

sustainability report 2013

A better bank
contributing to
a better world



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chairman's

message

I am proud to present the ABN AMRO Sustainability Report for 2013. This report shows the results of our efforts this past year to make our bank more sustainable in the broadest sense of the word. We worked hard in 2013 to achieve these results and look forward to continuing on this path in the years to come. Restoring trust in banks is the biggest challenge for the sector, and we must do our part to meet this challenge.

We want to engage our wide range of stakeholders – most importantly, our clients – in an ongoing dialogue that involves them in our decision-making. To this end, we set up a Stakeholder Board in 2013 which analyses and defines the issues our stakeholders would like to see addressed. We strive to maximise transparency in all our communication.

Sustainability is part of our corporate strategy. As such, our commitment is part of the decisions we make at every business line across the organisation. We aspire to secure a leadership position in sustainability. To achieve this, we:

- ▶ 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.

We took various measures in 2013 to inspire and engage our employees in order to secure their commitment to our ambition.

As part of our drive to pursue sustainable business operations, we rebuilt our sustainability reporting systems in 2013 so that we can provide greater transparency about our progress on several fronts. An external auditor has provided assurance on a selected set of performance indicators. This means we have taken an important step in living up to the first element of our long-term strategy. We will continue to refine our measuring and reporting systems as we move forward.

We are committed to putting clients' interests centre stage and to building lasting relationships. As part of our commitment, we actively approach clients who are straining under the weight of the adverse economic climate. We recognise the impact on them of being unable to pay the mortgage or having to sell their home. Our goal is to help these clients gain a better understanding of their financial situation so that they can cope with their

obligations. We will continue this work for as long as necessary in the future.

In the spirit of sharing our expertise, we organised a seminar on national Budget Day in the Netherlands on how to improve the sustainability of existing homes in the Netherlands. Afterwards, we presented a report to the Dutch Minister for Housing and Government Services on sustainable housing construction.

Turning to our core business of financing, we made great strides this past year in implementing our sustainable finance policy. We assess our clients on sustainability criteria, which are based on our environmental, social and ethical standards.

This report is designed to inform our stakeholders about how we are working to embed sustainability across our organisation and the progress we made in 2013. Beyond that, we welcome ideas and feedback on our results, especially on how to approach material issues affecting our stakeholders and the bank. Please feel free to contact us at duurzaamheid@nl.abnamro.com.



Gerrit Zalm
Chairman of the Managing Board

our sustainability strategy 1

Creating a better future based on trust and sustainability

We have mapped out a clear strategy to address the sustainability issues that our clients and the bank face in today's world. Our aim to make a meaningful contribution to society is at the heart of our pledge to be a better bank contributing to a better world. Drawing on our sustainability strategy, we are taking steps every day to live up to this pledge.

At the same time, global resources are being depleted and human rights violations are widespread. To address the risks relating to climate change, human rights and shortages of raw materials, fresh water and food, we need to pursue a more responsible way of doing business. Addressing these risks is also creating opportunities for our clients and our bank: we are developing new markets, new products and services, and new forms of collaboration.

One of the five elements of our long-term corporate strategy is the commitment to invest in our future. We expanded on this strategic priority in our sustainability strategy, which focuses on taking action now to secure a better future for our bank, our clients and the world. Our sustainability strategy is based on two pillars, each of which consists of aspirations in two areas:

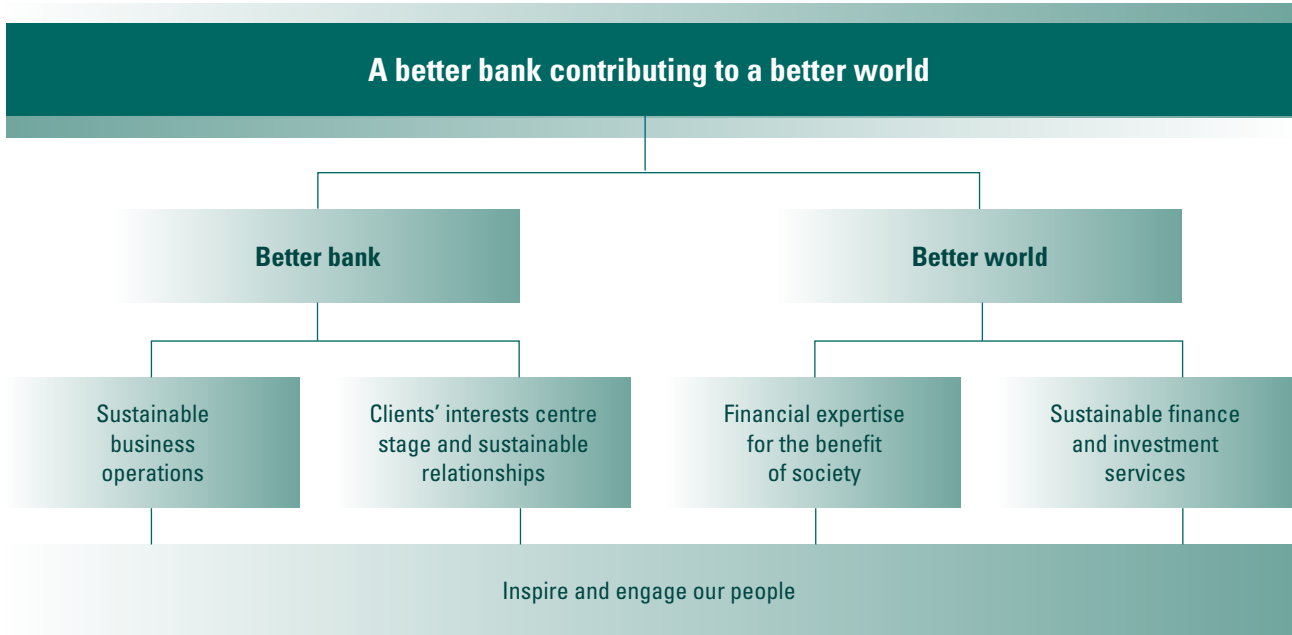
Better bank

- ▶ 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.

We can only be successful in achieving our ambitions if we continue to inspire and engage our employees. In March 2013 we launched our strategy up to 2017, including our sustainability strategy. We are currently in the process of translating the bank-wide strategic sustainability goals and targets into concrete goals for each of our businesses. We intend to implement these plans in 2014.



We also started improving our sustainability reporting systems in 2013. Our goal is to accurately measure and report on our progress by means of key performance indicators (KPIs). We aim to receive assurance on the complete report in the coming years. These future reports will focus on material issues relating to the four pillars of our long-term sustainability strategy. This roadmap started in 2013: we obtained assurance on a distinct set of quantitative data with a focus on our internal organisation. This will help to engage our people in the bank's drive to embed sustainability across the organisation. We will only be able to live up to our pledge to be a better bank contributing to a better world if we have the critical mass of our employees' commitment behind us. That is why we focused our efforts in 2013 initially on our internal activities – pursuing sustainable business operations. Our approach is twofold: we give employees the means to minimise their own environmental footprint on the job. The results of these efforts are visible and measurable. At the same time, we want to achieve a change of behaviour among staff by instilling a sense of responsibility to work in a sustainable manner. One of our Business Principles, for instance, is 'I am committed to sustainable business practices'.

This report describes the progress we made in 2013 in carrying out our sustainability strategy. The table below shows where the results for each element of our strategy are discussed in this report.

Strategy	Results in 2013
▶ Sustainable business operations	Sections 2, 3 and 6
▶ Clients' interests centre stage and sustainable relationships	Sections 2 and 4
▶ Financial expertise for the benefit of society	Sections 4 and 7
▶ Sustainable finance and investment services	Sections 3 and 4
▶ Inspiring and engaging our people: a two-way street	Section 5

engaging with our stakeholders 2

ABN AMRO takes its stakeholders' interests seriously. It is our responsibility to manage the impacts of our activities. In doing so, we systematically balance the bank's interests with those of our stakeholders. Our stakeholders' support will be vital to restoring trust in the banking sector, and to our own long-term success.

We define stakeholders as groups or individuals that are affected by our activities, products and/or services, and who themselves can affect our ability to achieve our objectives. ABN AMRO distinguishes between various groups of stakeholders and seeks to play a specific role for each one (see figure on page 9).

2.1 Transparent communication

We aim to communicate openly and transparently and to maintain an ongoing dialogue with our stakeholders. This dialogue can take various forms. We organise client panels and employee meetings, for instance, and perform client satisfaction research and 'culture scans'. Outside the bank, we also take part in parliamentary hearings and public debates, and we clarify our culture, conduct, initiatives and strategy for the benefit of our regulators. We contribute to research by non-governmental organisations (NGOs) and we consult with a wide variety of civil society organisations.

Plain language and communication are important preconditions for transparency. In the past, use of language at ABN AMRO tended to be complex, legal and formal. In a drive to change this, the bank launched a

Plain Language programme a few years ago. As part of this programme, all communication about products and services has been rewritten with a view to making client information clear and understandable for 90% of the population. Plain language puts the client, his level of knowledge and personal circumstances centre stage.

Financial reporting is another area in which we have enhanced transparency. Our efforts in communicating clearly with our shareholder and other stakeholders have been successful: in November 2013 we were awarded the prestigious Henri Sijthoff prize for our 2012 Annual Report in the category unlisted companies. The jury was particularly impressed by the clarity of writing, transparency of information about the company, our strategy, investor relations, corporate governance and sustainability.

It is our policy to respond to media requests for information, unless we are prevented from doing so for privacy, confidentiality or regulatory reasons. We made increasing use of social media (Twitter, Facebook, Google+, LinkedIn, YouTube) in 2013 to maintain contact with our stakeholders – primarily with clients, the general public and potential employees, but also explicitly with opinion formers such as journalists and bloggers.



2.2 The materiality principle

Regular dialogue contributes significantly to identifying the areas that our stakeholders consider important. We apply the materiality principle when engaging on sustainability topics. This means in practice that we focus on the issues that are most important to our key stakeholders as well as to our business and that we are actually in a position to influence.

2.3 Material issues

Examples of material issues that featured in 2013 and the actions we took in response to extensive stakeholder consultation include:

Availability and security of payments

There was widespread media coverage in 2013 on the availability of online banking. In the Netherlands, payment systems were confronted with a number of attacks and disruptions over the year. ABN AMRO's systems also suffered a DDoS attack on 18 April 2013, resulting in a very short interruption in the availability of the website, online banking and mobile banking on that day. ABN AMRO works constantly to prevent disruption to payment systems as much as possible, and to minimise the impact of any that does occur. Thanks to these measures, ABN AMRO's Internet Banking, Mobile Banking and Quick Banking services achieved an availability rate of over 99.7% in 2013. This does not, however, make the rare disruptions any less inconvenient for our clients. We therefore further enhanced our communication in 2013 by actively reporting disruptions on our website and via social media, and by informing our clients of possible solutions via these same channels. In terms of functionality, ABN AMRO was named best internet bank in the Netherlands in 2013.

Online fraud – and in particular compensation for any losses suffered – was another important theme to the public in 2013. Clients, consumer organisations and parliament all asked banks to clarify their policies in this regard. The Dutch Banking Association and the Consumer Association responded by drawing up uniform rules for secure online banking. These are due to come into effect in 2014 and will apply to retail clients of all Dutch banks. Provided that they have observed the security rules, consumers who suffer losses will know that amounts

removed from their account without their permission will be refunded.

ABN AMRO has been offering its business and corporate clients an 'Online Banking Security Check' since September 2013. The tool enables us to offer these clients customised advice on how to use the bank's services as securely as possible.

Mortgage market

ABN AMRO aims to maintain its mortgage portfolio at or below 2012 year-end volumes. Due to market circumstances, the volume of outstanding mortgage loans declined in 2013. ABN AMRO was, however, and still is willing to offer mortgages, provided the client meets the required risk profile.

In 2013, consumer and other public interest organisations, clients, parliament and the media focused on the subject of residual debt (where the value of the mortgage loan exceeds the market value of the property). ABN AMRO advisers have been actively contacting clients since 2012 to make them aware of the risks and consequences of potential residual debt. In the meantime, the bank has approached 140,000 of these clients. The aim is to create mutual understanding that action is required and to jointly find ways of reducing or removing residual debt. Subject to certain conditions, it is also possible for clients to fund residual debt as part of a new mortgage. Since 1 September 2013, clients with a mortgage that exceeds the value of the property have been able to pay off their mortgage early, without penalty, up to the value set under the Real Estate Valuation Act (*Wet waardering onroerende zaken – WOZ*). Depending on the terms and conditions of their contracts, clients without residual debt can make redemptions of up to 15% of their mortgage penalty-free each year.

Lending to small and medium-sized enterprises

Businesses, sector organisations, parliament and the media highlighted the issue of lending to small and medium-sized enterprises (SMEs) throughout 2013. Banks, they argued, were hindering SMEs by failing to provide credit facilities. While ABN AMRO experienced a sharp decline in the number of loan applications in 2013, the percentage of loans granted by the bank fell only marginally (34.2% in 2013 compared with 37.0% in 2012). SMEs with sound business plans could and still can obtain loans from us. In the context of responsible lending, however, we are not prepared to fund losses.

Past due loans

Dealing with past due loans was once again a pressing social issue in 2013. ABN AMRO clearly lives up to its responsibilities in this area: a large number of our employees have been assigned to assist clients facing payment difficulties. The Mortgage Care Team, for instance, helps retail clients who can no longer pay their mortgages, while the Financial Restructuring & Recovery (FR&R) department assists business clients that are struggling to meet their financial obligations. We work with the client to find a solution rather than turning to a collection agency or – in extreme cases – having to do a forced sale or seek bankruptcy. Our joint approach works: in 2013 no fewer than 95% of our clients with mortgage arrears recovered within six months, and FR&R was able to recover over 70% of loan values for its business clients.

Sustainability policy

We actively engage with NGOs and other stakeholders to explore dilemmas that could arise in serving clients and in the choices we make. In doing so, ABN AMRO regularly discusses its position with respect to a range of issues. Examples of activities discussed in 2013 are:

► **The supply of equipment to the Assad regime in Syria**

In a report published in January 2013, peace and development organisations IKV Pax Christi and Oxfam Novib criticised ABN AMRO and nine other Dutch financial institutions for continuing their investments in companies that supplied equipment to the Assad regime in Syria. The bank has made very small investments in one of these companies, Finmeccanica, which supplied communications systems to Syria prior to 2011.

ABN AMRO investigated the report and established that its activities did not provide a material ground to engage with Finmeccanica on the issue of weapons supply nor to reduce its (small) investments in the company. ABN AMRO also argued that the communications systems were delivered before sanctions against the Assad regime were in place and that they did not qualify as weapons under ABN AMRO’s policy on controversial weapons.

► **Investing in the manufacture of nuclear weapons**

In 2013, the Fair Banking Guide stated that ABN AMRO has a very good controversial weapons policy in place. In a report published in February 2013, they concluded that we do not finance nuclear weapons producers. The report also stated, however, that a number of funds offered by ABN AMRO contained stocks of companies that could be linked to nuclear weapons. We extended our Controversial Weapons List in 2013 to include a number of companies involved in the manufacture of nuclear weapons. These companies are based in countries that have not signed the Non-Proliferation Treaty and that are not NATO members. The Controversial Weapons List applies to all funds for which ABN AMRO has investment management control.

► **Animal welfare in livestock transport and meat processing**

In a report published in July 2013, the Dutch Society for the Protection of Animals criticised ABN AMRO and four other Dutch banks for investing in livestock transport and meat processing companies without ensuring that these companies guarantee animal welfare. ABN AMRO explained that it examines, as standard

Biodiversity project with clients in Brazil

Daan Wensing heads the Natural Capital and Value Chains department at the International Union for Conservation of Nature (IUCN). He also manages the IUCN NL’s business network Leaders for Nature (LfN). “ABN AMRO has been involved with the LfN network from the beginning”, Wensing says. “Together with other multinationals, we try to protect biodiversity and ecosystems worldwide and to use natural resources sustainably. ABN AMRO’s impact on biodiversity and ecosystems is relatively limited, but it occurs indirectly via lending. Banks play a hugely important role as drivers of development and transforming

capital into time, place, scale and risk. By including the right criteria in its funding policy, ABN AMRO can help protect natural capital. We’re in the process of launching a biodiversity project in the agrifood sector in Brazil with business clients of ABN AMRO. The aim is to analyse their impact on regional biodiversity and how they can consistently reduce that impact. We can then gradually make the client portfolio more sustainable and help businesses achieve a continuous improvement process with the prospect of concrete action.”

Plain

language and

communication

are important preconditions

for

transparency

Greater transparency on lobbying

The research organisation SOMO published the results of a study into the lobbying activities of Dutch banks on 17 December 2013. In ABN AMRO's case, 'lobbying activities' consist of the exchange of information between the bank and the government concerning the impact on the bank of legislation and regulations. SOMO's report states that lobbying is an effective means of approaching stakeholder dialogue and sharing knowledge, with better regulation as a result. The study's recommendations relate primarily to providing greater transparency about lobbying.

We agree with that and are taking the following measures:

- ▶ We will provide more information about our exchanges with legislators and policymakers on our website, in our Annual Report and in our Sustainability Report.
- ▶ We will publish our policy on issues of material importance to our stakeholders, such as putting clients centre stage, the housing market, lending to SMEs, and the bank's remuneration policy.
- ▶ Our contributions to public consultation on legislation will be made available on our website.
- ▶ Our lobbyists will be entered in the transparency registers in The Hague and Brussels.

practice, whether its clients comply with animal welfare regulations and that it would exclude businesses that do not comply. We informed the Society that our existing procedures guarantee the observance of animal welfare by our livestock transport and meat processing clients and that we therefore do not consider it necessary to introduce additional measures.

▶ Shale gas drilling

In July 2013, there was some debate about potential shale gas drilling in the Netherlands. Funding of such projects is not in scope as shale gas extraction is not yet practised in the Netherlands. However, ahead of possible future investment decisions, ABN AMRO updated its sustainability policy for the oil and gas sector in 2013. For highly complex initiatives such as shale gas drilling, we will apply a case-by-case approach in an effort to reach decisions that are consistent with our principles, meet international best practices and enjoy local support.

▶ Land grabbing

In October 2013 a Dutch current affairs programme featured a story on alleged land grabbing in Brazil by Bunge, an agricultural commodities company. ABN AMRO and several other Dutch banks were said to be indirectly involved in the company. In response to this, we explained that we do not wish to be associated with land grabbing in any shape or form given its adverse effects on local communities. We have a strict policy in place to prevent the practice. ABN AMRO is not associated with Bunge in Brazil, nor with any of the factories or

farmers concerned, yet we do have a business relationship with Bunge in other countries. As ABN AMRO is a big player in agricultural trade finance and as we are committed to the prevention of land grabbing, we have entered into dialogue with the company to discuss the broadcast and how the situation in Brazil relates to our sustainability policies.

In a report on the issue in 2012, the Fair Banking Guide recognised ABN AMRO's efforts in preventing land grabbing.

Presence in tax havens

The tax affairs of multinational corporations were the subject of worldwide debate in 2013. The media, politicians and NGOs focused in particular on the activities of companies in tax havens.

In the interests of transparency, ABN AMRO provided details on its website of the kind of companies it has registered in tax havens. For the most part, these are dormant companies related to former activities of Prime Fund Solutions and are in the process of being wound up. Others include companies that are directly linked to banking activities, such as the operation of ships and the management of ABN AMRO investment funds or office buildings.

The International Consortium of Investigative Journalists revealed details in 2013 of the activities of individuals and companies in tax havens. These 'Offshore Leaks' included the information that ABN AMRO had registered companies for clients in these tax havens, leading to suggestions in

the media that we had colluded in tax evasion. With the information we provide on our website, we repudiated these suggestions.

Remuneration policy

New standards and definitions regarding fixed and variable remuneration in the Netherlands and Europe

were adopted in 2013. One example is the fourth amended European Capital Requirements Directive (CRD IV), which introduces a number of measures, including a cap of 100% on variable remuneration in 2014. In addition, the Dutch Finance Minister announced a new proposal for legislation (*Wet Beloningsbeleid Financiële Sector*), introducing further restrictions on variable pay and

ABN AMRO's external ratings

Investors who do business in a socially responsible way are increasingly attracted to sustainability qualifications. We recognise this, which is why we began in 2013 to publish the scores

we receive from several Sustainable Rating Agencies. It is a further contribution to the transparency we want to achieve as we keep our stakeholders informed.

Sustainable Rating Agency	Focus	Rating 2013	Latest rating change
oekom research AG	Provider of information on the social and environmental performance of companies, sectors and countries.	C (Prime)	05/09/2013
IMUG	Provider of consultancy and research services in the area of Corporate Social Responsibility (CSR), Socially Responsible Investment (SRI), market research and marketing	Positive	21/12/2012
Sustainalytics	Provider of sustainability research and analysis in the area of Responsible Investment (RI) and Socially Responsible Investment (SRI) markets.	71 (out of 100)	02/12/2012

Benchmark	Rating 2013	Rating 2012	Rating 2011
Transparency benchmark	176 (out of 200)	153 (out of 200)	122 (out of 200)

First get our own house in order

ABN AMRO recently came into contact with the Utrecht Sustainability Institute (USI). The USI organises a programme of public meetings called Sustainable Finance Lab (SFL) to discuss ways of making the financial sector more sustainable. Former Dutch Environment Minister Jacqueline Cramer is USI's director: "It's important for us to learn from past mistakes", she says. "We talk with banks at SFL meetings about issues such as how certain mechanisms came about. Or how it was possible for the

risks of financial investment structures to be so opaque. It will take years to reform the financial system as a whole, but changing the mindset is itself a step in the right direction. ABN AMRO needs to get its own house in order in the years ahead. That's a major challenge. But making products and equity funds more sustainable is also a good thing in terms of customer service. We want to maintain this dialogue with ABN AMRO so we can contribute to that process."

claw-back possibilities for the entire Dutch financial sector as from 2015. This, the Finance Minister stated, will give the Netherlands the strictest bonus policy regime in Europe.

