



To the Executive and Supervisory Board of the six Public Interest Entities' Audit Firms

The Hague, 11 October 2021

Subject: Eumedion Audit Firm Letter 2022

Dear executive and supervisory directors,

The IPCC's Sixth Assessment Report on Climate Change, published on 9 August 2021, has made clear that it is now more important than ever to prioritise achieving a net zero emissions economy by 2050 at the very latest, and that in order to do so, strong and immediate action is required. As the need to accelerate the transition to a net zero emissions economy becomes more and more pressing, it is important that companies start to move from the what (setting emissions reduction targets) to the how (action to achieve these targets).

Encouragingly an increasing number of Dutch listed companies are publishing strategies and plans to transition to net zero emissions that include details on how they will achieve this ultimate objective and what the intermediate targets are. Today we have requested *all* Dutch listed companies to prepare a comprehensive strategy and action plan that are compatible with the transition to a net-zero emissions economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement (see attached 2022 Focus Letter). In order to support shareholders in assessing the credibility and robustness of these strategies and plans, the targets set and the other climate-related disclosures a review of this information by the external auditor would be valuable.

Furthermore Eumedion expects external auditors to consider risks facing the company as a result of climate change, and expect appropriate challenge of management, particularly where climate-related risks have a material impact on the entity's accounting estimates. We expect external auditors of in particular oil

and gas related companies, transport companies (including car and airplane manufacturing companies), chemical, construction, steel and cement companies, real-estate companies and financial services (including banks and insurance groups) to assign the impact of climate risk and the energy transition as a key audit matter in the auditor's report on the 2021 annual accounts and to explain in the auditor's report how the external auditor has responded to this risk and what observations have been made to the audit committee. Besides this, we ask each external auditor of each listed company to describe the climate risk assessment and his or her response to the risks identified in a separate section of the auditor's report.

For the sake of clear transparency, please be informed that a similar letter was sent to the other audit firms that are involved in the audit of the annual accounts of Dutch listed companies. A copy of the Eumedion Audit Firm Letter 2022 was sent to the Royal Netherlands Institute of Chartered Accountants.

We are available should you require further clarification.

Yours faithfully,



Rients Abma  
Executive Director

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