ANALYSIS REPORT

Towards transparent reporting on climate transition plans and financed emissions

In short Major Dutch financial institutions have committed to climate objectives. In their sustainability reports, they provide insight into their transition plans and financed emissions. This information must not only be relevant, reliable, and comprehensible, but also enable meaningful comparison between market participants, allowing report users to make informed decisions. This report presents an up-to-date overview of reporting on climate transition plans and financed emissions by leading Dutch banks and insurers and outlines key considerations for the sector.

DECEMBER 2025

AFM

ANALYSIS REPORT

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Climate transition and the role of the financial sector

The transition to a sustainable economy is one of the most significant challenges of our time. Financial institutions mobilise capital for sustainable investments by governments, businesses and households and contribute to corporate sustainability by integrating ESG considerations into financing decisions. The AFM attaches great importance to this transition and encourages financial institutions to fulfil their critical role in this process.

Under the Paris Agreement, countries committed to drastically reducing greenhouse gas emissions to limit global warming to well below 2°C, and preferably to 1.5°C compared to pre-industrial levels. The Netherlands has enshrined this commitment in the Climate Act, targeting a 55% reduction in emissions by 2030 compared to 1990. These objectives have been further detailed in sector-specific reduction targets for industry, mobility, agriculture and the built environment.

Dutch financial institutions have also committed to climate objectives. In 2019, around fifty institutions signed the financial sector's Climate Commitment.[1] A key element of this commitment is the development of action plans with specific reduction targets for 2030 and an explanation of their contribution to the Paris Agreement. With the introduction of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), these action plans have been integrated into the sustainability report, which forms part of the annual report.

The CSRD and ESRS require institutions with a climate transition plan to report on this in their annual report. These plans must clarify how institutions contribute to achieving the Paris Agreement goals. Institutions should not only state long-term objectives but also define interim targets. They must provide insight into financed emissions and explain the strategies, levers and metrics used to monitor progress against the transition plan.

A key principle of the CSRD is that disclosed information must be relevant, reliable and understandable, and enable comparability across market participants. Users of the report – such as investors, NGOs, consumers and regulators – should be able to assess and compare climate transition plans and the impact, risks, and opportunities of institutions. Reporting offers valuable insight into strategic choices regarding the climate transition.

1 See: https://klimaatcommitment.nl/.

Sustainability reporting: a collaborative learning process

At the time of this review, the CSRD had not yet been transposed into Dutch law; institutions that reported on their climate transition plan in their 2024 annual report did so voluntarily. Sustainability reporting under the new CSRD requirements is a learning process for all stakeholders involved in annual reporting – institutions themselves, audit firms, investors, NGOs and regulators, including the AFM. While the AFM does not yet formally supervise CSRD reporting, it is preparing for this by reviewing sustainability reports already aligned with the CSRD and the ESRS.[2] This review forms part of that effort.

For this review, the AFM examined climate-related disclosures and climate transition plan explanations in the 2024 annual reports of four major Dutch banks and four major Dutch insurers.[3] The sustainability reports of these institutions have been prepared for the first time in line with the new CSRD and ESRS requirements. All reviewed institutions signed the Climate Commitment in 2019. This review focuses exclusively on financed emissions (excluding facilitated or insurance-related emissions and emissions from own operations) and the associated transition plan.

Through this review, the AFM aims not only to gauge the state of the market but also to contribute to greater maturity of reporting on financed emissions and transition plans in financial institutions' sustainability disclosures. The market is moving in the right direction. Insights from this review – summarised in market observations and key considerations, both general and sector-specific – can help stakeholders take the next steps in sustainability reporting.

These key considerations can guide institutions in deepening and standardising sustainability reporting. The CSRD and ESRS quality characteristics – relevance, faithful representation, comparability, verifiability and understandability – serve as the foundation. This enables users of the report to assess and compare institutions' climate impact, risks and transition plans. Reporting is therefore not just a compliance effort; it represents the culmination of institutions' strategic journey towards contributing to the climate transition and provides stakeholders with insight into the strategic choices made along the way.

2 On 26 February 2025, the European Commission published proposals to simplify existing sustainability legislation, including the CSRD. The so-called Omnibus proposal includes changes to the CSRD scope and phasing and adjustments to reporting standards. Current standards are sector-agnostic and apply to all companies. Initially, sector-specific standards were planned, including for financial institutions. However, the Omnibus proposal indicates that these will not be adopted. At the time of writing, no political agreement had been reached on these proposals, leaving the final scope and content of CSRD standards uncertain.

3 The selected institutions are ABN AMRO Bank (ABN AMRO), ASN Bank, ING Group (ING), Rabobank, Achmea, Athora Netherlands (Athora), a.s.r. and NN Group (NN). These eight institutions were chosen because they are among the largest Dutch financial institutions and fall within the scope of the CSRD.

Market snapshot and key considerations going forward

This report provides an up-to-date view of how the reviewed institutions disclose information on financed emissions and climate transition plans in their 2024 annual reports. We examined the depth of reporting, how institutions explain progress and the degree of comparability across reports.

Market snapshot

Standardised sustainability reporting is an evolving process, with institutions now taking the initial steps. Greater attention is needed to strengthen coherence, depth and standardisation so that users can effectively track transition plan progress.

All reviewed banks report on their transition plans and interim targets, but the scope and depth vary significantly. Financed emissions from corporate lending are most relevant for banks, as they represent the largest source of emissions. Banks provide insight into financed sectors and sector-specific targets and plans, but consistency within and across reports is still lacking. Definitions, scopes and methodologies vary widely, limiting comparability.

Insurers report emissions figures consistently, but transition plans remain difficult to compare. Corporate and sovereign bonds account for the largest share of emissions. Plans mainly address financed emissions from proprietary investments. Comparability is limited due to differences in scope, metrics and reporting formats. Additional sustainability information is often provided outside the annual report.

All institutions highlight data quality in the value chain as a major challenge. Uncertainties stem from limited availability of primary data from financed companies, particularly deeper in the value chain. Institutions rely heavily on estimates, models and external data providers. Obtaining reliable, up-to-date data from indirect counterparties is more complex than from direct ones. For this report, the AFM focuses primarily on Scope 1 and 2 financed emissions

The AFM encourages the sector to continue working towards a more standardised approach. It therefore presents several key considerations for the market as a whole.

Four key considerations going forward

1. **Enhance sector-level granularity in financed emissions reporting and clarify institutions' contribution to real-economy decarbonisation.** Report not only at portfolio level but also by sector, including physical intensity targets and sector-specific decarbonisation goals.

2. **Increase transparency on what is in and out of scope.** Explicitly state which portfolio segments are covered by the transition plan and link this to financing volumes and reported financed emissions.

3. **Improve consistency in definitions and metrics within and across reports.** Use harmonised definitions and units of measure, and align market-wide treatment of sovereign bonds, Scope 3 data and sector classifications. Continue existing industry-level initiatives and collaborations in the Netherlands and internationally to advance standardisation.

4. **Adopt a user-centric perspective and strengthen the link between emissions data and transition plans.** Ensure logical placement of information and clear connections between total and disaggregated emissions figures and transition plans in the sustainability report, enabling users to understand the relationship between the two.

Reading guide

Chapter 1 explains the concept of 'financed emissions'. Chapter 2 details the AFM's key considerations for the sector as a whole. Chapters 3 and 4 provide market insights for banks and insurers, respectively, based on annual report disclosures, and outline sector-specific observations and key considerations. Chapter 5 addresses data quality uncertainties and how institutions provide transparency on these issues.

1. Financed emissions

Financed emissions are greenhouse gas emissions resulting from the activities of clients or companies in which a financial institution invests or to whom it provides credit. These emissions are not caused by the financial institution itself but are a consequence of its financial services. Banks and insurers generally report financed emissions by asset class. Asset classes typically include loans, equities, bonds, mortgages and/or real estate investments, though definitions and scope may vary depending on the institution.

In their 2024 annual reports, financial institutions report climate progress not only in terms of absolute financed emissions. They also use additional metrics that provide more context on the nature and intensity of these emissions. Two commonly used metrics are:

- **Economic intensity**: emissions per invested or financed euro, expressed, for example, in tonnes of CO_2e (carbon dioxide equivalent) per million euros. This metric relates emissions to financial exposure and is useful for comparing institutions of different balance sheet sizes. It helps assess how emission-intensive a portfolio is relative to the amount invested.

- **Physical intensity**: emissions relative to physical output, such as kilograms of CO_2 per square metre of real estate, per megawatt-hour of energy or per tonne-kilometre of transport. This metric provides insight into the sustainability performance of underlying economic activities and is particularly relevant for sector-specific transition plans. Physical intensity is therefore a direct indicator of the decarbonisation progress in the real economy.

As required by the ESRS, institutions distinguish between Scope 1, 2 and 3 financed emissions and report emissions intensity for their financing activities. When this report refers to Scope 1, 2 and 3 emissions, it means emissions figures based on financed emissions – those of the companies financed or invested in by the financial institution.

Scope 1, 2 and 3 emissions for financial institutions

In CO_2e emissions reporting, a distinction is made between scope 1, 2, and 3 emissions. Below we explain what these scopes mean for financial institutions.

These are the direct and indirect emissions of the financial institution, mainly as a result of office activities.

Scope 1

Direct emissions from own operations.

Relatively small for financial institutions.

Scope 2

Indirect emissions through purchased energy.

Relatively small for financial institutions.

Scope 3

Financed emissions (and other indirect emissions from the value chain)

Large for financial institutions.

*This scope includes the emissions of clients that the institution finances or invests in **(financed emissions)** ...*

Scope 1

Direct emissions from own operations.

Example
Emissions caused by the company itself, such as gas use in its own buildings, company vehicle usage, or operating machinery.

Scope 2

Indirect emissions through purchased energy.

Example
Emissions resulting from the purchase of electricity or heat by the company, for example for lighting, computers, air conditioning, or production equipment.

Scope 3

Indirect emissions from suppliers and product users.

Suppliers ('upstream')
Example: emissions from the extraction and transportation of raw materials and components by other companies.

Product users ('downstream')
Example: emissions from the use of the product by customers, during maintenance, and when the product is discarded or recycled.

... and these clients in turn also have their own Scope 1, 2, and 3 emissions.

These emissions are included in the financial institution's reports and are by far the most interesting: this is where the greatest gains can be achieved when it comes to reduction targets.

In our report, we only look at these Scope 1, 2, and 3 emissions.