ABN AMRO has taken measures to comply with all relevant remuneration requirements for its employees and will continue to do so. Starting in January 2014, the bank is due to lower the variable income component for members of its Management Group (senior managers in management layers directly below the Managing Board) from a maximum of 100% to at most 20% of their annual salary – ahead of legislation to this effect.

Negotiations are underway on a new collective labour agreement for ABN AMRO staff in the Netherlands. Moderation of employment conditions such as pay and benefits, including pension schemes, are among the main topics of discussion.

A concise review of the exchanges that occurred between ABN AMRO and its key stakeholders in 2013 in respect of specific sustainability issues can be found in Appendix 4.

2.4 Stakeholder Board

In 2013, ABN AMRO set up a Stakeholder Board to further professionalise bank-wide stakeholder management. The new board is made up of senior managers from the bank and met four times in 2013.

The Stakeholder Board has set out a new stakeholder management approach and performed stakeholder analyses. It has also determined which issues our key stakeholders consider most important, what they expect of ABN AMRO, and whether there is any gap between their expectations and the bank's activities. Lastly, the Stakeholder Board approved a programme to ensure that a structural dialogue on the most pressing, current issues is maintained in 2014 with the bank's most relevant stakeholders. No attempt will be made to avoid delicate subjects that clients or the public consider important. Topics of this kind include: putting clients' interests centre stage; the mortgage market; lending to SMEs; remuneration policy; and ABN AMRO's place in the Dutch banking landscape.

Engaging with an ecological stakeholder

It is important to keep in close contact with our stakeholders. As part of that commitment, we recently talked to the environmental organisation Natuur & Milieu. This ecological foundation is committed to a sustainable and healthy world, and campaigns for clean energy, smart mobility and a good diet. Olof van der Gaag is its head of marketing campaigns. "We share the challenge with ABN AMRO of bringing about a transition", he says. "So our discussions are about sustainability in the

broadest sense of the word: from investment to the New World of Work (NWW). We're in intensive contact about NWW in particular. ABN AMRO wants to position itself as an innovative employer, which is why it has embraced our national NWW campaign. Collaboration is a win-win for us both: we can achieve more by working together."

applying the sustainability policy to our operations 3

ABN AMRO has guidelines for assessing sustainability risks. Together, these guidelines form the bank's environmental, social and ethical policy, ESE policy for short. We apply them when assessing clients, applications for loans and other transactions. In 2013, we made further strides in enhancing our ESE policy and in applying it more consistently to our everyday business operations. One manifestation of this is the increasing number of instances in which our ESE risk experts provided advice to the businesses. A separate project was set up to improve the application of our sustainability policy in the bank's commercial loan business. We expect to finalise this project in 2014. The process of embedding sustainability in our 'know your customer' procedures was completed for most of the bank's businesses during the course of 2013.

Environmental, social and ethical risks, also known as sustainability risks, form part of ABN AMRO's bank-wide risk model. To this end, we again defined our sustainability risk appetite in 2013 and included specific sustainability risks in our approach to monitoring the bank's operational risk.

3.1 Client acceptance policy

The client acceptance process examines whether clients are involved in activities that feature in ABN AMRO's Exclusion List. This list sets out the activities ABN AMRO is unwilling to support or be associated with. It applies to all the bank's services, with the exception of securities transactions on behalf of clients, which are subject to our policy for investments (see Section 3.4).

As part of the screening process, we asked 123 clients active in sensitive sectors such as energy extraction, palm oil, tobacco and chemicals to certify in writing that they would observe our Exclusion List. We asked for this explicit endorsement of our Exclusion List in appropriate cases. In 2013 we took an important step forward in guaranteeing the integrity of our clients' supply chain by adding the FPIC principle – Free, Prior and Informed Consent – to our client acceptance procedure. To view the complete Exclusion List, go to abnamro.com/en/Sustainability/risk-management



The acceptance process for payment transactions by internationally operating corporate clients active in high-risk sectors, such as energy extraction and mining, now includes an additional due diligence. These clients are assessed on their sustainability policy and commitment, their sustainability management systems and their reputation in this area.

3.2 Policy for lending

Our ESE policy for lending requires that we identify the sustainability risks for each commercial loan application. In higher risk cases, we perform an additional due diligence based on our environmental, social and ethical standards. Corporate clients who have loans with the

LC&MB Sustainability Risk Management

			2013
	Client acceptance process	Credit process	Total
Agricultural commodities	160	89	249
Energy	129	63	192
Energy commodities	193	82	275
Metals commodities	187	50	237
Transport	208	52	260
Other sectors	26	26	52
Total	903	362	1,265

We asked 20 clients to certify in writing that they would observe our Exclusion List



bank of less than EUR 1 million are considered low risk. The figure below illustrates how the ESE policy is applied within the credit application process. The aim of the process is to identify potential sustainability risks and if such risks exist, to determine whether they can be adequately managed. The higher the potential risk, the better the client’s social and environmental performance has to be. This does not mean, incidentally, that we do not accept transactions with a higher risk exposure.

3.3 Project financing policy

ABN AMRO applies the Equator Principles to all project finance and project advisory services and welcomes the changes made to them in 2013 (see also equator-principles.com). We actively participated in discussions about their implementation as a member financial institution of the Association of Equator Principles. In 2014, the bank intends to align its project financing policy with the updated Equator Principles (Equator Principles III), which will apply to a wider range of financing products. In addition to project financing, this will include pre-financing, bridging facilities and project-related financing.

The Equator Principles make a distinction between three types of projects:

- ▶ *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.

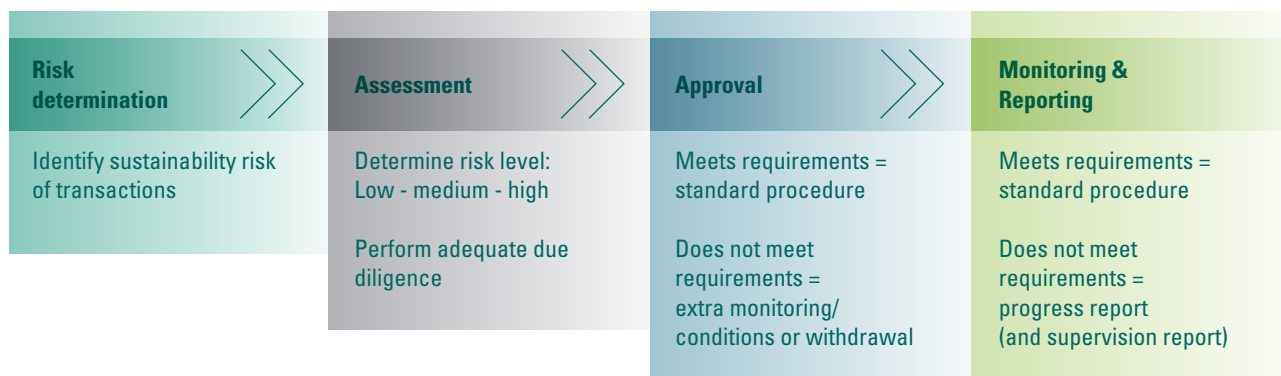
- ▶ *Category C:* projects with minimal or no social or environmental impacts.

3.4 Policy for investments

ABN AMRO is set to introduce its Sustainability Policy for Investments (SPI) in 2014, initially planned for 2013. Its implementation was postponed as there was insufficient consensus about details of the policy. The SPI has the same set-up as the policy for lending and is based on the bank’s Sustainability Risk Management Policy. It makes a distinction between investments made by ABN AMRO itself and investments made on behalf of clients. This latter category can be subdivided into asset management, investment advice and purchase and sale orders received from clients. The SPI describes the sustainability criteria the bank uses and the relevant decision-making structure. ABN AMRO offers its clients a range of sustainable investment solutions, and interest in these products is growing. Starting in 2014, we will require our investment fund suppliers to sign the United Nations Principles for Responsible Investment (UNPRI), to which the bank is also committed.

In addition to distributing the sustainable investment funds of other asset management companies, the bank offers proprietary sustainable investment products. This includes both individual investment mandates and a number of investment funds managed by our private banks in France and Germany. In our sustainable investment portfolios, we exclude certain investments and include only forerunners in sustainability.

Credit application process



Sustainability department

ABN AMRO's Sustainability department is responsible for:

- ▶ developing the bank's sustainability policy;
- ▶ evaluating and advising on sustainability risks relating to loan and investment applications;
- ▶ stimulating sustainable products and other initiatives by ABN AMRO clients;
- ▶ encouraging and facilitating dialogue on sustainability issues inside and outside the bank;
- ▶ supervising internal sustainability initiatives such as CO₂ reduction;
- ▶ reporting on sustainability results.

In addition to the central Sustainability department, many of the bank's other departments have their own sustainability

experts, boosting commitment to these themes across ABN AMRO. The reporting process is structured as follows:

- ▶ Progress on the long-term sustainability strategy is reported every month to the Managing Board member responsible for sustainability.
- ▶ Sustainability is presented to the Managing Board and the Supervisory Board as part of the long-term strategy at least once a quarter.
- ▶ An annual sustainability report is drawn up for the bank's stakeholders.
- ▶ Individual sustainability results are reported to senior management from the different sections of the bank.

Our standard investment products and services, too, need to meet strict criteria. We do not, for example, allow our clients in Europe to invest in companies in any way involved in cluster weapons, and related positions have been closed. Our stringent policy applies equally to investment products offered by non-listed companies.

3.5 Industry-specific policies

In addition to its general sustainability policy, ABN AMRO works with customised guidelines for a number of high-risk industries. We call this our industry-specific sustainability policy and constantly monitor our policies to take account of changes taking place in our clients' businesses, in the market and in society as a whole.

3.5.1 Policy for the energy industry

The new policy for the energy industry was completed in 2013 and is due to be fully approved in the first weeks of 2014. It was drawn up in close consultation with clients, energy experts and the bank's own staff and sets clear standards for our clients in the energy industry. The main aspects of the policy are:

- ▶ We plan to assess individual applications for direct funding of shale gas extraction. Important assessment criteria are the proper use of best practices and local support for shale gas extraction.
- ▶ We operate an exceptionally restrictive policy towards nuclear energy.

- ▶ We exclude all oil and gas exploration within the Arctic region. We may, however, provide general loans to clients involved in this activity. The bank expects these clients to meet the highest environmental and safety standards.
- ▶ We only provide funding for new coal-fired power stations that meet strict emission and energy efficiency standards. Existing power stations are financed only if their environmental performance shows marked improvement.
- ▶ The scope of the new policy is broad and encompasses such things as electricity generation, renewable energy, and oil trading and storage.

3.5.2 Policy for the defence industry

In 2013 we updated our policy for the defence industry in response to new Dutch legislation banning investments in cluster munitions. The policy is up for a complete review in 2014, in line with amendments to international guidelines and technological developments in the defence industry. We will call on experts from outside the bank for this purpose.

3.5.3 New industry-specific policies: manufacturing and real estate

2013 saw the start of new policies for the manufacturing and real estate industries. Here, too, the policies have been drawn up in consultation with relevant stakeholders – clients, trade associations, industry experts, including NGOs, and our own employees.

As the biggest environmental and social risks in manufacturing relate to production, we encourage our clients to consider the production circumstances in the countries in which they are active. The ESE policy for the manufacturing industry pays special attention to clients with activities in electronics, food and beverage, clothing and textiles and diamonds and jewellery (see Section 4.1.4).

The environmental impact of the real estate sector is substantial. In the European Union, real estate is responsible for 42% of total energy consumption and for 35% of CO₂ emissions. Research has shown, moreover, that a good sustainability record has a positive impact on the value and occupancy rate of real estate. We are in the process of investigating whether and how factors such as energy efficiency, public transport availability and the use of sustainable materials have been incorporated in the policy. We expect to finalise our policy for the real estate sector in 2014.

3.6 Our sustainability policy in practice

We are working to integrate sustainability more effectively in our day-to-day business operations. A number of key developments in 2013 are set out below.

Each year we define the 'risk appetite' for the bank. As part of this process, we define our sustainability risk appetite, for the bank as a whole as well as for each individual entity. We strive to make the risk appetite more concrete every year.

We set up a project to further integrate sustainability criteria in the loan application procedure of large corporates and small and medium-sized businesses. The project is run by relationship managers, risk managers, process specialists and sustainability experts. During the fourth quarter of 2013, we made concrete plans for the integration of sustainability criteria in the loan application procedure and in the systems used. The integration process is scheduled to be completed in 2014, after which all loan applications (with a threshold of EUR 1 million) should be assessed against the bank's ESE policy and the results systematically recorded.

As part of our Sustainability Policy for Lending, we did a quick scan of all existing clients of the business lines Business Banking, Corporate Clients and Large Corporates. They were screened for sustainability risks and subsequently divided according to their level of risk: low, medium or high. This exercise has provided us with a general overview of our existing loan portfolio, potential sustainability risks and the sustainability performance of our clients.

Moving on to our project financing policy, a total of ten project finance transactions were assessed against the Equator Principles in 2013. Two projects were found to have a potentially strong negative environmental and social impact (Category A), seven projects a potentially limited adverse social or environmental impact (Category B) and one project had minimal or no adverse impact (Category C). The number of projects in high-income/OECD countries totalled four. Details of the results can be found in Appendix 1 of this report.

Making the palm oil sector more sustainable

A prospective client recently approached us to open a business account. It was a trader in palm kernel husks, which are used as biomass in energy generation. Another bank had turned it down, as the sector was not viewed as sustainable. There are indeed regular reports of deforestation, greenhouse gas emissions due to forest fires, and poor working conditions on plantations.

For that reason, we expect our clients to be members of the Roundtable on Sustainable Palm Oil (RSPO). This is a sector

initiative to make both palm oil plantations and the purchase and sale of palm oil more sustainable. We made membership a precondition for opening the account. The client agreed and has undertaken to move toward purchasing on a 100% RSPO-certified basis. We will see to it that this actually happens, as we think it is very important that all parties in the palm oil chain live up to their responsibilities.

Tax policy

We recognise the important role taxation can play in our sustainability strategy, where we use our financial expertise for the benefit of society.

We aim for a moderate tax risk profile, acting at all times in accordance with all applicable laws and regulations and guided by relevant international standards. Our aim is to comply with the spirit as well as the letter of the law and with any legitimate disclosure requirement at first demand. We seek to develop strong, mutually respectful relationships with national tax authorities based on transparency and mutual trust.

We do not use secrecy jurisdictions or so-called tax havens for tax avoidance, nor do we create or help create tax structures that are intended for tax avoidance, have no commercial substance and do not meet the spirit of the law. Our transfer pricing is always based on the arm’s-length principle.

Products we offer that include tax advantages for clients are only acceptable when these products fully meet the regulations in force, are transparent and do not contravene the intended purpose of these regulations. We are transparent about our approach to tax and comply with all the relevant rules regarding transparency.

In 2013, the risk experts at the Sustainability department screened the content of 329 applications for financing with a potentially high sustainability risk as well as six clients looking for services other than credit. A total of 335 cases required an additional ESE due diligence. The screening related chiefly to transactions in agriculture, mining, the energy industry and the defence industry and its suppliers. Based on this due diligence, our recommendations for credit applications were either positive, positive subject to supplementary conditions or negative.

Where the recommendation was negative, this did not necessarily mean that we parted with the client concerned. In these cases we first try to develop an improvement plan with the client and to set a time limit for its implementation. If the client agrees, we give a positive recommendation subject to supplementary conditions.

If the client is not interested in pursuing this, we advise against approval and will scale back or end the relationship.

In 2013, an unconditional positive recommendation was given for 228 transactions and/or clients, in 78 cases we advised positively subject to supplementary conditions, and 14 clients/transactions were advised negatively (see appendix 1).

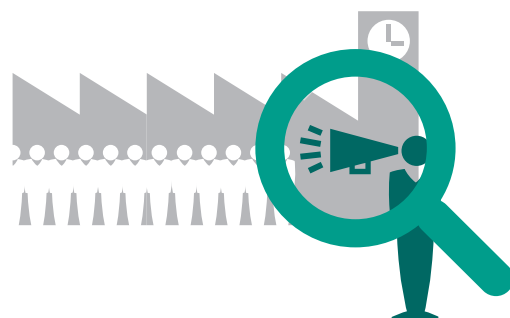
Since June 2013, all new clients at Business Banking and Corporate Clients are screened with the aid of the Exclusion List as a standard part of the client acceptance procedure. Existing clients have already been screened against this list.

The management teams of all business units perform an annual strategic risk analysis in which sustainability is

Risk experts screened the content of 335 applications with a potentially high sustainability risk



Our risk experts focused explicitly on human rights in relation to the client’s activities in 131 cases



Further embedding sustainability at ECT

Energy, Commodities & Transportation (ECT) is part of Large Corporates & Merchant Banking (LC&MB). In 2013, ECT's senior management committed to using its strong market knowledge and trusted client relationships to make a positive contribution to society and sustainable development.

In the year under review, ECT further embedded the use of the sustainability tools it introduced in 2012 in virtually all industries in which it is active. The tools enable relationship managers to identify their industry's sustainability risks and to determine the performance of their clients in addressing these risks. A team of sustainability experts at ECT supervises the process and coaches the relationship managers and commercial staff. In this way, they can ensure the effective application of the sustainability tools and policies in ECT's day-to-day business operations. The tools for the oil and gas industry were finalised in 2013, aligning the process with our policy for the energy industry.

ECT continued to structurally integrate sustainability in the credit and client acceptance processes. Credit proposals now include a sustainability assessment, and a screening of clients and prospects by ECT's sustainability team has become a compulsory component of the client acceptance process.

Appendix 1 provides a review of the number of ECT clients and loans screened for sustainability risks per industry and process (credit and client acceptance). In 2013, ECT screened a total of 1,265 clients and activities.

The purpose of the Sustainability Management Operating System we designed for ECT is to allow systematic client benchmarking, to accurately monitor clients' sustainability performance and to ensure more comprehensive sustainability reporting. The system is due to be rolled out at ECT in January 2014, followed by other LC&MB businesses during the course of the year.

a permanent element. During the course of 2013, various points for improvement were identified on the basis of these analyses. We discovered, for example, that our Exclusion List had not yet been integrated in the client acceptance process of our financial advisory services at Corporate Finance & Capital Markets (CFCM). Additionally, monthly integrated risk reporting has been introduced in all commercial business lines. The reports explicitly address sustainability risks. Based on these reports, the Sustainability department examines whether the units have adequately integrated the bank's sustainability policy in their day-to-day operations.

In our industry-specific policy, we developed a Sustainable Fashion Guide for clients in the clothing industry in collaboration with communication consultants Schuttelaar & Partners. This tool has its roots in the bank's ESE policy for the manufacturing industry and will be presented during the Amsterdam Fashion Week 2014.

The Sustainability department supported the International Diamonds & Jewelry Group (ID&JG) in developing and implementing a sustainability awareness training

programme. All staff at ID&JG worldwide took part in the programme in 2013.

In another development, we again joined forces in 2013 with other financial institutions and our stakeholders in an effort to enhance our influence and to promote the importance of sustainability issues among our clients.

3.7 Our commitment to human rights

The bank set up a Human Rights Working Group in 2013 consisting of Sustainability department staff as well as employees from the Risk, Compliance, Legal, HR and Public Affairs departments. The working group exchanges views on our responsibility and role, and that of our clients, in the advancement of human rights. The working group's input is used to further develop our policy on human rights.

Of the 335 clients and transactions screened, our risk experts focused explicitly on human rights in relation to the client's activities in 131 cases.

Corporate Governance

Our corporate governance goals in 2013 included applying elements of the Guidance on Board Effectiveness (*Leidraad Effectief Bestuur*). One result was that the implementation of our strategic objectives – one pillar of which is sustainability – is now monitored more strictly and discussed each quarter by the Managing and Supervisory Boards. Progress made in the implementation of Customer Excellence throughout the organisation and across all business lines is also addressed during this monitoring process. Client centricity, transparency and simplification are important aspects of Customer Excellence – all of them relevant themes in the long-term strategy.

At the beginning of 2013 the bank also drew up governance principles that offer guidance when making choices about structuring the organisation. The latter includes elements such as the approach to decision-making and accountability, organisation structure and management style.

There was also a strong focus in 2013 on renewing employee consultation. The aim here was to achieve a form of consultation

more in keeping with the bank in today's world and with enhanced staff involvement. In the year under review, this led to the participation model, in which downsized works councils (half the current size) work closely with groups of participants from the organisation. These are employees who make themselves available for a limited portion of their time for specific projects carried out by the chosen members of the works council. The term in office has also been reduced. Both these changes will result in greater flexibility and mobility within employee consultation. Additionally, making better use of employees' knowledge and experience will enhance the quality of decision-making. The model will be tested during the new term and developed further.

The detailed corporate governance report is included in the annual report. It includes an account of the structure and composition of the Supervisory and Managing Boards, the lifelong learning programme and self-evaluation. For more information, see abnamro.com.

