



# Sustainability Report 2014

ABN AMRO Group N.V.



**ABN AMRO Group N.V.**

Sustainable Banking

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# ABN AMRO at a glance

## About ABN AMRO

ABN AMRO offers retail, private and corporate banking clients an extensive range of products and services. Our in-depth financial expertise, wide-ranging knowledge of many industries, and our international network underpin the bank's national and international activities. We have a strong position in the Netherlands in all our business activities and we follow our corporate and private banking clients in their activities abroad. Internationally, we are active in selected markets with a focus on private banking and a variety of specialist areas in which we have extensive expertise, such as Energy, Commodities & Transportation (ECT) and Clearing.

With a long-standing history in banking and roots that go back for centuries, ABN AMRO emerged from the financial crisis as a leading Dutch bank. Our business profile and international footprint have changed while our historic roots remain. We seek to respond to the evolving market and hence also to the changing needs of our clients, approaching them fairly and openly, learning from our experiences and understanding the importance of delivering optimum service.

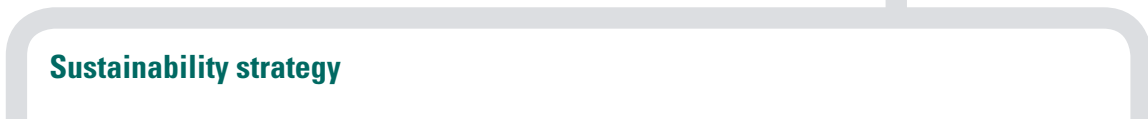
## Our strategic priorities

ABN AMRO's strategy relies on five priorities with targets set for 2017. One of our strategic priorities is to invest in our future.



### Invest in our future

- ▶ Recognised as a Top Class Employer
- ▶ Re-engineering the IT landscape and optimising processes
- ▶ **Positively recognised on sustainability and transparency**





### Operations

Maintaining a moderate risk profile, upholding high ethical and integrity standards and further embedding sound and reliable corporate governance in our organisation.



**-7%** Employee absenteeism since 2013

**3.27%**



Percentage of women in senior management positions

**20%**



Reduction of energy consumption since 2012

**31%**



### Clients

Client centricity is becoming firmly embedded in our corporate culture. In 2014 we introduced a number of initiatives designed to further serve our clients' interests.



Total number of client complaints about privacy

**50**



Net losses due to phishing and malware since 2013

**-34%**



Availability of our digital services

**99.44%**



### Society

We actively find ways to offer our financial expertise to society, with a focus on three areas: facilitating talent, social entrepreneurship and sharing sector-specific knowledge.



Times employees volunteered for the community

**11,811**



Number of social entrepreneurs receiving coaching

**40**



Percentage of clients recognising the sector focus in services offered

**88%**



### Services

The biggest contribution we make to society is increasing the sustainability of our finance and investment services and offering sustainable products and services.



Sustainable assets under administration in EUR millions

**5,399**



ESG criteria for all investments



Number of cases explicitly focused on human rights

**167**



**Gerrit Zalm**

Chairman of the Managing Board

“Our commitment to being a good corporate citizen and contributing to a better world stems from our own sense of responsibility and from our duty to help restore trust in the financial sector.”

# chairman's message

I am pleased to present the ABN AMRO Sustainability Report for 2014. As you can read in this report, we have once again made strides in conducting business in a responsible, sustainable manner. Our commitment to being a good corporate citizen and contributing to a better world stems from our own sense of responsibility and from our duty to help restore trust in the financial sector.

Our business at ABN AMRO has an impact on people, industry and society. As such, we devoted 2014 to defining the issues of material importance to our stakeholders and taking key decisions to help us achieve our aim: to be positively recognised for our position on sustainability and transparency. In striving to achieve this goal, we are guided by our sustainability strategy, which consists of four key elements:

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

An inspired and engaged workforce is vital to the success of our strategy. To this end, we promote sustainability internally and encourage our staff to get involved. Our efforts are clearly paying off: the score for sustainability in the Employee Engagement Survey for 2014 rose from 45% to 61%, and we hope to increase it further.

We focused on our own business operations in various areas. For example, we enhanced the transparency of our tax policy for internationally operating companies by publishing our tax principles on the ABN AMRO website. We also participated in The Green Quest, an initiative aimed at creating ways to conduct our business operations sustainably and we continued to endorse international standards such as the UN Global Compact.

As part of our drive to put our clients' interests first, we continuously invest in our systems in order to further optimise the security of our payment services. We treat our clients' data with strict confidentiality and do not make this information available to third parties for commercial reasons.

This past year we implemented a set of self-imposed rules (Binding Corporate Rules), which we drew up in consultation with the Dutch Data Protection Authority.

We strive to use our financial expertise for the benefit of society. This commitment is reflected in the programme under which we offer financial coaches to Credits, the only micro-financing organisation in the Netherlands. Credits helps start-ups and other businesses by providing personal coaching and business loans.

Our offering of sustainable finance and investment services is growing steadily. This past year, we decided to integrate environmental, social and governance (ESG) factors into all of our investment advice as from mid-2015. In addition to our existing sector policies, we also introduced sustainability criteria into our credit application policies for the energy, real estate and manufacturing sectors.

Looking ahead, we will continue to implement the performance metrics and targets we have set as we put our sustainability strategy into practice. This will enable us to report on our progress in an increasingly concrete and transparent manner.

Read on to discover the various initiatives we have taken this past year, the progress we have made and our plans to address the issues that are of material importance to our stakeholders. We welcome your feedback and suggestions. Please feel free to email us at [sustainability@nl.abnamro.com](mailto:sustainability@nl.abnamro.com).

**Gerrit Zalm**

Chairman of the Managing Board

# strategy

## Sustainability strategy

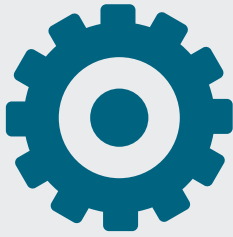
Banks play a key role in facilitating business and therefore have a great responsibility in shaping and ensuring the sustainable development of business in the future. For ABN AMRO, that means doing business responsibly, putting our clients' interests centre stage and addressing the risks related to climate change, human rights, and the shortage of natural resources.



To help us achieve that, in 2013 we updated our corporate strategy up to 2017, including a strong focus on sustainability and transparency. In 2014, we started to translate our broad strategic sustainability goals into explicit targets. We are working to raise employees' awareness and knowledge of sustainability and focus on the further integration of sustainability criteria into our

core processes. We are also maintaining our bank-wide drive to reduce our environmental footprint. The fresh insights we gain from engaging with our stakeholders (see appendix Stakeholder dialogue) and studies such as the materiality analysis (see page 9) will enable us to fine-tune our sustainability ambitions in 2015.





### **Sustainable business operations**

- ▶ Compliance
- ▶ Workforce diversity and inclusion
- ▶ Employee health and safety
- ▶ Environmental impact



### **Clients' interest centre stage and sustainable relationships**

- ▶ Privacy of clients
- ▶ Security of clients
- ▶ Stability of our digital services
- ▶ Mortgage policy



### **Financial expertise for the benefit of society**

- ▶ Partner of the Future
- ▶ Social entrepreneurship
- ▶ Sharing sector-specific knowledge



### **Sustainable finance and investment services**

- ▶ Policy framework
- ▶ Sustainable financing
- ▶ Sustainable investment
- ▶ Sustainable banking products and services

By focusing on doing business sustainably, we create opportunities for our clients and our bank. Consistent with our sustainability commitment to strike a balance between people, planet and profit, we continue to selectively develop new markets, products and services, as well as new forms of collaboration. We use our strategy to tackle the sustainability issues that confront ABN AMRO and our clients in today's world – an approach in which innovation also features strongly.

Our sustainability strategy is based on two pillars:

### 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

In this report we present our activities and results relating to these four key areas of the bank's sustainability strategy, and describe how we inspire and engage our employees to achieve our ambitions. 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

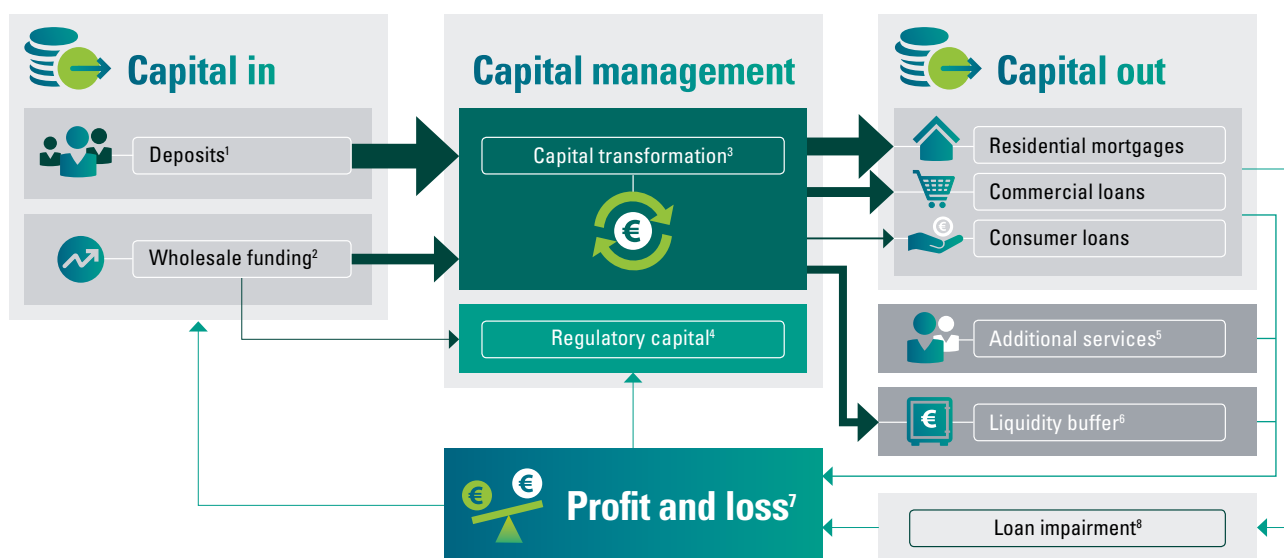
complete report in the coming years. This report focuses on the material topics relating to our long-term sustainability strategy. We obtained assurance on a distinct set of quantitative data that are related to most of the material topics. The data that are in scope of the assurance report are marked as such in the text.

## ABN AMRO value chain

The figure below is a representation of the ABN AMRO value chain. It shows both liquidity and profit and loss based on the Annual Report 2014. The width of the dark arrows represents the amount of loans extended. The light arrows represent a flow of income and costs. The width indicates the amount of capital.

A value chain is, in effect, a supply chain with an upstream flow (value) as well as a downstream flow (materials). Value can be expressed in a variety of ways, the most common of which is willingness-to-pay.

For ABN AMRO, the most important production input is money in the form of deposits and the most important output is money in the form of loans. Wholesale funding, the liquidity buffer and capital requirements are preconditions for the 'production process'.



<sup>1</sup> Deposits: deposits include savings and checking accounts and show all capital deposited at ABN AMRO on 31 December 2013.

<sup>2</sup> Wholesale funding: ABN AMRO's loan-to-deposit ratio is larger than 1. The amount of capital necessary to fund the additional loans comes from wholesale funding. Wholesale funding also includes subordinated liabilities: debt issued to raise capital for regulatory capital requirements.

<sup>3</sup> Capital transformation: capital transformation manages the mismatch between incoming and outstanding capital. Differences in maturity between loans and deposits and the accompanied interest rate risk are managed here.

<sup>4</sup> Regulatory capital: capital requirements for banks prescribe the amount of capital required to cover the financial risk a bank faces.

<sup>5</sup> Additional services: these services include asset management and trading intermediation. Asset management manages capital in the care of ABN AMRO that is not part of the balance sheet. Trading intermediation engages in the purchase and sale of bonds and securities for customers. These are investments made by the bank on behalf of customers. Both are a source of fee income.

<sup>6</sup> Liquidity buffer: in order to be able to provide capital when demanded from a withdrawal, the bank needs a liquidity buffer. It consists of cash and balances at the central bank and high-grade liquid bonds and securities. These latter are low risk, easily tradable bonds and securities, which can be sold in case quick liquidity is required.

<sup>7</sup> Profit and loss: interest and fees generated by loans and services are used to pay several expenses. These are supplier & operational costs, personnel costs, taxes and interest on deposits and debt. Also, the income is used for depreciation, amortisation and loan impairment. What is left is the profit of the bank. This will become part of the regulatory capital.

<sup>8</sup> Loan impairment: a part of the profit and loss of the bank is reserved for the depreciation of problem loans.

Together with other services, they form the bank's supply chain. The value created is defined in terms of interest rates and charges. The supply chain and the value created together form the value chain.

## Materiality

We reviewed our sustainability strategy in 2014 by performing a materiality analysis in collaboration with the Dutch Association of Investors for Sustainable Development (VBDO). The purpose of any materiality analysis is to identify topics that have a direct or indirect impact on an organisation's ability to create, preserve or erode economic, environmental and social value – not only for itself,

but also for its stakeholders and society at large. The analysis revealed what our internal and external stakeholders consider to be the most material, or relevant, issues.

We began by asking external stakeholders to rate an extensive list of materiality issues. This was followed by a dialogue with a wide range of participants, including retail and corporate clients, a knowledge institution, a service provider, a financial institution and a trade association. Internal stakeholders were also asked to rank various topics and to explain their choices as part of a dialogue with senior managers from the different business lines.

The following material topics emerged from this process:

## Our material topics



### Sustainable business operations

- 1 Compliance with national and international legislation and regulations (page 14)
- 2 Preventing corruption and fraud<sup>1</sup>
- 3 The health of our employees and the safety of the working environment (page 18)
- 4 Responsible tax policy<sup>1</sup>
- 5 The diversity of our workforce (page 16)
- 6 Our organisation's environmental impact (page 18)
- 7 Responsible remuneration policy<sup>1</sup>

### Clients' interests centre stage and sustainable relationships

- 8 The privacy of clients' financial transactions (page 22)
- 9 The security of clients' financial transactions (page 22)
- 10 The stability of our digital services (page 23)
- 11 Mortgage policy<sup>1</sup>

### Financial expertise for the benefit of society

- 12 Volunteering and charity<sup>1</sup>

### Sustainable finance and investment services

- 13 Safeguarding human rights, health and safety and the environment in financing and investment (page 34)
- 14 Offering sustainable products and services (page 37)
- 15 ESG/ESE in financing and investment (page 30)

<sup>1</sup> Material topics of less significance.

Based on our sustainability strategy, we decided to give greater priority to the topics 'ESG/ESE in financing and investment' and to 'our organisation's environmental impact'. We linked and aligned the material topics to the four key areas of our sustainability strategy. In this report, we explain this link and describe how we measure these topics and intend to report on their progress in the years ahead.

## Stakeholder engagement

We set great store by involving stakeholders in the development of our strategy. In so doing, we systematically balance the bank's interests with those of our stakeholders. This is vital to restoring trust in the banking sector, and hence to our own long-term success.

We define stakeholders as the groups or individuals we influence through our activities, products and services, and who in their turn affect our ability to achieve our goals. ABN AMRO has identified stakeholder groups that are of material importance to the sustainable success of our business. We strive to maintain a constructive dialogue with these stakeholder groups and to take account of their views in our decision-making. We do that by focusing on the topics they consider most important, and which we can actually influence. In the appendix 'Stakeholder dialogue', we list the stakeholders with whom we engaged in 2014, the main points of discussion, and the results of that dialogue.

The bank has a Sustainability Advisory Board (SAB) made up of external experts from such sectors as industry, academia and the media as well as members of the Managing Board, including the Chairman. The SAB convened three times in 2014. Each meeting focused on the need to balance short-term financial performance with long-term sustainability effects. The integration of long-term sustainability analyses in ABN AMRO's investment policy was discussed, for instance, as were the strong relationship between innovation and sustainability, and the transition in the energy market.

## Stakeholder Council

ABN AMRO's renewed Stakeholder Council, set up in 2013, led to the further professionalisation of our stakeholder management in 2014. The Council – comprising a member of the Managing Board, members of the Management Group and senior executives – convened twice in 2014. Its primary task is to track the most urgent topics.

We make no attempt to evade sensitive subjects, not least because clients and the public often consider these to be particularly important. Examples include the availability and security of online banking, mortgages, and banking and privacy. The Stakeholder Council is scheduled to meet three times in 2015.

## Governance

ABN AMRO is organised along different businesses, which can be divided into client centres and support centres. General information on our organisational structure and governance is available on our website and in our Annual Report. In this report we will describe how sustainability is embedded in our organisation and pay specific attention to the integration of sustainability in our corporate governance and risk management.

## Embedding sustainability in the organisation

Sustainability is an integral part of our organisation. It is reported on at least once a quarter to the Managing Board and Supervisory Board as part of the monitoring process of our long-term strategy (for more details, see the section on Corporate governance). Progress on the implementation of our sustainability strategy is reported bi-monthly to the member of the Managing Board responsible for sustainability. Sustainability experts are employed at most businesses to foster engagement with this theme throughout the bank. We also report specific sustainability results to senior management at various business lines.

In line with the continuous integration of sustainability in our organisation we reviewed the function of the Sustainable Banking department in 2014, so that it can fulfil its role more effectively in 2015 and beyond. The department facilitates the development of our sustainability strategy, and each business and support function works with it to formulate its own sustainability ambitions. The Sustainable Banking department is also responsible for transparent communication and reporting to stakeholders on subjects of importance to both them and ABN AMRO. Finally, the department is responsible for developing and revising sustainability policies and advising the commercial business lines on managing sustainability risks.

## Corporate governance

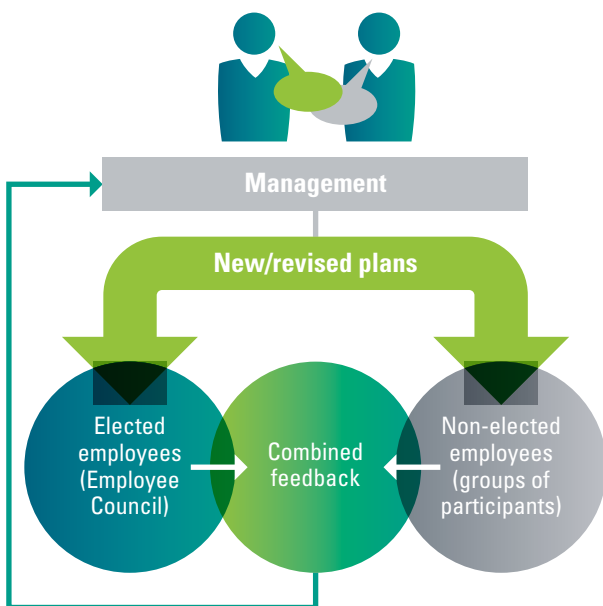
Since the beginning of 2013, we have been tracking progress of our strategic long-term goals in a more centralised fashion. Progress is discussed extensively

by the Managing Board and Supervisory Board every quarter and we have been regularly informing the Employee Council about developments in this area since early 2014. As sustainability is an important element of our long-term strategy, it is also addressed during the quarterly monitoring process. We further developed this process during the year under review with the aim of gaining more insight into progress and intensifying dialogue about governance issues.