2. Key considerations for the financial sector

The 2024 annual reports represent an important first step in implementing the CSRD. All reviewed banks and insurers have developed transition plans with specific interim targets for 2030. They provide information on financed emissions at the aggregated asset-class level and offer insight into their transition plans and progress. In many cases, institutions have been reporting on these topics for several years, often in separate documents devoted to transition plans. This creates an additional challenge: adapting existing reporting practices to CSRD requirements. Reporting under CSRD standards is still evolving; institutions are taking the right initial steps, but depth and consistency vary within reports and across institutions.

In their 2024 sustainability reports, many institutions initially focus on meeting reporting requirements, amongst which disclosure of financed emissions. In the case of banks, the primary impact on financed emissions comes from loans and investments. Financed emissions therefore provide insight into the emissions of clients financed by the institution and serve as a relevant indicator for readers of the annual report. This gives users a sense of the challenges and opportunities the institution faces in the transition. The CSRD requires reporting at asset-class or sector level. However, this indicator also has limitations as a measure of the institution's role in decarbonising the real economy. A comprehensive understanding of an institution's climate position requires additional information, such as sector-specific targets and indicators that show the impact of financing on real-economy decarbonisation. For this reason, many institutions also report (partially) on *physical intensity targets* at sector level. However, the provision of detailed sectoral information still varies widely.

The AFM encourages the sector to continue working towards a more standardised approach. Differences in definitions, scope, metrics and methodologies currently hinder comparability between institutions. Even within individual annual reports, the link between emissions data and transition plans is sometimes missing, making it difficult for users to assess progress and ambition. We therefore outline several overarching key considerations for the financial sector, aligned with the qualitative characteristics required by ESRS: relevance, faithful representation, comparability, verifiability and understandability.[4]

4 ESRS-1 Appendix B: Qualitative characteristics of information QC1 to QC20.

1. Deepen reporting in annual reports with sector-level breakdowns and enhance insight into the institution's contribution to real-economy decarbonisation.
Report not only by asset class but also provide financed emissions at the sector level, including sector-specific decarbonisation targets and physical intensity indicators. Banks show mixed practices: some provide detailed sectoral information with physical intensity targets and additional explanations, while others offer only limited insight or restrict it to sectors with transition targets. Insurers generally provide less detail, limiting visibility of the link to real-economy decarbonisation. Some insurers include this information outside the annual report in separate transition plan documents. Such detailed information offers users valuable context on the institution's role in achieving climate goals.

2. Increase transparency on what is and is not in scope of the plan.
Clearly state which parts of the portfolio are covered by the transition plan and include associated financed emissions. Current reports often lack such clarity. In the case of banks, it is not always evident which portion of the loan portfolio is subject to specific transition targets and which is not. Similarly, in the case of insurers, it is often unclear which investments are in scope, which remain outside and which indicators are used in the transition plan relative to reported emissions figures.

3. Improve consistency in definitions and metrics within annual reports and across institutions.
Apply consistent definitions and metrics within reports and, where possible, across the market. Continue existing initiatives and industry-level collaboration in the Netherlands and internationally to advance standardisation. Current practice still shows differences: for example, the treatment of sovereign bonds and methodologies for financed Scope 3 data varies among banks and insurers, leading to significant differences in reported emissions. Definitions of asset classes and sectors also differ, limiting comparability beyond portfolio level.

4. Adopt a user-centric perspective and strengthen the link between emissions data and transition plans.
Ensure logical placement of information and clear connections between total and disaggregated emissions figures and transition plans in the annual report. This improves coherence and makes climate reporting more understandable for readers. Some institutions provide additional insights in separate documents outside the annual report. For effective user understanding, the most relevant insights and factors should be included in the annual report itself, especially if they are key to the institution's strategy.

3. Banks

Summary

All reviewed banks have developed a transition plan with interim targets for 2030, but the scope and depth of reporting in the annual report vary significantly. Banks focus primarily on financed emissions from corporate lending, as these represent by far the largest source of emissions. Reporting still shows wide variation in definitions, scope and methodologies, limiting comparability. Banks primarily target sectors they deem material, in line with NZBA guidelines. Transition plans mainly address Scope 1 and 2 financed emissions in the loan portfolio, with targets covering more than half of these emissions. Some institutions also include targets for Scope 3 financed emissions (at least partially), particularly for sectors where downstream emissions play a major role. While sectoral targets are often detailed, consistency and clear linkage between emissions data and transition plans are still lacking, making progress difficult to assess.

Scope of the review

This review covers the 2024 annual reports of the four largest banks providing services to businesses and consumers in the Netherlands: ABN AMRO, ASN Bank, ING and Rabobank. The focus is exclusively on financed emissions. Banks primarily influence financed emissions through loans and investments. They also have an impact in terms of facilitated emissions – emissions enabled through, for example, advisory services or underwriting bond issuances, which do not appear on the bank's balance sheet. Reporting on facilitated emissions is still in its infancy. For this reason, this is not part of this review.

3.1 Reporting on emissions data

Market-wide observations

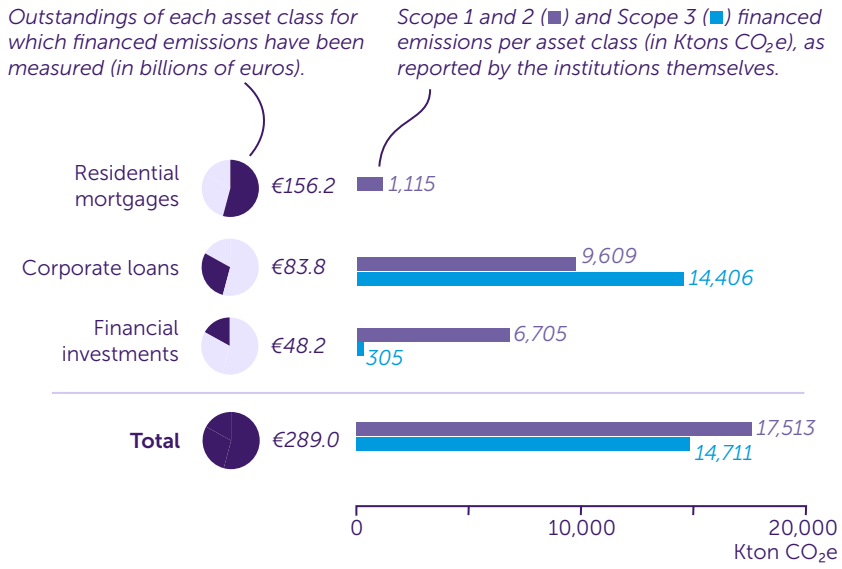
The largest Dutch banks each have a distinct profile, but there are clear commonalities at an overarching level. Although mortgages account for roughly half of the balance sheet of all banks, the bulk of emissions originate from corporate lending portfolios. This is logical: businesses generally emit more than households. ASN Bank is the exception, as its corporate lending portfolio is small relative to other asset classes. The following pages present, for each bank, the emissions per asset class as reported and categorised by the institutions in their annual reports. In addition, we show the outstandings per asset class in billions of euros (for which emissions have been measured). These figures provide a high-level view of where the greatest decarbonisation challenges and opportunities lie. This market overview is not a sustainability score but a starting point for tracking progress on decarbonisation.

OVERVIEW ABN AMRO financed emissions

Reports on Scope 3 financed emissions involve a very high degree of uncertainty and are therefore **not easily comparable** between institutions.

This is because institutions use di erent calculation methods and sector estimates for these figures.
Moreover, institutions rely heavily on data from **external providers and databases**. These data sources can also di er from one another. Ultimately, this can lead to significant discrepancies in the reported emissions.

ABN AMRO



OVERVIEW ASN Bank financed emissions

Reports on Scope 3 financed emissions involve a very high degree of uncertainty and are therefore **not easily comparable** between institutions.

