Dans le respect de son engagement RSE (Responsabilité Sociétale des Entreprises), la Banque Neuflize OBC s'emploie à réduire l'impact de son activité sur l'environnement. Elle réalise ainsi l'ensemble de ses supports d'édition avec du papier recyclable, ce qui participe à garantir un bilan carbone neutre.
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In 2017, Neuflize OBC will celebrate its 350th anniversary. Over the centuries, it has demonstrated its commitment to the long term.

Its history is closely interwoven with France’s economic development through its numerous holdings and involvement in trade, the financial industry, manufacturing, railway construction and shopping centres and with social and cultural progress with the development of kindergartens, social works and patronage of the arts.

Neuflize OBC continues to leave its mark on French society in the footsteps of its founders. Its involvement and strong commitment to a sustainable society in which all players, whether businesses, private clients, producers or investors, are aware of their responsibilities, will undoubtedly let its footprint on the history of the next 350 years.

In the economic and social environment that continued to prevail in 2016, inward withdrawal is a danger that threatens us all. This is why, as you will see in this report, Neuflize OBC has chosen to intensify its commitment to Corporate Social Responsibility, which can only work by opening up to the outside. The innovative CSR projects programmed for 2016 were completed ahead of schedule. The remaining projects will be completed in 2017.

The range of SRI products continues to grow and a new SRI bond fund was launched in 2016. Assets under management continue to grow, both for SRI funds and SRI mandates.

Our responsible and sustainable offering was expanded with the launch of ‘sustainable development’ niche to offer new opportunities to businesses in the circular economy, renewable energy sector and similar sectors.

Continuing on from our carbon footprint management, we took the energy transition path very early by launching a task force on implementation of the French law : Energy Transition for Green Growth (Loi relative à la Transition Énergétique pour une Croissance Vertel).

In CSR, as in regulatory matters, Neuflize OBC takes its involvement well beyond the requirements by contributing its know-how and strong commitment to transparency. Our passage into the digital era is a necessary investment for better serving our clients and building a lasting future in a changing world, while at the same time reducing our environmental impact. For us, and for all the companies we serve, the issue of climate change is as strong a lever for mutation as digital technology.

Philippe Vayssettes
Chief Executive Officer

“The future depends on what we do in the present”
Mahatma Gandhi
Founded 350 years ago by illustrious entrepreneurs, Neuflize OBC has remained true to its tradition of socially responsible commitment through ongoing deployment of its three-year Corporate Social Responsibility (CSR) strategy for 2014 to 2017. Its aim is to be a “responsible bank contributing to a better world”, in keeping with the policy adopted for the entire ABN AMRO group. This commitment is reflected in particular in the development of a socially equitable and environmentally-friendly range of products and services.

Neuflize OBC fully complies with the International Labour Organisation (ILO) and United Nations fundamental conventions, (including the UNEP FI human rights principles) which are set out in all the relevant company procedures. At the end of 2016, the ABN AMRO group became the first banking group in the world to publish a human rights report.

Moreover, Neuflize OBC applies ABN AMRO’s general procedure (Sustainability Risk Policy), which lists the excluded sectors and exclusion criteria, as well as any sector-specific policies. A specific policy for responsible investment and for integrating ESG criteria into the entire products and services offer was introduced in 2016.
CSR STRATEGY FOR THE PERIOD 2014 - 2017

Corporate Social Responsibility means factoring environmental, economic, social and civic considerations into all the company’s activities and decisions. In 2016, Neuflize OBC continued to implement its CSR strategy in keeping with the choices made.

CSR STRATEGY
Neuflize OBC’s three-year CSR strategy (2014-2017) is designed to ensure a better future for the Group and its stakeholders. The strategy focuses on four areas, with a constant commitment to transparency:

- Offering responsible products and services
- Being an employer of choice
- Giving support to society
- Reducing our direct environmental footprint

A map was drawn up in 2015 to better identify the issues for stakeholders and meet their expectations regarding materiality.

There are four main categories of stakeholders: shareholders, customers, employees and business partners. Each year, a variety of meetings are organised with the different stakeholders around the theme of social and environmental responsibility.
CSR GOVERNANCE

The CSR system is described in the policies and internal procedures, which were updated in 2016 to set forth the new CSR organisation and integration of ESG criteria both at the level of Neuflize OBC (“CSR Policy”) and of ABN AMRO (“Sustainable Principles for Investments”). These documents are available to all the staff via the intranet.

**CSR Committee**

A six-member CSR Committee appointed by the Executive Committee and chaired by a member of the Managing Board is in charge of implementing the CSR strategy. The CSR Committee meets on a monthly basis and presents a progress report to the Executive Committee each quarter. It draws up the annual action plan and oversees its progress. The CSR action plan for 2017 is presented in Appendix 2.

For overseeing CSR actions, the Committee draws on the CSR referents network, committed employees and the CSR project teams. 230 employees (21.6% of the total headcount) were involved in CSR in 2016 for a total of 3,571 hours compared with 218 employees (20.8% of the total) in 2015.

**CSR Referents network**

Each department and section has a designated CSR Correspondent, appointed by its manager in agreement with the CSR Committee. Their role is to help implement CSR actions and build awareness of CSR issues and to report to the CSR Committee and the other correspondents on CSR initiatives within their unit or department.

The CSR correspondents assemble at monthly meetings attended by a member of the CSR Committee to discuss a specific issue. There were 45 CSR correspondents at 31 December 2016.

**“Committed employees”**

On a voluntary basis, “committed employees” are involved in and organise specific action jointly with the CSR team. This may be in the context of the Charity Hours actions (in which case they are the correspondent for a partner charity organisation) or in areas of expertise such as the Greenhouse Gas Assessment or the selection of carbon neutralisation projects.

**PROJECT-BASED MANAGEMENT**

The CSR Committee has adopted a project-based approach for implementing the CSR strategy throughout the Neuflize OBC group. The list of projects is drawn up by the CSR Committee and a timetable is set. Each project has a sponsor, (a CSR Committee member), a project manager appointed by the CSR Committee and a cross-departmental team.

Out of the 21 projects selected in 2014, 12 projects have been completed (5 completed in 2016), 1 project has been shelved, 4 projects have been merged, two by two, and 2 new projects were launched in 2016. 8 projects were therefore still under way at 31 December 2016 (in bold in the table below).
INTEGRATING EXTRA-FINANCIAL CRITERIA

Appropriate management of extra-financial criteria is essential as it contributes to managing the financial risk linked to Neuflize OBC’s financing and investments. The focus on integrating CSR/ESG criteria therefore continued in 2016:

In Neuflize OBC’s activities

A broader range of responsible products

Neuflize OBC Group offers its clients a wide variety of responsible products and services ranging from Socially Responsible Investment (SRI) to philanthropy, including wood and forests and support for foundations and associations.

An E-learning programme - “SRI and impact investing” - on ABN AMRO’s and Neuflize OBC’s responsible and sustainable product offerings was rolled out in 2016. It catered for employees in direct or indirect contact with customers (private and corporate), portfolio and fund managers and other employees interested in receiving this training. A total of 672 employees (63% of the workforce) had completed this training course at 31 December 2016.

ESG rating of all the recommended stocks

ABN AMRO has developed an extra-financial scoring tool to achieve a better assessment of the CSR approaches of listed companies and give clients a clearer view of what they hold in their portfolios. This scoring tool is based on ESG criteria and enhanced by including the five UN Global Compact criteria.

Since 2015, all the stocks recommended by Neuflize OBC are assigned an ESG rating. The list of stocks recommended by the Investment Advisory team also includes this ESG rating. This list is sent to all the bankers on a weekly basis and the ESG ratings are updated on a monthly basis. At ABN AMRO Investment Solutions (AAIS), the internal extra-financial rating, determined by the SRI asset managers, is sent to all the asset managers regardless of their assets classes.

Voting policy

As institutional investors, ABN AMRO, Neuflize OBC and its subsidiary AAIS have a duty to defend the long-term interests of their beneficiaries and unit holders. In the context of their fiduciary role, they consider that adequately taking into account environmental, social and governance issues can have a positive impact on performance and should therefore be taken into consideration in the investment policy and in their relations with listed companies. So, AAIS shareholder voting policy is based on
ABN AMRO group’s shareholder engagement policy and on AFG’s recommendations (AFG is the French professional organisation for asset managers).

In 2016 AAIS exercised the voting rights attached to the main holdings in its portfolios, eg. 293 annual general meetings (ordinary and extraordinary) in connection with 4,543 resolutions. Of these meetings, AAIS voted against or abstained at total of 551 resolutions and 183 meetings.

To fulfill this mission, AAIS draws on its supplier, ISS Governance, which gives access, in accordance with the ESG-SRI requirements defined by ABN AMRO, to its software platform and 344 specialized in governance analysts.

**In Neuflize OBC’s lending activities**

**Equator Principles and ABN AMRO’s Sector policies**

ABN AMRO was one of the first signatories of the Equator Principles under which financial institutions undertake to select their project financing deals based on criteria of respect for the environment and of human and social rights, in addition to financial criteria.

It has taken these Principles a step further by drafting specific policies for sectors such as defence, energy, agriculture, manufacturing, etc. As well as the usual financial analysis, all lending transactions, which also covers credits, deposits, savings and cash management credits are assessed based on extra-financial criteria adapted to each business sector.