Another result in the area of governance is the Managing Board's decision to install a Regulatory Committee under the Managing Board. As the regulatory pressure is intensifying and the supervisory landscape is changing, the Regulatory Committee has been given the general task of maintaining insight into and keeping track of new and evolving legislation as well as the task of taking decisions where necessary. The committee is made up of senior management from relevant business lines, and is chaired by a member of the Managing Board.

We also launched a pilot for the renewed form of employee consultation in 2014, as part of which the Employee Council has been halved in size and will work closely with groups of participants from within the organisation. This means involving both elected and non-elected employees in the bank's plans at an early stage, ensuring more direct feedback to management. This so-called participation model supports a contemporary form of employee participation.

### Pilot employee consultation



## Responsible purchasing

We take responsibility for the great impact that we, as a bank, have on society; a responsibility that extends beyond our own business processes. Sustainability therefore plays a key part in the selection of suppliers. We apply the FIRA evaluation system, for instance, to give us insight into and a grip on our suppliers' sustainability performance.

The FIRA system ties in with international guidelines like ISO 26000 and GRI, which help suppliers embed sustainability in their organisations more effectively. ABN AMRO requests all new and existing suppliers to commit to FIRA. Ensuring that we only purchase products and services from suppliers who operate responsibly helps us achieve a more sustainable supply chain. We now have 151 FIRA-committed suppliers, who together represent 58.7% of the total amount spent.

Preliminary evaluation of the model shows that management views the approach as worthwhile, as it engages more employees while presenting senior management with a stiff challenge. We will continue to evaluate the approach throughout the pilot, making any necessary improvements to ensure even more effective collaboration.

In 2014, cooperation between the Supervisory Board, Managing Board and Employee Council was taken to the next level, including preparations for a possible IPO. The Employee Council is regularly updated on developments and asked for feedback. Each of the three bodies has its own responsibilities, but they work closely together on common interests.

A detailed corporate governance report, in which we focus on elements such as the structure and composition of the Supervisory and Managing Boards and their committees, is included in the Annual Report.

## Risk management

ABN AMRO applies a 'three lines of defence' model for all risks, including risks with a sustainability element. The first line is responsible for taking and managing risk. It evaluates risks based on the framework set up by the second line, which includes Compliance & Conduct, Risk, Legal, Security & Intelligence Management and Sustainable Banking. The second line advises the first line on complex cases. In the case of a credit application, for example, the second line performs an assessment of all applicable risks and mitigants. The Central Credit Committee – chaired by a member of the Managing Board or the Management Group – subsequently decides on the application, based on the recommendation provided. The third line consists of Group Audit, which evaluates the procedures and processes and how they have been implemented. More information on our risk management is available in our Annual Report.

## Three lines of defence



ABN AMRO evaluates sustainability risks based on a set of principles and rules that constitute the bank's environmental, social and ethical policies. We apply them when assessing clients, credit applications and other transactions. We take a closer look at this in the section 'Sustainable finance and investment services'.

## Ethics and integrity

ABN AMRO promotes a corporate culture that encourages its employees to act with integrity. Key elements in this regard are our core values, our business principles, the Dutch Banking Code, the Dutch Corporate Governance Code and the UN Global Compact Principles.

We want to be a bank that responds in an engaged and effective way to growing calls for integrity and transparency in our sector. To achieve this, we are strengthening existing initiatives where necessary, and initiating a number of new projects. We are also concentrating specifically on behaviour (doing the right thing). A principle-by-principle summary of the manner in which ABN AMRO complies with the principles of the Dutch Banking Code is published in the corporate governance section on [abnamro.com](http://abnamro.com).

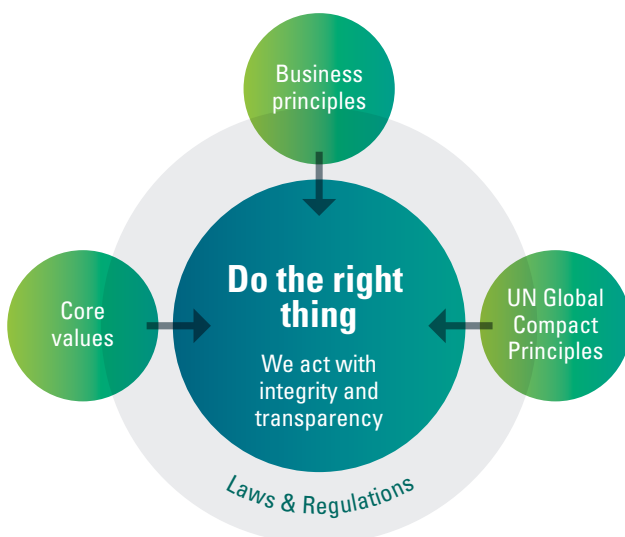
► **Ethics Committee**

In 2014, the Ethics Committee came together four times to discuss dilemmas. Various business lines were approached to help draw up a list of dilemmas for consideration. The focus was on ethical dilemmas currently faced by our bank. They were assessed in depth from a variety of angles, guided by our business principles and taking applicable laws and regulations into account. As our business principles go further than the law, we may, for example, decide not to proceed with a certain project or client even if it is permitted by law.

► **Compliance curriculum and risk awareness**

We launched a project in 2014 to structure compliance and conduct training even more effectively and to improve its quality. Completed toward the end of the year, the project will establish a continuous learning process in 2015, making use of innovative educational tools and new media. We organise awareness activities and stimulate internal dialogue with discussions on dilemmas, or through interaction on our intranet page and our online dialogue platform.

**Do the right thing**



**Large-scale reputation survey**

ABN AMRO, together with Rabobank and SNS, commissioned Motivaction to survey the views of 78 major stakeholders on the reputation of the Dutch banking sector in the period June to October 2014. The stakeholders represented consumer, industry and government bodies, regulators, media/opinion leaders, legislators and politicians, and social organisations. They were also asked to give their views on the reputation of individual banks.

The study revealed that these stakeholders still do not fully trust the major Dutch banks, which they also see as lacking in differentiation, not always putting their clients' interests centre stage, and failing to show a specific vision of the future. The desired shift in culture is not yet clearly visible.

The survey results on individual banks were sent only to the banks in question. Several stakeholders expressed concern that ABN AMRO might lapse into old patterns of behaviour following a possible IPO. Legislators, politicians and the media continue to rate ABN AMRO's reputation relatively highly. Among social organisations, regulators, government agencies, consumer organisations and trade associations, by contrast, ABN AMRO scored relatively low. Many stakeholder groups feel that the bank could set more of an example, be more visible, and display greater leadership. Management could also engage more visibly in the public debate regarding the financial sector, connect market knowledge with financial expertise, and improve stakeholder relations by being more accessible and transparent. ABN AMRO is incorporating the survey results and recommendations in an action plan, which will be put into effect in 2015.

# operations



## Sustainable business operations

ABN AMRO's pledge is to be a better bank contributing to a better world. This commitment starts with the improvement of our own business operations and has guided us in our business decisions and actions, enabling us to work towards delivering on that pledge.



**-7%**  
Employee  
absenteeism  
since 2013

**3.27%**



Percentage of women in  
senior management positions

**20%**



Reduction of energy  
consumption since 2012

**31%**

The main focus is on maintaining a moderate risk profile, upholding high ethical and integrity standards and further embedding sound and reliable corporate governance in our organisation. We are, at the same time, pursuing our Top Class Employer strategy by working on a diverse workforce, with healthy and safe working conditions for our employees. Reducing our environmental footprint by making our operations more sustainable is also a priority.

Some of these topics were discussed in the previous section; others will be addressed in this section. Within the strategic area 'sustainable business operations', we will concentrate on the relevant material themes arising from the materiality analysis. First, we will address compliance with national and international legislation. We will then describe how ABN AMRO actively promotes the diversity and health and safety of its employees and how it seeks to reduce its environmental impact.

### Compliance with national and international legislation and regulations

Compliance with legislation and regulations lies at the core of our licence to operate. Any infringements could result in substantial financial and reputational harm. ABN AMRO wishes to adhere not only to the letter but also to the spirit of all applicable laws and regulations, including regulations focusing on financial service provision and international standards appropriate to a large financial institution. We regularly scrutinise our policies and make any adjustments where necessary. In addition, the way ABN AMRO ensures compliance with national and international laws and regulations related to sustainability is discussed in the section 'Sustainable finance and investment services'.

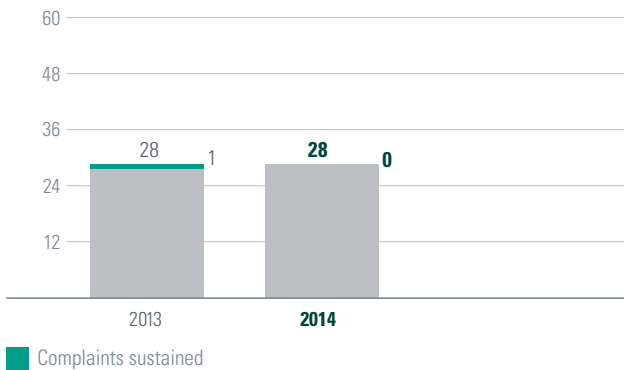


## Preventing corruption, bribery and fraud

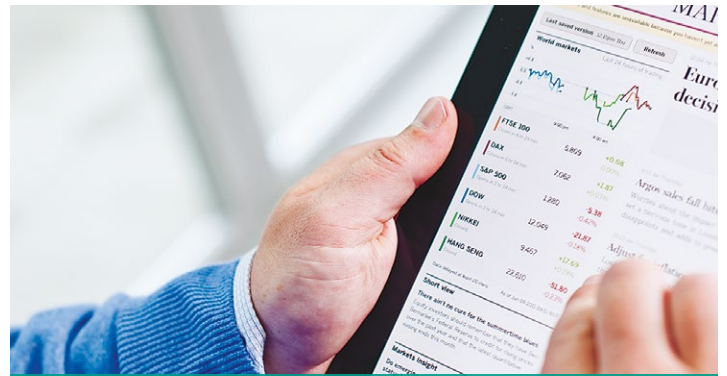
ABN AMRO defines corruption and bribery as a situation arising from the offering, requesting or approval of bribes. These consist of inducements or rewards offered, promised or provided with the object of gaining an advantage. The advantage in question could be commercial, contractual or personal gain, or special treatment in terms of legislation, regulation or supervision. Involvement in corruption or fraud could cause the bank to suffer both reputational and financial harm. ABN AMRO employees are aware of the anti-corruption and bribery policy. We regularly assess any exposure to this type of risk, taking account of the country in which we are active, the sector, the products, the services and third parties. Depending on these factors, we then take measures to mitigate that exposure. In the past year, we rigorously followed up on a small number of cases where we took appropriate disciplinary actions. The business lines themselves monitor compliance with the policy, with Compliance & Conduct testing the results. In the case of any legislative or regulatory changes, we adjust the policy accordingly. Anti-bribery and corruption training is mandatory for all bank employees who come into contact with external parties. The aim is to update the training programme every three to five years.

ABN AMRO was an active contributor to the first Fraud Film Festival, which was held on 1 and 2 October 2014 at the EYE Film Institute in Amsterdam. The festival set out to raise the awareness and responsiveness of citizens, companies, government and banks regarding fraud and related crime such as corruption.

## Client complaints about non-compliance with regulations and voluntary codes by ABN AMRO in the Netherlands<sup>1</sup>



<sup>1</sup> Included in KPMG's assurance scope.



## The limits of wealth optimisation and structuring

We respect every government's right to set its own tax policy and we also respect our clients' right to choose their own tax position. We do not see it as the bank's task, therefore, to police the tax structure applied by the client.

At the same time, however, we actively discuss these matters with clients. We encourage them to act in accordance with our principles and to pursue a responsible tax policy, but we are not in a position to oblige them to follow that advice. Naturally, we never actively facilitate or offer the possibility of tax evasion. We have also ceased to offer products where the primary motivation was to achieve a tax advantage.

See also our tax policy on [abnamro.com](http://abnamro.com).



## Responsible and restrained remuneration policy

The remuneration of financial institutions has received considerable public attention. ABN AMRO's remuneration policy complies with all relevant legal and regulatory requirements in the Netherlands and abroad. Our reward policy in the Netherlands is largely regulated through the collective labour agreement that covers the vast majority of our employees. Our remuneration philosophy and the approach we pursue are explained in more detail in our Annual Report.

## Responsible tax policy

Tax matters have been receiving increasing attention every year. The prime focus is whether or not internationally operating businesses pay their 'fair share of tax'. Whereas tax evasion has never been acceptable, tax avoidance has now become a particularly important issue. We do not engage in tax avoidance, which implies that we meet the spirit and the letter of the law. We have heightened our focus on transparency and have, for instance, published our tax principles on our website. Similarly, we provide country-by-country reporting on various income items, including tax. Our tax principles lie at the core of our responsible tax policy. We take the view that our income should be included in taxable income only once, and that all our expenses should be deductible. Our transfer pricing policy is in line with international standards. We therefore pay tax on our profit in the country where the profit is generated.

We respect every government's right to set its own tax policy. We also respect our clients' right to optimise their own tax position. One of our tax principles is that the products we offer fully meet the regulations in force, are transparent and do not contravene the intended purpose of the regulations. We actively try to ensure that our clients do not engage in tax evasion.

We mostly operate in countries that are part of the international initiative on the automatic exchange of financial information for tax purposes. We always provide information to tax authorities if and when so requested, if the request meets the legal requirements.

## Workforce diversity and inclusion

A diverse workforce that reflects the communities we serve helps us to create the best solutions and enhance customer experience while fostering innovation, respect and creativity. We do not view diversity only in terms of the bank's gender or age balance. In 2014, we focused mainly on three areas: gender, cultural diversity and disability. Diversity and inclusion are about bringing together and making optimum use of the unique talents and experiences of all people, regardless of who they are or where they come from. On top of that we can create synergy through optimal use of diverse talents within teams. Diversity is therefore part of our Top Class Employer strategy and plays a pivotal role in our annual Employee Engagement Survey, in the section on fair treatment. The results of this survey help us to determine which activities we need to undertake to maintain or improve the results.

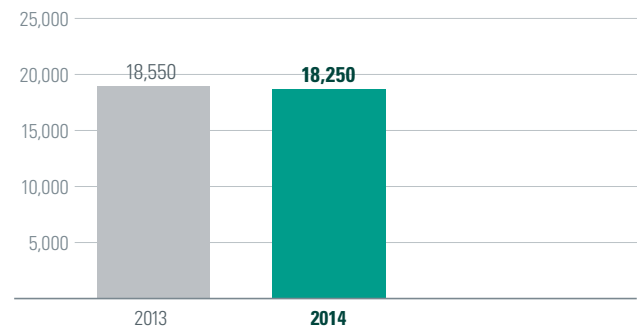
Fair treatment turned out to be the highest rated element in the 2014 Employee Engagement Survey, scoring 79 out of 100, compared with 73 in 2013. The increase shows that our people think we are on the right track to be a diverse and inclusive organisation.

Our target for 2014 was to achieve a level of 20% women in senior management positions and 25% in upper middle-management positions. In the end, 20% of senior managers and 24% of upper middle managers were women. We therefore achieved our target for senior managers in the Talent to the Top charter. ABN AMRO intends to set new targets for the years ahead. Despite a 1.7% rise, we did not meet our target for upper middle managers. At both levels, however, the percentage of women in management posts has been on a rising trend over the past three years. Equal pay for men and women is enshrined in the collective labour agreement, which covers most of our employees.

We encourage bank-wide awareness of diversity in a variety of ways:

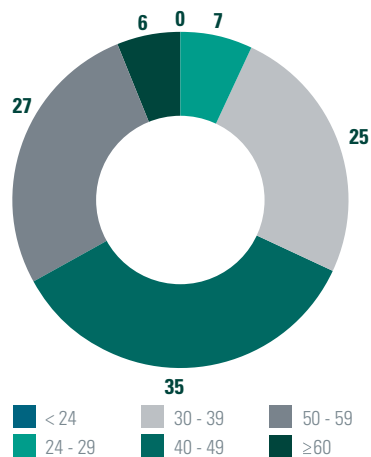
- ▶ We organised various training programmes on diversity and inclusion, such as ‘mindbugs’ and several mentoring programmes for female and culturally diverse employees.
- ▶ In addition to a whole series of events throughout the year, we organised a major annual conference for around 400 internal and external guests. In 2014 our theme was ‘Diversity and Inclusive Leadership’, in which we further explored the benefits of diversity in today’s market. Leadership has a crucial part to play in the maximum utilisation of diversity. The central question addressed by the conference was: how do we make optimum use of the talent in ourselves and each other in the changing world in which we operate?
- ▶ We surveyed our international private banking offices to measure their commitment to diversity, as well as the percentages of female and multicultural staff. This gave us a picture of what our offices around the world consider important in the field of diversity.
- ▶ We set up a Cultural Diversity working group made up of key people from throughout the organisation. Group members actively help develop actions to promote cultural diversity in the upper reaches of our organisation. The working group aims, through collaboration, to speed up the internal mobility of non-Western employees.
- ▶ In 2014, we introduced the ABN AMRO Autism Ambassador to raise awareness of autism. This initiative is part of the bank’s diversity strategy designed to draw attention to disabilities, both visible and less visible. Autism is one of the most common disabilities worldwide. Our Autism Ambassador, who himself has autism, is the second person at an organisation to do this, making us one of only two companies – alongside Royal Dutch Shell – to raise awareness in this way. The Dutch Autism Association has endorsed our ambassador.

### Our employees in the Netherlands<sup>1</sup> (in FTEs)



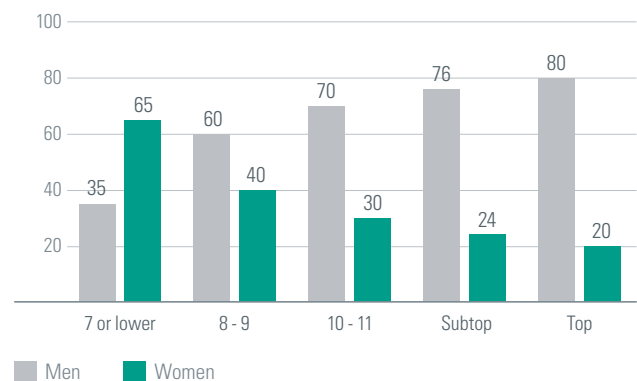
<sup>1</sup> Included in KPMG’s assurance scope.

