

sustainability report 2012

A better bank
contributing to
a better world

**ABN AMRO's commitment
to sustainability in 2012**
at a glance



ABN AMRO's commitment to sustainability in 2012 at a glance

As a leading Dutch bank, ABN AMRO has an influential role in society, and we take our corporate social responsibility very seriously.

We have learned some important lessons from the financial crisis and are committed to regaining our clients' trust. At the same time, we want to make a meaningful contribution to strengthening the financial system in the Netherlands and abroad. Additionally, various environmental, social, economic and political trends have implications for our bank and for the world in which we operate. We want to respond swiftly and effectively to these trends to empower us to make a difference to society.

As a financial services provider, we want to be a better bank contributing to a better world. Change is not something that will happen overnight – it is a process of continuous improvement. Below is a sampling of the steps we took in 2012.

Sustainable business operations

A better world starts with yourself. We at ABN AMRO are keen to minimise the environmental footprint of our internal operations. Our motto is 'reduction, greening and responsible choices'.

At the same time, we expect our suppliers to contribute to a better world, too. To this end, we carefully select suppliers based on the degree of sustainability of their own business operations.



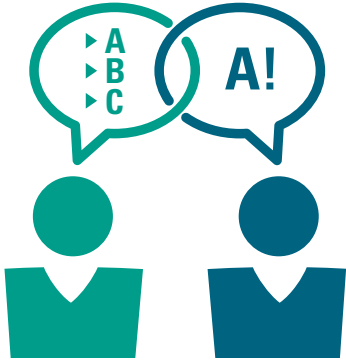
We cut our energy consumption by 22% in 2012 compared with 2009, marking a huge step forward in reducing our environmental footprint. This progress came on top of our reductions in commuter travel and waste production.

Clients' interests centre stage and building sustainable relationships

We are committed to putting our clients' interests first at all times and to building lasting relationships. Our Retail & Private Banking and Commercial & Merchant Banking businesses do their part by offering responsible products and services.

One of the lessons that emerged from the financial crisis is that clients need to fully understand the financial products they purchase in order to make well-informed decisions. In response, we have simplified our product offering and rewritten product descriptions and terms and conditions in understandable language.

Just under 800 employees took part in the Plain Language course at the end of 2012.



We place our clients centre stage when developing products and services. Our Mortgage Care Team, for example, helps clients who are having trouble making their monthly mortgage payments set up a personal financial plan.

Financial expertise for the benefit of society

A key element of our strategy is our commitment to using our financial expertise for the benefit of society. We want to support people who need it, even if we have no commercial interest in doing so.

Successful initiatives in 2012 included the programmes for financial coaching for young and old. We organise local programmes for financial education at primary and secondary schools throughout the Netherlands, and we also offer a distinctive service aimed at older people. An example is the Anno Nu Express touring bus, a mobile interactive information centre dedicated to state-of-the-art banking.

People for people: this is the idea behind our social commitment. We encourage our staff to volunteer their time for a good cause.



In 2012 employees volunteered for our community target groups 13,561 times.

Sustainable finance and investment services

Sustainability and responsible practices are at the heart of our business. We not only expect ourselves, but also our clients to conduct people-friendly and green business practices. In this vein, we engage them in a continuous dialogue. We do not necessarily exclude businesses that lag behind in their sustainability performance, but encourage them to change and help them make their business more sustainable.



Active dialogue and exchange of information with stakeholders. The approach included a client panel and contact with our commercial partners.

We engage in active and constructive dialogue with our stakeholders through client panels and the Sustainability Advisory Board, among other bodies.

We apply guidelines for sustainability risks when assessing clients and loan applications. Together, these guidelines form the bank's environmental, social and ethical policy (ESE Policy for short). Our revised ESE Policy for lending was approved in 2012. A new element is the requirement to screen every business credit application for possible ethical, social and environmental risks.

Responsible investment is growing in popularity. Since 2004, we have offered responsible asset management to our private banking clients. Our sustainable investment mandate for clients within and outside the Netherlands has grown significantly in recent years, with these investments totalling EUR 4,932 million in 2012.

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chairman's message

As a financial services provider, we want to be a better bank contributing to a better world. Prioritisation and choices are key to attaining our goal. We have therefore defined four focus areas in which we aim to secure a leadership position. We want to:

- ▶ pursue sustainable business operations;
- ▶ put our clients' interests centre stage and build sustainable relationships;
- ▶ use our financial expertise for the benefit of society;
- ▶ finance and invest for clients in a sustainable manner.

Sustainability and transparency are an integral part of our corporate strategy. Our primary challenge in the coming years will be to get our house fully in order on the measuring and reporting fronts. Given the multiple changes ABN AMRO has experienced in recent years, we lost our sustainability reporting systems, making it virtually impossible for us to monitor and report on our quantitative progress at this time. We are working hard to rebuild these systems so that in the future we will be able to provide full transparency about where we stand in relation to our sustainability targets.

In the meantime, we focused in 2012 on sustainable initiatives in several areas, a sampling of which I'll highlight below.

Although banking as such has a limited environmental impact, we are keen to minimise our footprint and to share the progress we have made. Starting close to home, our head office in Amsterdam was the first building in use in the Netherlands to receive BREEAM certification from the Dutch Green Building Council. BREEAM is the world's foremost environmental assessment method for buildings, so needless to say, we are proud to have received this award.

In our efforts to attract and retain first-rate, committed employees, we pursued our goal of becoming a top-class employer by following up on our people strategy.

For example, we placed 1.2% more women in senior management positions and 1.6% more in upper middle-management positions in 2012. And we organised a 'Do or Die-versity' conference for over 400 participants from within and outside the bank, where we offered diversity workshops and shared best practices.

We are firmly committed to putting our clients' interests centre stage and building lasting relationships. Mortgage clients, for example, can expect assistance from our Mortgage Care Team, which helps people having trouble paying their mortgages set up a realistic personal financial plan. In this respect, we have started informing mortgage clients sooner about new interest rate conditions and we help them counter the impact of an expected shortfall. Should something go wrong, we address the issue effectively; in fact, the Netherlands Authority for the Financial Markets rated us 4.2 on a scale of 1 to 5 with regard to client complaints, up from 3.8 in 2011. Meanwhile, we continued to enhance transparency under our bank-wide Plain Language project, giving clients the information they need – including product descriptions, terms and conditions – in understandable language.

Our Growth & Innovation Desk, set up in 2012, helps fast-growing companies in need of financing to do business sustainably. G&I specialists find financial investors for these businesses who also have the expertise to help market their products and services successfully.

As a major Dutch bank, we have a wealth of expertise in several fields, which we're eager to share to help create

a better world. In this vein, we recently introduced the Philanthropy Advice service for private banking clients in the Netherlands who want to do more with their money than just accumulate it. Clients can obtain advice on how to achieve their philanthropic aims while benefiting from tax breaks, involving the next generation in financial education, networking with peers and making a difference with their wealth.

We also continued to offer the services of our financial coaches for start-ups and ran financial education programmes throughout the Netherlands. The ABN AMRO Foundation, meanwhile, organises a range of programmes in which staff can give back to the community by volunteering their time and expertise. This past year, for instance, during a special week devoted to financial education, hundreds of ABN AMRO employees taught primary school pupils how to handle money responsibly at schools throughout the Netherlands. ABN AMRO also sponsors various reading promotion programmes, including the Dutch Children's Book Week. And the bank supports the Children's BookCrossing project, under which we collect used children's books from staff and clients and deliver them to schools and shelters throughout the Netherlands. Over 50% of our staff in the Netherlands were engaged in volunteer activities through the ABN AMRO Foundation in 2012.

Our Sustainability Risk Policy, which we adopted in 2012, sets out the principles that define our approach to sustainability risk management and describes the conditions under which we engage with clients, suppliers and investors. The policy guides us in our efforts to identify, monitor and report on sustainability risks. To underscore our commitment to responsible business practices, we adopted an Exclusion List in 2012 stating activities and practices the bank refuses to engage in or promote based on ethical and sustainability standards.

Another milestone took place in May, when we launched Seeds.nl, a crowdfunding platform that makes it possible for socially responsible businesses to attract small investors. We are the first bank to invest in crowdfunding. Clients can invest as little as EUR 50 and up to EUR 5,000 in these companies, and are also invited to contribute the expertise and ideas businesses need to grow and achieve their goals.

As for our own goal of becoming a better bank contributing to a better world, I'm proud of the steps we took in 2012

and look forward to pressing on with our efforts in the years ahead. I believe we're on the right track and, after reading this report, I hope you'll agree.

We are always open to your feedback and ideas related to our effort to be a more sustainable bank and can be reached at duurzaamheid@nl.abnamro.com.



Gerrit Zalm
Chairman of the Managing Board

our sustainability strategy 1

We at ABN AMRO have learned some valuable lessons from the financial crisis and are committed to regaining our clients' trust. At the same time, we want to make a meaningful contribution to strengthening the financial system in the Netherlands and abroad, now and in the future. Additionally, various environmental, social, economic and political trends have implications for our bank and for our key stakeholders. We want to respond swiftly and effectively to these trends to ensure that we are well positioned to address risks and seize opportunities, to distinguish our bank from our peers, to inspire our people, to enhance stakeholder value and to make a difference to society.

Against this background, we have mapped out a sustainability strategy that focuses on specific priority areas which will help us achieve our corporate strategy. Building on our approach to date, our strategy is designed to achieve success both internally and externally: we aim to create a better bank contributing to a better world.

Our sustainability strategy is based on two pillars, each of which consists of aspirations in two areas:

Better bank

- ▶ We pursue sustainable business operations
- ▶ We put our clients' interests centre stage and build sustainable relationships

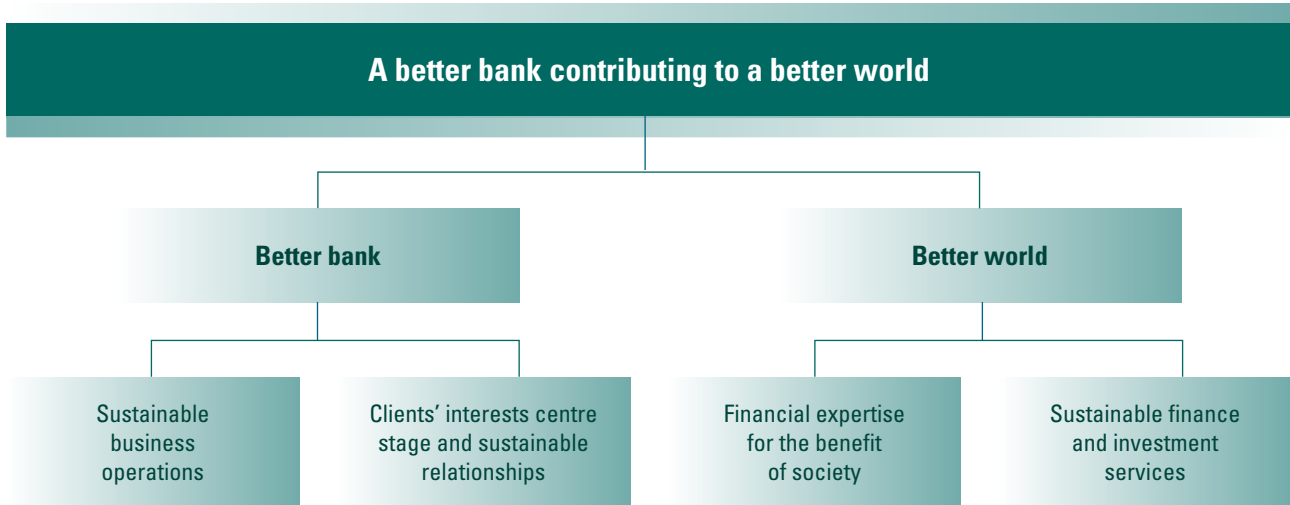
Better world

- ▶ We use our financial expertise for the benefit of society
- ▶ We finance and invest for clients in a sustainable manner

Better bank

Sustainable business operations

Although banking as such has a limited environmental impact, we are keen to minimise our footprint and to share the progress we have made. Our goal for the coming years is to steadily increase transparency about what we have – and have not – accomplished, and to introduce quantitative targets where possible. ABN AMRO has been through a few very eventful years during which we demerged operations from Royal Bank of Scotland and merged with the former Fortis Bank Nederland, making it very difficult for us to monitor and report on our quantitative progress at this time. Now that we have completed the separation and integration, we can focus on strengthening our sustainability governance structures, management processes and monitoring and reporting systems so that we will be increasingly able to measure and report on our progress on the sustainability front in quantitative terms.



Another aspect of pursuing sustainable business operations involves creating a company culture that promotes long-standing relationships with our stakeholders. To that end, we have introduced, and are actively promoting, our Business Principles, which translate our core values – Trusted, Professional and Ambitious – into guidelines for behaviour in our day-to-day work.

Clients’ interests centre stage and sustainable relationships

There are several ways in which we strive to put our clients’ interests centre stage at all times. First, we offer them transparency in all their dealings with the bank. One of the lessons that emerged from the financial crisis is that clients need to understand the financial products they purchase in order to make well informed decisions that are in their own best interests. We have therefore simplified our product range and rewritten our product descriptions and conditions in clearly understandable language, and will continue to make improvements in this area in the years ahead.

Another way we look after our clients’ interests is by putting duty of care at the heart of our business, in part by helping clients seize sustainability opportunities and manage sustainability risks. In the coming years, we will continue to focus our efforts on engaging with client organisations, reviewing client complaints and considering best practices of our peers and in other sectors.

Better world

Financial expertise for the benefit of society

We at ABN AMRO believe that putting our financial expertise to work for society will help us in our efforts to be a good corporate citizen. Under our Capital4Change project, launched by Private Banking in 2011, we help high net worth clients in the Netherlands put their wealth to philanthropic use. Our socially responsible investment products, philanthropy services and impact investing services are growing in popularity, and we plan to heighten our focus on these fields in the years ahead.

As for our business clients, we intend to increasingly engage them in strategic conversations to help them understand the sustainability risks and opportunities in their industries and value chains. We believe in the potential of social entrepreneurship and have therefore teamed up with SocialEnterprise.nl, an initiative that aims to strengthen the position of social enterprises in the Netherlands. And we aim to leverage our position as a business leader to promote the sustainability agenda externally in the coming years, both in the Netherlands and abroad.

We also run a variety of initiatives through which we put our financial expertise to good use. We partner locally with a range of community organisations, offer financial coaching to clients in need of assistance and run financial

education programmes at primary and secondary schools throughout the Netherlands. In collaboration with ABN AMRO Foundation, we provide free business coaches to Credits, an organisation that finances small businesses in the Netherlands. Under this initiative, bank employees voluntarily support a micro-entrepreneur for one year, helping them run their companies and develop valuable business skills. These are just a few ways that our employees give back to the community, and we plan to continue these initiatives in the years ahead.

Sustainable finance and investment services

As part of our commitment to creating a more sustainable supply chain, both our client acceptance and our credit proposal processes take into account ecological, social and ethical considerations and our financing application process for certain industries includes an environmental impact assessment. Against this background, we engage our clients in an ongoing dialogue: rather than exclude companies that lag behind in terms of sustainability, our policy is to encourage them to make improvements, provided that their efforts are adequately resourced and supported. We focus on sectors where exposure to environmental and social risks is most evident, such as shipping. We are therefore a member of the Sustainable Shipping Initiative, under which leading players in this industry join forces with non-governmental organisations (NGOs) to promote sustainable shipping practices. And we are a provider of the Green Award Incentive, which certifies seagoing vessels that achieve superior standards of cleanliness and safety. We consider compliance with sustainability standards to be a sign of sound management.

Our sustainable investment mandate is growing both at home and abroad. Here in the Netherlands, we are seeing solid growth in our socially responsible investment funds and are expanding our sustainable product range as well as our own investments. In this vein, the ABN AMRO Managing Board has approved the establishment of a proprietary EUR 10 million Social Impact Investment Fund, financed by the bank. Elsewhere, the two sustainable investment funds for Private Banking clients set up by Bethmann Bank, our private bank in Germany, got off to a strong start and grew significantly in 2012. And we introduced sustainable criteria for Neuflyze OBC Monétaire, a money market fund in France which manages assets worth EUR 2 billion.

In the years ahead, we will partner with internal and external stakeholders in our efforts to develop, improve and implement our SRI policies and product offering. To this end, we will identify bank-wide sustainability themes – such as clean technology investment – which will underlie our product and service development in the coming years. Energy, Commodities & Transportation and Private Banking in particular will identify spearhead products in these areas. Our goal is to generate new sources of revenue by financing green growth sectors and solutions to sustainability challenges, while doing our part to make a difference.

Inspiring and engaging our people: a two-way street

Our aspirations can only be achieved if we have an inspired, engaged workforce. To this end, we aim to be a top-class employer that attracts and retains highly talented, socially committed people. We intend to achieve this goal by offering management development candidates the opportunity to work on sustainability projects, by educating and encouraging staff to take part in socially responsible initiatives and by extending sustainability targets in our performance management systems to all staff. We will also continue to engage our staff through the work of ABN AMRO Foundation, our annual Sustainability Days and the knowledge-sharing sessions we regularly organise. Equally, we hope that our efforts to be a better bank contributing to a better world will inspire and engage our employees, allowing us to make a lasting difference in society.

Read more about it

The table below shows where we discuss our results elsewhere in this report.

Strategy	Results in 2012
▶ Sustainable business operations	Chapters 2, 3, 5 and 7
▶ Clients' interests centre stage and sustainable relationships	Chapters 4 and 5
▶ Financial expertise for the benefit of society	Chapter 8
▶ Sustainable finance and investment services	Chapters 3 and 4
▶ Inspiring and engaging our people: a two-way street	Chapter 6

embedding sustainability in our organisation 2

Achieving sustainable operations is a first important step toward becoming a better bank. The keys to achieving this are good corporate governance and doing business honestly, with zero tolerance for bribery and corruption. These are issues we scrutinise, review and improve constantly.

2.1 Corporate governance

Good corporate governance and effective supervision are vital to ABN AMRO's success and continuity. The members of the Managing Board are responsible for the bank's management and share joint responsibility for all the decisions they take. The Supervisory Board oversees the Managing Board and the general course of business at ABN AMRO, and provides Managing Board members with support and advice. In performing their duties, members of both Boards focus on the interests of the bank and all its stakeholders, including ABN AMRO's clients and employees, but also society as a whole.

Integrity, transparency and accountability are the key elements for us of good corporate governance, which is a requirement for realising our ambition of being a trusted and professional partner for all our stakeholders.

The Supervisory Board and Managing Board therefore highly value the importance of good corporate; ABN AMRO wants to set a good example in this respect. The Managing Board embraced the Good Corporate Governance policy proposal in 2012, prompting several specific improvement initiatives.

One significant improvement is the planned application of the Guidance on Board Effectiveness in 2013, which

ABN AMRO co-authored. Based on the UK Guidance on Board Effectiveness, the guidelines are intended to help the Supervisory and Managing Boards function and cooperate as effectively as possible.

Additionally, the Managing Board and Central Works Council (CWC) are working to renew employee participation, with the aim of achieving a form more in keeping with the bank in today's world and with enhanced staff involvement. Board members and employees are partners in that conversation, each promoting the organisation's interests through their own role. Early and intensive collaboration will take the quality of decision-making to an even higher level. The CWC Working Group responsible for renewing participation contributed to that step forward in 2012, and the initiative will be pursued further in 2013, with the goal of introducing the renewed structure in early 2014, at the beginning of their new term.

We introduced the Business Principles in 2012, reflecting the importance we place on behaviour and culture. The Principles set out the way we want to deal with our clients, each other as colleagues, and the community in which we operate. They are based on our core values – Trusted, Professional and Ambitious – and guide our conduct as a bank and the choices we make. The Business Principles have been introduced at every level of our

organisation in both the Netherlands and beyond. Employees discuss these together by, for instance, linking the rules of conduct with dilemmas in everyday practice.

The Business Principles are also an important component of the performance management system within the bank. As such, sustainability and diversity have been integrated in the performance targets of the Managing Board and Management Group (made up of senior managers from all parts of the organisation).

There was a strong focus on diversity within the bank in 2012. The proportion of women in upper middle-management positions rose by 1.6% points in the past year from 20 to 22%. The proportion of women at senior level (16%) fell slightly short of our ambitious target of 17%, but was nonetheless 1.2% higher than in 2011.

More information on the bank's governance structure and the qualifications and expertise of the members of the Managing Board and Supervisory Board is provided on our website, abnamro.com. The Annual Report, which is also available on our website, includes details of the remuneration of and affiliations held by the members of the Managing Board and Supervisory Board.

Our Business Principles

-  I aim to provide my client with the **best solutions**
-  I take **responsibility**
-  I only take **risks** I understand
-  I am committed to **sustainable** business practices
-  I am a **passionate** professional
-  I build relationships through **collaboration**

2.2 Ethics and anti-bribery & corruption

ABN AMRO attaches great importance to ethical business operations, part of which includes a zero-tolerance policy toward bribery and corruption. Every form of bribery, corruption and fraud is prohibited.