ABN AMRO is now actively involved in a number of initiatives in the area of human rights, including:

- ▶ UNGCOP. This project seeks to establish a global business community to share best practices in human rights due diligence and risk management. At the 2013 United Nations Forum on Business and Human Rights, the UNGCOP presented its first results in the form of a guidance note.
- ▶ The UNEP Finance Initiative Human Rights Work Stream. This group, part of the United Nations Environment Programme, is committed to exploring the relationship between human rights and financial sector practices. The Work Stream's objective is to develop an understanding of human rights and how they apply to financial institutions worldwide, so that financial sector professionals are equipped to make responsible decisions within their spheres of influence – as an employer, provider of financial services, or purchaser of goods and resources.
- ▶ The Peer Learning Group on Human Rights of the Global Compact Network Germany. ABN AMRO is an active participant in this group. In 2013 the Sustainability

department set up a pilot project with ID&JG in an effort to chart the human rights risks involved in the diamond and jewellery industry and to develop a method to reduce these risks. We succeeded in doing so thanks to our engagement with clients and industry experts.

3.8 Our plans for the future

Our plans for 2014 include:

- ▶ finalising the integration of sustainability criteria in our credit business and know-your-customer procedures;
- ▶ updating our policy for the defence industry;
- ▶ finalising our investment policy and policy for the manufacturing and real estate industries;
- ▶ continuous training in sustainability awareness and knowledge;
- ▶ improving management information and reporting about the implementation of and compliance with the bank's sustainability policy.



Ethics & Integrity

These days, stakeholders of the financial industry are focusing more and more on integrity and the ethical aspects of products and conduct. ABN AMRO acknowledges this development and has responded appropriately.

Steering on good conduct

In 2013 ABN AMRO decided to broaden the scope of its compliance function to include conduct and conduct risk. In line with this, the name has been changed into Group Compliance & Conduct. The department supports the bank in delivering behavioural change where and when needed and acts as the bank's navigator for good conduct.

Ethics Committee

We want our clients to perceive us as trusted, professional and ambitious. These core values must be reflected in the behaviour of our management and staff. We have developed our Business Principles to guide our staff in their daily work. In practice, however, we see that client centricity and profitability sometimes conflict with each other. This may give rise to dilemmas.

One of the activities of the new Compliance & Conduct department is to set up and take part in a bank-wide Ethics Committee. The goal of the committee is twofold: to assess and analyse dilemmas related to culture, behaviour and ethics and to support the Managing Board in developing the bank's vision on how to handle dilemmas in day-to-day banking practice. The Ethics Committee kicked off in the first quarter of 2014.

Drivers of good conduct

ABN AMRO introduced its Business Principles in 2012 as guidelines on how we want to deal with our clients, colleagues and society as a whole. Still, various stakeholders are placing increasing emphasis on the integrity of business conduct. In response to this and to underline the importance we attach to encouraging the right culture and behaviour in our organisation, we drew up a monitoring & testing framework to enable the bank to better steer on good conduct and on doing the right thing.

We define *doing the right thing* as committing to our mission, identifying with our purpose, delivering on our strategy, living our core values and Business Principles, and complying with and acting in the spirit of internal and external rules and regulations. We refer to this as good conduct.

The monitoring & testing framework is based on our company mission, strategy, corporate values and Business Principles. This has resulted in drivers of good conduct, which should help everyone in the organisation do the right thing.

At ABN AMRO, the eight drivers of good conduct are:

- ▶ **Clarity** – everyone understands what good conduct is;
- ▶ **Role modelling** – everyone sets a good example;
- ▶ **Discussability** – everyone discusses issues and dilemmas regarding good conduct internally and feels free to do so;
- ▶ **Achievability** – everyone has sufficient resources (time, knowledge, experience, budget, etc.) to properly perform their job while acting with good conduct;
- ▶ **Engagement** – everyone endorses good conduct and is encouraged by the organisation to do so;
- ▶ **Transparency** – everyone understands the impact of their own conduct and is aware of the conduct of others;
- ▶ **Accountability** – everyone is accountable for their own good conduct and feels free to confront those who do not show good conduct;
- ▶ **Sanctionability** – everyone in the organisation is rewarded for good conduct and punished for bad conduct.

Monitoring and testing these drivers of good conduct will enable the organisation to assess employee behaviour and allow management to intervene where behaviour is not up to standard. We plan to implement monitoring and testing of drivers of good conduct bank-wide in 2014.

Security and Intelligence Management

In 2013, ABN AMRO's Security and Intelligence Management department contributed to the fight against financial crime (such as e-crime, bribery, corruption and money laundering) by further shaping public-private collaboration. Only by joining forces can private parties and government effectively combat financial crime to ensure a safe and honest banking environment for clients and society alike. An initiative in which ABN AMRO and some of its peers teamed up with the Dutch National Police to reduce the number of gas attacks on ATMs is just one example.

Anti-corruption

Acting with integrity is at the core of our culture. That is why we have a zero tolerance policy towards bribery and corruption. This policy is endorsed by senior management. We do so not only to comply with laws and regulations, but mainly because we are serious about our responsibility to counter the adverse effects of corruption on society. In 2013 our Managing Board chairman informed all staff world-wide about the bank's anti-corruption policy and their role in this. To further enhance awareness of the topic, a global online training programme is set to be launched in 2014.

enhancing client centricity 4

Retail & Private Banking and Commercial & Merchant Banking are firmly committed to putting clients' interests centre stage and to building lasting client relationships. This commitment guides us in all our business decisions. It is reflected in the sustainable and responsible products and services we offer and in our day-to-day business operations.

4.1 Retail & Private Banking

In 2013, Retail & Private Banking took further steps towards embedding client centricity in its operations and expanding and enhancing its offering of sustainable solutions – ranging from responsible mortgage lending to sustainable private investment, and from loans and savings products that help create a better environment to financing companies that make a positive contribution to the community.

4.1.1 A better bank: retail clients' interests centre stage

As part of our commitment to client centricity, we actively involve our clients in the development and improvement of our services. One way in which we do this is by inviting feedback from a community of 300 of our most loyal clients. All important client information is first presented to this community and to our online panel of 5,500 clients for their input. Similarly, we frequently ask our clients for feedback after they have been in contact with our staff or after visiting our website. This provides us with a better understanding of how clients rate our services, enabling us to continually improve and to tailor them even more closely to their needs. We also interact actively with

clients during the development of our website, online banking and mobile banking services. In our in-house Usability Lab, clients provide suggestions for improvement of our online customer experience.

Answers to today's questions

Many of the questions our retail clients have, relate to financial issues. Should I buy a home or rent one? Do I want to continue working or shall I retire? Is it wise to save, pay back my loan, give away my money? We are happy to assist them to find the answers to all these questions by offering a range of services: our financial planning handbook, online tools, seminars, practical tips and devices, information on the internet and, of course, our personal expert advice. All of which help our clients find the answers to today's questions.

Carefree living

Some of our clients have been affected by the economic situation and ABN AMRO lives up to its responsibilities in this regard. We have taken various initiatives to help clients prevent mortgage arrears and optimise their debt situation since the financial crisis started five years ago. In 2012, ABN AMRO took a further important step in this area: more than 230,000 clients were actively approached



as part of various programmes. In its Responsible Mortgage & Lending programme, for example, Retail Banking focused on clients at risk of facing financial difficulties. Trained in financial coaching, 200 of the bank's dedicated advisors help clients gain insight into their financial situation and find a customised, realistic solution, approaching them

before they default on their mortgages. ABN AMRO called a total of 31,000 clients. This resulted in 13,700 clients taking part in financial coaching sessions (a conversion ratio of 44%). In addition, clients had 6,500 consultations with a financial advisor to help them make changes to their mortgage or consumer loans.

Customer Excellence

We launched Customer Excellence three years ago. Customer Excellence (CE) is a new way of working in which we put our clients' interests centre stage and structure our organisation so that clients get the best possible service as quickly as possible and at the lowest possible cost. Over 50% of our employees have since been actively involved in this initiative, and we now have 220 certified CE experts in-house.

Customer Excellence has three main goals: greater client satisfaction, greater employee satisfaction and greater cost efficiency. We once again implemented a series of changes,

both large and small, this past year in the CE context. We reduced the size of reports and offers, for instance, distributed fewer hard copies and processed more forms electronically. Managing Board reporting was cut from forty pages to six. Thanks to these and similar measures, we saved almost one million sheets of paper compared with 2011. CE is also bearing fruit in terms of efficiency: throughput times have been reduced, we now have a digital 'SOP Store' for all our standard operating procedures, and client request losses have been reduced by our ability to identify customer wishes even more effectively.

Additionally, since 1 September 2013, clients with a mortgage that exceeds the value of the property have been able to pay off their mortgage penalty-free up to the value set under the Real Estate Valuation Act (*Wet waardering onroerende zaken – WOZ*). Clients without negative equity can repay up to 15% of their mortgage penalty-free each year.

Designed especially for children: financial education and a youth bank account

Our retail bank seeks to tailor products and services to best suit the target groups we serve. In this vein, we are committed to helping our young clients learn about money. We've developed various initiatives for that purpose, including the Dutch financial education website Money: extra.abnamro.nl/geld. Aimed at children aged between nine and eleven, the site offers videos, games and quizzes about money. In another initiative with the independent Nibud budget advice foundation, ABN AMRO has developed a primary school course 'Be a Hero with your Money'. The course is given by employees who visit schools to give primary school pupils lessons in handling money.

Our product range for children also includes a specially developed bank account, the only current and savings account in the Netherlands designed for parents who want to teach their children how to manage their cash.

Designed especially for the elderly: online banking workshops and card retriever

For our senior clients we offer online banking workshops.

Retired ABN AMRO employees teach other retirees how to take full advantage of the benefits of Internet Banking. But we offer more than financial services alone. In 2013 we introduced a tool to help the 800,000 or so people in the Netherlands suffering from arthritis or other muscle or joint ailments to remove their bank cards from an ATM slot after they've completed a transaction. This gesture was well-received by the target group, on social media and by special interest groups.

4.1.2 Retail banking products and services for a better world

ABN AMRO seeks to offer products and services that are beneficial to its clients. That is why we have developed a set of criteria for approving new products and services. The kind of questions we ask include: How does the product add value for the client? How transparent is it? What will it cost the client? Is the product appropriate for the client? And will it contribute to building sustainable, lasting relationships with our clients? In doing so, we meet society's demand for transparency and clarity.

Designed especially for the environment: GreenLoans and Green Savings Deposit

GreenLoans, an initiative of ABN AMRO subsidiary ALFAM Consumer Credit, has been developed especially for private individuals wishing to make green investments such as solar panels. The loans themselves are financed in turn by sustainable funds. In this way, GreenLoans contributes to energy conservation and a sustainable society. Another sustainable savings product developed for retail clients is ABN AMRO Groenbank's Green Savings Deposit.

Racing for a hospital charity

ABN AMRO organised the 'Racing for Emma' event on Sunday 21 April 2013, to support a children's hospital charity, the Emma Children's Hospital Support Foundation. For one weekend, we turned our car park at Foppingadreef in Amsterdam into a go-kart track. The idea was to raise money for the charity and to give current and former patients, their families and friends, a great day out. The youngsters got to race on the Saturday, and were presented with medals afterwards. In addition to go-karting, there were activities like a rap workshop, a craft corner, and a life-size Wii tennis game. The go-karts were then made available on the Sunday to business teams, who could pay to take

part in the racing event. ABN AMRO employees could also enter a company team in return for two hours' gross salary. The money raised was enough to provide two intensive-care rooms with sleeping facilities for parents of sick children. The Emma Children's Hospital AMC Support Foundation awarded ABN AMRO a prize for the most original sponsorship event.

Our retail bank seeks to tailor products and services to best suit the target groups we serve

These client savings are used to invest in government-approved green projects such as wind farms, solar panels or the creation of new natural areas. Green Savings Deposits enable our clients to contribute directly to a better environment.

In addition to developing green products, we can all contribute to sustainable banking by making small changes. One way in which ABN AMRO does so is by offering clients the possibility of conducting more and more of their banking affairs online. And this brings us a step closer to paperless banking (for our activities in this area, see Section 5.1.2).

Web pages dedicated to sustainability

In order to show clients how we embed sustainability in our strategy and operations, and how they themselves can contribute, our website for retail clients has pages dedicated to sustainability (abnamro.nl/nl/overabnamro/duurzaamheid, in Dutch only). The website details our

sustainable solutions, investments and initiatives. A special logo shows clients which products and services make a real contribution to society. In this way we encourage our clients to bank sustainably.

4.1.3 A better bank: private banking clients' interests centre stage

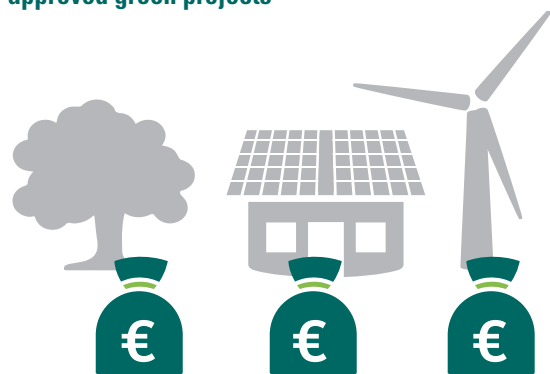
Transparency and investment propositions

Clients and regulators alike are calling for greater transparency. Apart from expecting good advice, many of our private banking clients are looking to gain more insight into the services we offer and the costs we charge. We have effectively responded to this in our drive to truly put our clients' interests centre stage and have introduced three new concepts for investment advice in the Netherlands: Comfort Investment Advice, Active Investment Advice, and Trading. In this new setup, clients can choose the desired level of involvement in their

The 200 dedicated advisors of our Mortgage Care Team help clients who face financial difficulties



The Green Savings Deposit invests in government-approved green projects



investment portfolio. Additionally, we offer them a clear proposition and transparent fees and charges. The charges are based on the frequency with which clients want advice about their investments. Outside the Netherlands we aim to introduce similar advisory concepts in 2014. Another change is that investment fund managers no longer pay retrocession fees to the distributors of the funds. Clients can now see directly what they have to pay for our advisory services.

Our efforts in this area have not gone unnoticed. In 2013, ABN AMRO Private Banking won the award for best Website for Wealth Management for the second year in a row. The award is based on an annual benchmark survey conducted by the Swiss research agency MyPrivateBanking Research, which compares the websites of fifty leading private banks. The websites are judged on the basis of their navigation & structure, content & interactivity and social media. ABN AMRO Private Banking's website was lauded in particular for its content & interactivity. The award is testament to the success of our efforts to provide clients with clear information and greater transparency.

Next Generation

We are seeing a growing interest among the next generation of private banking clients to put their financial and intellectual resources to work for social goals and, in doing so, to contribute to a better world. This young generation is keen to take the initiative to make their family's existing investment portfolio more sustainable. At the same time, they are using their resources to make a positive social or ecological impact, where possible in combination with financial returns. In response to this, we have made impact investing workshops a standard component of the Global Next Generation Family Business Seminars, which Private Wealth Management has been offering since 2010. Similarly, the Generation Next Academy programme that ABN AMRO MeesPierson has been offering in the Netherlands since 2008 includes an array of workshops ranging from investing and wealth transfer to philanthropy and art. The success of the global network Nexus, which seeks to bring ultra-high-net worth next gens into contact with social enterprises, is proof of the next generation's interest in socially responsible business. Nexus has grown to over 1000 members worldwide in less than three years. In May

Embedding sustainability in R&PB's organisation

In 2013, Retail & Private Banking (R&PB) took further strides towards firmly embedding sustainability in their operations. Three key developments took place in this regard:

- ▶ Our Investment Engagement Committee (IEC), set up in 2012, defines the approach we take to integrating sustainability into our regular investment services. The most important developments in 2013 were the IEC's decision to add more companies to the Controversial Weapons List of businesses excluded from our investment universe and corporate loans, as well as the decision to discontinue relationships with fund managers who do not comply with the relevant laws on Cluster Weapons. As the IEC's decisions impact the entire organisation, all commercial business lines are represented on the Committee, as are the Risk and central Sustainability departments. The IEC is chaired by Caroline Princen, the Managing Board member responsible for sustainability.
- ▶ In March 2013, R&PB appointed a senior manager responsible for sustainability. It is the R&PB Sustainability Manager's duty to further integrate, coordinate and monitor sustainability

initiatives undertaken in the business. The creation of this new position has resulted in the structural implementation of the Controversial Weapons List, a significant increase in sustainability awareness among R&PB staff, broad support for sustainable investment and enhanced external communication about sustainability at ABN AMRO. Additionally, R&PB will seek to tailor its sustainable products and services more specifically to the countries in which it operates.

- ▶ The Retail & Private Banking Sustainability Steering Group was established in October 2013. The steering group is chaired by Chris Vogelzang, the Managing Board member responsible for Retail & Private Banking. It is designed to drive sustainability initiatives by the business. In the short span since its inception, the steering group has endorsed the focus on sustainable investment by Private Banking as well as Retail Banking's commitment to provide more sustainable and responsible services.

2013, ABN AMRO Private Banking sponsored the Nexus European Youth Summit in London, which will be organised again in 2014 in addition to an exclusive partnership in the Netherlands.

4.1.4 Private banking products and services for a better world

Based on the conviction that private capital is a major force contributing to enhanced sustainability, we set great store by working with our clients to achieve a better world. We do so by offering customised advice, products and services. Our activities form part of the Capital4Change initiative and consist of:

- ▶ Sustainable investment
- ▶ Impact investing
- ▶ Philanthropy advice

Sustainable investment

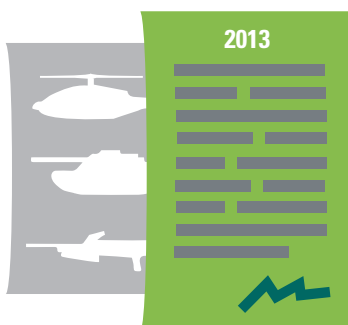
ABN AMRO distinguishes various grades of sustainable investment. Our regular investment product range is increasingly integrating sustainability in its service offering. One such development was the introduction by the bank of the Controversial Weapons List in 2012. The list includes businesses involved in the production of controversial weapons. Shares or bonds in companies that feature on this list are no longer sold through ABN AMRO. The exclusion of companies on these grounds applies to the bank’s entire investment product offering. In 2013, we made further strides in this area:

- ▶ We have tightened our procedures and systems to ensure that these kinds of securities cannot be included in our systems in the future.
- ▶ We added a number of non-listed companies to our Controversial Weapons List. These companies are relevant because, although they are not listed, they may have public loans outstanding.
- ▶ We also added some companies involved in nuclear weapons to the Controversial Weapons List. These companies are based in countries that have not signed the Non-Proliferation Treaty and that are not NATO members.
- ▶ Our policy on controversial weapons is stricter than the recently amended Dutch legislation in this area.

The investment funds sold and distributed through the ABN AMRO network should act in accordance with Dutch legislation and may not hold more than 5% of the assets in companies involved in the production of controversial weapons. As we have no direct control over the investments of these funds, we cannot impose stricter criteria. A large majority of these funds meet the relevant criteria; a very small number do not. ABN AMRO intends to discontinue the distribution of these investment funds in 2014.

ABN AMRO is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and investment funds distributed by the bank have been requested to sign the UNPRI or an equivalent statement. More than 85% of our contracted asset managers are now UNPRI signatories. Our goal for 2014 is to do business only with external managers who have signed the UNPRI or an equivalent statement.

Procedures and systems for the implementation of the Controversial Weapons List have been tightened



In general, investor interest in sustainable investment continued to grow. This growth was driven mainly by ongoing demand for sustainable mandates in the Netherlands, Germany and France. We also saw a marked increase in our socially responsible investment (SRI) funds. However, due to a change in the duration strategy of our SRI money market fund in France, the growth achieved is not reflected in our total sustainable investments. This duration change caused the investment volume of that fund to drop, which had a significant impact on our total sustainable investments. Our clients' sustainable investments amounted to EUR 4,649 million at the end of 2013, compared with a portfolio worth EUR 4,931 million in 2012.

In response in part to client demand, ABN AMRO took part in the Sustainable Investment Week held in the Netherlands in October 2013. The event was organised by the Dutch Association of Investors for Sustainable Development (VBDO). Its aim is to introduce a wider public to sustainable investing.

2013 also saw the launch of the ABN AMRO Global Sustainable Equity Fund. The fund selects companies in each industry that are well ahead of their competitors in terms of sustainability and goes in search of businesses that offer real solutions for sustainable development. It now forms part of the bank's discretionary portfolio management offering but our aim is to make the fund available to all clients starting in 2014.

Impact investing

Impact investing, also known as social impact investment, is about funding companies that pursue social goals based on a financially sound business model. These companies seek to make a positive contribution to the community while at the same time generating financial returns. Microfinance funds are probably the best-known example of impact investing. In addition to providing attractive returns for investors, these funds contribute to poverty reduction in the regions in which they invest.

In March 2013, Private Banking reinforced its involvement with impact investing by establishing the proprietary ABN AMRO Social Impact Fund. Through the fund, the bank itself invests directly in socially responsible ventures in the Netherlands. The fund is an example of how the bank is playing an active part in the development of impact investing. The first beneficiary of the Social Impact Fund is

Nudge, an online consumer platform that connects more than 30,000 consumers, businesses, causes and policy-makers in the Netherlands to share expertise and ideas and promote sustainability. The second beneficiary of the Fund is the first Social Impact Bond launched in the Netherlands (see also Section 4.2.2).