**GSRI (Global Sustainability Risk Indicator)**

In 2016, to facilitate identification of possible extra-financial issues in loan applications from SME businesses, Neuflize OBC decided to replace the former ESE filter by a new ABN AMRO tool: the Global Sustainability Risk Indicator (GSRI). The level of risk resulting from this analysis is thus integrated into global risk management.

This tool is used to check if the company operates in a sector or country that is on ABN AMRO’s exclusions list and in the cross-sector or sector policy areas. On these bases, it determines a level of Sustainability Risk that implies specific actions and the level of due diligences:

- Low risk: take the normal approval procedure;
- Medium risk: special focus on the client’s CSR approach on a general level;
- High risk: submit the loan application to the CSR advisory desk for a thorough sustainability risk assessment to assess whether the client’s sustainability performance meets the bank’s CSR standards.

**SRI investment philosophy**

Neuflize OBC’s SRI investment philosophy is structured around three points and supported by an SRI Experts Committee:

**Exclusions:** A number of sectors or businesses are excluded from the investment universe in view of their ‘non-sustainable’ nature so as to limit the portfolio’s overall risk. These choices are based on the Bank’s convictions and on discussions with its clients. Examples of exclusions:

- Companies that generate more than 25% of their turnover in any of the following sectors: tobacco, munitions, gambling (casinos, online gaming) and pornography;
- Companies that sell cluster bombs or land mines are excluded, from the first euro of sales generated by such products (whether at the level of the parent company or of any of its subsidiaries).

**Best in class:** The post-exclusion universe is then filtered applying a Best in Class approach that consists of favouring the companies with the highest ratings based on extra-financial criteria. In partnership with Sustainalytics, Neuflize OBC determines an SRI rating by quantifying the quality of its approach in all three aspects of ESG, assigning the following weightings: 50% for environmental, 30% for social and 20% for governance.

**Specific themes:** The asset manager may choose specific themes (such as renewable energy) according to the economic environment.

**SRI Expert Committee:** To strengthen and improve its SRI investment philosophy, Neuflize OBC is supported by an SRI Expert Committee composed of external experts representing our stakeholders drawn from the business world, NGOs and financial institutions. This committee met three times in 2016 to debate the following subjects, in addition to briefings on Neuflize OBC’s SRI management:

- The challenges facing an international NGO, by Frédéric de Saint-Sernin of ACTED
- SMEs and CSR, by Olivier Millet of Eurazeo PME
- The hydrogen car, by Xavier Drago of Air Liquide.
SRI DPM mandates
At 31 December 2016, Banque Neuflize OBC managed 342 SRI mandates with total assets under management of €172 million, corresponding to increases of respectively 26% and 20% compared with 272 mandates and €143 million of assets under management at 31 December 2015.

With a view to greater transparency, the Bank has initiated a move to cease fee sharing with external fund managers by putting in place new units without fees included. The SRI mandates offering has been reorganised, with the introduction of new investment profiles. For example, a “Equilibre Actions ISR” (Balanced SRI Equities) profile has been introduced in order to add to the range of mandates invested mainly in equities while the “Modéré flexible ISR” (Moderate flexible SRI) profile is no longer marketed given its very strong weighting of money-market and bond investments.

SRI mutual funds
Assets under management in SRI funds totalled €822 million at 31 December 2016 versus €713 million at 31 December 2015, i.e. an increase of 15%.

They break down as follows:

<table>
<thead>
<tr>
<th>Fund name</th>
<th>Net assets (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABN AMRO EURO SUSTAINABLE MONEY MARKET</td>
<td>257.16</td>
</tr>
<tr>
<td>ABN AMRO EURO SUSTAINABLE BONDS</td>
<td>8.72</td>
</tr>
<tr>
<td>ABN AMRO SUSTAINABLE MODERATE PROFILE</td>
<td>64.08</td>
</tr>
<tr>
<td>ABN AMRO EURO SUSTAINABLE EQUITIES</td>
<td>129.88</td>
</tr>
<tr>
<td>ABN AMRO SUSTAINABLE BALANCED PROFILE</td>
<td>121.46</td>
</tr>
<tr>
<td>ABN AMRO SUSTAINABLE DYNAMIC PROFILE</td>
<td>34.52</td>
</tr>
<tr>
<td>ABN AMRO GLOBAL SUSTAINABLE EQUITIES</td>
<td>201.50</td>
</tr>
<tr>
<td><strong>Total open SRI funds: €817 million at 31 December 2016</strong></td>
<td></td>
</tr>
<tr>
<td>ESPERANCE</td>
<td>5.09</td>
</tr>
<tr>
<td><strong>Total SRI funds: €822 million at 31 December 2016</strong></td>
<td></td>
</tr>
</tbody>
</table>

In addition, Neuflize OBC held 12 million of external SRI funds in custody in its customers’ portfolios at end-December 2016.

AAIS launched a new bond fund in 2016: “ABN AMRO Euro Sustainable Bonds.” Using the same SRI process as the other funds, this fund enables investors to invest in unlisted social impact bonds (within a limit) and microfinance bonds. The fund has a particular focus on green bonds which respond to one of its aims: to have a positive impact on the environment. To diversify its SRI approach, AAIS has signed a management delegation partnership with two management companies: Eden Tree and Parnassus. Eden Tree manages ethical funds and Parnassus excludes alcohol and nuclear energy from its SRI funds (sectors not excluded by AAIS). Two new SRI funds will therefore be launched in 2017.

Livret Développement Durable (sustainable savings accounts)
The Livret Développement Durable (sustainable development savings accounts) is a French regulated savings account created to provide financial support to sustainable development projects using saver’s deposits. These are tax-exempt interest-bearing accounts that are managed by Caisse des Dépôts et Consignation. At 31 December 2015, 11.9 million was invested in Livret Développement Durable (sustainable development savings accounts), stable relative to 2015.

Solidarity mutual funds
The purpose of solidarity mutual funds is to finance projects promoting social inclusion or combating social exclusion for up to 10% of the funds’ assets. They cater for investors who want their savings to be used directly to finance projects of social utility. This is particularly the case for employee savings schemes.

In partnership with Fongparc, AAIS markets employee savings funds. One of the funds chosen for the employees’ portfolios is the “Fongepargne Insertion Emplois Equilibre Solidaire” socially responsible fund managed by Humanis and certified by Finansol. The fund held net assets of 18.8 million at 31 December 2016 compared with 12.1 million at end-2015 and posted a return of +1.38% over the year (versus +3.38% in 2015). The share held by Neuflize OBC employees at 31 December 2016 amounted to 3.7 million, representing 19.6% of the fund’s total managed assets.
SPECIAL SUPPORT FOR OUR PRIVATE WEALTH MANAGEMENT (PWM) CLIENTS

In 2016, the Bank’s Sales and Marketing Department decided to create a unit dedicated specifically to this client segment, with a dual objective:

► Group the Bank’s large clients within a dedicated team so as to offer them customised services and products;
► Create the feeling of belonging to a club and facilitate exchange of information between bankers on the same subjects.

In particular, this move enabled the Bank to meet new clients in the context of business disposals, to enter into contact with the new generation of entrepreneurs and increase its presence with existing clients.

This offer is focused on the Bank’s main areas of expertise such as private equity, real estate, art and corporate finance linked to estate planning.

Various philanthropy-related issues were also approached with these clients: financing of premises dedicated to philanthropic activities, acting as intermediary for clients looking for a foundation in a given sector, organising a conference on philanthropy.

PHILANTHROPY

With a long tradition of social commitment, one of the outstanding features of Neuflize OBC is its history of contributing to social works. It uses its banking expertise and philanthropic experience to develop a specific offer for clients seeking meaningful investments.

A special team advises, manages and supports these particular clients at each of the three key stages of a philanthropic project:

► Analysis, before creation, to help clients choose the structures best suited to their projects:
  ▶ Legal, tax and financial assistance when the structure is being constituted;
  ▶ Support and management, in compliance with the project’s targets and values.

In addition, Banque Neuflize OBC advises business leaders who wish to develop patronage within their companies and those who wish, on disposal of their business assets, to give a new direction to their actions and assets.

In 2016, Banque Neuflize OBC organised a conference for clients at Jeu de Paume on the subject “Philanthropy: a bridge between private interests and the public interest” (Philanthropie: passerelle de l’intérêt privé vers l’intérêt général). The conference was attended by around 100 clients. In addition, two introductory workshops were organised for the Bank’s partners: “The keys to philanthropy and patronage” and “The keys to patronage for a business leader”.

To confirm its philanthropic commitment outside the group, Neuflize OBC takes part in major events and discussions relating to philanthropy issues:

► Talk by the Bank’s Philanthropy Advisory Manager at the annual convention of wealth management professionals, Convention Patrimonia 2016, on the subject “Philanthropy as a vector for inter-generational values and family cohesion”;
► Participation in the “Fiducie Philanthropie” think tank;
► Participation in the Philanthropic Bankers’ Circle;
► Participation in ABN AMRO’s international working group of philanthropy experts;
► Participation in the Philanthropy Award organised by ABN AMRO;
► Launch of an ABN AMRO international study of philanthropic behaviour in collaboration with Maastricht University.