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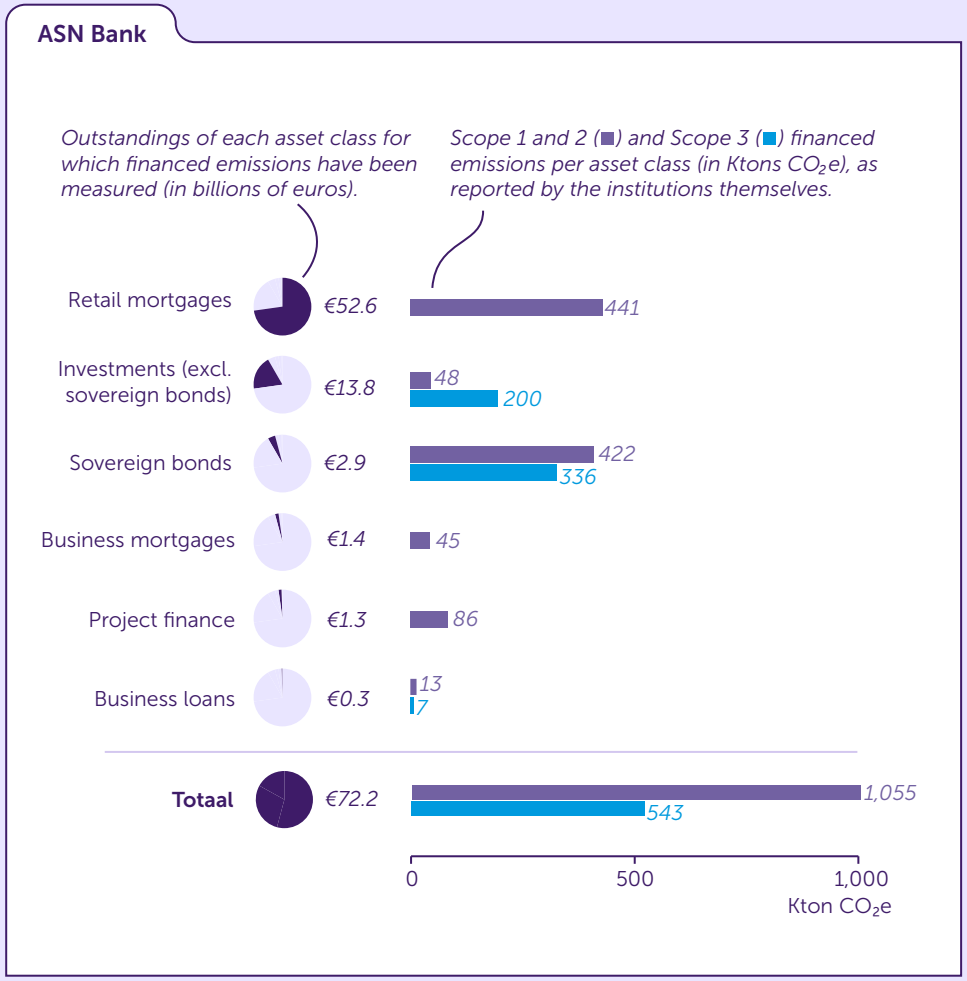
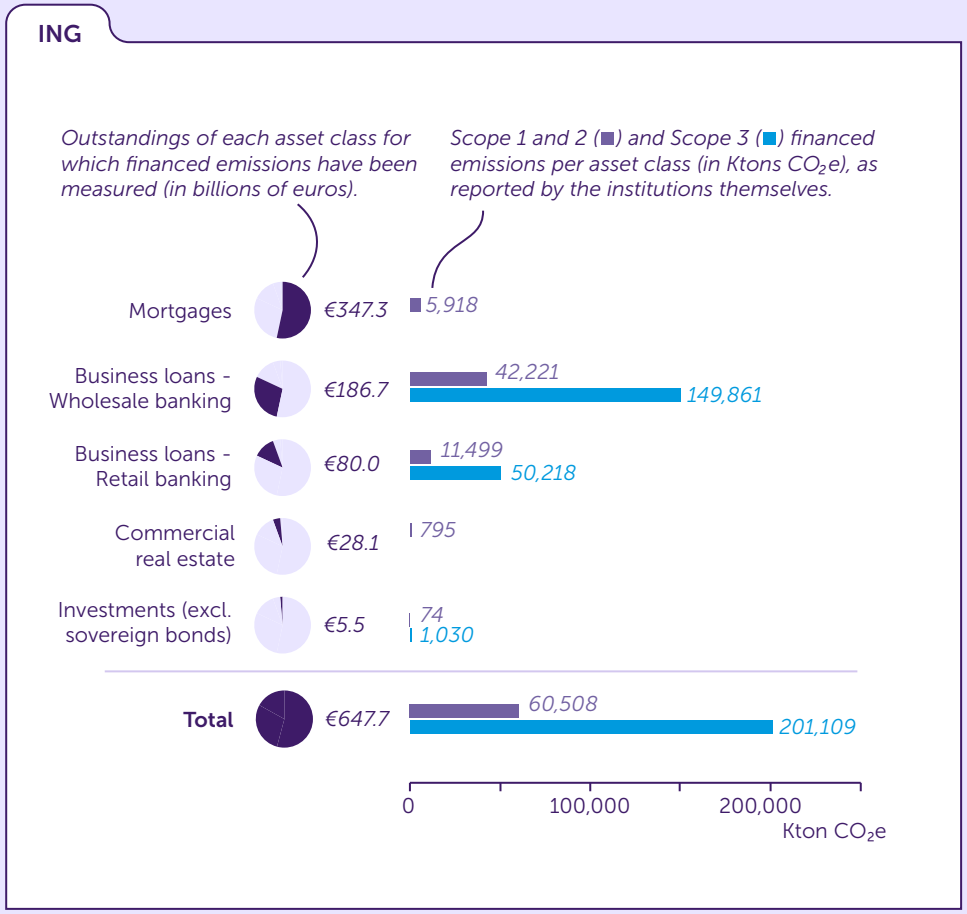
Moreover, institutions rely heavily on data from **external providers and databases**. These data sources can also di er from one another. Ultimately, this can lead to significant discrepancies in the reported emissions.



OVERVIEW ING financed emissions

Reports on Scope 3 financed emissions involve a very high degree of uncertainty and are therefore **not easily comparable** between institutions.

This is because institutions use di erent calculation methods and sector estimates for these figures.
Moreover, institutions rely heavily on data from **external providers and databases**. These data sources can also di er from one another. Ultimately, this can lead to significant discrepancies in the reported emissions.

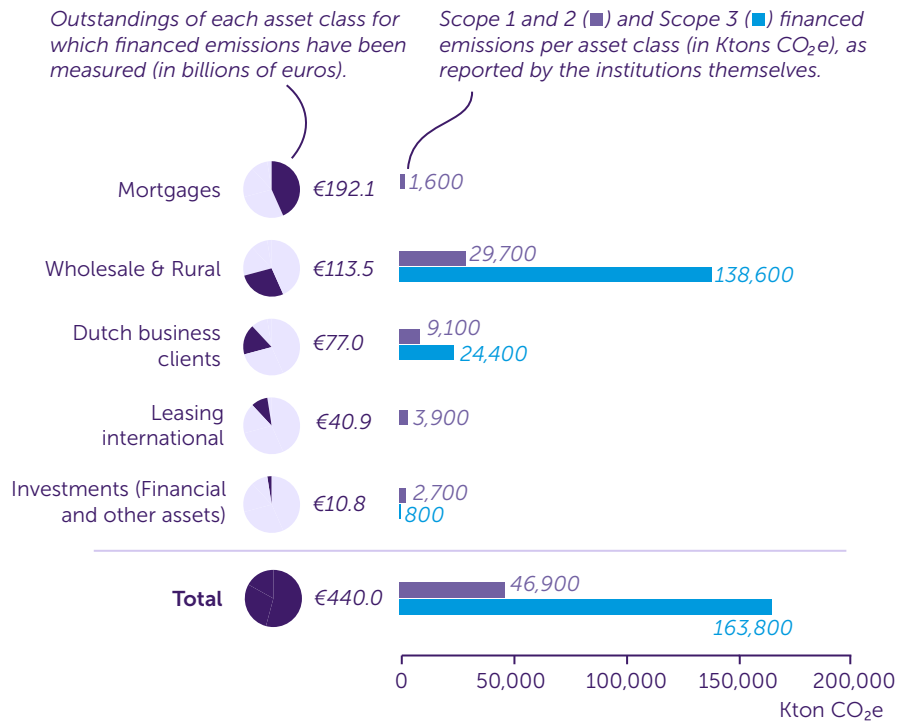


OVERVIEW Rabobank financed emissions

Reports on Scope 3 financed emissions involve a very high degree of uncertainty and are therefore **not easily comparable** between institutions.

This is because institutions use di erent calculation methods and sector estimates for these figures.
Moreover, institutions rely heavily on data from **external providers and databases**. These data sources can also di er from one another. Ultimately, this can lead to significant discrepancies in the reported emissions.

Rabobank



Emissions data reflect the bank's profile

The large Dutch banks each serve different industries and sectors, which is reflected in the data. Whereas Rabobank is mainly large in food & agri and related sectors, ABN AMRO and ING finance a broader range of industries. In the case of ING and ABN AMRO, these include energy, oil and gas, road transport and shipping. ING also finances aviation and, to a limited extent (about 0.2% of the loan portfolio), cement and steel production – both highly CO_2-intensive and responsible jointly for 4.5% of its Scope 1 and 2 financed emissions. ABN AMRO also has relatively high exposure to agriculture, forestry, fisheries and manufacturing sectors. ASN Bank's profile is entirely different: its corporate lending portfolio is small and largely consists of project finance (loans for companies' specific activities and not for a company as a whole). Consequently, ASN Bank's financed emissions are much lower in both relative and absolute terms than those of the other banks.

It is important to note that the ultimate goal of the transition is reducing emissions in the real economy. While an adjustment of portfolio composition by financial institutions may lead to lower reported financed emissions, this does not necessarily result in a reduction of emissions in the real economy. Therefore, it is important to look beyond financed emissions at portfolio level to assess the contribution of institutions to the decarbonisation of the economy. The extent to which banks provide such insight still varies, as does the way in which they do so. This makes it difficult at present to compare institutions at a deeper level than by asset class.

Oil and gas

Banks have varying degrees of exposure to the oil and gas sector. ING and ABN AMRO provide credit to oil and gas companies, including upstream activities. Rabobank's involvement in this sector mainly relates to trading activities. ING has the highest exposure, with approximately 2 billion euros in upstream financing and 17.1 billion euros in total sector financing (upstream, midstream, downstream), representing 5.4% of its outstanding corporate loans. ABN AMRO's exposure is 303 million euros in upstream financing and 1.9 billion euros in total for the sector (2.3% of total corporate loans). The institutions' transition plans set out the pace at which companies intend to reduce their exposure to the sector. ASN Bank does not provide loans to the oil and gas sector.

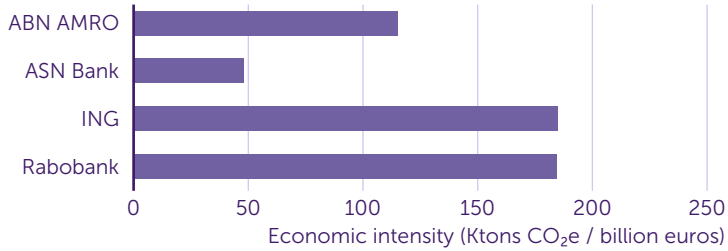
Emissions intensity

An examination of so-called emissions intensity – emissions per euro financed – is relevant for meaningful comparisons between institutions. After all, it is logical that an institution with a larger balance sheet will also have higher absolute financed emissions. In the figures below, the AFM has compared the emissions intensity of the corporate loans, mortgages and investments asset classes across the four banks. These figures should be interpreted with caution, as institutions do not measure in exactly the same way; asset classes may be defined slightly differently and there are limitations regarding the reliability of available data. The comparison below is therefore not watertight and should be regarded as an approximation.

Business loans

For most banks, the corporate loan portfolio is the asset class with the highest emissions, both in absolute terms and in terms of emissions intensity. The profile of the corporate portfolio (which sectors are financed) is decisive here. Insight into the specific sectors financed and their sustainability performance is therefore particularly relevant in enabling the user of the annual report to assess what is reported. However, because this is still only partially reported, and above all differently, it is not possible to present a sector-by-sector comparison between market participants. For now, this can only be done at the asset-class level. Figure 3.1 shows a comparison of the emissions intensity of the four banks based on Scope 1 and 2 financed emissions.

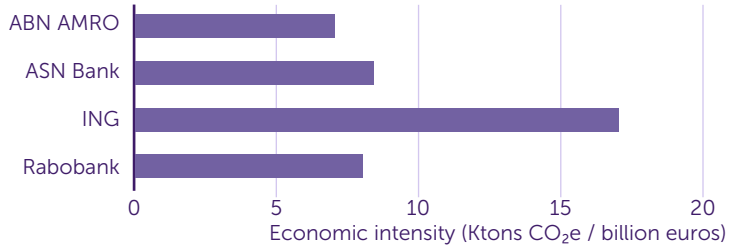
Figure 3.1 Business loans: economic intensity of Scope 1 and 2 financed emissions



Mortgages

All banks have large mortgage portfolios, but these account for only a small share of Scope 1 and 2 financed emissions. As noted earlier, ASN Bank is an exception, with mortgages representing nearly 50% of its financed emissions. While many banks report similar figures for mortgages, differences can still be observed. This is partly due to the geographic distribution of ING's portfolio (which includes mortgages outside the Netherlands) compared to other banks. Figure 3.2 below compares the emissions intensity of the four banks' mortgage portfolios.

