

ABN AMRO Group N.V.

# Sustainability facts and figures & Engagement 2018

# Sustainability facts and figures

## 2

### Application of Equator Principles

Category and numbers of projects assessed in 2018 that have reached financial close	2
Application of Equator Principles Framework to other transactions	2
Advice provided by the central sustainability department 2018	3
Advice provided by the central sustainability department 2017	3
International Clients Sustainability Risk Management	4
Total sustainable assets under administration	4
Financing	4

## 5

### Client complaints

Client complaints on security and privacy	5
---	---

## 5

### Client focus

Contracts channel	5
-------------------	---

## 5

### Employees

Number of employees	5
Number of employees per business line Global	5
FTEs per business line men/women Global	6
Breakdown of employees by age in the Netherlands	6
Breakdown of employees by job level in the Netherlands	6
Diversity of employees in the Netherlands	6
Geographical distribution of employees	7
Absenteeism in the Netherlands	7
Breakdown of employee contracts Global	7
Breakdown of workforce by employment contract Global	7
External in- and outflow Global	7
Training costs Global	7

## 8

### Environment

Energy consumption in the Netherlands	8
Energy reduction in the Netherlands	8

Energy key figures in the Netherlands	9
Paper consumption in the Netherlands	9
Business travel by lease car in the Netherlands	9
Business air travel – total kilometres	9
Business air travel – total number of flights	9

## 10

### Emissions

CO <sub>2</sub> emissions air travel	10
Total CO <sub>2</sub> emissions	10
Waste in the Netherlands	10
Water usage in the Netherlands	11
Employees in the Netherlands with public transport season tickets paid by the bank	11
<b>Mission 2030 results 2018</b>	<b>12</b>
Corporate banking	12
Real estate Clients	13
Retail Banking	13
Facility Management	13
<b>Emissions lending portfolio ABN AMRO</b>	<b>14</b>

## 15

### Community

ABN AMRO Foundation in the Netherlands	15
Social sponsorship	15

## 16

### Basis for reporting

Data collection	16
Sustainability governance	16

# Engagement approach

## 18

### Our engagement process

## 19

### Overview of ESG engagements

## 20

### Definitions

Definitions for legends and footnotes	22
---------------------------------------	----

## Application of Equator Principles

### Category and numbers of projects assessed in 2018 that have reached financial close

Country	Category			2018
	A	B	C	Total
Risk classification				
Emerging markets/Non Designated Countries	0	0	0	0
High-Income OECD/Designated Countries	0	7	0	7
<b>Total</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>7</b>

Region	Category			2018
	A	B	C	Total
Risk classification				
Africa	0	0	0	0
Asia	0	0	0	0
Europe	0	5	0	5
Middle East	0	0	0	0
North America	0	2	0	2
South America	0	0	0	0
<b>Total</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>7</b>

Sector	Category			2018
	A	B	C	Total
Risk classification				
Manufacturing	0	0	0	0
Energy production	0	2	0	2
Infrastructure	0	0	0	0
Mining	0	0	0	0
Renewables	0	4	0	4
Oil & gas	0	1	0	1
Telecom	0	0	0	0
<b>Total</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>7</b>

### Application of Equator Principles Framework to other transactions

Sector	Category			2018
	A	B	C	Total
Risk classification				
Oil & Gas	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Advice provided by the central sustainability department 2018

Sector	Number	Type of advice						Conclusion of advice	
		Client acceptance	Request for finance	Other requests	Approvals	Qualified approvals	Rejections	Pending	Withdrawn
Agriculture	71	34	31	6	30	36	5	0	0
Chemicals & Pharma	33	9	21	3	13	20	0	0	0
Defence	17	15	1	1	8	7	0	0	2
Energy & Public utilities	30	13	14	3	13	12	5	0	0
Fisheries	0	0	0	0	0	0	0	0	0
Forestry	0	0	0	0	0	0	0	0	0
Infrastructure	19	8	10	1	10	9	0	0	0
Manufacturing industry	87	54	25	8	43	36	8	0	0
Mining & Metals	75	32	40	3	24	49	2	0	0
Miscellaneous industries	0	0	0	0	0	0	0	0	0
Oil & Gas	106	29	68	9	32	71	3	0	0
Tobacco	1	1	0	0	0	0	1	0	0
Transport & Logistics	15	9	4	2	9	6	0	0	0
Other industries	18	16	1	1	9	5	4	0	0
<b>Total</b>	<b>472</b>	<b>220</b>	<b>215</b>	<b>37</b>	<b>191</b>	<b>251</b>	<b>28</b>	<b>0</b>	<b>2</b>

In 2018 we specifically addressed human rights issues in 83 sustainability assessments. Sustainable Banking conducts human rights due diligence in all cases. From 2018 onwards we report the number of files where conditions on human rights issues have been set, rather than each file where human rights were a specific point of attention.