Our bribery and anti-corruption policy is the vehicle through which we comply with laws and regulations in this area. The policy applies to every part of the bank worldwide and is linked to our gifts regulation policy, which specifies under what exceptional circumstances it is permissible to accept or give gifts on behalf of the bank. There are a number of exceptions, all of them special cases requiring management permission and the exercise of caution.

Failure to comply with the anti-corruption policy naturally has consequences: measures may be taken under industrial law or internally, or the relationship with the client or supplier may be terminated.

The bank began a series of activities in 2012 to further embed this policy, including an explicit focus in internal communications and providing international training in this area. Our stance on bribery and corruption was incorporated in the roll-out of the Business Principles, and a global risk analysis was performed.

ABN AMRO does not offer financial contributions or payment in kind to political parties, politicians or any related institutions. The bank does, however, participate in various public policy development committees, such as the Dutch Banking Association (NVB), and has a Government Affairs department, which closely monitors external political developments in Europe and the Netherlands and shares the insights gained with the bank.

There was an extra focus in 2012 on procedures relating to advertising, promotion and sponsorship, with training provided to members of staff engaged in these activities. Special attention will also be paid in 2013 to compliance procedures for marketing rules and to encouraging transparent and comprehensible communication. Training activities in this area are scheduled to continue in 2013.

Dialogue as important as decision-making



***"Our employees will
genuinely help shape
bank policy."***

Sustainability can seem a little abstract and hard to explain at times. But not so for ABN AMRO Supervisory Board member Rik van Slingelandt: “A bank has to maintain a moral and ethical discussion with all its stakeholders about the dilemmas you encounter together. And you then need to ask yourself, ‘shall I do this or not?’ Should we fund a company, say, that supplies jeeps to the Burundian military? You have to weigh that up carefully: will the army use them to help reconstruct the country and improve people’s security? Or will they be used to crush civil protest?”



Jurisprudence

Dialogue is essential, Rik van Slingelandt thinks, if you want to arrive at properly thought-out decisions and good practical examples: “We’re going to work hard in the period ahead on a kind of ‘jurisprudence’, although you shouldn’t interpret that literally. What we mean by ‘jurisprudence’ is clearly establishing for ourselves what choices we make and why. We can then draw up



practical guidelines for good corporate governance for everyone at the bank. Because there’s a difference between corporate governance and good corporate governance. ABN AMRO is firmly convinced that codes and rules will only take you so far.”

A new bank

Gwendolyn van Tunen, Chief Governance Officer at ABN AMRO, has worked at the bank for many years and, as Company Secretary, was closely involved in the integration. “There was a point during that process at which we relied heavily on legislation and codes,” she says. “We had to, obviously: it was a legal requirement. But we were pitched during that constantly evolving situation into a new bank, in which we had to find our feet. We’re past that stage now, and although we still have to base ourselves on laws and codes, we’ve also created our own structure and lots of initiatives have sprung up that allow us to keep up a dialogue with our clients, staff and other stakeholders. It’s through that



dialogue that our bank can renew itself, because what’s needed ultimately is a change in mentality.”

Squeezing out complexity

Employee participation is a specific example of that new approach. “In future, our employees will genuinely help shape bank policy,” Gwendolyn van Tunen confirms. This is illustrated not only by active consultation, but also by Gerrit Zalm’s In Dialogue Sessions, which have been held for a few years now. The Supervisory Board is talking to bank staff too, including a debate that Gwendolyn van Tunen and Rik van Slingelandt held with 50 trainees. “Young people like that hold up a mirror to you,” she says. “They told us in no uncertain terms that they think the bank is too bureaucratic and that reporting lines are too long. And they’re right: we have to squeeze the complexity out of our system, our products and how we think, and get back to simplicity and our clients’ interests.”

‘In Dialogue’ with Gerrit Zalm

- ▶ Employees from every part of the bank can sign up for a dialogue session with Gerrit Zalm.
- ▶ Up to eight people can take part each time, so that everyone gets chance to express their thoughts.
- ▶ The sessions are held once every two weeks.

applying the sustainability policy to our operations 3

ABN AMRO applies guidelines for environmental, social and ethical risks when assessing clients, applications for loans and other transactions. Together, these guidelines form the bank's environmental, social and ethical policy (ESE Policy for short). We aligned this policy in 2011 with our core tasks – finance and investment services – and made further efforts in 2012 to apply it more consistently within our everyday business operations. That brings us a step closer to our goal of being a better bank contributing to a better world.

3.1 How do we apply the ESE Policy?

Exclusion List

Our Exclusion List, which sets out the kind of activities ABN AMRO is unwilling to support, was formally established in March 2012. It applies to both existing and new clients and will cover all the bank's services, with the exception of securities transactions on behalf of clients, to which our investment policy applies (see section 3.8). The Exclusion List includes three categories of activity:

- ▶ Activities that undermine efforts to conserve the environment.
- ▶ Activities that no longer meet with current standards in the fields of shipping, exports, asbestos, hazardous waste and pharmaceuticals.
- ▶ Activities that are unethical, exploitative or abusive.

To view the complete Exclusion List and for more information on the implementation of our ESE Policy, see abnamro.com > EN > Sustainability > Risk Management.

Lending procedure

The review of our ESE Policy for lending was formally approved in 2012. New features of the policy include the obligation to determine and investigate the sustainability risk for every commercial loan application.

The following figure illustrates how the ESE Policy is to be implemented within the credit process. The aim of the process is to identify sustainability risks, for which we screen all commercial loan applications.

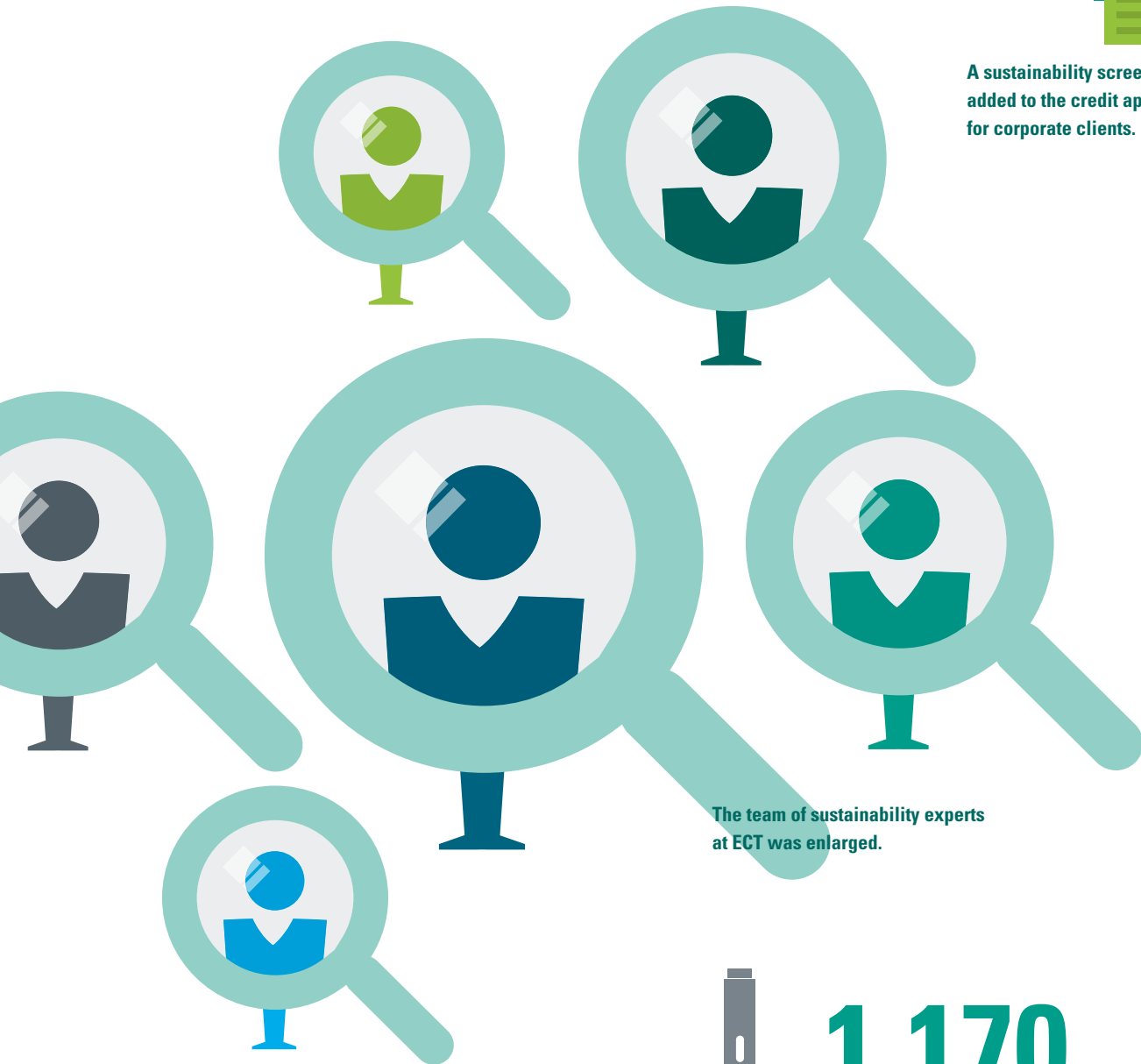
1. We begin by determining whether the application forms a potential risk (Step 1).
2. Having provisionally rated that risk as low, medium or high, we determine whether the underlying sustainability risks are manageable and whether the transaction meets ABN AMRO's standards (Step 2).
3. The higher the potential risk, the better the client's performance has to be in social and environmental terms, with particular reference to the transaction in question (Step 3).
4. That does not mean, incidentally, that we do not accept transactions with a higher risk exposure: our aim is to clarify potential risks, so that we can determine whether they are realistic and can be adequately



A Controversial Weapons list was drawn up based on our Exclusion List. In 2012 all related positions of our clients in the Netherlands were closed.



A sustainability screening was added to the credit application process for corporate clients.

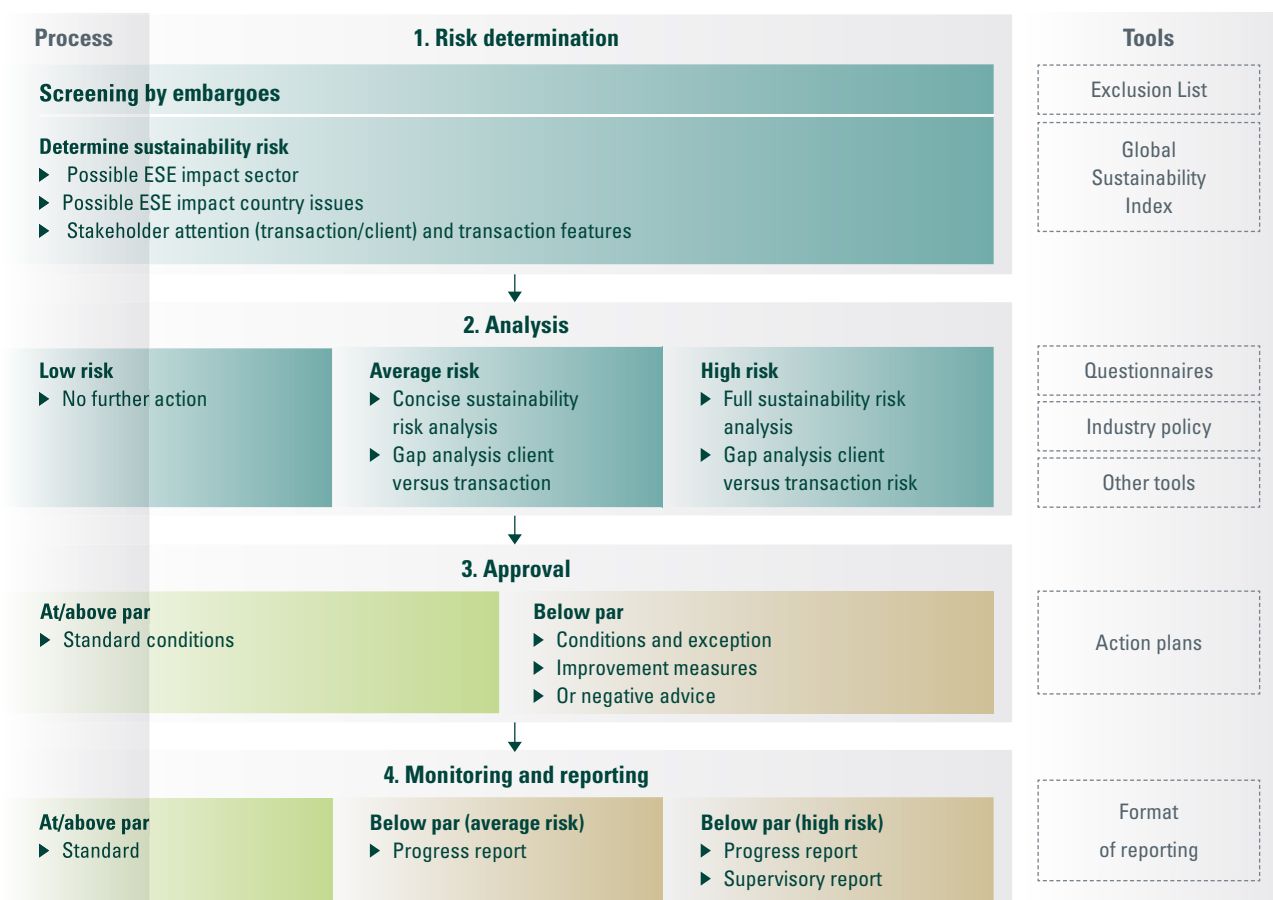


The team of sustainability experts at ECT was enlarged.

Sustainability experts examined 1,170 additional transactions in 2012.



1,170
RESEARCH



managed. Effective discussions and exchange of information with our clients provides both sides with substantial added value in this area (Step 4).

Update on OECD guidelines

The OECD guidelines for multinational enterprises were revised in 2012. These guidelines are endorsed by governments and apply to ABN AMRO and a substantial proportion of our clients. It is also increasingly important in this context that our internationally operating clients can demonstrate that they sufficiently manage the environmental, social and ethical impacts of their business operations. We consider their sustainability approach to be an indicator of management quality.

Update on extension of standard credit application form for corporate clients

The standard credit application form for corporate clients was extended in November 2012 to include a section on sustainability risks. Applications will now be screened on even more sustainability criteria and the identification of potential risks will be embedded in the regular lending process. Sustainability criteria will also be incorporated in our services to SMEs in 2013.

Update on project finance: Application of Equator Principles

The Equator Principles once again constituted a binding condition for the approval of all project finance supplied by ABN AMRO. This is ensured by the systematic application of our Project Finance Policy and the Equator Principles. A total of 15 new project finance deals in emerging markets were screened in 2012 for their compliance with the principles. The Equator Principles consist of three categories:

- ▶ Category A: projects with potentially significant adverse social or environmental impacts that are diverse, irreversible or unprecedented.
- ▶ Category B: projects with potentially limited adverse social or environmental impacts that are site-specific, largely reversible and readily addressed through mitigation measures.
- ▶ Category C: projects with minimal or no social or environmental impacts.

There were no projects in 2012 with a potentially significant adverse social or environmental impact (Category A) and twelve projects with a potentially limited adverse impact (category B). The number of projects in high-

income/OECD countries was nine. Details of the results regarding the Equator Principles can be found in Appendix 1 of this Sustainability Report.

Country classification	Category			Total
	A	B	C	
Emerging markets		6		6
High-income/OECD		6	3	9
Total	0	12	3	15

Category A – potentially significant adverse impact; Category B – potentially limited adverse impact; Category C – minimal or no impact

Payments and deposits

In the area of payments and deposits, we perform extra screening as standard of business and retail clients active in industries with potential sustainability risks to determine whether those risks comply with ABN AMRO’s industry and ESE policies.

3.2 Future review of the ESE Policy

ABN AMRO works with sustainability guidelines tailored to each industry and we constantly monitor our industry policy to take account of changes taking place in our clients’ businesses, in the market and in society as a whole. We prepared the ground in 2012 for three policy reviews that will be implemented in 2013:

- ▶ Review of Equator Principles
- ▶ Review of ESE Policy for energy industry
- ▶ Review of ESE Policy for defence industry

Review of Equator Principles

ABN AMRO played an active part in the discussion concerning the review of the Equator Principles. The revised guidelines – the Equator Principles III – are expected to come into force in March 2013. We will adjust our project finance policy and the application of the Equator Principles accordingly, taking account of the revised Principles’ expanded scope. ABN AMRO applies the Principles rigorously to all project finance deals. Other forms of finance will also be screened against the Equator Principles once the principles have been revised.

Review of ESE Policy for the energy industry

The new ESE Policy for the energy industry was drawn up in consultation with clients, experts and employees. It will be finalised in the first quarter of 2013. Although the

policy is not yet complete, we have decided to adopt a cautious approach to future funding of shale gas extraction and that each application in this regard will be screened separately for the time being in the light of best practices. We operate an exceptionally restrictive policy toward nuclear energy, and we are provisionally excluding all oil and gas exploration within the Arctic region. The new policy will also have a heightened focus on the themes of human rights and water. One of the questions we will raise again is whether we need to relax our policy on lending to large conglomerates that generate only a very small portion of their income from defence-related activities.

Review of ESE Policy for the defence industry

ABN AMRO has adopted a restrictive policy toward the defence industry. We plan to call on external experts to assist us in our policy review for this industry in 2013.

3.3 How do we implement our ESE Policy?

We work according to the bank’s Three Lines of Defence (3LoD) principle when implementing our ESE Policy. This means that responsibilities for managing the sustainability risk are spread across three ‘lines’ within our company, namely:

Line 1: Relationship managers determine the sustainability risk associated with clients and transactions. They ascertain whether the clients and transactions comply with our ESE Policy.

Line 2: The central Sustainability department formulates the ESE Policy for each industry, which states the environmental, social and ethical criteria clients, finance deals and investments have to meet. The Group Risk Committee establishes the policy. The only body that can approve exceptions to this policy is the Managing Board; this occurred once in 2012. Alongside industry-specific criteria, there are other generally applicable criteria. The department monitors clients and transactions that represent a high level of risk to ensure that the ESE Policy is being properly applied. Where the risk level is.

Line 3: Lastly, the Audit department assess whether the model is being correctly applied.

Application of sustainability policy within ECT

The Energy, Commodities & Transportation (ECT) business unit introduced sustainability tools in 2012 for virtually all the industries in which it is active, further integrating sustainability in ECT’s day-to-day business operations. The tools enable relationship managers to determine the sustainability risks represented by a client or transaction. Virtually all the instruments were brought into use in the course of 2012. A team of sustainability experts inside ECT supervised the process, by training and coaching relationship managers and commercial staff.

To embed sustainability in its business operations structurally, ECT has focused on sustainability in all credit proposals

since 2012. What’s more, ECT clients are now subject to compulsory screening for sustainability risks during the acceptance process. We think it is important in these industries in particular that our specialists are close to the business. The Sustainability department at ECT was therefore strengthened in 2012 to provide effective support to relationship managers active in these industries on a daily basis.

The table below provides a review of the number of ECT clients and loans screened for sustainability risks per industry. The total number of clients and activities screened by ECT in 2012 was 979.

Industry	Client acceptance	Credit	Total
Agricultural commodities	109	99	208
Energy commodities	132	86	218
Metal commodities	121	92	213
Energy	81	69	150
Transport	131	28	159
Other sectors	14	17	31
Total	588	391	979

To make a solidly founded assessment of the risks of credit transactions, we developed the Global Sustainability Risk Index, which indicates the level and types of risk for each country and sub-sector. The relationship manager applies the index to determine the actual social and environmental risk a transaction represents. He or she can then use a questionnaire to ascertain whether the transaction meets the internal guidelines and whether the client is adequately managing the identified risks.

3.4 Results of supplementary research

In 2012, the risk experts at the central Sustainability department screened the content of 191 applications for finance with a potentially higher sustainability risk. These related chiefly to transactions in agriculture, the defence industry (and its suppliers), the energy industry and mining. Ten transactions and/or clients were rejected, while approval was granted subject to supplementary conditions in 37 cases (see table).

3.5 How we integrate sustainability into our business operations

We work hard to integrate sustainability effectively and consistently into our business operations. A number of developments are set out below:

- ▶ An annual risk rating is formulated and taken into account when determining the country risk. This rating also forms the basis of the ABN AMRO Global Sustainability Risk Index.
- ▶ Sustainability is represented in the Operational Risk Oversight Committee. A direct representative from the Sustainability department regularly attends in person as an advisor.
- ▶ Each business unit’s management team performs an annual strategic risk analysis, in which sustainability is a permanent element. There are supplementary questions, for instance, to determine whether sustainability is being steadily integrated in day-to-day service provision, and if so, how.

	Number	Approvals	Qualified approvals	Rejections	Pending	Withdrawn
Mining & metals	42	33	8	1	0	0
Oil & gas	30	17	9	1	0	3
Agricultural commodities	22	16	3	1	0	2
Defence	32	20	4	4	1	3
Chemical	9	5	1	0	3	0
Forestry	6	4	1	0	0	1
Energy and utilities	14	11	2	0	1	0
Manufacturing industry	9	7	1	1	0	0
Others	27	17	8	2	0	0
Total	191	130	37	10	5	9

Mining in Siberia: a step too far?