NON-PROFIT ORGANISATIONS/FOUNDATIONS

In line with its philanthropy approach, Neuflize OBC has a long tradition of supporting foundations and non-profit organisations. A special team has been put in place to meet the specific needs of this client segment.

Key events in 2016 included:

► The launch of a dedicated charity fund for a foundation;
► The Bank’s attendance of the ABN AMRO Group’s first international seminar on strategic tendencies in the sector. A total of 20 non-profit organisations/ foundations, clients and prospective clients attended this event which was held in ABN AMRO’s head office in Amsterdam on 17 and 18 March 2016.
► France was appointed as global head of « Institutions & Charities » within ABN AMRO.

At 31 December 2016, this client segment consisted of 773 bodies composed of 604 non-profit organisations and 169 institutional bodies. Assets managed by Banque Neuflize OBC for this segment averaged €1.64 billion, of which €944 million for non-profit organisations (stable relative to 2015).

“WOOD AND FORESTS” OFFER

True to its commitment to valuing all aspects of wealth, and particularly the environmental aspects, the Neuflize OBC group has opted to support the wood and forests industry to work with clients who own forests or who may acquire woods and forests. It has a two-pronged offering:

► including forests in a global wealth management strategy. Neuflize OBC assists its clients to acquire or sell forestry assets;
► improving the management of their forests from a dual perspective of regulatory compliance and ecological and economic impact.

To combine its know-how with that of the forestry sector, the Bank has signed a partnership with the “Comité des Forêts”, a network of acknowledged forestry experts and specialists. Created in 1912 to protect the interests of privately owned forestry assets, the Comité des Forêts has the same heritage approach to forestry management as Neuflize OBC. With this combined expertise, the Bank can offer clients a comprehensive and flexible service with a long-term approach:
The Bank is also a founding member and director of the forestry association “SYLVACCTES RHÔNE ALPES, DES FORÊTS POUR DEMAIN” alongside the Rhône-Alpes and Grand Lyon regional authorities. This association was founded on 25 September 2015.
Its innovative approach focuses on three goals: reducing the concentration of carbon dioxide in the atmosphere; supporting multi-functional forestry management and participating in rural development.

**LAUNCH OF A “SUSTAINABLE DEVELOPMENT” NICHE**

A “Sustainable Development” niche was launched by Neuflize OBC at the end of 2016 with the aim of financing businesses whose core business promotes sustainable development, in its environmental aspects. This concerns mainly renewable energy sectors and the circular economy. At 31 December 2016, more than 200 prospective clients had been identified and the net banking income for this niche is estimated at 1.5 million.

**OFFERING RESPONSIBLE PRODUCTS AND SERVICES**

**PROJECT PROGRESS**

A total of five projects have been completed (and the actions proposed are now part of business as usual) and one new project (Vineyard Assets) has been launched in 2016.

Five projects were still underway at 31 December 2016.

**PROJECT N°1&2**

Include ESG/CSR criteria in across products and services offering

The first phase has been completed with the launch of the “SRI and impact investing” e-learning programme. The next phase is to harmonise SRI rules throughout the Neuflize OBC group.

**PROJECT N°4**

Impact Investing

- Upcoming publication of the results of the “Impact Investing” survey based on interviews with clients and bankers;
- Bees project: Neuflize OBC has entered a partnership with the French bee research centre, OFA (Observatoire Français d’Apidologie), and will sponsor a global event relating to bees;
- Impact Investing Funds: the possibility of marketing ABN AMRO’s FMO fund in France is currently under study. This fund is a fund for refinancing the Dutch development agency.

**PROJECT N°6 BIS**

Vineyard Patrimony

NEW PROJECT

The aim is to create a vineyard/CSR niche in order to orient prospects/clients toward a CSR approach.

**PROJECT N°7**

Credit on terms that include CSR incentives

After putting in place the GSRI tool, the project is examining the possibility of introducing a price incentive and is selecting the eligibility criteria.

**PROJECT N°9**

CSR consulting COMPLETED

Project with two levels:
- Integration of CSR criteria in each of the Advisory Division’s areas of expertise;
- Offer of CSR consulting services to corporate clients: putting in contact with specialised CSR consulting firms, when requested by clients.

**PROJECT N°10**

CSR Award

First step completed, Second step on going

This project consists of two phases: the CSR barometer (prepared in 2016) and the CSR Award (to be launched in 2018). The CSR barometer will build Neuflize OBC reputation in the area of CSR: it interests journalist and will therefore reach the general public and businesses. The CSR Award will reward the SME and small enterprises most deeply committed to CSR, drawing on innovative models.
For Neuflize OBC, being an “employer of choice” entails developing a progressive employment policy and systematically incorporating CSR considerations into our business culture through training initiatives and awareness-raising efforts.

WORKFORCE

The workforce at 31 December 2016 totalled 1,061 employees, with 93% based at the head office in Paris and 7% at the 10 management centres throughout the rest of France. The Neuflize OBC group hired 55 employees under permanent contracts in 2016 compared with 65 in 2015 and dismissed 19 permanent employees (versus 17 in 2015).

LABOUR RELATIONSHIPS

The Neuflize OBC Group is organised as an economic and social unit (under an agreement signed in April 2016). The legal entities that form the economic and social unit are: Banque Neuflize OBC, ABN AMRO Investment Solutions and Neuflize Vie.

The Human Resources Department and Employee Representatives work together to improve working conditions and to improve the group’s business performance, through collective bargaining agreements.

Neuflize OBC employees benefit from 21 collective bargaining agreements in force at 31 December 2016 and employee representation is organised via:

- **Trade union delegates:**
  Four trade union delegates and four trade union representatives on the Works Council. They met 13 times in 2016.

- **A Works Council:**
  The Works Council has a right to information and consultation on all matters relating to the company’s general organisation and management. It organises and develops social and cultural activities for Neuflize OBC employees and their families. It met 22 times in 2016.

- **Staff representatives:**
  These representatives transmit the staff’s labour-related demands to Management and the Labour Inspection department. They met 22 times in 2016.

- **The health and safety committee:**
  It works to protect employees’ health and safety and improve working conditions. It met 6 times in 2016.
WORKING ORGANISATION

New work methods thanks to more flexible arrangements

As part of a growing momentum of renewal and modernisation, a ‘Pilot’ work space was created in 2016 and will come into use in February 2017. This space will house the ‘Digital Factory’, dedicated solely to digital projects, where all the staff involved in such projects at any level, regardless of their business line or function, will gather.

PURPOSE OF THESE SPACES

The development of new technology is gradually changing working conditions within companies (teleworking, digitalisation, paperless, etc.).

In keeping with Neuflize OBC’s digital goals and its desire to adopt modern and more collaborative work methods, it is necessary to give employees the means of integrating these new conditions.

The new layout will favour exchange between employees and will undoubtedly lead to a new mind-set in the attitude to work. It will allow employees to be very mobile (offices will no longer be allocated) and to organise their working day according to their needs (discussions, concentration, conference call, etc.). This less hierarchical organisation will be based more on exchange and contribution in each area of expertise.

Teleworking agreement

This agreement, signed in November 2015, has been in application since 1 January 2016. At 31 December 2016, 113 employees benefited from one day of teleworking per week. An amendment signed in January 2017 provides for two days of teleworking a week and the possibility to work from a location other than the employee’s home.

Teleworking enables staff to save time spent on travelling to work and to work more efficiently, thereby improving their performance and that of the group.

Abolition of banking titles

To highlight skills and expertise, it was decided to use employees’ functions rather than banking titles as from August 2016 on all internal and external communications. A list of functions to replace titles has been drawn up and the function is indicated on the employee’s pay slip.

HEALTH AND SAFETY

With regard to health and safety indicators at Neuflize OBC, the staff absence rate was 8.7 (same as in 2015). The occupational accident frequency rate was 3.3 in 2016 (versus 7 in 2015) and the severity rate was not significant. No employee was identified as suffering from an occupational disease in 2016.

Health and safety efforts in 2016 focused principally on psychosocial risks and an agreement was signed in November 2016 relating to the quality of life at work and the prevention of professional stress and psychosocial risks.

Agreement relating to the quality of life at work and the prevention of professional stress and psychosocial risks

In difficult economic conditions for the banking sector, Neuflize OBC has stepped up its plan for prevention of psychosocial risk.

Prevention must be planned at three levels so as to structure the action to be taken better by identifying the most appropriate players:
Primary prevention (avoid): this consists of avoiding risk situations by working upstream on the work organisation, working conditions, the companies operating methods and management.

Secondary prevention (to reduce or to remedy): this consists of reducing the health impact by teaching employees to manage stressful situations and their own stress. All management staff must help the employees to identify and understand the risks and the issues at stake and help them deal with critical situations better.

Tertiary prevention (repair): helping employees who are suffering mental distress at work. This consists of acting once the damage has been done, with a view to curing the problem.

Two health and safety agreements were signed with the trade unions in 2014 and were still in force in 2016.

Agreement on donations of personal leave and constitution of a “solidarity time savings account”

This agreement enables employees to donate between one and three days of leave to a “Solidarity Time Savings Account”. The days of leave collected in this account are designed to finance leave for a colleague, within the limit of 20 working days, subject to specific conditions. During this period the employee will continue to receive a salary and benefit from all the benefits acquired before the start of his/her absence.