Figure 3.2 Mortgages: economic intensity of Scope 1 and 2 financed emissions



Scope 3 financed emissions

Scope 3 financed emissions figures are subject to significant uncertainty and therefore cannot yet be compared reliably. Institutions use different calculation methods and sector estimates to report this data. Due to limited data availability further down the value chain, there is heavy reliance on external providers and databases, which can vary depending on the institution. Some widely used databases, for example, do not (yet) include downstream emissions in their calculations. As a result, final figures depend heavily on the extent to which institutions use additional estimates. This can lead to significant differences in reported emissions, purely due to the use of different data sources and assumptions. Consequently, annual report users cannot yet make well-informed comparisons between institutions based on Scope 3 financed emissions. For this reason, we have not included these figures in the comparison.

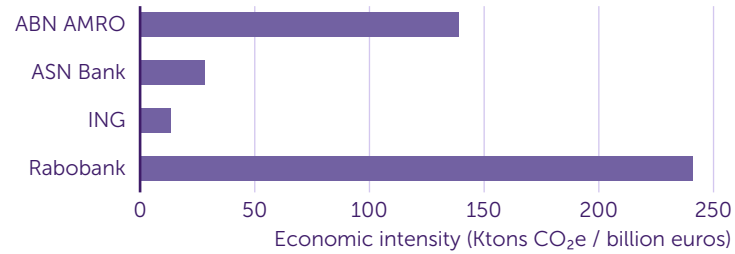
Observations on emissions reporting

Banks are making good progress in informing stakeholders by reporting Scope 1, 2 and 3 financed emissions per asset class in their annual reports. All banks differentiate their reporting, breaking it down into mortgages, real estate and corporate loans. However, each applies its own definitions and boundaries. The extent to which institutions further break down these asset classes varies, depending on internal management practices and the types of clients served. As a result, emissions reporting is clear at the asset-class level within each institution but remains difficult to compare across institutions. The level of detail provided for each asset class or sector also differs: some banks offer fairly extensive explanations, while others limit themselves to a tabular overview.

Banks take different approaches to sovereign bonds, leading to highly divergent emissions figures for investments. ASN Bank, ABN AMRO and Rabobank include sovereign bonds in their reporting; ING does not, as these have been classified as immaterial. Whether or not sovereign bonds are included makes a significant difference. Not all banks disclose how much of the "investments" asset class consists of sovereign bonds, making the impact of this choice unclear. A clear breakdown of the share of investments consisting of sovereign bonds is therefore essential for interpreting the figures and enabling comparisons.[5]

Figure 3.3 illustrates the picture that emerges when annual report users compare banks' emissions intensity figures for investments. In particular, the differing treatment of sovereign bonds creates a distorted view. Investments generally consist of equities, corporate bonds and sovereign bonds. Financed emissions are not always broken down in this way in annual reports. In addition, differences in measurement methodologies and definitions of the corporate bond asset class mean that even when financed emissions for investments are broken down, they still cannot be reliably compared across institutions.

Figure 3.3 Investments: economic intensity of Scope 1 and 2 financed emissions



5 At the same time, emissions figures assigned to sovereign bonds can give a distorted picture for the total emissions reporting, because double counting can take place. If a bank finances a company in a particular country and invests in sovereign bonds of that country, all or part of that company's emissions will be included in both asset classes.

Banks also use different definitions and scopes for sectors, both within their own annual reports and compared to each other. To understand the main sources of financed emissions, a clear sector-level breakdown of emissions figures is relevant for users of the annual report. This is not always evident in the 2024 reports. In some cases, different terms are used for the same sectors or business units, or breakdowns appear in different places and at different levels (sometimes aggregated into larger sector groups, sometimes more granular, sometimes with a geographic element), without clarifying how these relate to each other. In the case of one bank, a clear sector breakdown appears in the risk section of the annual report, without a link to the sustainability report.

In some reports, institutions place emissions reporting in the context of their transition plan by also breaking down the reported total financed emissions by sector. This helps readers of the report to understand and assess the climate disclosures. However, the current approach does not yet provide a complete picture, as sectors, or parts of sectors, without formulated targets are not always included in the breakdown.

Finally, banks handle the inherent lag in financed emissions data differently. When the annual report is published, financed emissions for the relevant year are not yet available, because institutions typically only receive this data once clients have published their own annual reports or reported these through other means. There is therefore always a delay in emissions figures. One bank links emissions data to 2023 financing data, as the emissions also relate to that year, ensuring reporting on data from the same year. Other banks link emissions data to more recent financing figures from 2024, creating greater consistency within the annual report between the financial statements and the sustainability report. Both choices have some merit. However, for comparability, it is important that market participants adopt a common approach.

3.2 Transition plans

Market-wide observations

Banks focus their transition plans primarily on those sectors within their loan portfolios that they consider most material. This approach aligns with the guidance proposed by the Net Zero Banking Alliance (NZBA). The NZBA identifies nine key sectors for reducing CO_2e emissions and encourages banks to prioritise these sectors in their transition plans with specific targets.

Banks generally focus on Scope 1 and 2 financed emissions within their credit portfolios, with some exceptions. For example, Rabobank and ASN Bank set interim targets exclusively for Scope 1 and 2 financed emissions. Rabobank has defined a 2030 target for 60% of these emissions. ASN Bank, whose portfolio consists largely of mortgages, including business mortgages, has linked a specific target to this segment, covering more than 80% of the bank's total Scope 1 and 2 financed emissions. ABN AMRO and ING also include Scope 3 financed emissions for certain sectors in their targets. ABN AMRO has set targets for 55% of Scope 1 and 2 financed emissions and additionally includes Scope 3 emissions for upstream oil and gas and partially for shipping. However, the annual report does not clearly indicate the exact amount of Scope 3 emissions covered by these targets. ING has defined 2030 targets for a smaller share of Scope 1 and 2 financed emissions (40%). This is amongst others because it has not set a target for the mortgage portfolio. At the same time, ING does include Scope 3 financed emissions for sectors where emissions in the value chain are significant, such as upstream oil and gas, automotive, aviation (partially) and steel (partially). For some of these, the annual report provides insight into the emissions involved. This number is therefore also reflected in Figure 3.4.

In general, banks also influence Scope 3 emissions in other sectors by reducing Scope 1 and 2 emissions in the most carbon-intensive industries. These industries are often part of the value chain of other sectors. However, reducing Scope 3 financed emissions depends heavily on factors outside banks' direct control, which can make institutions more cautious about setting specific targets.

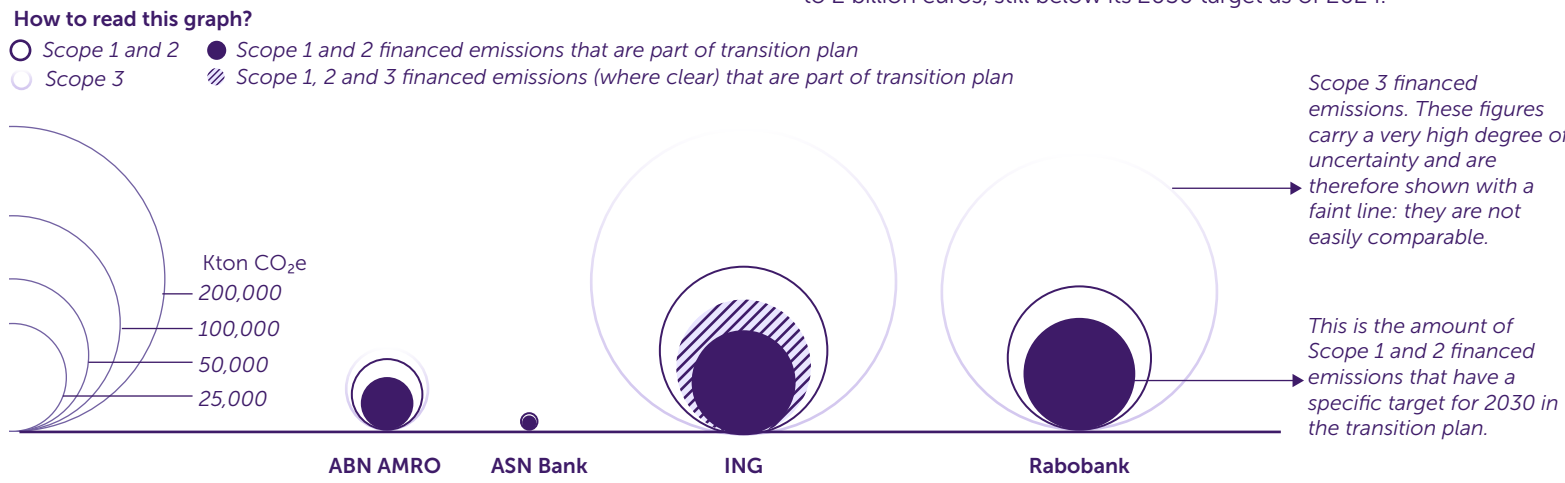
Figure 3.4 below shows, for each bank, the share of financed emissions in the loan portfolio included in the transition plan with interim 2030 targets. As mentioned elsewhere in this report, these figures should be interpreted with caution, because it is not always possible to ascertain from the annual reports exactly which amount of financed emissions is part of the plan and which amount is not. The figures shown here are therefore approximate.[6]

The absence of explicit targets does not necessarily mean that banks exclude those sectors or portfolios from their broader approach. Banks indicate that they assess clients across the entire loan portfolio using sustainability indicators, which influence client engagement and credit terms, regardless of whether a formal target exists. However, the exact steering mechanisms are not always evident from the annual report.

Oil and gas

Banks financing the oil and gas sector have not set reduction targets in terms of lower physical intensity for upstream activities but have committed to phasing out financing for the sector. Both ING and ABN AMRO report that they have already met their 2030 phase-out targets: ABN AMRO reduced commitments to 804 million euros versus a target of 987 million euros and ING reduced to 1 billion euros versus a target of 2.59 billion euros. ING states that this puts it 61% below the International Energy Agency (IEA) net zero pathway and that it aims for full phase-out by 2040. ING also reports upstream activities outside the scope of its transition plan; even including these, total upstream financing amounts to 2 billion euros, still below its 2030 target as of 2024.