One of our commercial clients approached us a few months ago with a request to finance the purchase of a stake in mines located in Russia. That presented us with a dilemma. After a brief study of the state of the mines and several interviews with managers from the selling company, we rapidly concluded that the project did not meet our ESE standards.

But we were also aware that our client had expressed a desire to bring the mines up to international environmental, social and ethical standards – partly with a view to securing project finance. We therefore discussed potential solutions with the client, and came up together with a step-by-step plan that will considerably improve the mines’ sustainability profile in a short space of time.

- ▶ ABN AMRO’s sustainability experts provide advice during the development of new products and services.
- ▶ Commercial business units report on their risks in an integrated way, with sustainability risks given an explicit place in those reports. The bank’s sustainability experts have therefore been given an important voice in embedding sustainability in the different parts of the business.

Our internal auditors performed a theme audit in 2012 to scrutinise implementation of the sustainability policy, resulting in a number of proposals for further strengthening the implementation process.

read on our website what our criteria are for responsible service provision (abnamro.com > Sustainability > Risk Management). We made a start in that respect in 2012 by providing greater transparency about our sustainability policies. This was achieved by setting out our environmental, social and ethical standards on our website for sensitive industries like agriculture, mining and energy. Our views on subjects like human rights and animal-testing are presented there too. Enhanced transparency of this kind also enables us to meet the sustainability requirements that some of our clients impose on their preferred service providers.

3.6 Increasing transparency of ESE Policy

Transparency and sustainability are inseparably linked. It’s very important to us that our existing and new clients, our employees and anyone else who is interested can

3.7 Focus on human rights

Human rights are assuming an increasingly emphatic place in the way we do business, influenced and inspired by international developments. We are therefore pleased that the new UN Guiding Principles for Business and Human Rights look set to win general acceptance.

Sustainability department

The Sustainability department is ABN AMRO's central authority for ethical, social and environmental (ESE) policy and was significantly expanded in 2012. It is based at our head office in Amsterdam and reports to Managing Board member Carolien Princen.

The Sustainability department is responsible for:

- ▶ Formulating sustainability policy, including sustainability risks
- ▶ Evaluating and advising on sustainability risks in connection with applications for loans, investments, deposits and cash management

- ▶ Reporting sustainability results
- ▶ Stimulating and facilitating dialogue on sustainability
- ▶ Supervising sustainable product initiatives
- ▶ Supervising internal sustainability initiatives such as CO₂-reduction
- ▶ Informing colleagues about the bank's sustainability strategy

ABN AMRO also employs sustainability experts throughout its organisation, coordinated from the Sustainability department. Each part of the bank reports its own sustainability results, which contributes to buy-in across ABN AMRO.

Now that these rules have been enshrined in the OECD guidelines, the Equator Principles and ISO 26000, a common language and responsibility has been established, through which we can further pursue our commitment to protect human rights.

ABN AMRO has aligned its Human Rights Statement with the new guidelines, making a firm statement of our intent to observe and implement them. We have not yet been able, however, to determine the full and precise implications of the UN Guiding Principles for financial services providers. It is nevertheless clear that performing due diligence in a human rights context, as described in the principles, will also have consequences for our credit and client acceptance procedures.

We talk to clients and NGOs whenever we or they suspect that human rights violations are occurring in the flows of goods in which our clients are active. It is our responsibility to look closely at our clients' supply chains. We can't solve these problems by ourselves, as they frequently lie far beyond our scope to act. But we can ensure that we are as thoroughly informed as possible and that we help find potential solutions in collaboration with the parties concerned, our clients and other stakeholders. Those solutions often have to be pursued locally, and it is precisely for that reason that we try to contribute as much as possible to the national and international debate on human rights and business. We take part in the Global Corporate Community of Practice for Business & Human Rights project, which was set up in 2012 to support the remit of the UN Working Group on Human Rights and Transnational Corporations. The aim is to high-

light good practical examples in the areas of human rights, due diligence and risk management.

The theme of human rights has been placed on the agenda for client meetings. Of the 191 high-risk applications for finance (see section 3.5), the risk experts at the central Sustainability department focused in 114 cases explicitly on human rights in relation to the client's activities. We cooperated with clients in several cases to get a clearer picture and further investigate the situation.

3.8 Our investment policy

We launched our Socially Responsible Investing (SRI) activities with new momentum in 2012, under the umbrella of the 'Capital4change' theme. The bank drew up a list of businesses involved in the manufacture of controversial weapons to which ABN AMRO no longer wishes to provide services to our investment clients. Although the involvement of our clients in the Netherlands with the businesses in question was already extremely limited, it was eliminated entirely in 2012 in consultation with the clients in question. Investment in funds is not, incidentally, taken into account in this regard.

ABN AMRO is also developing an investment policy in which a 'grey list' and a 'green list' will be compiled, in addition to the Controversial Weapons list. The grey list consists of businesses involved with serious controversies. ABN AMRO no longer wishes to include businesses of this kind among its investment products and will also no longer actively draw clients' attention to them. For a

business to be placed on this list, a report is submitted by external experts, following which the Investment & Engagement Committee (IEC; see section 4.1.3) carries out an evaluation and makes a decision. Businesses can only be removed from the grey list following improvements to their operations.

The green list, lastly, will include businesses that ABN AMRO will actively recommend to retail clients. It will become available to a broad group of these clients in 2013 for the first time. ABN AMRO has offered its Private Banking clients a Sustainable Investment Mandate since 2004, which is also used by the Chairman of the Managing Board.

3.9 Our plans for the future

Our plans for 2013 include:

- ▶ Incorporating sustainability criteria into the evaluation of all our commercial loans
- ▶ Review of policy for the energy and defence industries
- ▶ Application of the revised Equator Principles
- ▶ Enhanced management information on sustainability screening of clients and transactions
- ▶ Enhanced research into human rights compliance by clients and regarding transactions, in accordance with the revised OECD guidelines
- ▶ Further embedding of sustainability in our 'know your client' procedures
- ▶ Finalisation of the investment policy
- ▶ Implementation of the grey lists (controversial businesses in the field of sustainability) and green lists (sustainable businesses)
- ▶ Incorporation of sustainability risk in the credit procedure for corporate clients
- ▶ Incorporation of sustainability risk in the credit procedure for SMEs

A man in a dark suit, white shirt, and red and white striped tie stands in a shipyard. He is wearing glasses and looking upwards. He is holding onto several thick, dark ropes that are part of the ship's rigging. The background shows the complex wooden and metal structure of a ship's mast and rigging.

Ship recycling is still far from standard practice

"It's very much a niche market, but with substantial added value for companies that want to operate in a socially responsible way."

The shipping industry is essential to our economy: cars, grain, fruit juice, coffee – pretty much everything we use in our daily lives is transported by ship. But those vessels are eventually broken up in ways that can be extremely harmful to people and the environment. ABN AMRO is convinced that active engagement is the only appropriate way to improve things at industry level – in the shipping industry, and across sectors, locally and internationally. The bank also wants to get involved in sustainable solutions. Tom Peter Blankestijn is Managing Director of the Sea2Cradle company, which specialises in recycling ships. “ABN AMRO can play a major part in making ship-breaking more sustainable.”

Tackling unsustainable ship-breaking is complicated, because the process is spread over different countries and fleets, and vessels can change hands several times en route to demolition. Effective legislation, both national and international, will be an important part of the solution, but it’s a slow process and one made harder by conflicting interests. Bangladesh, for instance, ought to protect its citizens’ employment rights, yet ship-breaking there is a significant source of income on which many depend.

Although ABN AMRO takes the view that simply withdrawing funding for shipping is not a realistic option, the bank is fully aware of its increasing responsibility for the overall value chain. We are therefore concentrating on funding newer and more sustainable ships and are not involved in any way with ship-breaking. To that end, ABN AMRO’s Exclusion List explicitly prohibits the funding of any activities that contravene the Basel Convention. We also apply sustainability criteria to all our shipping company clients and screen every credit proposal on that basis.

Sustainable ship-breaking

At present, a mere 6% of all ships are broken up sustainably. The most commonly used method is to beach obsolete cargo vessels on the coast of countries like India and Bangladesh. Local people – men, women and children – then swarm over the ship to dismantle it. In many cases, they use



simple tools and lack any kind of protection, exposing themselves to severe risk of injury and contamination.

“Recycling is still far from standard practice, partly because it’s more expensive, and because there’s no international legislation as yet to make sustainable ship-breaking compulsory,” Tom Peter Blankestijn explains. All the same, his company has now broken up more than 70 vessels in a responsible way. “It’s very much a niche market, but one with substantial added value for companies that do want to operate sustainably.”

Blankestijn thinks that working with ABN AMRO could bring new opportunities:

“The bank can play a major part in making ship-breaking more sustainable. By insisting on an inventory of hazardous materials, for instance, when financing a new ship. We can also strengthen each other’s position by pooling information: when ABN AMRO gets involved in the debate, for instance, we can back them up with our expertise.” As of the first quarter of next year, ABN AMRO will make an inventory of hazardous materials a precondition for funding.



dedicating ourselves to the client 4

ABN AMRO's ambition is to be a better bank contributing to a better world. Retail & Private Banking and Commercial & Merchant Banking help achieve that by putting their clients centre stage, through the sustainable and responsible products and services they offer, and in their day-to-day business operations.

4.1 Retail & Private Banking

4.1.1 A better bank: clients' interests first

The client's interests must come first at ABN AMRO in everything we do. We have our own set of moral criteria, for instance, with which we assess existing and new products. The kind of questions we ask include: What value does this product add for the client? How transparent is it? What are the costs for the client? Is the product appropriate for the client? And will it contribute to sustainability and a long-term relationship? In this way, we actively respond to society's demand for transparency and clarity.

Other initiatives enhance that transparency too.

We write our letters, product terms and conditions, offers and other texts in plain language. We also adapted our website this year. In the annual, worldwide ranking of the websites of 40 leading asset managers and private banks, our Private Bank's website was deemed to be the best. The study focused on ease of use, content quality, contact opportunities and interactivity. Our abnamromeespiercion.nl site scored especially highly on information about costs and fees, and the performance of products and services. The study revealed that many other private banking websites don't provide similar transparency.

We place great importance on cost transparency. In the Netherlands, for instance, we have introduced an all-in fee for discretionary portfolio management. That way, clients know precisely where they stand. If they prefer a different service, they can see on our site what it will cost them. In anticipation of new legislation, the advisory costs for taking out a mortgage are also presented separately.

We want to tell our clients a clear story, and that includes the way we design our investment advice. In addition to return and investment goals, the advisor also pays explicit attention during client meetings to risk management, so we can determine with our individual clients what level of risk they find acceptable in pursuing their goals.

That kind of personal, careful approach doesn't just apply to investing: helping clients get a clear view of their overall financial situation is more important than ever. With a depressed housing market in the Netherlands and falling property prices, the phenomenon of negative equity – where the value of the house is less than the mortgage – is increasing. ABN AMRO actively approaches mortgage clients who might be confronted with negative equity or an interest-rate shock, because the interest rate they pay is lower than the current market rate. The monthly costs for these clients will increase when their fixed-interest period comes to an end. We take stock of the mortgage

Just under 800 employees took part in the Plain Language course at the end of 2012.



ABN AMRO offered financial coaching to young people and the elderly.

In 2012, 55 employees took part in Kids in Bizz; 653 employees gave lessons in how to handle money at primary schools.

ABN AMRO introduced entrepreneurs in search of capital to its network of 500 investors.



ABN AMRO wants to encourage sustainable enterprise. The bank was a founding partner of Social Enterprise NL in 2012.

situation with the client, and look for potential solutions. That allows appropriate steps to be taken in good time. We also support our clients proactively with a team of certified financial coaches, who advise them and help them organise or rearrange their financial affairs to stop them getting into difficulty. Clients can turn to our Mortgage Care Team for specific assistance in this area.

Telling a clear story also means specifically aligning our service provision to the target group. That's why we have:

- ▶ Services and information tailored to retired people, enabling us to build a sustainable client relationship with this group. Examples include online banking workshops and a special information bus. Retired ABN AMRO employees teach other retirees at the workshops how to take full advantage of the convenience and benefits of Internet Banking. Participants get to ask questions, and there is plenty of opportunity to practise. The special bus, meanwhile, is a mobile interactive information centre focusing on modern banking. Clients can find an answer there to questions like: What exactly is an 'app'? What can I do with it, and how does it work? They can also find out about mobile and online banking. Clients discover the benefits on the spot of digital invoices, paying via iDEAL, contact-free payment, communicating with the Webcare team via social media, and much more besides. To raise awareness of these and other initiatives, ABN AMRO supports the national campaign, 'You're never too old to learn'.
- ▶ We're also committed to helping our young clients learn about money. We want to teach them in a surprising and fun way how to organise their finances judiciously. We've developed various initiatives for that purpose, including the launch of the Dutch financial website Money (<https://extra.abnamro.nl/geld/>). Aimed at kids aged between eight and eleven, the site has games, videos and quizzes. According to the independent Nibud foundation, which provides households with budget advice, Money is the most complete financial education site for primary pupils. It also fits in perfectly with the primary school course 'Be a Hero with your Money' and the recently launched ABN AMRO 'Jongerengroeirekening' (youth growth account) – the only current and savings account in the Netherlands specially designed for parents who want to teach their children step by step how to manage their cash. Parents themselves decide what their child is and is not permitted to do. In this way, children learn as they go how to handle money and about banking matters.

ABN AMRO donates two euros for every newly opened youth growth account to Dance4life, an international organisation that works with young people to halt the worldwide spread of HIV and AIDS.

- ▶ The Generation Next Academy is where Private Banking prepares the adult children of private banking clients to take future responsibility for their parents' wealth. We picked up a signal that parents consider it important that their wealth should be passed on responsibly to the next generation. What they want is a balance between preserving that wealth and the opportunity to put their money to work for personal and social goals. The Academy offers a wide-ranging programme to that end, varying from technical workshops on investment and wealth transfer to workshops on collecting art and charitable giving. This is the fifth year in which we have offered the programme, with a total of over a thousand (young) adults taking part so far. One of the main benefits for participants is that they can meet contemporaries with similar questions in a trusted environment.

Our pursuit of sustainability in the form of recycling is also expressed in less obvious areas for the bank. When the new corporate clothing line was introduced, 6,000 old garments were collected by Salvation Army ReShare. In collaboration with the We Beat the Mountain foundation, we are now looking at possible ways of reusing that clothing in a creative way. We Beat the Mountain is part of the worldwide movement to reduce the mountain of waste. The foundation sells We Beat the Mountain products via its open, online Trash Platform, which focuses on waste and design.

4.1.2 A better world: products and services

It's very important to us to work with our clients to achieve a better world. We do so by offering tailored advice and services in this area. Our activities form part of the Capital4Change initiative and consist of:

- ▶ Philanthropy Advice
- ▶ Impact investing
- ▶ Socially Responsible Investing

Service provision is focused on the client segments at Retail & Private Banking.

Philanthropy Advice

The bank recently began to offer philanthropy advice to its private banking clients in the Netherlands. This service responds to a need felt by wealthy individuals to contribute more strategically and proactively to good causes. They want to do more with their money than simply accumulate wealth. They want to give while they're still alive, involving their children in the process and passing on their values. By providing advice in the field of philanthropy, we are fulfilling our promise at ABN AMRO MeesPierson to focus on the client rather than on his or her wealth. In addition to advice, we offer information and financial solutions for strategic philanthropy. The benefit to our clients is that they get a clear picture of the charities that suit them best. They can then decide the extent to which they want themselves and their families to be involved in the chosen charities, and what form that should take. We help our clients achieve the most favourable structure to support the charity in tax terms too. To provide inspiration, we offer a platform through which they can network and

Impact investing

We further reinforced our involvement in 2012 with impact investing – also known as 'social impact investment'. Social impact investment is about funding companies that primarily pursue a social goal based on a financially independent and often innovative business model. These sustainable companies pursue both social improvements and financial returns. Impact investing embraces the full spectrum of companies, investors and organisations committed to responsible investment.

We add value here by bringing together supply and demand, sustainable entrepreneurs and potential investors. In the activities that arise from this, a positive contribution to the community is more important than the financial return. ABN AMRO has undertaken the following initiatives in this field:

Via Informal Investment Services (IIS), ABN AMRO MeesPierson makes its network of investors available to businesses looking for capital. The companies that approach us come from all sectors. We have detected growing interest on the part of investors in recent years in businesses that generate not only a financial but also a social return, and so we are bringing sustainable enterprises to the attention of prospective investors more and more frequently. We acted as mediator in 2012 for companies in areas like food, fair trade, energy and micro-credit.

The amounts involved ranged between EUR 75,000 and EUR 3 million.

ABN AMRO also approved the creation of its own Social Impact Investment Fund in 2012. Through this fund, the bank itself invests in socially responsible businesses – in the first instance, exclusively in the Netherlands. We intend to play an active part in this way in the development of impact investment. The fund pools the expertise present within ABN AMRO and deploys it on behalf of individual businesses. We also pursue broad cooperation with other leading organisations in this market.

GreenLoans – an initiative of ABN AMRO subsidiary ALFAM Consumer Credit – has also been developed especially for retail clients. GreenLoans is a niche player that finances green investments like solar panels. The loans themselves are financed in turn by sustainable funds, offering clients a low rate of interest, which is moreover tax-deductible. The loans are offered not only online but also via business partners like Essent and the homeowners' association Vereniging Eigen Huis which offer financing to their clients. In this way, GreenLoans will contribute to energy conservation and a sustainable society.

Sustainability is an important element in our consumer campaigns too. As part of one special offer, for instance, clients taking out a home contents policy were offered a solar-powered phone charger at a sharp discount.

We also developed impact investing initiatives outside the Netherlands. Neuflyze OBC, for instance, has been cooperating with Babyloan – France's first community oriented microcredit website. Neuflyze OBC is not only a shareholder, but is acting as advisor too. Our French private bank wants to play an active part in microfinance and is therefore in discussion with a credit provider for whom the bank might act as guarantor and whose services it can bring to the attention of its Institutions & Charities clients. Neuflyze OBC also invests in the 'associative bonds' issued by the NGO ACTED. ABN AMRO signed a global partnership in September 2012 with the Centre for Social Investment (CSI) – a leading research institute in the field of international charitable organisations at the University of Heidelberg. The agreement means Private Banking will provide financial support for innovative research into high-impact philanthropy in social, educational and environmentally related projects. Thanks to this

cooperation, clients, prospects and our own employees can access the CSI's expertise through tailored workshops, training courses, case studies and specialist publications. The partnership will also further strengthen the services and advice we provide to the Institutions & Charities segment.

We supported other international initiatives too in 2012. We were the main sponsor, for instance, of the Impact Days, organised by PYMWYMIC (Put Your Money Where Your Mouth Is Community) – a community of families, philanthropists and individual investors who help provide capital for non-profit companies with a view to creating a positive social impact in the world. ABN AMRO is also a corporate member of the TBLI CLUB™ – a circle of dedicated sustainable and impact investment professionals, investors and asset managers – and hosted its November conference.

Socially Responsible Investing

Our clients' investments in sustainable assets came to EUR 4,932 million in 2012. Growth came primarily from two sources: ongoing demand for our sustainable mandates in the Netherlands, France and Germany; and a shift towards sustainability in the investment philosophy of certain money market funds at Neuflyze OBC (France).

In Germany for example, investments in sustainable funds and mandates more than tripled within 12 months from EUR 32 million in October 2011 to over EUR 115 million in September 2012.

4.1.3 Our plans for the future

Although we are pleased with these developments, our ambitions extend further still. We want to integrate sustainable elements in our mainstream investment offering as well as the niches described above. A key aspect of this approach is selection not only by financial criteria, but taking account of sustainable factors too. In 2012 we launched the Investment Engagement Committee (IEC) to shape and coordinate implementation of the selection process. The IEC is made up of representatives from all the bank's relevant business lines and is chaired by Caroline Princen, the Managing Board member responsible for Sustainability.