An amendment was signed in May 2016 to simplify management of the time savings account and facilitate the transfer of days from the account to the PERCO retirement savings scheme.

Dependency Agreement

This agreement enables employees in long-term care or carers of family members to benefit from an income. The dependency insurance cover has two dimensions:

- it enables employees in officially recognised situations of dependency, regardless of their age, to receive a monthly income;
- it enables employees who are caring for a dependent family member to obtain customised assistance in all areas.

Neuflize OBC has also joined the “Responsage” platform, whose scope was extended in 2016 to assist employees faced with disability themselves or that of a family member.

REMUNERATION

The payroll for the year ended 31 December 2016 totalled €84 million for 1,061 employees compared with €80 million for 1,046 employees in 2015.

Individual employment assessment

To give employees an overview of the different components of their remuneration package in excess of their basic salary, each employee receives an annual individual job assessment report. This document provides a clear and comprehensive view not only of their direct and indirect remuneration, but also of the cover provided by the group’s personal insurance scheme and the training received.

Amendment to the employee profit-sharing agreement

A second amendment to the employee profit-sharing agreement was signed by the Trade Union Delegates in December 2016. This amendment modifies some of the provisions of the Agreement of 15 November 2011 as amended on 16 December 2014.

Amendment to the incentive agreement

A first amendment to the incentive agreement was signed by the Trade Union Delegates in December 2016. This amendment modifies some of the provisions of the Agreement of 4 June 2015.

Amendment to the Perco (collective pension scheme) agreement:

An amendment to this agreement was signed by the Trade Union Delegates in December 2016. The Perco threshold for switching to Perco+ was reduced from 20% to 16%. This will come into force in January 2017. The Perco collective retirement savings scheme (plan d’épargne pour la retraite collectif) is designed to enable employees to save for their retirement. Perco+ enables its beneficiaries to invest, with matching employer contributions, in a collective portfolio of transferable securities whose availability date is the employee’s retirement date, thereby enabling employees to benefit from the tax advantages attached to this type of collective savings.

Mandatory Annual Collective Bargaining

The annual collective bargaining process was conducted as provided for by the law. The Management, wishing to respond positively to the Trade Unions’ demands within the limit of the budget allocated, conducted these negotiations by submitting all the proposed measures for approval by the trade unions. Management’s proposals were accepted by two of the three Trade Unions and an Agreement Minutes was signed.
Staff training is a priority issue for Neufz OBC. For this reason, despite the reform of professional training regulations on 5 March 2014, which removed the mandatory training expenditure, Neufz OBC has decided to continue to allocate a substantial budget to training, where other companies have considerably reduced their budgets.

The Group accordingly dedicated 3.4 million, i.e. 4% of total payroll expense (stable compared with 2015) to training in 2016. Also, 82% of employees completed at least one training course in 2016.

Training in 2016 focused in priority on:
1/ Building the corporate culture and knowledge of the company with:
   ▶ A training course in Project Management with the involvement of the Organisation Department;
   ▶ A training course in Risk and Control for all managers, which will be extended to other employees in 2017.
   ▶ An e-learning module on the ABN AMRO and Neufz OBC Responsible and Sustainable products.
   ▶ Seminars within several departments.
2/ Compliance with mandatory training obligations, with:
   ▶ A training course in prevention of money laundering and financing of terrorism;
   ▶ AMF certifications, Life Insurance and Credit;
   ▶ On-line training course on market abuse;
3/ Support for managers: with meetings of the Managers Circle (Cercle des Managers), Management Meetings and the NOBC Leadership programme.

EQUAL TREATMENT
The Human Resources department and the employee representatives work together closely to uphold and enforce the principle of non-discrimination of any form (origins, gender, physical appearance, name, disabilities, health issues, etc.).

Employees with disabilities
The Group employed 24 people with disabilities in 2016, adapting their workstations and making every effort to enable them to remain in their jobs. The Agefiph tax amounted to 93 thousand in 2016 and Neufz OBC works with sub-contractors that employ disabled people.

Above and beyond the legal requirements, the Group has signed a partnership with the Dauphine Handicap division of the Paris – Dauphine University with two aims: receive the CVs of and coach students with disabilities as part of the Charity Hours scheme.

Gender equality
In 2016, 56% of all Neufz OBC employees and 54% of executives were women (unchanged relative to 2015). A specific budget is voted each year to promote equal pay for men and women.

Parents’ charter: Neufz OBC was one of the first groups to sign the Parental Charter, designed to promote greater respect for the work/life balance. To this end, a gender equality agreement was signed with all the trade unions and staff representatives providing for longer maternity and post-natal leave, paid salary during maternity leave and an undertaking to avoid, whenever possible, scheduling meetings that start before 9 a.m. or end after 6.30 p.m.

ELLES de Neufz OBC: Since its inception in 2012, the ”ELLES de Neufz OBC” association has strengthened its position within the Bank each year. 89 women executives now meet regularly in a friendly atmosphere to exchange views, thereby building their relationships within the company and improving their efficiency in their jobs. Their actions promote feminine values as a source of diversity, innovation and creativeness.

The base of eligible members was expanded in 2016: all ‘J’ level women employees are now invited to become members. In addition, a partnership agreement with the ”Women Directors” association was signed to enable them to meet women who are company directors.

The main events in 2016 were:
▶ January: ’Self-confidence - confidence in others’ workshop;
▶ March: conference by Mr Menioux (AXA) on the subject ‘Gender & Risk’;
▶ September: conference “Difference between the male and female brain” by Catherine Vidal (Neuro-biologist) and Alexander Jost;
▶ November: Annual year-end evening - Q&A with Caroline Princen, ABN AMRO Board Member.

Promoting inter-generational initiatives
The inter-generation contract:
An intergeneration agreement was signed in 2013 with the aim of encouraging the hiring of young employees under permanent contracts who are then mentored by an older employee. As well as fostering job creation, this system is designed to encourage the transfer of skills and knowledge between generations.

As part of Neufz OBC’s commitment to senior citizens, preparation for retirement has been enhanced and special training courses have been put in place for employees who have applied for retirement.

Young Bankers Association (YBA): YBA is an ABN AMRO association that has been operating within Neufz OBC in France since 2001. Its aim is to promote contact, both personal and professional, between employees aged under 36. For members, the YBA events are an opportunity to create a personal and professional network within the ABN AMRO group in France and abroad.
Hiring and equal treatment:
The Group has signed a partnership with Mozaiq RH, a recruitment agency specialised in promoting diversity, with the aim of multiplying recruitment sources and ensuring the diversity of job applicants. In this respect, hiring initiatives designed to rebalance the age pyramid were put in place in 2016.

RAISING AWARENESS AND CSR ACTIONS

To encourage employees to become involved in CSR actions, a voluntary work programme (Charity Hours) has been put in place within the Group. Each year, Neuflize, OBC organises company events in support of two unifying initiatives to heighten staff awareness: European Sustainable Development Week and World Environment Day.

Charity Hours

Under the Charity Hours programme, employees can devote up to 36 working hours a year to do volunteer work for one of the bank’s non-profit partners. This scheme was entirely reviewed in 2016 and, after a survey of all employees, new actions were proposed at a Charity Hours Forum. All in all, 141 employees volunteered 1,341 hours of their time in 2016 compared with 102 hours in 2015, corresponding to a 38% increase in the number of hours. In addition, 149 employees (14% of the total) were involved in CSR actions such as innovative CSR projects (excluding voluntary work) in 2016.

La Ferme du Saut du loup

The aim is to participate as a group, for one day, in life on a farm located at Chevilly Larue, with people who have difficulties.

« Roulez Petits Bouchons »

The association Handicaprévention collects plastic bottle caps and every three months a lorry comes to collect them from a warehouse. They are subsequently sold and the income from these sales is used to finance equipment for disabled people. The voluntary work consists of helping load the lorry.

Paris Dauphine University Handicap Division

This new partnership consists of coaching disabled students of Paris Dauphine University.

Entraide Scolaire Amicale

Since 2006, volunteers go to a school near the Bank once a week to provide extra school tuition to children in difficulty.

Financial Community Telethon fund raising event

Neuflize OBC takes part each year in this annual event organised by AFM-Telethon to help finance research into rare diseases and help patients in their daily life. In 2016, as well as participating in the race at the stadium, Neuflize OBC organised an internal “endurance challenge” to enable all employees to participate, whether in Paris or at the regional offices. A total of 400 employees totalled nearly 600 kilometres cheered on by their colleagues, i.e. the equivalent of 1,500 laps of the stadium.

Café de l’Avenir

This association enables young graduates looking for a job to avoid isolation and to meet professional people once a month in a Paris café. The aim is to advise these young people and help them find work.

« Créatrices d’Avenir »

Créatrices d’Avenir competition organised by Initiative Ile de France each year is designed to reward women who create a business. The aim is to be a member of the panel of judges.

« J’invite un banquier dans ma classe »

Neuflize OBC will participate in this annual initiative for the first time in March 2017. The aim is to heighten the awareness of children in the 8-11 age brackets to managing their budget.

