



ABN AMRO | Sustainability Review 2007



ABN AMRO has been acquired by a consortium of Fortis, RBS and Santander, and the integration of its various businesses with their new owners is underway.

As of 31 December 2007, ABN AMRO was a leading international bank with total assets of EUR 1,120.1 bln, more than 4,000 branches in 53 countries and a staff of more than 99,000 full-time equivalents worldwide.





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2007 highlights

REVIEW OF THE YEAR 2007

Getting ready for a change of climate!

Preparing for change was the theme of the year – both inside and outside ABN AMRO.

In 2007, the world woke up to climate change. The business world stepped up its efforts to support the transition to a low carbon economy that uses less energy or 'greener' renewable energy to cut down on the CO₂ ('carbon') generated by burning fossil fuels. More than 150 corporations – among them, ABN AMRO – signed the Bali Communiqué calling on governments worldwide to pass legally binding regulations to reduce carbon emissions.

Within ABN AMRO, 2007 was also a year of getting ready for the transition of its businesses to high profile new owners. After months of being in the public eye, the ownership of the Group passed to the Fortis, RBS, Santander consortium in October. Preparations began in earnest for the bank's transition to its new future. This report outlines the achievements in the field of sustainability during a remarkable year and passes the baton on to our new owners with confidence.

Sustainability at ABN AMRO in 2007

Teams throughout the bank made good progress in 2007 in implementing ABN AMRO's Sustainability Strategy to embed sustainability further into our core business by:

- building a network of dedicated professionals in our business units (BUs) and Group Functions. Since mid-2007, we have also convened a Sustainability Council, drawn from BU representatives working alongside the central Sustainability and Risk Advisory teams.
- capturing sustainability-related business opportunities – for example, by launching a new Eco-Markets business – while continuing to improve our management of environmental, social and ethical risks.
- embedding sustainability in our business by informing and involving staff through communication and training.

The bank remained a financial services leader in the sustainability indices and won the global Financial Times Sustainable Bank of the Year Award.

ABN AMRO's Sustainability Strategy

Our sustainability strategy has been built on our values, on sound risk management and good business sense, and on a desire to create future value for all our stakeholders – including clients, employees, shareholders and the communities in which we operate. We have focused on six key areas that we can influence as a financial institution and an international organisation:

- 1. Being accountable and transparent:** building trust; creating a dialogue with stakeholders; reporting openly on our performance.
- 2. Protecting our assets:** managing environmental, social and ethical (ESE) risks.
- 3. Providing responsible financial services:** understanding our clients' needs; lending responsibly; providing socially responsible and eco-related products and services.
- 4. Being an employer of choice:** engaging and retaining employees; creating an inspiring, healthy and inclusive work environment.
- 5. Minimising our impact on the environment:** reducing waste and resource consumption and influencing our suppliers' environmental performance.
- 6. Supporting local communities:** contributing to the communities we operate in through sponsoring, projects and employee volunteering.

Sustainability indices

Dow Jones Sustainability Index – STOXX
Dow Jones Sustainability Index – World
FTSE4Good Europe 50 and World 100
Innovest Strategic Value Advisors
Global 100 Most Sustainable
Corporations in the World

Leader
Co-leading in the banking sector
Included
AAA

Included

Rankings and Awards

Sustainable Bank of the Year 2007
Award for Corporate Social Responsibility
Silver award for Excellence in Emission Markets
No. 3 Top 10 World's Greenest Companies
No. 2 Corporate Governance and
Climate Change: the Banking Sector
No. 2 Best Ethical Quote Score: Banks

Financial Times
Best of European Business
Energy Business Awards
The Independent

Ceres
Covalence



Eco-Markets

ABN AMRO created Eco-Markets in 2007 to build on our recognised eco-sector expertise. Eco-Markets is a cross-discipline group that brings together product specialists from across the bank to identify climate-change and environment-related market opportunities, develop innovative new instruments and products and support our clients' financing needs in this fast growing new area. Read more on page 17.

Sustainability – it's your business

Over the years, we have seen a significant increase in staff awareness of sustainability at ABN AMRO. Our strategy and efforts were supported by:

- publishing a global staff e-mail Sustainable Development (SD) Newsletter since 2005, reaching over 11,000 staff.
- offering staff training and access to sustainability e-learning.
- organising global, BU and country-specific awareness-raising campaigns.
- creating the 'Listen Very Carefully' DVD containing interviews with children – 'tomorrow's leaders' - talking about the future.