Figure 3.4 Total financed emissions of loans portfolio with 2030 target in transition plans



6 In the case of ING, financed Scope 3 emissions for which a specific target is set are included in the figure, insofar as the amount of emissions can be ascertained from the annual report. In the case of ABN, the exact amount of financed Scope 3 emissions with a target cannot be ascertained from the report. For this reason, these emissions are not included in this figure.

Renewable energy

Banks also disclose specific investment targets for the energy transition in their annual reports. Where specific amounts are mentioned, these largely relate to renewable energy investments. ING aims to triple its renewable energy investments to 7.5 billion euros by 2025, while ABN AMRO has a target of 10 billion euros by 2030. ASN Bank states that it will invest exclusively in sustainable energy until 2030 but does not specify an amount.

Mortgages

Banks maintain different approaches to setting targets for their mortgage portfolios. ING has not defined an interim target for this asset class. Other banks have set specific 2030 reduction goals: ASN Bank has a target of 14.1 kg CO_2/m^2 (from 20.64 in 2024), ABN AMRO aims for 16.6 kg CO_2/m^2 (from 19.5 in 2024) and Rabobank has a target of 11.2 kg CO_2/m^2 (from 23.7 in 2023). Banks note that their ability to influence home energy efficiency is limited, as this depends largely on national, regional or local energy mixes and government policy. They cannot require consumers to make homes more energy-efficient through credit terms but can offer discounts or other incentives to improve energy labels. Banks primarily focus on these measures in their policies.

Reporting on banks' decarbonisation levers

Under the sustainability reporting requirements of the CSRD, institutions must disclose which levers they deploy to achieve their transition objectives. These levers are relevant for readers as they provide insight into the tools banks use to deliver on their transition commitments.

All reviewed banks indicate which levers they apply to meet their transition goals and, unsurprisingly, they largely rely on similar mechanisms. The levers focus on three main strategies:

1. Supporting clients and financing climate solutions: banks provide expertise, pricing incentives and dedicated sustainable finance products to help clients decarbonise.
2. Engagement with clients, industry and government: through dialogue and collaboration, banks seek to influence clients and broader society.
3. Adjustments to lending policies and processes: banks align their credit and acceptance policies with transition objectives, which may include reducing or ceasing financing for sectors misaligned with the translation to a sustainable economy.

Differences exist between banks in terms of the level of detail and sector-specific application of these levers. One bank specifies which levers it deploys for each sector plan – offering valuable insight into how objectives are pursued at a granular level. Another bank lists overarching levers and describes sector-specific actions taken to support targets. In other cases, levers are outlined broadly without sector-level or target-specific explanation in the annual report.

Banks do not yet provide quantitative evidence of how much each lever contributes to achieving transition objectives. As a result, it remains difficult to assess the relative impact of individual levers.

Observations on transition plan reporting

Banks' reporting on sector-specific transition plans and targets is generally detailed and provides substantial information. Most banks present the sectoral breakdown of their transition plans in a clear table, organised by sector or by sector and region. This makes the targets granular and specifically aimed at driving real-economy decarbonisation. Sector-specific targets are often expressed in physical intensity metrics (emissions per unit of physical output), such as $kgCO_2e$/MWh for the energy sector or gCO_2e/tkm for transport. These targets are typically aligned with reference scenarios from external organisations such as the International Energy Agency (IEA) and its Net Zero Accelerator initiative or the Science Based Targets initiative (SBTi). ABN AMRO and ING also provide additional sector-level commentary on objectives, actions and progress to date, with ABN AMRO offering insight into the levers it applies within each sector.

Banks are less transparent about which sectors – or parts of sectors – are excluded from their transition plans and the rationale behind these exclusions. Annual reports rarely clarify which entities generate these emissions or why they fall outside the scope. One possible reason is that some companies operate across a broad range of activities, making it difficult to capture them within a single sectoral plan. However, such explanations are generally absent from the reports. Current disclosures outline plans for each sector but do not make it easy to determine how much financing – whether in euros or emissions – is included or excluded from these plans.

More broadly, reconciling figures between the transition plan and the disaggregated and total emissions data for 2024 remains challenging. This is due to differences in reporting units: financed emissions for the past year versus (mostly) physical emissions in the sectoral breakdown of the transition plan. In addition, variations in scope and definitions of asset classes and sectors within the report, combined with the lack of a direct link between the two disclosures, make alignment difficult. A stronger connection between these elements would improve clarity on the plan's scope and enable readers to better track progress in relation to the bank's overall credit portfolio.

External validation of the transition plans

Few financial institutions seek external validation of their transition plans for alignment with the Paris Agreement by organisations such as the Science Based Targets initiative (SBTi). However, they do use entities like the IEA and SBTi as reference points for target-setting and scenario development.

SBTi applies a threshold for validating a transition plan: at least 67% of total assets must be covered by science-based targets, measured either as a share of total outstanding financing or total financed emissions (Scope 1 and 2 and, for certain sectors, the so-called "relevant parts" of Scope 3).

Not all institutions see sufficient added value in external validation by bodies such as SBTi. Validation is a costly process and some banks consider the requirements unrealistic for certain sectors. For example, science-based targets for the mortgage sector for 2030 are viewed as unattainable. Institutions have limited influence over achieving such targets and therefore regard compliance with SBTi standards as impractical.

As a result, many institutions have so far opted not to seek external validation of their plans. In late March 2025, ING announced that it had its transition plan targets validated by SBTi. ASN Bank (under the name of Volksbank at the time) has had targets validated by SBTi in 2022.

3.3 Key considerations for banks

Provide a consistent sector-level breakdown of emissions and group-related information together. A clear disaggregation of emissions data by sector is essential for readers to understand the bank's climate position and to assess the transition plan and its components. This information should be presented in close proximity within the sustainability report to enhance usability.

Use consistent terminology for sectors and business units and strive for harmonised definitions across the banking sector. Consistency in terminology and sector breakdown throughout the annual report strengthens the link between the transition plan and sector-level emissions and asset-class exposures on the balance sheet. This enables readers to better evaluate the plan. We also advise adopting common definitions and aligning reporting years for financing data in the sustainability report, at a market-wide level – both nationally and, where possible, internationally. This significantly improves comparability for users of annual reports.

Clarify the connection between sector-level emissions and sector-specific transition plans. In some reports, sector breakdowns are directly linked to transition plans and associated targets, but this does not yet provide a complete picture. We advise disclosing how much of a sector's financed emissions or asset-class exposures are covered by the transition plan and which parts are excluded – along with the rationale. Current reports generally detail plans for each sector, but it remains difficult to determine what is included or excluded and the corresponding share in euros and financed emissions.

Complement summary tables of sectoral transition targets with brief explanatory notes. Providing short sector-level narratives following the overview tables improves clarity and understanding of the plans. Some banks already do this, while others provide only limited detail. Where approaches to achieving targets differ by sector, it is useful to explain this information in more detail in the sector-specific sections.

Ensure that full exposure to the oil and gas sector is clearly disclosed. Reporting practices on this point vary across banks and within reports. In some cases, total exposure to the sector is not shown in summary tables – only the portion included in the transition plan. Differences within the report often stem from varying perspectives and scopes across total emissions reporting, transition plans and sector-specific notes. However, the relationship between these elements is not always clear. We advise that sectoral overview tables explicitly show total exposure to the oil and gas sector.

4. Insurance companies

Summary

The four largest Dutch insurers – Achmea, a.s.r., Athora and NN – have all developed transition plans with net zero targets for 2040-2050 and interim goals for 2030.[7] Reporting is carried out by asset class, with the level of detail varying per insurer. Corporate and sovereign bonds account for the largest share of financed emissions. Targets primarily address Scope 1 and 2 financed emissions and are expressed mainly in reduction percentages and emissions intensity. For real estate or mortgage-related targets, physical intensity metrics are used. The plans focus mainly on financed emissions from proprietary investments. In some cases, 2030 targets have already been achieved. Insurers take different approaches to setting targets for sovereign bonds – some include them, while others do not. Comparability of reporting is important for users of annual reports but remains limited due to differences in scope, measurement units and reporting formats. Additional information on sustainability is often provided outside the annual report.

Scope of the review

This review examines the annual reports of the four largest insurers in the Netherlands: Achmea, a.s.r., Athora and NN. The focus is exclusively on financed emissions. Insurers primarily influence these emissions through own-risk proprietary investments. In addition, insurers also make investments on behalf of policyholders and, in some cases, conduct asset management activities for insurance clients. However, this review considers only financed emissions of own-risk proprietary investments, as all insurers report these by asset class.[8] Insurers have also begun sustainability reporting linked to insurance activities (insurance-associated emissions). This practice is still in its infancy and is therefore not included in this report. Accordingly, the focus is solely on financed emissions of own-risk proprietary investments, which represent the largest share of insurers' investment portfolios.

4.1 Reporting on emissions data

Market-wide observations

The four reviewed insurers differ in size and in the types of services they provide. Insurance services range from life insurance, pensions and non-life insurance to health insurance. These differences can influence insurers' investment risk policies and, consequently, their exposure to various asset classes. Reporting in annual reports focuses primarily on providing insight into the investment portfolio by asset class, making developments in financed emissions at that level transparent. Insurers do not break down reporting into the underlying business sectors in which they invest, although some provide this detail in supplementary transition plan documentation.

7 Insurance companies that exclusively offer health insurance are excluded from this report, as the AFM exercises only limited supervision over these entities.