### Breakdown of employees by age in the Netherlands 2014<sup>1</sup> (in %)



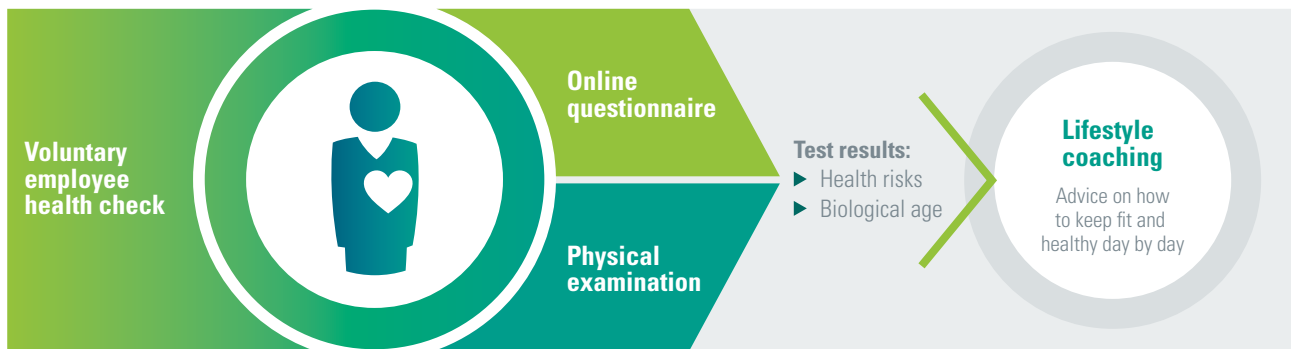
<sup>1</sup> Included in KPMG’s assurance scope.

### Diversity of employees in the Netherlands 2014<sup>1</sup> (in % by salary scale)



<sup>1</sup> Included in KPMG’s assurance scope.

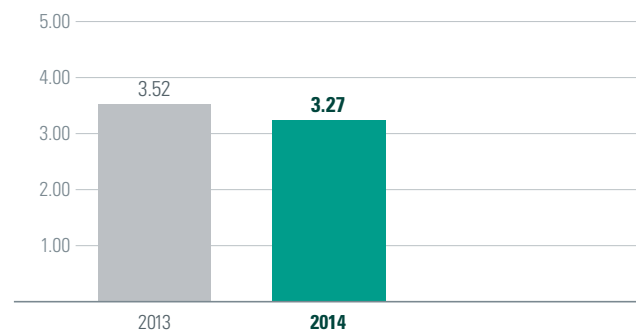
## The LEEFVitaal! programme



## Employee health and safety

ABN AMRO has a sound health and safety policy in place and encourages vitality among staff. This ties in nicely with our Top Class Employer strategy and our ambition to be 'Your best place to work'. To this end, we offer our employees a range of facilities to support their physical, mental, emotional and spiritual well-being. ABN AMRO defines the health and safety of its employees as something that we may not think about every day, but that impacts our daily lives. Healthy, safe and good working conditions enhance job enjoyment and reduce the chance of illness, accidents, injuries and damage. ABN AMRO seeks to offer its staff a safe and healthy working environment by providing the right conditions and by actively informing them how best to prevent health risks. A key initiative in this respect is our LEEFVitaal! programme in the Netherlands, which promotes awareness of the benefits of a healthy lifestyle to help staff keep fit and healthy. Employees are invited once every three years for a free, comprehensive health check, in which an online questionnaire and physical examination are used to keep track of health risks and biological age. Where necessary, we then coach our staff to help them improve their lifestyle. Other initiatives include a dedicated intranet site on health and vitality and our LEEFVitaal! 'markets', where employees can get more information and a free health check. Employees are also given the opportunity to take part in mindfulness courses and to order books on health and lifestyle using their personal Sustainable Employability Budget. Once every three years, employees receive an online questionnaire, the 'Balansmeter'. Using the results of this survey, employees who are at risk of sickness absence are identified and offered assistance. The bank regularly takes stock of the health and safety risks and evaluates its plans in this area every year. Absenteeism declined from 3.52% in 2013 to 3.27% in 2014.

## Absenteeism at ABN AMRO in the Netherlands<sup>1</sup> (in %)



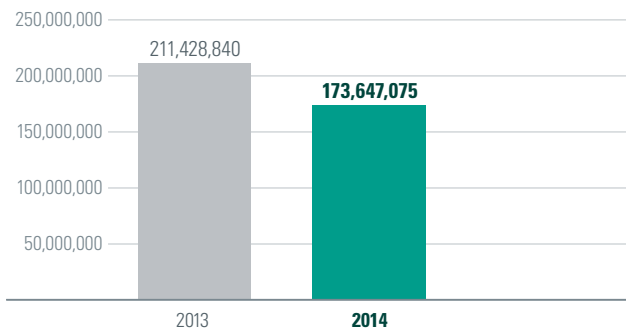
<sup>1</sup> Included in KPMG's assurance scope.

## Our organisation's environmental impact

The direct environmental impact of financial services providers is rather limited given the nature of their activities. ABN AMRO's impact on the environment consists primarily of the bank's energy consumption, CO<sub>2</sub> emissions and waste generation. We are concentrating our efforts on reducing our energy consumption and waste generation, and are using Dutch wind power by purchasing Guarantees of Origin. We track energy consumption and waste production at our branches and offices in order to make adjustments where possible. We improved our energy footprint in 2014, adding 53,097 m<sup>2</sup> to our A label floor space; another 64,497 m<sup>2</sup> of office space was BREEAM certified. This brings us to a total gross office area of 339,505 m<sup>2</sup> A label and 327,476 m<sup>2</sup> BREEAM on a total of 593,095 m<sup>2</sup>. In addition, we installed a dry-cooling system at one of our data centres, saving 15% on electricity consumption as well as 21 million litres of water on an annual basis.

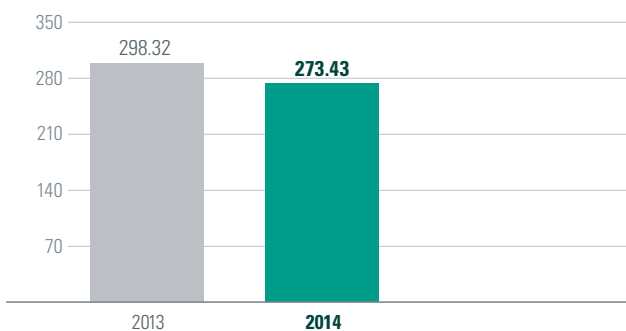
Our target for 2017 is to cut energy consumption by 20-30% compared with 2012 levels. The reduction achieved in 2014 was 31%. This was due in part to a mild winter and to building closures, and means that we have already reached our 2017 target. Making more efficient use of office space will certainly contribute to this. As of 2015, we intend to purchase 1 million cubic metres annually of biogas, a green gas supplied by Dutch farmers, for our own use. We are also committed to reducing our waste output. We did not meet our target for 2014, which was to cut waste by 10%. This was due to the fact that we are in the process of moving towards a new way of working, including further digitisation, and embarked on a large-scale clean-up project, which produced additional waste.

**Total energy consumption at ABN AMRO in the Netherlands<sup>1</sup>**  
(in kWh)



<sup>1</sup> Included in KPMG's assurance scope.

**Energy consumption per m<sup>2</sup> at ABN AMRO in the Netherlands<sup>1</sup>**  
(in kWh)



<sup>1</sup> Included in KPMG's assurance scope.



**Top Class Employer**

Our Top Class Employer strategy is designed to attract, retain and motivate the best people in three broad ways:

- ▶ To engage employees with ABN AMRO and its purpose, we have defined a corporate identity that projects a clearly recognisable image of the bank to employees, clients and other stakeholders. This identity encompasses our core values and business principles which are embedded in the performance appraisal cycle and the bank's HR policies.
- ▶ To help our people develop continuously, we are creating a Culture of Excellence in which employees are encouraged and enabled to grow their expertise and sharpen their skills. In addition to an ever-evolving training course offering for staff, we have an extensive leadership development programme which grooms managers to become inspiring leaders.
- ▶ To encourage employees to personalise their working conditions, we give them the autonomy to create their best place to work. Staff have the means to achieve a healthy work/life balance and to personalise their working conditions and benefits.

We evaluate our Top Class Employer strategy on an annual basis. For this, we track several metrics on themes like corporate identity, leadership, talent management and best place to work. Some examples of metrics are the following: our brand ranking, our overall score on engagement, our score on leadership qualities (deducted from our Employee Engagement Survey) and diversity numbers.

Further details of our HR approach and results can be found in our Annual Report and on our website [abnamro.com/career](http://abnamro.com/career)



## Inspire and engage our people – The Green Quest

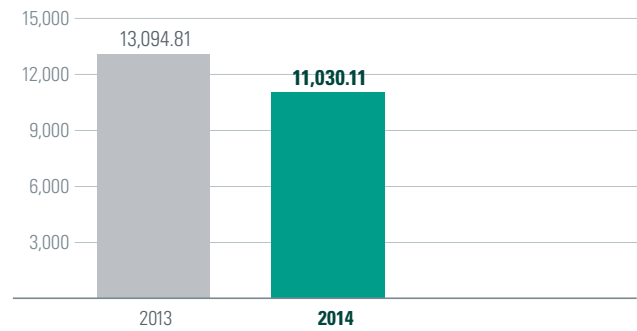


Our organisation can only be as good as the people who work there. We want to achieve a culture that stimulates and challenges our employees and gives them real input into shaping their own working environment. Involving our employees in our sustainability strategy is an important element in this.

The Green Quest is a specific example of a sustainability initiative. This joint project with FD Mediagroep, GDF Suez Energie Nederland, Cofely and SITA explores ways for ABN AMRO to create a more sustainable organisation. It not only benefits the environment, the project also creates direct opportunities for business. ABN AMRO set itself two goals before getting involved: firstly, we wanted to make our Alkmaar branch CO<sub>2</sub>-neutral so it could serve as an example for other medium-sized bank branches. In addition, we can use the acquired knowledge to the benefit of our commercial clients as well as our retail clients. Secondly, we wanted to acquire a 'BREEAM Excellent' certificate for our head office on Gustav Mahlerlaan in Amsterdam. These goals were carefully selected and will serve as an example for ABN AMRO's own premises and for other existing buildings. The potential is substantial: some 98% of current buildings in the Netherlands could be made more sustainable.

The Green Quest resulted in concrete recommendations relating to our two goals, including an air-to-water heat pump for the branch in Alkmaar and a step-by-step plan to achieve BREEAM certification in Amsterdam. We aim to achieve these aspirations in 2015.

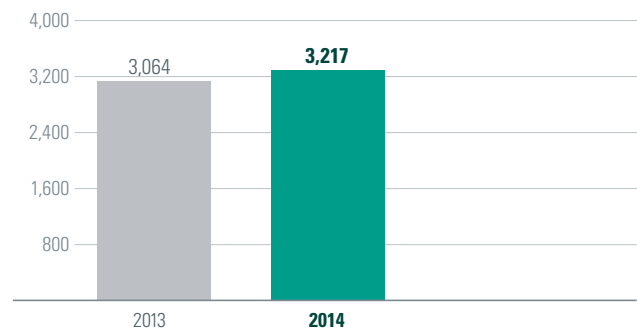
### Energy consumption per FTE<sup>2</sup> in the Netherlands<sup>1</sup> (in kWh)



<sup>1</sup> Included in KPMG's assurance scope.

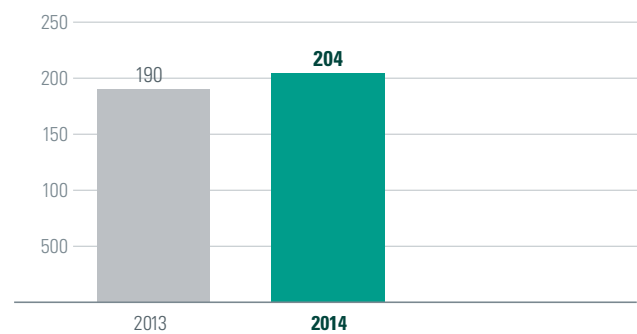
<sup>2</sup> The FTE figure used here refers to employment by ABN AMRO Bank and all subsidiaries served by Facility Management in the Netherlands.

### Total waste at ABN AMRO in the Netherlands<sup>1</sup> (in tons)



<sup>1</sup> Included in KPMG's assurance scope.

### Total waste per FTE<sup>2</sup> at ABN AMRO in the Netherlands<sup>1</sup> (in kg/FTE)



<sup>1</sup> Included in KPMG's assurance scope.

<sup>2</sup> The FTE figure used here refers to employment by ABN AMRO Bank and all subsidiaries served by Facility Management in the Netherlands.

# clients

## Clients' interests centre stage and sustainable relationships

ABN AMRO wants to build sustainable relationships and give top priority to putting clients' interests centre stage. This entails more than complying with rules and regulations. Society is demanding that we improve, and quite rightly so.



Number of client complaints about privacy

**50**



Net losses due to phishing and malware

**-34%**



Availability of our digital services

**99.44%**

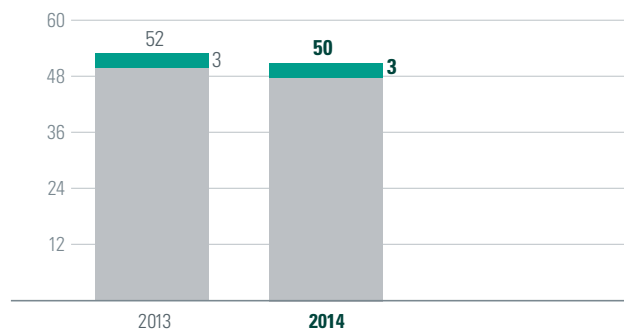
Client centricity is becoming firmly embedded in our corporate culture, but we are not there yet. In 2014 we introduced a number of initiatives designed to further serve our clients' interests. We actively involve our clients in developing and improving our services. Every product and service is examined to see what value it adds for them and how it contributes to building lasting client relationships. In so doing, we meet society's demand for transparency and clarity. We focus on providing transparent information, sustainable day-to-day banking and on services and products for carefree living.

Within these areas, we formulated goals on the material topics arising from the materiality analysis. To place our clients' interests centre stage and to actively work on sustainable relationships, we strive to guarantee the privacy and security of their financial transactions. With the growth of digital banking, the stability of our digital services is of increasing importance.

## The privacy of clients' financial transactions

ABN AMRO understands the importance of data protection in the provision of financial services to its clients. In the Netherlands, the bank is bound by the Dutch Personal Data Protection Act. In addition, the bank has committed to the Dutch Code of Conduct for the Processing of Personal Data by Financial Institutions. This Code was drawn up by the Dutch Banking Association and the Dutch Association of Insurers and was approved by the Dutch Data Protection Authority. The Code sets more specific rules, based on the Dutch Data Protection Act, which the banking sector has to abide by when processing the personal data of its clients. In 2014, ABN AMRO adopted Binding Corporate Rules (BCRs): a set of self-imposed rules written in consultation with and approved by the Dutch Data Protection Authority and subsequently ratified by the other European data protection authorities through a so-called mutual recognition procedure. As part of the implementation of the BCRs, ABN AMRO developed an internal policy, the ABN AMRO Personal Data Policy, which was formally approved in the Group Risk Committee in December 2014. The new policy sets basic global principles that have to be observed by all staff when processing personal data about clients and staff in order to protect their privacy. Publication and further communications are scheduled for the first quarter of 2015. Finally, a number of privacy aspects are touched upon in various other policies, in particular in the bank's Information Security policies. To evaluate our approach, we use a system for complaints handling with which we actively monitor complaints where the client's interest is at stake and where the client believes his or her privacy has been violated. For example, these complaints could come up in situations where the bank has provided client data to third parties without authorisation to do so, or where personal data have been made public. In 2014, we received 50 complaints on this issue; three of these were sustained.

## Client complaints about non-compliance with privacy guidelines by ABN AMRO in the Netherlands<sup>1</sup>



■ Complaints sustained

<sup>1</sup> Included in KPMG's assurance scope.

## The security of clients' financial transactions

The security of the bank's financial transactions touches on the security of our clients and of payments in general. Each of these aspects enjoys a high priority at ABN AMRO. Confidence in the payments system is an essential element of our payment strategy. What's more, the ability to use payment products safely is crucial to the continuity of economic transactions. Clients expect to be able to make payments any time, anywhere, both easily and securely. Security is a growing concern for clients in the digital age. Fraud is increasingly attempted online, using fake email (phishing), for instance, or malicious software (malware). We raise awareness among employees and clients on how to recognise and prevent fraud and we work actively with other major banks and police and justice departments to shield clients and financial transactions from crime.

### Working on security and awareness

We constantly invest in the security of payment products and processes. For example, two online cash management systems, Access Online and Access Direct, which offer our commercial clients a secure environment for managing their national and international payments and transfers, are ISO 27001 certified. ISO 27001 is an ISO standard for information security. If a client is nevertheless confronted with a fraud attempt, we ensure the incident is dealt with promptly and effectively. ABN AMRO uses its general terms, product terms, the information pages on its website and specific campaigns to keep clients informed about the risks of fraud. Banks in the Netherlands also warn their clients via the Dutch Banking Association (NVB) never to reveal their personal codes.

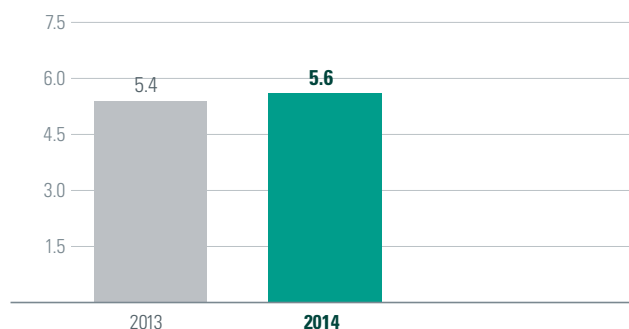


The measures taken have proved effective in the past two years: net losses due to phishing and malware were down 72% compared with 2012 for all the Dutch banks together. A further decline of 34% was reported in the first half of 2014 compared with the second half of 2013. The figures are reported jointly rather than by individual banks as the banks cooperate, through the Dutch Banking Association and the Dutch Payments Association, to guarantee Dutch society's shared interest in safe payments; they do not compete in matters of security.

## The stability of our digital services

The stability and availability of our digital services – such as online banking, mobile banking, iDeal and abnamro.nl – is an important part of our client offering, given the 5.6 million Internet Banking contracts we have. On a given day, we receive up to 378,000 visitors per hour, so any service outage immediately affects large numbers of our clients. We strive to identify solutions as quickly as possible and communicate transparently. Owing to large IT projects designed to enhance customer experience, the availability of our systems decreased by a small percentage compared with last year. Even so, we achieved an availability level of 99.44%.

### Internet Banking contracts in the Netherlands<sup>1</sup> (in millions)



<sup>1</sup> Included in KPMG's assurance scope.



## The Mortgage Care Team

ABN AMRO does not want its clients to worry about their mortgages. Some of them occasionally struggle, however, to keep up their payments, especially in a difficult economic period like this. We used to wait until clients came to us to seek advice. In 2013, however, we set up a Mortgage Care Team to approach clients proactively in the hope of preventing payment problems.

Clients in financial difficulty after losing their jobs or after divorce now receive financial coaching after one of our advisers has assessed the situation. In this way, we help our clients help themselves, with the result that 96% of them are able to solve their financial problems. In 2014, we proactively approached 40,000 clients and held nearly 8,000 coaching sessions.

Clients with payment problems or in arrears benefit from a professional approach. ABN AMRO's principle is that clients should stay in their homes in as many cases as possible, and that we will work with them to find a lasting solution.