Sustainability in India

ABN AMRO India received the Financial Times/IFC Emerging Markets Sustainable Bank of the Year 2007 award for its strong performance in this field. The bank published its first Sustainability Report – also a first for the Indian financial sector. See <http://www.abnamro.co.in>

Already recognised for socially responsible investment (SRI) funds and microfinance, the bank launched India's first green consumer branch in 2007, winning a Leadership in Energy and Environmental Design (LEED) Platinum award. It provided community investment via the ABN AMRO Foundation India on four core themes: environment, poverty alleviation, underprivileged children and relief and rehabilitation during disaster. Ownership of our Indian business and its sustainability programme will pass to RBS under the consortium's proposals. RBS is committed to a strong Corporate Responsibility programme in India.

ABN AMRO Real

In 2007, ABN AMRO Real promoted sustainability among suppliers, assessed over 5,000 companies on socio-environmental risk and trained thousands of staff and managers on sustainability. In December, ABN AMRO Real launched online courses, forums, and in-class training programmes on sustainability for clients, suppliers and interested individuals.

ABN AMRO Real is a pioneer on sustainability. Since starting to address the issue eight years ago, it has launched Latin America's first ethical fund, grown its microcredit business to over 68,000 clients, taken the lead in carbon credit trades, partnered with the International Finance Corporation (IFC) on socio-environmental lending and launched Real Sustainable Construction.

Making it happen – BU Europe

BU Europe saw sustainability spread widely in 2007 based on the work of a small central team and a network of 25 local sustainability representatives appointed by their Country Executives. The focus was on engaging staff and aligning sustainability initiatives to local business reality and plans, with strategic coordination from the centre. Client events were held in 12 countries to discuss sustainability and promote sustainability-related products. Staff awareness and engagement campaigns were run in 16 countries and training was conducted in 11 countries. Volunteering and community investment activities took place, with 43 projects in 13 countries. During the year, a dedicated team and structure for Environmental, Social and Ethical risk advice was embedded into the risk management function. Lastly, BU and local HR managers included sustainability in their SMART objectives.

IN THE NEWS

These are among the sustainability highlights of the year which we communicated to staff each month.

January

A market first: launch of Eco-Markets, uniting our eco-related products and expertise.

February

Business Week magazine names ABN AMRO as one of three financial services institutions in its 'Who's Doing Well By Doing Good?' list of 30 top-rated 'sustainable' companies.

Global Markets' role in a renewable energy sector Asian-German takeover confirms the bank's Merger & Acquisition expertise in wind power.

Our Human Rights Position Statement goes online in the bank's internal policy database; we join UN consultation on human rights.

March

Asset Management India launches India's first SRI fund.

ABN AMRO Sustainability Report 2006 reports that bank's microfinance clients nearly doubled from 186,300 in 2005 to 351,500 in 2006.

April

ABN AMRO Real releases third Sustainability Report – in magazine format.

Global Services sustainable development framework approved.

Nordic subsidiary Banco launches a first CO₂ neutral environmental fund in Scandinavia.

ABN AMRO Foundation Board approves nine new projects in China, Uruguay, Colombia, Argentina, Kazakhstan, and Brazil.

May

ABN AMRO announces bank to become carbon neutral.

ABN AMRO to arrange up to USD 1 bln in financing to support Clinton Climate Initiative.

June

Staff worldwide mark World Environment Day with events and contests.

Financial Times Sustainable Banking Awards won by ABN AMRO and ABN AMRO India.

Bank answers Dutch TV criticism on 'unethical investing' in the Netherlands.

July

BU Asia implements initiative to allow staff to take time off to volunteer for bank-sponsored community investment activities.

Bank launches first structured products linked to SRI.

August

Former US Vice-President Al Gore addresses ABN AMRO clients in Singapore.

Mega deal for bank in financing two offshore wind farms on east coast of UK.

ABN AMRO Real branch receives LEED silver sustainable construction certificate.

BU Netherlands introduces measures to increase recruitment among women and ethnic minorities.

September

World Bank and ABN AMRO launch World Bank Eco-3 Plus Note.


ABN AMRO Private Clients launches 'world's first' Sustainability Indicator.

October

ABN AMRO Investor Relations wins IR Magazine's Continental Europe 2007 awards for Best Investor Relations during a take-over/merger and Best Practice of CSR.

Bank's Environmental, Social and Ethical (ESE) Risk Governance Model goes live.