## Advice provided by the central sustainability department 2017

Sector	Number	Type of advice						Conclusion of advice	
		Client acceptance	Request for finance	Other requests	Approvals	Qualified approvals	Rejections	Pending	Withdrawn
Agriculture	65	34	29	2	32	32	0	0	1
Chemicals & Pharma	55	37	14	4	33	20	1	0	1
Defence	59	40	6	13	41	14	3	0	1
Energy & Public utilities	29	21	6	2	20	8	1	0	0
Fisheries	0	0	0	0	0	0	0	0	0
Forestry	6	5	0	1	1	3	2	0	0
Infrastructure	9	3	6	0	5	4	0	0	0
Manufacturing industry	67	40	20	7	40	26	0	0	1
Mining & Metals	99	66	33	0	41	53	2	0	3
Miscellaneous industries	7	2	2	3	7	0	0	0	0
Oil & Gas	77	33	36	8	31	39	5	0	2
Tobacco	3	2	0	1	2	0	1	0	0
Transport & Logistics	16	8	3	5	5	8	2	0	1
Other industries	45	30	11	4	30	11	3	0	1
<b>Total</b>	<b>537</b>	<b>321</b>	<b>166</b>	<b>50</b>	<b>288</b>	<b>218</b>	<b>20</b>	<b>0</b>	<b>11</b>

In 2017 we specifically addressed human rights issues in 226 sustainability assessments.

## International Clients Sustainability Risk Management

	2018			2017			2016		
	Processed	Declined	Total	Processed	Declined	Total	Processed	Declined	Total
Agriculture commodities	79	0	79	116	0	116	139	0	139
Energy commodities	129	0	129	108	0	108	175	1	176
Metal commodities	0	0	0	41	0	41	126	1	127
Energy	187	0	187	200	8	208	158	4	162
Transportation	168	0	168	184	0	184	174	0	174
Basic materials	53	0	53	50	4	54	n/a	n/a	n/a
Other Sectors	407	n/a	407	241	6	247	232	7	239
<b>Total</b>	<b>1,023</b>	<b>0</b>	<b>1,023</b>	<b>940</b>	<b>18</b>	<b>958</b>	<b>14</b>	<b>13</b>	<b>1,017</b>

## Total sustainable assets under administration

(in EUR millions)	2018	2017	2016
Sustainable investments under management	9,112	6,507	6,240
Sustainable investment products	4,634	3,522	1,784
Sustainable savings products	80	79	161
<b>Total</b>	<b>13,826</b>	<b>10,108</b>	<b>8,185</b>

## Financing

(in EUR millions)	2018	2017	2016
Sustainable financing "Groenbank"	39	67	141

## Client complaints

### Client complaints on security and privacy

	2018		2017	
	Complaints	Sustained	Complaints	Sustained
Client complaints about non-compliance with privacy guidelines by ABN AMRO in the Netherlands <sup>1</sup>	87	2	57	4
Client complaints about non-compliance with regulations and voluntary codes by ABN AMRO in the Netherlands	133	4	98	14

<sup>1</sup> In addition to the two complaints received from clients, ABN AMRO also received one privacy related complaint via a regulatory body. This complaint has also been sustained. Both complaints about privacy and regulations or voluntary codes show an increase in 2018. These concepts are growing political / social themes in (Dutch) society. Therefore, customers relate their complaints more frequently to the concept of privacy, or the concept of duty of care ('zorgplicht'). Also, customers express more 'general concern' about privacy matters.

## Client focus

### Contracts channel

(in millions)	2018	2017	2016
Internet Banking contracts	6.11	6.17	5.93

(in %)	2018	2017	2016
Stability of our digital services	99.46%	99.68%	99.86%

## Employees

### Number of employees

(in FTE)	2018	2017	2016
Number of employees Global	18,830	19,954	21,664
Number of employees in the Netherlands	15,557	16,269	17,508

### Number of employees per business line Global

(in FTE)	2018	2017	2016
Private Banking	2,795	3,339	3,848
Retail Banking	4,449	5,192	5,262
Commercial Banking	2,731	2,773	n/a
Corporate & Institutional Banking	2,528	2,443	n/a
Group Functions	6,327	6,206	7,416

## FTEs per business line men/women Global

(in FTE)	2018			2017		
	Men	Women	Not registered	Men	Women	Not registered
Private Banking	1,492	1,303		1,739	1,600	
Retail Banking	2,190	2,259		2,515	2,677	
Commercial Banking	1,585	1,146		1,556	1,218	
Corporate & Institutional Banking	1,579	949		1,601	842	
Corporate Banking	n/a	n/a		n/a	n/a	
Group Functions	3,308	25	1,014	3,217	2,014	975
<b>Total</b>	<b>10,153</b>	<b>7,663</b>	<b>1,014</b>	<b>10,628</b>	<b>8,351</b>	<b>975</b>

## Breakdown of employees by age in the Netherlands

(in %)	2018	2017	2016
< 24	1%	1%	0%
24 - 29	10%	9%	8%
30 - 39	25%	25%	26%
40 - 49	30%	32%	33%
50 - 59	26%	27%	27%
> 60	7%	7%	5%

## Breakdown of employees by job level in the Netherlands

(in %)	2018	2017	2016
7 or lower	35%	40%	38%
8 - 9	23%	22%	23%
10 - 11	25%	23%	24%
Subtop	12%	11%	12%
Top	4%	4%	4%

## Diversity of employees in the Netherlands

(in %)	2018		2017		2016	
	Men	Women	Men	Women	Men	Women
7 or lower	37%	63%	36%	64%	34%	66%
8 - 9	59%	41%	59%	41%	59%	41%
10 - 11	68%	32%	69%	31%	68%	32%
Subtop	72%	27%	72%	28%	74%	26%
Top	72%	28%	75%	25%	75%	25%

(in %)	2018	2017
Females in management positions, as percentage of total management workforce	33.84%	32.75%

