



ABN AMRO Group N.V.

2017 Sustainability highlights

OUR REPORTS



Integrated Annual Review 2017

Purpose: This is ABN AMRO's Integrated Annual Review, which describes the group's ability to create value over time. As our primary report, it examines the themes that are central to achieving our long- and medium-term strategy. Information has been taken from the reports listed here, where applicable.

Readership: Intended readers of this report are investors, clients, employees and society at large. It will be of special interest to providers of financial capital (investors).

Frameworks used

International Integrated Reporting Framework (IIRC)

Assurance

EY has performed a limited assurance engagement on this report



Annual Report Group and Bank

Purpose: The board reports and the Annual Financial Statements provide information about our financial and non-financial performance in compliance with regulatory requirements.

Readership: Intended readers of this report are primarily regulators and providers of financial capital (investors).

Frameworks used

- ▶ International Financial Reporting Standards (IFRS)
- ▶ Dutch Civil Code Title 9, Book 2
- ▶ Capital requirements regulations (Basel III, CRD IV, CRR, EBA)
- ▶ Financial supervision act
- ▶ Corporate Governance Code
- ▶ Dutch Banking Code

Assurance

EY has audited the Annual Financial Statements, including certain disclosures in the Risk, Funding & Capital Report, and has expressed an unqualified audit opinion



Pillar III Report

Purpose: This report provides detailed quantitative information in the area of risk and capital management. A description of our main approach to risk management and qualitative Pillar 3 requirements is included in the ABN AMRO Group N.V. Annual Report.

Readership: Intended readers of this report are primarily regulators and providers of financial capital (investors).

Frameworks used

Capital requirements regulation (CRR, EBA)

Assurance

The figures presented in this document have not been audited or reviewed by our external auditor



Sustainability disclosures

Purpose: The Sustainable Banking website complements our Integrated Annual Review. It provides detailed sustainability disclosures, background information, key figures and highlights under Reporting including our Human Rights Report.

Readership: Intended readers of this report are employees, clients, investors and society at large.

See: abnamro.com/en/sustainable-banking/reporting-and-publications/reporting/index.html.

Frameworks used

Not applicable

Assurance

The figures presented on this website have not been audited or reviewed by our external auditor

SUSTAINABILITY REPORTING AT ABN AMRO

We communicate about our sustainability performance through several channels, targeting specific stakeholder groups. Reporting on our performance in this way helps us get the right information across to the right stakeholders.

- ▶ We report our progress on the bank's material topics in our Integrated Annual Review.
- ▶ Additionally, our quarterly Sustainable Banking Newsletter provides updates on current topics and dilemmas. You can subscribe to our Sustainable Banking Newsletter at abnamro.com/sustainablebanking and click on Subscribe to our newsletter.
- ▶ The Sustainable Banking website provides additional information. We engage with our stakeholders on an ongoing basis, through bilateral conversations, stakeholder dialogues and round tables (reports can be found on the website).

Sustainability at ABN AMRO

Being recognised for sustainability and transparency, that's our ambition. In this report, we provide an overview of our 2017 sustainability results.

About ABN AMRO

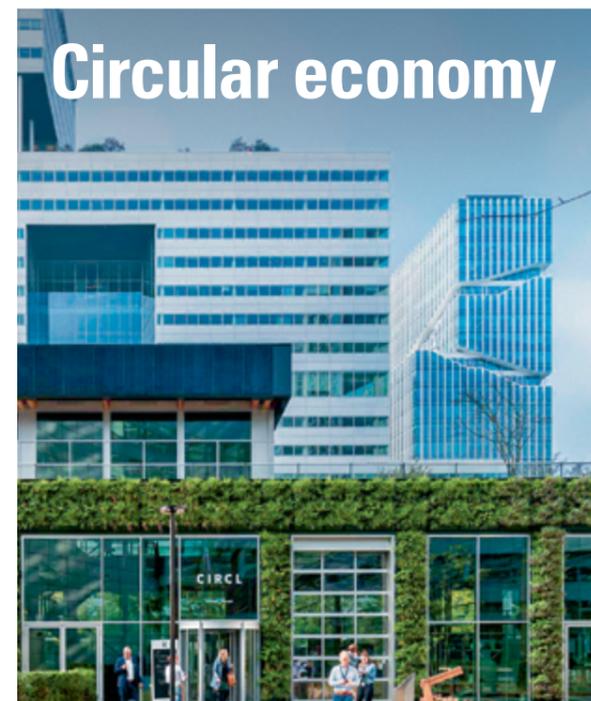
ABN AMRO is a relationship-driven, knowledgeable and digitally savvy bank, active in Northwest Europe and with expertise in selected sectors globally.