## Mortgage policy

ABN AMRO mortgages facilitate private home ownership, making them an important element of our service to retail clients. We actively communicate with our stakeholders on our mortgage policy. In 2014, various stakeholders expressed concerns on aspects of the mortgage policy pursued by ABN AMRO and other Dutch banks. Together with our clients, we work out ways of avoiding residual debt. As a matter of course, we take account of our stakeholders' opinions and expectations when fine-tuning our policy.

Our stakeholder dialogue focused primarily on the residual debt issue, repossessions, the level of monthly payments and the margins banks earn on the sale of mortgages, due to a lack of competition. A number of stakeholders feel that ABN AMRO ought to accommodate clients who are no longer able to pay their mortgage, or who face the risk of residual debt. We are in discussion with the quarter or so of our clients who hold ABN AMRO mortgages about avoiding that situation. We also provide comprehensive information about residual debt on our website, which includes a module that clients can use to calculate their potential exposure. Existing clients can co-finance residual debt up to 115% of the market value. ABN AMRO also has a special arrangement for penalty-free repayment if the value of the property has fallen below the mortgage level. We engaged with our clients 230,000 times in 2014 with the aim of raising awareness and taking prompt action. ABN AMRO advises clients to contact the bank immediately in the event of changes in their financial situation, such as divorce or job loss. Financial coaches and the Mortgage Care Team also help clients with repayment difficulties. In 96% of cases, we managed to solve the problems of clients with payment arrears within six months. Repossessions are a last resort for ABN AMRO if, in spite of everything, we cannot find a solution to payment arrears.



## Inspire and engage our people – Implementing the Banker's Oath



We involve our employees in the implementation of our sustainability strategy, key elements of which are enhancing client centricity and transparency. Implementation of the Banker's Oath is a concrete example of how employees are involved in the implementation of our sustainability strategy and also supports the desired culture change within our bank and financial industry.

The Banker's Oath is a professional commitment in which people promise to perform their job honestly and diligently and that, in so doing, they will put the client's interests first. Bankers who take and sign the oath are subject to the disciplinary rules that apply to the banking industry. This means that, in the last instance, they will have to appear before a disciplinary committee in the event of a complaint.

The oath has been mandatory for all members of the Managing Board and Supervisory Board since 1 January 2013. The Dutch government decided in 2014 to extend the oath to all bank employees, with effect from 1 April 2015, with a transition period of one year. ABN AMRO endorses the goal of the Banker's Oath and so in 2014 our organisation opted to pursue the meaningful implementation of the oath among all our employees. This will further help us achieve the goal of being a sustainable bank, while increasing society's trust in the banking sector.

# society



## Using our financial expertise for the benefit of society

ABN AMRO is a leading bank with a social responsibility of which we are conscious. We are therefore committed to making a contribution to the quality of society, which is important to all our futures. As a bank that wants to contribute to a better world, we actively find ways to offer our financial expertise to society.



Times employees volunteered for the community

**11,811**



Number of social entrepreneurs receiving coaching

**40**



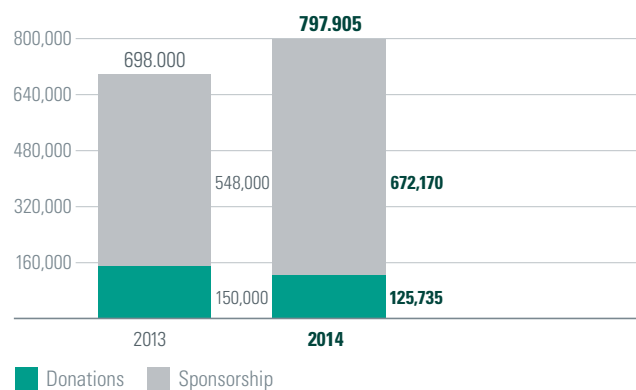
Percentage of clients recognising the sector focus in services offered

**88%**

We put our financial expertise to work in three areas:

- ▶ Partner of the Future: under our new strategy we help people discover their talents and achieve their ambitions, even when we don't have an immediate commercial incentive for doing so.
- ▶ Social entrepreneurship: we believe that value creation and sustainability go hand in hand, and we support entrepreneurs that try to realise this.
- ▶ Sharing sector-specific knowledge: we create expert knowledge on several sectors, and share these with our clients.

### Social sponsorship (in EUR)



## Partner of the Future

We launched the Partner of the Future strategy in 2014. This new strategy ties in with our desire to generate more social impact, and acts as a theme running through our activities. It enables us to more effectively steer the building of vision and expertise, and to help people in a more systematic way. A shared social theme brings departments closer together, pooling their strengths and unleashing their creativity.

Our focus within Partner of the Future is on sports, arts & culture, education, and entrepreneurship, and on identifying the links between them. We are developing programmes in all these areas in order to make a distinctive contribution to Dutch society. Meanwhile, we continue to attach as much value as ever to the initiatives of our employees themselves. We encourage ABN AMRO staff who want to volunteer, whether individually or as part of a team, to focus on one of these four fields, or a combination of them.

From 2015 onwards Partner of the Future will serve as the umbrella for all the activities of ABN AMRO Foundation and social sponsorship. This will make ABN AMRO's vision on society – and how it is expressed in distinctive, powerful and concrete activities – clear to employees, clients, social partners and other stakeholders.

In sports, ABN AMRO will sponsor the youth, women's and Saturday amateur teams of football club Ajax in Amsterdam from 1 January 2015. The contract was signed in November 2014. The partnership with Ajax fits perfectly in ABN AMRO's sponsorship policy of developing talent and building social partnerships.

Talent deserves a helping hand. ABN AMRO is a 'FairShare Partner' of the Fund for Special Needs Sports, which means we devote 2% of our total sports sponsorship budget to disabled sports like swimming, basketball and athletics. In the field of golf, for instance, we are the main sponsor of the ABN AMRO Disabled Open. We also organised the World Wheelchair Tennis Tournament, directed by four-time Paralympic gold medallist Esther Vergeer. This was the sixth time ABN AMRO has been involved with the tournament, held at the Ahoy arena in Rotterdam. Last year also saw us extend our principal sponsorship of the Richard Krajicek Foundation until 2016. The organisation creates compact, multi-purpose sports fields in disadvantaged areas, offering each local child the opportunity to take part in sport as close to home as possible, and to discover and develop their talents. We also support the Richard Krajicek Foundation's educational programme in which, in exchange for a study grant, students organise a hundred hours of sports and games activities in their locality. In addition to the grant, ABN AMRO supports the students by offering them coaching.

Arts and culture reflect our society. They are a driver of social progress and play a crucial part in the education of children, in recognition of which ABN AMRO sponsors a number of outstanding cultural institutions. As principal sponsors of the Hermitage Amsterdam, we have close ties with the KinderHermitage, which devotes considerable attention to education. We also offer young theatrical talent the 'Billy Grant', which trains pupils of the Billy School set up by Joop van den Ende Theaterproducties to play a role in the musical 'Billy Elliot'.

## Partner of the Future

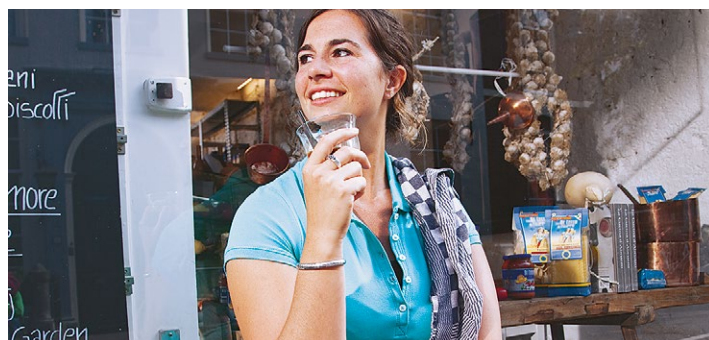


ABN AMRO wants to apply its vision of talent development to being a Partner of the Future in education. Developing talent may seem the obvious thing to do, but it isn't. The Netherlands does not have a culture that encourages people to say openly that they are good at something, that they have talent and ambition. ABN AMRO uses the new 'Trotskoffer' (bags of pride) concept to encourage the development of talent within primary education, by making children aware of who they are and what they can achieve. It challenges children, parents and teachers to address these issues and promotes self-esteem, confidence and respect for others. We launched the pilot in November and, if it proves successful, we will develop the teaching methodology in 2015. The 'Trotskoffer' was developed jointly by ABN AMRO Foundation, the publisher Blink Uitgevers, schools and educationalists.

Entrepreneurship is important for the future of our society and very close to our heart at ABN AMRO. Our position in the community enables us to identify important developments in this field and to respond to them. We coach talented young Dutch designers to help them achieve their entrepreneurial ambitions.

### Social entrepreneurship

Over the past years, ABN AMRO has been investigating several ways to contribute to society in a manner that suits the bank's values. A wide variety of small and large initiatives have been launched to work towards this goal. We both want and need to incorporate sustainability and social relevance into the bank's business model, as value creation for our stakeholders and ourselves go hand in hand with sustainability. By focusing on social entrepreneurs, we help entrepreneurs wishing to make a positive impact on society through a financially profitable business. For instance, ABN AMRO is one of the founding partners of Social Enterprise NL, the national platform set up to represent, connect and support social entrepreneurs. Over 40 social entrepreneurs were coached by ABN AMRO volunteers in 2014. In addition, ABN AMRO has a Social Impact Fund through which it makes EUR 10 million in funding available to social entrepreneurs.



### Oredits

ABN AMRO provides coaches to Oredits, the Netherlands' only microfinance organisation. Oredits helps new and established entrepreneurs launch or relaunch their ventures by providing them with business tools and personal coaching, not to mention working capital up to EUR 150,000. The coaches help evaluate their business plans and offer them a constant point of contact after the loan has been granted.



### Letterpret

'Letterpret' (fun with letters) is an ABN AMRO Foundation programme designed to increase children's pleasure and motivation in reading – a fundamental skill that is crucial to the development of talent. In 2014, bank employees volunteered as reading assistants, as narrators during 'National Read Aloud Day', and as writing coaches during the 'Letterpret' writing competition, for which children's author Janneke Schotveld challenged youngsters to come up with the end to an entertaining story. The competition, which attracted no fewer than 900 different endings, was supervised in schools by 104 bank employees. The young author of the best story won a supporting role in 'Superjuffie' – the film adaptation of one of Janneke Schotveld's books.



## International Children's Peace Prize

ABN AMRO has been a partner of the KidsRights Foundation since 2006. Together, we make the International Children's Peace Prize possible. We believe that everyone can contribute to a better world, and children are certainly no exception. The tenth International Children's Peace Prize was presented in 2014 to the 18-year-old American Neha Gupta. Neha's own organisation has already helped 25,000 vulnerable children. She inspires people of her own age all over the planet to contribute to a better world for children. The prize was presented by Desmond Tutu, the patron of KidsRights.

We have already made good progress towards our goal of achieving a leading position in Impact Investing. Social finance focuses on start-ups and small companies that seek to deliver a positive impact on society in a financially sound way. Here is what we have accomplished so far:

- ▶ **Social Impact Fund:** Equity investments in social entrepreneurs including Scope Insight, Big Move, Nudge, Energy Floors and TTC (previously called Text to Change).
- ▶ **Informal Investor Services (IIS):** IIS connects private banking clients and SMEs. Private banking clients invest in these entrepreneurs and often offer advice as well. ABN AMRO has the Netherlands' largest network of informal investors, and recent years have seen an increasingly strong focus on social entrepreneurs. In 2014 an investment was made in WhyDonate. And 9 February 2015 will see the launch of the first Social Impact Pitch Day during the World Tennis Tournament in Rotterdam. On this day, ten social entrepreneurs will be pitching their enterprise for a group of 100 potential investors from the IIS network.
- ▶ **Social Impact Bonds:** ABN AMRO has structured and co-financed continental Europe's first Social Impact Bond. In 2015 we will investigate whether the concept can be rolled out further to other municipalities and departments.

## Sharing sector-specific knowledge

In 2014, we further built on our sector approach within Corporate Banking based on fifteen different sectors. Most Corporate Banking clients now work with a relationship manager specialised in their industry, enabling us to support them with industry-specific knowledge and advice. We also use our in-depth knowledge of specific industries to more effectively embed sustainability in our clients' business operations. As part of our sector approach, we organised almost 70 masterclasses in 2014, after which we set up nation-wide virtual and physical sector teams. During the masterclasses 500 relationship managers sharpened their industry knowledge. The training programme highlighted key issues that are at play and how relationship managers can use the sector-specific approach to better support their clients. The structure of the sector teams ensures that their knowledge remains up to date.

As a result of this organisational adjustment, just under 80% of our Corporate Banking clients were assigned a new relationship manager last year, which meant a short-term dip in general customer satisfaction. The sector-specific approach will help us, however, to serve our clients more effectively in the long term. Based on experience gained in other client segments, we expect that customer satisfaction will improve again.

ABN AMRO's sector-specific approach is increasingly manifested in its services and communication, and clients recognise this. A client survey held among our large corporate clients in December 2014 showed that 88% of ABN AMRO's clients feel that the bank's sector focus is reflected in the services it offers. The fact that this approach is recognised as such is due also to the way in which it is communicated to clients. No fewer than 92% of the respondents said that this was the case in their communication with ABN AMRO. This is much higher than it was in 2013 (69%). A clear majority also felt that their relationship manager applied a sector focus.



## Inspire and engage our people – ABN AMRO Foundation



We offer support through the commitment and expertise of our employees. This expertise may be financial, but it can also be in the field of coaching or entrepreneurship. Our employees volunteer for the

ABN AMRO Foundation as well as for our social sponsorship activities. They were active through the Foundation on 11,811 occasions in 2014. Our employees put in 39,207 hours as volunteers, bringing them into direct contact with 30,273 people from various social target groups. The ABN AMRO Sponsorship Monitor detected in 2014 that the bank's image in society is improving as a result.

# services



## Sustainable finance and investment services

Responsibilities related to human rights, health and safety, and the environment are an increasing focus for businesses, both nationally and internationally. More and more companies are recognising the benefits of addressing these topics within their own organisation or chain. ABN AMRO is convinced that focusing on sustainability delivers added value.



Sustainable assets under administration in EUR millions

**5,399**



ESG criteria for all investments



Number of cases explicitly focused on human rights

**167**

The biggest contribution we make to society is increasing the sustainability of our finance and investment services and offering sustainable products and services. In this way, we do not only meet our clients' needs, but we also limit risks and find new business opportunities. Sustainable financial services are becoming ever more important. We see growing demand among our clients and there is an increasing awareness of the material influence sustainability has on financial performance and risk.

### Policy framework

ABN AMRO's approach is geared towards corporate lending on the one hand, and to investment services, mainly to private clients, on the other. In the case of lending, we service companies that satisfy our environmental, social and ethical standards (ESE). For investment services we apply environmental, social and governance criteria (ESG) to assess potential investment opportunities for our clients. In both cases, the criteria have been defined based on international



treaties and voluntary agreements like the UN Global Compact, the OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights and the standards of the International Labour Organisation (ILO).

Working with companies that fail to comply with the ESE and ESG criteria could have far-reaching negative consequences for us. So we are steadily integrating these criteria into our decision-making processes. Defining ESE and ESG criteria and consistently incorporating them in our policies enables us to actually execute the policies we have in place. We will address this in more detail in the following sections. We are at the same time creating bank-wide awareness of the importance of the non-financial performance of companies.

The policy framework is not static. We develop new policies or adjust existing ones if and when needed. We are always open to the views of other parties, for example if they feel that we are not living up to our own standards or that our standards need to be raised. We also fine-tune our policy if our approach shows any gaps or if new developments occur. Our core activities, financing and investment services, require different approaches. We will describe these different approaches below.

When does a transaction or investment opportunity meet our sustainability criteria? While we apply our policies in this process, we sometimes need to make judgements. This may confront us with dilemmas, which we frequently explore through dialogue.

### Sustainability Risk Management

As an element of the bank's 'three lines of defence' model, ABN AMRO has a policy framework in place to manage sustainability risks. The Sustainable Risk Management Policy is the overarching document, which covers most of our activities varying from procurement to client acceptance and product development. Client acceptance is crucial to our approach to managing sustainability risks. We have instruments in place to identify potential breaches of sustainability principles and we do not do business with companies that are not willing to, or capable of running their business responsibly. Also, we refrain from engaging in business activities that are illegal or that we consider to be substandard or unethical. These activities are specified in the Exclusion List, part of our Sustainability Risk Management Policy. For the Exclusion List, see [abnamro.com/en/sustainable-banking/sustainability-policy](https://abnamro.com/en/sustainable-banking/sustainability-policy)

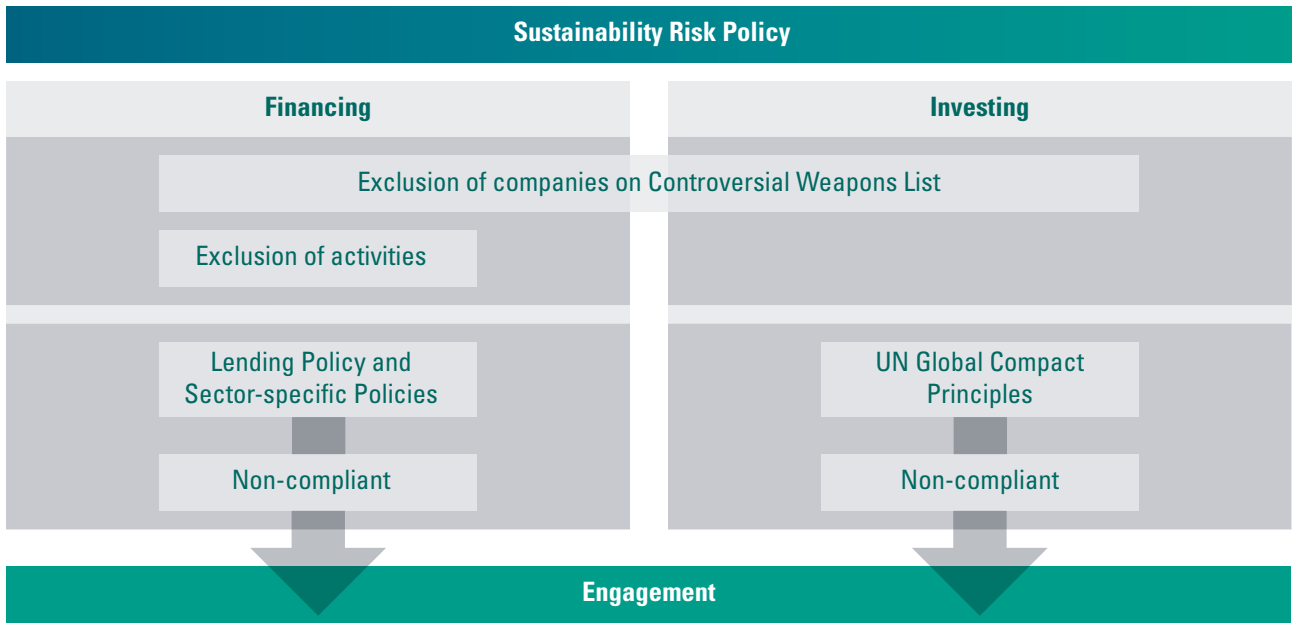


## Guarantees

ABN AMRO has an extensive policy framework for managing sustainability risks. In the understanding that sustainability risks differ from one industry to another, our clients and the transactions we do in sensitive sectors need to meet sector-specific sustainability requirements. This notion is crucial when assessing whether a client has a handle on potential environmental and social risks and can operate in accordance with our standards. We decide whether or not to accept a company as a new client by first asking them the right questions. We do the same as part of our credit application procedure, and we repeat this during the course of our relationship with clients. This procedure works best for loans requested for transactions or projects that have been described in detail in advance.