## Geographical distribution of employees

(in %)	2018	2017	2016
Netherlands	83%	82%	81%
Europe (other)	12%	13%	12%
Asia	2%	2%	4%
USA	2%	2%	2%
Other	1%	1%	1%

## Absenteeism in the Netherlands

(in %)	2018	2017	2016
Absenteeism (trend total)	3.59%	3.47%	3.64%

## Breakdown of employee contracts Global

(in %)	2018	2017	2016
Staff, permanent	76%	80%	79%
Staff, temporary	4%	4%	4%
Agency staff	7%	6%	6%
Contract staff	12%	11%	11%

## Breakdown of workforce by employment contract Global

(in %)	2018	2017	2016
Full-time	79%	77%	77%
Part-time	21%	23%	23%

## External in- and outflow Global

(in FTEs)	2018	2017	2016
Inflow	1,737	1,304	1,579
Outflow	2,511	2,695	2,053
- Natural turnover	629	639	599
- Reorganisation	1,376	1,205	725
- Other	506	851	729

## Training costs Global

	2018	2017	2016
Total training costs (in EUR millions)	41.7	43.9	54.0
Part-time training costs as a percentage of staff costs (%)	1.70%	1.83%	1.95%



# Environment

## Energy consumption in the Netherlands

### Electricity consumption in the Netherlands (kWh, GJ and kTon CO<sub>2</sub>)

	2018			2017			2016		
	kWh Electricity	GJ Electricity	kTon CO <sub>2</sub>	kWh Electricity	GJ Electricity	kTon CO <sub>2</sub>	kWh Electricity	GJ Electricity	kTon CO <sub>2</sub>
Subtotal electricity consumption	82,320,242	296,353	31.88	89,174,563	321,028	35.60	97,957,451	352,647	38.97
Total purchased green electricity by certificates	82,320,242		-31.88	89,174,563		-35.60	97,957,451		-38.97

### Natural gas consumption in the Netherlands (kWh, GJ and kTon CO<sub>2</sub>)

	2018			2017			2016		
	kWh Natural gas	GJ Natural gas	kTon CO <sub>2</sub>	kWh Natural gas	GJ Natural gas	kTon CO <sub>2</sub>	kWh Natural gas	GJ Natural gas	kTon CO <sub>2</sub>
Subtotal natural gas	24,871,040	89,536	5.10	29,016,057	104,458	5.96	34,053,986	122,594	6.96
Total purchased green gas by certificates	24,871,040		-5.10	17,557,778		-3.60	17,557,778		-3.59

### Heating and cooling in the Netherlands (kWh, GJ and kTon CO<sub>2</sub>)

	2018			2017			2016		
	kWh District heating	GJ District heating	kTon CO <sub>2</sub>	kWh District heating	GJ District heating	kTon CO <sub>2</sub>	kWh District heating	GJ District heating	kTon CO <sub>2</sub>
Subtotal heating and cooling	21,522,500	77,481	1.92	19,039,468	68,542	2.02	14,898,056	53,633	1.90

### Total energy consumption in the Netherlands (kWh, GJ and kTon CO<sub>2</sub>)

	2018			2017			2016		
	Total kWh	Total GJ	Total kTon CO <sub>2</sub>	Total kWh	Total GJ	Total kTon CO <sub>2</sub>	Total kWh	Total GJ	Total kTon CO <sub>2</sub>
Total energy consumption in the Netherlands	128,713,782	463,370	1.92	137,230,089	494,028	4.37	146,909,493	528,874	5.27

## Energy reduction in the Netherlands

(in %)	2018	2017	2016
Reduction in energy consumption compared with situation 2012	48.9%	45.6%	41.7%

## Energy key figures in the Netherlands

	2018		2017		2016	
	kWh	GJ	kWh	GJ	kWh	GJ
Energy consumption per m <sup>2</sup> (Total m <sup>2</sup> in 2018: 543,914) (in kWh, GJ)	266.74	0.96	268.81	0.97	270.10	0.97
Energy consumption per FTE (in kWh, GJ)	9,926.85	35.74	9,774.11	35.19	9,590.64	34.53

## Paper consumption in the Netherlands

	2018	2017	2016
Reduction compared with 2010 (%)	72.7%	66.0%	62.1%
Total in tons	948	1,159	1,318
Total paper use per fte (in kg/FTE)	51	60	73
Paper with FSC eco label (in tons)	948	1,159	1,305
Paper without FSC eco label (in tons)	0	0	13

## Business travel by lease car in the Netherlands

	2018	2017
Total distance travelled by lease cars (in km)	66,466,483	76,237,044
Total CO <sub>2</sub> emissions of lease cars (in kTon CO <sub>2</sub> )	12.39	14.21
Average per lease car (in km)	32,040	33,350
Average per FTE (in km)	4,272	4,686

## Business air travel – total kilometres

(in kilometres)	2018		2017	
	Global ROW <sup>1</sup>	Netherlands	Global ROW <sup>1</sup>	Netherlands
Short-haul (up to 3,700 km)	10,127,457	9,792,825	10,504,867	9,105,070
Long haul	18,882,755	23,547,495	20,513,579	22,622,568
<b>Total</b>	<b>29,010,212</b>	<b>33,340,320</b>	<b>31,018,446</b>	<b>31,727,638</b>

<sup>1</sup> Rest of the world.