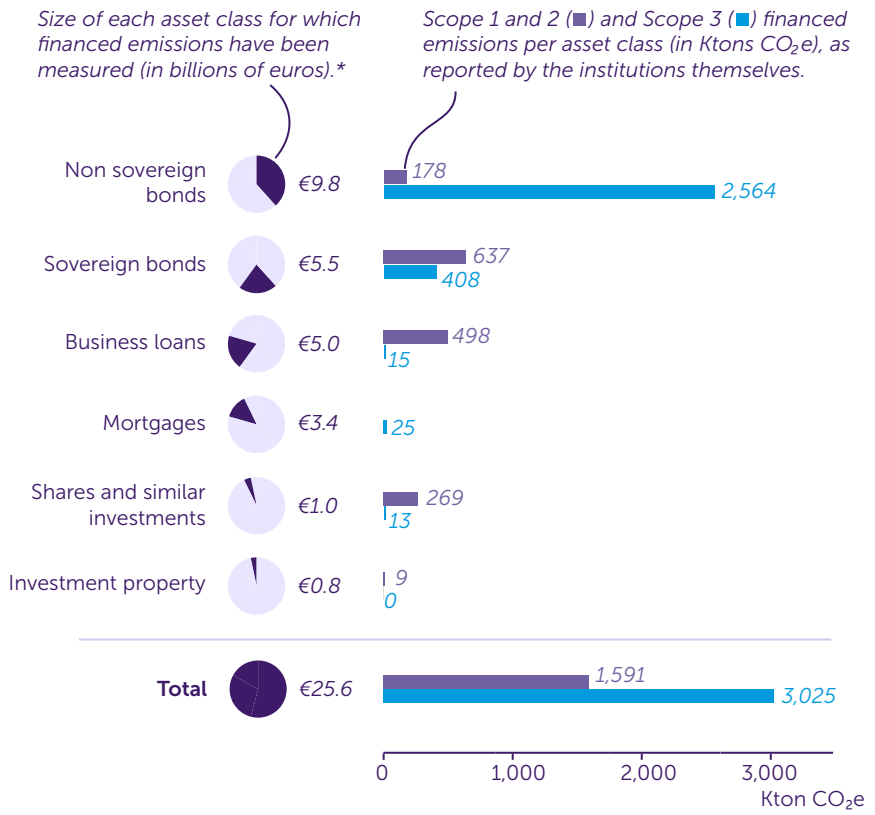
8 The scope of this review excludes certain activities of insurers:
- Third-party asset management activities (which are not reflected on the balance sheet) are not part of this review;
- Investments on behalf of policyholders are not consistently broken down by asset class across insurers. Achmea and a.s.r. provide this breakdown, while Athora and NN do not. To ensure comparability among insurers, this component is therefore excluded from the scope of this report.

OVERVIEW Athora financed emissions

Reports on Scope 3 financed emissions involve a very high degree of uncertainty and are therefore **not easily comparable** between institutions.

This is because institutions use di erent calculation methods and sector estimates for these figures.
Moreover, institutions rely heavily on data from **external providers and databases**. These data sources can also di er from one another. Ultimately, this can lead to significant discrepancies in the reported emissions.

Athora

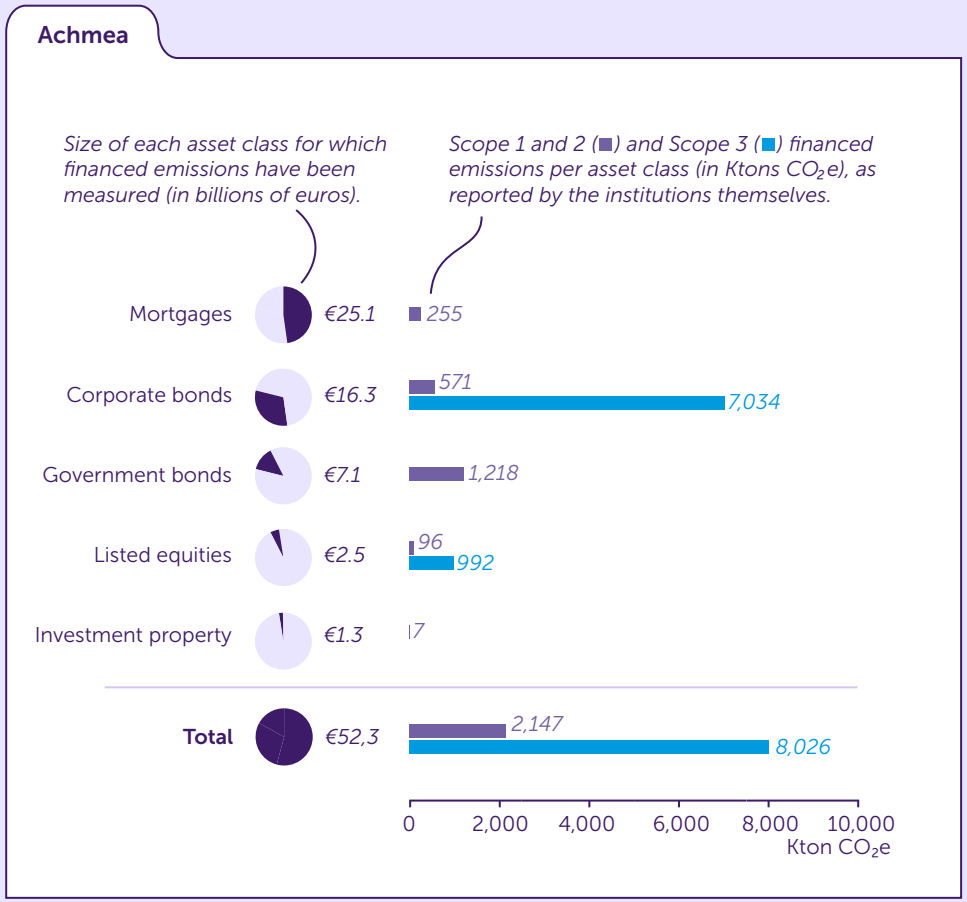


*Figures reflect only the euro amounts of measured Scope 1 and 2 financed emissions, except for mortgages, for which only Scope 3 financed emissions are reported.

OVERVIEW Achmea financed emissions

Reports on Scope 3 financed emissions involve a very high degree of uncertainty and are therefore **not easily comparable** between institutions.

This is because institutions use di erent calculation methods and sector estimates for these figures.
Moreover, institutions rely heavily on data from **external providers and databases**. These data sources can also di er from one another. Ultimately, this can lead to significant discrepancies in the reported emissions.

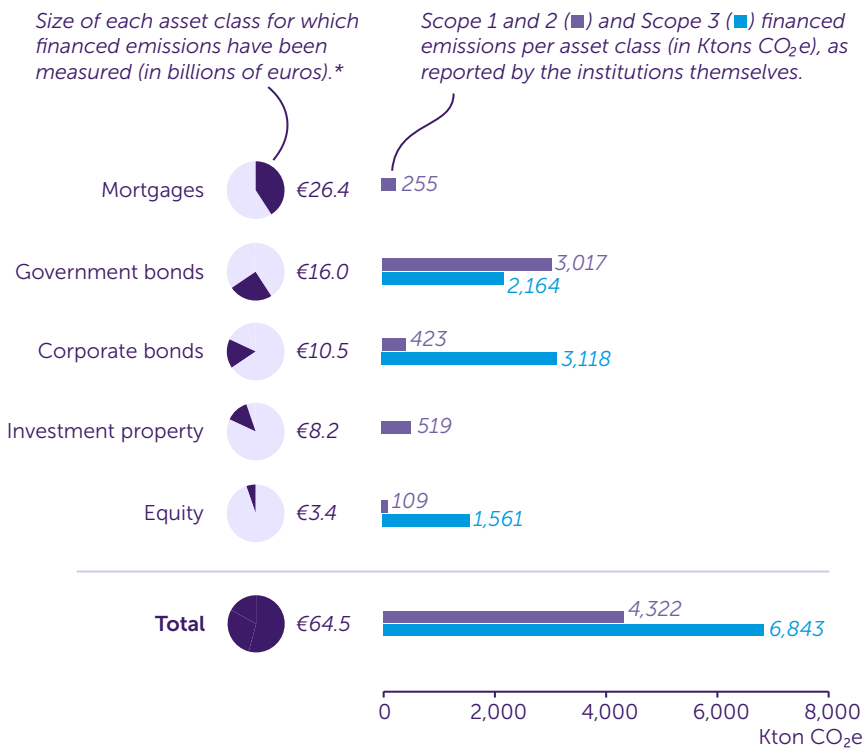


OVERVIEW a.s.r. financed emissions

Reports on Scope 3 financed emissions involve a very high degree of uncertainty and are therefore **not easily comparable** between institutions.

This is because institutions use di erent calculation methods and sector estimates for these figures.
Moreover, institutions rely heavily on data from **external providers and databases**. These data sources can also di er from one another. Ultimately, this can lead to significant discrepancies in the reported emissions.

a.s.r.

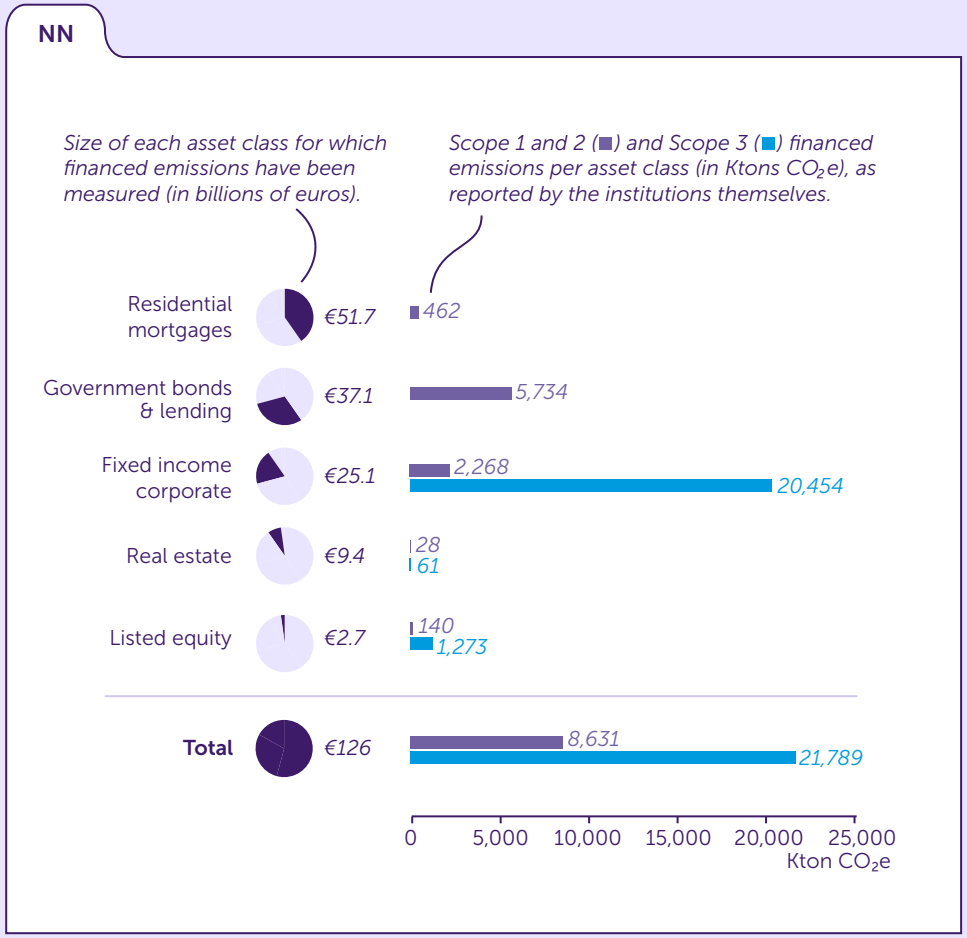


*Figures reflect only the euro amounts of measured Scope 1 and 2 financed emissions.