Our strategic priorities

Clients want a bank that simply does its job well and that goes the extra mile for them. A bank that knows its business and provides the best service.

To address our changing environment, we have set our priorities for the years up to 2020. The core of our strategy remains the same: we will continue to be a 'relationship driven bank' while ranking among the best on the digital front; a bank with a strong position in Northwest Europe and servicing selected sectors worldwide. We are client-driven, we invest in the future, we have a moderate risk profile and we are committed to sustainable growth.

Our focus areas



Circular economy

Accelerate the transition to a circular economy

ABN AMRO supports the transition to a circular economy. We will work together with our clients to achieve three goals by 2020: finance 1 billion euros in circular assets, finance 100 circular loans and cut CO₂ emissions by 1 million tons.



Climate change

Combatting climate change

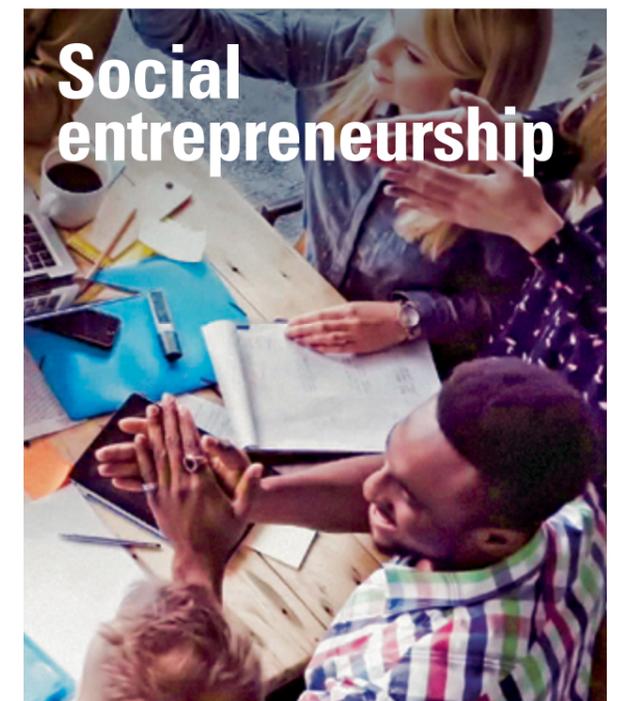
As a bank, we can make a significant contribution to reducing carbon emissions. One of the ways in which we do this, is by making real estate more sustainable. Our mission 2030 is to ensure that all homes and offices we help finance have an average energy label A by 2030.



Human rights

Respect human rights in everything we do

Respecting human rights is central to everything we do at ABN AMRO. Because people cannot and should not be disadvantaged by the way in which we or our clients make money.



Social entrepreneurship

Support social entrepreneurship

ABN AMRO considers social entrepreneurship and inclusion very important themes. That's why we offer social entrepreneurs financial and operational support. Furthermore, we invest in promoting inclusion, for instance via Social Impact Bonds or Impact Banking.

Sustainability at ABN AMRO

Sustainability is an integral part of ABN AMRO's strategy. We are committed to being recognised for our position on sustainability and transparency.

We focus on four important themes: the circular economy, climate, human rights and social entrepreneurship (inclusion).

As a bank, we play a key role in facilitating business. This means we have an obligation to do business responsibly, to put our clients' interests first and to address environmental, social and governance (ESG) risks, which includes risks related to climate change and human rights.