## Business air travel – total number of flights

(in number of flights)	2018		2017	
	Global ROW	Netherlands	Global ROW	Netherlands
Short-haul (up to 3,700 km)	10,418	13,614	11,578	14,336
Long haul	2,356	2,695	2,546	2,700
<b>Total</b>	<b>12,774</b>	<b>16,309</b>	<b>14,124</b>	<b>17,036</b>

# Emissions

## CO<sub>2</sub> emissions air travel

(in kTon CO <sub>2</sub> )	2018		2017	
	Global ROW	Netherlands	Global ROW	Netherlands
Short-haul (up to 3,700 km)	1.72	1.66	1.78	1.55
Long haul	3.74	4.67	4.06	4.48
<b>Total (in kTon CO<sub>2</sub>)</b>	<b>5.46</b>	<b>6.33</b>	<b>5.85</b>	<b>6.03</b>

## Total CO<sub>2</sub> emissions

	2018			2017		
	kWh	GJ	kTon CO <sub>2</sub>	kWh	GJ	kTon CO <sub>2</sub>
Electricity	82,320,242	296,353	0.00	89,174,563	321,028	0.00
Natural gas, heating and cooling	46,393,540	167,017	1.92	48,055,526	1730	4.37
	km		kTon CO <sub>2</sub>	km		kTon CO <sub>2</sub>
Business travel by car (lease cars NL)	66,466,483		12.39	76,237,044		14.21
Business air travel in the Netherlands	33,340,320		6.33	31,727,638		6.03
			kTon CO <sub>2</sub>			kTon CO <sub>2</sub>
<b>Total CO<sub>2</sub> in kTon in the Netherlands</b>			<b>20.63</b>			<b>24.61</b>
CO <sub>2</sub> emissions in tons per FTE in the Netherlands			1.35			1.56

## Waste in the Netherlands

	2018			2017			2016		
	ton	%	kg/FTE	ton	%	kg/FTE	ton	%	kg/FTE
Containing paper	1,229	48.77%		1,031	41.28%		1,380	48.44%	
Items specified as hazardous materials (e.g. batteries, toner cartridges)	1	0.03%		1	0.03%		2	0.08%	
Other	294	11.67%		452	18.08%		441	15.49%	
Plastic	42	1.67%		20	0.80%		17	0.59%	
Residual waste	954	37.86%		994	39.81%		19	35.40%	
<b>Total</b>	<b>2,520</b>	<b>100%</b>		<b>2,497</b>	<b>100%</b>		<b>2,849</b>	<b>100%</b>	
Total kg waste per FTE			194			178			186
Residual waste reduction since 2012	263	21.61%		223	18.31%		208	17.12%	

All our waste is recycled and/or used for the production of energy. Our waste does not end up in landfill.

## Water usage in the Netherlands

	2018	2017	2016
Water usage in cubic meters	102,696	175,591	209,719

## Employees in the Netherlands with public transport season tickets paid by the bank

	2018	2017	2016
1st Class	635	474	500
2nd Class	5,958	5,692	6,679
<b>Total</b>	<b>6,593</b>	<b>6,166</b>	<b>7,179</b>

## Mission 2030 results 2018<sup>1</sup>

### Total CO<sub>2</sub> emissions and size portfolio

Businesses	Total size in CO <sub>2</sub> in Ktons	Total size in EUR in billions
Corporate banking	538	32
Real estate clients	303	5
Retail banking	3,082	156
Facility management	1.89	–
<b>Totals</b>	<b>3,926</b>	<b>193</b>

Totals might not add up due to roundings.

### Corporate banking

#### CO<sub>2</sub> profile: Real estate portfolio

Energy label	A+++	A++	A+	A	B	C	D	E	F	G	Total
Percentage of properties in portfolio	0%	0%	0%	1%	2%	24%	23%	1%	1%	47%	100%
Percentage m <sup>2</sup> rentable surface	0%	0%	0%	1%	2%	19%	20%	3%	1%	54%	100%
<b>Total CO<sub>2</sub> emissions in Kton</b>		<b>0.2</b>	<b>0.3</b>	<b>0.9</b>	<b>1.6</b>	<b>19.8</b>	<b>23.2</b>	<b>3.7</b>	<b>1</b>	<b>70,1</b>	<b>121</b>

#### CO<sub>2</sub> profile: Commercial real estate portfolio type – non residential buildings

Sector	care	congress	industry	lodging	office	school	shop	sport	Total
Percentage of properties in portfolio	1%	9%	62%	1%	11%	0%	15%	1%	100%
Total objects	37	599	4,272	90	794	15	1,039	93	6,939
m <sup>2</sup> rentable surface (x 10)	64	561	6,987	80	529	20	681	158	9.08
<b>Total CO<sub>2</sub> emissions in Kton</b>	<b>3.1</b>	<b>34.4</b>	<b>301</b>	<b>5.6</b>	<b>25.6</b>	<b>0.7</b>	<b>40</b>	<b>7.5</b>	<b>418</b>

<sup>1</sup> According to the PCAF methodology: "Paving the way towards a harmonised Carbon Accounting Approach for the Financial Sector. A report by the Platform Carbon Accounting Financials (PCAF)": [abnamro.com](http://abnamro.com)