ABN AMRO also supported other national and international initiatives in impact investing in 2013. We were the premium sponsor, for instance, of the Impact Days. This event was organised by PYMWYMIC (Put Your Money Where Your Mouth Is Community) – a community of wealthy families, philanthropists and individual investors who help raise capital for for-profit companies aiming to bring about positive social change in the world. And we are a corporate member of the TBLI CLUB™ – a circle of dedicated sustainable and impact investment professionals, investors and asset managers. The bank hosts meetings and a senior delegation took part in their conference with a view to building sustainable and impact investing expertise in the organisation.

In our international private banking network, our French private bank Neuflyze OBC (NOBC) is the sustainable development champion. It consistently succeeds in embedding sustainability in all its activities. In 2013, NOBC became a leader in socially responsible investing (SRI) in France, with a new range of six SRI Funds. NOBC is also set to play an active role in microfinance. It has entered into an agreement with a social bank, Credit Cooperatif, to this end. Under the agreement, NOBC will act as guarantor and bring Credit Cooperatif's services to the attention of its Institutions & Charities clients.

Within the Institutions & Charities segment, religious organisations have become an important client group for the bank. As part of its involvement in the crowdfunding platform SEEDS (see Section 4.2.2), ABN AMRO is advising churches on the feasibility of crowdfunding as a source of financing. In this way, ABN AMRO provides a platform for both churches and investors to connect with each other. ABN AMRO is the first bank to match investors and the Church through crowdfunding.

Dutch Charity Association

The Dutch Charity Association (VFI) has been a client of ABN AMRO Institutions and Charity since 1994, and since 2012 also one of our partners. ABN AMRO and VFI cooperate closely in the area of payments and CSR for VFI's

Our clients'
sustainable
investments

amounted to EUR
4,649 million
at the end of 2013

members. As a bank committed to the community, we are delighted to work for many of the 120 charities affiliated to the VFI. ABN AMRO works with the VFI's members to explore relevant themes such as payments, new trends and product development, sustainable business practices and the harmonisation of payments within Europe (SEPA).

Philanthropy advice

Last year, we reported on the start of the bank's philanthropy advice services to private banking clients in the Netherlands who want to make a difference with their wealth. The benefit to our clients is that we provide them with advice and financial solutions for strategic giving as well as a network of potential organisations. At the same time, we help them achieve the most favourable structure to support their philanthropy. A year on, in 2013, we had given philanthropy advice to more than 170 clients. Satisfaction among these clients was high. Our philanthropy services have created more awareness among clients of the impact of their giving, ensuring that it ties in nicely with the mission of the organisations they support. We see a clear relationship between philanthropy advice and various forms of sustainable and mission-related investment: the advisory process makes clients aware that they can make an additional positive contribution to society by converting their investment portfolios into sustainable investment portfolios.

International Diamond & Jewelry Group: on the road to a more sustainable future

Sustainability is also embedded in the mission statement of the International Diamond & Jewelry Group (ID&JG): ID&JG aims to be a leading and proud partner to the diamond and jewellery industry, striving to lead the

business to a sustainable long-term future. In line with the bank's strategy, ID&JG has launched a sustainability initiative to encourage both staff and clients to work towards shaping a more sustainable future. It focuses on those areas where the impact is biggest: its clients and their business models.

ID&JG's sustainability programme has defined three phases. In 2013 it completed the first phase, aimed at creating awareness among employees worldwide. Sustainability awareness sessions were held across the globe. Sustainability has been embedded in ID&JG's processes – assessing credit proposals, drawing up compliance reviews and client onboarding being just a few examples.

ID&JG will be embarking on the second phase in early 2014. This will entail entering into dialogue with clients to create a common understanding and to jointly go in search of solutions. Transparency and business models will be some of the topics addressed. During the programme's final phase – also envisioned for 2014 – ID&JG will focus on practical solutions, positive recognition and on monitoring clients with the aim of using sustainability criteria in selecting clients and deals.

4.1.5 Our plans for the future

Our ambitions for 2014 are based on the plans we drew up in 2013 and include a range of initiatives. We intend to:

- ▶ continue to create awareness among all Private Banking staff in the Netherlands and abroad about sustainability issues and Private Banking's approach in this area;

We are aware that our impact is greatest if we assist our clients – whatever business they are in – to make the transition to sustainability

- ▶ offer training in sustainable investment to all client-facing staff providing investment services;
- ▶ organise client events to adequately inform our clients about sustainable investment options and encourage greater client involvement in sustainability;
- ▶ embed sustainable investment more firmly in our general investment process;
- ▶ expand our impact investing product range;
- ▶ make the ABN AMRO Global Sustainability Equity Fund available to all clients;
- ▶ introduce philanthropy advice services for our private banking clients outside the Netherlands.

4.2 Commercial & Merchant Banking (C&MB)

Commercial & Merchant Banking (C&MB) is the bank's business partner for Dutch industry. Driven by the conviction that sustainable business practices are the key to success, we have placed sustainability at the core of our products and services. Sustainability brings both opportunities and risks. By responding effectively to this, we seek to add value for our clients, seize opportunities, manage risks, inspire our people and take our corporate social responsibility seriously. We are aware that our impact is greatest if we assist our clients – whatever business they are in – to make the transition to sustainability. For we are committed not only to successfully managing our own sustainability performance, but also that of the clients with whom we do business. In short, we are on our way to becoming a better bank contributing to a better world.

4.2.1 A better bank: clients' interests centre stage

One of the bank's five long-term strategic choices is to put clients' interests centre stage. In this section, we describe some of the initiatives we took in the process towards becoming a better bank for our clients.

Transparency

We set great store by offering our clients clear and transparent information and we made great strides in this area in 2013. Almost 85% of all client communication was rewritten as part of the bank's Plain Language programme. Our staff have found that clients appreciate the clarity and readability of the reworked texts. Over 200 corporate clients gave feedback on these changes in 2013 in a survey held among readers of client information.

This feedback enables us to further improve our client communication.

Another example of concrete results is the Dutch plain language course, which kicked off successfully in 2012. All 220 C&MB employees involved in writing external communication material had completed the two-day training by the end of 2013. We plan to organise follow-up sessions to ensure that they can enhance their writing skills on an ongoing basis.

Industry knowledge

Our thorough understanding of the industries in which our clients operate, enables us to offer expert advice and assistance – also when it comes to financial activities where sustainability is at play. We serve the following sectors: Construction, Financial Institutions, Food, Healthcare, Manufacturing, Leisure, Oil & Gas, Government & Education, Real Estate, Retail, Telecommunications, Media & Technology, Transport & Logistics, Utilities, Business Services and Agriculture. The examples below illustrate how we integrate sustainability in our sector approach.

A good example is the Transport & Logistics team, which has incorporated sustainability in its financing activities, seminars and reports. In 2013, the Inland Shipping unit financed no fewer than three innovative vessels with diesel-electric propulsion. One of these ships, the Greenstream, was named the most innovative ship and received the KNVTS Ship of the Year award during the Maritime Awards Gala on 31 October. It is the world's first barge powered solely by Liquid Natural Gas (Mono-LNG). All parties to the transaction – Peters Shipyards, Interstream Barging, Shell Nederland and the ship owner – showed a commitment to securing the financing with ABN AMRO for this sustainable project. A similar LNG-powered tanker, the Greenrhine, was christened in September.

The food sector is another interesting example, because it is typically riddled with sustainability dilemmas. Factors that play a role are the company's place in the value chain, the degree of internationalisation, corporate strategy, management's commitment and the range of stakeholders. That is why we do not offer our clients standard, cut-and-dried solutions. We judge every individual case on its merits. In 2013, ABN AMRO Food made a point of maintaining a dialogue with clients about sustainability issues. Large and small client sessions were held to

Solar energy at Wieckse

“The sun features at the very heart of the Wieckse brand, so it made total sense to install 3,632 solar panels on the roof of the brewery in Den Bosch. The power they generate is used directly for brewing, including Wieckse’s famous white beer”, says Lieke Bouwhuis of Heineken, which owns the company. The project is the largest of its kind to be completed in the Netherlands without a subsidy. The panels are expected to generate around 855,000 kWh of electricity a year.

“We began to install solar panels in 2010”, Peter Jonkers – Lieke Bouwhuis’ colleague – explains. “We started in Belgium

and Italy, and now we have this project in the Netherlands. We initially funded the panels through Solar Access, on a site-by-site basis. In this case, though, we wanted a financier that could help us with similar projects worldwide. ABN AMRO turned out to be the ideal partner.” ABN AMRO is investing its own funds in this project, because they are convinced that sustainable solar power can contribute significantly to a better world. Heineken plans to install solar panels in Spain, Greece and Nigeria too in the years ahead and to build on the success in Italy.

discuss such issues as sustainable leadership, investing in sustainable initiatives, sourcing, and the CFO’s role in addressing issues on other than purely financial grounds. In a drive to join with our stakeholders – in this case our clients – to explore opportunities in the food industry, we have started to empower our relationship managers to enter into dialogue about these dilemmas.

Outdoor Grazing Covenant

The Outdoor Grazing Covenant (*Convenant Weidegang*), signed by C&MB in 2012, now has the support of 60 players active in the agro-food chain. The objective is to maintain the current level of dairy farms with outdoor grazing in order to keep as many dairy cattle as possible in the open air. Our relationship managers took this initiative a step further in 2013 by considering the level of outdoor grazing – and its implications for the price of milk – when giving advice to clients.

Sustainability research

In 2013, too, ABN AMRO published several reports in which sustainability was a central theme. In its Sustainable Housing Report, we underline that the Netherlands can again serve as an example to the rest of Europe. Providing innovative funding of initiatives to save energy and reduce carbon emissions will not only give fresh impetus to the construction industry, but also benefit the environment. The report was presented to Stef Blok, Dutch Minister for Housing, by Managing Board chairman Gerrit Zalm at a seminar on Budget Day in September. It addresses ways to improve the sustainability of existing homes in the Netherlands.

Another notable example is the 2013-2014 Transport & Logistics Sustainability report, published jointly by Nieuwsblad Transport and the Port of Amsterdam. The report addresses sustainable initiatives by individual companies, chain partnerships and the modal shift. It was distributed among 30,000 companies in the Netherlands and Belgium.

Dutch Green Building Week

The Dutch Green Building Week was organised for the third year in a row in 2013. C&MB sponsors the event, which aims to highlight the important role sustainable building plays on the road towards a healthier, more sustainable society.

Shipping finance

C&MB’s Energy, Commodities & Transportation unit (ECT) has fully integrated sustainability in its day-to-day business operations, both in the Netherlands and abroad. In the year under review, ECT entered into dialogue with other Dutch banks active in shipping finance. Our goal is to leverage our combined influence to bring about improvements in existing ship demolition practices. We expect our example will inspire shipping banks around the world to set up similar initiatives. More on ECT in the section on our sustainability policy (Section 3).

4.2.2 A better world: products and services

Sustainability has come to play an ever greater role in the development of products and services. In this context, C&MB developed its own set of moral criteria in 2013, which it applies when assessing and approving new products and services. Here is a selection of our

sustainable initiatives, which will help us and our clients contribute to a better world.

Socially responsible business solutions

Social entrepreneurship

ABN AMRO believes in the potential of social entrepreneurship and actively supports entrepreneurs wishing to make a positive impact on society by balancing social and financial returns. It was this belief that inspired us to become a founding partner of Social Enterprise NL.

Making our know-how and expertise available to this target group is just one way in which ABN AMRO offers support. In 2013, the bank organised two workshops on financing. Taking this a step further, we will be organising several events in 2014 to advise social entrepreneurs on how to review their business models. In 2013, ABN AMRO saw the start of a partnership with the consultancy firm 'dutch' and the Impact Accelerator, in which ten businesses were given the opportunity to pitch their business plans. Two of them were then invited to take part in a three-month coaching programme. After the programme has been completed, ABN AMRO will bring them into contact with potential investors.

In a separate development, the bank set up a coaching pool for social entrepreneurs – in 2013, 40 entrepreneurs received coaching in personal development and in further professionalising their business models.

In addition to standard bank loans, we offer social entrepreneurs alternative forms of financing, geared specifically to their needs. The Social Impact Fund and the crowdfunding platform SEEDS are just a few

examples. Financing tailored to the different stages of their business is now available for social entrepreneurs. At the same time, we see that a growing group of high-net worth individuals are looking for investment opportunities with a positive impact on society. ABN AMRO has responded to this by bringing them into contact with social entrepreneurs.

Social Impact Fund

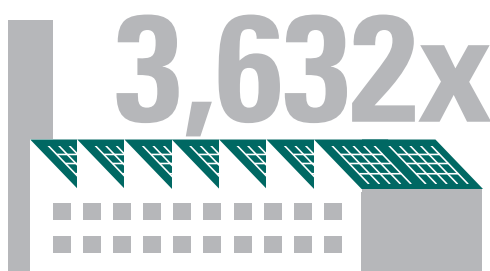
The ABN AMRO Social Impact Fund was established in the Netherlands at the beginning of 2013. The fund invests the bank's own assets in social enterprises. With an initial capital of EUR 10 million, the fund is set to invest in some 15 businesses, each enterprise receiving between about EUR 0.5 and 1.5 million.

By investing and participating in these enterprises, ABN AMRO contributes to the development of the social impact market. This is a young market in which the demand for expertise and capital is considerable. The fund is designed to enable the bank and other market players to discover what works and what doesn't. With this in mind, the Social Impact Fund aims to invest in an array of enterprises, ranging from sustainable energy and enhanced waste disposal, to biosystems, labour market access, neighbourhood improvement, development aid, alternative healthcare models, education and culture.

SEEDS

SEEDS is a crowdfunding platform for socially responsible businesses. The bank's research into crowdfunding, begun in 2009, resulted in a pilot in 2013 in which three enterprises were successfully financed by a large number of small investors. Partially in response to the great interest

Installation of 3,632 solar panels on the roof of a brewery generates 855,000 kWh energy per year



40 social entrepreneurs received coaching in 2013



shown, we decided in 2013 to follow up on this pilot project. ABN AMRO is now actively promoting crowd-funding through SEEDS. On 25 November, SEEDS launched a search for entrepreneurs looking to raise finance online. Investors can make a difference by investing in the socially responsible enterprises on SEEDS.nl; investments are welcome from as little as 10 euros. Starting in 2014, the platform will present information about the entrepreneurs, detailing what they do and how they intend to make a positive social impact.

Social Impact Bond

A Social Impact Bond is a new financial instrument that helps private investors finance social interventions. It is a contract between investors and the public sector that shifts the risk for a social service programme from government to the private investor. The investor, in turn, is supported financially by the government – be they local or national government – if the programme achieves an agreed goal. This set-up encourages investment for the pursuit of social goals.

ABN AMRO maintained a dialogue with the city of Rotterdam during the year under review in an effort to launch the first Social Impact Bond on the European continent. We selected a project – the Buzinezzclub – which seeks to help young unemployed people return to school or re-enter the labour market, either in employment or by starting their own business. Two investors, the Start Foundation and the Social Impact Fund, have committed to invest in this initiative. The faster the youngsters find a job – compared with a control group – the higher the return on investment. The city of Rotterdam will pay the

investors with the money they save on social benefits. The Social Impact Bond was launched in December 2013. ABN AMRO is also engaging with other cities to investigate the possibility of setting up Social Impact Bonds.

Energy and environmental financial solutions

Energy Saving Loan

The Energy Saving Loan is a good example of the sustainable products we offer our clients. In this way we seek to help them make their processes more sustainable by offering tailor-made technical and financing solutions. 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 amount 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. In 2013 we assisted a plastics processing company, a cheese trader, a metal processing business, a transport company and a theatre.

Sustainable real estate financing

The real estate sector is increasingly active in the field of sustainability. ABN AMRO wants to support sustainable innovation and help its progress. One notable example in this field is a client that designed an innovative plan for the development of a sustainable business park. We financed one of the buildings in this business park to make property development in the Netherlands more sustainable (see box).

Social Impact Fund: investing in a variety of social enterprises



Contract between private investors and the public sector



ABN AMRO Lease

Hybrid technology is gaining ground. During the year under review, ABN AMRO Lease examined the residual value and useful life of the ever more popular hybrid cars. We have provided finance to the tune of EUR 4.3 million for electric and hybrid cars and ABN AMRO is in the process of funding more hybrid cars. Also in 2013, ABN AMRO Lease introduced parking spaces equipped with charging stations for electric cars.

Like last year, ABN AMRO Lease signed a leasing deal for a biogas-driven Combined Heat & Power (CHP) installation. The biogas is generated by two fermentation installations that our client already operates, enabling the client to produce green electricity for approximately 1,400 households a year.

In another project, ABN AMRO Lease teamed up with GreenFox for the leasing of energy-efficient light fittings. GreenFox works with sheltered workshops to convert existing light fittings to the latest technology. This results in an average energy saving of 40% on lighting.

4.2.3 Our plans for the future

We will build on the plans we drew up in 2013 to further contribute to the success of our clients. In 2014 we intend to:

- ▶ continue to invest in our people by enhancing their knowledge of sustainability issues;
- ▶ further embed this know-how in our financial advice and products to enable our clients to make the necessary investments;

Start Green

ABN AMRO Venturing Holding B.V. is a joint shareholder of the Start Green Venture Capital investment fund, through which it finances young, green technology companies. Venture capital is hard needed for sustainable innovations, as entrepreneurs are finding it particularly difficult to raise the capital they need during the early stages of development. Start Green Venture Capital plays an important role in this regard. These innovative companies bring sustainable technology to the market on the strength of a strong patent position.

Since its inception in 2006, Start Green has developed a portfolio of eleven investments, one of which has meanwhile been successfully sold. Among the fund's activities in 2013 was an

investment in Rodenburg Biopolymers, market leader in potato starch-based bioplastics. After years of development, the funding provided by Start Green will enable Rodenburg Biopolymers to launch its innovative bioplastics on the market.

Rodenburg Biopolymers has joined forces with Heijmans, a construction and infrastructure company for the development of biodegradable products. With carbon emissions being 30 to 70% less than those produced by standard, petroleum-based plastics, bioplastics have a more sustainable environmental footprint. They are increasingly being used in the car industry, as well as for packaging, in agriculture, horticulture and in consumer electronics.

Park 20|20: Cradle-to-Cradle® business park

Park 20|20 in Hoofddorp is the first Dutch Cradle-to-Cradle® business park, covering an extensive area of 92,700 m². We funded Bluewater's new headquarters, as it is a good example of how to make the real-estate market more sustainable. The new-build project not only contributes to sustainable innovation, part of the revenues it will generate have also been earmarked to tackle vacancy problems in Hoofddorp. We are putting our financial knowledge to work and funding sustainability initiatives in the hope of creating a snowball effect.

The construction of the Bluewater headquarters has prompted an entire chain of innovation: some forty preferred suppliers have committed themselves to delivering exclusively cradle-to-cradle materials, all of which will have a logical place in the biological or technical cycle. It really turns the old approach upside-down, thinking about future dismantling and re-use even before we start to build.

- ▶ continue to assist our clients in making the transition to sustainability;
- ▶ roll out a Sustainability Management Operating System at ECT. The system enables client benchmarking, monitoring of clients' sustainability performance and comprehensive sustainability reporting. During the course of the year we will also start preparations for rolling out the system to other C&MB businesses.

4.3 Handling complaints

At the Complaints Management department, we have worked hard to raise awareness about complaints by addressing such questions as: How do complaints affect our clients? And how should I engage with my client to solve the problem? The downward trend seen in recent years continued, with the number of client inquiries and

complaints falling further from 172,000 in 2011 to 139,000 in 2013 (with the exception of the Group's subsidiaries). This decline may be attributed to the enhanced efficiency of our banking processes and the simplification of our products. The Netherlands Authority for the Financial Markets (AFM) has acknowledged our efforts in this area, giving us a rating of 4.7 for complaints management in 2013 on a scale of 1 to 5, up from 4.2 in 2012 and 3.8 in 2011.

The three most common areas of complaint in 2013 were the same as those in 2012:

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)

Customer Arena on complaints handling

We organised a Customer Arena on complaints handling in September 2013. Customer Arenas put clients centre stage both literally and figuratively: clients sit at a table in the middle of a room surrounded by bank employees. The aim is to engage in an open dialogue on a given theme.

During the first round of the Customer Arena, clients have the floor, answering questions such as: What did you find positive about the processing of your complaint? How can we improve complaints handling? And what would you say are the key concepts of the complaints handling procedure at ABN AMRO?

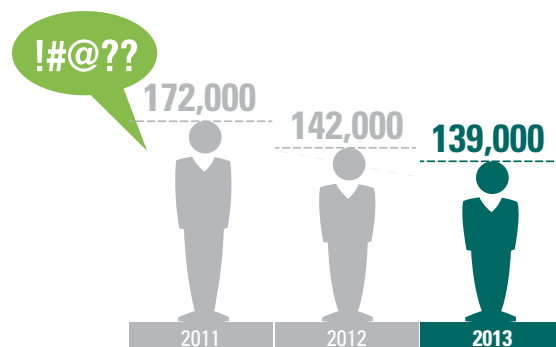
In the second round, employees ask the clients questions. This gives us insight into our clients' experiences and expectations. In the final round, clients share what they would like to see changed.

The main findings show that clients want to be treated as equals by the bank, they want to be kept informed of how their complaint is being handled and they want more personal contact with the employee handling their complaint. These insights help us to put ourselves in our clients' shoes, allowing us to assess the complaint more effectively.