Financing of biodiesel plant construction in the Czech Republic, one of the bank's many renewable project financings.



November

Launch of staff briefings highlighting ESE risks/opportunities per industrial sector.

ABN AMRO Singapore wins CSR Recognition Award.

Successful resolution of joint bank-NGO investigation into allegations about bank's conduct in defence sector.

December

Bank signs Bali Communiqué calling for international climate change framework.

ABN AMRO India launches Sustainability Report, a first for Indian financial sector.

Bank hosts Netherlands launch of Carbon Disclosure Project's Annual Report.

Staff mark UN International Volunteer Day.



Review of

BEING ACCOUNTABLE AND TRANSPARENT

An intense year of dialogue and discussion

For ABN AMRO, 2007 was a year of intense interactions with external stakeholders and of course our shareholders.

Investor Relations provided key financial information to our retail and institutional investors, with particular attention to acquisition-related information and updates. They also produced shareholder publications and a number of tools enabling investors to keep track of their investments.

We also continued to engage with interest groups and national and international institutions on sustainability and economic development topics. Public concern about sustainability issues rose, along with calls for public and private sectors to work together to find solutions. We focused our efforts, choosing for deeper dialogue and partnership with fewer multilateral agencies and non-governmental organisations (NGOs) than previously.

sustainability focus areas

Engagements on key themes	Forum
Financial risks of climate change	UN Forum on Climate Change Advisory sessions with the Dutch government
Low carbon economy	Carbon Disclosure Project UK and EU Corporate Leaders Group on Climate Change
Inclusive finance & access to markets	UN advisors Group on Inclusive Financial Sectors Foreign Workers Remittances (BAS)
Development finance	World Economic Forum, Eco-Soc
Clean energy	Clean Energy Program (World Bank) EU Energy Policymakers REN 21 – Renewable Energy Networks for the 21 st Century

Challenges

NGOs challenged financial sector institutions collectively and individually on several environmental and social concerns, notably CO₂ emissions and human rights:

- NGOs such as Friends of the Earth called on leading Dutch banks to balance financing of emissions-heavy industries and renewable energy alternatives.
- organisations such as Oxfam Novib asked banks to do more to protect human rights in defence sector transactions. We were able to show that we have a rigorous and responsible defence policy.

Why engage with stakeholders?

Dialogue with stakeholders:

- is vital for building and sustaining public trust
- keeps us abreast of emerging trends
- exchanges knowledge leading to better informed decisions
- leads to innovation and better services for clients
- allows the bank to be more effective in addressing global challenges.

Throughout our stakeholder interactions, we endeavour to act in a transparent and ethical way – while at all times respecting our clients' privacy.

Climate change

Overall, in 2007 the bank has taken action on climate change by:

- engaging in international debate and advocacy (e.g. Corporate Leaders Groups on Climate Change, Bali Communiqué).
- developing carbon markets and financing renewable energy (Eco-Markets).
- applying our sustainability risk expertise. Our Sustainable Risk Advisory team has started assessing climate-related regulatory risks and their potential impact on the Group's business. ABN AMRO has also been involved in discussions aimed at better identifying the exposure of clients to floods, storms, rising sea levels, etc.
- discussions with stakeholders where we have sought to find the appropriate response to public scrutiny of banks' climate change policies, products and processes.
- disclosing and reducing our own carbon footprint and encouraging staff to save energy too.

Dialogues House

BU Netherlands turned its former dealing room into a 'Dialogues House' where top speakers address issues such as sustainability, innovation and entrepreneurship.

Sustainability reporting

Our 2006 Sustainability Report met the latest Global Reporting Initiative standards and received a full positive assurance.

Preventing fraud

Being accountable, transparent and responsible is vital in today's business world. This requires good corporate governance, well regulated systems – and staff who are aware of their role.

ABN AMRO has a global policy on employee whistle blowing to enable employees to raise concerns about suspected criminal or unethical conduct, with the option to do so anonymously. In 2007, we also took extra steps to ensure that staff completed anti-money laundering training and were aware of their responsibility to act honestly and report any suspected wrongdoing.

PROTECTING OUR ASSETS

Risk management

Good risk management is essential for any financial institution. Put very simply: if you're lending money, you need to know how likely it is that you'll get it back. But protecting your reputation often requires something more. We've built an early warning system to help us assess and manage environmental, social and ethical (ESE) risks.