## Mission 2030 results 2018<sup>1</sup>

### Real estate Clients

#### CO<sub>2</sub> profile: Commercial real estate portfolio type – houses

Energy label	A+++	A++	A+	A	B	C	D	E	No label	Total
Percentage of rentable units in portfolio	0%	0%	0%	4%	4%	17%	15%	12%	38%	100%
m <sup>2</sup> rentable surface (x10)	-	-	5	1.14	265	633	465	361	1,533	4,697
<b>Total CO<sub>2</sub> emissions in Kton</b>	-	-	<b>0.141</b>	<b>33.9</b>	<b>8.4</b>	<b>23.1</b>	<b>19.2</b>	<b>16.4</b>		<b>115</b>

#### CO<sub>2</sub> profile: Commercial real estate portfolio type – non residential buildings

Sector	Office	Hotel	Shop without cooling	Total
Percentage of rentable units (objects) in portfolio	67% (40%)	3% (9%)	30% (51%)	100%
Total rentable units (objects)	5,551 (632)	239 (137)	2,534 (802)	8,324 (1,571)
m <sup>2</sup> rentable surface (x 10)	2,632	96	923	3,651
<b>Total CO<sub>2</sub> emissions in Kton</b>	<b>127.5</b>	<b>6.7</b>	<b>54.2</b>	<b>188</b>
<b>Total CO<sub>2</sub> emissions Real Estate clients portfolio</b>				<b>188</b>

\* CO<sub>2</sub> emission calculation for non-residential objects does not require Energy Label information.

<sup>1</sup> According to the PCAF methodology: "Paving the way towards a harmonised Carbon Accounting Approach for the Financial Sector. A report by the Platform Carbon Accounting Financials (PCAF)": [abnamro.com](http://abnamro.com)

### Retail Banking

#### CO<sub>2</sub> emission: Retail mortgages portfolio

Energy label	A	B	C	D	E	F	G	Out of scope <sup>1</sup>	CRE	Total
Percentage in portfolio	13.00%	17.00%	29.60%	9.00%	8.00%	10.50%	11.50%	1.40%	0.02%	100%
Number of objects	104,657	136,993	238,406	72,107	64,271	84,270	92,146	11,561	167	804,578
Exposure in € bln <sup>2</sup>	27,650	26,988	37,828	13,634	10,508	16,480	19,402	3,303	79	155,872
<b>Total CO<sub>2</sub> emissions in Kton</b>	<b>378</b>	<b>487</b>	<b>874</b>	<b>276</b>	<b>261</b>	<b>370</b>	<b>392</b>	<b>45</b>	<b>214</b>	<b>3,082</b>

### Facility Management

#### ABN AMRO Bank offices (Excl. data centres, Schiphol & subsidiaries)

Energy label	A++++	A+++	A++	A+	A	B	C	D	E	F	G	Unknown	Total
Percentage in portfolio	0.60%	0.90%	0%	1.50%	69.60%	5.80%	1.90%	5%	0.30%	0.30%	2.80%	10.20%	100.00%
Number of objects	1	1	0	3	97	13	11	14	7	4	9	58	218
Total m <sup>2</sup> per label	3,467	5,306	0	9,108	435,153	36,203	11,821	30,989	9,149	1,885	17,455	64,323	624,859
<b>Total CO<sub>2</sub> emissions in Kton</b>	-	-	-	-	<b>1.77</b>	<b>0.07</b>	-	-	-	-	-	<b>0.05</b>	<b>1.89</b>

Only Biogas used and therefore not included in CO<sub>2</sub> calculation.

<sup>1</sup> According to the PCAF methodology: "Paving the way towards a harmonised Carbon Accounting Approach for the Financial Sector. A report by the Platform Carbon Accounting Financials (PCAF)": [abnamro.com](http://abnamro.com)

## Emissions lending portfolio ABN AMRO

NACE Sectors	ABN AMRO 2018	
	Financial balance in mln per sector (€)	GHGe in ktons per sector
Agriculture (A)	8,409	8,014
Minerals (B)	4,731	126
Industry (C )	18,834	940
Utilities (D)	1,967	1,146
Water distribution (E )	879	517
Construction (F)	2,831	116
Retail (G)	25,137	240
Transport (H)	14,350	2,727
Leisure (I)	1,465	73
Information and communication (J)	2,893	6
Administrative services (N)	5,916	140
Scientific and technical activities (M)	1,882	11
Healthcare (Q)	4,132	336
Education (P)	202	23
Other services (S)	266	15
Recreation (R )	1,099	46
<b>Total</b>	<b>94,993</b>	<b>14,474</b>

According to the PCAF methodology: See also [carbonaccountingfinancials.com](https://www.carbonaccountingfinancials.com)

As this overview is based on NACE codes it is not comparable to other ABN AMRO reports which are related to AGIC code

This table does not contain our entire lending portfolio as some of the data is still difficult to translate to NACE codes (which is the basis for the PCAF methodology reporting)

# Community

## ABN AMRO Foundation in the Netherlands

(in millions)	2018	2017	2016
Net contribution devoted directly to social projects (in EUR)	1,1300	9370	9370
Number of times employees volunteered (excl. food parcel campaign)	5,432	10,276	12,760
Number of food parcels	0	0	391
Number of projects	218	317	409

## Social sponsorship

(in EUR)	2018	2017	2016
Donations	950	950	1100
Sponsorship	7200	6700	5700

<sup>1</sup> To the best of our knowledge we did not donate to politicians and/or organisations with political aims.



## Basis for reporting

This document is a supplement to ABN AMRO's 2018 Integrated Annual Review.

