> <p>The company does not provide any information on an approach to assume <b>responsibility for unabated emissions</b>, either through <b>climate contributions</b> (section 4.2 Table 4 B) or <b>offsetting claims today</b> (section 4.2 Table 4 D).</p> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #dc3545; margin-right: 5px;"></div> <p style="font-size: 8px; margin: 0;">Low</p> </div>	<p><b>Integrity</b></p> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #2e8b57; margin-right: 5px;"></div> <p style="font-size: 8px; margin: 0;">High</p> </div> <p>The integrity score for <b>responsibility for unabated emissions</b> reflects the combined average integrity score for <b>climate contributions</b> (section 4.2 Table 4 B) and <b>offsetting claims today</b> (section 4.2 Table 4 D).</p> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #ffc107; margin-right: 5px;"></div> <p style="font-size: 8px; margin: 0;">Moderate</p> </div> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #dc3545; margin-right: 5px;"></div> <p style="font-size: 8px; margin: 0;">Low</p> </div> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #6c757d; margin-right: 5px;"></div> <p style="font-size: 8px; margin: 0;">?</p> </div>
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Source: New Climate Initiative (2022a) as published in 'Corporate Climate Responsibility (Version 2.0)' on page 37

Figure A.8 Theme 4: Assessment criteria for climate contributions without a neutralisation claim

Table 4 B: Assessment criteria for good practice climate contributions (real-economy companies and financial institutions)

### 4B Climate contributions without neutralisation claim

<p><b>Transparency</b></p> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #2e8b57; margin-right: 5px;"></div> <p style="font-size: 8px; margin: 0;">High</p> </div> <p>The company discloses information on its approach to climate contributions, including details on all of the following:</p> <ul style="list-style-type: none"> <li>✓ The basis for determining the volume of the financial contributions;</li> <li>✓ Total volume of finance (per year);</li> <li>✓ The project recipients;</li> <li>✓ Rationale for selection of project recipients;</li> <li>✓ Expected impact of support provision.</li> </ul> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #ffc107; margin-right: 5px;"></div> <p style="font-size: 8px; margin: 0;">Moderate</p> </div> <p>The company discloses some information on its approach to climate contributions, but without covering all of the good practice transparency criteria.</p> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #dc3545; margin-right: 5px;"></div> <p style="font-size: 8px; margin: 0;">Low</p> </div> <p>The company alludes to possible climate contributions but without providing sufficient clarity on whether the support is provided to claim neutralisation.</p> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #6c757d; margin-right: 5px;"></div> <p style="font-size: 8px; margin: 0;">N/A</p> </div> <p>The company does not assume responsibility for its unabated emissions through climate contributions without a neutralisation claim.</p>	<p><b>Integrity</b></p> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #2e8b57; margin-right: 5px;"></div> <p style="font-size: 8px; margin: 0;">High</p> </div> <p>✓ The company assumes responsibility for its unabated emissions through climate contributions.</p> <p>✓ The company does not use any credits arising from the projects to claim the neutralisation of its own emissions.</p> <p>✓ The volume of finance is derived from, or at least equivalent to, an internal carbon tax across all scope 1, 2 and 3 emissions at a Paris-compatible price level.</p> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #ffc107; margin-right: 5px;"></div> <p style="font-size: 8px; margin: 0;">Moderate</p> </div> <p>✓ The company assumes responsibility for its unabated emissions through climate contributions.</p> <p>✓ The company does not use any credits arising from the projects to claim the neutralisation of its own emissions.</p> <p>✗ However, the volume of finance is not derived from, or equivalent to, an internal carbon tax across all emissions at a Paris-compatible price level.</p> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #dc3545; margin-right: 5px;"></div> <p style="font-size: 8px; margin: 0;">Low</p> </div> <p>The company does not assume responsibility for its unabated emissions through climate contributions without a neutralisation claim.</p> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #6c757d; margin-right: 5px;"></div> <p style="font-size: 8px; margin: 0;">?</p> </div> <p>The company provides insufficient information to assess the sufficiency of its climate contributions.</p>
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Source: New Climate Initiative (2022a) as published in 'Corporate Climate Responsibility (Version 2.0)' on page 39

Figure A.9 Theme 4: Assessment criteria for neutralisation claims in the present

Table 4 D: Assessment criteria for neutralisation claims in the present (real-economy companies and financial institutions)