As well as reviewing the figures, we have to know our clients and their business environment and be true to our commitment to 'do the right business in the right way'. That's why, in all our business activities – lending and non-lending – we increasingly consider ESE risks. This holistic approach to risk management is a vital component of the bank's sustainability programme.

To ensure that our staff understand and apply this philosophy, our global Sustainable Risk Advisory team has given training and developed various Group-wide 'tools' – policies, structured approaches and information documents.

In 2007, we've made progress on two main fronts: implementing and developing the framework and tools, and increasing the capacity of our regional staff to deal with ESE risks.

Building the system

The newly developed and implemented ESE Risk Governance Model gives us the organisational framework to make sure that senior managers know what ESE risk is, that it is prioritised and managed appropriately, and that regional staff

can deal with issues and know when to escalate to head office.

The specific feature of the model is that issues are escalated on the basis of their ESE profile – regardless of the size of the financing involved. This enables the best positioned department to decide the commitments the bank makes to transactions and clients.

Our main tool for helping staff to identify the non-financial risks relevant to their business decisions, is the ESE Risk Filter. In 2007 we launched a completely new version, built around industry codes. The Filter takes staff step-by-step through a quick series of easy questions targeted to their client's industry.

We also realised our ambition to incorporate an ESE risk assessment into the bank's new client take-on process.

Various policies are in place, covering sensitive issues. In 2007, we updated our Defence policy and produced the first of a set of briefings that explain the ESE risks (and business opportunities) in each of the 25 industrial sectors. In the Netherlands, commercial staff received similar information in Dutch on CDs.

Increasing regional capacity

There are now dedicated ESE risk professionals in all our BUs. In Transaction Banking we've produced a manual to help staff assess ESE risks in the trade area. In Brazil, the ESE risk unit was vital in putting together a deal to finance a building refurbishment that would use less energy and water – proving that risks and business opportunities go hand in hand. In Asia, we developed a dedicated risk tool tailored to

identify and manage the ESE risks associated with our expanding small and medium enterprises. In addition, in response to strong commercial growth in the biofuels area, a risk assessment tool focusing on the palm oil sector was introduced.

What's ESE?

ESE = environmental, social, ethical. As a bank, we may expose ourselves to an ESE risk. For example, financing a company that employs forced labour would be an ethical risk, potentially damaging to our reputation.

Equator Principles

The Equator Principles set environmental conditions for the loan financing of major projects. In 2007, we applied the Equator Principles to 39 projects and transactions across our entire global operations. The details of these are contained in the following tables:

Global EP Count

Equator Principles assessments by project category

	# of assessments	Approved	Approved with conditions	Declined
Category A projects	11	6	5	0
Category B projects	21	7	14	0
Category C projects	7	5	2	0
Total	39	18	21	0

Equator Principles assessments by sector

	# of assessments	Approved	Approved with conditions	Declined
Oil & Gas	10	6	4	0
Mining & Metals	3	1	2	0
Power & Utilities	13	5	8	0
Construction & Building Materials	2	1	1	0
Public Sector	2	2	0	0
Others	9	3	6	0
Total	39	18	21	0

Equator Principles assessments by transaction type and project capital cost

Transaction Type	# of assessments	Project capital cost	
		(USD)	# of assessments
		≥ 1 billion	13
Project finance	19	≥ 500 - < 1000 million	8
Hybrid engagements	20	≥ 250 - < 500 million	3
		≥ 50 - < 250 million	12
		< 50 million	3
Total	39	Total	39

Equator Principles assessments by project location

Project location	# of assessments
Europe	16
Brazil	4
Latin America	1
Australia	3
North America	2
Asia Other	6
India	0
Middle East	2
Africa	5
Total	39



SRA: Total assessments by industry & activity 2007

	# of advices	Approved	Approved with conditions	Declined
Oil & Gas	36	28	7	1
Mining & Metals	21	13	7	1
Aerospace & Defence	27	22	4	1
Power & Utilities	23	14	8	1
Forestry	8	3	5	0
Chemicals	11	9	2	0
Gambling	11	5	3	3
Financials	1	1	0	0
Other Sectors	49	44	3	2
SRA assessments by industry	187	139	39	9
Trade transaction	138	120	5	13
Total assessments	325	259	44	22

These are the figures for the SRA Centre Team. The number of times that advice was given has dropped, compared to last year, reflecting the transfer of work to regional BUs. For example, the equivalent team in BU Asia provided an additional 146 advices and the equivalent team in BU Europe provided an additional 88 advices. ABN AMRO Real's ESE risk team also assessed over 5,000 local companies against social and environmental criteria.