### Data collection

All our business lines are closely involved in the process of reporting sustainability-related data. They report on their sustainability performance both internally and externally, and in both quantitative and qualitative terms. In 2015 and 2016, we translated our focus areas into metrics, enabling us to report on our progress in a concrete and transparent manner. The majority of the sustainability figures presented in this document have been collected by Credit360, the data collection system we implemented in 2016. This system includes multiple checks, e.g. it will only accept a 5% difference in data on the previous year on receipt of a statement confirming that this deviation is correct. Additionally, every figure provided must be verified by a superior in keeping with the four eyes principle. This is how we aim to minimise inconsistencies and errors. Credit360 uses a manual – developed by ABN AMRO – that includes our definitions of every data point. This approach leaves no room for estimation and requires us to stick to the definitions. This year, our sustainability figures were derived from Credit360 for the third time and these figures are reported at least annually.

### Sustainability governance

The governance of sustainability-related material topics is described in our Integrated Annual Review for 2018. At ABN AMRO, sustainability is the responsibility of the CEO, Kees van Dijkhuizen. The Sustainable Banking department is responsible for developing and implementing the bank's sustainability strategy, reporting to the Managing Board on progress on a quarterly basis. In addition, a sustainable risk report is created monthly as part of the bank's overall risk measures. This report covers both strategic and sustainability risk-related issues. Sustainable Banking develops and maintains the sustainability risk management framework for the bank as a whole and provides advice on clients operating in industries facing higher sustainability risks (for the latter, please see the Annual Report 2018).

# Engagement approach

In order not just to manage risk, but also to use our leverage positively in our client relationships, business partners and companies that clients can invest in, we strive for an inclusive approach. Most companies meet our sustainability policy requirements. In certain instances, it may be the case that some companies do not meet our requirements (yet), either prior to or during the relationship. In these cases, we will enter into a dialogue with these companies, when these do not meet our sustainability risk policy.

The goal of such a dialogue or engagement is to improve the sustainability performance of our relations, so that they (at least) meet ABN AMRO's sustainability standards. Underperformers are not excluded immediately, but they do have to be willing and able to enter into a results-oriented process, as the success of an engagement depends on it. We set a maximum term within which improvements must take place. Typically, this is three years, but in certain cases an extension of this timeline is possible – for instance when substantial improvements have been made and full compliance is within reach; the maximum term of engagement will always be determined on a case-by-case basis. Disengagement, although an option of last resort, can be an outcome of the process.

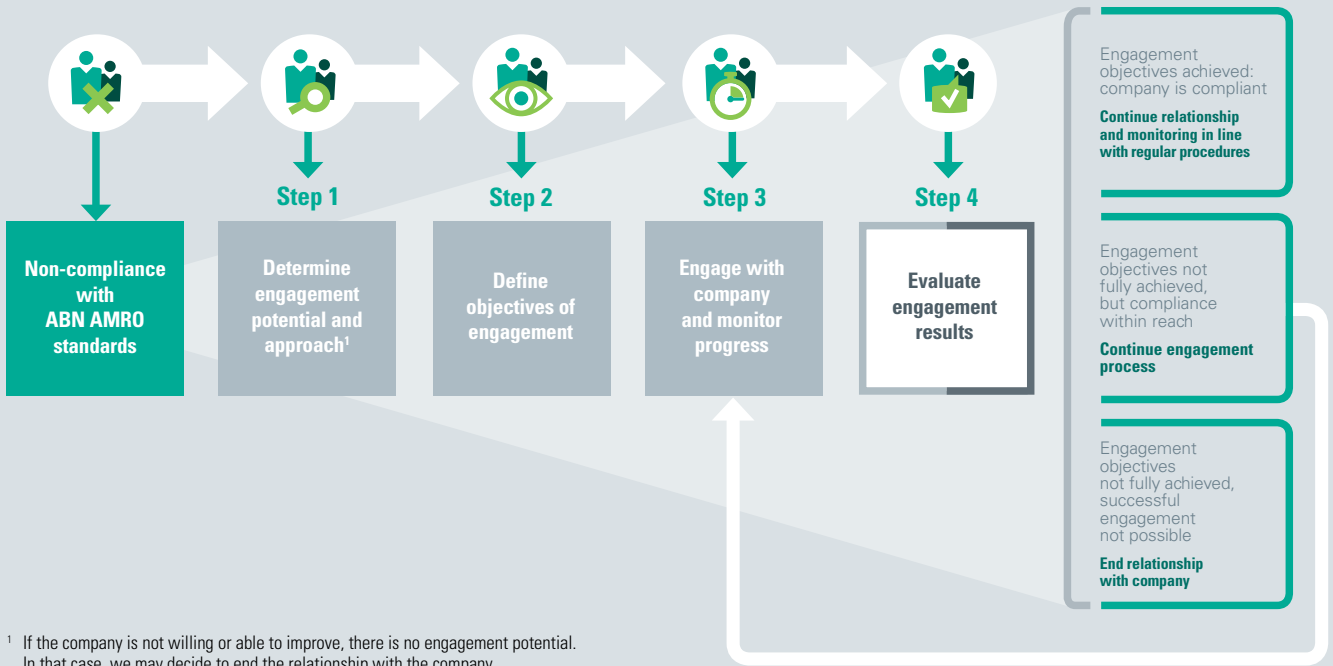
Engagements are triggered by:

- ▶ For clients: (potential) breaches of our ESG risk policy framework;
- ▶ For companies in our investment universe: breaches of the UN Global Compact. Investment universe engagement is done in collaboration with RobecoSAM, unless the company is also a client.