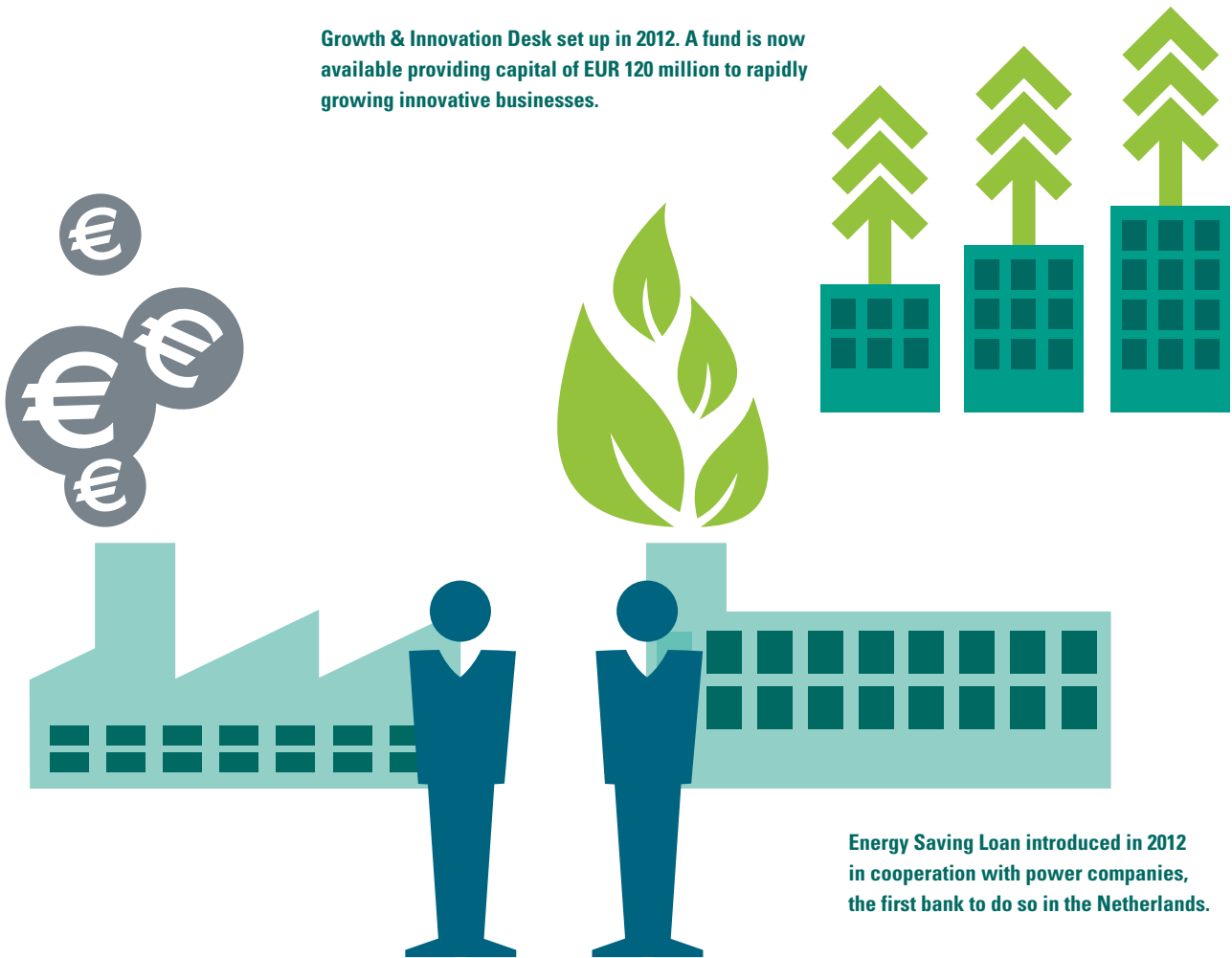
Following a decision to exclude shares of companies on the Controversial Weapons list, the IEC is now preparing similar steps for companies that violate the principles of

the UN Global Compact. An approach for screening bonds, investment funds and certain other investment products is also being developed, and we aim to introduce positive 'best-in-class' screening alongside negative screening by the end of 2013, to highlight the most sustainable choice in each category. The exclusion of businesses on our Controversial Weapons list is being carried through far into our product offering. Businesses of this kind may no longer even be purchased online or via our Advice & Service Centres, and suppliers of investment mandates are instructed to remove them from the mandates they supply to us.

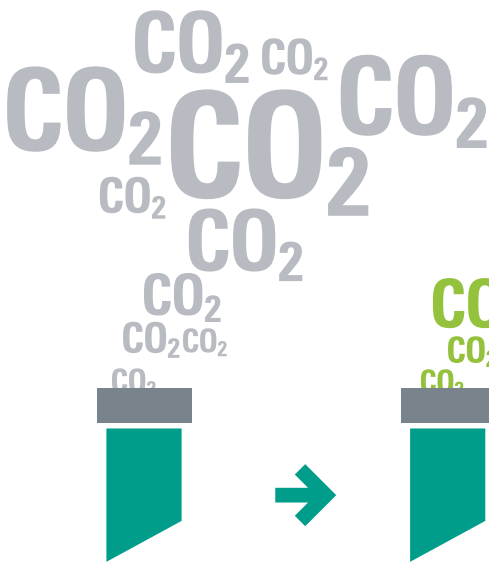
It goes without saying that we will continue to put the client centre stage in the future, working on the clarity and transparency of our services and on products that are relevant and can make a difference.

Our clients' investments
in sustainable assets came
to EUR 4,932 million in 2012.

Growth & Innovation Desk set up in 2012. A fund is now available providing capital of EUR 120 million to rapidly growing innovative businesses.



Energy Saving Loan introduced in 2012 in cooperation with power companies, the first bank to do so in the Netherlands.



ABN AMRO works with sheltered workshops to promote energy-efficient lighting. This has also been recognised as the most successful employment project.

The number of complaints dealt with dropped from 172,000 in 2011 to 142,000 in 2012, due in part to the launch of the improved "How We Deal with Complaints" process. The AFM rating was 3.8 in 2011 and 4.2 in 2012 (on a scale of 1 to 5).



4.2 Commercial & Merchant Banking (C&MB)

With its long history as business partner to Dutch industry, Commercial & Merchant Banking (C&MB) knows better than anyone the needs of its clients and the social context in which they operate. Food shortages, an ageing population, climate change and the depletion of raw materials are just a few examples of the kind of trends organisations are having to deal with. Businesses are expected nowadays to contribute to possible solutions. Sustainability has become a prerequisite for commercial success and hence also for the success of C&MB.

C&MB wants to be a strategic partner for its clients. We want to enter a dialogue with clients, share knowledge and look together at how they can contribute to a more sustainable economy. How and to what extent our clients are working towards a sustainable future varies widely. One client might aspire to a completely sustainable manufacturing process, while another is committed to people and the community. Some businesses, meanwhile, have yet to take their first sustainable steps. We want to support the efforts of all these organisations by promoting cooperation, rewarding good initiatives and above all putting our heads together. In the sections below, we describe some of our initiatives in this field.

4.2.1 A better bank: clients' interests first

To determine what our clients want and how they rate us, client satisfaction research is carried out within C&MB by independent bodies. The agreement is that relationship managers will contact their clients based on non-anonymous results from the research. Where possible, the findings are used to improve the service and advice we provide to our clients. At the same time, an annual internal survey – the culture scan – is held to gauge our employees' satisfaction with the culture within the bank. All aspects of the culture surveyed in 2012 were found to have improved compared to the previous year.

Transparency

C&MB launched its Plain Language project in 2011 to increase transparency and enhance communication with clients. The goal is to rewrite all our client information so that it is clear and focuses on what the client wants to know. The provision of training and rewriting of commercial texts on the website are examples of concrete results. A total of 117 C&MB employees completed the training

in 2012. The emphasis in 2013 will be on reworking our written communication with clients.

Innovation

Our clients want their banking business to be dealt with quickly and easily, with products that reflect their needs. For that reason, we're continuously on the lookout for innovative and appropriate solutions. C&MB launched a number of new products in 2012. Market Insights is an iPad app that clients can use to receive regular economic and industry reports. The Access Online app, meanwhile, enables clients to check their domestic and foreign accounts and payment status anytime, anywhere using their iPhone or iPad. Quick Banking lets clients log in to online banking using a self-chosen identification code, without requiring the e.dentifier (card-reader).

C&MB also set up the Growth & Innovation (G&I) Desk in 2012 to give innovative businesses looking for finance the opportunity to opt for sustainability. Our specialists at the G&I Desk look for investors in their network who can support the businesses in question with funding and know-how, to bring their product, service or concept to market successfully. C&MB can contribute to that through facilities like the 'Innovatief Borgstellingskrediet', a loan guaranteed in part by the government. Our G&I specialists also help clients with possible subsidy applications.

On 26 November 2012, Gerrit Zalm and Joop Wijn signed a contract with the European Investment Fund (EIF). The C&MB unit can now provide capital of EUR 120 million to rapidly growing innovative businesses, with the EIF guaranteeing 50% of that amount. ABN AMRO is the only Dutch bank able to do this, reflecting the unique position C&MB's Growth & Innovation Desk occupies in the market.

Industry knowledge

We support our clients with specific knowledge in the following sectors: Construction, Food, Industry, Telecommunications, Media, Technology, Government, Housing Corporations, Education, Public Sector, Real Estate, Retail, Transport & Logistics, Business Services, Energy, Commodities & Transportation and Agriculture. A number of industry reports were published in 2012, in which sustainability was a recurring theme. The Poultry Industry Report, for instance, focused on the Carbon Footprint, while the High-Tech Agrisystems Report emphasised opportunities for more efficient agriculture in third-world countries.

These reports are increasingly distributed in digital form or in limited print runs.

C&MB takes part in a number of sustainable initiatives too:

- ▶ Sustainability is now fully integrated in our day-to-day business operations, both nationally and internationally, at C&MB's Energy, Commodities & Transportation (ECT) unit. We also engage in active dialogue with our clients about the sustainability issues relevant to them. We took the following initiatives to enable us to evaluate and respond more effectively to the sustainability risks of our ECT clients:
 - interviewed our clients and scrutinised their sustainability practices;
 - established sustainability standards for the energy and metals-related commodities market;
 - developed instruments with which to measure their sustainability performance against an industry benchmark.

Our sustainability tools and guidelines are almost finalised. We're now taking stock of the extent to which our clients are actively seeking to mitigate the social and environmental risks associated with their business operations and to what extent they are succeeding. We will take the results of this analysis into account in each due diligence and credit approval process, with clients' sustainability performance influencing the decision-making process.

- ▶ C&MB is closely involved with research into transport industry trends, with a particular emphasis on shipping. We translate specific developments into our finance criteria. We do not provide funding, for instance, for single-hulled ships, following a number of environmental incidents involving vessels of this kind. ABN AMRO Maritime also offers financing solutions.
- ▶ C&MB is a partner of the PRIMA Ondernemen Award – a prize for innovative sustainable enterprise in the rubber and synthetics industry, presented every two years.
- ▶ Dutch Green Building Week was organised in 2012 for the second year in a row. C&MB acts as sponsor. The aim of the event is to highlight the important role sustainable building plays on the way toward a healthier, more sustainable society.
- ▶ The Outdoor Grazing Covenant was signed on 18 June 2012 by over 50 organisations active in the food chain. C&MB was among the signatories. The objective is to support the current level of dairy farms with outdoor grazing, to keep as many dairy cattle as possible in the open air.

- ▶ C&MB helps produce the Green Transport & Logistics sustainability report, which highlights sustainability developments in the logistics industry.
- ▶ C&MB is a member of the Green Fashion Competition jury, which picks the best fashion designers focusing on sustainable clothing.
- ▶ C&MB contributes, lastly, to seminars and conferences on sustainability, such as Logistics Day, which was held in Limburg on 22 September 2012. C&MB held several presentations at the event, which focused on sustainability, developments in corporate finance and sustainable innovations.

4.2.2 A better world: products and services

C&MB works hard to place the client centre stage when developing products. The product development and approval process is one example, in which the development of new products is evaluated based on a fixed procedure. An important criterion in this respect is the extent to which the product serves the clients' interests. Existing products are reviewed according to that standard each year, once again with a view to the clients' interests. The Risk, Compliance and Legal departments are involved with developing and testing products. Here's just a selection of C&MB's sustainable products and initiatives:

Energy and environmental finance

The Energy Saving Loan is one solution of this kind. We put clients with high energy bills in contact with companies that supply energy-efficient cooling and heating systems. Installation costs are financed by ABN AMRO, with repayment of the loan plus interest earned back entirely through the reduced energy bill. The resultant savings can run to 20-30%. We offer this approach to clients as an integrated solution. Clients can save energy via the Energy Saving Loan without impacting their budget at all.

Through the GreenFox initiative, C&MB makes it possible for clients to save energy and reduce CO₂ immediately. GreenFox works with sheltered workshops to make lighting more energy-efficient by converting existing light fittings to the latest technology. The result is an average energy saving of about 40% on lighting and a win-win-win situation for the environment, employment and our clients' budgets.

ABN AMRO Lease provided finance to the tune of EUR 8.8 million for sustainable projects last year, including EUR 1.9 million to fund two biogas installations. These deliver 3 million m³ of green gas a year – enough to supply 1,700 households with green energy. One of the larger sustainability-related deals was the funding of LED lighting in commercial greenhouses. ABN AMRO Lease has also signed around 100 leasing deals in the past 14 years for Heat Exchangers. This technology uses large gas engines that generate electricity for crop lighting.

Inducing crops to grow faster reduces energy costs.

At the same time, sufficient heat is generated to heat the greenhouse, and so large boilers are no longer needed.

A great deal has been invested in new, environmentally friendly greenhouses: Green Label greenhouses. In 2012, ABN AMRO Lease funded the largest heat-exchanger (7.5 MW) in horticulture, for a sum of around EUR 2.9 million – equivalent to the power consumption of around 15,640 households.

The Modulo Kringloopplein is an innovative concept for the collection, sorting and recycling of domestic waste. It allows organisations active in the waste management, recycling and work reintegration fields to collaborate more efficiently with all levels of government. The basic principle is that the savings generated by recycling centres are analysed and that they exceed the associated investments. In collaboration with Modulo, we offer a new concept for recycling centres, which can now be financed in a budget-neutral way. There is considerable interest in the concept in the Netherlands, besides a first success was achieved recently in the German market in Hamburg.

Another initiative aims to help clients – particularly in the agricultural sector – to create a healthier working and living environment by financing the removal of asbestos sheeting and installation of solar panels, so that our clients achieve two benefits at once. A pilot was launched at the beginning of November 2012.

MisterGreen was founded in 2008 and is the first Dutch leasing and rental firm to focus exclusively on electric cars and scooters. ABN AMRO Lease made a start in 2012 with five lease contracts worth an average of EUR 30,000 each. Collaboration with MisterGreen has also been widened: in addition to a commercial account and a partnership with ABN AMRO Lease, we now offer finance too. Not only are we an investor, we also lease electric cars for our branches in Almere and Amsterdam Southeast.

Alternative forms of finance

A pilot was launched in 2012 for Seeds – a crowdfunding platform offering entrepreneurs the opportunity to raise finance online. Seeds, which aims to promote sustainable business practices, is a wholly owned subsidiary of ABN AMRO. This innovative initiative enables clients to invest between EUR 50 and EUR 5,000 in socially responsible enterprises. Over 250 entrepreneurs have signed up. As of 24 September 2012, four months after the initiative was launched, three of the five businesses were fully funded, including one that produces healthy snacks for children.

Start-up finance: stimulating innovation

ABN AMRO has long been a bank for entrepreneurs, and so C&MB focuses very strongly on business start-ups. ABN AMRO took part, for instance in the Amsterdam Start-up Bootcamp, a project to which the bank has committed itself for the next two years. It offers start-ups in the media and technology sector the opportunity to collaborate intensively with industry experts, who offer their services as mentor. Starting capital, a free workplace and lots of sponsorship deals mean start-ups can make the kind of progress in three months that would normally take them years. In this way, some 80% of the new businesses managed to raise the finance they needed. ABN AMRO invests directly in some of them as well (see box).

Start-ups often have very limited funds with which to invest, which is why ABN AMRO Lease launched its 'lease for start-ups' product in August 2012, which makes leasing possible for amounts between EUR 5,000 and a maximum of EUR 50,000. Since then, over a hundred contracts have been signed with a combined value of EUR 2.2 million.

We also participated in 2012 in Stichting Jong Ondernemen, an independent foundation for young entrepreneurs founded in part on the initiative of ABN AMRO. The goal of the foundation is to bring secondary and higher education students into contact with entrepreneurship. We're closely involved with the initiative, supplying volunteers and organising workshops, for instance, on subjects like preparing a business plan. Students are also given a business account they can use to set up a business of their own under the 'Jong Ondernemen' banner, giving them a risk-free foretaste of what it is to be an entrepreneur.

ABN AMRO Venturing Holding B.V. has been the joint initiator and shareholder since 2006 of the Start Green Venture Capital investment fund, through which we seek to contribute at an early stage to the financing of sustainable innovation. Entrepreneurs find it hard during this earliest stage of development to raise the capital they need to bring their technology to market. Start Green Venture Capital plays an important role in that regard, to which end it manages two funds (see box).

New Venture is another initiative in which C&MB took part in 2012. It provides new entrepreneurs with a year's guidance in drawing up a good business plan. We provide coaches, organise workshops on writing the financial section of the plan, and are closely involved in the final presentation. We also introduce the winners to our investor network. Through these initiatives, C&MB supports new businesses not only financially but also with knowledge and expertise.

We entered a partnership in 2012 with Social Enterprise NL, an organisation that sets out to stimulate socially committed businesses in the Netherlands. ABN AMRO endorses the importance of that initiative, which is why the bank shares its know-how and offers alternative forms of funding to help support businesses of this kind.

4.2.3 Our plans for the future

All these activities – often small-scale – contribute to the success of our clients. They support sustainable growth for the Dutch economy and promote socially responsible enterprise. Sustainable growth will also be one of the pillars of C&MB's strategy in 2013 and beyond. The number of activities in the field of sustainability are expected to increase further in the years ahead.

4.3 Handling complaints

Having dealt with over 172,000 complaints in 2011, ABN AMRO saw that figure decline in 2012 to around 142,000. An updated process – 'How We Deal with Complaints' – helped us pick up client signals more effectively. We also keep active track of client responses via social media, such as Twitter, Facebook and online discussion forums, enabling us to address many queries straight away, heading off potential complaints.

The three most common areas of complaint in 2012 related to:

1. Payments (authorisation not provided, incorrect beneficiary account, account debited incorrectly)
2. Cash (failed cash dispenser withdrawals, failed transactions using multipurpose ATMs)
3. Cards – Issuing (incorrect transfer of electronic purse balance)

AMSTERDAM START-UP BOOTCAMP

ABN AMRO took part in spring 2012 in the Amsterdam Start-up Bootcamp (SBC) – an accelerator programme for innovative business start-ups in the media and technology sector. Of the 400 applications, ten international start-ups were selected to take part in an intensive three-month programme at SBC. They were supervised by 70 mentors from the business world, including ABN AMRO, Boer & Croon and PWC. The selected businesses received a total of EUR 17 million in starting capital, free business accommodation at Vodafone and, where necessary, living accommodation at Ymere. Together, this enabled the start-ups to contribute to the community through sustainable, innovative concepts and job creation.

ABN AMRO's Growth & Innovation Desk, Corporate Clients, Sector Advisory and Informal Investment Services all

organised workshops in their role as mentors. At the end of the programme, ten start-ups presented their ideas to several hundred investors, including 80 ABN AMRO Private Banking clients. Investor interest was strong. After follow-up investments and negotiations, the value of the start-ups was estimated at a total of EUR 18 million (source: PricewaterhouseCoopers), which meant 80% of the start-ups raised the finance they needed. Other accelerator programmes report rates of 50%. Between them, the ten start-ups have created 70 new jobs.

A fresh batch of start-ups applied at the end of 2012 to take part in SBC 2013. Once the best ideas have been selected, the winners will be fast-tracked from 2 April so they can present their plans on 28 June 2013 to around 400 investors.

4.3.1 What did we achieve?

It's crucial that we deal with complaints effectively: clients who are not satisfied with the way their complaint was handled will be dissatisfied with the bank in general.

ABN AMRO's revised complaints policy was approved in 2012. The policy puts our clients centre stage: everything is geared to solving problems as quickly and effectively as possible, and using the knowledge gained to improve our processes and services.

The Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten – AFM) also looked at our complaints management again in 2012, noting that major steps have been taken, including the creation of Operational and Tactical Consultation and consolidating the learning process. Contacts between the different departments involved in complaints handling were improved as well. The AFM's rating in 2011 was 3.8 (on a scale of 1 to 5), rising to 4.2 in 2012.

ABN AMRO's social media presence was further expanded in 2012. Our Webcare team actively seeks out clients' queries, suggestions and complaints, with a view to answering questions quickly and fully and solving problems immediately. Clients are clearly very satisfied with this service, which is available round the clock every day of the week. Up to now Webcare has dealt primarily

with queries from retail clients, but part of the team will begin to focus specifically on business clients as of January 2013.

We also launched 'How We Deal with Complaints in 2013' – a new approach, in which we ask clients how they would like their complaint to be solved. Once the complaint has been dealt with, we call clients back to see whether the matter has been settled to their satisfaction. The employee who received the complaint is then informed afterwards about how it was handled, enabling us to learn from each complaint.

Various helplines are provided for employees to call in order to provide clients with the best possible service. They can call on the Complaints Management department's advice desk or Legal Advice Unit for help with complex legal and similar issues, or to discuss the best way to satisfy the client's wishes. The employees who deal with the complaints are consulted via the complaints line to help solve the issue as quickly as possible. In this way, we focus on the client's interests, and maintain or restore a good relationship with them.

Any complaint where clients feel their privacy has been breached is harmful to their interests. This can occur if the bank reveals their details to a third party without authorisation or if personal information is not properly

Start Green

ABN AMRO Venturing Holding B.V. has been the joint initiator and shareholder since 2006 of the Start Green Venture Capital investment fund, through which we want to help finance sustainable innovation at an early stage. Entrepreneurs find it hard during this earliest stage of development to raise the capital they need to bring their technology to market. Start Green Venture Capital plays an important part in that respect, to which end it manages two funds. The Start Green Sustainable Innovation Fund focuses on the business-to-business market, while the Start Green Consumer Products Fund invests specifically in the development of sustainable consumer goods. Over the past six years, Start Green has built up a portfolio of ten investments.