The Netherlands Authority for the Financial Markets (AFM) has acknowledged our efforts in complaints management



Number of client inquiries and complaints down from 172,000 in 2011 to 139,000 in 2013



Looking at the top 3 high-impact complaints, that is to say complaints that could result in high claims for damages or loss of reputation, we see that Payments still heads the list, followed closely by Mortgages in second place. Most of these complaints relate to repayments on mortgages which, according to our clients, have not been correctly administered.

4.3.1 What did we achieve?

By handling complaints effectively, we can make a difference for our clients. And by exceeding their expectations, we ensure that our clients become our ambassadors. This is how we are working to restore our clients' trust.

We made client inquiries and complaints a high priority in 2013, making this issue a fixed item on the agenda of MT meetings business-wide and in our daily huddles. These daily huddles are part of the Customer Excellence programme, where employees discuss which client inquiries and complaints they have handled themselves and which have been forwarded to the internal complaints settlement team. Our goal is to learn from complaints and to continuously improve our service.

We need thorough, accurate information about each client inquiry or complaint if we are to improve our results on this front. In addition to existing management information, we use 'text mining', a computer program that retrieves management information from the entire database, rather than from specific fields only.

The Complaints Management department helps raise awareness among employees who are in contact with clients daily by offering presentations and workshops. Staff from 90 branches attended these sessions in 2013. As a result, we are seeing a growing awareness among employees of the importance of taking responsibility for handling complaints. This raised the percentage of complaints solved straight away to more than 50% (2012: 32%).

We also listened more carefully to our clients' opinions in 2013, holding an extensive satisfaction survey on their experiences with the bank's complaints settlement process. The main outcome of the survey was that our clients' experience of complaints handling differs from that of the bank. The Customer Arena (see box) also yielded valuable information in this respect, addressing the

question "What is the most important issue for you in the complaints handling process?"

Any complaint regarding a breach of privacy is harmful to our clients' interests. Examples are if the bank reveals client details to a third party without authorisation or if personal information is not properly secured. We received 52 complaints in this regard in 2013; in three of these cases, the bank agreed with the client's standpoint. Another way we aim to serve our clients' interests is by providing first-rate investment advice. There were 28 complaints in this area in 2013; in one of these cases the bank agreed with the client's standpoint.

4.3.2 Our plans for the future

In 2014, Complaints Management intends to:

- ▶ focus on finding a customised solution to every inquiry or complaint, in close consultation with the client concerned. We will seek to formulate a challenging vision, our starting point being the client's complaint and emotions;
- ▶ engage in even more direct customer feedback after their complaint has been settled to hear how they have experienced our service. This should enable us to keep learning from our experiences with clients.

inspiring and engaging our people 5

ABN AMRO understands that an organisation is only as good as its people. One of the key elements of our long-term corporate strategy is our ambition to be a top class employer. In an uncertain economic climate and a rapidly changing world, we cannot afford to miss out on talent. We want to be an employer for whom the best people from different backgrounds are eager to work. To this end, we drew up a roadmap based on three aims: defining our corporate identity, developing a culture of excellence and creating the best place to work. Our focus in 2013 was on developing policies to help us achieve our long-term goals and introducing tools for our people. Our ambitions are reflected in the HR activities we undertook in 2013, an overview of which is provided in this section.

Against this background, we aim to develop an organisation we can be proud of. A culture that encourages employees to rise to challenges and where employees have a say in creating their own working environment. The activities we carried out in 2013 took us closer to achieving these goals.

5.1 Our corporate identity

A corporate identity that employees are eager to embrace is key for attracting and retaining talent. We want our employees to be proud of ABN AMRO and to be our brand ambassadors. To this end, we are cultivating our corporate identity and promoting values and principles designed to increase engagement and promote integrity.

Values and principles

We are developing a corporate identity founded on a values-based working environment. Our core values are Trusted, Professional and Ambitious. These values, combined with client focus, are at the heart of the bank's positioning. By successfully implementing these values, we will continue to build a strong culture and corporate identity, allowing us to raise company pride and engagement among staff. We promote our core values



» **Trusted**

We at ABN AMRO believe trust is all about establishing and maintaining lasting relationships. We take the time to get to know our clients by listening to their specific needs and aspirations.

Our goal is to find the products and services that are right for our clients. When we make a promise, we always live up to it; when we communicate with our clients, we are always straight-forward and never have hidden agendas.

Our commitment to responsible banking means we carefully weigh risks and returns so that our clients know their money is in good hands at all times.

» **Professional**

We at ABN AMRO understand banking. As true professionals, we have a thorough grasp of the banking industry and the discipline to achieve results.

We genuinely believe in our profession and take responsibility by saying “no”, if saying “yes” would not do right by our clients.

We create solutions that are simple, understandable and workable, and we strive to improve ourselves every day by working together and learning from one another – and from our clients.

» **Ambitious**

We at ABN AMRO are always stretching our boundaries and striving to achieve more for our clients. We always strive to improve ourselves.

We make it our business to know what’s going on in the market and to respond proactively, and we do everything possible to understand what clients really need and to craft innovative solutions.

Our optimism about the future drives our ambition to offer our clients more. At ABN AMRO, we aren’t afraid to venture outside our comfort zone to put our ambition to work for our clients.

and Business Principles every day – and we hold every employee accountable for living up to these values and principles.

Our Business Principles guide us in how we engage with each other and with our clients. In a business as varied as ours, we need a common set of principles we can fall back on in any situation. The Business Principles are derived from our core values, our aim to put our clients’ interests centre stage and the competencies we require of our people. They inform us on how to behave in virtually every situation and help us handle the many dilemmas we face in our day-to-day work.

The Business Principles and our commitment to client centricity play an important role throughout the Human Resources cycle. We are incorporating them into job descriptions and recruitment advertisements in the Netherlands and we used them as the basis for the new Employee Engagement Survey in 2013 (see box). At the same time, staff performance targets and the leadership competencies required of managers reflect the spirit of the Business Principles and client centricity. We will continue to pursue our efforts in these areas in 2014.

Our training offering, includes several courses on putting clients’ interests centre stage and will be updated regularly on the basis of our aspirations in these areas.

Our efforts to create a meaningful corporate identity have been recognised outside the bank. The annual Dutch Intermediar Image Survey ranked us the number 8 employer in the Netherlands for 2013, rising from number 9 in 2012 and from number 11 in 2009 - 2011. In addition, we received Top Employer certification from the Top Employers Institute. This certificate is only awarded to companies that achieve the highest standards of excellence in HR strategy, policy implementation, employment conditions and employee development.

Employee engagement

The commitment and satisfaction of our employees were measured in 2013 in the Employee Engagement Survey (in 2012 and previous years with the Culture Scan). The survey included questions about client centricity and a number of Business Principles. We firmly believe that engaged employees deliver better performances and maintain closer relationships with clients – and that, in turn, improves corporate performance.



I aim to provide my clients 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**

Employee Engagement Survey

The results of the Employee Engagement Survey show that employees are increasingly proud of ABN AMRO and feel more involved with the organisation. The engagement score rose to 74% in 2013 from 55% in 2012. This score was calculated similarly to how the Culture Scan results were calculated in 2012. Pride in working for ABN AMRO rose by 22% compared with 2012. Our workforce is increasingly positive about the organisation on other fronts too. Staff have a positive perception of

their immediate manager (76%), our client focus (77%) and fair treatment (74%).

These results give us the information we need to take action to increase engagement and improve our values-based working environment. Managers discuss the results with their teams and draw up improvement plans tailored to their specific requirements.

5.2 Culture of excellence

We define a culture of excellence as a culture in which employees strive at all times to excel on behalf of the client and to perform better every day. We need our organisation to be agile. This begins with every individual employee's ability to get the most out of their talents and to continuously evolve. As an employer, we believe it is up to us to give our people clear targets and guidance and to enable them to be the best they can be. We challenge employees to put their talents to work and allow them to experiment along the way – that is the best way to learn. We cannot afford to overlook talent, so we devote special attention to recruiting, developing and retaining our diverse workforce. In doing so, we focused on the areas listed below in 2013 – and we aim to build on our work in these areas in the coming years.

Recruitment

We aim to attract the right people for the entire organisation. Our approach to recruitment is to engage in a dialogue with our target group by using social media, content marketing, and campaigns specifically targeting trainees, starters and experienced professionals. In addition to our recently launched recruitment site, we opened our mobile recruitment site in early June, responding to the growing need of our target groups to use mobile devices when looking for a job.

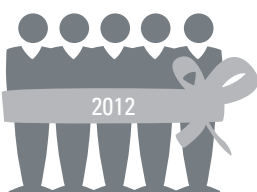
Leadership

In the belief that leaders are the catalysts for change, we devote special attention to developing our managers and promoting a constructive, inspiring leadership style. As part of our succession planning, we identify and

support potential managers in their development. Our leadership programmes are designed to help managers learn more about themselves, create opportunities to grow and discover how to unlock their staff's full potential. The Personal E-Survey (360 feedback) gives leaders insight into their strengths and weaknesses in relation to their role as leaders within the bank. We organised 21 leadership programmes, with a total of 504 participants, in 2013. Following a training day for our Dutch managers in 2012, we held international leadership days in the US, Asia and Europe for all of the bank's international leaders for the first time. These bank-wide programmes are designed to help leaders carry out the ABN AMRO strategy and develop an effective leadership style. Around 800 managers participated in these three events. We will be holding leadership days again in 2014, both in the Netherlands and abroad.

Accountability

Performance management is the process of creating a working environment in which people are enabled to perform to the best of their abilities. It is the vehicle by which managers communicate what is required of staff and give feedback on how well they are performing. A culture of excellence benefits from the right performance management, where managers guide staff in exhibiting outstanding behaviour. We use performance management as an instrument to strengthen the culture in terms of client centricity, collaboration and responsibility, to engage in an on-going dialogue on performance, learning and talent development, and to continuously improve employability and client service. Our performance management framework is designed to achieve a balance in financial and non-financial targets, quantitative and



Employee engagement score rose to 74% in 2013 from 55% in 2012



10,289 of our Dutch employees and 1,150 employees outside the Netherlands were able to access their email and calendar via an app



**NL 10,289 employees
1,150 employees**

Our diversity focus in 2013

We focused on a broad range of target groups in 2013. Our objectives were to:

► **Recruit and promote women to senior management positions:** ABN AMRO signed the Talent to the Top charter in 2009, underscoring our ambition to place more women in senior management positions. Our target for 2014 is to place women in 20% of senior management positions (19% in 2013) and in 25% of upper middle-management positions (22% in 2013). This is an increase of more than 3% over the last two years. In this respect, the increasing number of female graduates are a key target group. We are also focussing on recruiting female trainees and retaining and promoting women to senior management positions. In 2013, 55% of our trainees were women.

As a result, Intermediair named ABN AMRO best in class within the Dutch banking industry in terms of women advancing their careers. The bank scored 7 out of 10 points in the Dutch Topvrouwen bedrijvenranking (ranking of women in senior management positions); numbers two and three in the ranking scored 6 and 4 out of 10 respectively.

► **Increase recruitment and promotion of bi-cultural employees:** Another key target group are students with culturally diverse backgrounds, the number of which is set to grow in the coming years. We only had a limited number of trainees with culturally diverse backgrounds in 2012. This rose slightly in 2013. We aim to further increase this number in the coming year.

► **Achieve bank-wide awareness and promote commitment and dialogue:**

- We organised a conference on cultural diversity which explored how diversity can help us in a rapidly changing world.
- Our Gay Bankers Network conducted a survey in the Netherlands on 'being yourself at work'. The survey showed that 20% of ABN AMRO employees do not feel comfortable revealing their sexual orientation. This is a little better than the Dutch average of 30%.
- We published a magazine called 'MIX', which provides inspiring examples of diversity within the bank.

► **Embed diversity in the organisation by integrating it into existing HR processes:**

We are committed to recruiting a diverse workforce, and we have set up a mentoring programme for multicultural talent. Additionally, we organise events and workshops aimed at promoting diversity within the organisation.

In addition to these four objectives, we aim to employ at least 25 disabled people by the end of 2014; fourteen of these positions have been filled so far. The number of positions we offer is large compared with other knowledge-intensive organisations.

Diversity: target for 2014 = 20% women in senior management positions (19% in 2013)



Diversity of employees NL in 2013 (in percentages)

	Men	Women
7 or lower	35	65
8-9	61	39
10-11	71	29
Subtop ¹	78	22
Top ²	81	19

¹ Job levels 12 and 13 (Hay).
² Job levels 14 and 15 (Hay), Management Group and Managing Board.

qualitative targets, and behavioural aspects to help us adhere to our strategy, internal standards and external regulations. Each employee draws up their own personal performance plan based on the performance management framework and additional business guidelines. This plan contains clear, balanced targets and explicitly addresses behaviour. The targets are defined in a dialogue between the manager and employee and reflect how to translate the business strategy to individual performance. The employee's progress is evaluated at regular intervals throughout the year. We are in the process of enhancing the focus of our performance management system on behaviour.

Control functions within the bank, such as HR, Risk and Compliance, support managers and staff in complying with the performance guidelines and objectives. Our performance management system is linked to the way we reward our people.

Diversity

First and foremost we believe that a diverse workforce will help us to achieve the best results for our clients. Having a workforce that reflects the make-up of society and our client base will benefit our performance. Beyond that, we believe that diversity is our social responsibility – one we take very seriously. Our Diversity & Inclusion policy aims to create an environment in which talented people from all walks of life feel welcome, can be themselves and are valued for their strengths. An environment where they are given the freedom to help the bank and its clients succeed, regardless of race, gender, cultural background, age, sexual orientation or physical disability.

Collective labour agreement in the Netherlands

We intend to implement the changes resulting from the new collective labour agreement, which is due to be signed in 2014. All employees based in the Netherlands are subject to the collective labour agreement, except members of the Management Group, who make specific employment arrangements with the bank. Employment arrangements can also be made by other staff if desired.

5.3 Best place to work

We aim to create a working environment in which employees can reach their full potential and make a difference. We give our people the space to grow so that

they can develop their talent. Equally, personal initiative and freedom of choice are replacing standard solutions when it comes to matters such as fringe benefits, work schedules and work location. Allowing employees to take control of their working lives will result in a mature employment relationship in which staff take responsibility for their performance and choices. Some of the initiatives we took in 2013 to make ABN AMRO the best place to work are described below.

Sustainable employability

We encourage employees to take the initiative to put their talent to work and give them the means and opportunities to stay healthy, motivated and knowledgeable in their field. With this in mind, we introduced a sustainable employability budget in 2013 which gives all staff access to tools that help enhance their employability. The tools, such as training or employability scans, can be tailored to each employee's specific needs. Staff can save the budget for a maximum of three years.

We encourage our Dutch employees to make use of *UitgesprokenTalent.nl*, a platform we introduced in 2013 to help employees gain insight into their talents and options. Staff have access to self-assessments, exercises and workshops designed to inspire them to pursue their personal and professional development.

Despite our efforts to promote sustainable employability, staff reductions are sometimes inevitable during a reorganisation. We are committed to helping redundant staff find another job. Our Employability Centre in the Netherlands, for example, offers staff the services of a job coach to find work either within or outside the bank. Almost all job vacancies in the Netherlands are open first to ABN AMRO employees only, with redundant staff having priority.

A total of 550 employees were given notice of redundancy in 2013. Approximately 12% (25% in 2012) of these employees were placed in internal jobs and 30% were placed in temporary jobs within the bank (35% in 2012). A total of 155 employees (350 in 2012) sought coaching from the bank's Employability Centre, 25% of whom found permanent internal or external jobs (45% in 2012).

New World of Work

The New World of Work is a series of measures designed to empower employees to work flexibly and remotely. This way of working relies on trust and responsibility: as an

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A total of 83 trainees were employed in 2013, all of whom participated in a programme consisting of assignments lasting from three to six months

employer, we trust our people to live up to the agreements they make with their managers and to use the flexible arrangements responsibly. Besides helping employees achieve a healthy work-life balance, we think the New World of Work will help us to achieve our goal of becoming the best place to work, while reducing our ecological footprint, raising employee satisfaction and increasing efficiency.

This way of working is becoming increasingly popular among staff. A total of 10,289 of our Dutch employees (up from 1,000 in early 2012) and 1,150 employees based outside the Netherlands were able to access their emails and calendar via an app at year-end 2013. We also offer our people a voice and data subscription on their own mobile devices to encourage employees to work wherever and whenever they want.

This way of working helped us to reduce our office space from 266,000 sq.m. in 2012 to 256,000 sq.m. in 2013.

Traineeship

To attract talented trainees, we have set up the Next Generation Professionals trainee programme. This programme is unique in that it allows candidates to choose from a range of career tracks and to design their own programme. Participants receive coaching and training in becoming professionals in their field, and support in their personal development. The programme makes use of innovative tools designed to position ABN AMRO as an attractive employer.

A total of 83 trainees were employed in 2013, all of whom participated in a programme consisting of assignments lasting from three to six months. Most trainees are assigned to a project for which they are immediately responsible,

while participating in professional and personal development courses. More information about the traineeship can be found on abnamro.com.

Employee representation

We want our staff to give management their feedback and input on major changes in the organisation and decisions that affect the workforce. This is organised through employee councils. ABN AMRO's management supported the council in the Netherlands in opting for a new staff participation model in late 2013. In addition to dedicated council members, participants can be appointed from various backgrounds to contribute relevant knowledge and expertise.

5.4 Our plans for the future

We will continue our efforts to be an employer of choice on our journey to becoming a top class employer.

- ▶ Our focus for the coming years will be on executing policies to help us achieve our long-term goals and on giving our people the tools they need to be the best they can be.
- ▶ In 2014 we intend to further tailor staff performance targets and the leadership competencies to reflect the spirit of the Business Principles and client centricity.
- ▶ Leadership days have been scheduled to be held again in 2014, both in the Netherlands and abroad.
- ▶ We will implement the new collective labour agreement in the Netherlands.

our environmental impact 6

ABN AMRO wants to be a better bank contributing to a better world. This starts with improving our own operations, and so we have identified five areas to reduce our own ecological footprint: energy, mobility, paper, waste and water. Energy is a key focus: we are aiming to reduce our consumption by 20-30% in the next years – and we already managed to achieve a 16% reduction in 2013.

On mobility and carbon emission reductions, 2013 saw a range of initiatives to help reduce commuter travel. One of these – and a key driver for the bank in many ways – is the further digitisation of our operating procedures, products and processes. This does not just lower carbon emissions as we commute less, but also cuts paper consumption. Lastly, we reduced our non-recyclable waste in 2013 by 9%, and we are aiming to further reduce this by another 10% in 2014.

Our efforts were rewarded: we won the Facility Manager of the Year Award for our achievements in reducing the bank's ecological footprint.

6.1 Reducing our ecological footprint

6.1.1 Energy consumption

Energy consumption is a key contributor to the bank's ecological footprint, and our stated aim is to achieve a reduction of 20-30% between 2013 and 2017, compared with our 2012 baseline. In 2013, we cut consumption by 16%, mainly thanks to the closure of some of our buildings and the greening of others. We took measures

to raise the quality of our office buildings at Foppingadreef in Amsterdam, Vestdijk in Eindhoven and Daalsesingel in Utrecht. These measures included the optimisation of technical equipment at these buildings, replacing windows at the Vestdijk site, and introducing solar panels at the Foppingadreef head office and the Vestdijk site. At Foppingadreef, hot water now comes from solar boilers. By greening our buildings in this way, we achieved our stated aim of getting at least 100,000 square metres of



our office space up to an energy A label. We have applied for a BREEAM certification for these offices (BREEAM is an international environmental assessment method for buildings). Our innovative office accommodation concept helps save on space at our head office buildings and makes for an increasingly smart use of the available square metres.

Other energy-saving initiatives

- ▶ In November 2010 we set an energy reduction goal for our data centre of 15% for 2013. We have exceeded that target, with a reduction of 19%.
- ▶ Our offices and branches have been fitted with smart electricity and gas meters where possible. This allows us to monitor and optimise our equipment and eliminate unnecessary energy consumption resulting from failures and incorrect settings.
- ▶ ABN AMRO received the 2013 EC Greenlight Award in Brussels in March 2013. This sustainability prize was awarded for financing and participating in GreenFox's 'pioneering concept'. GreenFox converts energy-wasting light fittings into energy-efficient lighting, with investment costs recouped from the energy savings.
- ▶ In September 2013, our head office building at Gustav Mahlerlaan launched ABN AMRO's new Innovation Centre and Work Spaces. Energy-efficient LED lighting was installed, and the floors of the Innovation Centre feature an optimum colour scheme to reflect light, keeping required artificial lighting to a minimum. We plan to install energy-efficient LED lighting in other offices whenever we refurbish and/or replace lighting in the normal course of business.
- ▶ Through the purchase of European wind energy certificates, we now ensure that the electricity we consume is 100% green.
- ▶ In 2013, ABN AMRO once again took part in Earth Hour and the Night of the Night.

6.1.2 Paper consumption

Digitisation is a key driver for the bank. Our increasingly paperless offering of products and services has allowed us to make huge savings on paper. Half of our retail clients, for instance, no longer receive printed bank statements. In addition, we pro-actively approach corporate clients still using paper bank statements to encourage them to change to digital-only information. ABN AMRO will choose

the sustainable way for any mail we do still send, using double-sided printing and 100 percent recyclable stationery and envelopes, with biodegradable window film in the window envelopes. We have also opted for carbon-neutral delivery by PostNL, for the use of certified mail houses throughout the chain (ISO 14.001) and for the adoption of Milieukeurmerk Post (proof that we meet stringent criteria and that our deliveries affect the environment significantly less than the average postal delivery.) Also in 2013, we further improved our mobile banking app and our Internet Banking service, enabling our clients to check their accounts and do their banking business online or on their mobile phones.