However, the details of certain products, such as bank guarantees, are usually not known in advance. At a client's request, for example, we may provide a guarantee that our client will pay a supplier. While this is, in fact, a type of credit, we often do not know what the guarantee will be used for. This may mean that we cannot know for certain that the guarantee will not be used for activities that conflict with our sustainability policy, even after careful prior consideration and despite our policy framework. This is a complex matter. We have not yet come up with a watertight solution but we are in the process of enhancing our understanding of the impacts of these types of services.

## Policy framework



## Sustainable financing

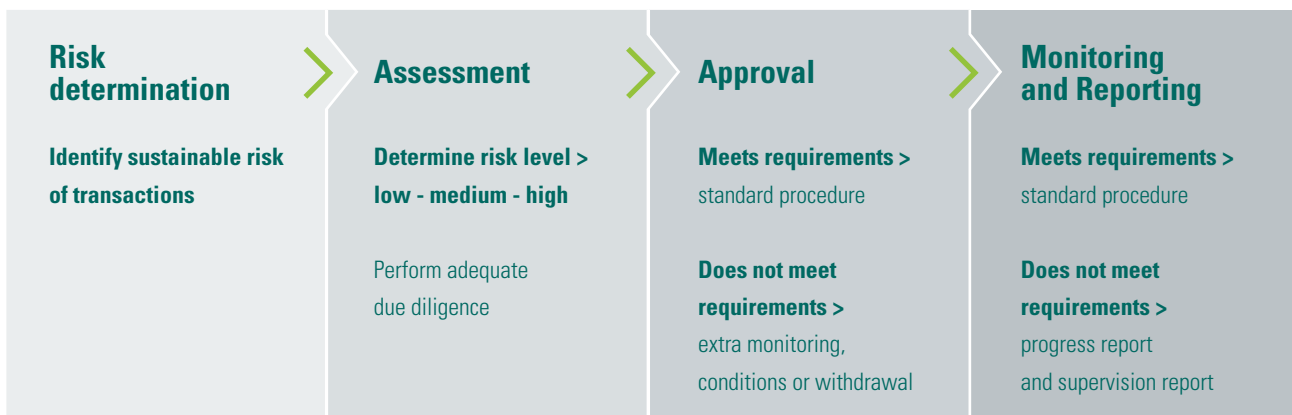
We believe that doing business with companies and other professional parties requires a responsible approach. To start with, we need to decide whether we want to set up a business relationship with them in the first place. Next, we assess specific transactions for our clients. As a matter of course, we include environmental, social and ethical criteria in our standard financial assessment process. In this way, we can identify potential sustainability risks and determine whether they can be adequately managed. If the expected risks are higher, we increase our efforts and we require our clients to put in place better sustainable risk management procedures. We assess our business partners based on their commitment, capacity and track record in dealing with sustainability challenges.

This means that we may decide to accept transactions with a high risk profile that pose sustainability issues. In cases where our criteria are not met, we explore possibilities for improvement. We do this through open dialogue, by addressing and discussing these matters and, where necessary, negotiating improvements. We do not provide financing unless our conditions for improvement have been accepted.

## Industry-specific policies

Sustainability impacts differ strongly from industry to industry. Some industries face greater sustainability risks than others and the nature of the risks they face vary as well. We put policies in place many years ago for the industries with the highest sustainability risks.

## ESE policy



We review existing policies regularly and draw up new policies in response to developments in society. In 2014, we approved new industry-specific policies for energy, real estate and manufacturing.

- ▶ **Energy Policy** – Our policy for the energy industry received Board approval in early 2014. It covers all aspects of energy generation, including topics like shale gas extraction, nuclear energy, drilling for gas and oil in the North Pole region and new coal-fired power plants. The policy was implemented in the course of the year. It is explained in more detail on our website [abnamro.com/en/sustainable-banking/sustainability-policy/sector-specific-policy](http://abnamro.com/en/sustainable-banking/sustainability-policy/sector-specific-policy)
- ▶ **Real Estate Policy** – We also developed our sustainability risk policy for the real estate sector in 2014. This policy focuses primarily on clients and activities in the Netherlands, where the majority of our operations in this field are concentrated. The key sustainability elements in the policy relate to real estate valuations and the avoidance of vacancies in certain regions. Implementation is scheduled for 2015.
- ▶ **Manufacturing Policy** – In 2014, we also drew up a policy for the manufacturing industries, which are characterised by complex processes and a variety of labour-intensive chains. The policy will be implemented in full in 2015.

In 2014 we revised our Equator Principles Implementation Policy in response to the introduction of Equator Principles III, the second amendment of the original guidelines introduced in 2003. The expanded scope of the revised Principles includes additional requirements regarding client reporting and project-related corporate loans and bridge loans.

We are now in the process of revising our Defence Industry Policy. The complexity of the field and ongoing developments have made us decide to complete the revised policy in the course of next year.

Implementing these policies requires the participation of all parties involved. To this end, we train our own staff, as well as informing and supporting our clients. In 2014 we published a Sustainable Fashion Guide to help our clients integrate sustainability into their business practices. The guide was very well received. We will draft reports for each sector in 2015, including sustainability as an integral part. Globally, ABN AMRO is one of the leading banks in the diamond business. We have developed a comparable guide for this sector and will launch it in January 2015.



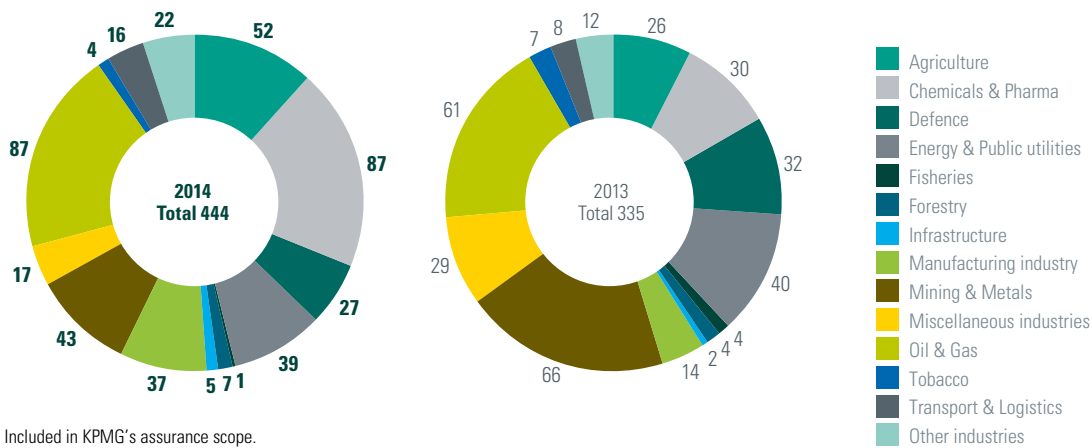
## Policy development & approval: Real Estate Clients

New policies and amendments to existing policies require approval by the Group Risk Committee. Prior to that, all policies go through a fixed process of internal and external consultation. A recent example of a successful policy development and approval process is the sustainability policy for Real Estate Clients.

In mid-2013, our Real Estate Clients and Sustainable Banking departments identified the relevance of sustainability in the real estate sector. They did so in response to several successful financing agreements for sustainable buildings and a growing body of research citing the positive influence of sustainability on asset value, operating costs, rental rates and occupancy rates. The two departments then decided to team up to formulate a policy. The first step was to engage with a wide variety of stakeholders: clients, industry associations, industry experts and NGOs. Based on their input, a preliminary version of the policy was drawn up, which was then submitted to the Real Estate Clients Management Team. They expressed their commitment to sustainability and approved the further development of the policy at the beginning of 2014. Based on further consultation of both external and internal real estate experts, the document was completed and sent for approval to the Business Risk Committees. The Group Risk Committee approved the policy in mid-2014, after receiving positive advice from these committees.

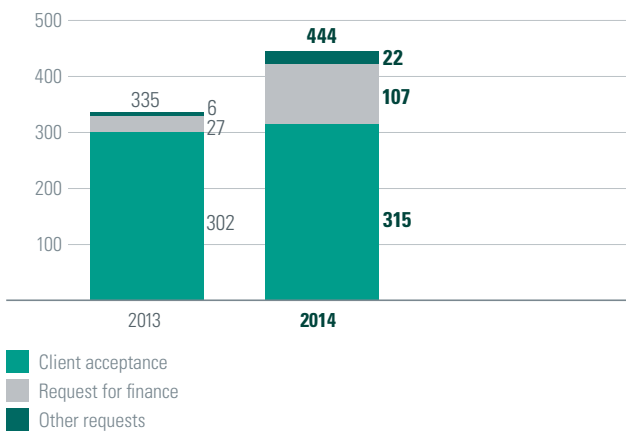
The fact that the policy was a joint effort of the Real Estate Clients and Sustainable Banking departments, with input from both external and internal stakeholders, was key to obtaining internal commitment and approval. Sustainable Banking will seek similar cooperation with relevant business lines for all new policies and future amendments to existing policies.

**Global advice provided by the central sustainability department<sup>1</sup>**



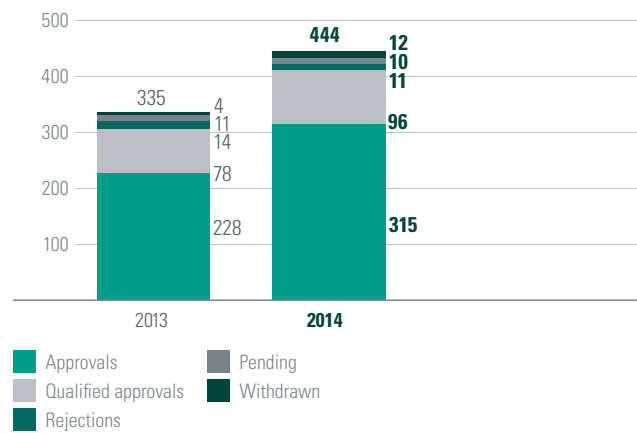
<sup>1</sup> Included in KPMG's assurance scope.

**Type of advice<sup>1</sup>**



<sup>1</sup> Included in KPMG's assurance scope.

**Conclusion of advice<sup>1</sup>**



<sup>1</sup> Included in KPMG's assurance scope.

**Safeguarding human rights**

Our Human Rights Statement is in line with the UN Guiding Principles on Business and Human Rights. It is based on the idea that these universal rights should be viewed from the perspective of the individuals who hold them – the rights-holders. Often, however, the rights-holders are located at some distance from the bank. It is the companies we provide loans to that have direct contact with them. Of course, the same holds for the companies our clients invest in. It is important that we understand the way these companies conduct their business. We assess their performance in terms of health and safety and employee remuneration. The assessment includes a review of the way the companies impact and interact with their external stakeholders, in particular local communities and their suppliers. In 2014 we specifically addressed human rights issues in 167 sustainability assessments, i.e. well over one third of all our assessments. We know that some of our corporate clients are part of long and complex supply

chains. In light of the changing views on human rights, we are in the process of deepening our understanding of these chains and are assessing the supply chains in fashion, diamonds and cocoa. We selected these industries because of the bank's leading position in these markets and the pressing sustainability challenges they face, in particular in the area of human and labour rights. In the future, we intend to develop similar approaches for all commodities in which we have a strong market position. Our initial focus will be on metals.

We work with organisations like Shift and within the UNEP Finance Initiative to determine how we can obtain the right information and how we can increase our leverage. Shift is a leading centre of expertise on the UN Guiding Principles on Business and Human Rights and an independent, non-profit centre for business and human rights practice. It helps governments, businesses and their stakeholders put the UN Guiding Principles into practice. We actively train

our people in the field of human rights, often in conjunction with coaching in other areas. In December 2014 we organised our first human rights conference, in cooperation with the Gay Bankers Network, for around a hundred bankers and clients on the 'Protect, Respect and Remedy' framework. Among other presentations given, Shift discussed the implications of the Guiding Principles for a financial institution like ABN AMRO, and we presented the first results of an assessment of our involvement with the impact of human rights in the supply chain of cocoa products and how we can use our leverage to help bring about change. We will reaffirm our focus on human rights in December 2015, when we will again be organising a conference on this theme. As a co-host of the Banks and Civil Society meeting in September, we invited several speakers to highlight the importance of assessing human rights issues when deciding whether or not to do business with certain players.

### Engaging with clients

When providing loans to clients, we incorporate environmental, social and ethical criteria in the credit approval process. In some cases, we reach the conclusion that the criteria have not been met. At other times, we receive new information about how our existing clients conduct their business. In these cases we enter into dialogue with them to gain a solid understanding of the situation. If necessary, we demand sustainability improvements, which we incorporate in the loan documentation if possible. It may take several years to reach the desired result. We regularly monitor and discuss progress with each client, and then decide on a case-by-case basis how to take the engagement process forward. If we are not able to enforce improvements, we will ultimately withdraw. Our focus is on our larger clients and large transactions. From 2015 onwards, progress on the results of engagement with clients will be monitored by the Investment Engagement Committee.

### Sustainable investment

ABN AMRO provides investment services to retail and private banking clients. We offer three main service concepts for investments: execution only, investment advice and discretionary portfolio management. Our influence on the sustainability of investments is limited in execution only and dominant in discretionary portfolio management. Sustainable assets under administration accounted for EUR 5,399 million in 2014 and we aim to increase that in the future. In 2014 we started developing the Sustainability Risk Policy and the Sustainable Investment Policy for Investments, with a focus on the systematic integration of environmental, social and governance (ESG) criteria.



## Diamond and Jewellery Sector

ABN AMRO has been active in this sector for more than a century. Our Diamond and Jewellery Clients team (D&JC) puts sustainability at the heart of its strategy, which we are deploying in three phases. The first phase began in 2013 and focused on raising the knowledge and engagement of our own staff. In 2014, we concentrated on client dialogues to help us create a mutual understanding of the issues, activities, progress and initiatives with regard to sustainability. ABN AMRO's sector experts offered their own insights, while learning from our clients' knowledge and best practices. ABN AMRO finances all the links in the chain, apart from the mines, and so our service is based on an international value chain perspective. Our clients range from multinationals to small traders – differences in scale that mean some clients have more resources than others to implement a sustainability strategy. Specific requirements, such as those relating to overtime, would have to be amended per segment in the value chain, including the different national laws and regulations. The dialogue also showed how much is going on right now in terms of sustainability, and the steps that are being taken in the industry. A guide including best practices – the 'Sustainable Diamond & Jewellery Guide' – will be published in January 2015 to help shape the client dialogues.

During the third phase of implementation in 2015, we will turn our attention to even stricter monitoring of the sector's progress in the area of sustainability. Transparency can play a key role in the future of the industry and is one of the main topics we will be assessing. By explaining the benefits of sustainability we try to provide clients with practical tips on how to make their business more sustainable and thus viable in the longer term.

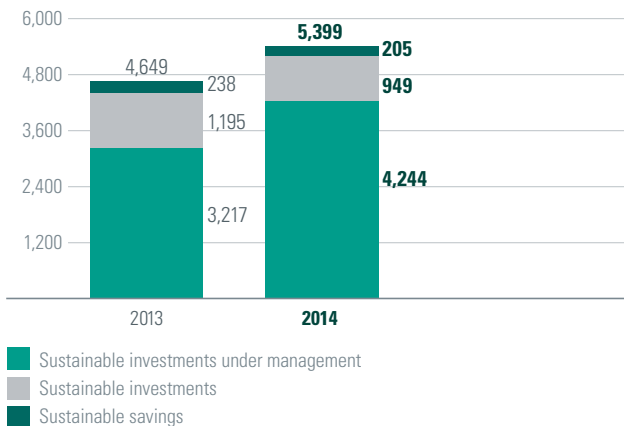


## Employment conditions in Saudi Arabia

A Dutch construction company, a client of ours, is working on a mining project in Saudi Arabia. The workers employed on the project are migrant workers recruited in South-East Asia. As the work is performed in continuous shifts the employees work long weeks. The question was whether the working hours were in line with international conventions that safeguard workers' physical and mental health. We enquired with the client about their working conditions, particularly in terms of working hours.

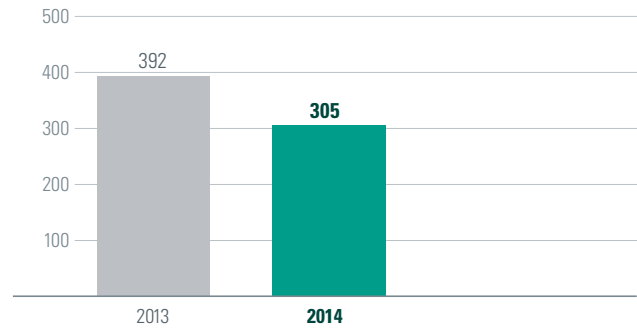
We also approached the International Labour Organisation (ILO) to find out what the standards are in this regard. We then engaged with the client and verified that its employment contracts are in line with the international conventions of the ILO, in particular the Hours of Work Convention.

### Total sustainable assets under administration<sup>1</sup> (in EUR millions)



<sup>1</sup> Included in KPMG's assurance scope.

### Sustainable financing 'Groenbank'<sup>1</sup> (in EUR millions)



<sup>1</sup> Included in KPMG's assurance scope.

### Mainstreaming sustainability in our investment services

It is our ambition to integrate sustainability firmly in our overall investment process. Our main focus is to limit risks for our clients and ourselves. To this end, we have developed an approach for all three main service concepts (execution only, advisory and discretionary portfolio management). In the provision of investment services, our clients ultimately take the decisions regarding their investment portfolios. We influence the composition of their assets, but our impact in the area of investments is smaller than in our lending services, where we can decide on the allocation of our own capital.

In 2014 we asked our preferred investment fund suppliers with global distribution contracts to sign the United Nations Principles for Responsible Investment (UNPRI). It is our ambition to work with UNPRI signatories only.

We set up a special Investment Engagement Committee (IEC) in 2012 to draw up criteria for the positive selection or exclusion of companies from clients' investments and to decide which individual companies meet these criteria. One of the IEC's criteria concerns the production and/or distribution of controversial weapons. Since the establishment of the IEC, ABN AMRO has been using a Controversial Weapons List. Companies that feature in the list are excluded from all the bank's investment services. In 2014, we discontinued a major distribution relationship with one of our investment fund providers as we were unable to receive sufficient assurance that their funds would be compatible with our controversial weapons approach. In addition, we have started making sustainability research available to our clients. In 2015 we will introduce a new version of the Sustainability Indicator, based on the revision process completed in 2014.

To further broaden the scope applicable to all our investments, we aim to set a threshold for investments in line with the principles of the UN Global Compact. In 2014, we developed an approach for this purpose and we are cooperating in this field with Sustainalytics, a responsible investment research firm specialised in ESG research and analysis. We have established a methodology for the exclusion of companies, for engagement with companies and for preferring front-running companies in our investment services.