OVERVIEW NN financed emissions

Reports on Scope 3 financed emissions involve a very high degree of uncertainty and are therefore **not easily comparable** between institutions.

This is because institutions use di erent calculation methods and sector estimates for these figures.
Moreover, institutions rely heavily on data from **external providers and databases**. These data sources can also di er from one another. Ultimately, this can lead to significant discrepancies in the reported emissions.

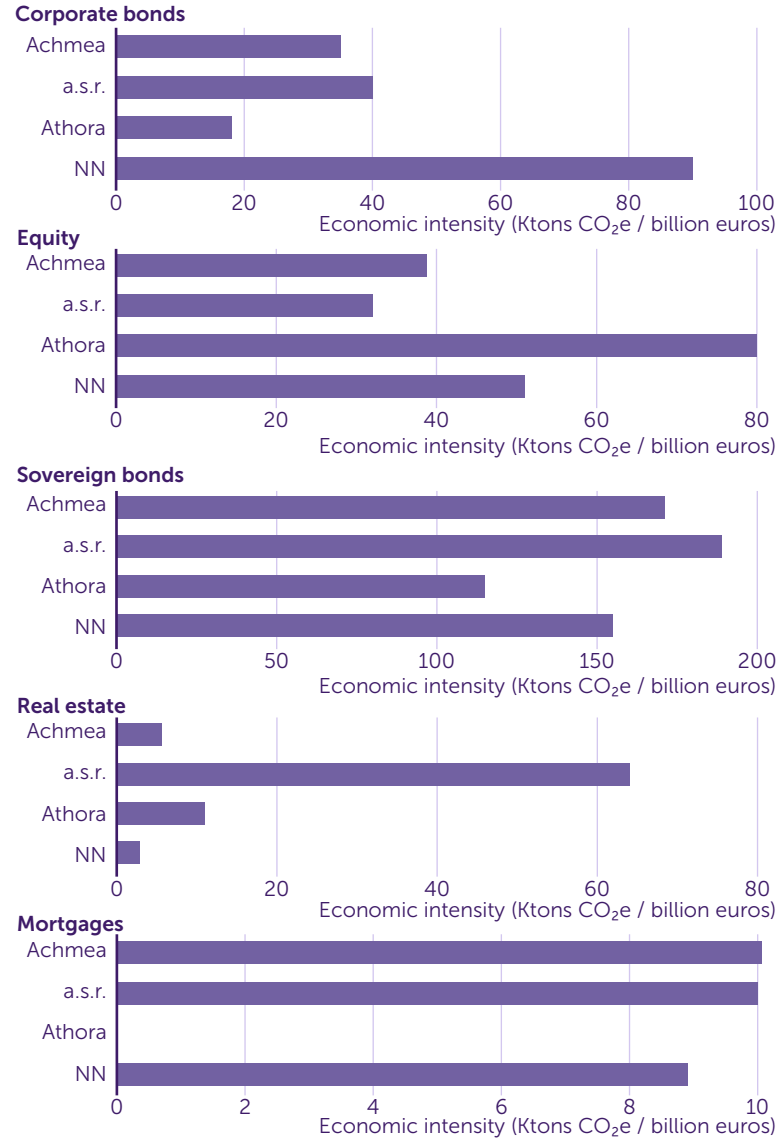


Insurers have calculated emissions for 64% to 80% of their proprietary investments and financing. A key reason for not calculating emissions for certain investments is that insurers have not yet been able to collect sufficiently reliable data for those investments. The figures presented in this report reflect only assets for which emissions have been calculated. This means that the data covers a substantial portion of total investments but does not yet provide a full picture.

The market overview shows that corporate bonds and sovereign bonds account for the vast majority of financed emissions. As in the case of banks, mortgages represent a relatively large share of investments in terms of euros but only a small share of financed emissions. Sovereign bonds account for most Scope 1 and 2 financed emissions, while corporate bonds represent the bulk of Scope 3 emissions. As noted earlier in this report, financed emissions from sovereign bonds carry an increased inherent risk of double counting, as they include emissions from market participants within the respective countries. All insurers report sovereign bonds separately, drawing a clear distinction between sovereign bonds and other investments and reducing the risk of double counting for users of the report.

Figure 4.1 illustrates economic intensity by asset class for each insurer, covering Scope 1 and 2 financed emissions. As expected, economic intensity for sovereign bonds is significantly higher than for equities and corporate bonds. For real estate, a.s.r. shows a relatively high emissions intensity, reflecting its position as the largest private owner of agricultural land in the Netherlands. Agricultural property is generally more emissions-intensive than non-agricultural property. As with banks, comparisons of economic intensity figures among insurers should be interpreted with caution, as institutions still use different methodologies and models to calculate emissions.

Figure 4.1 Economic intensity of Scope 1 and 2 financed emissions per asset class



Observations on emissions reporting

Insurance companies broadly follow a common reporting format and adopt similar approaches to financed emissions from proprietary investments. They collaborate through various industry bodies to develop shared methodologies, including the Net Zero Asset Owner Alliance (NZAOA), the Institutional Investors Group on Climate Change (IIGCC), PCAF (Partnership for Carbon Accounting Financials) and the Dutch Association of Insurers.

At the same time, annual reports reveal clear differences in emissions reporting practices, limiting comparability. For example, insurers take different approaches to reporting financed emissions from investments for risk of policyholders. Most insurers include these figures, as they determine the investment options offered to policyholders. However, one institution chooses not to report them, citing limited ability to unilaterally adjust strategies for these investments. These investments concern a significant share of total investments – ranging from 13% to 39% of balance sheet assets. Insurers also differ in how they report and disaggregate financed emissions for these investments across asset classes. Because only two of the four insurers provide this breakdown, a robust market-wide comparison is not possible.

When examining absolute emissions figures, notable differences emerge in the treatment of sovereign bonds. Some insurers include Scope 3 emissions for sovereign bonds, while others do not. Those that choose not to do so often cite concerns about data quality and additional delays in obtaining reliable information. As with banks, insurers apply different methodologies for measuring and reporting emissions from sovereign bonds, making full portfolio comparability challenging.

Changes in financed emissions figures can result from multiple factors beyond real-economy decarbonisation. Examples include asset revaluations, currency fluctuations, portfolio reallocations to more or less emissions-intensive sectors and shifts in investment risk appetite. These drivers are not reflected in financed emissions data alone. Some insurers therefore provide additional insight – typically in separate transition plan documentation – into the extent to which changes in financed emissions stem from actual sustainability improvements versus other factors. This information is valuable for assessing the real impact insurers are making on the transition. With a few exceptions, such detailed insights have not yet been incorporated into annual reports.

Currently, annual reports primarily provide portfolio-level data by asset class, without further breakdowns within asset classes, such as sector-level detail. For corporate bonds in particular, sector-level figures would help identify where emissions are concentrated. Achmea offers this insight in a separate transition plan document outside the annual report. Other insurers also provide detailed information in supplementary materials, including information on elements embedded in investment policy – such as classification systems for companies based on alignment with the Paris Agreement. However, this information and related reporting figures are not yet included in the annual report itself.

4.2 Transition plans

Market-wide observations

All reviewed insurers have committed to net zero targets for 2040 or 2050, with interim goals set for 2030. Insurers limit their targets to Scope 1 and 2 financed emissions. They maintain varying approaches to setting targets for sovereign bonds. a.s.r. and Athora include these in their targets, whereas NN and Achmea choose to exclude this asset class from their reduction targets. Investors have limited leverage to influence governments to reduce emissions, which leads to divergent decisions regarding target setting for this asset class. Achmea further makes explicit which portion of emissions is covered by the reduction targets in its transition plan. For corporate bonds and real estate, this amounts to 45% and 40% of assets (in euros), respectively. The other insurers indicate that the targets they have set apply to the asset classes as a whole.

Table 4.1 – Scope 1 and 2 financed emissions targets for 2030 per insurer

Insurer	Asset class	Unit	2024 results	2030 goal
Achmea	Equity	tCO_2e/million €	38.8	40.5
Achmea	Corporate bonds	tCO_2e/million €	47.9	40.5
Achmea	Mortgages (investments insurers)	kg CO_2/m^2	24.4	18
Achmea	Mortgages (banking credit portfolio)	kg CO_2/m^2	24.6	18
Achmea	Real estate	kg CO_2/m^2	20	19.9
NN	Corporate investments (equities and corporate bonds)	tCO_2e/million €	86	68.75
NN	Mortgages NN-originated	kg CO_2/m^2	22.9	18.1
a.s.r.	Financed emissions	tCO_2e/million €	39	30.75
a.s.r.*	Asset management (equities, corporate bonds and sovereign bonds)	tCO_2e/million €	118.7	98
a.s.r.*	Real estate property	tCO_2e/million €	7	2
a.s.r.*	Real estate farmland	tCO_2e/million €	267	243
a.s.r*	Mortgages	tCO_2e/million €	10.4	5.07
Athora	Absolute emissions	tCO_2e	2,867,888	3,178,250

*The interim targets broken down by asset class are not included in the annual report but can be found in a.s.r.'s separate 'Climate Transition Plan' document.[9]

9 See Annex I for a link to a.s.r.'s Climate Transition Plan 2025.

Most institutions present a detailed breakdown of targets by asset class in their transition plans, although the level of granularity varies. a.s.r. formulates one overarching target for financed emissions in its annual report; asset-class-specific targets are found in a separate transition plan report. For comparability, these targets are included in Table 4.1. Athora takes a different approach by setting an absolute reduction target for all financed emissions (Scope 1 and 2) in its annual report. Unlike banks, insurers have not defined sector-level targets.

Table 4.1 shows the targets set by each insurer. In some cases, 2030 reduction goals for specific asset classes have already been met or nearly achieved. For example, Achmea has already reached its 2030 target for equities and is close to achieving its real estate target. Athora reports that its 2030 goals have been met, while noting that adjustments for data availability differences across asset classes may still require further reductions to fully meet the target.