4D Offsetting claims today	
<p><b>Transparency</b></p> <p><b>High</b></p> <p>The company claims the neutralisation of its emissions with carbon dioxide removal or emission reduction offsets, and provides explicit and clear details on all of the following:</p> <ul style="list-style-type: none"> <li>✓ Volume of carbon dioxide removal and emission reduction offsets.</li> <li>✓ The specific projects from which any carbon dioxide removal or emission reduction offsets are procured and timing of the project activity.</li> <li>✓ Credit prices paid.</li> <li>✓ The dependence on emission reduction or carbon dioxide removal offsets is presented prominently alongside the claim as a clear disclaimer.</li> <li>✓ The neutralisation claim applies to all emission scopes to avoid misleading statements.</li> </ul> <p><b>Moderate</b></p> <p>The company claims the neutralisation of its emissions with carbon dioxide removal or emission reduction offsets, and provides explicit and clear details on all of the following:</p> <ul style="list-style-type: none"> <li>✓ Volume of procured offset credits.</li> <li>✓ The specific projects from which any offset credits are procured.</li> <li>✓ The neutralisation claim applies to all emission scopes, or for neutralisation claims that cover only selected emission scopes, the formulation of the claim is clear and without potential to mislead.</li> </ul> <p><b>Low</b></p> <p>It is not clear whether the company claims the neutralisation of any emissions today. &lt;OR&gt;</p> <p>The company claims the neutralisation of its emissions</p> <ul style="list-style-type: none"> <li>✗ Without providing details on the volume of procured offset credits, and or</li> <li>✗ without providing details on the specific projects from which those credits are procured.</li> <li>✗ Covering only selected emission scopes with a claim that has the potential to mislead.</li> </ul> <p><b>NA</b></p> <p>The company does not claim the neutralisation of any emissions today.</p>	<p><b>Integrity</b></p> <p><b>High</b></p> <p>Projects are assessed individually on a case-by-case basis to determine the credibility of the neutralisation claim. The assessment considers primarily whether achieving the emission reductions depend on the offsetting revenue, but also takes note of other potential loopholes or environmental integrity concerns.</p> <p><b>Low</b></p> <p>The company does not claim the neutralisation of any emissions today.</p> <p><b>NA</b></p> <p>The company does not claim the neutralisation of any emissions today.</p>

Source: New Climate Initiative (2022a) as published in 'Corporate Climate Responsibility (Version 2.0)' on page 48

Figure A.10 Theme 4: Assessment criteria for future neutralisation claims

Table 4 E: Assessment criteria for neutralisation claims planned for the future (real-economy companies and financial institutions)

4E Neutralisation plans for the future	
<i>If the company sets out different offset plans for its short-, medium- and long-term targets, the transparency and integrity ratings will reflect a combined average of the rating of those different approaches.</i>	
Transparency	Integrity
<p><b>High</b></p> <p>The company plans to claim the neutralisation of its emissions with carbon dioxide removal or emission reduction offsets, and all the following criteria are met:</p> <ul style="list-style-type: none"> <li>✓ Plans for emission reduction or carbon dioxide removal offsets are presented prominently alongside pledges as a clear disclaimer.</li> <li>✓ The company discloses the (maximum) proportion of its emissions that it will claim neutralisation for in the future.</li> <li>✓ The company sets out details on the type of projects it will support and the credits it will procure, or sets out clear principles for how it will make these decisions in the future. &lt;OR&gt;</li> </ul>	<p><b>High</b></p> <p>The company explicitly commits to procure only credits equivalent to a maximum of 5% of its 2019 emissions, that comply with the following criteria:</p> <ul style="list-style-type: none"> <li>✓ The transactions are subject to corresponding adjustments.</li> <li>✓ Projects are additional in the context of safeguarding Paris ambition (high hanging fruits).</li> <li>✓ Projects are compatible with net-zero emission technology and infrastructure.</li> </ul> <p>In the case of credits procured from carbon dioxide removal projects, all the following criteria are required in addition to the previous criteria:</p> <ul style="list-style-type: none"> <li>✓ Credits will be used only to neutralise residual emissions from hard-to-abate emission sources.</li> <li>✓ Carbon dioxide removals will have a high likelihood of high permanence.</li> <li>✓ The specific means of carbon dioxide removal and storage is not "scarce" and not associated with high environmental costs. &lt;OR&gt;</li> </ul> <p>The company will not use carbon dioxide removals or emission reduction offsets to neutralise emissions for their targets.</p>
<p><b>Moderate</b></p> <p>The company will not use carbon dioxide removals or emission reduction offsets to neutralise emissions for their targets.</p> <p>The company plans to claim the neutralisation of its emissions with carbon dioxide removal or emission reduction offsets, and at least one of the good practice transparency criteria is met.</p>	<p><b>Moderate</b></p> <p>The company explicitly commits to procure credits equivalent to a maximum of 10% of its 2019 emissions, from carbon dioxide removal projects with the following criteria:</p> <ul style="list-style-type: none"> <li>✓ The transactions are subject to corresponding adjustments.</li> <li>✓ Projects are additional in the context of safeguarding Paris ambition (high hanging fruits).</li> <li>✓ Credits are used only to neutralise residual emissions from hard-to-abate emission sources.</li> <li>✓ Carbon dioxide removals have a high likelihood of high permanence; but</li> <li>✗ The means of carbon dioxide removal and storage is "scarce", &lt;OR&gt;</li> <li>✗ associated with high environmental costs.</li> </ul>
<p><b>Low</b></p> <p>The company is not clear about its plans for neutralisation of its emissions, or none of the good practice transparency criteria are met.</p>	<p><b>Low</b></p> <p>The company plans to claim the neutralisation of residual emissions without meeting all the above criteria. This includes, for example:</p> <ul style="list-style-type: none"> <li>✗ Planning to claim the neutralisation of emissions with projects that do not constitute high hanging fruit.</li> <li>✗ Planning to neutralise residual emissions with carbon dioxide removals that do not carry a high likelihood of permanence, or</li> <li>✗ Planning to neutralise unabated emissions that could feasibly be further reduced with any carbon dioxide removal measures.</li> </ul>
	<p><b>? /</b></p> <p>The company is not clear about its plans for neutralisation of emissions.</p>