One of Start Green Venture Capital's investments is Ojah B.V., winner of the SME Top 100 in 2012. Ojah B.V. uses its internationally unique, patented food technology to produce 100% vegetable-based meat substitutes, which are marketed in the Netherlands under the Beeter® brand. Unlike existing meat substitutes, Ojah's product is tender and offers the taste sensation of real meat.

Consumer demand for high-quality meat substitutes is growing hugely, due to a combination of ethical and health considerations. Ojah has developed a great product that can be produced on a large scale with a very low environmental impact.

Customer Excellence

We launched our Customer Excellence programme in 2010. CE is a way of working whereby we develop our employees' problem-solving skills in order to give our clients the best service as quickly as possible and at the lowest possible cost.

Our CE approach is closely aligned with the bank's sustainability thinking, in which we set ourselves three main goals: greater client satisfaction, greater employee satisfaction and greater efficiency. Taking our clients as our starting point, we're working on our processes and investing in our staff. That will result in a good, fast and relevant service at a reasonable price and in plain language. What it means for our staff is that we discuss the consequences of changes at the beginning of the day. That also gives our people a platform on which to shape the day-to-day improvement of their own work.

We once again implemented large and small changes in the Customer Excellence context, several of which had a typical sustainability character. By organising our processes more intelligently and thinking about what clients want to receive in their letter boxes, we can save a considerable amount of

paper, printing and post traffic. Examples include reducing the size of reports and offers, distributing fewer paper copies and processing forms electronically. Through these measures, we saved almost a million sheets of paper in 2012 compared to the previous year. In many cases, this also enabled us to service the client in half the time.

Customer Excellence brings about the transformation needed to establish an organisation that seeks continuously to improve itself. The first stage in that process is to introduce Customer Excellence at a particular business unit, which takes 14 consecutive weeks. This has already been done at 13 business units, with employees involved with Customer Excellence around 10,000 times. Under CE, for instance, confirmation letters are sent to clients digitally, which means they receive confirmation the same day, and we reduce printing and delivery costs. Another example is the Next of Kin Desk, where documents can now also be delivered digitally, cutting two days off the procedure. The bank currently employs 150 certified CE experts.

secured. We received 24 complaints in that regard in 2012, in three of which cases the client's view was upheld. Clients' interests are also at issue in complaints regarding investment advice they have received. There were 54 complaints of that nature in 2012, in two of which the client's view was upheld.


A total of 348 clients approached the Klachteninstituut Financiële Dienstverlening (Complaints Institute for Financial Services, or KiFiD) Ombudsman in 2012, and 83 clients took their case to KiFiD's Disputes Committee. KiFiD found in ABN AMRO's favour in 76% of these cases.

4.3.2 Our plans for the future

We will do everything we can in 2013 to take even better account of the client's voice in the complaints process.



Philanthropy puts the client centre stage

A man and a woman are standing on a wooden pier by a lake. The man, on the left, is wearing a grey coat and glasses, and is gesturing with his hand towards the woman. The woman, on the right, is wearing a black coat and is smiling. In the background, there is a flag on a tall pole, and the sky is overcast. The water of the lake is visible in the foreground and background.

"A world in which we're ready to take care of one another."

ABN AMRO MeesPierson began to offer specialist philanthropy advice at the end of 2012. The bank detected a need among private banking clients for advice on 'giving' and recruited Diana van Maasdijk to develop a service on those lines. Her first client was Peter Groenen, CEO of Beheermaatschappij Groenen. "The solution today is to share things."

Bring about a change

Peter Groenen is a born entrepreneur. He took over the family business and swapped retail for venture capital. "I take



a very broad view of 'giving'. It could be knowledge, experience, time, money or energy. I want to do things that give me goose-bumps." And that's precisely what he gets from investing in people. "The solution at this time is to share things. My ambition is to work with others to bring about a change.



Jazi – Make your difference

Peter Groenen and his co-founders Robert and Jane van de Boogaard launched their 'Jazi' foundation at the beginning of 2013. Peter Groenen: "You can increase the impact of a gift by linking up donors with existing good causes and by offering advice and inspiration. That way you don't waste time and money reinventing the wheel. The aim is to create a foundation that helps make giving more effective, efficient, transparent, personal and pleasurable."

In this way, Jazi aims to bring about sustainable change in as many lives as possible. The foundation takes its name from a Swahili word meaning 'inspired giving'.

"You can go your own way and try to find out and control everything yourself. But we think it's better to pool your efforts as much as possible. That's how we'll achieve the most."

Find out more about the foundation at jazi.eu

So that the majority of people immediately think differently and strive for a world in which we're ready to take care of each other. It's not about things, but people."

Strategic giving

Diana van Maasdijk, Head of Philanthropy Advice at ABN AMRO MeesPierson and author of the Good Giving guide: "I think what he's doing is great. Our team of philanthropy advisors helps as many ABN AMRO MeesPierson clients as possible fulfil their wish to make a difference to the world through effective and strategic giving. We look for the right organisations and people for our clients. Helping Peter set up his Jazi foundation is a fantastic opportunity."

"ABN AMRO MeesPierson and Jazi want to achieve the same thing," Peter Groenen explains. "That's why it works so well. It's about making connections. Nine out of ten business start-ups fail, so they're not always going to get it right first time in Africa either. We want Jazi to show just how many well organised, existing goals you can support straight away."

Van Maasdijk: "People are sometimes surprised to find a bank helping people to 'give their money away'. But there's substantial client demand for philanthropy: it's something many of them are concerned about. We put our clients centre stage, which means we also respond to their questions about giving. We do that by listening to them. And we also introduce specific services, for which clients themselves decide how much to pay. ABN AMRO MeesPierson then donates 25% of that amount to organisations that promote philanthropy."

dialogue with our stakeholders 5

To give proper shape to our sustainability policy, we need to establish a corporate culture in which we engage in constant dialogue with our stakeholders and build a long-term relationship with them. Only then can we form a clearer insight into society's wishes and concerns and respond to social developments. ABN AMRO has a wide range of stakeholders, among which our clients and employees are central. We determine with them what elements we wish to emphasise. Before we can reach our clients, however, we first have to reach our employees. We therefore organised various actions in 2012 to inform our staff about what sustainability means to ABN AMRO and what we do in that area. Aside from our clients and employees, our prime stakeholders are our shareholder and NGOs.

5.1 Relevant themes: the materiality principle

It isn't possible to consult all our stakeholders about every theme, which is why we apply the 'materiality principle'. This means we focus on discussing questions that are very important to the bank and which we can actually do something about. The issues that ABN AMRO considers relevant are the ones that are important to our prime stakeholders, and we actively maintain a dialogue in those areas. Other themes, which we currently view as less relevant, might become more so in the future. So we also want to monitor and understand issues at the periphery of our sphere of influence.

Social media are playing an increasingly central part in the exchange of ideas concerning social trends and we intend to increase our dialogue with stakeholders via these channels in 2013. The issues on which we want to concentrate will be determined by the relevance the

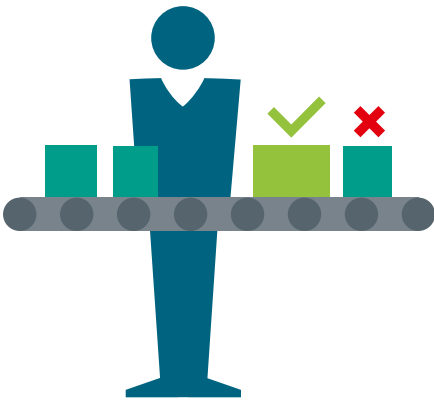
community places on them and the focuses we have set out in our strategy.

5.2 Sustainable dialogue

We've tested our sustainability policy against a variety of stakeholders, including the Works Council, our Sustainability Advisory Board and different knowledge institutions, and will continue to do so, in order to keep track of what our stakeholders consider important.

ABN AMRO is actively involved with a range of national and international initiatives, which are themselves committed to a better world, such as UNPRI, the UN Global Compact and the UN Guiding Principles for Business and Human Rights. The main initiatives and memberships are:

Active dialogue and exchange of information with stakeholders. The approach included a client panel and contact with our commercial partners.



We began to submit our products to clients in 2012 to help improve quality.

Staff awareness of sustainability is rising. A private social media group on sustainable projects was launched on Facebook. It has more than 250 members.



We have a range of sustainable deals for staff (tips on how to generate your own green electricity, consume less energy and track your power consumption).

More than 100 quotations for solar panels were issued to staff.

Aim to sustain	Kifid	Sustainable Shipping Initiative
Duisenberg School of Finance	MVO Nederland	SVN Nederland
Dutch Green Building Council	NIVE	UNEP FI
Holland Financial Centre	Dutch Association of Investors for Sustainable Development (VBDO)	UN Global Compact
IIF	PRI	
IUCN Nederland	Sustainable Finance Lab	

5.3 Targeted consultation

We began to consult our stakeholders in a more targeted way this year, based on the stakeholder management plan ABN AMRO has drawn up. Dialogue with our prime stakeholders resulted in the following initiatives and positions.

Clients

- ▶ Client panels – retail clients in particular – help us test our thinking about the bank's sustainability strategy. Clients feel it is important for ABN AMRO to pursue sustainability. They wouldn't like it, however, if we were to promote ourselves at this stage as a sustainable bank. "Do it without making a fuss and show some humility" was the essence of their message.
- ▶ We have discussed our sustainability strategy with various business clients along with their own efforts in that area. These talks generally related to the environmental, social and ethical (ESE) industry policy that we established again in 2012. We visited our clients, and the Managing Board and Sustainability department held a series of client presentations.
- ▶ We organised initiatives abroad too to inform clients about and involve them in our sustainability strategy. Bethmann Bank staged an enterprise platform in Stuttgart, for instance, featuring a discussion with the biologist, researcher and activist Christine von Weizsäcker about a range of sustainability issues. Still in Germany, we discussed sustainable asset management with over 200 clients in 2012, and Bethmann Bank set up an independent Sustainability Advisory Board to monitor responsible investment processes and ethical investment portfolios.
- ▶ We began to present our products for client evaluation in 2012, including our ongoing travel insurance. Clients who report a claim online can rate the way it is handled. Our aim is to steadily raise the level of client satisfaction and transparency, and so the bank plans over time to have all its products reviewed by its clients in this way.

In so doing, we will involve our clients more in our products and services.

Employees

- ▶ Our Business Principles were introduced throughout the bank at the beginning of 2012. These six guidelines set out the social-ethical framework in which we operate and help share the behaviour of individual employees. 'I am committed to sustainable business practices' is one of the principles that will guide our actions.
- ▶ We organised a series of large staff events in the sustainability field. Internal Sustainability Days were held in Amsterdam, for instance, on 21 February, 17 April and 19 June, in which hundreds of employees took part. They focused intensively on how to speed up the creation of a 'community of practice' for sustainability at ABN AMRO. Presentations were also organised at numerous departments, with sustainability a fixture on the agenda. Almost 300 people attended the 19 June event.
- ▶ We have set up discussion platforms on the intranet and internet where employees with a close involvement in this field can exchange information about sustainable themes and issues.
- ▶ We help our employees make their home lives more sustainable, by offering them sustainable deals – advice on how to generate green electricity, for instance, consume less energy and track their energy consumption. They also have the opportunity to purchase solar panels or LED lighting at a very competitive price. A total of 103 quotations for solar panels were issued to staff in 2012, equal to around 310,000 kWh of power.

Other stakeholders

In addition to consulting our clients and employees, we maintained a dialogue with other stakeholders, such as rating agencies, benchmark representatives and NGOs. Contact with the latter in particular forms an important link with the community. A wide range of themes were discussed. Appendix 3 contains an overview of our stake-

holders and the themes we discussed with them. A brief survey of several important issues raised in 2012 is given below.

Remuneration policy

Top bankers' pay was once again a sensitive social issue in 2012. ABN AMRO agreed with its shareholder last year to scrap the variable element of Managing Board members' pay and to convert part of it into fixed remuneration, resulting in further moderation within the bank's pay policy. The overall policy is supervised by the Dutch central bank and the Authority for the Financial Markets (AFM).

Cybercrime: skimming

Online fraud and abuse of payment cards are a growing problem for both the bank and its clients. ABN AMRO took numerous steps in 2012 to prevent fraud, including a campaign to raise client awareness of the issues. The aim was to show people that they too can contribute to the security of online banking and use of payment cards. Much greater importance is now placed on prevention, with secure banking viewed as the shared responsibility of bank and client: we can't do it without each other.

Supporting the real economy, tackling debt

Despite the crisis, ABN AMRO continued to support the real economy in 2012 by lending to individuals and companies with solid plans. The downturn will, however, continue to cause problems for some clients, including repaying their mortgage. To help in that regard, we set up Mortgage Care Teams in 2012 to assist retail clients who find themselves in difficulty. Some businesses too struggled to service their loans in 2012. Our Financial Restructuring & Recovery (FR&R) department helped them to restore their financial health. FR&R is currently advising 15% of ABN AMRO's business borrowers, with which it boasts a very high 85% success rate.

Derivatives trading

Although derivatives can be an effective instrument for professional clients to manage their risk and ABN AMRO has always fulfilled its duty of care with respect to these products, the crisis has caused problems for some institutions because of derivatives trading. The housing corporation Vestia is one high-profile example. ABN AMRO lived up to its responsibility in that case by scaling down, together with other financial institutions, Vestia's derivatives portfolio. The bank reviewed the derivatives portfolios

and risk profiles of other relevant professional clients too, adjusting them where necessary. ABN AMRO also closed its Delta One Arbitrage derivatives desk, as this interbank activity was no longer aligned with our goal of only accepting risks on behalf of long-term client relationships.

Sustainability in practice

We are working on various fronts to embed sustainability in the finance we provide and the industries we serve. Themes in 2012 included more sustainable ship-breaking, green power generation, preventing deforestation and the exclusion of controversial weapons.

5.4 Our plans for the future

- ▶ We want to position ourselves more clearly on sustainability in the social media, and to dialogue with stakeholders on the bank's sustainability policy.
- ▶ We intend to further structure and implement our materiality analysis in consultation with our prime stakeholders.
- ▶ And we will continue to professionalise our cross-bank stakeholder management.

Soul searching

*"Sometimes a fish forgets
it's swimming in water."*



Greenpeace is a non-governmental organisation (NGO) that operates according to firm values, such as engagement and 'honest' sustainability. The independent organisation has a clearly defined goal: to achieve environmental progress. ABN AMRO too operates based on its core values – Trusted, Professional and Ambitious – but can still be held to account by a stakeholder like Greenpeace. "That critical gaze prevents us from developing organisational blind spots," Richard Kooloos, head of Sustainability at ABN AMRO says.

"Sometimes a fish forgets it's swimming in water," he explains. "It helps when an outside organisation like Greenpeace holds up a mirror to you." Sanne van Keulen, head of the Greenpeace Climate & Energy campaign: "We think ABN AMRO has a big part to play in making the Netherlands more sustainable. I recognise that a bank has to focus on its bottom line, but we believe your long-term survival is bound up with your social responsibility. We therefore draw the attention of different companies and institutions to the risks associated with a particular investment, for instance, whether or not they ask us to."

Society's challenges

"The question," Kooloos continues, "is whether you can expect us or the companies that borrow from us to pull out of a particular investment. There may be geopolitical considerations or shortages that mean a country or society wouldn't necessarily



benefit. That's why we engage in the necessary internal and external discussions to achieve a better and more sustainable understanding together. ABN AMRO and Greenpeace don't always agree on how to go about solving society's challenges, but that doesn't prevent us from maintaining a dialogue, listening to each other and exploring potential solutions together. ABN AMRO has given shape to its own soul searching through the theme of 'a better bank contributing to a better world'. We can

make a difference by carefully considering what we do in the light of our values."

Speeding up

Van Keulen: "Greenpeace can't make the world more sustainable on its own. NGOs, business and government have to work together, but it has to be on an equal footing. We sent an open letter to a national newspaper, for instance, as a signal to politicians: the Netherlands is lagging behind significantly in the battle for sustainability. The letter, which had over a hundred signatories, including ABN AMRO, called on the leaders of the coalition parties to speed up the process. Because the switch to a sustainable and secure energy supply is a necessary one for both the climate and the economy. We need to speed up a lot in the Netherlands, so businesses, NGOs and the government all have to act!"



our emphasis on employees 6

We realise that we can only achieve our aspirations if we have an inspired workforce that we can employ long-term. To this end, we aim to be an attractive employer capable of retaining talented people. Equally, we hope that our efforts to be a better bank contributing to a better world will appeal to our staff.

6.1 Our Human Resources policy

The world is changing rapidly and people are increasingly likely to choose an organisation based on more than just financial reasons. That goes for our clients and our staff. What kind of business is this and is it right for me? What's the relevance of this organisation to society? What development opportunities will this employer offer me?

Human Resources at ABN AMRO therefore focuses on two central issues:

- ▶ How do we ensure the long-term employability of our staff? People are going to have to work for longer in the future, so it's even more important that they continue to develop, to maintain their employability in the long term. Employability means, moreover, that our people have to stay fit enough to be able to work. Sustainable employability was also a key focus of this year's collective labour agreement negotiations. The new agreement came into effect on 1 January 2013.
- ▶ How can we ensure we remain an attractive employer? We're keen to hold on to talented employees and to be attractive to prospective new ones. We expect a shortage of specialists in a number of specific fields in the years ahead, so we focused a lot of attention this year on how we position ourselves in the employment market, both inside and outside the bank.

6.2 Developing our employees

Our people are at the heart of our organisation, and so it is important to us that they continue to develop and build their professional skills. That's also the only way we will be able to maintain a high-quality service for our clients. Demonstrable expertise and professionalism is ABN AMRO's goal. To achieve that, we give our staff the tools to help them learn, both in the workplace and through training. Managers supervise employees, acting as coach and sounding board, while also focusing on topics like health, work-life balance, motivation and longer-term development.

Employees in the future will have to work longer before being able to retire, and in today's rapidly-changing world the nature of work is changing too. To ensure that staff make the most of these developments and remain employable, ABN AMRO and its workforce need to invest in sustainable employability. We concentrated our efforts in 2012 on training and developing staff and addressed this issue in the negotiations on the Dutch collective labour agreement for 2013. For example, the agreement includes provisions regarding the following items:

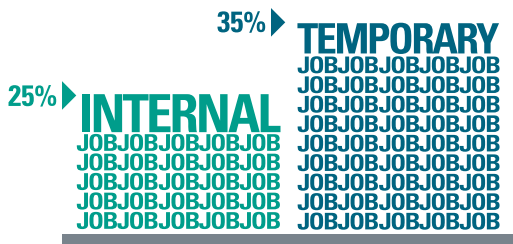
- ▶ 'Generation leave': employees who are employed for at least twelve months can take a six-month leave of absence.
- ▶ 'Demotion': procedures were formulated for employees

15,000 Dutch employees were already involved with NWW in one way or another in 2012, optimising the way they work.

NWW is not time- or location-specific, which reduces travelling times. Seven out of ten employees used NWW in 2012.



Roughly 25% of employees given notice of redundancy in 2012 were placed in permanent internal jobs and 35% in temporary jobs.



We ranked ninth among preferred employers in 2012, compared to eleventh in 2011.



In 2012 no fewer than 1,650 of a total of 2,800 senior managers took part in a leadership programme lasting several days.



Employee pride in (+6%) and commitment to (+7%) the organisation grew in 2012.

who, at their own request, decrease in job grade (e.g. because they want fewer responsibilities).

- ▶ every employee will have access to tools that help increase their employability. These include education and employability scans and can be tailored to individual needs..

Strategic workforce planning helps us to achieve a good insight into the right mix of employees needed in the future. The gap between the actual and future workforce provides input for specific HR measures which, for example, focus on diversity, retention or talent management. This helps improve employee performance and development. Strategic workforce planning makes our organisation more agile, allowing us to anticipate mid-term developments.

Despite our commitment to long-term employability, reorganisation can still result in redundancies. We make every effort in that event to help the people affected find alternative employment. In the Netherlands, for instance, we provide them with a coach to assist them in their search for a job inside or outside the bank. All Dutch vacancies are initially open exclusively to ABN AMRO staff, with priority given to those facing redundancy.

As in the previous year, roughly 25% of all employees given notice of redundancy in 2012 were re-employed in permanent posts at the bank. They found those positions before their existing jobs ended. Roughly 350 staff members made redundant (400 in 2011) received guidance through the Redeployment Centre. Some 45% of them found new employment inside or outside the bank, compared with 55% in 2011. A total of around 35% (30% in 2011) of employees given notice of redundancy found temporary re-employment within the bank.

Leadership development

Strategy, culture and leadership are closely linked. Our managers can create the desired culture within the bank. It is therefore important that we have a clear view of our future leaders, the basis for which is effective succession planning. That means identifying potential candidates and supporting managers in their development.