Our engagement leverage is different for companies we finance as opposed to companies our clients invest in. If we finance a company, there is usually potential for direct engagement. If not, or if for instance we are part of a loan syndicate with other banks, engagement may be performed by a third party. The engagement procedure is overseen by a team from the relevant business line and the bank's sustainability advisors. Progress reports are drafted on a quarterly basis and the Executive Board is informed at least once a year.

We strive to increase the likelihood that clients will address negative ESG impacts. But we can rarely be sure there is a causal relationship between engaging with our clients and the actions these clients subsequently take to improve their management of ESG issues. Often, ABN AMRO is one voice among a diverse group of consumers, NGOs, other banks and governments who pursue the same objective through different means. Where this is possible, given client confidentiality and other constraints, we try to cooperate with external stakeholders in order to maximise positive impact.

# Our engagement process



## Overview of ESG engagements

This table contains ABN AMRO's engagement with clients on high-risk ESG (environmental, social, governance) issues related to ABN AMRO's lending and investment products and services in 2018.

Product	Industry	Region	Engagement status	Issue
Lending	Agriculture	Asia	Ongoing	Deforestation
Lending	Agriculture	Asia	Ongoing	Other community impacts
Lending	Agriculture	Asia	Ongoing	Deforestation, land rights, other human rights impacts
Lending	Agriculture	Asia	Ongoing	Child labour, health & safety impacts, other labour rights impacts
Lending	Financial Institutions	North America	Ongoing	Business ethics
Lending	Agriculture	Asia	Ongoing	Forced labour
Lending	Manufacturing	North America, Middle East, South America, Asia	Starting	Land pollution, water pollution, health & safety impacts
Lending	Oil & Gas	Europe	Starting	Arctic activities, human rights policy commitment
Lending	Oil & Gas	Africa	Ongoing	Other human rights impacts
Lending	Oil & Gas	Australia	Ongoing	Other community impacts
Lending	Transportation & Logistics	Asia	Ongoing	Health & safety impacts, other human rights impacts
Lending	Transportation & Logistics	Europe	Ongoing	Greenhouse gas emissions, air pollution, animal welfare
Lending	Utilities	Australia	Ongoing	Land rights, energy transition strategy
Investment Services	Agriculture	Asia	Ongoing	Bribery and corruption, forced labour
Investment Services	Mining & Metals	Asia	Closed	Water pollution, other community impacts
Investment Services	Energy	South America	Closed	Bribery and corruption
Investment Services	Healthcare	North America	Ongoing	Health & safety impacts, other human rights impacts
Investment Services	Healthcare	Europe	Starting	Bribery and corruption
Investment Services	Mining & Metals	North America	Ongoing	Land pollution, water pollution, other community impacts
Investment Services	Oil & Gas	North America	Closed	Land pollution
Investment Services	Public	North America	Ongoing	Other human rights impacts
Investment Services	Retail	North America	Closed	Freedom of association
Investment Services	Technology, Media & Telecoms	Asia	Starting	Bribery and corruption
Investment Services	Transportation & Logistics	North America	Closed	Other human rights impacts

# Definitions

Terms	Definitions
ABN AMRO Foundation	ABN AMRO Foundation is a <i>stichting</i> under Dutch law encouraging ABN AMRO volunteers to give back to the community.
Absenteeism (trend total)	Is the rolling average of the latest absenteeism percentage, annualised.
Business air travel	All flights bought from preferred-supplier travel agents BCD Travel and AV Travel, from and in the following countries: the Netherlands, Belgium, Luxembourg, France, Germany, Switzerland, Jersey, Hong Kong, Singapore and the United States.
Corporate Banking	Part of the bank offering financial services to large business clients with turnover in excess of €500 million per annum. Corporate Banking also offers specialist financial services to clients in specific sectors: <ul style="list-style-type: none"> <li>▶ real estate</li> <li>▶ financial institutions</li> <li>▶ energy, commodities and transport (ECT)</li> </ul>
Diversity	The distribution of employees (headcount) by gender or age in the Netherlands.
Donations	Financial contributions to a civil society organisation for which we do not seek a return in any shape or form.
Emerging markets	A reference to emerging countries not included in the World Bank's high-income OECD countries list.
Equator Principles	A framework for credit risk management that is used to establish, access and control the social and environmental risks involved in project finance.
Equator Principles: Categories	The Equator Principles distinguish three categories of projects: Category A – Projects with potential significant adverse social or environmental impacts which are diverse, irreversible or unprecedented; Category B – Projects with potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures; Category C – Projects with minimal or no social or environmental impacts.
Equator Principles: Scope	Project finance that meets the two criteria in ABN AMRO's Policy for Project Finance and the Application of the EPs require the actual application of the EPs: this is project finance within the scope of the EPs. The Equator Principles are also applied to certain loans related to a new capital investment but which do not meet the two criteria; application of the EPs is not compulsory: these loans are outside the scope of the EPs.
External in- and outflow	Internal FTEs (permanent and temporary): employees that leave the bank or change contract type. There are a couple or reasons for reporting: <ul style="list-style-type: none"> <li>▶ Natural turnover: employees that leave the bank of their own volition during the reporting period; this includes employees retiring or taking early retirement.</li> <li>▶ Reorganisation: employees leaving the bank based on the social plan after having been given notice.</li> <li>▶ Other: employees leaving the bank that do not fall within one of the above outflow categories. e.g. change of contract, leave of absence, outsourcing, expat contract, etc.</li> </ul>
FTE	FTE means fulltime-equivalent. 1 FTE = 36 hours a week. Unit of account for expressing the extent of employment or size of the workforce.
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').
Greenhouse protocol	Methodology to calculate carbon emissions from fossil fuels in traffic, aviation, transport, electricity production and heating.
Greening electricity	Compensating carbon emissions through the purchase of certificates.
Groenbank	A Dutch bank whose stated intent is to finance sustainable projects. If a project is recognised as sustainable by the Dutch government, Groenbank is able to furnish a green loan at more favourable rates.