From 2015, the IEC will decide which companies will be excluded from our investment universe if they significantly breach the UN Global Compact Principles. However, in line with our Sustainability Risk Policy, we will in virtually all cases first seek to bring about improvement rather than immediately resorting to exclusion. This means that we will initiate a dialogue with these companies with a view to solving existing breaches and preventing future ones.

The IEC will decide whether or not to start engaging with these companies. If they are our clients, we will conduct the engagement ourselves. In all other cases, we will call in the expertise of a specialised engagement organisation. We have selected a partner for this purpose and expect to start using their services in the course of 2015. The Investment Engagement Committee will monitor progress in this area.

## Sustainable banking products and services

ABN AMRO seeks to offer clients products and services that have a positive, sustainable impact on society. In this way, we help mobilise capital for businesses with a sustainable character, while also facilitating environmentally friendly projects and homes. This enables us to integrate sustainability into our core business.

### Sustainability mandate

In discretionary portfolio management, we have been offering a specific sustainability mandate for many years now. The mandate is based on a selection of leading large companies and pioneering smaller companies that integrate sustainability in their core business processes. Given the 31.9% growth we saw in the mandate in 2014, it is clear that it meets an increasing demand for sustainable investments among our clients.



## StartGreen Capital

ABN AMRO Participaties NPE Fund B.V. is a shareholder in the StartGreen Capital investment funds, through which it finances young, clean-tech companies. Venture capital is a crucial source of funding for entrepreneurs engaged in sustainable innovation, as they can encounter great difficulty in raising capital through other means during the early stages of their development. Since its establishment in 2006, StartGreen has developed a portfolio of 14 investments, several of which have since been successfully exited.

In 2014, StartGreen concluded the successful management buy-out of Falckstaete B.V., which provides IT infrastructure and services to sustainable energy firms. Falckstaete has developed an ICT platform and back-office facility – the Falckstaete Energy Administration System – to enable producers of distributed energy, such as individual farmers, to supply their energy directly to the open market. Opportunities in this regard are currently limited. Under the Falckstaete system, producers can achieve a price advantage in the order of 10-30% of their own distributed generation, enabling them to earn back investments in this area over a broad range of wind, solar and biomass more rapidly.



## Inspire and engage our people – We Sustain



We organised the We Sustain programme in 2014 as part of our efforts to inspire and engage people in the area of sustainability.

The programme's objectives were to:

- ▶ raise awareness of our sustainability vision among Corporate Banking employees;
- ▶ kindle our employees' enthusiasm by highlighting the opportunities offered by the sustainability theme;
- ▶ foster understanding of why sustainability is essential to society, our clients, the bank and, of course, our employees;
- ▶ generate new ideas and innovations that can be applied on behalf of Corporate Banking clients;
- ▶ add sustainable products and services to our product suite.

The We Sustain programme offered a way of informing and inspiring all 4,500 Corporate Banking staff and giving them an opportunity to come up with new sustainable solutions to better serve our commercial clients. The interactive programme ran for three months, during which Corporate Banking staff were given a great deal of information about sustainability trends and innovation techniques. They are now better able to talk to clients about sustainability and to assist them in this area. The ideas generated during this programme are currently being explored.

## Project finance

A dedicated team has been set up to focus on the development of funding and investments of this kind. We support a range of green projects, such as the financing of the Gemini wind farm. ABN AMRO is committed to supporting green energy projects, and provides financing for its clients' projects. In 2014, a meaningful portion of ABN AMRO's Project Finance portfolio consisted of renewable energy projects, including a small wind farm (30 MW) on the Caribbean island of Aruba, two wind farms (76 MW total) in the United Kingdom, and the offshore Gemini wind farm (600 MW) in the Netherlands. Gemini, the world's second largest offshore wind farm project, is currently under construction and should be fully operational in 2017. It will then supply green energy to approximately 785,000 households. Its financing was the largest project financing of a wind farm to date.

Other deals in 2014 include the financing by ABN AMRO Lease of a sustainable cold-storage warehouse in the town of Urk, a new boiler for a biomass power centre and the financing of compressed natural gas (CNG) stations and EUR 9.5 million in funding for hybrid cars.

## Green bonds

In 2015 we will intensify dialogue with both issuers and investors for the introduction of sustainable 'green bonds'. Green bonds create the perfect opportunity to connect sustainable business with dedicated investor demand. The process towards the issuance of green bonds is set to intensify discussions with clients on sustainability criteria and will give ABN AMRO the opportunity to hold strategic discussions on sustainability. They will provide funding alternatives and attract new dedicated Socially Responsible Investors, enlarging the investor base for clients.



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# Independent Auditor's Assurance Report

To the readers of the Sustainability Report 2014 of ABN AMRO Group N.V.

## Our conclusion

We have reviewed the indicators marked with 'Included in KPMG's assurance scope' in the Sustainability Report 2014 (hereafter: The Selected Indicators) of ABN AMRO Group N.V. (hereafter: ABN AMRO).

Based on our review, nothing has come to our attention to indicate that The Selected Indicators are not presented, in all material respects, in accordance with the reporting criteria.

## Basis for our conclusion

We conducted our review engagement in accordance with the Dutch Standard 3810N: 'Assurance engagements relating to sustainability reports'.

Our responsibilities under Standard 3810N and procedures performed have been further specified in the paragraph titled '*Our responsibility for the review of The Selected Indicators*'.

We are independent of ABN AMRO in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO) and other relevant independence requirements in The Netherlands. Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Observations

Without affecting the conclusion presented above, we would like to draw the readers' attention to the section Sustainability strategy, which explains that ABN AMRO aims to receive assurance on the complete report in the coming years. In future reports, ABN AMRO intends to increase their focus on material aspects and related key performance indicators (KPIs) based on the four pillars of their sustainability strategy. To date the key performance indicators and targets are not yet fully integrated in the planning and control cycle. Accordingly we recommend ABN AMRO to complete this integration process within the coming financial year.

## Responsibilities of the Managing Board for The Selected Indicators

The Managing Board is responsible for the preparation and fair presentation of the Sustainability Report in accordance with the Sustainability Reporting Guidelines G4 of the Global Reporting Initiative supported by internally developed guidelines as described in the appendix 'Basis for Reporting' of the Sustainability Report 2014. It is important to view the information in the Sustainability Report in the context of these criteria. We believe these criteria are suitable in view of the purpose of our assurance engagement.

As part of this, the Managing Board is responsible for such internal control as it determines is necessary to enable the preparation of The Selected Indicators that are free from material misstatement, whether due to fraud or error.

## Our responsibility for the review of The Selected Information

Our objective is to plan and perform the review assignment in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

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.

The following procedures were performed:

- ▶ 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 Selected Indicators in the Sustainability Report, including the consolidation of the data.
- ▶ Interviewing management and relevant staff at corporate level responsible for sustainability management and reporting.
- ▶ Interviews with relevant staff at corporate and business level responsible for providing The Selected Indicators, carrying out internal control procedures on the data and consolidating The Selected Information.
- ▶ Evaluating internal and external documentation, based on sampling, to determine whether The Selected Information in the Sustainability Report 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 related to The Selected Indicators.

During the assurance process we discussed the necessary changes of The Selected Information and reviewed the final version of The Selected Information to ensure that it reflects our findings.

Amsterdam, 19 March 2015

**KPMG Sustainability,**  
Part of KPMG Advisory N.V.  
**W.J. Bartels RA, Partner**

## Basis for reporting

We publish this Sustainability Report for everyone who is interested in ABN AMRO and its sustainability performance. This is a diverse group of stakeholders, as shown in the appendix Stakeholder dialogue. The appendix provides details about the main stakeholders with whom we engaged in the past year and the issues discussed. The bank's stakeholders include clients, employees, investors, shareholders, NGOs and sustainability rating agencies. Our goal is to present a clear, compact report that highlights the issues that our stakeholders find most important.

This means that not all sustainability information available about ABN AMRO has been included in this report. Additional information is posted on our website, including various policy papers setting out our sustainability policy, governance, compliance and other matters relating directly to sustainability. Note that all sustainability information available on our website forms part of our sustainability reporting about 2014.

This sustainability report covers the period from 1 January 2014 to 31 December 2014. Unless specified otherwise, it sets out the results for the entire ABN AMRO organisation worldwide.

### Reporting standards

In order to better accommodate our stakeholders, we have selected the issues they would like to see addressed in our sustainability report, taking the GRI G4 reporting standard (including the Financial Service Sector Supplement) as our guideline. By implementing GRI G4 we have further improved the quality of our report. An overview of the GRI indicators is contained in our GRI Index and can be found at [abnamro.com/en/sustainable-banking/reporting](http://abnamro.com/en/sustainable-banking/reporting). Other relevant information is presented in our Annual Report and on our corporate website. We have drawn up this report in accordance with the GRI G4 Core guidelines.

This year's sustainability report revolves around our long-term sustainability strategy. It presents topics considered to be material by our stakeholders, supplemented with information that we at ABN AMRO wish to bring to the reader's attention. This means presenting a detailed account of selected new topics while providing only a cursory review of certain subjects addressed in previous reports. This is inherent to the approach opted for. Most of the information not included in this year's report can be found on our website.

### Data collection

All the bank's business lines are closely involved in the reporting process. They report on their sustainability performance both internally and externally, and in both quantitative and qualitative terms. As far as quantitative data are concerned, this report only presents information that is directly or indirectly related to a specific material issue. While this year's report contains fewer quantitative data, the quantitative information that has been included is highly relevant.

Most of the data in the figures in this report have been verified by an external auditor. Instances where this is the case are indicated in the text. Our focus on requesting verification of data relating to material topics brings us a step closer to a fully assured report containing material topics that are in line with our long-term sustainability strategy.

In order to ensure continuity, we present a comprehensive set of quantitative data online. To view this supplementary information, go to [abnamro.com/corporatereporting](http://abnamro.com/corporatereporting).

### The future

Our goal going forward is to present a fully assured report that will bring us a step closer to meeting our stakeholders' wishes every year. We are making every effort to formulate our internal quantifiable targets in alignment with the wishes and demands of our external stakeholders. In this way, ABN AMRO will seek to steer its organisation towards a more sustainable future.

# Stakeholder dialogue

## Stakeholder dialogue: sustainability issues discussed and outcome

Name of stakeholder	Form of engagement	Issues discussed	Outcome
<b>Civil society organisations</b>			
Amnesty International	Face-to-face contact	Implementation of human rights policy, especially in international business	Ongoing dialogue on human rights, knowledge sharing, receiving input for ABN AMRO's own human rights policy
Banktrack	Written contact	ABN AMRO's sustainability policies	Knowledge sharing about ABN AMRO's sustainability policies and their implementation
Circle Economy	Participation in research	Circular economy in the building and construction industry	Report: The foundations of a circular construction sector
Client advocacy groups	Written contact, face-to-face contact	Issues related to consumer protection, group compensation claims regarding specific financial products and services (mortgages, consumer loans, commercial loans, interest swaps etc.), financial restructuring	Exchanging views on the sale of specific financial products and services/review of compensation claims
Consumentenbond (Dutch Consumers Association)	Written contact, face-to-face contact	Issues related to consumer protection (putting the client's interests first, quality and costs of financial products and services, payments, online banking, mortgages, insurance, big data and privacy etc.)	Knowledge gathering/receiving input for ABN AMRO's policies, products and services; knowledge sharing about ABN AMRO's retail banking products and services; dialogue on developments within ABN AMRO and the Dutch retail banking sector
Consumer issues TV series (TROS Radar, Vara Kassa etc.)	Written contact, face-to-face contact, participation in broadcasts	Issues related to consumer protection (quality and costs of financial products and services, payments, online banking, mortgages, insurance, big data and privacy etc.) and the workings of the banking system	Knowledge sharing about ABN AMRO's policies, products and services, handling consumer complaints, exchanging views on the workings of the banking system
Cordaid	Face-to-face contact (Cordaid participated in ABN AMRO's multistakeholder dialogue)	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy	List of material issues as presented in this report
Dutch Butterfly Conservation (Vlinderstichting)	Face-to-face contact	Biodiversity	Development of co-creation to promote, execute and implement biodiversity
Dutch Section of the International Commission of Jurists (NJCM)	Conference participation	Business and human rights	Knowledge sharing about ABN AMRO's human rights policy

<b>Name of stakeholder</b>	<b>Form of engagement</b>	<b>Issues discussed</b>	<b>Outcome</b>
Fair Banking Guide (Eerlijke Bankwijzer, EBW)	Written contact, face-to-face contact, participation in meetings and events	ABN AMRO's sustainability policies, sustainable practices related to investments, transparency and taxation	Knowledge sharing, assessment of ABN AMRO's sustainability policies, scores in EBW reports, receiving input for ABN AMRO's policies in the researched areas and policy implementation. We have started a discussion with EBW concerning the quality of its research (via Profundo)
Ford Foundation	Conference participation	Responsible sourcing	Knowledge gathering on responsible sourcing
Forum for the Future	Face-to-face contact	Issues related to sustainable shipping	Knowledge gathering, receiving input for ABN AMRO's shipping policy
Global March Against Child Labour	Face-to-face contact	Sustainability in the diamond sector	Knowledge gathering on child labour in the diamond and jewellery sector, receiving input for ABN AMRO's human rights policy
Global Reporting Initiative	Face-to-face contact, conference participation	Human rights due diligence in the value chain	Knowledge sharing about ABN AMRO's sustainability strategy and policies, especially regarding value chain responsibility
Greenpeace Netherlands	Written contact, face-to-face contact, participation in meetings	ABN AMRO's sustainability policies, sustainable practices related to forestry and tree plantations	Knowledge gathering on the forestry industry in rainforest areas, receiving input for ABN AMRO's forestry and tree plantation policy, receiving input on cases of non-sustainable conduct, reviewing and handling these cases
Het Groene Brein	Face-to-face contact, participation in projects and research, participation in meetings	Developing training for the financial sector in the area of sustainability	Education and training for the new economy/sustainable business for the financial sector
IUCN Netherlands	Face-to-face contact, membership, (IUCN participated in ABN AMRO's multistakeholder dialogue)	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy	List of material issues as presented in this report. ABN AMRO and IUCN jointly organised a conference on financing climate adaptation projects (November 2014)
KidsRights	Face-to-face contact	Children's rights	Knowledge gathering on human rights due diligence
Leaders for Nature India	Face-to-face contact	Business and human rights, value chain responsibility	Knowledge gathering on human rights due diligence
Maatschappelijk Overleg Betalingsverkeer (MOB)	Written contact, face-to-face contact, participation in meetings, participation in research	Issues related to the social aspects of the Dutch payments system (strengthening the payments infrastructure, keeping ATMs available and accessible, promoting the safety and security of online banking etc.)	Knowledge gathering/receiving input for ABN AMRO's policies, products and services; knowledge sharing about ABN AMRO's payments products and services; dialogue on developments in the Dutch payments market
Milieudefensie	Face-to-face contact (Milieudefensie participated in ABN AMRO's multistakeholder dialogue)	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy	List of material issues as presented in this report

<b>Name of stakeholder</b>	<b>Form of engagement</b>	<b>Issues discussed</b>	<b>Outcome</b>
Nationaal Instituut voor Budgetvoorlichting (Nibud)	Written contact, face-to-face contact, participation in projects and research	Financial education, criteria for consumer credit, code of conduct, consumer loans, indebtedness	Knowledge gathering/receiving input for ABN AMRO's policies; knowledge sharing about ABN AMRO's policies, products and services; ongoing dialogue on financial education, consumer loans and debt
Natuur en Milieu	Face-to-face contact	Energy and climate, energy transition, campaigns targeting business and retail customers	Development of environmental and energy policies
Nyenrode Business University/Utrecht University	Face-to-face contact (Representatives of Nyenrode Business University/Utrecht University participated in ABN AMRO's multistakeholder dialogue)	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy	List of material issues as presented in this report
Oxfam Novib	Face-to-face contact (Oxfam Novib participated in ABN AMRO's multistakeholder dialogue), written contact	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy; sustainable practices related to palm oil and the supply of weapons	List of material issues as presented in this report. Knowledge sharing about ABN AMRO's sustainability policies. Receiving input on cases of non-sustainable conduct, reviewing and handling these cases
Plan Nederland, Plan India	Face-to-face contact	Business and human rights	Knowledge gathering and sharing on human rights
Profundo	Written and face-to-face contact in connection with sustainable practices investigations	Profundo's research approach	Knowledge gathering and sharing, ongoing dialogue
Sustainable Finance Lab	Membership		
Vereniging Eigen Huis (Dutch Homeowners Association)	Written contact, face-to-face contact	Issues related to mortgages (interest rates, duty of care, quality of mortgage products and services, arrears, residual debt etc.) and the Dutch housing and mortgage market	Knowledge gathering/receiving input for ABN AMRO's policies, products and services; knowledge sharing about ABN AMRO's mortgage policy, products and services; dialogue on developments in the Dutch housing and mortgage market
Vereniging van Milieuwetenschappers	Face-to-face contact (Vereniging van Milieuwetenschappers participated in ABN AMRO's multistakeholder dialogue)	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy	List of material issues as presented in this report
World Wildlife Fund	Face-to-face contact, participation in meetings	Conservation of ocean environments, maritime issues	Knowledge gathering, receiving input for SSI's sustainable shipping policy

Name of stakeholder	Form of engagement	Issues discussed	Outcome
<b>Professional counterparties, suppliers, partners, networking organisations</b>			
Ahrend (manufacturer and supplier of office furniture)	Face-to-face contact	ISO 26000	Knowledge gathering regarding the implementation of ISO 26000
Arcadis (engineering and contracting company)	Participation in projects and research	Link between business, biodiversity and ecosystem services (BESMETRICS)	Knowledge gathering, receiving input for integrating biodiversity in ABN AMRO's sustainability policies
ASR, Delta Lloyd, ING, Rabobank, SNS, Dutch Banking Association	Participation in an online discussion platform and consultation group	Long-term Energy Efficiency Covenant	Drafting a road map for financial service providers on how to approach energy after 2020
AWDC Antwerp World Diamond Council	Face-to-face contact	Sustainability in the diamond and jewellery sector	Knowledge gathering and sharing, input for sustainability efforts in the diamond sector
Clifford Chance (law firm)	Face-to-face contact	Business and human rights	Knowledge gathering and sharing on human rights
Cofely (energy services company)	Face-to-face contact (Cofely participated in ABN AMRO's multistakeholder dialogue)	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy	List of material issues as presented in this report
Delta Lloyd (insurer)	Face-to-face contact (Delta Lloyd participated in ABN AMRO's multistakeholder dialogue)	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy	List of material issues as presented in this report
'Doneer de Zon' partnership/Sungevty/Urgenda	Contact via platform	Sustainable energy	Creating sustainable energy awareness at schools, running crowdfunding projects for solar panels on school roofs
DTZ Zadelhoff (commercial real estate services company)	Face-to-face contact	Sustainability valuation in real estate	Knowledge gathering, receiving input for ABN AMRO's commercial real estate policy
Equens (payment processor)	Face-to-face contact (Equens participated in ABN AMRO's multistakeholder dialogue)	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy	List of material issues as presented in this report
Eumedion (knowledge platform for corporate governance and sustainability for institutional investors)	Face-to-face contact (Eumedion participated in ABN AMRO's multistakeholder dialogue)	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy	List of material issues as presented in this report
FIRA (knowledge platform for sustainability in business)	Membership & Face-to-face contact (FIRA participated in ABN AMRO's multistakeholder dialogue)	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy, Improvements according to ISO 26000	List of material issues as presented in this report, ABN AMRO is currently ranked at FIRA silver level.
FirstClimate (consultant in green investments)	Face-to-face contact	Footprint, emissions	Searching for opportunities to achieve zero emissions and realise CO <sub>2</sub> project in other countries
FMO (Dutch development bank)	Face-to-face contact	ABN AMRO's sustainability policies; biodiversity; cocoa (chocolate)	Knowledge gathering and sharing, exploring cooperation opportunities, e.g. participating in an investment fund
Gispem (manufacturer and supplier of office furniture)	Face-to-face contact (Gispem participated in ABN AMRO's multistakeholder dialogue)	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy	List of material issues as presented in this report