No fewer than 1,625 managers were invited to take part in a leadership programme in 2012 lasting several days. The aim of the programme was to coach managers on the skills needed to implement the bank's strategy with their teams and to initiate change. In addition, a day was

organised at which all Dutch managers were able to discuss the bank's future direction with the Managing Board. Special emphasis was placed on sustainable change. The introduction of the Business Principles and the request for managers to take ownership of them heightened the sense of individual responsibility. Managers outside the Netherlands will follow the leadership programme in 2013.

6.3 ABN AMRO as employer of choice

According to the Dutch employment indicator Intermediar Image Survey, our image in the labour market is improving. In 2012 we were ranked ninth most preferred employer, compared to eleventh in 2011 and fourteenth in 2008. The main focus in 2013 will be on further strengthening our position in the Dutch labour market and our opportunities abroad. The key goal is to achieve a top of mind position among the relevant individuals and to be an employer of choice.

Expectations towards work and employers are evolving and the demands for highly educated people are increasing. To attract the best professionals, we think it's important to connect with prospective and existing employees in a personal way, using social media channels like LinkedIn, Twitter and Facebook. This will promote an open attitude, in which equal dialogue is vital. We back up this approach on our recruitment site by featuring 30 current employees as ABN AMRO ambassadors. They tell their personal stories of working at the bank and interested parties can contact them directly.

That's how we do things at ABN AMRO

Our ambition is clear: we succeed when our clients are successful. To fulfil that ambition, we need a clear understanding of how we do business with clients and how we interact with each other. We've translated this into six Business Principles that form the basis for our actions: that's how we do things at ABN AMRO.

We performed a Culture Scan in 2012 to gauge our staff's view of the culture within the bank. The results of that survey will be used to continue working on the desired culture. The scan showed improvement on all aspects of the perceived culture by employees. Pride, satisfaction and commitment are on the rise, which is not only good for employees, but good for the bank as well. That's a

positive development, especially considering the persistent pressure on the financial markets. There was an upward trend in their opinion of collaboration (+2% compared to 2011); putting the client centre stage (+1%); and clarity of goals (+3%). Our employees were also more satisfied with and proud of the organisation than they were in 2011 (+7% and +6% respectively). Employee perception of the bank's sustainability is a driver for engagement. This score has been improving over the years, but there is room for growth. We are launching an Engagement survey in 2013 to monitor and improve employee commitment on an ongoing basis.

Diversity

We want to build an organisation in which all sorts of talented people feel at home. Diversity must be embraced and put to optimum use, regardless of gender, ethnic background, age, sexual preference or physical disability. We're convinced that this helps us deliver the best results for our clients.

To promote diversity, we set up a Diversity Board in 2010 made up of nine members from different business units and chaired by a member of the Managing Board. The Diversity Board tracks and evaluates progress in the application of our diversity policy.

In order to promote diversity, we developed a Diversity Dashboard. The focus in 2012 was on actual appointments of employees with diverse backgrounds to management posts. We also organised a successful 'Do or Die-versity' conference for over 400 participants from within and outside the bank, who took part in diversity workshops and shared best practices.

We launched a 'selective perception programme' for recruitment and selection to give us a better insight into how we view people, how this affects selection and how we can address that. Alongside these umbrella activities, all our business units have developed their own initiatives in the area of gender diversity to promote the professional development of women.

Diversity: Results in 2012

- ▶ 16% women in senior management
- ▶ 22% women in upper middle-management
- ▶ 44% women and 16% bicultural management trainees
- ▶ Women (Netherlands): 50% part-time/ 50% full-time
- ▶ Men (Netherlands): 4% part-time/ 96% full-time

We made further progress toward our 'Talent to the Top' objectives in 2012. The number of women in senior management posts rose 1.2% to 16.6% (target for 2014: 20%) and 1.6% in upper middle-management to 22% (target for 2014: 25%). One member of the Managing Board and two members of the Supervisory Board are women.

Working conditions

Bank employees have sedentary jobs, work hard and have to work even longer than before before reaching retirement. All this combined increases the risk of health problems. ABN AMRO helps them to stay fit and healthy (see box).

Vitality initiatives

A lot of attention has been paid in the Netherlands this past year to vitality. Vitality markets have been organised, and a special intranet site was created: LEEF Vitaal. Staff can find information there about keeping fit and healthy, with the help of the bank, the occupational health and safety service, and the health insurer. Examples of specific actions include:

- ▶ Giving our staff the opportunity to have a three-yearly health check. A total of 2,580 employees made use of this in 2012.
- ▶ Staff have access to in-house physiotherapy, gym facilities and a wide range of sports activities.
- ▶ The health and safety service provides a special focus on (sexual) harassment, job-related risks and safety.
- ▶ Risk assessments are carried out on a regular basis to analyse the risks associated with specific jobs.
- ▶ Technical and other measures are taken to protect people, information and property.

The rate of absence due to illness declined slightly in 2012 (3.86% at year-end compared to 4.19% at the end of 2011).

The New World of Work

We use the New World of Work (NWW) to achieve our organisation's objectives. Besides reducing our ecological footprint, NWW is important for employee satisfaction, client satisfaction, our image in the labour market and diversity. Some 15,000 Dutch employees were already involved with NWW in one way or another in 2012, thereby optimising the way they work. A key element of our implementation process is that the New World of Work is not 'one size fits all'. Implementation is based on a strong bottom-up approach.

NWW was already bearing fruit in the Dutch ABN AMRO organisation in 2012. Research shows that:

- ▶ staff take a generally positive view of NWW: 76% of ABN AMRO employees say they support NWW; 73% think NWW is useful for them personally; and 51.5% think NWW is needed for ABN AMRO;
- staff enjoy greater freedom: 71% of ABN AMRO employees decide themselves when their working day starts; 84% have a sense of freedom when performing their duties.

Respecting employees' rights

Any disputes between ABN AMRO and its staff are settled in accordance with the bank's core values. ABN AMRO has drawn up a Human Rights Position Statement, which forms the basis for dealing with complaints where human rights issues are involved. Outside the Netherlands, the law of the country in question provides additional guidance.

Disputes and mistreatment

Disputes and cases of mistreatment can be reported through a number of channels in the Netherlands.

Workplace disputes

We have a Disputes Committee that mediates in disputes concerning issues such as the collective labour agreement, labour conditions or job grading. 152 disputes were submitted in 2012.

Confidential counsellors

We aim to have a culture in which employees communicate openly, hold each other to account and interact respectfully. Since things don't always go as desired, we have appointed independent confidential counsellors. These dealt with 328 cases in 2012, an increase of 12% compared to 2011, only 15 of which went to the Banking Disputes Committee.

Whistleblowing policy

ABN AMRO considers it important that cases of mistreatment should be reported. Only then can the bank take appropriate action and learn lessons for the future. That's why ABN AMRO has adopted a whistleblowing policy.

Our remuneration philosophy and performance management

Our remuneration philosophy is based on our profile: a stable bank with a moderate risk profile that looks to the future with ambition. The performance management system prescribes a single appraisal philosophy, model and process for all employees.

In 2012 we continued the implementation of new guidelines for performance management. These are intended to reduce the risk of inappropriate incentives, which might result in excessive risk-taking or behaviour that is not in the interest of our clients. We already started to analyse, monitor and where necessary mitigate these risks on a structural basis.

The performance assessment for the Management Group and other Identified Staff Members incorporates a 'gate-keeper procedure'. The Risk, Compliance and Audit departments assess each year whether individual behaviour is in line with the bank's guidelines. Explicit attention is devoted to promoting behaviour that is in the client's best interest.

6.4 Our plans for the future

- ▶ We will continue our efforts to be an employer of choice on the way to becoming a Top Class Employer.
- ▶ The bank will introduce a new collective labour agreement and redundancy scheme in 2013.
- ▶ The accord we've signed with the unions includes 'study agreements' on performance management and pensions. In 2013 the unions will suggest possible new guidelines which will be the starting point for new agreements to come into effect on 1 January 2014.
- ▶ We will continue to encourage sustainable employability in the years ahead.

Women tend to think
more long term

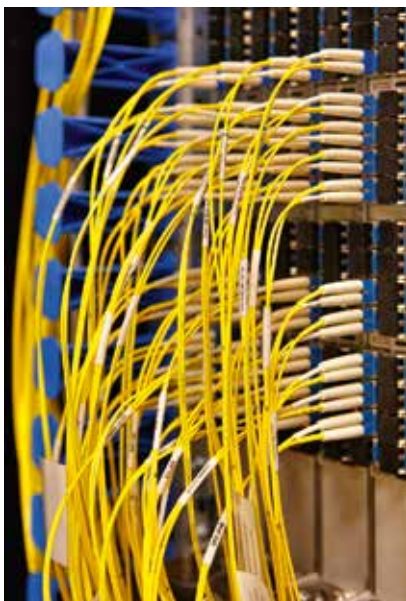
*“Women look at IT in terms
of its importance to clients
rather than technologically.”*



// I don't have a technical background at all. So when the vacancy came up for an Improvement Manager, I didn't immediately think it was for me. But now I've been working at IT Services for almost two years, I can see that I definitely add value. Women tend to look at IT in terms of its importance to clients rather than purely technologically." So says Monique van de Heisteeg, who has worked for ABN AMRO for 20 years. She offers a woman's view from behind the scenes of a male-dominated world.

Reduced confidence

Van de Heisteeg's job as Improvement Manager at IT Services is to help shape the department's strategy. "Female values are growing in importance, especially now that confidence in the financial world has declined in recent years. Being a woman in a man's world has its advantages. Based on my own experience, I tend to ask different questions, which can make us express things just that bit differently, or arrive at different conclusions. An example of a project where that comes through is Customer Excellence, which we're now



applying at the IT Services Office too. I do my best in my particular role to meet my clients' needs and wishes as best as possible. For me, the technology comes second."

Changing culture

"I'd be more than happy to see even more women in senior and upper middle-management positions at ABN AMRO. That's why I'm also involved with the diversity programme known as TOPS M/V. We regularly discuss the role of women in the company with the management team at TOPS (Technology, Operations & Property Services, of which IT Services is part). I see the corporate culture changing as a result. It's more common now for women to rise through the ranks: they have more chance of a good position than before. Because I'm so enthusiastic and

want to do my part, I recently became a board member of Women in Financial Services. We have over 250 members and 1,500 LinkedIn affiliates who want to bring about change in the financial sector. How, for instance, can we regain clients' confidence in our industry? I think that fits in well with our 'impact' theme, which we launched this year."



our environmental impact 7

If you want to contribute to a better world, you have to begin with yourself. We want to make sure our operations are sustainable, including our impact on the environment. We can significantly reduce our ecological footprint through efficient and sustainable internal business operations. Our motto is consume less, operate sustainably and choose responsibly.

We achieved a 22% reduction in our consumption of energy by 2012 compared to 2009 – significant progress in reducing our footprint. Our achievements in terms of reducing commuter travel and waste and making them more sustainable also contributed. We took responsibility for achieving a sustainable supply chain, meanwhile, by setting our suppliers the challenge of sustainable innovation. Before being selected, our suppliers have to meet a range of sustainability and transparency requirements.

7.1 Reducing our ecological footprint

7.1.1 Energy consumption

The 22% reduction in our energy consumption means considerable shrinkage of our ecological footprint. It was largely achieved through the reduction in the number of branches and the use of floor space at head offices, following the integration of ABN AMRO and Fortis and the introduction of flexible working concepts. Further energy savings were achieved through the increasing use at ABN AMRO buildings of sustainable innovations such as low-energy LED and fluorescent lighting, combined with daylight and occupancy sensors. Cooling machines have been replaced with more energy-efficient models, and a number of buildings are using heat/cold storage. One hundred per cent of ABN AMRO's electricity consumption is purchased from green sources using CertiQ certificates.

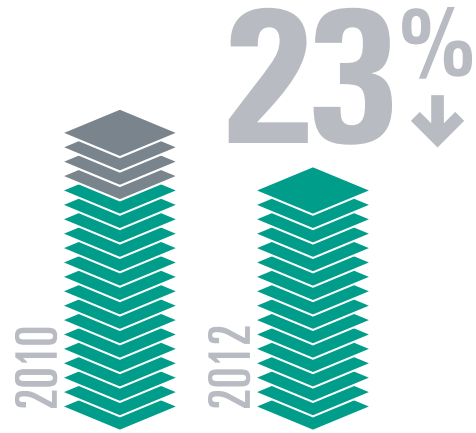
Sustainability and energy-saving initiatives resulted in September in a 'Very Good' BREEAM rating for the head office on Gustav Mahlerlaan. Certification relates not only to the building itself, but also to its management and use. This made our head office the first existing large building in the Netherlands to qualify for BREEAM labelling in three categories (BREEAM is the world's foremost sustainability label for buildings). International LEED Gold certification for Gustav Mahlerlaan is also expected to be awarded in early 2013. Our aim is to achieve over 100,000 sq.m of sustainable office space by 2013 and 2014, and to qualify for an A-label and BREEAM certification.

ABN AMRO is co-founder of the Dutch Green Building Council (DGBC), the Dutch organisation for sustainable building and real estate, and acted as gold sponsor for Dutch Green Building Week 2012. Gustav Mahlerlaan was

We've reduced our energy consumption by 22% compared with 2009.



Further reduction in paper consumption: down more than 23% in 2012 compared with 2010.



ABN AMRO used 100% CertiQ-certified green electricity in 2012.



28% of total annual expenditure placed with suppliers who work according to the FIRA system.



'Very Good' BREEAM certificate awarded to Gustav Mahlerlaan head office.

opened to the public during the ceremony to mark the award of BREEAM certification.

Other energy-consumption initiatives

- ▶ ABN AMRO, together with 15 major institutions and businesses and the municipal authority in Utrecht signed an Energy Covenant on 10 October 2012 – Sustainability Day. In doing so, the bank committed itself to a 30% reduction in its energy consumption (2010 level) by the year 2020.
- ▶ ABN AMRO collaborated with GreenFox to convert old light fittings at six branches to make them more energy efficient.
- ▶ ABN AMRO became a partner in the European Union's GreenLight programme in 2012, committing the bank to further introduce energy-efficient lighting. We are the first partner that is not itself active in the lighting industry.
- ▶ ABN AMRO took part once again in 2012 in Earth Hour and the Night of the Night.

7.1.2 Paper consumption

The 23% reduction in paper consumption owed a great deal to the fact that we are increasingly offering our services paperlessly. Half of our retail clients, for instance, no longer receive printed bank statements. Contracts are signed digitally wherever possible and digital confirmations are incorporated in our revamped processes.

Our clients are making increasing use of mobile and Internet Banking. ABN AMRO launched its new website in that regard in 2012, in which Bankmail has been given a more prominent place. Bankmail is the online mailbox for Internet Banking and is used for communication with the client.

We are not only using less paper when communicating with clients – printer and paper consumption are falling in our internal operations too. We are using more mobile tools, such as tablets and laptops, and we're buying lighter copying and printer paper (75 grams instead of 80). Meanwhile, 98% of our paper is now FSC certified.

7.1.3 Mobility

In addition to reducing our energy and paper consumption, we're working hard at ABN AMRO to shrink our footprint in terms of mobility. The following initiatives contributed in that respect:

- ▶ The creation of flexible workplaces is making working at ABN AMRO progressively less time and location-specific.
- ▶ The bank has had a new preferred supplier for taxi transport in and around Amsterdam since September 2012: Taxi-E's cabs are all electrically powered and use exclusively green electricity.
- ▶ We encourage public transport use by paying for the season tickets of employees who work at the bank at least three days a week. This will apply to all employees in 2013. A total of 6,600 employees used a rail season ticket in 2012. All head-office buildings are located close to a railway station.
- ▶ Electric cars and scooters are provided for use of employees at the head office and a number of bank branches, and charging stations for cars and scooters have been installed at all head-office buildings.

7.1.4 Waste

ABN AMRO signed contracts on 7 March 2012 with two companies that will process the waste produced by the bank for the next two years. We selected the two based on the priority they give to innovation and sustainability and the guarantee they provide of clear and reliable reporting in this area. At branches where more than 500 disposable coffee cups are used per week, those cups are sorted and recycled in accordance with the terms of the Second National Waste Management Plan.

7.2 Our suppliers

We believe at ABN AMRO that our responsibility in the field of sustainability extends beyond our own internal business operations. We also scrutinise our partners and suppliers within our purchasing policy, assessing them on the transparency and sustainability of their own operations.

ABN AMRO encourages its suppliers to apply the FIRA Rating system, so we can make a properly founded assessment. FIRA records and monitors suppliers' sustainability performance and processes. The FIRA system ties in closely with international guidelines for socially responsible business, such as ISO 26000 and the Global Reporting Initiative (GRI).

A substantial proportion of newly contracted expenditure was placed in 2012 with suppliers offering this transparency.

Our ambition is to raise the percentage of total annual expenditure to which this applies significantly in the year ahead, so that we can set, measure and achieve targets together with our suppliers.

Having been a co-founder of FIRA in 2011, ABN AMRO sought in 2012 to build support for the system among other financial institutions. The bank in the Netherlands, not including its subsidiaries, is itself registered with FIRA.

7.3 Our plans for the future

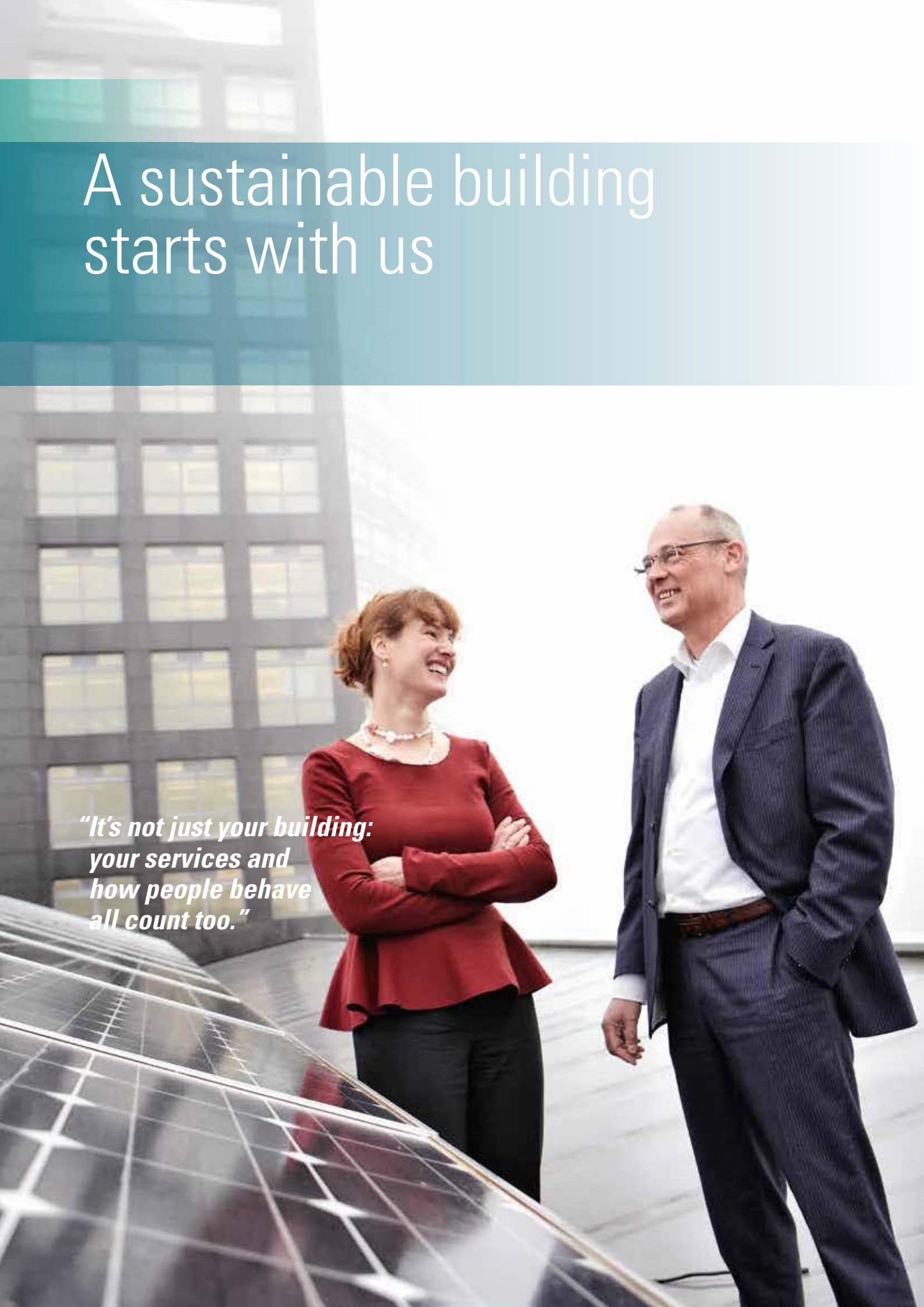
Further reducing our ecological footprint remains a key objective for ABN AMRO. We're currently engaged in translating our sustainability strategy for the years ahead into substantive targets and are keen to go on reducing our energy and paper consumption. As of 1 April 2013, for instance, all our Dutch branches will be fitted with smart meters, which will enable us to monitor electricity consumption branch by branch and make the necessary adjustments. Our goal for our buildings in 2013 and 2014 is to obtain an energy A-label and BREEAM certificate for over 100,000 sq.m of office space.