Highlights 2017

ABN AMRO launches Mission 2030

ABN AMRO wants to join forces with its commercial and retail clients to improve the energy efficiency of its entire real estate portfolio to an average label A by 2030. In August, ABN AMRO was the first major Dutch bank to commit to making the residential and commercial real estate it finances more sustainable.

ABN AMRO makes its investment activities more sustainable

ABN AMRO's ambition is to grow its sustainably invested assets from EUR 8 to 16 billion in the next three years. In addition, it is looking to make its range of investments more sustainable.

Circl, a circular pavilion in Amsterdam, was officially opened in September



ABN AMRO supports the transition to a circular economy

ABN AMRO will work together with its clients to achieve three goals by 2020:

- ▶ Finance 1 billion euros in circular assets.
- ▶ Finance 100 circular loans.
- ▶ Cut CO₂ emissions by 1 million tonnes.

ABN AMRO wins Crystal Prize for most innovative annual financial reporting

In addition to winning this award, ABN AMRO scored 193 out of 200 points in the Transparency Benchmark. This places the bank among the top 10 most transparent companies in the Netherlands.

Energy Savings Check

ABN AMRO launched the Energy Savings Check, which gives homeowners an instant overview of specific measures they can take to save energy in their homes. Since the introduction, more than 8,700 clients have performed the Energy Savings Check.

Dow Jones Sustainability Index ranking

ABN AMRO scored 91 out of 100 points

91 out of 100



Partnership for a smoke-free future

In July, ABN AMRO and the Dutch Heart Foundation joined forces in the fight for a smoke-free future. And in April, the bank decided to stop investing in the tobacco industry.

ABN AMRO invests in sixth impact bond

In November 2016, a broad alliance of parties joined forces to support employees who have or have had cancer in returning to work faster and more successfully. The parties are using an innovative financing instrument called a Health Impact Bond (HIB). The ABN AMRO Social Impact Fund will invest EUR 317,500 in this bond.

Carbon footprint of business undertakings

The Platform for Carbon Accounting Financials (PCAF) initiative has developed a methodology for measuring the carbon footprint of investments and loans of financial institutions. ABN AMRO is a member of this platform and will adopt their methodology.

Partnership with Root Capital to support smallholder farmers



ABN AMRO entered into a relationship with Root Capital, a US-based agricultural impact investor, to provide impact finance to smallholder farmers. ABN AMRO aims to grow its impact banking loan portfolio to EUR 50 million in the coming years.

Progress for 2017

ABN AMRO wants to be positively recognised for our position on sustainability and transparency. We achieved our overarching goal of being in the top 15% of the Dow Jones Sustainability Index by 2017. In 2017, ABN AMRO scored 91 out of 100 points, four points higher than in 2016. This puts the bank even in the top 5% in the banking industry. Our progress on our sustainability ambitions:

Progress on sustainability ambitions

Goals	Metrics for 2017	Results in 2017
In our efforts to make our own business operations more sustainable and transparent, we act within the letter and spirit of the laws and standards for financial services provision.	<ul style="list-style-type: none"> ▶ Carbon emission reduction by 30% compared with 2013. ▶ Gender diversity: women to be placed in 30% of upper middle management positions and 25% of senior management positions. ▶ A score of >180 points on the Transparency Benchmark. 	<ul style="list-style-type: none"> + █ Carbon emission reduction by 42% compared with 2013. █ Gender diversity: women in 27,7% of upper middle-management positions and 25,2% of senior management positions. + █ A score of 193 points on the Transparency Benchmark.
We offer clients safe and reliable services by combining highly secure and stable systems with client centricity.	<ul style="list-style-type: none"> ▶ Increase in the Net Promoter Score by 10% by 2017 compared with 2015. ▶ Increase in the Trust Monitor Score by 15% by 2017 compared with 2015. 	<ul style="list-style-type: none"> + + + + █ Net Promoter Score of Retail Banking: -9 (2016: -15). █ Net Promoter Score of Private Banking: 12 (2016: -1). █ Net Promoter Score of Commercial Banking: -6 (2016: -23) █ Net Promoter Score of Corporate and Institutional Banking: 32 (2016: 40). █ The Trust Monitor Score improved slightly in 2017: 3.2 on a scale of 1-5.
We increase our contribution to a sustainable society by putting our expertise to use in practical and systemic issues.	<ul style="list-style-type: none"> ▶ Have 40% of our employees volunteer through ABN AMRO Foundation or other social projects. ▶ Increase our social impact on key themes by 15% (in total volume of impact bonds or impact funds) compared with 2015. 	<ul style="list-style-type: none"> + + + + █ 40.4%¹ of our employees participated via ABN AMRO Foundation or other social projects. + █ Impact bonds: Our social impact through issuing of social impact bonds more than doubled from two social impact bonds in 2015 to 6 social impact bonds in 2017, with a value of EUR 8.3 million for 1,583 participants (from a total in 2016 of 5 social impact bonds with a value of EUR 7.3 million for 1,443 participants) + █ Sustainable farmer loans: the first loans were approved in 2017, with a total value of USD 12.5 million. + █ Our social impact investments on key themes more than doubled in volume of impact funds (from a total of EUR 104 million in 2015 to EUR 250 million in 2017).
We enhance the bank's positive value creation by transparently integrating ESG/ESE criteria into our client assets and lending.	<ul style="list-style-type: none"> ▶ ESG criteria to be further integrated into our investments and a 15% increase of loan book with environmental, social and ethical (ESE) indicator, as compared with 2015. ▶ To be recognised as a sustainable bank by our clients with an increase by 10% compared with 2016. 	<ul style="list-style-type: none"> + + █ Sustainable client assets increased from EUR 8.2 billion to EUR 10.1 billion, up 23% compared with 2016. + █ Increase of lending volume with GSRI or SMOS rating from 38% in 2015 to 65% in 2017. █ Recognised as a sustainable bank: Retail Banking: 21% (2016: 21%); Private Banking: 17% (2016: 15%); Commercial Banking: 16% (2016: 20%); Corporate & Institutional Banking: 41% (2016: n/a).

+ Positive █ Unchanged/some improvement █ Negative

¹ Headcount of ABN AMRO counted in FTEs.

Our stakeholders

ABN AMRO is committed to creating lasting value for our stakeholders as we make a sustainable contribution to society. Therefore, we regularly engage in dialogue with our clients, employees, society and investors to see what matters most to them now, and how their needs will change going forward. We then develop and optimise our activities around the topics that matter most to them.



Also see:

Our website and Integrated Annual Review 2017
abnamro.com/en/about-abnamro/annual-report