Solidarity trip with Double Sens:
This partnership will be put in place in 2017/2018. The aim is to combine holidays and voluntary work.

European Sustainable Development Week

European Sustainable Development Week took place from 30 May to 5 June in 2016. Two events were organised within Neuflize OBC.

A Forum of Charity Hours partners: The Charity Hours partner organisations were presented at a forum held on 2 June 2016 in the head office in Paris, attended by representatives of the partner organisations and the “committed employees”;

An Exhibition on integration of CSR into our activity: The concepts of Neuflize OBC’s responsible and sustainable offering were presented and explained through an exhibition in the head office in Paris from 30 May to 3 June 2016.

World Environment Day

In an action that combines environmental and social aspects, Neuflize OBC each year invites its employees to take part in collection of material for donation to non-profit organisations. The material collected in 2016 was donated to six organisations: Library without borders, Ordre de Malte, Les Ateliers du Bocage, Chaussettes Orphelines, Cravate solidaire and Red Cross.

Preview screening of the French film “Tout s’accélère”

In the framework of our CSR policy, Neuflize OBC organise a preview screening of the French film “Tout s’accélère” for the staff with the presence of its director Gilles Vernet.

Synopsis: Gilles Vernet is a former trader who has become a schoolteacher in Paris. He and the pupils of his CM2 class question the vertiginous acceleration that has seized our world: why do our societies constantly seek faster growth? Why do they constantly want to go quicker?
BEING AN EMPLOYER OF CHOICE
PROJECT PROGRESS

A total of four projects have been completed and integrated into business as usual.

PROJECT N°11
SMART CSR
COMPLETED
CSR objectives set

PROJECT N°12
Diversity
COMPLETED
Several partnerships have been signed

PROJECT N° 13
Teleworking
COMPLETED
1 day a week

PROJECT N°14
Charity Hours
COMPLETED
9 partnerships selected and implemented

GIVING SUPPORT TO SOCIETY
In keeping with its long history of commitment to cultural and social heritage, the Neuflize OBC group draws on its resources as a banker and patron to support the community around it.

Whether in terms of the regional, economic or social impact of our group, both on jobs and populations and in terms of ties with non-profit organisation, our actions are described in this section and in the section relating to the ‘charity hours’ scheme. The conditions of this dialogue are described in the ‘transparency’ section.

SOCIAL IMPACT FINANCING

Microfinance is a strong lever for inclusion of people excluded from the traditional banking system: it enables them to finance micro-enterprises that help improve their living standards. Neuflize OBC is very involved in this issue through partnerships with several microfinance organisations.

Partnership with Crédit Coopératif

In September 2013, Neuflize OBC and Crédit Coopératif entered into a partnership agreement with the aim of financing projects for social inclusion, for maintaining employment/returning to work and helping people who, without a special facility, would have no access to credit. Through this agreement, Neuflize OBC will underwrite microcredit projects sponsored by non-profit organisations and funded by Crédit Coopératif.

Neuflize OBC’s team of volunteers processed 46 applications in 2016, representing a total loan amount of €89,700, compared with 43 applications and €89,500 of loans in 2015.

Solidarity microcredits with Babyloan

Babyloan is a crowdfunding platform for financing micro-enterprises worldwide. Once the loan has been repaid, a new loan can be granted to finance other projects: this is the strength of solidarity loans. In 2016, Neuflize OBC financed 35 projects, of which 69% were headed by women.  
www.babyloan.org

Moreover, the Bank supports the Babyloan Network association, which organises events and provides information on the social economy in secondary schools through the “Ma classe solidaire” programme.  
www.maclassessolidaire.org

Microfinance funds with Symbiotics

Symbiotics is a Swiss investment company specialized in sustainable and inclusive finance in emerging countries, which offers market research, investment advisory and asset management services.

ABN AMRO Investment Solutions had invested a total of USD3.6 million in Symbiotics’ microfinance fund as at 31 December 2016, with USD760,000 subscribed in 2016.

Social bonds with ACTED

ACTED is France’s largest non-governmental relief agency, to which the Bank provides support for its micro-finance activity through its subsidiary OXUS.

After a first fund raising of 3.2 million in 2012, another fund-raising operation was staged in 2016 with eight solidarity investors, including ABN AMRO Investment Solutions. The funds raised will in particular enable it to finance humanitarian aid to populations in crisis zones such as Syria and South Sudan as well as financing microcredit activities.

A total of 6 million of social bonds and securities was subscribed, confirming the solidarity investors’ confidence in the projects proposed by ACTED. At 31 December 2016, ABN AMRO Investment Solutions held 1.2 million in social bonds issued by ACTED.

SUPPORTING ENTREPRENEURSHIP

Partnership with Initiative Ile de France – Créatrices d’Avenir awards

In the Paris region, women account for only one third of business start-ups even though business creation is an opportunity for employment and provides strong potential for growth and innovation. The aim of the Créatrices d’Avenir awards, organised each year by Initiative Ile de France, is to reward women who dare start their own businesses and who thus contribute to economic development and creation of new jobs. In 2016, Neuflize OBC signed a partnership agreement with Initiative Ile de France under which it will sponsor the Créatrices d’Avenir award and be a member of the judging panel.
PATRONAGE
Neuflize OBC maintained its patronage of the visual arts in 2016, with a particular focus on cinema, video and photography.

It was a rich year in terms of cultural event, enabling the Group to confirm its support of flag-ship institutions and contribute to the emergence of new projects in its fields of action.

- **The Cinémathèque Française**, of which the Bank is a major patron, and which reflects its commitment to enhancing and preserving the country’s cinematic heritage.
- **Le Fresnoy**
  National Studio of Contemporary Art, dedicated to research and production of visual and digital arts – with allocation of financial aid for the production and screening of an audio-visual work produced by a young artist.
- **“Nuit Blanche”**
  A key cultural event in Paris designed to make culture accessible to the general public.
- **The “Palais de Tokyo”**
  Creative laboratory, with the outreach participation of its educational unit, the “Pavillon Neuflize OBC Laboratoire de création”, which fosters contemporary creation and new talent through its projects and international workshops.

Neuflize OBC continued its initiatives in favour of giving the broadest possible access to culture through the Foundation. The Foundation sponsors projects that try to make photography accessible to people with sight visual impairments (LaM de Villeneuve d’Ascq), the audio-visual and film school CinéFabrique’s project of promoting diversity within the film industry by opening its doors to students from different backgrounds

- research and teaching in the field of photography and video, such as:
  - publications with Centre Pompidou and ENSP Arles

- **The Jeu de Paume**
  Of which Neuflize Vie is a special patron, with particular support for the exhibition of the photographer Helena Almeida’s work.

- **The “Maison Européenne de la Photographie”**
  With exhibitions of the work of Marcel Gautherot and Harry Callahan. Neuflize Vie is also a partner of the photography workshops that enable children and adolescents to approach photography by practising it.

- **The Paris Museum of Modern Art** for which Neuflize OBC sponsored the “la Boîte de Pandore” exhibition organised by the Dutch photographer Jan Dibbets.

- Adding to its photographic collection each year, thereby continuing its contribution to photographic art.

ABN AMRO AND HUMAN RIGHTS
Respect for human rights is a key priority for the ABN AMRO group in order to respond to the expectations of society and, more importantly, conduct its business in a responsible manner. To this end, ABN AMRO has signed the UN Guiding Principles for Business and Human Rights.

Human Rights Guide
ABN AMRO has drafted a Human Rights Guide to draw stakeholders’ attention to the issue and engage with them.

Declaration of Human Rights
In December 2016, ABN AMRO published a Human Rights Report based on the reporting framework of the UN Guiding Principles for Business and Human Rights. ABN AMRO is the first financial institution in the world to publish such a report, thereby proving that this issue is a key priority for the group.

In the report, the bank sets forth its human rights policy and the measures taken to meet its policy commitments. The emphasis is placed on four salient human rights issues: privacy; discrimination; labour rights and land-related human rights.

For more information:

Furthermore, in October 2016 ABN AMRO signed the Dutch Banking Sector Agreement on Human Rights. The goal of this agreement is to further integrate human rights in the business operations of banks, and cooperate on issues like supply chain due diligence and engagement with clients in high-risk sectors.

SUPPORT FOR VULNERABLE MEMBERS OF SOCIETY
The bank has introduced a procedure relating to vulnerable members of society and their right to have a bank account. Two bankers have been appointed as correspondents and have received trained, as well as other targeted employees.

GIVING SUPPORT TO SOCIETY
PROJECT PROGRESS

In 2016, 1 project was completed and the actions proposed are part of business as usual.

PROJECT N°15
Microcredit
COMPLETED
1) Partnership with Créatrices d’Avenir/Initiative Ile de France
2) Underwriting microcredit with new partners, to help finance energy renovation of homes of people in vulnerable situations.

REDUCING OUR DIRECT ENVIRONMENTAL FOOTPRINT
Neuflize OBC is deeply committed to preserving our environmental heritage and endeavours to reduce the direct environmental impact of its activities.

**GENERAL ENVIRONMENTAL POLICY**

Measures taken to decrease our environmental impact are managed by the Facility Management Department, in liaison with the CSR Department. Each time a measure is taken, it is communicated by email to all the staff.