Terms	Definitions
Group Functions	This part of the bank is responsible for staff functions, services and activities that aren't directly related to clients (account holders), e.g. Communications, Finance and IT.
High-income OECD countries	OECD member states described as high-income countries by the World Bank, which publishes the list on its World Databank ( <a href="https://data.worldbank.org/income-level/OECD">data.worldbank.org/income-level/OECD</a> ).
Paper consumption Netherlands	Centrally bought paper consumed by ABN AMRO in the Netherlands on an annual basis.
Paper with FSC eco label	This is certified eco paper, indicating that it is less harmful to the environment based on predefined environmental criteria. FSC certification provides environment-related information about wood and paper products sourced from sustainably managed forests.
Private Banking	Part of the bank offering financial services and products to high-net-worth private clients. Private Banking also offers specialist financial services to specific groups of clients, such as charities and private wealth funds.
Project finance	Project finance for the purposes of the Equator Principles is described in ABN AMRO's Policy for Project Finance and the Application of the Equator Principles as finance meeting two criteria: <ol style="list-style-type: none"> <li>1. New capital investment (or an increase thereof).</li> <li>2. Repayments deriving from cash flows generated by the investment itself.</li> </ol> Part of the bank offering financial services and products to retail customers.
Retail Banking	Part of the bank offering financial services and products to retail customers.
Social sponsoring	Financial contributions to a civil society organisation for which we receive something in return.
Sustainable assets under management	Sustainable assets under management break down into two categories: <ol style="list-style-type: none"> <li>1. ABN AMRO Group investment funds that explicitly base their investment approach and decisions on sustainable criteria.</li> <li>2. Sustainable mandates involve assets whose owners have given the bank responsibility for the investment approach and investment decisions. This specific type of mandate explicitly factors in sustainability criteria in the investment approach and decisions.</li> </ol>
Sustainable investment products	Typically, standard investment products do not systematically and explicitly factor in the social and environmental effects of investments on the environment, where sustainable investment does. Sustainable investments reflect our assessment of risk and return in relationship to social and environmental effects.
Sustainable savings	Sustainable savings are used by banks to lend to sustainable companies and projects.

## Definitions for legends and footnotes

Terms	Legend to Review of project financing based on assessment/status
Closed	The financing request for which an Equator Principle compliance advise has been given is approved and the financing documentation has been signed.
Not approved	The financing request for which an Equator Principle compliance advise has been given has not been approved.
In process	The financing request and/or administrative processes have not yet been completed.
Not realised	The project will not go ahead; request withdrawn by client or external lead manager.

### Legend to Advice provided by the Central Sustainability Department

Defence Industry	Involved in the production of or trade in defence-related goods and services. and suppliers to defence-related companies.
Miscellaneous industries	Companies operating or investing in multiple sectors or industries, with none of them a clear main category.
Other industries	Residual category for companies that do not fit into any of the other Sustainability-identified industries, e.g. real estate and waste disposal companies.
Client acceptance	Request for advice prompted by 'increased ESE risk' indication in the annual review of the client relationship or when a new client opens an account.
Request for finance	Request for advice prompted by 'increased ESE risk' indication in the request for finance procedure or in the annual review of an ongoing loan.
Other requests	Other requests for advice prompted by 'increased ESE risk' indication in the procedures for developing funds and products, or entering into relationships with suppliers.
Approvals	Approval means that the client and/or transaction is or is expected to be in compliance with the bank's sustainability policies.
Qualified approvals	Qualified approval is given if the client and/or transaction is not currently in compliance with the bank's sustainability policies but is expected to meet requirements within an agreed timeframe.
Rejections	A rejection means that the client and/or transaction is not and/or will not be in compliance with the bank's sustainability policies.
Pending	Pending means that the advice is yet to be forthcoming, possibly because further questions have been asked of the client or because specific information is missing and needs to be provided before advice can be given.
Withdrawn	Withdrawn means that the request for advice has been withdrawn by ABN AMRO's internal departments.

### Legend to Sustainability Risk Management

LC&MB Sustainability Risk Management	Number of requests related to sustainability screenings and assessments.
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### Legend to Sustainability Risk Management<sup>1</sup>

Client acceptance process	Application of procedures and internal rules leading to the formal acceptance of an entity as a client by the authorised committee. Sustainability reputation screening is part of this process.
Credit process	The process to observe when applying for/changing/extending a credit facility: sustainability assessments are part of that process.

<sup>1</sup> Performed Sustainability screenings and assessments.

### Facility Management    Legend to Waste

Other waste	The annual amount of waste that is recycled excluding waste containing paper and plastic.
Residual waste	The annual amount of waste left after recyclable waste is stripped out.
Hazardous waste	The annual amount of collected hazardous materials, including batteries and empty toners.

### Human Resources    Legend to Diversity of employees NL

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