Name of stakeholder	Form of engagement	Issues discussed	Outcome
De Groene Zaak (networking organisation for sustainable business)	Face-to-face contact	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy	List of material issues as presented in this report
IDH -Indice de Développement Humain (Sustainable Trade Initiative)	Face-to-face	Issues related to sustainable cocoa	Knowledge gathering on (Fair Trade) cocoa sector issues
NEN-ISO 26000	Membership 'Normcommissie ISO 26000'	Improvement of Sustainability in the Netherlands and specifically the industrial sector	Improvement of Sustainability in the Netherlands and specifically the industrial sector
The Netherlands Defence Manufacturers Association (Nederlands Instituut voor Defensie en Veiligheid, NIDV)	Conference participation	Defence sector	Knowledge gathering, receiving input for ABN AMRO defence sector policy
Nibud – National Institute for Family Finance Information	Written contact, face-to-face contact (Nibud participated in ABN AMRO's multistakeholder dialogue), participation in meetings	<ul style="list-style-type: none"> <li>▶ Materiality discussion long-term strategy ABN AMRO</li> <li>▶ Mortgage and energy: how to define and develop zero energy consumption</li> <li>▶ Training programme experts</li> </ul>	List of material issues as presented in this report. Experts trained and benchmarks set using NIBUD methodology. Proposition due to 'Energiesprong'
Oracle	Face-to-face contact (Oracle participated in ABN AMRO's multistakeholder dialogue)	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy	List of material issues as presented in this report
PGGM	Face-to-face contact (PGGM participated in ABN AMRO's multistakeholder dialogue)	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy, sustainability evaluation in real estate	List of material issues as presented in this report, receiving input for ABN AMRO's commercial real estate policy
PWC (professional services organisation)	Face-to-face contact, conference participation	Integrated Reporting	Knowledge gathering on the implementation of Integrated Reporting
RBS Foundation India	Face-to-face contact	ABN AMRO's sustainability strategy, community investment	Knowledge sharing, in particular related to the ABN AMRO Foundation
Ricoh (office equipment provider)	Face-to-face contact (Ricoh participated in ABN AMRO's multistakeholder dialogue)	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy	List of material issues as presented in this report
Scope Insight (social enterprise)	Face-to-face contact	Issues related to sustainable cocoa, establishing a partnership	Investing in this social enterprise by ABN AMRO's Social Impact Fund
Slimmeterportal.nl BV	Face-to-face contact	Footprint, energy consumption	Offering ABN AMRO employees insight into their household energy consumption. Supplying schools and sports clubs with tools to reduce energy consumption.
Social Enterprise NL (networking organisation)	Face-to-face contact, partnership	Social entrepreneurship	ABN AMRO provides coaches for the social entrepreneurs associated with Social Enterprise NL
Stichting Duurzame Scholen	Face-to-face contact	Footprint, energy consumption	Implementation of market propositions
Stichting Milieu Centraal (data and information provider on the environment and energy)	Face-to-face contact	Communication about sustainability	Knowledge gathering, receiving input on how ABN AMRO should communicate its sustainability strategy and policies, publication of 'Het Groene Boekje'

<b>Name of stakeholder</b>	<b>Form of engagement</b>	<b>Issues discussed</b>	<b>Outcome</b>
Stichting Nudge	Face-to-face contact, participation in training course	Awareness and education regarding future sustainable leadership	Knowledge gathering to improve ABN AMRO's sustainable practices, sponsoring social leadership
Tony Choclonely	Face-to-face contact	Issues related to sustainable cocoa	Knowledge gathering on (Fair Trade) cocoa sector issues
Triodos Bank	Face-to-face contact (Triodos participated in ABN AMRO's multistakeholder dialogue)	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy	List of material issues as presented in this report
Troostwijk	Face-to-face contact	Sustainability valuation in real estate	Knowledge gathering, receiving input for ABN AMRO's commercial real estate policy
True Price (impact measurement consultant)	Face-to-face contact, participation in training course	Implementation of the True Price Methodology (transparency in pricing), human rights due diligence in the value chain	Knowledge gathering on pricing, receiving input for due diligence in the value chain
Dutch Association of Investors for Sustainable Development (VBDO)	Face-to-face contact (VBDO participated in ABN AMRO's multistakeholder dialogue)	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy	List of material issues as presented in this report
Vodafone (telecommunications company)	Face-to-face contact (ABN AMRO participated in Vodafone's multistakeholder dialogue)	Issues that are material to ABN AMRO and Vodafone	Knowledge sharing on material issues
William McDonough + Partners (architecture design and consulting)	Face-to-face contact	Sustainability valuation in real estate	Knowledge gathering, receiving input for ABN AMRO's commercial real estate policy

Name of stakeholder	Form of engagement	Issues discussed	Outcome
<b>Sector organisations</b>			
Bureau Krediet Registratie (BKR)	Written contact, face-to-face contact, participation in meetings	Issues related to credit history reporting, consumer credit, overlending	Taking part in BKR's Participants Gathering; exchanging information on consumer loans and debt; gathering input for lending policies
Centre for Responsible Business (CRB)	Face-to-face contact	ABN AMRO's sustainability strategy, human rights due diligence	Knowledge sharing about ABN AMRO's sustainability policies and their implementation
Duisenberg School of Finance	Membership		
Dutch Association for Real Estate Brokers (Nederlandse Vereniging van Makelaars, NVM), VBO and VastgoedPRO	Face-to-face contact, participation in meetings	Issues related to sustainable housing	Knowledge sharing on sustainability and lending
Dutch Banking Association (Nederlandse Vereniging van Banken, NVB)	Face-to-face contact (NVB participated in ABN AMRO's multistakeholder dialogue), membership, participation in an online discussion platform and consultation group	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy, code of conduct regarding mortgages and responsible lending, Long-Term Energy Efficiency Covenant, optimising energy efficiency in the financial sector	List of material issues as presented in this report, knowledge gathering and sharing regarding sustainable practices, drafting a road map for financial service providers on how to approach energy after 2020, implementing energy efficiency within the financial sector
Dutch Green Building Council (DGBC)	Face-to-face contact, membership	Sustainability evaluation in real estate	Knowledge gathering, receiving input for ABN AMRO's commercial real estate policy
Dutch sector and industry associations	Written contact, face-to-face contact, participation in meetings, participation in research	Financing SMEs, commercial lending, promoting entrepreneurship, issues related to specific industry sectors, financial restructuring	Knowledge gathering/receiving input for ABN AMRO's policies; knowledge sharing about ABN AMRO's sector research, policies, products and services; dialogue on commercial lending and promoting entrepreneurship
ESCo Netwerk Nederland	Face-to-face contact	Financing of energy service companies (ESCos)	Knowledge gathering on the functioning of ESCos, implementing ESCo financing
Febelfin	Conference participation	Sustainable lending by Belgian and Dutch banks	Knowledge gathering and sharing
Green Metropole	Membership		
Klachteninstituut Financiële Dienstverlening (Kifid), Ombudsman Financiële Dienstverlening	Written contact, face-to-face contact, participation in meetings	Escalated complaints from retail clients concerning ABN AMRO's financial services	Participating in Kifid's complaints review process, carrying out its rulings
MKB-Nederland	Written contact, face-to-face contact	Financing SMEs, commercial lending, promoting entrepreneurship, business transfer, financial restructuring	Knowledge gathering/receiving input for ABN AMRO's policies, knowledge sharing about ABN AMRO's sector research, policies, products and services, dialogue about commercial lending and promoting entrepreneurship
MVO Nederland	Face-to-face contact (MVO Nederland participated in ABN AMRO's multistakeholder dialogue), membership, participation in meetings	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy, issues related to sustainable cocoa, Integrated Reporting, sustainable banking	List of material issues as presented in this report, knowledge gathering and sharing, receiving input for ABN AMRO sustainability policies, exploring common ground for cooperation, ongoing dialogue

<b>Name of stakeholder</b>	<b>Form of engagement</b>	<b>Issues discussed</b>	<b>Outcome</b>
NBA (Nederlandse Beroepsvereniging van Accountants) and NOVAK (Nederlandse Organisatie van Accountantskantoren)	Written contact, face-to-face contact, participation in meetings	Relationship between enterprises, banks and accountancy, Standard Business Reporting, financial insights	Knowledge sharing about ABN AMRO's sector research and financial know-how
Nederlandse Vereniging voor Volkskrediet (NVVK)	Written contact	Issues related to indebtedness and debt relief	Participating in NVVK's 'Schakel' programme, referring clients with serious payment problems to debt relief services
NWWI (Nederlands Woning Waarde Instituut)	Face-to-face contact	Sustainable validation practices	Knowledge gathering
ONL voor Ondernemers	Written contact, face-to-face contact	Financing SMEs, commercial lending, promoting entrepreneurship, business transfer, financial restructuring	Knowledge gathering/receiving input for ABN AMRO's policies, knowledge sharing about ABN AMRO's sector research, policies, products and services, dialogue about commercial lending and promoting entrepreneurship
Platform 31 (networking organisation for urban and regional development)	Participation in projects and research	Footprint, energy consumption	Providing tools to achieve zero energy costs in housing and utilities
Responsible Jewellery Council	Face-to-face contact, membership, participation in meetings	Sustainability in the diamond and jewellery sector	Ongoing dialogue, knowledge gathering and sharing, receiving input for human rights due diligence
Roundtable on Sustainable Palm Oil: RSPO	Membership	Sustainable improvements of the palm oil sector	Sustainable improvements of the palm oil sector
Social Accountability International (SAI)	Participation in a training course	Corporate accountability, social auditing	Knowledge gathering on social auditing, sharing ABN AMRO's sustainability strategy and policies with participating companies
Sustainable Shipping Initiative (SSI)	Face-to-face contact, membership, participation in meetings	Ship recycling	Contribution to report on ship recycling by Sustainalytics
TVI (Taxatie en Validatie Instituut)	Face-to-face contact	Sustainable validation practices	Knowledge gathering on STeV validation methods
Vereniging voor Milieurecht (VvM) (knowledge platform for professionals involved in environmental law)	Conference participation	ABN AMRO's sustainability policies	Knowledge sharing about ABN AMRO's sustainability policies and their implementation
Verbond van Verzekeraars	Face-to-face contact, participation in meetings	Long-Term Energy Efficiency Covenant, circular economy	Drafting a road map for financial service providers on how to approach energy after 2020
VNO-NCW-MKB	Face-to-face contact (VNO-NCW-MKB participated in ABN AMRO's multistakeholder dialogue), participation in meetings	Issues that are material to this stakeholder and to ABN AMRO's long-term strategy, sustainable business practices	List of material issues as presented in this report, knowledge gathering and sharing on international sustainable business

Name of stakeholder	Form of engagement	Issues discussed	Outcome
<b>Rating agencies</b>			
IMUG	Written contact	Participation in IMUG's sustainability assessment	IMUG's sustainability rating for ABN AMRO
Sustainalytics	Written contact, face-to-face contact (Sustainalytics participated in ABN AMRO's multistakeholder dialogue)	Participation in Sustainalytics sustainability assessment, issues that are material to this stakeholder and to ABN AMRO's long-term strategy, sustainability research	Sustainalytics' sustainability rating for ABN AMRO, list of material issues as presented in this report, purchase of data for investment and lending assessments, improving ABN AMRO's product offering.
Transparency Benchmark, Dutch Ministry of Economic Affairs	Written contact	Participation in the Transparency Benchmark assessment	ABN AMRO's rating in the Transparency Benchmark
Vigeo	Written contact	Participation in Vigeo's sustainability assessment	Vigeo's sustainability rating for ABN AMRO
<b>Supervisors</b>			
Conduct supervisors in the markets outside of the Netherlands in which ABN AMRO is active (e.g. Financial Conduct Authority (FCA), Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), US Securities and Exchange Commission (SEC), Hong Kong Monetary Authority (HKMA), Monetary Authority Singapore (MAS) etc.)	Written contact, face-to-face contact, participation in meetings, participation in research	Issues related to promoting trust in the financial system and correct behaviour by financial institutions, promoting the stability of the financial system, promoting consumers' interests, combating financial crime	Participation in research; knowledge gathering/receiving input for ABN AMRO's policies, products and services; knowledge sharing about ABN AMRO's strategy, policies, financial infrastructure and financial services; ongoing dialogue on developments within ABN AMRO and its international activities
Dutch Central Bank (DNB)	Written contact, face-to-face contact, participation in meetings, participation in research	Stability of the financial system within the Netherlands, reliability and security of the Dutch payment system, supervision in shared responsibility with the ECB	Participation in research, knowledge gathering/receiving input for ABN AMRO's policies, products and services, knowledge sharing about ABN AMRO's strategy, policies, assets, financial infrastructure and financial services
European Central Bank (ECB)	Written contact, face-to-face contact, participation in meetings, participation in research	Prudential supervision within the Single Supervisory Mechanism, safety and soundness of the banking system within the EU, stability of the financial system within the EU	Participation in research, knowledge gathering/receiving input for ABN AMRO's policies, products and services; knowledge sharing about ABN AMRO's strategy, policies, assets, financial infrastructure and financial services; ongoing dialogue about developments within ABN AMRO and its international activities, and developments within the Dutch and European banking sector

<b>Name of stakeholder</b>	<b>Form of engagement</b>	<b>Issues discussed</b>	<b>Outcome</b>
<b>Netherlands Authority for the Financial Markets (AFM)</b>	Written contact, face-to-face contact, participation in meetings, participation in research	Financing defence-industrial activities Issues related to the fair and conscientious provision of financial services (putting the client's interests first, duty of care, supervision of product development, big data and privacy, complaints handling etc.), the fair and efficient operation of the capital markets (financial reporting, information to investors etc.) and the stability of the financial system (organisational and technological developments, conduct and culture, risk management etc.)	Knowledge sharing regarding ABN AMRO's defence industry policy Participation in research (e.g. about investment products, interest rate swaps, financial restructuring); knowledge gathering, receiving input for ABN AMRO's policies, products and services; knowledge sharing about ABN AMRO's strategy, policies, financial infrastructure and financial services; ongoing dialogue on developments within ABN AMRO and the Dutch banking sector
<b>Government departments</b>			
<b>Council/Permanent Representation Netherlands</b>	Written contact, face-to-face contact, participation in meetings	ECON, SRM, Financial Stability, Financial Services, Capital Markets Union	Knowledge gathering/receiving input for ABN AMRO's policies, knowledge sharing about ABN AMRO's strategy, policies, products and services, ongoing dialogue about banking regulations and developments within the Dutch and European banking sector
<b>Dutch Ministry of Economic Affairs</b>	Written contact, face-to-face contact, participation in meetings	ABN AMRO's sustainability strategy and policies, Long-Term Energy Efficiency Covenant, promoting Green Deals	Knowledge sharing, providing information for 2014 for the Long-Term Energy Efficiency Covenant, realisation of Green Deals, contributing materially to Revolving Fund for Energy Conservation
<b>Dutch Ministry of Infrastructure and the Environment</b>	Face-to-face contact, participation in meetings	Circular economy	Knowledge sharing
<b>European Commission (DG FISMA, DG COMP, Cabinets)</b>	Written contact, face-to-face contact, participation in meetings	ECON, SRM, Financial Stability, Financial Services, Capital Markets Union	Knowledge gathering/receiving input for ABN AMRO's policies, knowledge sharing about ABN AMRO's strategy, policies, products and services, ongoing dialogue about banking regulations and developments within the Dutch and European banking sector
<b>Green Deal Board (Dutch Government)</b>	Participation in Green Deals	Circular economy in different sectors	Green Deals: Circular supply chain in procurement, Closing the plastic supply chain, business models for circular real estate
<b>Members of the Dutch Lower House of Parliament</b>	Written contact, face-to-face contact, participation in meetings	Banking sector regulations, remuneration, housing market, ABN AMRO's strategy, policies, products and services, ABN AMRO's future	Knowledge gathering/receiving input for ABN AMRO's policies, knowledge sharing about ABN AMRO's strategy, policies, products and services, ongoing dialogue about developments within ABN AMRO and the Dutch banking sector, exchanging views on ABN AMRO's future
<b>Members of the Dutch Senate</b>	Written contact, face-to-face contact	Banking sector regulations, remuneration, housing market	Knowledge sharing about ABN AMRO's policies, products and services, exchanging views on a variety of issues




<b>Name of stakeholder</b>	<b>Form of engagement</b>	<b>Issues discussed</b>	<b>Outcome</b>
Members of the European Parliament	Written contact, face-to-face contact, participation in meetings	Banking sector regulations, ABN AMRO's strategy, policies, products and services	Knowledge gathering/receiving input for ABN AMRO's policies, knowledge sharing about ABN AMRO's strategy, policies, products and services, ongoing dialogue about banking regulations and developments within the Dutch and European banking sector
Ministry of Economic Affairs	Written contact, face-to-face contact, participation in meetings	Financing SMEs, issues related to specific industry sectors, sustainability, transparency, interest rate swaps, financial restructuring, guarantee schemes	Knowledge sharing about ABN AMRO's policies, products and services, exchanging views on a variety of issues
Ministry of Finance	Written contact, face-to-face contact, participation in meetings	Payments system, capital buffers, bank tax, remuneration, Banker's Oath and disciplinary rules, banking union, ABN AMRO's future	Knowledge gathering/receiving input for ABN AMRO's policies; knowledge sharing about ABN AMRO's strategy, policies, products and services; ongoing dialogue on developments within ABN AMRO and the Dutch banking sector; exchanging views on ABN AMRO's future
Ministry of Home Affairs (Housing)	Written contact, face-to-face contact, participation in meetings	Housing market, mortgage market, mortgages, mortgage interest rates	Knowledge sharing about ABN AMRO's policies, products and services, exchanging views on a variety of issues
Ministry of Security and Justice	Written contact, face-to-face contact, participation in meetings	Online security, big data and privacy, Bankruptcy Act	Knowledge sharing about ABN AMRO's policies, products and services, exchanging views on a variety of issues
Netherlands Enterprise Institute (Rijksdienst voor Ondernemend Nederland, RVO)	Face-to-face contact, participating in meetings	Financing of energy service companies (ESCos), improving energy efficiency of data centres	Exploring possibilities, significantly improving energy efficiency at ABN AMRO's data centres, publish the bank's energy facts and figures, starting an annual Energy Benchmark
Netherlands Institute for Human Rights (College voor de Rechten van de Mens)	Face-to-face contact	Implementation of human rights policy, especially in international business	Participation in consultation process for the National Action Plan on Business and Human Rights [Netherlands]
Netherlands Ombudsman for Children (Kinderombudsman)	Face to face contact	Human rights, ABN AMRO's sustainability strategy and policies	Knowledge gathering and sharing, receiving input on children's rights for the bank's human rights due diligence
NLFI	Written contact, face-to-face contact, participation in meetings	Issues related to exercising the shareholder rights in ABN AMRO Group N.V.	Knowledge sharing about ABN AMRO's strategy and policies, ongoing dialogue about developments within ABN AMRO, exchanging views on ABN AMRO's future
OECD National Contact Point, the Netherlands	Face to face contact, participation in consultation groups and meetings	OECD Guidelines for Multinational Enterprises, sustainable business practices	Knowledge gathering, input for ABN AMRO's international business policy
UN Global Compact Netherlands	Membership, Face-to-face contact	ABN AMRO's sustainability strategy and policies	knowledge gathering, knowledge sharing about ABN AMRO's sustainability policies and their implementation
UNEP FI – United Nations Environment Programme Finance Initiative	Face-to-face contact, membership, participating in meetings	Business and human rights, climate change	Knowledge gathering and sharing, participation in the Human Rights Working Group and Climate Change Working Group