And we do not just digitise for our clients; within the bank itself, we are increasingly digitising our products and processes. In 2013, we cut our paper consumption by 75,000 sheets per week by providing two computer screens when doing administration work and checking digital documents instead of paper. Similarly, we now send each other scans instead of physical copies of documents. We are saving close to 4 million sheets annually this way.

Towards the end of 2013, we also started the rollout of access card printing, known as FollowYou Printing, as a way to cut internal paper usage. This will enable employees to print only by using their access cards, which should encourage well-considered printing, cut down on paper use and help measure printer usage by employees and departments.

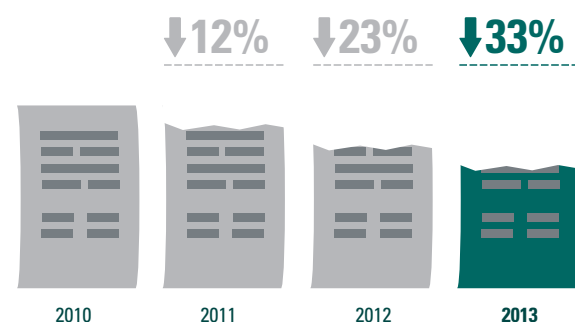
6.1.3 Mobility

Commuter and business travel are major contributors to our carbon emissions and footprint. ABN AMRO is developing

various initiatives to reduce travel by its employees or make it more sustainable.

- ▶ We offer a range of opportunities to encourage employees to work wherever and whenever they want. For instance by providing laptops and a mobile app that gives access to the bank's network, hot-desking and working in satellite offices, as well as enabling video conferencing. These are all ways to help employees travel less.
- ▶ We encourage public transport use by paying for the season tickets of all employees who wish to take up the opportunity – a total of 6,099 in 2013.
- ▶ ABN AMRO is promoting electrically powered transport: the Gustav Mahlerlaan office building has access to Taxi-E cabs, which use exclusively green electricity. Electric cars and scooters are provided for the use of employees at the head office and a number of bank branches.
- ▶ To encourage the use of public transport, ABN AMRO took up the Low Car Diet challenge in 2013, which saw one of our managers stop using her car for ten days and travel by public transport. The initiative was communicated internally as well as externally. Next year, more managers and senior managers are set to go on the Low Car Diet.
- ▶ We offer train tickets to stimulate the use of public transportation between our headquarter buildings at Gustav Mahlerlaan and Foppingadreef.
- ▶ We are currently working on proposals for our fleet of lease cars that should result in lower carbon emissions. Our fleet itself is growing smaller, and when we do have to add new cars, we select cars with low carbon emissions where possible. In 2013, the percentage of lease cars with carbon emissions below 100g/km grew to 20%.

33% savings on paper



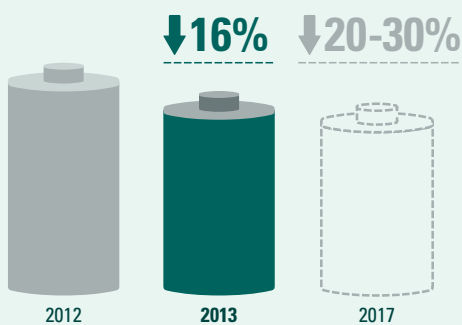
Energy consumption

reduced by

16%

in 2013

Target: 20-30% in 2017



6.1.4 Waste

ABN AMRO aims to separate waste as much as feasible, and to encourage its use as a raw material for new products or for generating energy. In 2013, the amount of non-recyclable waste was reduced by 9%, and we are aiming for a further reduction of at least 10% in 2014.

6.1.5 Water

- ▶ At the Gustav Mahlerlaan and Foppingadreef head office buildings, all basin and kitchen taps have been replaced by water-saving devices, saving up to 90%.
- ▶ In 2013 work started on the installation of a geothermal heat pump at our data centre. The system is due to be completed in 2014 and should reduce our water use by 21 million litres per year.

6.1.6 Other initiatives

We are always looking for ways to make our internal operations more sustainable. In 2013, we also saw the implementation of the following initiatives:

- ▶ ABN AMRO signed a new catering contract this year, guaranteeing that at least 70% of the products in our company restaurants are sustainably sourced and/or organic.
- ▶ Since 2013 we have been using standard cradle-to-cradle carpet solutions when replacing and refurbishing.

In October 2013, we won the Facility Manager of the Year Award for our achievements in making ABN AMRO's operations more sustainable (see box).

6.2 Our suppliers

We believe that our responsibility in the field of sustainability extends beyond our own business operations – we expect the same commitment from our suppliers and consider it part of our chain responsibility to purchase responsible products and services. When selecting suppliers, we apply the FIRA Rating System, which ties in closely with international guidelines for socially responsible business, such as ISO 26000 and the Global Reporting Initiative (GRI). FIRA helps us to get a handle on the sustainability performance – environmental and social – and the transparency of our suppliers. We have access to the CSR profiles that these companies provide through FIRA.

In 2013, we placed 39% of our expenditures with FIRA-registered suppliers, well over double the percentage in 2012 (16%). Our aim is to boost this figure even further by encouraging our current suppliers to sign up to FIRA. A FIRA commitment is a prerequisite for all new purchasing contracts that we sign.

By focusing on purchasing products and services from suppliers that operate responsibly, we contribute to a sustainable supply chain while at the same time reducing our own ecological footprint. The 'Silver' rating awarded by FIRA in December 2013 is recognition of the bank's efforts to enhance transparency about its sustainability performance.

Karin Kersten: Facility Manager of the Year

Karin Kersten, Facility Management Director at ABN AMRO, was nominated Facility Manager of the Year in 2013. She earned this distinction with an innovative and influential approach in the area of sustainability and carbon footprint. Attendees at the 600 Minutes Facility Management Conference voted for the ABN AMRO candidate out of 125 nominees. Kersten was the keynote speaker at the conference in October 2013, where she received the award.

"Sustainability is firmly entrenched in how ABN AMRO does business", she says. "It's a part of everything we do. We recently decided to offer bottles of tap water, for instance, instead of a French mineral water brand. Tap water is more sustainable and doesn't have to be transported. Clients, guests and employees have all responded positively to our choice, and awareness of sustainable options is growing. If we add up all the little things we do, we can achieve bigger changes as a bank. 'Little big things', we call them. I'm proud of that."

6.3 Our plans for the future

- ▶ Our aim for 2014 is to improve the energy performance of another 50,000 square metres of our real estate portfolio to an energy A label – taking some 330,000 square metres (36% of our real estate portfolio) to energy A label by the end of 2014.
- ▶ One of our key drivers in 2014 will be the further digitisation of our products and processes, and encouraging more digital collaboration. We are gearing up to a future in which clients will increasingly demand digital products and services, and ever larger numbers of employees will work – or want to work – online only. This should help both to reduce our paper consumption (goal 10% per year) and to lower our carbon emissions.
- ▶ In the years ahead, we will continue to actively seek ways to improve sustainability and transparency by increasing the number of FIRA-registered partners and suppliers. For a more concrete implementation of its sustainability agenda, ABN AMRO supports Green Deal Circulair Inkopen (circular procurement). This is an initiative of companies in the public and private sectors in partnership with a number of financial institutions and aims to implement two such purchasing drives in 2014. Cradle-to-cradle purchasing essentially means that ABN AMRO guarantees that its suppliers can put to optimum effect, in a new cycle, products or materials that have come to the end of their useful life or current use.
- ▶ The innovative cooling system at our data centre in Amstelveen is due to be completed in 2014. It should help save 7% on energy consumption and cut water use by 21 million litres a year.

39% of our expenditures placed with FIRA-registered suppliers



our contribution to society 7

An important pillar of our strategy 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.

7.1 ABN AMRO Foundation

As a leading bank in the Netherlands, ABN AMRO has an influence on society. We recognise this and take our social role very seriously. There is more to it than simply putting our clients' interests 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 the bank's social commitment by encouraging employees to volunteer for community projects. We have a whole range of initiatives and projects, primarily focusing on:

- ▶ promoting life skills
- ▶ overcoming social isolation
- ▶ direct aid

In 2013 our employees volunteered 11,707 times on behalf of the Foundation and spent a total of 46,175 hours helping our social target groups.

In 2013 our employees gave 342 lessons to primary school pupils



Life skills

The difference between not coping and standing on your own feet, and between being underprivileged and privileged, can sometimes be very small. Yet circumstances prevent many people from bridging the gap. We are 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 pupils lessons on handling money. In 2013 our employees gave 342 such lessons.



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 is special about our approach is the use that employees make of their time and skills: people for people!

Social isolation

Individualism and population ageing are two factors intensifying isolation among old people. We are committed

to assisting this ‘forgotten’ group by organising social activities through which staff help look after elderly people. Employees have been visiting isolated old people for eight years now, to bring them a Christmas tree and decorate it together. During the 2013 festive season, 1,483 elderly people sat beside an ABN AMRO Christmas tree. Our employees also help prepare and serve meals through Resto VanHarte – an organisation that brings together socially isolated people at easily accessible restaurants in community centres and support facilities.

Malala Yousafzai wins International Children’s Peace Prize

ABN AMRO has been a committed sponsor of KidsRights, ever since the Dutch children’s rights organisation was founded. KidsRights launched the International Children’s Peace Prize a few years ago. It is awarded each year to a child who has served the rights of children in a unique way, anywhere in the world. 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.

The Children’s Peace Prize for 2013 was awarded to 16-year-old Malala Yousafzai from Pakistan, who was also nominated in 2011. Malala became world-famous when the Taliban in Pakistan shot her in the head. She received the prize because of her commitment to girls’ education throughout the world, even at risk to her own life.

Direct aid

In the present crisis, increasing numbers of people are having to turn to social organisations for help. At the same time, these organisations have fewer resources to offer the help so desperately needed. Our employees are highly aware of these issues, and provided immediate aid to such organisations in the shape of food parcels or financial contributions. For the third year running, the bank gave employees the option in 2013 of giving up all or part of their Christmas hamper, resulting in 7,423 food parcels. As the outcome of this initiative exceeded 7,000 parcels, the bank donated an extra EUR 15,000 to the National Food Bank. In addition, still-working second-hand computers are donated to charities.

7.2 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

Enterprise

ABN AMRO plays a role at the heart of society. We try to take every opportunity to be innovative and progressive, and in doing so we offer our clients optimum service. That takes ambition, entrepreneurship and a professional mentality – skills we want to foster in young people too.

It was this that inspired us to become the founder and main sponsor of the Young Entrepreneurs Foundation, which offers young people in their final year of college a specially designed programme supervised by an ABN AMRO coach. The programme focuses on how to create a successful business in sustainable goods.

Education

In the field of education, we have been the main sponsor of both the National Read Aloud Days and the Children's Jury for several years now. To this, we added the principal sponsorship of the Children's Book Week in 2011. Our goal in each case is to promote the pleasure of reading, while simultaneously improving literacy skills.

In 2013, the Children's Book Week included a writing contest in which Dutch children's author Paul van Loon challenged children to finish a spine-chilling story that he had started. There were over 800 entries, with some of the children being helped with their writing by ABN AMRO volunteers. The best three were picked by a jury made up of our Managing Board chairman Gerrit Zalm, Richard Krajicek and Paul van Loon. The winners were invited to bring their entire school class to 'The art of reading', a performance that took Paul van Loon on a musical journey through his best-loved books. The children got to meet and talk to the popular children's horror writer after the performance.

Sport

ABN AMRO has sponsored sports activities for decades. The ABN AMRO World Tennis Tournament, hockey and golf are among the most visible examples. To give an extra social boost to Dutch sport, we also support a range of

1,483 Christmas trees for old people
7,423 food parcels handed in



Employees volunteered for community target groups 11,707 times



initiatives designed to make sport accessible to everyone. We encourage physical exercise for young people from deprived areas via the Richard Krajicek Foundation, and we help the Youth Sports Fund to create opportunities for children up to 18 years old that do not have the money to join a sports club. As part of our sports sponsorship we also help tennis clubs in the country reduce their energy consumption. ABN AMRO is 'FairShare Partner' to the Fund for Special Needs Sports. This means that ABN AMRO devotes 2% of its sports sponsorship budget to disabled sports. In tennis, we organised the World Wheelchair Tournament for the fifth year in a row. In golf, ABN AMRO is the title sponsor of the ABN AMRO Disabled Open. All our sponsorship events are climate neutral.

Children's Bank in India

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 depository 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 400 clients since opening in March 2011, and their savings grew by over 40% in 2013. A new area of expertise at the children's bank is microfinance, with a select number of children granted small loans to finance such things as school parties or a business start-up. In addition to money, the children's bank furnishes information and training sessions in diverse areas such as health, computer training, accounting and children's rights.

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 helps rebuild their lives using an approach that has proven to be highly effective. Their addiction is tackled first. 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 in 2013, including a digital auction. A special auction site was set up on which employees could not only bid for articles and services, but also offer items for sale. Funds raised in earlier years went towards the purchase of a piece of land for the purpose of building a new relief centre. Construction got under way in 2010 and the centre officially opened its doors in 2013. It accommodates up to 150 children.

7.3 Our plans for the future

- ▶ In 2014, we intend to start with a theme-based approach for our community activities.
- ▶ Our goal for 2014 is to have over 10,000 employees take part in ABN AMRO Foundation's community projects.

Hermien Bakker: Christmas Angel

Hermien Bakker is a Senior Citizens Adviser at ABN AMRO. She also volunteers for the ABN AMRO Foundation in the Eindhoven region. Hermien has been a 'Christmas Angel' since the beginning of the Foundation's Christmas tree campaign. Angels are volunteers who make sure isolated elderly people have a really nice day.

"Something special happened in 2013", Hermien says. "We called on a lady we'd also given a little Christmas tree a

year earlier. She told us she was going to spend Christmas with her family. Her daughter saw the tree at her mother's place last year, and asked about it at the nursing home where the old lady was staying. She was shocked to hear that her mother had been given the tree because she was lonely. Since then, she has visited her mother frequently and they now spend Christmas together. So, not only did we give the lady a few hours' company, we also helped ensure that she now gets regular visits."



appendices

appendix 1

figures 2013

Financial Figures 2013

In EUR millions	2013	2012
Total assets	372,022	393,758
Equity attributable to shareholders	13,555	12,864
Assets under management	168,300	163,100
Operating profit before taxes	1,571	1,424
Net profit	1,160	1,153

Staff and other operating costs

In EUR millions, unless stated otherwise	2013	2012
Total staff costs	2,357	2,151
Total staff and other operating costs	4,528	4,420
Staff costs per fte (in EUR)	105,747	93,282
Staff and other operating costs per fte (in EUR)	203,150	191,682

Non Financial Figures 2013 (2012 figures not assured by our assurance provider)**Security and privacy**

	2013		2012	
	Complaints	Sustained	Complaints	Sustained
Client complaints about non-compliance with privacy guidelines by ABN AMRO Netherlands	52	3	24	3
Client complaints about non-compliance with regulations and voluntary codes by ABN AMRO Netherlands	28	1	54	2

Application of Equator Principles

Category and number of reviewed projects (EP scope in 2013 is new)

Country	2013						2012			
	Category				Total	Total	Category			
	A	B	C	Total			A	B	C	Total
Risk Classification					Within EP scope	Beyond EP scope				
Emerging markets	2	3	1	6	3	3	0	6	0	6
High-Income OECD	0	4	0	4	3	1	0	6	3	9
Total	2	7	1	10	6	4	0	12	3	15

Review of project financing by region (EP scope in 2013 is new)

Region	2013						2012			
	Category				Total	Total	Category			
	A	B	C	Total			A	B	C	Total
Risk Classification					Within EP scope	Beyond EP scope				
Africa	0	2	0	2	0	2		2		2
Asia	1	0	1	2	2	0		2		2
Europe	0	3	0	3	2	1		6	3	9
Middle East	1	1	0	2	1	1		1		1
North America	0	1	0	1	1	0				
South America								1		1
Total	2	7	1	10	6	4	0	12	3	15

Review of project financing by industry (EP scope in 2013 is new)

Sector	2013						2012			
	Category				Total	Total	Category			
	A	B	C	Total			A	B	C	Total
Risk Classification					Within EP scope	Beyond EP scope				
Energy production	1	1	0	2	2	0		2		2
Infrastructure	1	2	1	4	3	1		5		5
Mining								1		1
Oil & gas	0	4	0	4	1	3		4		4
Telecom									3	3
Total	2	7	1	10	6	4	0	12	3	15

Review of project financing based on assessment/status (EP scope in 2013 is new)

Status	2013					2012				
	Category					Category				
	A	B	C	Total	Within EP scope	Beyond EP scope	A	B	C	Total
Closed	0	4	1	5	3	2		2	2	4
Not approved	0	0	0	0	0	0			1	1
In process	2	3	0	5	3	2		7		7
Not realised	0	0	0	0	0	0		3		3
Total	2	7	1	10	6	4	0	12	3	15

Closed The financing request for which an Equator Principle compliance advice has been given is approved and the financing documentation has been signed.

Not approved The financing request for which an Equator Principle compliance advice has been given has not been approved.

In process The financing request and/or administrative processes have not yet been completed.

Not realised The project will not go ahead; request withdrawn by client or external lead manager.

Advice provided by the Central Sustainability Department (the figures for 2013 are presented in a new classification)

Sector	Number	Type of advice			Conclusion of advice				
		Client acceptance	Request for finance	Other requests	Approvals	Qualified approvals	Rejections	Pending	Withdrawn
Agriculture	26	21	5		17	7	2		
Chemicals	23	23			17	4	1	1	
Defence	32	21	10	1	18	9	5		
Energy & Public utilities	40	39	1		31	8		1	
Fishery	4		4			4			
Forestry	4	3	1		2	2			
Infrastructure	2	1	1		2				
Manufacturing industry	14	12		2	12	1		1	
Mining & Metals	66	64	2		41	18	2	4	1
Miscellaneous industries	29	28	1		21	7	1		
Oil & Gas	61	61			42	14	2	2	1
Tobacco	7	7			5	2			
Transport & Logistics	8	5	2	1	4	1	1	1	1
Other industries	19	17		2	16	1		1	1
Total	335	302	27	6	228	78	14	11	4

Defence Industry involved in the production of or trade in defence-related goods and services, and suppliers to defence-related companies.

Miscellaneous industries Companies operating or investing in multiple sectors or industries, with none of them a clear main category.

Other industries Residual category for companies that do not fit into any of the other Sustainability-identified industries, e.g. real estate and waste disposal companies.

Client acceptance Request for advice prompted by 'increased ESE risk' indication in the annual review of the client relationship or when a new client opens an account.

Request for finance Request for advice prompted by 'increased ESE risk' indication in the request for finance procedure or in the annual review of an ongoing loan.

Other requests Other requests for advice prompted by 'increased ESE risk' indication in the procedures for developing funds and products, or entering into relationships with suppliers.

Approvals Approval means that the client and/or transaction is or is expected to be in compliance with the bank's sustainability policies.

Qualified approvals Qualified approval is given if the client and/or transaction is not currently in compliance with the bank's sustainability policies but is expected to meet requirements within an agreed timeframe.

Rejections A rejection means that the client and/or transaction is not and/or will not be in compliance with the bank's sustainability policies.

Pending Pending means that the advice is yet to be forthcoming, possibly because further questions have been asked of the client or because specific information is missing and needs to be provided before advice can be given.

Withdrawn Withdrawn means that the request for advice has been withdrawn by ABN AMRO's internal departments.

LC&MB Sustainability Risk Management

	2013			2012		
	Client acceptance process	Credit process	Total	Client acceptance process	Credit process	Total
Agricultural commodities	160	89	249	109	99	208
Energy	129	63	192	81	69	150
Energy commodities	193	82	275	132	86	218
Metals commodities	187	50	237	121	92	213
Transport	208	52	260	131	28	159
Other sectors	26	26	52	14	17	31
Total	903	362	1,265	588	391	979

LC&MB Sustainability Risk Management Number of requests related to sustainability screenings and assessments.

LC&MB Sustainability Risk Management*

	2013		Total
	Client acceptance process: Sustainability reputation screenings performed	Credit process: Sustainability analyses performed	
Agricultural commodities	160	83	243
Energy	129	58	187
Energy commodities	193	76	269
Metals commodities	187	43	230
Transport	208	52	260
Other sectors	26	26	52
Total	903	338	1,241

* Performed Sustainability screenings and assessments.

LC&MB client acceptance process Application of procedures and internal rules leading to the formal acceptance of an entity as a client by the authorised LC&MB committee. Sustainability reputation screening is part of this process.

LC&MB credit process The process to observe when applying for/changing/extending a credit facility: sustainability assessments are part of that process.

Total sustainable assets under administration

In EUR millions	2013	2012
Sustainable investments under management	3,217	3,310
Sustainable investment products	1,195	1,374
Sustainable savings products	238	248
Total	4,649*	4,931

* Due to rounding

Financing

In EUR millions	2013	2012
Sustainable financing Groenbank*	392	502

* The loan portfolio contracted as we stopped furnishing new sustainable loans in December 2010. The current portfolio will be continued and current contracts honoured until expiry.

Client focus

Contracts channel

In millions	2013	2012
Internet Banking contracts*	5.6*	5.6
Number of households using Internet Banking	3.5	3.4

* Internet Banking contracts includes also Commercial & Merchant Banking.