Source: New Climate Initiative (2022a) as published in 'Corporate Climate Responsibility (Version 2.0)' on page 49

## Appendix B Abbreviations and glossary

Term	Explanation
<b>CCS</b>	Carbon Capture and Storage
<b>CH4</b>	Methane, a greenhouse gas
<b>Climate contribution</b>	<u>NCI</u> : We define climate contributions as the financial support provided by a company to support climate change action beyond the company's own value chain, without claiming the neutralisation of its own emissions in return.
<b>CO<sub>2</sub> (or CO<sub>2</sub>e)</b>	Carbon dioxide (or: carbon dioxide equivalence, a standardised measure to combine different forms of emissions in addition to carbon dioxide)
<b>Engagement policy</b>	<u>NCI</u> : Engagement policy formulates the financial institution's approach to stewardship vis-à-vis investee companies, borrowers, or clients with the objective of maximizing assets' economic, social, and/or environmental value over a certain time frame.
<b>Exclusion policy</b>	<u>NCI</u> : Exclusion policy formulates the financial institution's approach and criteria applied to restrict the provision of financial services to companies or clients exposed to harmful activities.
<b>FID</b>	Final Investment Decision
<b>GHG</b>	Greenhouse gas
<b>GHG Protocol</b>	<u>NCI</u> : The GHG Protocol is an initiative driven by the World Resources Institute and World Business Council for Sustainable Development, that provides international guidance and standards for GHG emissions accounting.
<b>kt</b>	Kiloton (1.000 tonnes)
<b>Integrity</b> (rating)	<u>NCI</u> : The <i>Corporate Climate Responsibility Monitor</i> assesses the transparency and integrity of companies' climate pledges. Integrity, in this context, is a measure of the quality, credibility and comprehensiveness of a company's approaches towards the various elements of corporate climate responsibility.
<b>LNG</b>	Liquefied natural gas
<b>Location-based method</b> (for S2 emissions accounting)	<u>NCI</u> : The location-based method for S2 emissions accounting reflects the average emission intensity of the electricity grid from which the consumer's energy is delivered.
<b>Market-based method</b> (for S2 emissions accounting)	<u>NCI</u> : The market-based method for S2 emissions accounting reflects the emissions from electricity generation specifically procured by the consumer (which may not reflect the electricity they actually consume from a grid that features multiple buyers and sellers). It derives emission factors from contractual renewable electricity procurement instruments.
<b>Mt</b>	Megaton (1.000.000 tonnes)
<b>Neutralisation</b>	<u>NCI</u> : Neutralisation of emissions is usually a term that is synonymous with offsetting and refers to the balancing out of emissions released into the atmosphere with the avoidance, or removal from the atmosphere, of an equivalent volume of emissions elsewhere. Many actors now avoid the term offsetting entirely; companies and initiatives more often refer to "neutralisation", "netting-out", "compensation", "reducing the footprint", while some actors use multiple terminologies to distinguish between offsetting in different circumstances and at different times. We define all claims that unabated GHG emissions within the value chain are offset as <i>offsetting claims</i> , including all synonymous terminologies and all project types.