The measures that must be complied with by the staff are set out in internal documents and procedures. The Practical Guide to CSR, updated in 2016 and available on the intranet, describes all the environmental practices to be adopted in the offices. All CSR training contains an environmental content.

The resources dedicated to preventing environmental risk and pollution, whose impact is not significant given the nature of Neuflize OBC’s business activities, are integrated in the management of the premises and into the procedures that apply internally and to our services providers (e.g. garden, restaurant facilities and works at the head office complex).

An analysis of greenhouse gas emissions is performed each year and environmental and pollution risks are monitored using regulatory indicators.

**CLIMATE CHANGE**

Climate change is taken very seriously by the ABN AMRO group, which signed the Climate Statement of the Dutch Banking Association in 2015. This statement commits a number of Dutch banks around 10 principles with the aim of taking climate change into consideration.

For more information:

ABN AMRO had already published its own statement on climate change in 2014, under which it undertook to reduce its greenhouse gas emissions by at least 30% by 2020, compared with the 2005 level.

For more information:

**GREENHOUSE GAS EMISSIONS**

Neuflize OBC measured its carbon footprint for the ninth consecutive year in 2016 using the ADEME methodology. The only greenhouse gas emission that concerns Neuflize OBC is carbon.

The Group reported carbon emissions of 2,792 tonnes CO2eq in 2016, compared with 3,235 tonnes CO2eq in 2015, and the number of tonnes CO2eq per employee decreased from 3.09 in 2015 to 2.63 in 2016.

**ENERGY: 792 tonnes CO2eq (28% of emissions)**

**Versus 801 tonnes CO2eq in 2015**

**Electricity**

All the electricity consumed is from renewable energy sources and energy-saving light-bulbs and motion detector-controlled light fittings have been installed in all the offices. Electricity consumption in 2016 totalled 5.9 million kWh compared with 6.3kWh in 2015, i.e. a decrease of 6.3%.

**Natural gas**

Gas consumption was 3.4 million kWh in 2016, stable compared with 3.3 million kWh in 2015.

**Energy efficiency audit**

A Decree issued on 24 November 2014 governs energy audits of buildings for large enterprises. Neuflize OBC already performed such an audit in 2012 for its Hoche/Courcelles head office complex. A new audit will be required in 2017. Following this audit, the property management organisation signed a “responsible building site charter” setting forth good practice to be complied with during building works: limiting noise and pollution, using environmentally-friendly materials, and reducing water and energy consumption.

**INPUTS: 486 tonnes CO2eq (17.5% of emissions)**

**Versus 495 tonnes CO2eq in 2015**

This heading includes ordinary office supplies (paper, IT consumables, plastic cups, etc.), tertiary services such as mobile telephony and all employees’ and clients’ meals.
The drastic reduction in paper consumption continued in 2016.

Printer cartridges
The association Les Ateliers du Bocage collected 2,074 cartridges in 2016 compared with 2,931 in 2015. This office waste is sorted and sent for reuse in the case of reusable consumables or for recycling in the case of waste.

Business travel by taxi
The number of kilometres travelled in taxi was down by 36% in 2016 compared with 2015. Green taxis accounted for 70% of the kilometres travelled.

PROPERTY, PLANT AND EQUIPMENT: 719 tonnes CO2eq (26% of emissions)
Versus 1,039 tonnes CO2eq in 2015
The sharp reduction in this item is the result of replacement of all the IT equipment in 2015.

CARBON NEUTRALISATION
Since 2008, Neuflize OBC has been neutralising its carbon emissions by investing in forestry projects with improved forestry management techniques. At a time when reducing greenhouse gases has become a pressing issue, these programmes contribute to the public good by improving air and water quality and preserving biodiversity.

In 2016, a carbon neutralisation agreement was signed with a forestry association in the Haut Vallespir region (Association Syndicale Libre de Gestion Forestière). This is an association of reasoned forestry management, managed by forestry owners in a same region, to ensure measured cuts and appropriate enhancement of their forestry products. The funds generated by this carbon neutralisation operation are used to improve the forestry capital through clearing in order to plant an irregular stand of deciduous trees, while preserving the exceptional biodiversity of the Haut Vallespir forests.

Biodiversity
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TRAVEL: 766 tonnes CO2eq
(27.5% of emissions)
Versus 896 tonnes CO2eq in 2015

Commuting
Overall, 95% of the workforce, in Paris and at regional level, has public transport passes. This high percentage is attributable the incentives offered by the Group which reimburses 90% of public transport passes. The travel survey carried out in 2015 and updated with the 2016 data shows that 12% of employees commute by car and 2% use a bicycle. The survey will be carried out again in 2017 for the entire workforce.

Business travel by air and train
The total distance travelled by train rose from 958,088 km in 2015 to 1,324,424 km in 2016, i.e. up by 38%. Train rather than plane is the rule applied when reserving travel.

Pollution and waste management
Measures to avoid, reduce or remediate emissions into the atmosphere, water and ground
Given the nature of Neuflize OBC’s activities, some of the themes addressed by the Decree of 24 April 2012 do not require special measures. This applies in particular to measures to avoid, reduce or remedy emissions into the atmosphere, water or ground that might have severe environmental impacts.

Noise-related nuisances and other specific forms of pollution
Noise-related nuisances, soil pollution and other forms of pollution at our locations do not appear to be significant and are efficiently managed.

Circular economy: waste avoidance, recycling and disposal measures
Neuflize OBC is involved in the circular economy through the involvement of its parent ABN AMRO, and the work overseen by AFEP.

ABN AMRO has published a guide to the circular economy to help client businesses perform and analysis and thereby hasten the transition to a circular economy. The first edition of this guide was present on 21 January 2016 at the new-year event held by MVO Nederland, the Dutch CSR association.
In 2017, ABN AMRO will inaugurate the “Circular Pavillion” which will give client, employees and the neighbouring population an experience in circular economy.
Within Neuflize OBC, in accordance with the CSR policy, a project team is working on installing waste sorting in the Paris and regional offices, by installing appropriate collectors in the offices.
All the paper used by the Neuflize OBC is recycled. In 2016, 100% of the paper collected by Paprec was recycled (84 metric tons in Paris and 10 metric tons elsewhere). The paper is turned into recycled cellulose fibres (RCF) and used by paper manufacturers to make cardboard, kitchen rolls, newspaper, and writing paper.

Non-hazardous waste
Non-hazardous waste is processed by Paprec. The Facility Management department worked to install voluntary collection points (paper, cardboard, plastic bottles, cans and non-recyclable waste) at the new head office offices that were being installed in 2016 (Digital Factory).

Computer hardware
the DSI contributes to the circular economy by donating to non-for profit organisation the equipment which is not any more used (109 PC and 30 servers in 2016). The too worn material is given to a company of recycling. This process generates a financial donation to a non-for profit organisation

Cigarette butts
Two “Cy-clopes” containers were installed in the Paris offices. These one-metre high containers can take up to 10,000 butts. Once collected the cellulose acetate of which the butts are made is turned into plastic for use as insulation or industrial packaging.

Nespresso Capsules
Voluntary collection units have been installed in Paris and at the regional offices. Paprec collects and recycles the capsules.

Office furniture
The old office furniture (14.4 metric tons) of the inter – company restaurant was collected by a body approved by the Ministry for Sustainable Development.

**Circular economy: fighting against food waste**
Neuflize OBC has inter-company restaurant facilities at its head office in Paris. Management of these facilities is delegated to external managers for whom Neuflize OBC set environmental requirements, particularly in terms of reducing waste. At the new inter-company restaurant (change of manager in September 2016), waste disposal units have been installed to facilitate sorting and recycling and food waste will be used for compost.

**SUSTAINABLE USE OF RESOURCES**
The Group mainly uses tap water. Water consumption totalled 15,589 m3 in 2016 versus 16,409 m3 in 2015, corresponding to a reduction of 5%). In Paris, as part of the Ecocert approach, runoff water is recovered for use in the garden.

**SUPPLIERS AND SUBCONTRACTORS**
All the Group’s main suppliers and subcontractors are required to sign a code of conduct and complete a CSR questionnaire covering all of their corporate social responsibility efforts. In 2017 this will be supplemented by an objective approach, using an external assessment system such as Ecovadis.

To limit our impact on the environment, the Facility Management department ensures that all the products used by the ISO 14001-certified cleaning services firm that cleans the offices have the ECOLABEL certificate.

**REDUCING OUR DIRECT ENVIRONMENTAL FOOTPRINT**

**PROJECT PROGRESS**

In 2016, 2 projects were completed and the actions proposed are part of business as usual.

Two projects were still underway at 31 December 2016.

**PROJECT N°16**  
Improving working conditions  
**COMPLETED**
Modernisation of the offices in progress: Digital Factory, new areas on the second floor of 3 avenue Hoche in Paris

**PROJECT N°17**  
Lower - carbon means of transport
→ Putting in place a carsharing system for the staff;  
→ Lower the carbon threshold for company cars;  
→ Encourage the use of electric or hybrid vehicles.

**PROJECT N°18**  
Suppliers with a CSR strategies  
Continue to select suppliers with a recognised CSR policy and put in place a rating system.