Employees

Number of employees

	2013	2012
Number of employees Global (FTEs)	22,289	23,059
Number of employees Netherlands (FTEs)	18,550	19,290

Number of employees Global

FTEs	2013	2012
Private Banking	3,523	3,648
Retail Banking	6,227	6,335
Commercial Banking	3,048	3,249
Merchant Banking	2,204	2,142
Group functions	7,287	7,685

FTEs per business line men/women Global (new in 2013)

FTEs	2013			2012
	Men	Women	Not registered	Men/Women
Private Banking	1,772.2	1,750.8		3,648
Retail Banking	2,852.8	3,374.1		6,335
Commercial Banking	1,709.5	1,338.4		3,249
Merchant Banking	1,488.6	715.4		2,142
Group Functions	4,029.4	2,531.9		7,685
Total	11,852.5	9,710.6	725.6*	23,059

* Some subsidiaries do not require registration of the sex of their employees.

Breakdown of employees by age NL

In percentages	2013	2012
< 24	0	1
24-29	7	7
30-39	26	26
40-49	35	35
50-59	27	26
> 60	5	5

Breakdown of employees by job level NL

In percentages	2013	2012
7 or lower	48	49
8-9	20	20
10-11	20	20
Subtop	9	9
Top	3	2

Diversity of employees NL

In percentages	2013		2012	
	Men	Women	Men	Women
7 or lower	35	65	35	65
8-9	61	39	61	39
10-11	71	29	73	27
Subtop ¹	78	22	78	22
Top ²	81	19	83	16

¹ Job levels 12 and 13 (Hay).

² Job levels 14 and 15 (Hay), Management Group and Managing Board.

Geographical distribution of employees

In percentages	2013 ¹	2012 ²
Netherlands	84	84
Europe (other)	11	12
Asia	3	3
USA	1	1
Other	1	< 1

¹ Based on headcounts.

² Totals for 2012 does not add up due to roundings.

Absenteeism NL

In percentages	2013	2012
Absenteeism (trend total)	3.52	3.86

Breakdown of employment contracts Global

In percentages	2013	2012
Staff, permanent	85	86
Staff, temporary	4	4
Agency staff	4	4
Contract staff	7	6

Breakdown of workforce by employment contract Global

In percentages	2013	2012
Full-time	74	74
Part-time	26	26

External in- and outflow and reason Global

FTE	2013	2012
Inflow	1,192	1,583
Outflow	1,962	2,749
- Natural turnover	677	n.a.
- Reorganisation	403	n.a.
- Other	882	n.a.

Figures training costs Global

	2013	2012
Total training costs (in Eur millions)*	43.9	41
Training costs as a percentage of staff costs	1.9	1.9

* The total amount ABN AMRO spent on training its employees worldwide. In contrary to sustainable report 2012, this figure is related to staff costs in stead of labour costs. Figure for 2012 also recalculated to staff costs 2012.

Environment**Energy consumption****Electricity consumption NL (in kWh, GJ and kTon CO₂*)**

	kWh E 2013	GJ E 2013	kTon CO ₂ 2013*	kWh E 2012	GJ E 2012	kTon CO ₂ 2012
Subtotal electricity consumption	135,378,097	488,730	0	160,254,772	576,917	4.3
Total purchased green electricity by certificates	135,378,097		150,000,000			

* Greening electricity supply through the procurement of certificates.

Natural gas consumption NL (in kWh, GJ and kTon CO₂)

	kWh Natural gas 2013	GJ Natural gas 2013	kTon CO ₂ 2013	kWh Natural gas 2012	GJ Natural gas 2012	kTon CO ₂ 2012
Subtotal natural gas	49,600,013	179,061	10.03	59,414,653	213,893	12.00

Heating and cooling NL (in kWh, GJ and kTon CO₂)

	kWh District heating 2013	GJ District heating 2013	kTon CO ₂ 2013	kWh District heating 2012	GJ District heating 2012	kTon CO ₂ 2012
Subtotal heating and cooling	26,450,730	95,490	5.34	32,430,000	117,090	6.55

Total energy consumption NL	211,428,840	763,281	15.37	252,099,425	907,900	22.85
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* Some of the comparative CO₂ figures have been restated due to adjusted emission factors.

Energy reduction

In percentages	2013
Reduction in energy consumption in 2013* compared with situation in 2012	16

* The reduction of energy consumption is due to the closure of premises and energy efficiency measures.

Energy key figures

	kWh 2013	GJ 2013	kWh 2012	GJ 2012
Energy consumption per m ² (Total m ² 708.741) (in kWh, GJ)	298.32	1.08	310.34	1.12
Energy consumption per 36h FTE* (in kWh, GJ)	11,397.78	41.15	13,068.92	47.07

* Total FTEs ABN AMRO NL (Global and subsidiaries excluded).

Paper consumption NL

	2013	2012
Reduction compared with 2010 (%)	32.7	23.4
Total in tons	2,338	2,660
Total waste per fte (in kg/fte)	126	138
Paper with FSC eco label (in tons)	2,300	2,601
Paper without FSC eco label (in tons)	38	59

Business travel by lease car NL (in kilometres)

	2013	2012
Total distance travelled by lease cars	105,612,495	112,743,461
Total CO ₂ emissions of lease cars (in kTon CO ₂)	20.09	21.32
Average per lease car	37,142	36,989
Average per FTE	5,693	5,845

Business air travel

In kilometres	2013		2012
	Global*	Netherlands	Global*
Short-haul (up to 3,700 km)	33,733,851	21,886,350	28,259,659
Long-haul	10,088,575	6,687,536	8,451,442
Total distance	43,822,426	28,573,886	36,711,101

* Global is including the Netherlands.

Business air travel (number of flights)

	2013		2012
	Global	Netherlands	Global
Short-haul (up to 3,700 km)	2,505	1,531	2,637
Long-haul	8,094	6,363	8,520
Total number of flights	10,599	7,894	11,157

CO₂ emissions

In kTon CO ₂	2013		2012
	Global	Netherlands	Global
Short-haul (up to 3,700 km)	6.49	4.21	5.54
Long-haul	2.29	1.51	1.90
Total (in kTon CO₂)	8.78	5.72	7.44

Total CO₂ emissions

	2013			2012		
	kWh	GJ	kTon CO ₂	kWh	GJ	kTon CO ₂
Electricity	135,378,097	488,730	0.00	160,254,772	576,917	4.3
Natural gas, Heating and Cooling	76,050,743	274,551	15.37	91,844,653	330,983	18.55
	km	GJ	kTon CO ₂	km	GJ	kTon CO ₂
Business travel by car (lease cars)	105,612,495		20.09	112,743,461		21.95
Business air travel in the Netherlands	28,573,886		5.72	23,971,176		4.86*
Total CO₂ in kTon in the Netherlands			41.2			49.66
CO ₂ emissions in tons per FTE in the Netherlands			2.22			2.57

* This number is recalculated. It is based on the 2013 air km Global vs. air km Netherlands ratio.

Waste

	2013			2012		
	ton	%	kg/FTE	tons	%	kg/FTE
Containing paper	1,724	56.3		2,185	58.6	
Items specified as hazardous materials (e.g. batteries, toner cartridges)	9	0.3		12.36	0.3	
Other	201	6.6		303	8.1	
Plastic	19	0.6		26	0.7	
Residual waste	1,110	36.2		1,217	32.6	
Total	3,064	100		3,731	100	
Total kg waste per FTE			165			193
Residual waste reduction in 2013 over 2012 (%)	107	8.8				

Other waste The annual amount of waste that is recycled excluding waste containing paper and plastic.

Residual waste The annual amount of waste left after recyclable waste is stripped out.

Hazardous waste The annual amount of collected hazardous materials, including batteries and empty toners.

Employees in the Netherlands with public transport season ticket paid by the bank

	2013	2012
1st class	287	n.a.
2nd class	5,812	n.a.
Total	6,099	6,031

Community

ABN AMRO Foundation NL

	2013	2012
Net contribution devoted directly to social projects (in EUR)*	700,000	1,015,000
Number of times employees volunteered (excl. food parcel campaign)	11,707	13,561
Number of food parcels	7,423	5,038
Number of projects	358	403

* The total amount the Foundation spends on projects for the local community, not including general Foundation costs (e.g. communications costs).

Social Sponsoring (NL)

In EUR	2013	2012
Donations	150,000	25,000
Sponsoring	548,000	91,600

appendix 2

independent assurance report

To the readers of the Sustainability Report 2013 of ABN AMRO Group N.V.

We were engaged by the Managing Board of ABN AMRO Group N.V. (further 'ABN AMRO') to provide assurance on the data included in Appendix 1 – Non Financial Figures 2013 of the Sustainability Report 2013 (further 'Appendix 1 – Non Financial Figures'). The Managing Board is responsible for the preparation of the Sustainability Report, including the identification of material issues. Our responsibility is to issue an assurance report based on the engagement outlined below.

Scope

Our assurance engagement was designed to provide limited assurance on whether the 2013 data in Appendix 1 – Non Financial Figures is presented, in all material respects, in accordance with the reporting criteria.

Procedures performed to obtain a limited level of assurance are aimed at determining the plausibility of information and are less extensive than those for a reasonable level of assurance.

Reporting criteria and assurance standard

ABN AMRO applies the Sustainability Reporting Guidelines G3.1 of the Global Reporting Initiative supported by internally developed guidelines as described in Appendix 3, Basis for Reporting of the Sustainability Report 2013. It is important to view the performance data in the context of these criteria.

We conducted our engagement in accordance with the Dutch Standard 3410N: "Assurance engagements relating to sustainability reports." This standard requires, among

others, that the assurance team possesses the specific knowledge, skills and professional competencies needed to provide assurance on sustainability information, and that they comply with the requirements of the Code of Ethics for Professional Accountants of the International Federation of Accountants to ensure their independence.

Work undertaken

Our procedures included the following:

- ▶ A risk analysis, including a media search, to identify relevant sustainability issues for ABN AMRO in the reporting period.
- ▶ Reviewing the suitability of the internal reporting guidelines including conversion factors used.
- ▶ Evaluating the design and implementation of the systems and processes for the collection, processing and control of the information in the Report, including the consolidation of the data.
- ▶ Interviews with relevant staff at corporate and business level responsible for providing the information in Appendix 1 – Non Financial Figures, carrying out internal control procedures on the data and consolidating the data in Appendix 1 – Non Financial Figures.
- ▶ Evaluating internal and external documentation, based on sampling, to determine whether the information in Appendix 1 – Non Financial Figures is supported by sufficient evidence.
- ▶ An analytical review of the data and trend explanations submitted by all businesses for consolidation at group level as far as related to Appendix 1 – Non Financial Figures.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention to indicate that the

information in Appendix 1 – Non Financial Figures is not presented, in all material respects, in accordance with the reporting criteria.

Observation

Without affecting the conclusion presented above, we would like to draw the reader's attention to the section Our sustainability strategy which explains that obtaining assurance on a distinct set of quantitative data is the start of ABN AMRO's roadmap to receive assurance on the complete report in the coming years. These future reports will focus on material issues relating to the four pillars of their long-term sustainability strategy. Accordingly we recommend ABN AMRO to design and communicate such a roadmap in its next report and to add performance information related to material topics to the assurance scope.

No assurance on the comparative data

No assurance procedures were performed regarding the 2012 data included in Appendix 1 – Non Financial Figures. As a result, we do not provide assurance on these comparative data included in the Appendix 1 – Non Financial Figures.

Amsterdam, 7 March 2014
KPMG Sustainability,
Part of KPMG Advisory N.V.

W.J. Bartels RA, Partner

appendix 3

basis for reporting

We publish this Sustainability Report for everyone who is interested in ABN AMRO's sustainability performance. This involves a diverse group of stakeholders including clients, employees, investors, shareholders, NGOs and sustainability rating agencies. Not all sustainability information available to ABN AMRO has been included in this report. Additional information, including various policy papers setting out our sustainability policy, is posted on our website (abnamro.com/en/Sustainability/risk-management).

This Sustainability Report covers the period from 1 January 2013 to 31 December 2013. Unless specified otherwise, it sets out the results for the entire ABN AMRO organisation worldwide.

Data collection

Sustainability is a bank-wide responsibility. This means that every business unit is actively engaged in sustainability and reports both internally and externally (through this Sustainability Report) its own economic, environmental and social performance in this area, in both qualitative and quantitative terms. Feedback from our internal and external stakeholders was, of course, also used in compiling this report. Further details on this subject can be found in the section on stakeholder management (Section 2).

This year, we requested an external auditor to provide assurance on a distinct set of quantitative data. We consider it an important step on our roadmap to receive assurance on the complete report, with a focus on material issues relating to the four pillars of our long-term sustainability strategy. This means, first and foremost, that our internal

organisation must be in good order. It also means securing the involvement of our employees. In addition, the information was supplemented with easily accessible and recognisable results of our efforts to enhance the sustainability of our products and services. We will continue to gather more and more quantitative information, so that assurance can be provided on all key performance indicators within the next few years.

In some cases, financial data that are relevant from a sustainability perspective were also included in this report. For a comprehensive overview of the bank's financial results, please refer to the 2013 Annual Report of ABN AMRO N.V.

Reporting standards

The purpose of this report is to present ABN AMRO's sustainability results in an accessible manner. In compiling this Sustainability Report, we took the GRI 3.1 (Global Reporting Initiative) standard, including the Financial Services Sector Supplement, as our basis. This standard provides us with a tangible guideline for determining the subjects that we could and should report on. An overview of the GRI indicators we selected for inclusion in our report is contained in our GRI Index and can be found at abnamro.com/sustainability under Reporting.

Future

This report has been structured around our long-term sustainability strategy. This means that we want to report on the subjects that are relevant (material) to us as a bank and on the role we aim to play in this connection. The long-term sustainability strategy was drawn up in 2012 and was mentioned for the first time in our 2012

Sustainability Report. 2013 was the first full year in which we were able to give shape and substance to this strategy in a targeted manner. However, this is still in progress. Going forward, we aim to make more and more information available: information that is relevant to our stakeholders and information that ABN AMRO is able to access and report on; information that provides insight into how ABN AMRO is steering its organisation towards a sustainable future. With the future implementation of the new G4 reporting standard, we expect to further enhance the quality of our reporting, while also moving a step closer to integrated reporting.

appendix 4

stakeholder dialogue: sustainability issues discussed and outcome

Name of stakeholder	Form of engagement	Issues discussed	Outcome
Civil society organisations			
Amnesty International	Telephone and written contact	Companies and human rights	Knowledge sharing, input for our own human rights policy
Banktrack	Face-to-face contact	Sustainability policies of banks	Knowledge sharing about ABN AMRO's sustainability policy
Fair Banking Guide (Eerlijke Bankwijzer, EBW)	Written and face-to-face contact in connection with sustainable practices surveys and ABN AMRO's scores in these, participation in an EBW event	Sustainability policies of banks, annual EBW update, research into sustainable practices related to ship demolition, nuclear weapons, animal welfare, livestock transport, transparency and accountability, human rights	Knowledge sharing, scores in EBW reports, assessment of policy, input on our own policy in the researched areas and on policy implementation
Equator Principles	Participation in conference	Launching of Equator Principles 3	Knowledge sharing, contributing to policy development on Equator Principles
Fair Wear Foundation	Face-to-face contact	Sustainable practices in the clothing industry	Knowledge sharing, input for our own sustainable supply chain policy
Global March Against Child Labour	Face-to-face contact	Sharing information and expertise about child labour, specifically in the diamond and jewellery sector	Knowledge sharing, input for our own human rights policy
Greenpeace	Face-to-face contact	Sustainability policies of banks	Knowledge sharing about ABN AMRO's sustainability policy
IFAW - International Fund for Animal Welfare	Telephone and written contact	Sharing information and expertise about CITES treaties and our Exclusion List as part of a discussion of an issue with a corporate client	Knowledge sharing, input for policy implementation
IUCN - International Union for Conservation of Nature, Leaders for nature (participated in 2013)	Participation in various meetings on nature conservation	Biodiversity, natural capital	Knowledge sharing, input for our own nature conservation policy
Natuur en Milieu (environmental organisation)	Face-to-face contact	Energy and climate, energy transition of business clients, campaigns targeting businesses and retail customers	Cooperation in the development of energy and environmental policies
NJCM - Dutch Section of the International Commission for Human Rights	Presentation at human rights conference	Businesses and human rights	Knowledge sharing about ABN AMRO's human rights policy
Oxfam Novib	Written contact, board member attended meeting	Land rights/land grabbing, status of commitments made with regard to land grabbing	Knowledge sharing about ABN AMRO's policy to prevent land grabbing

Name of stakeholder	Form of engagement	Issues discussed	Outcome
Oxfam Novib & IKV Pax Christi	Written contact	Alleged involvement in supply of weapons to Syria	We took note of information provided, investigated the exact situation and our possible involvement, and found no material grounds for engagement
Solidaridad	Participation in round table conference on sustainable mining	Sustainable gold programme	Knowledge sharing, input for our own sustainable mining policy
SOMO - Stichting Onderzoek Multinationale Ondernemingen	Completion of survey, face-to-face and written contact	Transparency about lobbying activities	Knowledge sharing about ABN AMRO's lobbying activities, input for our own policy, improving transparency of our lobbying activities based on SOMO's recommendations
SOS Faim	Reaction to publication	Speculation in the agro-commodity market	Knowledge sharing on agro-commodities policy
Urgewald	Face-to-face contact	Sustainability policies of banks	Knowledge sharing about ABN AMRO's sustainability policy
VMR - Vereniging voor Milieurecht	Presentation at environmental conference	Sustainability policies of banks	Knowledge sharing about ABN AMRO's sustainability policy
Vlinderstichting	Face-to-face contact	Biodiversity	Development of co-creation to promote biodiversity
Wereldnatuurfonds/ World Wide Fund for Nature	Participation in training course on biodiversity and banks, knowledge sharing and request to engage Virunga National Park	Biodiversity	Knowledge sharing and gathering, engagement of company

Professional counterparties, suppliers, partners, networking organisations




ASR, Delta Lloyd, ING, Rabobank, SNS, Dutch Banking Association (NVB)	Contact via online discussion platform, participation in consultation group on energy	Long-term Energy Efficiency Covenant	Drafting road map for financial service providers on how to approach energy after 2020
Blue Orchard Finance S.A.	Face-to-face contact		Introduction with a view to possible cooperation/information sharing
Clifford Chance	Face-to-face contact	Human rights	Knowledge sharing
Corio	Face-to-face contact	Social enterprise	Knowledge and network sharing, giving shape to Social Impact
'Doneer de Zon' partnership, Ballast Nedam/zonline/Urgenda	Contact via platform	Sustainable energy	Creating sustainable energy awareness at schools, running crowdfunding projects for solar panels on school roofs
First Climate	Face-to-face contact	Footprint, emissions	Looking for ways to achieve zero emissions
FMO	Face-to-face contact	Sustainability policies of banks, biodiversity	Knowledge sharing, exploring common ground for cooperation, for example through an investment fund
ICTSC - International Centre for Trade and Sustainable Development	Face-to-face contact	Introduction with a view to possible cooperation/information sharing	Knowledge sharing on ABN AMRO's sustainability policy, input for our own trade financing policy
Jong Ondernemen	Face-to-face contact	Social enterprise	Knowledge and network sharing, in the context of partnership with ABN AMRO's Business Banking division
Milieu Centraal	Face-to-face contact	Communication about sustainability	Knowledge gathering on how ABN AMRO should communicate on sustainability
Oblivion/Slimmemeterportal	Face-to-face contact	Sustainable energy	Special solar energy offer for all ABN AMRO staff
RBS Foundation India	Face-to-face contact	Sustainability policies of banks, community investment	Knowledge sharing, in particular relating to ABN AMRO Foundation
SAI - Social Accountability International	Participation in training course	Corporate accountability, social auditing	Knowledge gathering on social auditing, sharing ABN AMRO's sustainability policy with participating companies
Cooperation with Social Enterprise NL - PwC, CMS advocaten, Utrecht University	Face-to-face contact	Social enterprise	Knowledge sharing, co-creation relating to social enterprise (services to social entrepreneurs, traineeships)
Slimmemeterportal.nl BV	Face-to-face contact	Footprint, energy consumption	Providing schools and tennis clubs with insight into their energy consumption
Stichting Duurzame Scholen	Face-to-face contact	Footprint, energy consumption	Development of market propositions
Stichting Energy Valley	Participant in network	Sustainable energy	Development of market propositions
Stichting kiEMT	Participant in network	Sustainable energy	Development of market propositions