<b>Non-GHG climate forcers</b>	<b>NCI:</b> Non-GHG climate forcers include the emission of gases and aerosols, and processes that change cloud abundance, leading to radiative forcing. Radiative forcing is a change in the balance of radiation in the atmosphere, which contributes to global warming. For example, the non-GHG climate forcers are estimated to increase the climate impact of GHG emissions from the aviation industry by a factor of approximately 3 (Atmosfair, 2016).
<b>Power purchase agreement (PPA)</b>	<b>NCI:</b> A PPA is a long-term contract between an electricity provider and an electricity consumer, usually spanning 10-20 years. The consumer agrees to purchase a certain amount of electricity from a specific asset under a pre-determined pricing arrangement. PPAs are generally signed with new renewable energy installations and form part of the project investment decision (NewClimate Institute and Data-Driven EnviroLab, 2020). PPAs can also be signed for existing installations, in which case it is less likely the PPA results in additional renewable electricity capacity. However, it may be that existing installations would cease operations if the operator cannot sign a new PPA.
<b>Renewable energy certificate (REC)</b>	<b>NCI:</b> Renewable Energy Certificates (RECs) are also known under various names, such as Renewable Energy Guarantees of Origin (REGOs) or Energy Attribute Certificates (EACs). RECs can be bundled or unbundled with the electricity that a company consumes: <ul style="list-style-type: none"> <li>• <i>Unbundled RECs</i> - the consumer purchases RECs from a third party, separately from their procurement of electricity from another supplier.</li> <li>• <i>Bundled RECs</i> - third-party generated: the consumer purchases electricity and RECs from the same supplier, but this supplier has procured the RECs from a third party. In this situation, the supplier may sell electricity generated using fossil fuels but market it as 'low-carbon' electricity by bundling an equivalent volume of RECs into the sale.</li> <li>• <i>Bundled RECs</i> - supplier generated: the consumer purchases renewable electricity and associated RECs from the same supplier.</li> </ul>
<b>Scope (of GHG emissions)</b>	<b>NCI:</b> The GHG Protocol Corporate Standard classifies a company's GHG emissions into three 'scopes' (WBCSD and WRI, 2004):
<b>S1 emissions</b>	<b>NCI:</b> Scope 1 emissions are direct emissions from owned or controlled sources.
<b>S2 emissions</b>	<b>NCI:</b> Scope 2 emissions are indirect emissions from the generation of purchased energy (see also location-based method and market-based method).
<b>S3 emissions</b>	<b>NCI:</b> Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions (WRI and WBCSD, 2013).
<b>Upstream S3 emission sources</b>	<b>NCI:</b> Upstream emissions are indirect GHG emissions related to purchased or acquired goods and services (WRI and WBCSD, 2013).
<b>Downstream S3 emission sources</b>	<b>NCI:</b> Downstream emissions are indirect GHG emissions related to sold goods and services (WRI and WBCSD, 2013).
<b>Normal S3 emission sources</b>	<b>NCI:</b> The GHG Protocol's S3 Standard identifies 15 distinct reporting categories for S3 emission sources, and requires companies to quantify and report S3 emissions from each category (WRI and WBCSD, 2013).
<b>t</b>	Ton (1.000 kilograms)
<b>Transparency (rating)</b>	<b>NCI:</b> The <i>Corporate Climate Responsibility Monitor</i> assesses the transparency and integrity of companies' climate pledges. Transparency ratings refer to the extent to which a company publicly discloses the information necessary to fully understand the integrity of that company's approaches towards the various elements of corporate climate responsibility.

<b>Unabated emissions</b>	<u>NCI</u> : Unabated emissions are GHG emissions from emission sources for which further emission reductions are technically feasible at that point in time.
<b>Value chain emissions</b>	<u>NCI</u> : A company's full value chain emissions refers to the entirety of S1, S2, and S3 emissions.
<b>ZEB</b>	Zero-emission buildings

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Source: SEO Amsterdam Economics (2023) and NCI (2022a, 2023a)

## Appendix C Institutions assessed in this report

Table C.1 Full name of the financial institutions assessed in this report

Name used in this report	Full name
ABN AMRO	ABN AMRO Bank N.V.
ABP	Stichting Pensioenfonds ABP
Atradius	Atradius N.V.
ING Group	ING Groep N.V.
NN Group	NN Group N.V.
PFZW	Stichting Pensioenfonds Zorg en Welzijn
Rabobank	Coöperatieve Rabobank U.A.

The seven financial institutions assessed in this report have been selected by Milieudefensie. In contrast to the Dutch assessment of 2022 executed by the New Climate Institute (2022a), AEGON N.V. is no longer assessed due to its conditional acquisition by ASR Nederland N.V., as announced in October 2022.



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