We want to encourage a further reduction in paper consumption by giving clients the option of ending printed communication for more and more products in the years ahead, and by communicating digitally even more frequently. At the same time, we will encourage our staff to use less paper by reducing the number of available printers and steadily promoting use of digital resources.

We will continue to focus beyond our own internal operations in the years ahead. The bank will pursue opportunities, for instance, to enhance sustainability and transparency by increasing the number of FIRA-registered partners and suppliers.

A sustainable building starts with us

*"It's not just your building:
your services and
how people behave
all count too."*





What is BREEAM?

BREEAM stands for Building Research Establishment Environmental Assessment Method and is the world's foremost sustainability standard for buildings. ABN AMRO's head office on Gustav Mahlerlaan was awarded its BREEAM certificate during Dutch Green Building Week in September 2012. Three categories are assessed: Asset (inherent features of the building), Building Management and Use. These are then broken down into nine sub-categories: management, materials, transport, waste, water, health, pollution, energy, land use and ecology.

Karin Kersten: "We set ourselves the goal of BREEAM certification in 2011 and we're proud that our head office achieved such high ratings in the three categories. The next step is to look at our other buildings too."

"If you want a BREEAM certificate, you have to go beyond the sustainability regulations," says Frank Folkers, Technical & Facility Director at the World Trade Center Amsterdam. "Rules for things like construction and building use are set out in the Construction Decree. But that's just the baseline: after that, the real work starts." Karin Kersten, Facility Management Director at ABN AMRO, agrees: "It doesn't end with a certificate either. Making your business sustainable is an ongoing progress." ABN AMRO's head office picked up a very positive assessment last year from BREEAM, the most important and prestigious sustainability standard for buildings. It's the first existing office building in the Netherlands to achieve a high rating in all three main categories.

Building, use, behaviour

Folkers and Kersten know better than anyone how many aspects are taken into account in this certification. Folkers: "It's not just a matter of ticking a few boxes: you have to demonstrate each point individually." Kersten: "Things aren't always visible or easy to check. BREEAM is more than a label. It's not just your building: your services and how people behave all count too." Fostering changes in behaviour is especially time-consuming. Folkers: "We manage nine commercial buildings, with a total of about 330 businesses. It's not easy to get them all singing from the same sheet. That's why it's so great that ABN AMRO was rated so highly in each of the three categories."

Sharing knowledge

ABN AMRO and the World Trade Center (WTC) Amsterdam are both founding partners of the Amsterdam Zuidas Green Business Club. Kersten: "Sharing our knowledge with other businesses helps us become more sustainable together faster. The Green Business Club Rotterdam was set up recently, representing a step toward national roll-out, as intended in 2011. In 2011, WTC Amsterdam was one of the first Dutch businesses to earn a BREEAM certificate. Folkers: "We were also a pilot project, which meant we were able to contribute a lot to the questions and requirements."

our contribution to society 8

An important pillar of our strategy as a bank is that we use the financial expertise of our staff to the benefit of the community, thereby contributing to a better world. We do so via various forms of social sponsorship and by helping good causes. This way we can give something back to the community.

8.1 ABN AMRO Foundation

As a leading bank in the Netherlands, ABN AMRO has an influence on society. We recognise that and take our social role very seriously. There's more to it than simply putting our clients centre stage. We want to support people who need it, even where there is no direct commercial benefit in doing so. Because the quality of the community is important to all our futures.

ABN AMRO Foundation gives concrete form to our social commitment by encouraging bank employees to volunteer for social projects. The Foundation has a whole range of relevant initiatives and projects, some of which it has developed itself, while others are the result of collaboration with social sponsorship. In many cases too it is our employees themselves who take the initiative. Activities focus primarily on:

1. Promoting life skills
2. Overcoming social isolation
3. Direct support in the form of food parcels

Large groups of employees feel inspired to get involved, volunteering no fewer than 13,561 times in 2012 and putting all their energy into helping our social target groups.

Life skills

The difference between not coping and standing on your own feet, between being underprivileged and privileged, can sometimes be very small. Yet circumstances prevent many people from bridging the gap. As a bank, we're eager to help others take that step and give their future a positive new direction. This can take many forms: some employees coach reading skills in primary schools or read stories to nursery children to encourage literacy. Others go into schools to give primary pupils lessons on handling money. We have employees too who act as budget coaches to victims of traumatic events, who need help getting their finances back on track. Or who coach micro-entrepreneurs and other business start-ups. What's special about ABN AMRO's approach is the way employees are used: people for people!

Social isolation

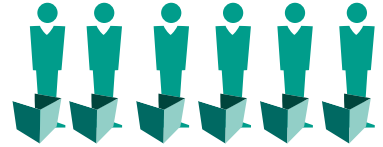
Growing individualism and the relative ageing of the population are two factors intensifying isolation among old people. We're committed at ABN AMRO to helping this 'forgotten' group by organising social activities in which staff help look after elderly people. Employees have been visiting isolated old people for seven years now to bring them a Christmas tree and decorate it together. They also help prepare and serve meals through Resto VanHarte – an organisation that brings together socially isolated

13,561

In 2012 employees volunteered for our community target groups 13,561 times.

7,000

Sinterklaas packages



5,038

Food parcels



5,038 food parcels were provided this year by employees who gave up their Christmas packages and 1,000 members of staff helped make 7,000 Sinterklaas packages for families using food banks.



ABN AMRO sponsored the following community initiatives in 2012:

- Young Enterprise Organisation
- KidsRights
- Children's Book Week
- National Read Aloud Day and Children's Jury
- Richard Krajicek Foundation
- Fund for Special Needs Sports
- Youth Sports Fund

ABN AMRO has been working intensively alongside the Dutch Charity Association (VFI) since 2012.



people at easily accessible restaurants in community centres and support facilities.

Food banks

The present crisis is impacting food banks in two ways: not only because the crisis is causing more people to turn to them for help, but also because the supply of food from businesses is dwindling. Our employees are highly aware of these issues and the bank once again gave them the option in 2012 of giving up all or part of their Christmas package to fund 5,038 food parcels. Over 1,000 members of staff also helped make 7,000 Sinterklaas packages for families using the food banks.

8.2 Community sponsorship

Our community sponsorship policy reflects the idea that we want to be a better bank contributing to a better world. To contribute to society as effectively as we can, we give our employees the opportunity to contribute themselves. There are three pillars to our community sponsorship policy:

- ▶ Enterprise
- ▶ Education
- ▶ Sport

The bank plays a role at the heart of society. We try to take every opportunity to be innovative and progressive, and in so doing offer our clients optimum service. That takes ambition, entrepreneurship and a professional mentality – skills we want to foster in young people too. That's why we're the founder and main sponsor of the Young Entrepreneurs Foundation, which offers young people a specially designed programme supervised by an ABN AMRO coach on how to create a successful business in sustainable goods.

Government, charities and, to an increasing extent, businesses too have committed themselves in recent decades to improving society and promoting a cleaner environment. Significant strides have been made, but there's always room for improvement. A new approach is therefore called for, which creates opportunities for social entrepreneurship. Social entrepreneurs develop innovative and sustainable solutions for our contemporary problems, working on a healthy economy in which social, environmental and economic values go hand in hand.

ABN AMRO has also sponsored KidsRights since its creation, along with the Children's Peace Prize, which is awarded each year to a child, anywhere in the world, who has served the rights of children in a unique way. This 'Nobel Prize for children' encourages young people and rewards initiatives that make a real difference to the personal environment of children and the community as a whole.

In the field of education, we have been the main sponsor for several years now of both the National Read Aloud Days and the Children's Jury, to which we added principal sponsorship of Children's Book Week in 2011. Our goal in each case is to promote the pleasure of reading, while simultaneously improving literacy skills. As the principal sponsor of Children's Book Week, the bank also supports the National Children's Aid Fund's Children's Travelling Book initiative, for which our staff collected about 20,000 books in 2012.

ABN AMRO has sponsored sports activities for decades. The ABN AMRO World Tennis Tournament, ABN AMRO World Wheelchair Tournament, a series of running events, hockey and golf are among the most visible examples. To give an extra social boost to Dutch sport, we also support a range of initiatives designed to make sport accessible to everyone. The Richard Krajicek Foundation, which promotes physical exercise and social contact in deprived areas, and our support for the Youth Sports Fund are good examples. In addition to the World Wheelchair Tournament, ABN AMRO is 'FairShare Partner' to the Fund for Special Needs Sports. That means ABN AMRO devotes 2% of its total sponsorship budget to disabled sports. All our sponsorship events are, moreover, climate-neutral.

We also invest in a better world outside the Netherlands. The management team of ABN AMRO Private Banking International helped set up a special bank for street children in Mumbai, India. The aim of the 'children's bank' is to provide a safe depositary for the savings of homeless children, teach them how to manage their money and encourage them to get back into mainstream education. The bank is run by children for children, volunteering under adult supervision. The children's bank has attracted over 300 clients since opening in March 2011, 236 of whom now attend school. The children's bank began to offer awareness training – including medical issues – and skills training for young people over the age of 18. The bank's young clients get to spend a few days at camp

each year, to give them chance to just 'be kids'. They also got to meet the Netherlands Cricket Team – sponsored by ABN AMRO – during a visit to Mumbai toward the end of 2012.

We developed several new initiatives in 2012 too. ABN AMRO is now working intensively alongside the Dutch Charity Association (VFI). As a bank committed to the community, we are delighted to be able to handle the payments of the 120 charities affiliated to the VFI. ABN AMRO works with the VFI's members to explore relevant themes like sustainable business practices and the harmonisation of payments within Europe (SEPA).

8.3 Our plans for the future

- ▶ We will continue to work on a more targeted, theme-based approach to our community activities.
- ▶ Our goal is to have over 10,000 employees take part in 2013 in ABN AMRO Foundation's community projects.

Support for SUPPORT

The ABN AMRO Support for SUPPORT Foundation, established within the bank itself, assists the SUPPORT Foundation in its efforts to provide refuge and guidance to street children in Mumbai, India. These children face a range of problems because of drugs and other circumstances. SUPPORT was founded in 1985 and is run by volunteers. It is one of only a few organisations in India with a rehabilitation programme for drug-dependent street children and probably the only one to also allow girls into its programme. SUPPORT provides children with accommodation and rebuilds their lives using an approach which has proven to be highly effective. First, addiction is tackled head-on. The children are then enrolled in school and given assistance in finding gainful employment.

ABN AMRO raised funds for SUPPORT in a variety of ways last year, including a digital auction. A special auction site was set up, on which employees could not only bid for articles and services, but could offer them for sale too. Funds raised in earlier years went towards the purchase of a piece of land in 2008 for the purpose of building a new relief centre. Construction got under way in 2010, and is scheduled for completion in 2013. The relief centre will be able to accommodate 150 children.

Victims often have
other things on
their minds than finance



*"The great thing about
the ABN AMRO coaches is
that there's a morale-boosting
effect tool."*

The people who turn to Victim Support for help often bring a lot of baggage. Acts of violence or even murder affecting their family mean that aside from terrible emotional problems, they can suffer financially too. “As you can imagine, though, victims have other things on their minds than finance,” says Mervyn de Groof, who works at ABN AMRO’s TOPS IT department. “So I’m happy to act as coach on behalf of ABN AMRO, to help them get their affairs back on track.”

It mostly takes about five meetings to help crime victims who need financial advice. Ineke Sybesma is Director of the Dutch Victim Support Fund: “The first and last meetings are with a case manager from Victim Support,” she says, “while the ones in between are one-on-one sessions with a coach from ABN AMRO. “I hear from the people involved that they really appreciate the bank’s help. They’ve lost touch with their finances for all sorts of reasons, and that uncertainty often hinders their recovery. It’s great for them to go through everything with an expert. The ultimate goal is financial self-sufficiency.”

Opening the post again

“The first step when giving advice is to sort out all the incomings and outgoings,” De Groof says. “It sounds simple, but that insight is often lacking. One lady I’m coaching, for instance, had a debt, which we tackled straight away. I went with her to the organisation in question to ask for her repayments to be deferred. In the event, I didn’t have to say much, but I know she



appreciated the moral support. She’s not afraid to open her post anymore, because it’s no longer all bad news. I also worked out for her what a one-person household costs, and how much she pays for her pets, for instance. Seeing it all in black and white clarifies things enormously.”

Morale boost

Sybesma: “If you ask me which is more valuable: sponsoring in terms of cash or hours, I’d say both. We need cash for emergency assistance, but that can be quite impersonal without help in kind too. The great thing about the ABN AMRO

coaches is that there’s a morale-boosting effect too. They’re accepting their social responsibility and setting an example for other companies. So I’m incredibly happy that so many people have volunteered to become coaches. They give victims the helping hand they need so that things don’t get on top of them.”

“We got into financial trouble due to circumstances beyond our control. The coach from ABN AMRO helped us list all our income and expenses. He helped me make payment arrangements and advised me to cancel all sorts of unnecessary insurance. That immediately cut my monthly costs. He discovered tax allowances I wasn’t using, which gave me a little extra too. I’ll be out of debt in January! I’ll be able to sleep soundly. The coach is a good person: he’s brought me peace of mind and faith in the future.”

Quote from a mother whose child was murdered.



Photo: © iStockphoto.com/Andreas Schmitt, © iStockphoto.com/Andreas Schmitt





appendices

appendix 1

key figures 2012

Key figures 2012

	2012	2011
Total assets (in EUR millions)	394,404	404,682
Equity attributable to shareholders (in EUR millions)	14,018	11,400
Assets under management (in EUR millions)	163,100	146,600
Operating profit before taxes (in EUR millions)	1,151	680
Net profit (in EUR millions)	948	689
Bank branches in the Netherlands	408	470
Total number of FTEs	23,059	24,225
Countries and regions in which the bank is present	23	23
Financial households (in millions)	4.86	5.24
Of which are Preferred Banking clients (in millions)	0.53	0.51

Compliance, Corporate Office

Number of Managing Board members	7
Number of Supervisory Board members	8

Sustainability policy in practice

Project financing (Equator Principles)

Category and number of reviewed projects				2012
Country classification	A	B	C	Total
Emerging markets		6		6
High-income/OECD countries		6	3	9
Total	0	12	3	15

Review of project financing transactions by region

Category and number of reviewed projects				2012
Region	A	B	C	Total
Africa		2		2
Asia		2		2
Europe		6	3	9
Middle East		1		1
North America				0
Oceania				0
South America		1		1
Total	0	12	3	15

Review of project financing transactions by industry

Category and number of reviewed projects				2012
Industry	A	B	C	Total
Infrastructure		5		5
Mining		1		1
Oil & gas		4		4
Energy production		2		2
Telecom			3	3
Total	0	12	3	15

Review of project financing transactions based on assessment/status

Category and number of reviewed projects				2012
Status	A	B	C	Total
Concluded		2	2	4
Rejected*			1	1
Under consideration		7		7
Not realised		3		3
Total	0	12	3	15

* Projects were rejected for a variety of reasons, not solely on the basis of environmental and social aspects.

Sustainable operations

	2012						2011			
	Number	Approvals	Qualified approvals	Rejections	Pending	Withdrawn	Number	Approvals	Qualified approvals	Rejections
Mining & metals	42	33	8	1	0	0	30	25	1	4
Oil & gas	30	17	9	1	0	3	24	23	1	0
Agricultural raw materials	22	16	3	1	0	2	21	16	5	0
Defence	32	20	4	4	1	3	13	11	1	1
Chemicals	9	5	1	0	3	0	5	4	0	1
Forestry	6	4	1	0	0	1	5	4	1	0
Energy & public utilities	14	11	2	0	1	0	5	4	0	1
Manufacturing industry	9	7	1	1	0	0	3	3	0	0
Other industries	27	17	8	2	0	0	3	3	0	0
Total	191	130	37	10	5	9	109	93	9	7

Sustainable operations ECT

	2012			2011		
	Client acceptance	Credit	Total	Client acceptance	Credit	Total
Agricultural commodities	109	99	208	46	60	106
Energy commodities	132	86	218	82	67	149
Metals commodities	121	92	213	58	52	110
Energy	81	69	150	12	39	51
Transport	131	28	159	38	8	46
Other sectors	14	17	31			
Total	588	391	979	236	226	462

Client focus

Financing

In EUR million	2012	2011
Sustainable financing Groenbank	485	587

Sustainable savings products Retail Banking

In EUR million	2012	2011
3-year green savings deposit	157	157
5-year green savings deposit	77	78
Total green savings deposit	234	235

Sustainable savings products Private Banking

In EUR million	2012	2011
3-year green savings deposit	6	6
5-year green savings deposit	8	8
Total green savings deposit	14	14

Sustainable investment services

In EUR million	2012
Sustainable assets managed	3,310
Sustainable investment products	1,374
Sustainable savings	248
Total sustainable investment services	4,932

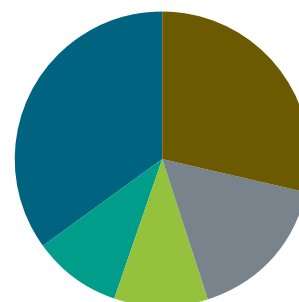
Internet Banking

In millions	2012	2011
Number of households with Internet Banking	3.4	3.2

Employees

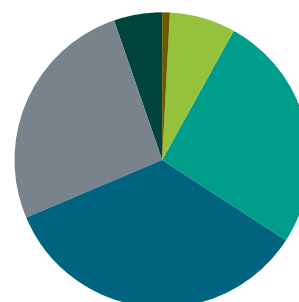
Number of employees

	2012	2011
Total number of FTEs	23,059	24,225
■ Retail Banking	6,335	6,680
■ Private Banking	3,648	3,746
■ Commercial Banking	3,249	3,547
■ Merchant Banking	2,142	1,998
■ Group Functions	7,685	8,254



Breakdown of employees by age Netherlands

In percentages	2012	2011
■ < 24	1	1
■ 24-29	7	7
■ 30-39	26	27
■ 40-49	35	34
■ 50-59	26	26
■ > 60	5	4



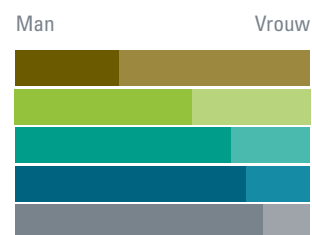
Breakdown of employees by job level Netherlands

In percentages	2012	2011
Other (up to 7)	49	59
8-9	20	16
10-11	20	16
Senior	9	7
Managing Board and Supervisory Board	2	2

Diversity of employees Netherlands

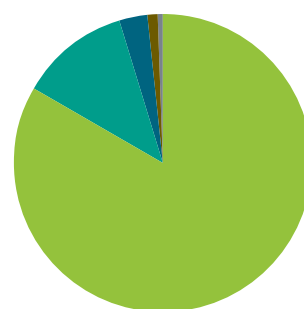
In percentages by job level	2012*	
	Men	Women
■ Other (up to 7)	35	65
■ 8-9	61	39
■ 10-11	73	27
■ Senior	78	22
■ Managing Board and Supervisory Board	83	16

* Total may deviate from 100% due to rounding.



Geographical distribution of employees

In percentages	2012	2011
■ Netherlands	84	85
■ Europe (other)	12	9
■ Asia	3	2
■ USA	1	1
■ Other	< 1	< 1



Absenteeism Netherlands

In percentages	2012	2011
Absenteeism (trend total)	3.86	4.19

Breakdown of employment contracts

In percentages	2012	2011
Staff, permanent	86	86
Staff, temporary	4	3
Agency staff	4	4
Contract staff	6	7

Breakdown of workforce by employment contract

In percentages	2012	2011
Full-time – Women	24	24
Full-time – Men	50	49
Part-time – Women	24	25
Part-time – Men	2	2

External in- and outflow

In numbers	2012	2011
Inflow (2012)	1,583	3,111
Outflow (2012)	2,749	5,428

Staff and training costs

	2012	2011
In EUR millions (unless stated otherwise)	Netherlands	Worldwide
Total wage costs	1,506	1,964
Total staff costs	1,948	2,517
Total staff and other operating costs	3,918	4,956
Total training costs	41	12*
Training costs/wage costs (in percentages)	2	1
Wage costs per FTE	78,072	81,073
Staff costs per FTE	100,985	103,901
Staff and other operating costs per FTE	203,110	204,582

* Substantial difference due to new calculation method in 2012; the old method would have resulted in a slight increase.

Environment

CO₂ reduction

In percentages

CO₂ reduction between 2009 and 2012 22.46

Energy consumption (aim is to achieve 100% coverage)

	kWh 2012	GJ	kTon CO ₂	kWh 2011	GJ	kTon CO ₂
Energy	252,099,425	907,900	22.52	281,409,246	1,013,073	32.9
Per sq.m (kWh)	310.34	1.12		344	1.24	
Per 36h FTE (kWh)	10,933	39		11,616	41.8	

Electricity (in kWh)

Data centres	57,359,230	206,493	0.0	57,461,597	206,862	0.0
Head offices	46,717,006	168,181	0.0	49,615,962	178,617	0.0
Offices	8,971,431	32,297	0.0	11,563,474	41,629	0.0
Bank branches	43,961,805	158,262	0.0	55,297,847	199,072	0.0
ATMs	3,245,300	11,683	0.0	3,191,755	11,490	0.0
Total electricity consumed	160,254,772	576,917	3.97	177,130,635	637,670	10.5*

* Of total.