Use of levers in insurers' reporting on transition plans

Under the CSRD sustainability reporting requirements, institutions must disclose which levers they deploy to achieve their transition objectives. These levers are relevant for readers as they provide insight into the tools insurers use to deliver on their transition commitments.

All reviewed insurers identify levers for achieving their transition objectives related to financed emissions in their investment and mortgage portfolios. Most insurers also mention levers for insurance-related emissions (emissions linked to the insurance products offered), but these fall outside the scope of this review.

Given the nature of the activities, insurers largely rely on similar types of levers:

- Application of screening criteria: excluding certain sectors and integrating ESG factors into the investment process;
- Engagement: dialogue and voting behaviour aimed at encouraging reductions in greenhouse gas intensity in specific companies or within sectors;
- Sectoral collaboration: participation in industry initiatives and partnerships to amplify collective impact;
- Impact investments: investing in climate solutions and projects with positive sustainability outcomes. Insurers have set quantitative targets for the number of investments classified as "sustainable" or "impact". These investments are primarily, though not exclusively, focused on renewable energy.

Clear differences exist in the level of specificity and depth with which insurers describe their levers. Most insurers indicate in their annual reports which levers they apply across different portfolio segments, such as corporate investments (equities and corporate bonds), sovereign bonds, mortgages and real estate. One insurer describes a set of levers applicable to its entire investment portfolio.

Two insurers attempt to quantify the impact of specific levers in separate climate transition reports. This provides valuable insights into the effectiveness of individual levers and other influencing factors.

Observations on transition plan reporting

Insurers use different scopes and measurement units for their transition targets, making it difficult to compare climate positions, ambitions and progress across market participants. Institutions do not always link emissions reporting to corresponding reduction targets for specific asset classes. This is partly because transition targets are sometimes expressed in different units than those used for emissions reporting. For example, mortgage and real estate portfolios are managed on the basis of physical intensity rather than absolute financed emissions or economic intensity. In addition, insurers are not always clear about the scope of the transition plan and to which part of the assets the goals relate. The extent to which this is made explicit differs depending on the institution.

Some insurers express their targets as percentage reductions, while others define them in terms of a specific emissions figure – either in economic intensity or in absolute terms. Institutions are free to choose their preferred approach. However, when only reduction percentages are provided, understanding the ultimate target depends on factors such as the selected base year and the emissions associated with that year. This makes comparing insurers' targets challenging for users of the annual report.

4.3 Key considerations for insurers

Use relevant metrics for targets by asset class and disclose disaggregated targets in the annual report where available. All insurers have developed emissions reduction plans, but differences in units, scope and descriptions make comparability challenging. Most insurers break down targets by asset class, although this is not always presented directly in the annual report.

Report both reduction percentages and corresponding emissions figures, whether expressed in emissions intensity or absolute values. Some targets are stated as percentage reductions, while others are expressed as specific emissions figures (economic intensity or absolute). Institutions are free to choose their approach. However, for clarity, comparability and consistency with other disclosures in the report, we advise that insurers present targets not only as percentages but also include the corresponding indicator value (absolute or intensity-based). This reduces dependence on the chosen base year and the emissions associated with it, providing investors and other stakeholders with a clearer view of the institution's ambitions.

Clarify the scope of the plan and specify which portion of assets (including quantitatively) the targets apply to. Providing transparency on the exact coverage of targets strengthens the link between reported financed emissions and the transition plan, improving understanding for readers of the report.

Provide insight into the impact the institution is making on real-economy decarbonisation and the indicators used to steer investment decisions. Insurers often share valuable insights in separate documentation outside the annual report, such as the extent to which changes in financed emissions result from actual sustainability improvements versus other factors, e.g. portfolio reallocation across sectors. Additional documentation may also include information on investment policy levers, such as investee companies' degree of alignment with the Paris Agreement. If insurers actively use such indicators to steer investment decisions, this is relevant information that should also be included in the annual report.

5. Data quality

All reviewed institutions indicate that the quality of greenhouse gas emissions data across the value chain remains a challenge. Uncertainties arise from limited data availability in financed companies, particularly deeper in the supply chain. As a result, financial institutions frequently rely on estimates, modelling and data provided by external providers.

To ensure transparency regarding data reliability, institutions use the PCAF Data Quality Score, a five-tier scale that indicates the robustness of emissions data. These scores are part of the *Global GHG Accounting & Reporting Standard for the Financial Industry*, developed by PCAF. The PCAF scale ranges from Score 1 (highest quality, directly reported and verified) to Score 5 (lowest quality, based on generic assumptions without company-specific data).

Figure 5.1 shows the distribution of data quality scores across all reviewed institutions, broken down by asset class for Scope 1 and 2 financed emissions and Scope 3 financed emissions. Where institutions apply different definitions for asset classes or make distinctions within asset classes, the institution's definition is reflected in the figure. [10]

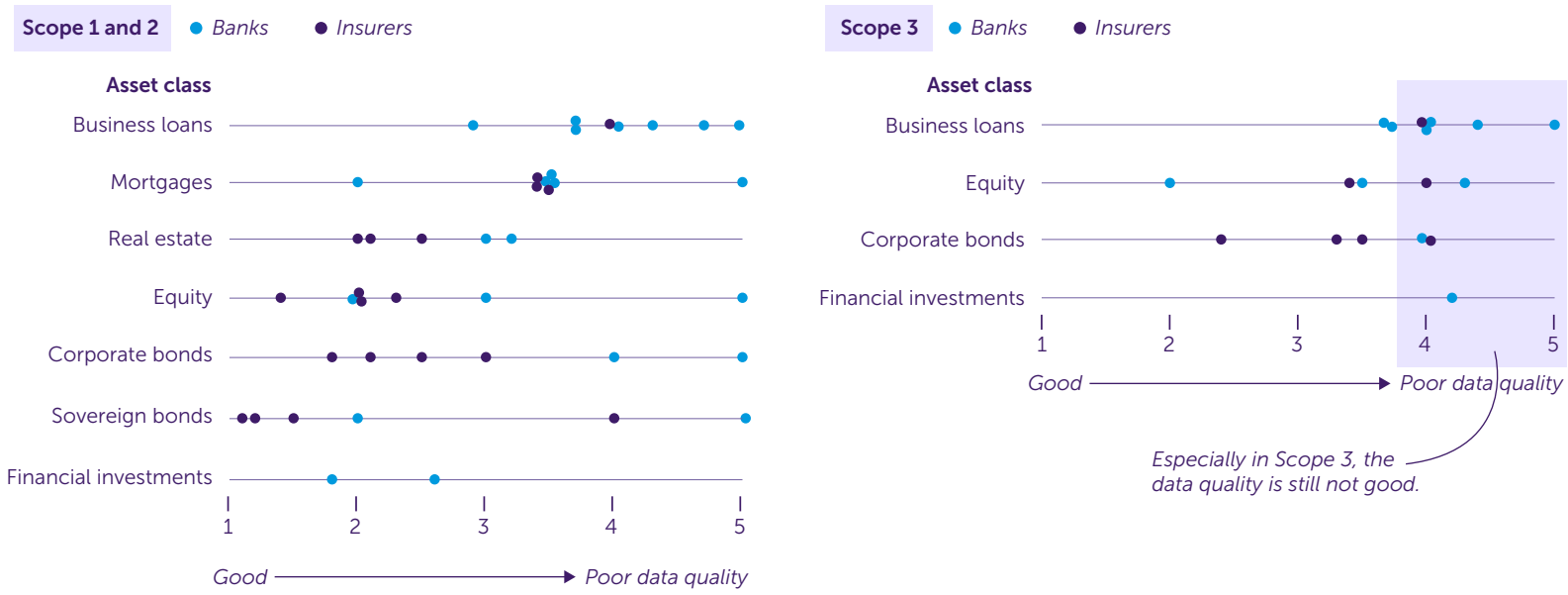
Unsurprisingly, Scope 1 and 2 data for financed emissions is of higher quality than Scope 3 data. Obtaining reliable and timely information from entities deeper in the value chain is more complex than from direct counterparties. The figures also reveal significant variation in data quality for investments across institutions. For most institutions, investment data quality is higher than for loan portfolios. Real estate data is generally more accessible than mortgage data, although not all institutions report separate scores for real estate. The lowest data quality is consistently observed in the corporate loan asset class.

The level of granularity in data quality reporting varies across institutions, and not all report Scope 3 data scores. Two banks aggregate all investments into a single emissions figure with an associated data quality score. ING, by contrast, reports data quality scores by sector, offering valuable additional insights. For example, Scope 1 and 2 data reliability for steel (1.9) and automotive (2.4) is higher than for other sectors (around 3). For Scope 3 financed emissions, automotive (2.3) and cement (2.8) show better data quality, while other sectors range between 3 and 4.

While PCAF data quality scores are a useful tool for assessing reliability, they have limitations. For instance, a company may report emissions figures for the funds it manages, while relying on estimates and sector averages. Because the company reports these figures directly, the data receives a relatively high quality score under the PCAF scale, even though the underlying data is still based on assumptions.

10 ASN Bank does not differentiate between Scope 1 and 2 and Scope 3 figures. For this institution, the same data is included in both figures.

Figure 5.1 PCAF data quality score per asset class as reported by institutions



Annex I – Annual reports and transition plans

Links to 2024 annual reports and recent climate transition plans of reviewed institutions:

This report is mainly based on the 2024 annual reports. In addition, reference is made to recently published climate transition plans of some institutions. Hyperlinks to the relevant documents can be found below.

ABN AMRO Bank
- Annual Report 2024

Achmea
- Annual Report 2024
- Climate Transition Plan 2025

ASN Bank
- Annual Report 2024

a.s.r.
- Annual Report 2024
- Climate Transition Plan 2025

Athora Netherlands
- Annual Report 2024

ING Group
- Annual Report 2024

NN Group
- Annual Report 2024
- Climate Transition Plan 2025

Rabobank
- Annual Report 2024

Annex II – List of abbreviations

CSRD	Corporate Sustainability Reporting Directive
CO_2e	Carbon dioxide equivalent
ESG	Environmental, social and governance
ESRS	European Sustainability Reporting Standards
GHG	Greenhouse gas
IEA	International Energy Agency
NZA	Net Zero Accelerator (IEA initiative)
NZAOA	Net Zero Asset Owner Alliance (NZAOA)
IGCC	Institutional Investors Group on Climate Change (IIGCC)
NZBA	Net Zero Banking Alliance
PCAF	Partnership for Carbon Accounting Financials
SBTi	Science Based Targets initiative