Note: While we have taken care to check the reliability of these figures, they have not been formally audited.

PROVIDING RESPONSIBLE FINANCIAL SERVICES

Good business

In 2007, we moved ahead on the business side of sustainability, meeting clients' needs for new ways to invest ethically and deal with challenges such as climate change.

We gathered our eco-related product expertise from all parts of the bank into a virtual Eco-Markets team, creating greater potential for innovation. Working across our organisational structure, the team has had a successful first year helping clients to manage the financial risks and opportunities related to climate change and environmental issues.

We're competing in this area by building on the strengths of our existing business:

Emissions market trading

ABN AMRO has been helping tackle climate change through carbon emissions trading since 2005. We've since expanded into innovative emissions products for a wider client network, for example:

- in June 2007, the bank closed the first ever Certified Emission Reductions (CER) trade deal in India.
- in July 2007, we executed a landmark Dutch government mandate connected with the EU Emissions Trading Scheme (EU ETS).

In November 2007, ABN AMRO took the Silver Award for Excellence in Emissions Markets at the Energy Business awards.

Renewable energy and clean technology

During 2007, we were involved in publicly disclosed arranging and advisory activities representing more than EUR 2.8 bln and financing of nearly EUR 1 bln to the renewables sector. We've established a New Energy Technologies team focusing globally on renewable energy technology and capacity transactions (wind, solar, hydro, biomass, biofuels and nuclear) based on many years of experience in these sectors.

Eco-indices and SRI 'firsts'

In 2007, ABN AMRO introduced its Climate Change & Environment Index, the world's first dynamic, rules-based index of companies directly involved in tackling climate change and other environmental issues.

In September, the World Bank and ABN AMRO started an exclusive partnership in the Netherlands, raising EUR 150 mln with the launch of the World Bank Eco-3 Plus Note. The World Bank will use the proceeds to fund poverty alleviation and sustainable development projects. Investors receive a capital protected product with a guaranteed return of 3% with potential further upside from the performance of the Climate and Environment Index component.

Assets in the ABN AMRO Ethical Fund – one of the first SRI funds in Brazil - rose from BRL 100 million in 2006 to BRL 660 mln by October 2007.

ABN AMRO Asset management expanded its worldwide SRI fund base to more than 26 in 2007 with, for example, the ABN AMRO Clean Tech Fund, Nordic subsidiary Banco's Climate Neutral Environmental Fund and the first SRI Fund in India, the ABN AMRO Sustainable Development Fund.

During 2007, our BU Netherlands ran a prominent sustainability-related investment campaign.

Microfinance

The bank continued to develop its microfinance activities in Brazil, India and the US.

In Brazil, our microfinance operation grew substantially, reaching thousands of new clients and making us the country's second biggest micro-credit company. In India, the number of individual borrowers almost doubled from 340,000 in 2006 to over 673,000 by December 2007.

Sustainability Indicator

Increasingly, investors want to know how sustainable their investments actually are. We're the first bank to respond to this need by making information on an individual share's sustainability widely available. ABN AMRO Private Clients worked with ABN AMRO Asset Management and BU Netherlands to develop and launch a unique Sustainability Indicator for use by our investment managers in the Netherlands and in Private Clients around the globe. For over 400 stocks, an indication has been determined as to how sustainably a company operates compared to its sector average, using input from independent rating agencies.

Diversity and inclusion (D+I) and human rights

In 2007 we continued to work towards a diverse and inclusive workforce, launching an award competition aimed at showcasing inclusive behaviours. We continued integrating our commitment to human rights into our policies and training, e.g. including non-discrimination and non-harassment in our D+I policy. The bank's employment practices have attracted several external awards globally.

BEING AN EMPLOYER OF CHOICE

Focusing on our people

As a responsible employer, preparing our people for change was our focus in 2007.

The acquisition of ABN AMRO by the Fortis, RBS and Santander consortium marked a new phase in the history of our company. The consortium has stated that it bought ABN AMRO for the quality of its people. While it's clear that there will be impact on existing jobs, we believe that there will also be new career opportunities for employees. We're investing much time and effort in properly managing the human side of the transition, together with our consortium partners.

Managing change

The focus of HR has been on supporting managers and employees to manage uncertainty and prepare for change. Workshops and toolkits with the title 'Let's get ready – Smart moves for integration' were developed and delivered across ABN AMRO globally.