Natural gas/Heating/Cooling (in kWh)

Data centres	4,125,930	14,853	0.83	3,550,000	12,780	0.7
Head offices	8,213,844	29,570	1.66	10,290,000	37,044	2.0
Offices	8,780,358	31,609	1.77	15,370,000	55,332	3.1
Bank branches	38,294,521	137,860	7.74	48,900,000	176,040	9.9
Total natural gas	59,414,653	213,893	12.00	78,110,000	281,196	15.7
Total district heating	32,430,000	117,090	6.55	18,873,889	67,946	5.2
Total cooling				7,294,722	26,261	1.5
Total remaining sources of natural gas, district heating and cooling	91,844,653	330,983	18.55	104,278,611	375,403	22.4

	kWh Green	kWh Regular	kWh Green	kWh Regular
Total energy consumption	150,000,000	102,099,425	150,000,000	131,409,038

* Including district cooling.

Paper consumption Netherlands

	2012	2011
Based on 80% coverage		
Reduction in 2012 compared with 2010 (%)	23.4	
Total in tons (based on FTEs)	2,660	3,047
Total in kg per FTE	137.9	125.8
Paper with FSC eco label (in tons)	2,601	2,962
Paper without FSC eco label (in tons)	59	85

Business trips Netherlands

	2012	
Lease cars		
Total distance travelled by lease cars in km	112,743,461	
Total CO ₂ emissions lease cars (in kTon CO ₂)	19.17	
Average km per lease car (2012)	36,989	
Average km per FTE (2012)	5,845	

Business air travel (in km)

Short-haul (up to 500 km)	184,915	613,747
Long-haul	36,526,186	43,252,817
Total number (in km)	36,711,101	43,866,565

Business air travel (number of flights)

Short-haul (up to 500 km)	761	1,714
Long-haul	10,396	11,864
Total number of flights	11,157	13,578

CO₂ emissions (in kTon CO₂)

Short-haul (up to 500 km)	0.03	0.11
Long-haul	4.02	4.76
Total (in kTonCO₂)	4.05	4.87

Total CO₂ emissions

Emissions calculated using Greenhouse Gas Protocol	2012			2011*		
	kWh/km	GJ	kTon CO ₂	kWh/km	GJ	kTon CO ₂
Electricity (in kilotons)	160,254,772	576,917	3.97	177,130,635	637,670	10.50
Natural gas, heating and cooling (in kilotons)	91,844,653	330,983	18.60	104,278,611	375,403	22.40
Business trips:						
Lease cars (in kilotons)	112,743,461		19.20	54,769,811		9.31
Business air travel	36,711,101		4.10	43,866,564		4.87
Total CO₂ in kTons			45.70			47.08
CO ₂ emissions in tons per FTE			2.30			1.94

* Lease car figures for 2011 are based on Q1 and Q2 2011.

Waste

	2012			2011		
	tons	%	kg/FTE	tons	%	kg/FTE
Total kg per FTE			193			157
Total	3,731	100		3,809	100	
Other	303	8.1		456	12	
Containing paper	2,185	58.6		1,908	50	
Plastic cups	26	0.7		24	1	
Residual waste	1,217	32.6		1,419	37	
Items specified as "hazardous materials" (e.g. batteries and empty toner cartridges)	12.36			7.5		

Water

	2012
Total per m ³ per FTE	17.8
Total m ³ (reported by Innax)	344,240

Public transport season ticket

	2012	2011
Number of employees	6,031	6,913

Catering

In percentages	2012	2011
Sustainable catering product range (total in the Netherlands)	70	70
Sustainable coffee supplied centrally	100	100

Community**Volunteer activities of staff in the Netherlands**

In percentages	2012	2011
Net contribution devoted directly to social projects	1,015,000	
Number of times employees volunteered (excl. food parcel campaign)	13,561	9,172
Number of food parcels	5,038	
Number of projects	403	400

Social Donations and sponsoring

	2012
Donations	25,000
Sponsoring	91,600

appendix 2

basis for reporting

We publish the Sustainability Report for all our clients, employees, shareholders, non-governmental organisations, sustainability rating agencies, investors and anyone else who is interested in the bank's performance in the area of sustainability. It covers the period from 1 January 2012 to 31 December 2012 inclusive and was published at the same time as our Annual Report, on 1 March 2013.

Data collection

Unless specified otherwise, this report sets out the sustainability results of the entire ABN AMRO organisation worldwide. To enable comparison with the report for 2011, the same quantitative results are presented in this Sustainability Report. A more comprehensive overview is, however, now provided. Full details of the bank's financial results can be found in the Annual Report 2012 of ABN AMRO N.V.

Sustainability enjoys a broad base of support across the ABN AMRO organisation. Each business unit therefore reports its own economic, environmental and social performance in terms of both qualitative and quantitative data. We also draw on feedback from our internal and external stakeholders. The sustainability strategy and results set out in this report correspond with the sustainability reporting in the bank's Annual Report for 2012.

Due to the merger of two banks, ABN AMRO has not been reporting as a new bank for long. We have been reporting quantitative sustainability data since 2010 and continue to develop in that regard. Although the data in this publication has not been verified externally, the information is, to the best of our knowledge, accurate and reliable.

Reporting standards

We took a number of external standards and guidelines as our basis when compiling this Sustainability Report. The Global Reporting Initiative (GRI) provides a framework within which the completeness of our reported data can be checked. The GRI index provides an overview of how we score in respect of the GRI indicators and can be found at abnamro.com/sustainability under Reporting. We also consulted the GRI's Financial Services Supplement. For our carbon reporting, we used the guidelines of the Greenhouse Gas Protocol.

Differences compared to 2011

We have made a number of changes with respect to the Sustainability Report for 2011, to enhance transparency, readability and completeness:

- ▶ Where possible, quantitative support is provided for data and goals.
- ▶ The report's focus in 2011 was on the Netherlands. The 2012 report looks at the organisation worldwide.
- ▶ The Sustainability Report 2012 was published at the same time as the Annual Report 2012 on 1 March 2013.

Future

We aim to report ABN AMRO's sustainability results for the year in a transparent, structured, accurate, validated and readable manner. Future reporting – whether integrated with the Annual Report or published as a separate Sustainability Report – will reflect that goal. We will continue to work, therefore, to improve the quality of reporting.

appendix 3

our stakeholders and most important topics of discussion

Stakeholders

Financial

ING, Delta Loyd, Rabobank, PGGM, Robeco, TMP, Blackrock, JP Morgan, HFC, UBS, Vanguard, Responsibility, Sarasin, DWM, BlueOrchard, Nordea, Syzgroup, PYMWYMIC, Eumedion

Subject

- ▶ Sustainability indicator
- ▶ Investment policy, exclusion policy, Exclusion List
- ▶ Impact investing
- ▶ OECD guidelines
- ▶ Sustainable product offering
- ▶ Launch of micro-credit investment fund

Dutch Association of Investors for Sustainable Development (VBDO)

- ▶ Sustainable investment policy
- ▶ ABN AMRO is a member of the VBDO board

Suppliers

Over 120 ABN AMRO suppliers were informed about our sustainability strategy, view of sustainable purchasing, and FIRA, by Hans Kröder (international ISO 26000 expert) and others

Media

De Financiële Telegraaf

- ▶ Article: Value of biodiversity to investors
- ▶ Article: Sustainable investment pays

RTL Z 'Watt nu'

ABN AMRO sustainability policy

NGOs

Amnesty International

ABN AMRO's human rights policy

Business & Human Rights Watch

Offshore business

Fair Bank Guide

- ▶ Land Grabbing Abroad Study
- ▶ Energy Study
- ▶ Ship-Breaking Study
- ▶ Six-monthly updates

Greenpeace

- ▶ Deforestation in Indonesia
- ▶ Funding sustainable power generation
- ▶ Own sustainable power generation efforts

Friends of the Earth Netherlands (Milieudefensie)

Sustainable energy

Oxfam Novib

Land grabbing

Nature and Environment Foundation (Stichting Natuur en Milieu)

Sun seeks Roof 2

World Wide Fund for Nature Netherlands (WWF)

Our stakeholder responsibilities for oil and gas extraction

Stakeholders

Government organisations	Subject
NL Agency	<ul style="list-style-type: none"> ▶ Sharing knowledge on creating and funding Energy Service Companies (ESCOs) ▶ EU GreenLight programme ABN AMRO is now an official partner
Explosive Ordinance Disposal	ABN AMRO defence policy
Ministry of Foreign Affairs	UN Business & Human Rights
Ministry of Economic Affairs	<ul style="list-style-type: none"> ▶ Sustainable investment policy ▶ Policy review energy industry
Ministry of Finance	Implementation of sustainability criteria in tenders
Other	
Dutch Green Building Week	Sustainable building
e-Decentraal	Local sustainable energy companies
FNV mondiaal (trade union initiative)	Ship-breaking project
Green Finance Lab	Sustainable urban environment
Holland Financial Centre	Creation of green investment company. Ongoing project
International Organisation of Employers	OECD guidelines and other topics
KLM	Use of bio-kerosene
MVO Nederland (CSR Netherlands)	<ul style="list-style-type: none"> ▶ Civilisation master class ▶ Circular economy
NT Transport	Green in Transport and Logistics
On values	Investment policy
Rotterdam Climate Initiative	Finance for energy conservation
Round Table ESG Practitioners NL	Sustainability risks
Sustainable Finance Lab	<ul style="list-style-type: none"> ▶ Involvement in MVO Nederland event ▶ Cultural change in sustainable development context
Sustainalytics	<ul style="list-style-type: none"> ▶ Questionnaire ▶ Investment policy
TBLI	Impact Investing Conference. ABN AMRO acts as sponsor
TEXPERIUM	'Upcycling' of ABN AMRO bank business clothing
UN Forum on Business & Human Rights	Human rights policy
Confederation of Netherlands Industry and Employers (VNO-NCW)	<ul style="list-style-type: none"> ▶ Bimonthly sustainability meetings ▶ Energy policy review
National Tenants' Association (Woonbond)	Solar panels for tenants

appendix 4

objectives and performance in 2012

Subject	Objective reported in 2011	Performance in 2012
Our sustainability strategy	Continue to take responsibility in the supply chain and in society	<ul style="list-style-type: none"> ▶ Finance policy for clients based on Environmental Impact Assessment (ESE) ▶ Greater focus on client dialogue and ongoing supplier dialogue ▶ Became Green Award Incentive Provider ▶ Social Investment Fund of € 10 million
	Close alignment with society by translating wishes and demands into the bank's sustainability policy	<ul style="list-style-type: none"> ▶ Stakeholder management ▶ Local collaboration with community organisations ▶ Financial education programmes ▶ Mortgage Care Team
	Transparency	<ul style="list-style-type: none"> ▶ Simplification of product offering ▶ Product descriptions and conditions rewritten in plain language
Applying the sustainability policy to our operations	Further integrate environmental, social and ethical considerations into risk management	<ul style="list-style-type: none"> ▶ Strong focus on implementation of sustainability policy ▶ Approval of Exclusion List by the Group Risk Committee ▶ Approval of sustainability policy for lending by the Group Risk Committee ▶ Extension of standard credit application to include additional sustainability questions
	Work with stakeholders to update the Sustainability Risk Management Framework	Conversations with clients, experts and colleagues on the new policy for the energy sector
	Make an ongoing contribution to the international human rights debate	Commenced application of UN Guiding Principles on Business and Human Rights
Dedicating ourselves to the client	Continue to roll out Capital4Change strategy (impact investing)	<ul style="list-style-type: none"> ▶ Even closer involvement in impact investing in 2012 ▶ Social Impact Fund created to bring social entrepreneurs into contact with potential investors
	Expand advisory role in philanthropy and socially responsible investment	<ul style="list-style-type: none"> ▶ New service: philanthropy advice to wealthy clients in the Netherlands ▶ In addition to advice, the service offers inspiration, information and financial solutions for strategic philanthropy
	Promote recycling bank-wide with client and employee panels	When the new corporate clothing line was introduced, 6,000 old garments were collected by Salvation Army ReShare. Possible ways of reusing that clothing in a creative way are now being explored in collaboration with the We Beat the Mountain foundation
	Continue Plain Language project	Our letters, product terms and conditions, offers and other texts are being written in plain language
	Remain involved in platforms such as the Sustainable Shipping Initiative	Active involvement in the Sustainable Shipping Initiative to make a positive difference

Subject	Objective reported in 2011	Performance in 2012
	Pursue implementation of Customer Excellence	Around 10,000 employees working according to Customer Excellence principles. There are 150 certified CE experts working at the bank. The result is apparent in the steady rise in client satisfaction since CE was introduced
	C&MB: further expand range of sustainable products and services in 2012	<ul style="list-style-type: none"> ▶ Lease for Start-ups ▶ Pilot with Seeds ▶ Asbestos removal/solar panel installation (agriculture) ▶ Start-up Bootcamp (sponsor since 2012) ▶ New partnership for ABN AMRO with Social Enterprise NL ▶ Market Insights app, Access Online app, Quick Banking ▶ Growth & Innovation Desk set up in 2012 ▶ Energy Saving Loan since beginning of 2012
Dialogue with our stakeholders	Continue to promote stakeholder dialogue and involvement	<ul style="list-style-type: none"> ▶ Potential sustainable scenarios explored in dialogue with a variety of stakeholders ▶ Screening by client panels of our ideas on the sustainable strategy to be followed ▶ Various sustainable initiatives developed for staff (discussion platform, staff magazine, sessions)
Our emphasis on employees	Continue to implement the people strategy (embed core values Trusted, Professional and Ambitious in the corporate culture, strengthen reputation as preferred employer, etc.)	<ul style="list-style-type: none"> ▶ Organised day for all Dutch managers at which the Managing Board discussed the future direction of the bank ▶ Focus on sustainable change
	Raise awareness of sustainability within the organisation	<ul style="list-style-type: none"> ▶ Helped employees develop so they are prepared for the future (employability) ▶ Leadership Development ▶ Culture Scan ▶ Diversity ▶ Performance management
	Roll out New World of Work	15,000 employees in the Netherlands were introduced to the possibilities of the New World of Work in 2012
	Continue to pursue diversity targets (Talent to the Top)	<ul style="list-style-type: none"> ▶ We made further progress toward our Talent to the Top objectives in 2012. The number of women in senior management rose to 16% and in upper middle-management to 22% 1 member of the Managing Board and 2 members of the Supervisory Board are women ▶ Successful 'Do or Die-versity' conference for over 400 external and internal participants ▶ Launched 'selective perception programme' for recruitment and selection ▶ All business units developed their own activities in the area of gender diversity to promote professional development ▶ Growth & Innovation Desk set up in 2012

Subject	Objective reported in 2011	Performance in 2012
Our environmental impact	Further reduce paper consumption (20% reduction in 2012 compared with 2009)	Achieved
	Reduce energy consumption by 20% (compared with 2009)	Achieved
	Use sustainable energy wherever possible	'Green power' certified by CertiQ used at all ABN AMRO's Dutch premises in 2012
	LEED and BREEAM certification for head office at Gustav Mahlerlaan	BREEAM certificate with 'Very Good' rating presented to ABN AMRO on 17 September 2012 for the head office on Gustav Mahlerlaan Steps taken toward achieving LEED Gold status for that building LEED certification anticipated at end of 2012/beginning of 2013
	Grow Green Business Club into a nationwide organisation	Green Business Club Netherlands set up in 2012: national umbrella organisation for local Green Business Clubs Ambition for 2013: create a total of ten Green Business Clubs
	Increase sustainable purchasing (FIRA) of office supplies, office furnishing, catering, etc.	ABN AMRO placed 28% of its total annual expenditure in 2012 with suppliers that comply with FIRA standards
	Research into the possibility of further CO ₂ reduction in 2012	Energy Efficiency Plan 2013-16 drawn up in 2012 for the Gustav Mahlerlaan and Foppingadreef buildings. This showed that a further CO ₂ reduction of 5.44% is possible A CO ₂ reduction plan was drawn up for the Data Centres: introduction from 2012. Objective: reduce Power Usage Effectiveness value
50% of products served in staff restaurants to be organic by 2012	Organic catering range now 70% of the total	
Our contribution to society	Continuation of FairShare partnership with Fund for Special Needs Sports	FairShare partnership achieved Richard Krajicek Foundation Collaboration with Youth Sports Fund
	Sponsorship initiatives: Children's Peace Prize, SUPPORT and Victim Support Fund	Children's Peace Prize National Read Aloud Days Principal sponsor Children's Book Week Collaboration with Dutch Charity Association (VFI)
	Actively encourage staff to participate in socially responsible projects via ABN AMRO Foundation	In 2012 employees volunteered for our community target groups 13,561 times



appendix 5

glossary

Abbreviations

BREEAM	Building Research Establishment Environmental Assessment Method
ESE	Environmental, Social, Ethical
NWW	The New World of Work
LAP2	Second National Waste Management Plan
LEED	Leadership in Energy and Environmental Design

Terms

All-in fee - An asset management fee whereby no additional costs are charged on top of the fee paid by the client. The all-in fee includes transaction costs and all costs incurred by ABN AMRO MeesPierson in managing the portfolio and informing the client.

Basel Convention - An international agreement to control cross-border transport and removal of toxic waste.

Budget-neutral - Something that yields as much money as it costs over time.

Central Works Council (CWC) - The overarching works council made up of representatives from the four works councils of ABN AMRO TOPS, Retail & Private Banking, Group Functions and Commercial & Merchant Banking and from the works councils of ABN AMRO's subsidiaries.

CertiQ certification - The only valid certification in the Netherlands awarded for energy generated by sustainable sources (sun, water, wind and biomass materials). The government has charged CertiQ with this responsibility. Certificates issued by CertiQ can be traded within Europe.

Crowdfunding - Obtaining financing and conducting fundraising via an internet platform whereby investors can invest small amounts of money in a project or start-up.

Due diligence - Research, often performed during mergers and acquisitions, to establish the correctness of the information presented to the buyer of a company and to identify the risks and opportunities of the company being acquired.

Energy Covenant Utrecht (ECU) - A covenant aimed at reducing energy consumption in the Utrecht region of the Netherlands.

Equator Principles - A framework for credit risk management that is used to establish, assess and control the social and environmental risks involved in project finance.

European Investment Fund (EIF) - An agency of the European Union that finances small and medium-sized businesses.

FIRA - International guidelines aimed at ensuring that suppliers gradually improve their sustainability performance.

Global Reporting Initiative (GRI) - An international organisation that establishes guidelines for corporate sustainability reporting.

Global Sustainability Risk Index - An index created by ABN AMRO for determining the risks involved in credit transactions, by country and sub-sector.

Green Label greenhouse - A greenhouse used by businesses to grow crops while reducing their impact on the environment, e.g. by consuming less energy.

Heat/cold storage - A method of storing energy in the form of heat and cold in the ground, allowing supply and demand to be matched. The cold in winter can be used to cool buildings in the summer, and the stored solar heat can be used in the winter to heat buildings. Heat/cold storage is used mainly in buildings, industry and greenhouse cultivation.

Heat exchange - A fuel-efficient way to generate heat and electricity in a single process.

Impact investing - Investing in solutions to social and environmental issues, while achieving financial returns.

ISO 26000 - Guidelines for socially responsible business.

OECD guidelines - These guidelines from the Organisation for Economic Cooperation and Development (OECD) set out what the Dutch government (and 43 other governments) expects of businesses abroad in terms of sustainability. The guidelines deal with issues such as chain responsibility, human rights, child labour, the environment and corruption.

SEPA - The Single Euro Payments Area (SEPA) encompasses the 27 member states of the EU plus Iceland, Liechtenstein, Norway and Switzerland. Within this area, individuals and businesses can make and receive domestic and international payments in a uniform manner.

Sustainability Advisory Board - This ABN AMRO body consists of professionals from various sectors who monitor the socially responsible investment processes for DPM.

Sustainable employability - Sustainable employability is the extent to which employees are willing and able to remain productive, motivated and healthy, within or outside the organisation.

Sustainable Investment Mandate - Investment in companies that conduct sustainable business operations. These companies are frontrunners in striking and maintaining a balance between people, planet and profit.

Sustainable Shipping Initiative - An initiative under which the biggest shipping parties work together with non-governmental organisations to improve sustainability of the shipping industry.

UK Guidance on Board Effectiveness - Part of a number of guidelines to help businesses apply the principles of the UK Corporate Governance Code in the United Kingdom.

UN Global Compact - An initiative of the United Nations aimed at developing and applying universal principles on human rights, labour conditions, the environment and anti-corruption.

UN Guiding Principles for Business and Human Rights - These guiding principles of the UN offer a global standard for preventing and addressing the risk of the negative effects of economic activity on human rights.

UNPRI - The UN principles for responsible investment.

Whistleblowing policy - A policy for dealing with improper conduct within an organisation. Employees have the opportunity to report irregularities.

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