**PROJECT N° 19**  
Waste sorting and recycling  
**COMPLETED**
→ All the measures have been implemented by the Facility Management department, both in Paris and the other regions. A solution for organic waste is under study with the intercompany restaurant;  
→ Collection points will be installed in all the new offices.
As a responsible company, Neuflize OBC is an active member of independent industry bodies with two major aims: exchanging views with stakeholders and encouraging the inclusion of CSR considerations across all sectors of activity.

**Dialogue with stakeholders**
Dialogue with stakeholders, which consists of listening to, understanding and taking into account their views, is at the centre of Neuflize OBC’s CSR approach.

On 26 October 2016, in London, The Banker and PWM Magazine gave the best private bank in France prize to Neuflize OBC while ABN AMRO Mees Pierson was awarded the best private bank in Holland prize. In difficult market conditions, this prestigious award confirms the quality of the Group’s expertise and its recognition by its peers (the prize is awarded by a panel wealth management professionals).

**CSR Report**
The full CSR report is available to all stakeholders on the group’s websites and intranet.

**Listening to clients**
Clients are regularly surveyed with regard to the products and services and their relationship with the Group. Their feedback and complaints are closely monitored and constitute a key management indicator.

Each quarter clients receive the Lettre Privée newsletter with information on new offers, the markets and Neuflize OBC’s patronage and CSR actions.

**“Between the lines” lunches**
Neuflize OBC organises luncheon debates, baptised “between the lines lunches,” chaired by reputed experts. These events provide a forum for exchanging points of view, sharing experiences and best practices, and fostering the emergence of new ideas.

**Neuflize Academy Programme**
Neuflize OBC Academy is a personalised half-year training programme dealing with financial and wealth issues and addresses 50 of our young clients and prospects, aged between 22 and 35. The programme started in October 2016 and takes the form of evening workshops (1h30) with around participants. These workshops are led by the Bank’s experts (Market Products and Services and Advisory Division).
Neuflize OBC Academy promotes better knowledge of our young clients and prospects and increased dialogue. Neuflize OBC Academy is designed to rejuvenate the Bank’s image, particularly among the Y & Z* generations, which are more inclined to use new technologies, starting by on-line banking. A dedicated, interactive, flexible and collaborative internet site will be put in place to reflect the goal. This website will not only centralise all the programme’s content. It will also provide news about the Bank and provided a genuine interface for communication between the Academy and the pupils.

RSEMag
Since 2014, Neuflize OBC has published RSEMag, an online magazine devoted to CSR. The magazine describes the bank’s approach, putting the latest CSR best practices and innovations into perspective.

In 2016, the Communications department worked on preparing and launching a new website: Prismes, which aims to broaden the spectrum of inspiration for entrepreneurs. It will replace RSEMag in 2017. The website content will be in keeping with Neuflize OBC’s sector analyses: health, cinema, philanthropy, arts, etc. and, of course, CSR. The aim is to add to our sector expertise and in return to share them with the entrepreneurs. It aims to be a real hub of inspiration open to all, designed as a media that channels informed advice.

Professional organisations
In 2016, Neuflize OBC worked with the following organisations:

**ORSE (Observatoire sur la Responsabilité Sociale des entreprises, CSR Observatory)**
This is a body that keeps permanent watch on corporate social responsibility issues. Neuflize OBC is an active member of ORSE and particularly of its Club Finance, which has organised a number of working group to work on the following matters: Taking ESG criteria into account in financing and investment, financing the energy transition, implementing the Energy Transition for Green Growth Act and Task Force Carbon Disclosure work, review of COP 21 and preparation of COP 22, materiality, etc.

**AFEP (Association Française des Entreprises Privées, Private 100 largest companies’ organisation):**
This body represents large corporates operating in France and that take part in the public debate with a view to seeking practical responses that favour the development of a competitive French and European economy. Neuflize OBC is a member of AFEP and AAIS is a member of AFEP’s Corporate Governance Technical Committee. At the meeting held, companies were able to discuss CSR best practices and other CSR issues (energy transition, carbon disclosure, circular economy, etc.) AFEP also keeps watch on CSR developments in France, Europe and the rest of the world.

**21st Century Club**
In 2016, Neuflize OBC renewed its support for the 21st Century Club (Club du XXI siècle), which promotes and encourages success through diversity. Equal opportunity and diversity are key issues for France. It is up to each economic agent to imagine the world of the future and Neuflize OBC intends to be a driver of this change.

**ICMA (International Capital Markets Association)**
This body represents investment banks worldwide. It currently has more than 500 members in around 60 countries. ABN AMRO Investment Solutions has been a member of the ICMA’s Green Bonds Principles since 2015. In 2016, AAIS participated in the election of the new members of the executive committee and responded to several questionnaires relating to an assessment of green bonds and the creation of a ‘social bonds’ charter.

**AFG (Association Française de la Gestion Financière, French Asset Management Association)**
AAIS is a member of the AFG’s corporate governance and responsible investment committees and participates in the various events organised by AFG.

Continuing on from its involvement in the Corporate Governance Committee, AAIS attends general meetings of shareholders and expresses its opinions. In 2016, AAIS revised its voting rights policy, particularly the conditions for exercising voting rights by making voting systematic above a double threshold defined in amount: minimum holding a fund of 2 million and minimum holding in an issuer of 5 million, 75 million or 10 million, depending on where the issuer is domiciled.

Continuing on from its involvement in AFG’s responsible investment committee, AAIS has taken part in two of AFG’s working groups. In 2015, this work resulted in publication of the AFG’s “Professional Guide to sustainable bonds.” In 2016, in collaboration with FIR and other management companies, AAIS took part in the AFG working group appointed to work on updating the SRI Funds Transparency Code and its guide (due to be published in the first half of 2017). This consists of integrating AMF recommendations and some of the prerequisites of the energy transition act into the new guide and giving it a European dimension.

**Convergences Forum**
Each year, Neuflize OBC attends the Convergences Forum in Paris which brings together social economy players over three days and nights. They discuss and exchange innovative solutions for combating poverty and social insecurity in Europe and throughout the world. In 2016, the Forum focused on “Succeeding in the transition to sustainable cities and territories” while contributing the UN’s new sustainable development goals.
Comité des Forêts & Sylv’acctes Rhône Alpes
To combine its know-how with that of the forestry sector, the Bank has signed a partnership with the “Comité des Forêts”, a network of acknowledged forestry experts and specialists. The Bank is also a founding member and director of the forestry association “SYLVACCTES RHÔNE ALPES, DES FORÊTS POUR DEMAIN” alongside the Rhône-Alpes and Grand Lyon regional authorities.

ENERGY TRANSITION FOR GREEN GROWTH ACT (Loi Transition Énergétique relative à la Croissance Verte - LTECV)
Neuflize OBC is paying particularly close attention to implementation of this new Act, and particularly of Article 173 thereof which concerns its asset management company and its life insurance subsidiary.

A project team was set up at the end of 2016 and a consulting assignment began to help the Neuflize OBC group to implement the LTECV law designed to limit climate change by integrating climate risk into company organisation. An action plan will be drawn up for 2017.

This project is considered strategic and is overseen by the Management Board member responsible for CSR.

It is also part of the ABN AMRO’s global approach in the framework of its Climate Change statements and its involvement in the Task Force on Climate-related Financial Disclosures’ work. In addition, Neuflize OBC participated in this work in France via ORSE and AFEP.

APPENDICES
APPENDIX 1: CSR PERFORMANCE INDICATORS FOR 2016
APPENDIX 2: CSR ACTION PLAN 2017
APPENDIX 3: CONCORDANCE TABLE (TOWARDS FRENCH LAW GRENELLE 2)
CSR FIGURES 2016 2015 2014

FINANCE (in millions of euros)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Balance sheet assets</td>
<td>16 110</td>
<td>14 472</td>
<td>14 429</td>
</tr>
<tr>
<td>Customer loans</td>
<td>3 511</td>
<td>3 553</td>
<td>3 436</td>
</tr>
<tr>
<td>Net banking income</td>
<td>350</td>
<td>351</td>
<td>333</td>
</tr>
<tr>
<td>Gross operating profit</td>
<td>84</td>
<td>90</td>
<td>83</td>
</tr>
<tr>
<td>Net profit</td>
<td>45</td>
<td>46</td>
<td>45</td>
</tr>
<tr>
<td>Total assets under management</td>
<td>43 309</td>
<td>43 145</td>
<td>47 500</td>
</tr>
</tbody>
</table>

Including Sustainable development assets

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Including SRI Funds</td>
<td>822</td>
<td>713</td>
<td>955</td>
</tr>
<tr>
<td>Including SRI Mandates DPM</td>
<td>172</td>
<td>143</td>
<td>77</td>
</tr>
<tr>
<td>SD Savings accounts</td>
<td>10.9</td>
<td>11.8</td>
<td>12.8</td>
</tr>
</tbody>
</table>

SOCIAL

<table>
<thead>
<tr>
<th>Number of employees at 31/12¹</th>
<th>1 061</th>
<th>1 048</th>
<th>1 039</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of executives</td>
<td>81</td>
<td>80</td>
<td>78</td>
</tr>
<tr>
<td>% of women</td>
<td>56</td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td>% of women working as executives</td>
<td>53</td>
<td>53</td>
<td>53</td>
</tr>
</tbody>
</table>