We also provided dedicated communication channels such as the Group transition site – and have worked closely with employee representative bodies. When making

organisational changes, we adhere to local labour regulations in our various countries and to agreements with unions or staff councils if these are in place.

Leadership and learning

Performance management, talent reviews and leadership and learning opportunities remained a priority during 2007. We believe they kept staff engaged and motivated to achieve business results. We took steps to integrate sustainability concepts into our regular training offering and also included information about sustainability in our global onboarding content for new staff.

Our future – our people

"We are successful because our people are talented, motivated and rewarded. We want the same for the staff of ABN AMRO who join us..."
Fortis, RBS, Santander

In October 2007, the consortium of Fortis, RBS and Santander acquired ABN AMRO, bringing to a close months of intense pressure and opening up a new chapter in the bank's history. Preparations began for the transfer of different teams and businesses to the consortium members with the aim of combining strengths for the benefit of customers.

From the start, consultations with ABN AMRO Human Resources and with staff representative bodies, including staff councils, have formed a key part of those preparations.

The consortium and ABN AMRO have agreed People Principles (Global HR Principles) to govern reorganisation and separation of staff "to support the way in which we create stronger businesses with enhanced growth prospects".

MINIMISING OUR IMPACT ON THE ENVIRONMENT

Reducing our footprint

Our many initiatives aimed at cutting our carbon footprint and becoming carbon neutral, showed promising results in 2007, with energy usage and related CO₂ emissions trending downwards on most counts.

In meeting our commitment to cut our energy consumption our first priority is to use less energy and buy 'green' energy.

In 2007, we established Services Sustainable Development to oversee these efforts, promote waste reduction and involve staff. The team work closely with Global Property and Facilities Management Services, IT and Global Procurement.

Among our activities in 2007 we:

- deployed a web-based solution, providing detailed energy and CO₂ monitoring for buildings in Europe. This allows us to identify high energy areas and plan initiatives accordingly.
- continued to introduce energy efficiency measures, e.g. automatic monitor switch-off software, movement-sensitive lighting and duplex (double-sided) printing standards. In the Netherlands, automated 'shut-down software' closes down or hibernates computers and monitors in periods of inactivity.
- invested in sustainable building practices, with several buildings achieving LEED 'gold' status, and an India branch achieving the coveted LEED 'platinum' status.

- 
- partnered with Dell™ to offset CO₂ emissions. For every Dell PC we buy, a tree is planted in a sustainably managed forest – 16,000 so far.
 - achieved a 63% increase (to 695) in signed Supplier Codes of Conduct setting ESE standards for our suppliers.
 - continued to invest in Forest Stewardship Council (FSC)-certified and/or recycled paper. In Brazil, 79% of paper used comes from recycled sources. In the Netherlands, more than 80% of paper the bank uses is FSC-certified.
 - encouraged staff in places as diverse as Romania, Turkey and the UK to actively cut their energy usage and waste.

In addition, we continued to invest in energy reduction technologies. For example, we used server virtualisation technology in Asia to cut server population by 89%, reducing energy usage and saving an estimated 1,924 tonnes of CO₂ emissions last year. We also invested in audio, video and web/net conferencing, including installing HALO suites as a high-quality alternative to travel.



Energy & paper use

	2007	2006	2005	2004
- Electricity consumption in kWh ¹	799,500,936	837,695,572	699,302,119	705,241,555
- Energy consumption other sources in kWh ^{1,2}	157,990,833	183,343,574	216,248,035	215,315,873
Total energy consumption	957,491,769	1,021,039,146	915,550,154	920,557,428
Total paper consumption in tonnes ³	11,557	11,571	12,401	12,254

¹ Based on measurement and calculation covering 87% of the consumption and extrapolated to the Group, including the effect of the sale of LaSalle

² Includes fossil fuels, district heating and district cooling

³ Paper: based on 89% of FTEs and extrapolated to the Group, including the effect of the sale of LaSalle

Business air-travel and related CO₂ emissions

	2007	2006	2005	2004
Business air-travel (km per FTE) ¹	4,709	6,432	6,184	5,398
- Short haul ²	401	489	478	446
- Long haul	4,308	5,943	5,706	4,952
CO ₂ emissions (tonnes per FTE) ³	0.5453	0.7418	0.7137	0.6250
- Short haul	0.0722	0.0881	0.0860	0.0803
- Long haul	0.4732	0.6537	0.6276	0.5447
CO ₂ emissions (total tonnes) ⁴	58,822	78,206	69,602	66,194