Name of stakeholder	Form of engagement	Issues discussed	Outcome
Stichting Nudge	Group contact	Footprint, energy consumption	Improving sustainable practices at tennis clubs
Support for Support Foundation	Face-to-face contact	Sustainability policies of banks, community investment	Knowledge sharing, in particular relating to ABN AMRO Foundation
Sustainalytics	Face-to-face and written contact	Sustainability research	Purchase of data for investment and lending assessments, improving ABN AMRO's product offering
TNO	Participation in panel discussion	Green building	Knowledge sharing, assessment and discussion of the report Meters Maken produced by ABN AMRO Group Economics
Triodos Investment Management	Written contact, completion of questionnaire	Sustainable investment, eligibility test for sale via Triodos Investment Management	Knowledge sharing with regard to ABN AMRO's sustainable investment products and their eligibility for sale via Triodos Investment Management
Van Doorne Advocaten	Face-to-face contact	Social enterprise	Knowledge and network sharing
VBDO	Participation in analyst meetings, press conference, miscellaneous meetings, written and face-to-face contact	Sustainable investment, position on shale gas drilling, tax evasion, human rights	Knowledge sharing, input for our own policy, sponsoring (with ASN Bank) of VBDO survey of sustainable saving and investment
Vodafone	Participation in stakeholder meeting	Via VBDO, ABN AMRO participated in a stakeholder dialogue on sustainability at Vodafone	Knowledge sharing
WBCSD - World Business Council for Sustainable Development	Face-to-face contact	Sustainable business practices	Knowledge gathering, participation in WBCSD meetings
Sector organisations			
Modint	Face-to-face contact	Sustainability in the clothing industry	Knowledge sharing, input for our own sustainable supply chain policy
Esco Netwerk Nederland	Face-to-face contact	Financing of Energy Service Company (Esco)	Knowledge sharing
KIVI - Koninklijk Instituut van Ingenieurs (Defensie en Veiligheid)	Giving a workshop	Policy with regard to weapons manufacture and sustainability in the defence industry	Knowledge sharing about ABN AMRO's sustainability policy focusing on weapons
MVO NL	Face-to-face contact	Sustainable business practices	Knowledge and network sharing, knowledge gathering, exploring common ground for cooperation
NVB - Dutch Banking Association	Face-to-face contact	Code of conduct with regard to mortgages, responsible lending	Knowledge sharing between Dutch banks
Verbond van Verzekeraars	Participation in consultation group on energy	Long-Term Energy Efficiency Covenant	Drafting road map for financial service providers on how to approach energy after 2020
VNO-NCW	Face-to-face contact	Sustainable business practices	Knowledge and network sharing, knowledge gathering about various topics, such as doing business internationally
Rating agencies			
IMUG	Written contact, completion of questionnaire	Participation in benchmark IMUG sustainability rating bank bonds 2013	ABN AMRO's sustainability rating
oekom	Written contact, completion of questionnaire	Participation in benchmark oekom Corporate Rating 2013	ABN AMRO's sustainability rating
Transparency Benchmark, Dutch Foreign Ministry	Written contact, completion of questionnaire	Participation in Transparency benchmark	ABN AMRO's sustainability rating

Name of stakeholder	Form of engagement	Issues discussed	Outcome
Supervisors			
DNB - De Nederlandsche Bank	Completion of questionnaire, participation in stakeholder meeting	Sustainability policy of De Nederlandsche Bank	Knowledge sharing, assessment of DNB's sustainability policy
AFM	Written and face-to-face contact, participation with other banks in meeting on cluster munitions	Policy for the defence industry	Procedure to verify whether companies are involved in cluster munitions production
Government departments			
Agentschap NL	Face-to-face contact	Financing PPS/Energy Service Company (Esco)	Exploring possibilities
Agentschap NL (climate unit)	Participating in working committee of Environmental and Building Inspectorate	Improving Power Usage Efficiency (PUE)	Exploring possibilities, significant improvement of PUE
ILO - International Labour Organization	Face-to-face contact	Human rights, labour rights, working conditions	Knowledge sharing about ABN AMRO's sustainability policy, knowledge gathering on human and labour rights, establishing contacts for Uzbekistan project
Ministry of Economic Affairs, Foreign Ministry and Agentschap NL	Participation in consultation groups	Long-Term Energy Efficiency Covenant	Helping to draft 4-year plans for 2008-2012/2013-2016/2017-2020, providing information on 2013, which Agentschap NL will consolidate with input from other MJA3 participants
OECD	Participation in conference	OECD Guidelines for Multinational Enterprises, sustainable business practices	Knowledge gathering, input for our own international business policy
OHCHR - Office of the High Commissioner for Human Rights	Face-to-face contact	Human rights	Introduction with a view to possible cooperation/information sharing
Permanent Representation of the Netherlands in Geneva	Face-to-face contact	Introduction via PR to international organisations with a view to possible cooperation/information sharing	Introduction and knowledge sharing
UN GCOP - United Nations Global Community of Practice	Participation in workshops	Business and human rights	Human rights policy development
UN Global Compact Germany	Participation in webinars and workshops	Business and human rights	Pilot project ID&JG within the framework of the Peer Learning Group on Business and Human Rights, input for our own policy regarding the diamond industry
UN Global Compact Netherlands	Face-to-face contact	Sustainability policies of banks	Knowledge sharing on ABN AMRO's sustainability policy, knowledge gathering
UN PRI - United Nations Principles for Responsible Investment	Reporting of performance/ results for the ABN AMRO company report and the UN PRI annual report	Sustainable investment	Reporting by ABN AMRO on implementation of UN PRI
UN EPFI - United Nations Environment Programme Finance Initiative	Face-to-face contact	Business and human rights	Knowledge sharing and gathering, participation in Human Rights Workstream
Various Dutch ministries	Participation in various meetings, written and face-to-face contact	Sustainable investment	Exploring financing options for various sustainable initiatives, Green Deals, contributing materially to initiatives including Revolving Fund for Energy Conservation
Werkgroep Energieakkoord	Participation in working group	Energy Agreement	Several ABN AMRO employees helped to forge the Energy Agreement

appendix 5

objectives and performance in 2013

On track 
Partly achieved 
Not achieved 

Subject	Objective reported in 2012	Status	Performance in 2013
Our sustainability strategy	Use our position in the business community to promote sustainability		Ongoing. We played a formative role in such initiatives as the Dutch National Energy Agreement, the Energy Savings Fund, various OECD working groups, the IUCN and several Green Deals
	Report more transparently on our performance (where possible introducing quantitative targets)		Ongoing. Our reporting in 2013 on the year 2012 was a major improvement. Our transparency benchmark score has climbed from 156 to 176 points. Some quantitative targets have been set
Engaging with our stakeholders	Seek customer feedback on more of our products		Clients can comment on nine Retail, Private Banking and Commercial Banking products on the ABN AMRO website, and three products will be added to this range as soon as possible
	Structure and carry out materiality analysis based on input from stakeholders		An initial materiality analysis has been carried out to take stock of the issues to be addressed. In 2014 we will set up a full analysis
	Further professionalise bank-wide stakeholder management		<ul style="list-style-type: none"> ▶ A Stakeholder Board has been established to coordinate the bank's stakeholder management policy ▶ A survey of stakeholder needs has been held ▶ Stakeholders are increasingly being informed about and involved in the development of bank policy
	Increase stakeholder engagement via social media, taking a clear position		<ul style="list-style-type: none"> ▶ We took various initiatives to dialogue with clients, the press and the general public ▶ We plan to do the same with other stakeholders in 2014 ▶ The channels in which we took clearer positions on sustainable topics were mainly offline

Subject	Objective reported in 2012	Status	Performance in 2013
Applying the sustainability policy to our operations	Finalise integration of sustainability into know-your-customer procedures	●	
	Improve investigations into human rights performance of clients and human rights implications of transactions (based on revised OECD guidelines)	●	Ongoing. An internal Human Rights Working Group has been set up and exchanges views on the social responsibility of ABN AMRO and its clients to respect human rights. The group's input is used to further develop the bank's human rights policy
	Take ESE criteria on board in assessments of business loans. Improve management information on sustainable performance of clients and sustainability implications of transactions	●	Initiated. Implementation of ESE criteria to be completed in 2014. A quick scan of all C&MB clients has been performed. The lending portfolio has been analysed and potential sustainability-related risks assessed. Result: insight into the sustainability performance of clients
	Review sector policy on energy and defence	●	Energy: on track. New ESE policy for the energy industry was approved on 22 January 2014 Defence: partly on track. Policy incorporates new Dutch legislation and regulations with regard to a ban on investments in cluster munitions. In 2014 the policy will be revised
	Apply revised Equator Principles.	●	Started. Completion expected in Q1 2014
	Introduce sustainability risk assessment into the procedure for processing lending applications from both large businesses and SME clients.	●	Project has been initiated, and planning was made in Q4 2013 Completion expected in 2014
	Finalise investment policy	●	The Sustainability Policy for Investments (SPI) will be finalised in 2014
Enhancing client centricity R&PB	Continue to dedicate ourselves to the client	●	Ongoing. Most important step in 2013 was the introduction of investment advice concepts, in which clients pay a fee for advisory services and no retrocession fees are paid to distributors of funds
	Devote more attention to sustainable investment products and services, and integrate sustainable elements into traditional investment products	●	Ongoing. Examples are: <ul style="list-style-type: none"> ▶ Launch of ABN AMRO Social Impact Fund ▶ Launch of ABN AMRO Global Sustainable Equity Fund ▶ We have urged our external asset managers to confirm that the investment funds that they sell through us do not invest more than 5% of their assets in companies involved in the production or sale of controversial weapons ▶ We participated in the Sustainable Investment Week
	Apply sustainability screening where possible to bonds, investment funds and several other investment products	●	Ongoing. Examples: <ul style="list-style-type: none"> ▶ All investment funds distributed by the bank have been requested to sign the UNPRI or an equivalent statement ▶ Our expertise in sustainability screening of investment funds has grown and continues to develop
	Prepare Exclusion List of companies that violate the UN Global Compact principles	●	A potential Exclusion List has been compiled. An engagement strategy for some of these companies has been proposed
	Introduce negative (worst-in-class) sustainability screening	●	A potential Exclusion list has been compiled of companies that lag their peers in sustainability. An engagement strategy for some of these companies has been proposed
	Introduce positive (best-in-class) sustainability screening	●	Started. Completion expected in 2014: <ul style="list-style-type: none"> ▶ Positive screening is taking place in sustainable mandates in the Netherlands, Germany and France ▶ Senior investment management has been familiarised with positive screening ▶ A conceptual approach for positive screening has been developed

Subject	Objective reported in 2012	Status	Performance in 2013
Enhancing client centricity C&MB	Simplify product range and product descriptions	●	The Plain Language project involved rewriting nearly 85% of all client information
	Sustainability has been one of the pillars of C&MB's strategy since 2013. This should boost activity levels. ECT in particular will be developing action points	●	Ongoing. Examples in 2013: <ul style="list-style-type: none"> ▶ A financing/investment proposition has been developed to finance solar parks for commercial clients ▶ Launch of Social Impact Bond ▶ Financing of CHP and electric/hybrid cars ▶ ECT specific: inland shipping unit has financed three ships with innovative propulsion systems
Handling complaints	Listen more carefully to clients in the complaints procedure and apply lessons learned from complaints to improve our organisation	●	Ongoing. Examples are: <ul style="list-style-type: none"> ▶ Survey held on customer satisfaction with complaints handling ▶ In a Customer Arena we listened to the wishes of our clients
Inspiring and engaging our people	Start engagement survey to continuously monitor and improve employee engagement	●	The commitment and satisfaction of our employees were measured in 2013 in the Employee Engagement Survey
	Work towards becoming employer of choice, on the way to becoming a Top Class Employer	●	Ongoing. Examples: <ul style="list-style-type: none"> ▶ Commitment and satisfaction of employees was measured ▶ The engagement score rose to 74% in 2013 from 55% in 2012 ▶ uitgesprokentalent.nl platform helps employees gain insight into their talents and options ▶ Leadership days
	Enforce the new collective labour agreement and human resources programme in the Netherlands	●	Collective labour agreement has a term of 1 year Negotiations for 2014 are ongoing. Redundancy scheme (Social Plan) is valid through 2015
	Further promote sustainable employability in the years ahead	●	A sustainable employability budget has been introduced. With this budget all staff can access tools that help enhance their employability, such as training or employability scans
	Strengthen our position in the Dutch job market and expand career opportunities outside the Netherlands	●	We set up the International HR Centre of Expertise in 2013. This centre coordinates succession planning, talent management and international executive vacancies, facilitating recruitment and management development in our international community
	Our environmental impact	See that more than 100,000 m ² of office space is A label and BREEAM certified in 2013-2014	●
Pay for public transport season tickets for all employees		●	
Further reduce environmental footprint		●	Ongoing. Energy consumption reduced by 16% in 2013. Target for 2017: a 20-30% reduction compared with 2012
Continue to reduce paper consumption		●	Examples: <ul style="list-style-type: none"> ▶ Around 50% of bank statements are sent to the client digitally ▶ Commercial clients are pro-actively approached with a proposal to exchange all information in digital form ▶ Mobile Banking app and Internet Banking have been further improved ▶ Employees have reduced their consumption by 75,000 sheets a week in 2013, for example through working with two screens, digital checks, scanning of documents
Increase the number of FIRA-registered partners and suppliers		●	38.7% of expenditure is allocated to FIRA-registered suppliers, compared with 16% in 2012.
The Gustav Mahlerlaan premises to be awarded LEED Gold certification in 2013		●	Our Gustav Mahler head office was the first large office building in the Netherlands to apply for LEED certification. The LEED organisation has requested more detailed information than initially foreseen. Gold certification is expected to be awarded in 2014

Subject	Objective reported in 2012	Status	Performance in 2013
Our contribution to society	More focused, theme-based approach to our community activities	●	Themes for Foundation: promoting life skills, overcoming social isolation, direct aid Themes for Sponsoring: enterprise, education, sport
	Using our financial expertise for the benefit of the community and charities	●	Examples: ▶ Employees give lessons on handling money to primary school pupils ▶ Employees coach micro-entrepreneurs as part of the microfinance project ▶ Coaches for social entrepreneurs
	See that employees participate > 10,000 times in social projects organised by ABN AMRO Foundation	●	Employees volunteered 11,707 times in Foundation projects
Corporate Governance	Apply elements of the Guidance on Board Effectiveness in 2013	●	One result is that the implementation of our strategic objectives – one pillar of which is sustainability – is now monitored more strictly and discussed each quarter by the Managing and Supervisory Boards. Another result is that the bank drew up governance principles that offer guidance when making choices about structuring the organisation
	Renew employee consultation	●	This has led to the participation model in which downsized works councils (half the current size) work closely with groups of participants from the organisation. The term in office has also been reduced
Compliance	Pay special attention to compliance procedures for marketing and encourage transparent and comprehensible communication	●	Example: Training activities

appendix 6

glossary

Abbreviations

BREEM	Building Research Establishment Environmental Assessment Method
ESE	Environmental, Social, Ethical
NWW	The New World of Work

Terms

ABN AMRO Foundation - ABN AMRO Foundation is a *stichting* under Dutch law encouraging ABN AMRO volunteers to give back to the community.

Absenteeism (trend total) - Is the rolling average of the latest absenteeism percentage, annualised.

Business air travel - All flights bought from preferred-supplier travel agents BCD Travel and AV Travel, from and in the following countries: the Netherlands, Belgium, Luxembourg, France, Germany, Switzerland, Jersey, Hong Kong, Singapore and the United States.

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.

Commercial Banking - Part of the bank offering financial services to business clients with turnover of up to € 500 million per annum.

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

DDoS attack - A Distributed Denial of Service (DDoS) attack is an attempt to make a machine or network resource unavailable to its users. One common method of attack involves saturating the target machine with so many requests that it cannot respond to legitimate traffic – a hacking method typically targeting sites or services hosted on high-profile web servers.

Diversity - The distribution of employees (headcount) by gender or age in the Netherlands.

Donations - Financial contributions to a civil society organisation for which we do not seek a return in any shape or form.

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.

Emerging markets - A reference to emerging countries not included in the World Bank's high-income OECD countries list.

Energy consumption - The reported data refer to the bank's energy consumption in the Netherlands. This includes our head offices, data centres, bank branches, regional offices and ATMs. Our subsidiaries are not included in this scope.

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.

Equator Principles: Categories - The Equator Principles distinguish three categories of projects: Category A – Projects with potential significant adverse social or environmental impacts which are diverse, irreversible or unprecedented; Category B – Projects with potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures; and Category C – Projects with minimal or no social or environmental impacts.

Equator Principles: Scope - Project finance that meets the two criteria in ABN AMRO's Policy for Project Finance and the Application of the EPs require the actual application of the EPs: this is project finance within the scope of the EPs. The Equator Principles are also applied to certain loans related to a new capital investment but which do not meet the two criteria; application of the EPs is not compulsory: these loans are outside the scope of the EPs.

External in- and outflow - Internal FTEs (permanent and temporary): employees that leave the bank or change contract type. There are a couple of reasons for reporting: – Natural turnover: employees that leave the bank of their own volition during the reporting period; this includes employees retiring or taking early retirement. – Reorganisation: employees leaving the bank based on the social plan after having been given notice – Other: employees leaving the bank that do not fall within one of the outflow categories, e.g. change of contract, leave of absence, outsourcing, expat contract, etc.

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

Food Parcels - ABN AMRO employees are invited to put together a Christmas parcel for food banks using a specially provided box.

FTE - FTE means fulltime-equivalent. 1 FTE = 36 hours a week. Unit of account for expressing the extent of employment or size of the workforce.

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

Greenhouse protocol - Methodology to calculate carbon emissions from fossil fuels in traffic, aviation, transport, electricity production and heating.

Green Savings Deposit - A deposit is a type of saving under which savers entrust their money to a bank during a set period of time, with the bank using this money to grant loans. A green deposit is a savings product offered by a green bank, which will only give loans to companies that are engaged in sustainable activities ('green companies').

Greening electricity - Compensating carbon emissions through the purchase of certificates.

Groenbank - A Dutch bank whose stated intent is to finance sustainable projects. If a project is recognised as sustainable by the Dutch government, Groenbank is able to furnish a green loan at more favourable rates.

Group Functions - This part of the bank is responsible for staff functions, services and activities that aren't directly related to clients (account holders), e.g. Communications, Finance and IT.

Guidance on Board Effectiveness (Leidraad Effectief Bestuur) - 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.

High-income OECD countries - OECD member states described as high-income countries by the World Bank, which publishes the list on its World Databank (data.worldbank.org/income-level/OECD).

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

ISO 26000 - Guidelines for socially responsible business. Milieukeurmerk Post: Proof that we meet stringent criteria and that our deliveries affect the environment significantly less than the average postal delivery. (milieukeurmerkpost.nl/142/post-verzenden/over-het-milieukeurmerk-post/).

Large Corporate & Merchant Banking (LC&MB) - Part of the bank offering financial services to large business clients with turnover in excess of € 500 million per annum. LC&MB also offers specialist financial services to clients in specific sectors: real estate, financial institutions, energy, commodities and transport (ECT).

Modal shift - The transition from road transport to other types of transport, particularly rail and shipping.

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.

Outdoor Grazing Covenant (Convenant Weidegang) -

The covenant's objective is to maintain the current level of dairy farms with outdoor grazing in order to keep as many dairy cattle as possible in the open air. Convenant Weidegang now has the support of nearly 60 players active in the agro-food chain.

Paper consumption Netherlands - Centrally bought paper consumed by ABN AMRO in the Netherlands on an annual basis.

Paper with FSC eco label - This is certified eco paper, indicating that it is less harmful to the environment based on predefined environmental criteria. FSC certification provides environment-related information about wood and paper products sourced from sustainably managed forests.

Personnel Expenses - Expenses which includes salaries and wages, social security charges, pension expenses relating to defined benefit plans and defined contribution plan expenses.

Private Banking - Part of the bank offering financial services and products to high-net-worth private clients. Private Banking also offers specialist financial services to specific groups of clients, such as charities and private wealth funds.

Project finance - Project finance for the purposes of the Equator Principles is described in ABN AMRO's Policy for Project Finance and the Application of the Equator Principles as finance meeting two criteria:

1. new capital investment (or an increase thereof)
2. repayments deriving from cash flows generated by the investment itself

Retail Banking - Part of the bank offering financial services and products to retail customers.

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.

Social sponsoring - Financial contributions to a civil society organisation for which we receive something in return.

Social enterprise - Social enterprises are organisations that have the same objectives as charities, but at the same time apply the management principles of the private sector, including the need to grow and the ability to achieve a healthy financial return. A social enterprise is basically the same as any other business: the company provides a product or service and has a revenue model. Making money is not the social enterprise's main goal, it is a means to achieve its real mission: creating social impact.

Stakeholder Board - The board is in charge of coordinating the bank's stakeholder management. It is chaired by Managing Board member Caroline Princen and consists of senior managers responsible for stakeholder relationships in various areas, such as consumer affairs, business, the workforce, supervision and sustainability.

Sustainable assets under management - Sustainable assets under management break down into two categories:

1. ABN AMRO Group investment funds that explicitly base their investment approach and decisions on sustainable criteria.
2. Sustainable mandates involve assets whose owners have given the bank responsibility for the investment approach and investment decisions. This specific type of mandate explicitly factors in sustainability criteria in the investment approach and decisions.

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.

Sustainability risk appetite - The level of sustainability risk that an organisation is prepared to accept before action is deemed necessary to reduce it. It represents a balance between the potential benefits of innovation and the threats that change inevitably brings.

Sustainable investment products - Typically, standard investment products do not systematically and explicitly factor in the social and environmental effects of investments on the environment, where sustainable investment does. Sustainable investments reflect our assessment of risk and return in relationship to social and environmental effects.

Sustainable savings - Sustainable savings are used by banks to lend to sustainable companies and projects.

Tax haven - A tax haven is a state, country or territory where certain taxes are levied at a low rate or not at all on private individuals and companies with accounts there. Financial laws and regulations are typically relaxed in such tax havens.

Training costs - Training costs of ABN AMRO employees worldwide.

UNEP FI (United Nations Environmental Protection Agency Finance Initiative) - UNEP FI is a global partnership between UNEP and the financial sector. Over 200 institutions, including banks, insurers and fund managers, work with UNEP to understand the impacts of environmental and social considerations on financial performance. (unepfi.org).

UNGCOP - A project to establish a global business community to share best practices in human rights due diligence and risk management.

UNPRI - The United Nations Principles for Responsible Investment.

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