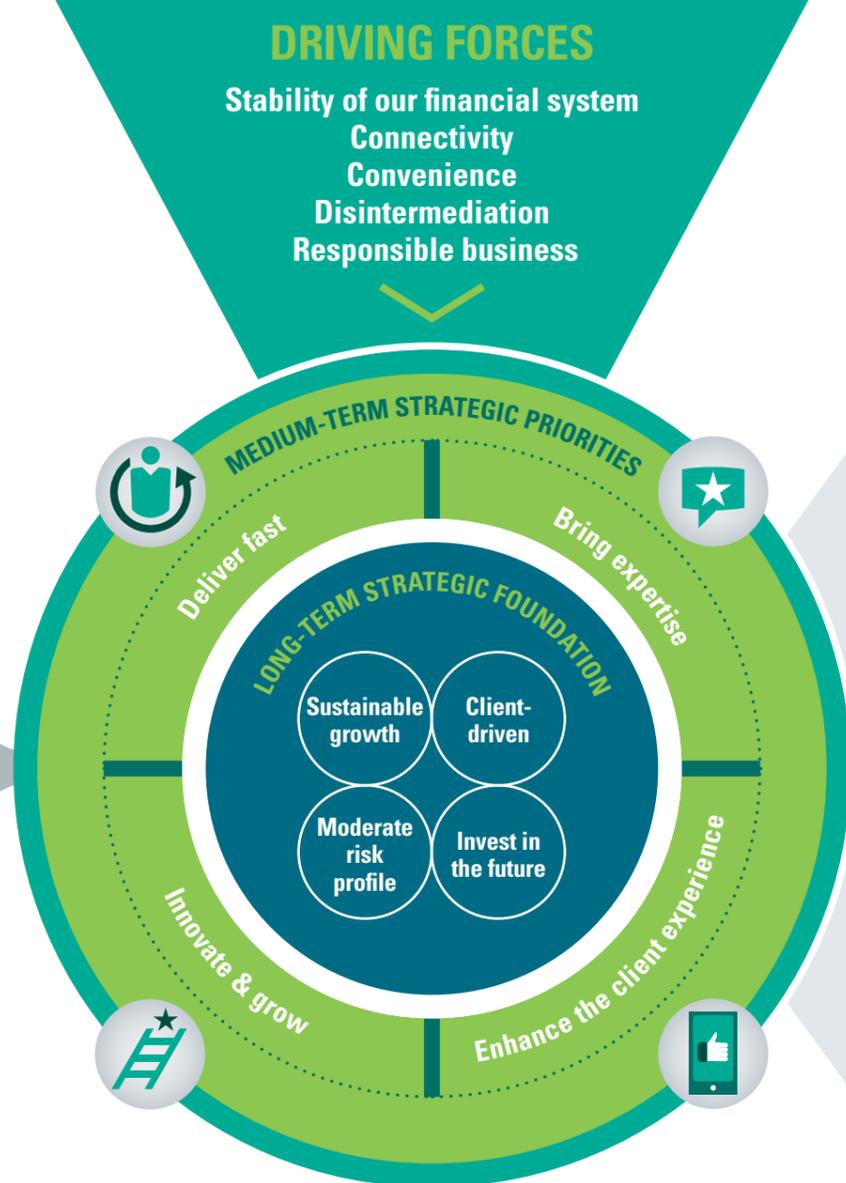


How we create and share value

We use a value creation model to analyse the way in which the bank uses the resources and expertise at its disposal. This helps to create long-term value for stakeholders.

INPUT CAPITAL UTILISED

- 
Social and Relationship
 Strong relationships with our stakeholders through continuous stakeholder management.
- 
Digital and Technological
 Investing in digital and innovative propositions.
- 
Human and Intellectual
 Talented and dedicated employees with specialised financial skills and in-depth sector expertise.
- 
Financial
 Financial capital to invest in our activities.



OUTPUT VALUE CREATED BY CAPITAL

- 
Social and Relationship
 NPS Retail Banking -9
 NPS Commercial Banking -6
 NPS Private Banking +12
 NPS Corporate & Institutional Banking +32
 Trust Monitor score (on a scale of 1 to 5) 3.2
- 
Digital and Technological
 99.68% Availability of our digital services
 6.2 million Number of internet banking contracts
- 
Natural
 EUR 10.1 billion Sustainable client assets
 EUR 84 million 14 circular transactions
- 
Human and Intellectual
 79% Employee engagement score
 2% Training expenses as a percentage of total personnel expenses
 EUR 2,590 million Personnel expenses
- 
Financial
 14.5% Underlying return on equity
 17.7% Fully-loaded CET1 ratio

OUTCOMES FOR OUR STAKEHOLDERS

We strive to address our stakeholders' – clients, employees, society at large and investors – needs and concerns by responding to the topics that matters most to them. These concern our material topics. They are key to creating value for our stakeholders. The impact per topic and the outcome created is explained in the Integrated Annual Review. A brief overview of the outcomes for our stakeholders:

- Social and Relationship**
 Through fast and innovative propositions, together with our expertise, we help clients in their financial activities.
- Digital and Technological**
 Stable and safe (digital) services that safeguard the privacy of our clients.
- Natural**
 Provide our clients with sustainable products and services to create a positive impact on the environment.
- Human and Intellectual**
 A simplified and agile organisation with engaged employees, and a responsible remuneration policy. Developing the expertise of our staff to help clients and society at large to the best of our ability.
- Financial**
 Our role as a stimulating factor to the economy. Sustainable revenues and focus on costs leading to a healthy return, and solid capital buffers.

More information

For more information see:

abnamro.com/sustainablebanking

or contact us at:

sustainability@nl.abnamro.com