¹ Based on coverage of 72% of FTEs

² Short haul: up to 500km

³ Based on the emission factors for business air-travel as stated in the WRI/WBCSD GHG Protocol Initiative

⁴ Extrapolated to the group total FTEs

CO₂ emission (in tonnes) ¹

	2007	2006	2005	2004
- Electricity consumption	256,055	292,780	223,917	292,894
- Energy consumption other sources	39,127	43,734	52,940	47,746
Total energy consumption	295,182	336,514	276,857	340,640
Business air-travel	58,822	78,206	69,602	66,194
Total	354,004	414,720	346,459	406,834

¹ Based on the CO₂ calculation tool of the WRI/WBCSD GHG Protocol Initiative

Environmental performance

	2007	2006	2005	2004
Energy (kWh per m ²)	339.4	360.3	360.7	378.8
Energy (kWh per workstation)	6,723	7,157	7,293	7,585
Energy (kWh per FTE)	8,889	9,684	9,388	8,691
Business air-travel (km per FTE)	4,709	6,432	6,184	5,398
Total CO ₂ emission (tonnes per FTE)	3.29	3.93	3.55	3.84
Paper consumption (tonnes per FTE)	0.11	0.11	0.13	0.12

2007 performance

Due to good progress with our operational initiatives, larger investment in green energy and the sale of some of our energy inefficient buildings, we've reduced our energy consumption and CO₂ emissions. The process for gathering data has also improved and we continue to better understand our footprint. We've also reduced our travel significantly. This is due to travel restrictions, improved procurement data and greater availability of conferencing facilities.

Campaign

To reduce our carbon footprint successfully, we need to get staff involved. We launched 'Our Carbon Commitment', a global campaign that creates employee awareness of our commitment towards our direct energy consumption and business air travel. The campaign's intranet pages provided information on reducing our CO₂ emissions at work (and at home), as well as case studies and links to websites such as RBS YourWorld, dedicated to reducing our environmental impact.

Note: While we have taken care to check the reliability of these figures, they have not been formally audited.

SUPPORTING LOCAL COMMUNITIES

Adding value to the communities we live and work in.

As an international business with staff and offices around the world, we're well placed to make a positive contribution with sponsorship and local community initiatives. It's an opportunity we take up enthusiastically.

With our community investment we aim to create 'sustainable livelihoods' – helping people to acquire the means to sustain their lives and build a future. Our projects focus on income generation, environmental protection and education.

A feature of these initiatives is that staff get involved – for instance, by providing financial expertise to young entrepreneurs or reading to children. In 2007, the number of employees involved in community work continued to grow, particularly in Asia, Latin America and in Europe.

This staff engagement is just one of the ways that community investment complements our business activities. It also promotes closer cooperation with governments, NGOs and clients.

ABN AMRO Foundation

In addition to these activities, run by our BUs in many different locations, we have a global community investment programme run by the ABN AMRO Foundation. The Foundation receives an annual grant from the bank to support projects that stimulate entrepreneurship, offer vocational training and increase the business strength of small businesses and expand the markets in which poorer people can do business.

In 2007, several projects were added in countries such as China, Kazakhstan, Romania, Argentina, Paraguay and Uruguay. By early 2008, the Foundation was supporting more than 90 projects in 25 countries. For example:

- in China we partner with Mercy Corp to support the only private non-profit secondary school in the Beijing area for children of Chinese migrants who left farming in search of work in the city.
- in Brazil, Chile and Romania, volunteers take part in NESsT (Nonprofit Enterprise and Self-sustainability Team) project, helping social enterprises to set up business plans and get started.

Although the Foundation formally winds up its operations in 2008, the consortium banks have agreed that they will honour the Foundation's outstanding commitments and continue to build on the spirit of the Foundation's work.

Around the world

Thousands of ABN AMRO staff give their time and expertise every year to support their local communities. They gain from the experience - whether they're racing for charity round Victoria Peak in Hong Kong, helping children in Mexican or Dutch schools or volunteering to run activities for disadvantaged teenagers in Spain.

Hundreds of staff around the world took part in community activities to mark UN International Volunteer Day in December.

Our community focus has been particularly strong in places such as the UK, the Netherlands and the USA – where, in 2003, we reported having the country's largest employee volunteering programme.





Our future

CONSORTIUM STATEMENT

ABN AMRO formally embraced the sustainability concept by placing environmental, social and ethical (ESE) matters at the heart of its business.