<b>Name of stakeholder</b>	<b>Form of engagement</b>	<b>Issues discussed</b>	<b>Outcome</b>
UNPRI – United Nations Principles for Responsible Investment	Written contact, face-to-face contact, participation in meeting	Reporting on the progress of sustainable investment for the ABN AMRO company report and the UNPRI annual meeting	Knowledge sharing
<b>Employees</b>			
ABN AMRO Pensioners Interest Group (Belangenvereniging Postactieven ABN AMRO)	Face-to-face contact, participation in meetings	Pensioners' societies, ambassadorship for the bank, pensions and other issues concerning pensioners	Receiving input for the Ambassador Days and coordination of the pensioners' societies, co-signing the Pension Agreement, receiving input for issues that concern pensioners
Central Works Council	Written contact, face-to-face contact, participation in meetings	Collective bargaining, social plan, Banker's Oath	Receiving advice and consultation regarding major decisions and measures regarding the bank, knowledge sharing about organisational developments at ABN AMRO
European Staff Council	Written contact, face-to-face contact, participation in meetings	Workers' rights, changes in terms of employment, major decisions and measures regarding the bank	Receiving advice and consultation regarding major decisions and measures regarding the bank, knowledge sharing about organisational developments at ABN AMRO
Trade unions	Written contact, face-to-face contact, participation in meetings	Collective bargaining, social plan, Banker's Oath	Collective labour agreements, knowledge gathering/receiving input for ABN AMRO's policies, knowledge sharing about ABN AMRO's strategy and policies






<b>Name of stakeholder</b>	<b>Form of engagement</b>	<b>Issues discussed</b>	<b>Outcome</b>
<b>Civil society organisations</b>			
<b>Client advocacy groups</b>	Written contact, face-to-face contact	Issues related to consumer protection, group compensation claims regarding specific financial products and services (mortgages, consumer loans, commercial loans, interest swaps etc.), financial restructuring	Exchanging views on the sale of specific financial products and services/review of compensation claims
<b>Consumentenbond (Dutch Consumers Association)</b>	Written contact, face-to-face contact	Issues related to consumer protection (putting the client's interests first, quality and costs of financial products and services, payments, online banking, mortgages, insurance, big data and privacy etc.)	Knowledge gathering/receiving input for ABN AMRO's policies, products and services; knowledge sharing about ABN AMRO's retail banking products and services; dialogue on developments within ABN AMRO and the Dutch retail banking sector
<b>Consumer issues TV series (TROS Radar, Vara Kassa etc.)</b>	Written contact, face-to-face contact, participation in broadcasts	Issues related to consumer protection (quality and costs of financial products and services, payments, online banking, mortgages, insurance, big data and privacy etc.) and the workings of the banking system	Knowledge sharing about ABN AMRO's policies, products and services, handling consumer complaints, exchanging views on the workings of the banking system
<b>Maatschappelijk Overleg Betalingsverkeer (MOB)</b>	Written contact, face-to-face contact, participation in meetings, participation in research	Issues related to the societal efficiency of the Dutch payments system (strengthening the payments infrastructure, keeping ATMs available and accessible, promoting the safety and security of online banking etc.)	Knowledge gathering/receiving input for ABN AMRO's policies, products and services, knowledge sharing about ABN AMRO's payments products and services, dialogue about developments in the Dutch payments market
<b>Nationaal Instituut voor Budgetvoorlichting (Nibud)</b>	Written contact, face-to-face contact, participation in projects and research	Financial education, criteria for consumer credit, code of conduct consumer loans, indebtedness	Knowledge gathering/receiving input for ABN AMRO's policies; knowledge sharing about ABN AMRO's policies, products and services; ongoing dialogue on financial education, consumer loans and debt
<b>Vereniging Eigen Huis (Dutch Homeowners Association)</b>	Written contact, face-to-face contact	Issues related to mortgages (interest rates, duty of care, quality of mortgage products and services, arrears, residual debt etc.) and the Dutch housing and mortgage market	Knowledge gathering/receiving input for ABN AMRO's policies, products and services, knowledge sharing about ABN AMRO's mortgage policy, products and services, dialogue about developments in the Dutch housing and mortgage market




# Objectives and performance in 2014

On track   
 Partly achieved   
 Not achieved 

Subject	Objective reported in 2013	Status	Performance in 2014
Our sustainability strategy	Translating the bank-wide strategic sustainability goals and targets into concrete goals for each of our businesses		In progress, as a materiality analysis was conducted this year and not every material issue has been translated into a material target
	Accurately measuring and reporting on our progress by means of key performance indicators (KPIs)		In progress, once material targets have been defined they can be linked to KPIs, enabling accurate measuring and reporting
Engaging with our stakeholders	Increasing stakeholder engagement via social media, taking a clear position		We increased our engagement with our stakeholders through our social media newsroom
	Maintaining a structural dialogue on the most pressing, current issues with the bank's most relevant stakeholders		For details of the structural dialogue, see the appendix 'Stakeholder dialogue'
Applying the sustainability policy to our operations	Finalising the integration of sustainability criteria in our credit business and know-your-customer procedures		Continuous process in which we adjust policies and retrain our employees. Implementation began, for instance, of a sustainable lending policy
	Updating our policy for the defence industry		Groundwork complete and meetings with stakeholders in progress. Final approval expected in 2015
	Finalising our investment policy and our policy for the manufacturing and real-estate industries		Manufacturing and real-estate policies have been approved; investment policy expected in 2015
	Continuous training in sustainability awareness and knowledge		Continuous training of staff throughout the year, with department-specific programmes
	Improving management information; reporting on the implementation of and compliance with the bank's sustainability policy.		The improvement achieved in the year under review was the systematic reporting on material subjects with a direct bearing on our long-term strategy. As a result, the information we report is now more transparent and in line with the G4 standard
Enhancing client centricity R&PB	Continue to create awareness among all Retail & Private Banking staff in the Netherlands and abroad about sustainability issues and Retail & Private Banking's approach in this area		Multiple awareness-raising initiatives in all the countries with Retail & Private Banking activities. These led to a significant increase in the employee engagement score for sustainability
	Offer training in sustainable investment to all client-facing staff providing investment services		Client-facing staff received sustainable investment training via presentations and other means. We will continue to invest in training our client-facing staff throughout 2015 to further improve the knowledge level
	Organise client events to keep our clients properly informed about sustainable investment options and to encourage greater client involvement in sustainability		Client events hosted at multiple locations, including a large philanthropy event in the Netherlands
	Embed sustainable investment more firmly in our general investment process		Investment process has been gradually adjusted. 2014 saw the strengthening of the controversial weapons approach for investment funds resulting in the dismissal of an external asset manager. An engagement policy received approval and we published additional sustainability research
	Expand our impact investing product range		Product selection completed in 2014; ongoing preparations for launch in 2015

On track	
Partly achieved	
Not achieved	

Subject	Objective reported in 2013	Status	Performance in 2014
	Make the ABN AMRO Global Sustainability Equity Fund available to all clients		Fund now available to all clients
	Introduce philanthropy advice services for our Private Banking clients outside the Netherlands		Available in France; a community was established for the other European countries to ascertain the possibilities for philanthropy advice in other locations
<b>Enhancing client centricity</b> <b>Corporate Banking</b>	Continue to invest in our people by enhancing their knowledge of sustainability issues		Almost all our relationship managers attended sector masterclasses (70), at which sector specialists discussed industry developments, strategies and sustainability. Awareness was also increased via the 'We sustain' programme specifically for Corporate Banking staff
	Further embed this know-how in our financial advice and products to enable our clients to make the necessary investments		'We sustain' awareness and innovation programme encourages staff to suggest ideas on how ABN AMRO can help our clients become more sustainable. Sector-specific reports and blogs on sustainability
	Continue to assist our clients in making the transition to sustainability		Examples include the Spliethoff deal (CO <sub>2</sub> scrubbers on ships), the Gemini wind park, and the GJEPC award in India for most sustainable financial institution
	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 prepare roll-out of the system to other Corporate Banking businesses		Roll-out of Sustainability Management Operating System and training of International Clients staff. GSRI project for other Corporate Banking businesses on track: roll-out H2 2015
<b>Handling Complaints</b>	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		Clients want more personal contact and their complaints to be dealt with fully. This was the focus of the pilot we ran in several districts and ASC departments
	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		Complaint owners are designated to ensure clients are called back. Management Information gave us a picture of which clients were called back and which were not
<b>Inspiring and engaging our people</b>	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		We focused again in 2014 on achieving our long-term goals and giving our people the tools they need to be the best they can be. In terms of our policies and HR approaches, we made substantial steps toward further achieving our long-term goals
	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		Our performance management framework aims to achieve a balance between financial and non-financial targets, quantitative and qualitative targets, and behavioural aspects, to help us pursue our strategy. We started to use our business principles as performance criteria, and will expand this in 2015
	Leadership days have been scheduled again in 2014, both in the Netherlands and abroad		The Leadership Qualities were launched during the 2014 Leadership Days in the Netherlands, the United States, Hong Kong and Belgium. Almost all of the bank's managers participated (3,000 attended)

On track	
Partly achieved	
Not achieved	

Subject	Objective reported in 2013	Status	Performance in 2014
	We will implement the new collective labour agreement in the Netherlands		Implementation of the terms agreed under the collective labour agreement (CAO) was completed in January 2015, as planned. The CAO is effective until 1 January 2016
<b>Our environmental impact</b>	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		We improved our energy footprint in 2014, adding 53,097 m <sup>2</sup> to our 'A label' floor space; another 64,497 m <sup>2</sup> of office space was BREEAM certified. This brings us to a total gross office area of 339,505 m <sup>2</sup> 'A label' and 327,476 m <sup>2</sup> BREEAM out of a total of 593,095 m <sup>2</sup>
	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		The goal of cutting paper purchases by 10% was achieved, thanks mainly to ongoing digitisation. Paper consumption in tons in 2013 and 2014 is given in the report. The 2014 figure is down 11% on the previous year
	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		Procurement focused on sustainability by putting suppliers in contact with FIRA, the sustainability verification body. At the beginning of 2014, 39% of Procurement spending went to suppliers with GRI4 status or FIRA Platinum, Gold, Silver or Bronze Status. The target for 2014 year-end was 60%; the actual figure was 59%
	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 2.1 million litres a year		The innovative cooling system we installed at our data centre in Amstelveen began operation in June 2014. We were able, as a result, to reduce the data centre's electricity consumption by 15% and water consumption by 21 million litres
<b>Our contribution to society</b>	In 2014, we intend to start with a theme-based approach for our community activities		We launched our new 'Partner of the Future' approach in November 2014 with our sponsorship of Ajax football club. The programme will continue throughout 2015
	Our goal for 2014 is to have over 10,000 employees take part in ABN AMRO Foundation's community projects		We reached our goal in 2014 with a total of 11,811 employees taking part in several projects

# Glossary

## 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.

## Binding Corporate Rules

BCRs form a set of stringent, intra-corporate global privacy policies, practices, processes and guidelines that satisfy EU standards and may be available as an alternative means of authorising transfers of personal data (e.g. customer databases, HR information) outside of Europe.

## BREEAM

BREEAM (Building Research Establishment Environmental Assessment Methodology) is an instrument to measure and assess the sustainability of new and existing buildings, areas and demolition projects.

## Business Risk Committee

Committee mandated to decide about high-risk propositions within the bank's risk appetite.

## Clearing

Clearing includes all activities from the time a commitment for a transaction is made until it is settled. Clearing of payments is necessary to turn the promise of payment into actual movement of money from one bank to another. It refers to all of ABN AMRO's clearing activities.

## Conduct drivers

Management measures aimed at steering on good conduct. There are eight drivers of good conduct: Clarity, Role modelling, Discussability, Achievability, Engagement, Transparency, Accountability and Sanctionability.

## Corporate Banking

Corporate Banking is the part of the bank that focuses on business clients with revenues of more than EUR 1 million.

## Corporate governance

The system of rules, practices and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of the many stakeholders in a company – these include its shareholders, management, clients suppliers, financiers, government and the community.

## Crowdfunding

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

## Diversity

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

## 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.

## Dutch Association of Investors for Sustainable Development (VBDO)

The VBDO is the only investors' association in the Netherlands that promotes the interests of institutional and private investors who want to contribute to sustainable development.

## Dutch Data Protection Authority

The Dutch DPA (CBP) is the lawful supervisor concerned with supervising data processing.

**Dutch Personal Data Protection Act**

Lawfully enforced rules aimed at the protection of the privacy of citizens. The rules are largely based on European data protection guidelines (95/46/EG).

**Employee Council**

The overarching works council made up of representatives from the four works councils of ABN AMRO TOPS, Retail & Private Banking, Group Functions and Corporate Banking and from the works councils of ABN AMRO's subsidiaries.

**Employee Engagement**

A business management concept that describes the level of enthusiasm and dedication a worker feels toward his/her job. Engaged employees care about their work and about the performance of the company, and feel that their efforts make a difference: an engaged employee is in it for more than a paycheck.

**Energy, Commodities & Transportation (ECT)**

ECT is part of ABN AMRO's Corporate Banking business and serves clients around the world who are active in energy, oil and gas, trade in natural resources, metal and agricultural products, and related transportation.

**Environmental footprint**

The effect that a person, company, activity, etc. has on the environment, for example the amount of natural resources that they use and the amount of harmful gases that they produce.

**Environmental, social and governance (ESG) criteria**

ESG refers to the three main areas that have developed as central criteria in measuring the sustainability and ethical impact of investing in a company or business.

**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.

**FIRA**

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

**FTE**

FTE means fulltime equivalent. At ABN AMRO 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.

**Green bonds**

Green bonds enable capital raising and investment for new and existing projects with environmental benefits. They are based on the Green Bond Principles, which aid investors by ensuring availability of information necessary to evaluate the environmental impact of their green bond investments; these principles also assist underwriters by moving the market towards standard disclosures to facilitate transactions.

**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').

**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 Risk Committee**

Committee mandated to decide about critical risk propositions (other than credit-related transactions) within the bank's risk appetite.

**Guarantees of Origin**

Guarantees of Origin are issued electronically for the electricity generated (1 Guarantee of Origin per MWh), traded and redeemed (i.e. used) by suppliers as evidence to their customers of the quality of the electricity delivered.

**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](http://data.worldbank.org/income-level/OECD)).

### Impact investing

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

### International Labour Organisation (ILO)

The ILO is aimed at promoting rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues.

### Investment Engagement Committee (IEC)

The IEC defines the approach ABN AMRO takes to integrating sustainability into its regular investment services.

### IPO

Initial Public Offering: the first sale of stock by a private company to the public.

### ISO 26000

ISO 26000 is an international guidance document on social responsibility. It provides an organisation with an outline of the principles and core subjects that it should be managing to ensure it identifies and manages a number of societal risks and impacts.

### Materiality

Organisations could report on a wide range of topics. Relevant topics are those that may reasonably be considered important for reflecting the organisation's economic, environmental and social impacts, or influencing the decisions of stakeholders, and, therefore, potentially merit inclusion in a report. Materiality is the threshold at which topics become sufficiently important to be reported.

### Microfinancing

Microfinance is a source of financial services for entrepreneurs and small businesses lacking access to banking and related services.

### OECD guidelines

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

### OECD Guidelines for Multinational Enterprises

The OECD Guidelines for Multinational Enterprises are recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognised standards.

### Performance metrics

Performance metrics measure an organisation's activities and performance.

### Personnel expenses

Expenses which include salaries, social security charges, pension expenses relating to defined benefit plans and defined contribution plan expenses.

### 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.

### 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.

### Shift

Shift is an independent, non-profit centre for business and human rights practice that helps governments, businesses and their stakeholders put the UN Guiding Principles on Business and Human Rights into practice.

### 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. Making money is not the social enterprise's main goal, it is a means to achieving its real mission: creating social impact.

### Social sponsorship

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

### Sponsor Monitor

The Sponsor Monitor is a survey carried out by Blauw Research and commissioned by ABN AMRO. The goal of the sponsor monitor is to provide an insight into the effects of the bank's sponsorship activities (and other social activities) on the ABN AMRO brand.

### SRI

Socially responsible investing is an investment strategy aimed at both financial and social return. It encourages corporate practices that promote environmental stewardship, consumer protection, human rights and diversity.

### Stakeholder Board

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

### 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 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 that 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.

### Sustainable investment products

Typically, standard investment products do not systematically and explicitly factor in environmental, social and governance (ESG) effects of investments on society, where sustainable investment products do. Sustainable investments reflect our assessment of risk and return in relationship to ESG impacts. Several techniques may be used to manage the impacts in a practical setting, like exclusion and positive selection. Consequently, the applied definitions differ to a certain extent from country to country in this respect.

### Sustainability

Sustainability aims to strike a balance between people, planet and profit.

### 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.



**The Green Quest**

The Green Quest is a joint project with FD Mediagroep, GDF Suez Energie Nederland, Cofely and SITA, designed to explore ways in which ABN AMRO could create a more sustainable organisation. It focuses not only on achieving benefits for the environment, but also on creating opportunities for business.

**UN Guiding Principles on Business and Human Rights**

The United Nations Guiding Principles on Business and Human Rights (UNGPs) are a global standard for preventing and addressing the risk of adverse impacts on human rights linked to business activity.

**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).

**UNPRI**

The United Nations Principles for Responsible Investment is an international network of investors working together to put the six Principles for Responsible Investment into practice. Its goal is to understand the implications of sustainability for investors and support signatories in incorporating these issues into their investment decision making and ownership practices.

**Value chain**

A high-level model of how businesses receive raw materials as input, add value to the raw materials through various processes, and sell finished products to customers. For a bank, like ABN AMRO, the focus was on capital inputs as raw materials are not the primary input for products and services.



ABN-AMRO