Breakdown of employees by age

| Below to 25 | 10 | 8 | 5 |
| 25-34       | 183| 180| 173|
| 35-44       | 275| 275| 283|
| 45-54       | 371| 383| 383|
| 55-59       | 174| 157| 161|
| Above to 60 | 48 | 43 | 32 |

Geographical distribution of employees

| Paris        | 987 | 971 | 965 |
| Province     | 74  | 75  | 74  |

Number of full time recruitments | 55 | 56 | 58 |
Number of full time redundancies | 19 | 17 | 19 |
Number of part time employees 91 | 88 | 90 |
Rate of absenteeism² 8.7 | 9 | 9 |
Frequency rate of accidents at work³ 3.3 | 7 | 8 |
Seriousness rate of accidents at work³ 0.08 | 0.35 | 0.12 |
Professional illnesses | 0 | 2 | 0 |
Number of disabled employees | 24 | 44 | 24 |
Tax paid to Agefiph (in thousands of euros) | 93 | 18 | 114 |
Payroll (in millions of euros) | 84 | 80 | 77 |
Number of employees involved in CSR actions⁴ | 230 | 218 | 240 |
Number of volunteers | 141 | 102 | 128 |
Number of volunteers’ hours spent | 1 341 | 970 | 992 |
Training costs (in millions of euros) | 3.4 | 3.4 | 4.2 |
% of staff costs | 4.0 | 4.3 | 5.5 |
Total number of training costs | 25 154 | 29 269 | 47 487 |
Number of employees having followed at least one training session⁶ | 874 | 953 | 1 048 |
Employees having followed at least one training (%) | 82 | 91 | 100 |
Average of training session by employee (in hours) | 3h30 | 4h | 7h |

SOCIETY

Donations (in thousands of euros) | 25 | 30 | 15 |
Patronage (in thousands of euros) | 1 007 | 1 275 | 1 444 |

ENVIRONMENT

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water consumption (m3)</td>
<td>15 589</td>
<td>16 409</td>
<td>14 412</td>
</tr>
<tr>
<td>Gas consumption (MkWh)</td>
<td>3.4</td>
<td>3.3</td>
<td>3.2</td>
</tr>
<tr>
<td>Electricity consumption (MkWh)</td>
<td>5.9</td>
<td>6.3</td>
<td>6.3</td>
</tr>
<tr>
<td>Paper consumption (tons)</td>
<td>34</td>
<td>41</td>
<td>44</td>
</tr>
<tr>
<td>Carbon Footprint (in eq. tons of carbon)</td>
<td>2 792</td>
<td>3 235</td>
<td>3 074</td>
</tr>
</tbody>
</table>

1 Not including Neuflize Vie and not including international DPM of ABN AMRO (change of method of calculation, applied to the data of 2015 and 2016).
2 The workforce are the employees under permanent or temporary contracts, including those whose contract are interrupted because of longterm illness, incapacity, or unpaid leaves. Agency staff, Providers and Trainees are not recorded.
3 Calculation of the rate of absenteeism: addition of the days of absence for diseases, long diseases, prenatal pathologies and accidents linked to work and commute / number of days worked of period x workforce at the end of period.
4 Calculation of the frequency rate of accidents at work : number of work interruption x 1 000 000 / number of worked hours.
5 Calculation of the seriousness rate of accidents at work : number of lost days x 1 000 / number of work interruption .
6 Number of employees involved in CSR actions.
## Concordance Table (Towards French “Grenelle 2” Law)

### Social Information

<table>
<thead>
<tr>
<th>Topic</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employment</strong></td>
<td></td>
</tr>
<tr>
<td>Total workforce and workforce breakdown</td>
<td>24, 53</td>
</tr>
<tr>
<td>Hires and redundancies</td>
<td>24, 53</td>
</tr>
<tr>
<td>Compensation and evolution of compensation</td>
<td>28, 53</td>
</tr>
<tr>
<td><strong>Organization of work</strong></td>
<td></td>
</tr>
<tr>
<td>Organization of work time</td>
<td>25, 26, 53</td>
</tr>
<tr>
<td>Absenteeism</td>
<td>26, 53</td>
</tr>
<tr>
<td><strong>Labor relations</strong></td>
<td></td>
</tr>
<tr>
<td>Organization of social dialogue</td>
<td>24</td>
</tr>
<tr>
<td>Outcome of the collective agreements</td>
<td>24</td>
</tr>
<tr>
<td><strong>Occupational health &amp; safety</strong></td>
<td></td>
</tr>
<tr>
<td>Health and safety conditions at work</td>
<td>26</td>
</tr>
<tr>
<td>Outcome of the collective agreements signed with trade unions regarding occupational health and safety</td>
<td>26, 27</td>
</tr>
<tr>
<td>Frequency and seriousness of incident and occupational diseases</td>
<td>26, 53</td>
</tr>
<tr>
<td><strong>Training</strong></td>
<td></td>
</tr>
<tr>
<td>Policies implemented regarding training</td>
<td>29</td>
</tr>
<tr>
<td>Total number of training hours</td>
<td>29, 53</td>
</tr>
<tr>
<td><strong>Equal treatment</strong></td>
<td></td>
</tr>
<tr>
<td>Measures promoting gender equality</td>
<td>29, 53</td>
</tr>
<tr>
<td>Measures promoting the employment and integration of people with disabilities</td>
<td>29, 53</td>
</tr>
<tr>
<td>Policy against discrimination</td>
<td>29, 30, 31</td>
</tr>
<tr>
<td><strong>Promotion and respect for the clauses of ILO conventions</strong></td>
<td></td>
</tr>
<tr>
<td>Respect for the right to organize collective bargaining</td>
<td>7, 24</td>
</tr>
<tr>
<td>Abolition of discrimination in employment and occupation</td>
<td>7, 29</td>
</tr>
<tr>
<td>Abolition of forced or compulsory labor</td>
<td>7</td>
</tr>
<tr>
<td>Abolition of child labour</td>
<td>7</td>
</tr>
</tbody>
</table>

### Environmental Information

<table>
<thead>
<tr>
<th>Topic</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental policy</strong></td>
<td></td>
</tr>
<tr>
<td>Environmental policy organization of the company to take into account environmental concerns.</td>
<td>41</td>
</tr>
<tr>
<td>If applicable Environmental evaluation and verification approaches</td>
<td>41</td>
</tr>
<tr>
<td>Training and information towards employees on environmental protection</td>
<td>41</td>
</tr>
<tr>
<td>Budget dedicated to environmental protection and environmental risk mitigation</td>
<td>41</td>
</tr>
<tr>
<td>Financial provisions for environmental risks</td>
<td>Not relevant</td>
</tr>
<tr>
<td><strong>Pollution</strong></td>
<td></td>
</tr>
<tr>
<td>Prevention, reduction and fixing of air/water/soil emissions</td>
<td>44</td>
</tr>
<tr>
<td>Noise pollution and others types of pollution</td>
<td>44</td>
</tr>
<tr>
<td><strong>Circular Economy</strong></td>
<td></td>
</tr>
<tr>
<td>Prevention, recycling and cutting waste</td>
<td>44, 45</td>
</tr>
<tr>
<td>Measures about prevention, recycling and cutting waste</td>
<td>44, 45</td>
</tr>
<tr>
<td>Fighting against food waste</td>
<td>45</td>
</tr>
<tr>
<td><strong>Sustainable use of resources</strong></td>
<td></td>
</tr>
<tr>
<td>Water consumption, water supply considering local resources</td>
<td>45</td>
</tr>
<tr>
<td>Consumption of raw materials, measures taken to improve the efficiency of raw materials use</td>
<td>Not relevant</td>
</tr>
<tr>
<td>Energy consumption, measures to improve energy efficiency and better use renewable energies</td>
<td>42</td>
</tr>
<tr>
<td>Land use</td>
<td>Not relevant</td>
</tr>
<tr>
<td><strong>Climate change</strong></td>
<td></td>
</tr>
<tr>
<td>Greenhouse gaz emissions</td>
<td>42, 43</td>
</tr>
<tr>
<td>Measures to adapt to climate change</td>
<td>41</td>
</tr>
<tr>
<td><strong>Biodiversity preservation</strong></td>
<td></td>
</tr>
<tr>
<td>Measures taken to save and develop biodiversity</td>
<td>44</td>
</tr>
</tbody>
</table>
## Regional, economic and social impact created by the activity of the company

| Regarding employment and local development | 31, 32, 35, 36, 37 |
| Impact on local and neighboring communities | 31, 32, 35, 36, 37 |

## Stakeholder relationship

| Conditions of the dialogue with the persons and organizations | 10, 48, 49, 50, 51 |
| Philanthropic actions and community involvement | 19, 20, 31, 32, 37 |

## Subcontracting and suppliers

| Integration of the social and environmental issues within the outsourcing policy | 45 |
| Importance of subcontracting and integration of CSR in the relationships with suppliers and subcontractors | 45 |

## Fair operating practices

| Actions implemented to prevent any kind of corruption | www.abnamro.com |
| Measures implemented to promote consumer health and safety | Not relevant |

## Other actions promoting human rights

| Other actions promoting human rights | 38, 39 |