Along with its pioneering role in the development of the Equator Principles, ABN AMRO's leading position on sustainability has positively influenced the international financial services industry's approach to sustainability practices, and has been recognised through awards such as the FT Sustainable Bank of the Year.

The acquisition of ABN AMRO by the consortium of Fortis, RBS and Santander will naturally raise questions about what happens to the ABN AMRO sustainability initiatives. All three banks understand this concern and, more importantly, appreciate the importance of sustainability to long-term business success. We are working to combine our own best practices with those of the ABN AMRO businesses we acquire as part of the integration process. We recognise the importance of balancing the interests of our stakeholders across our areas of influence and remain committed to good sustainable development performance in pursuit of our goals.





OUR FUTURE - SUSTAINABILITY

In the months following the acquisition colleagues from across the banks have been working together to ensure a smooth transition of ABN AMRO's businesses to their new owners including the work programs in sustainability.

Fortis, RBS and Santander each have their own commitment to corporate responsibility.

Fortis

As the world is faced with challenges that go well beyond the balance sheet – businesses have a responsibility to play their part in addressing issues that impact upon society as a whole. Fortis believes that the only way to improve their Corporate Social Responsibility (CSR) performance in a sustainable manner is by embedding the essentials of CSR in their core business and organisational processes. This will continue to be their focus in the years ahead.

Fortis' CSR agenda is a reflection of an ambition to deliver results. The focus is on three overall themes: sustainable supply chains, climate change and social inclusion.

Key elements of the Fortis CSR strategy are:

- Embedding CSR in all parts of the organisation.
- Implementation Carbon Neutrality Programme.
- Developing and roll out of sector policies.
- Developing sustainable products and services.
- Strengthen stakeholder dialogue and communication.
- Expansion of Fortis Foundations' activities.
- Active participation in international debate on CSR.

"Transparent and effective governance - including adherence to high ethical standards - is absolutely crucial to Fortis."

Maurice Lippens, Chairman of the Board of Directors

Source: Fortis Corporate Social Responsibility Report 2004

RBS

RBS aims to be a responsible company, carrying out rigorous research so that the bank can be confident it knows the issues that are most important to its stakeholders and they can take practical steps to respond to their priorities.

For 2007 the following 10 ten issues were identified:

1. Financial crime
2. Customer service
3. Selling and lending practices
4. Employee practices
5. Environmental impact
6. Community investment
7. Global lending and project finance
8. Financial education
9. Financial inclusion
10. Small business support.

"Understanding and successfully balancing the views of all our stakeholders on the issues that matter to them most, for our mutual benefit, is critical to our sustainable success."

Sir Fred Goodwin, RBS Group Chief Executive

Source: RBS Corporate Responsibility online at <http://www.rbs.com>

Details of RBS's performance in these priority areas are available at <http://www.rbs.com>

RBS is looking forward to working with new colleagues in the ABN AMRO BUs to leverage their knowledge, skills and existing programmes in the area of sustainability, or as we prefer to call it, Corporate Responsibility.

Santander

Santander wants to be in the vanguard in CSR, through a mission of leadership, creating wealth and jobs and fostering the development of society and the environment. Transparency and clarity are still the key elements for maintaining relations with stakeholders, attaining medium and long-term objectives and promoting sustainable growth.

The Group participates actively, allocating economic and human resources, through three spheres of activity: its global cooperation programme with universities, local social action programmes and an active environmental protection policy.

Higher education is the basic pillar of its social commitment. Santander has been developing Santander Universidades for nine years, a cooperation programme with different universities in Spain, Portugal and Latin America.

"Our Corporate Social Responsibility policy responds to a long held conviction: sustainable activity, based on concern for the future, will benefit everyone – customer satisfaction, recurring profitability for shareholders, employee motivation and economic and corporate worlds."

Emilio Botín, Group Santander Chairman

Source: Group Santander Corporate Responsibility Report 2006

For more information, see the three consortium banks' own websites and corporate responsibility reports:

Fortis <http://www.fortis.com>
 RBS <http://www.rbs.com/cr>
 Santander <http://www.santander.com>

Published and edited by
ABN AMRO, Fortis, RBS and Santander Corporate Social Responsibility,
Sustainability and Communications departments

Design
Mediabrein Concept, Hilversum

Photography
StudioBas.com

Print
Grafisch Bedrijf Tuijtel, Hardinxveld-Giessendam

This review is printed on paper made from wood from sustainable forests
and is produced in factories that are PEFC Chain-of-Custody certified.

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