



**ABN•AMRO**

# UNEP FI Roundtable: From Risk to Opportunity

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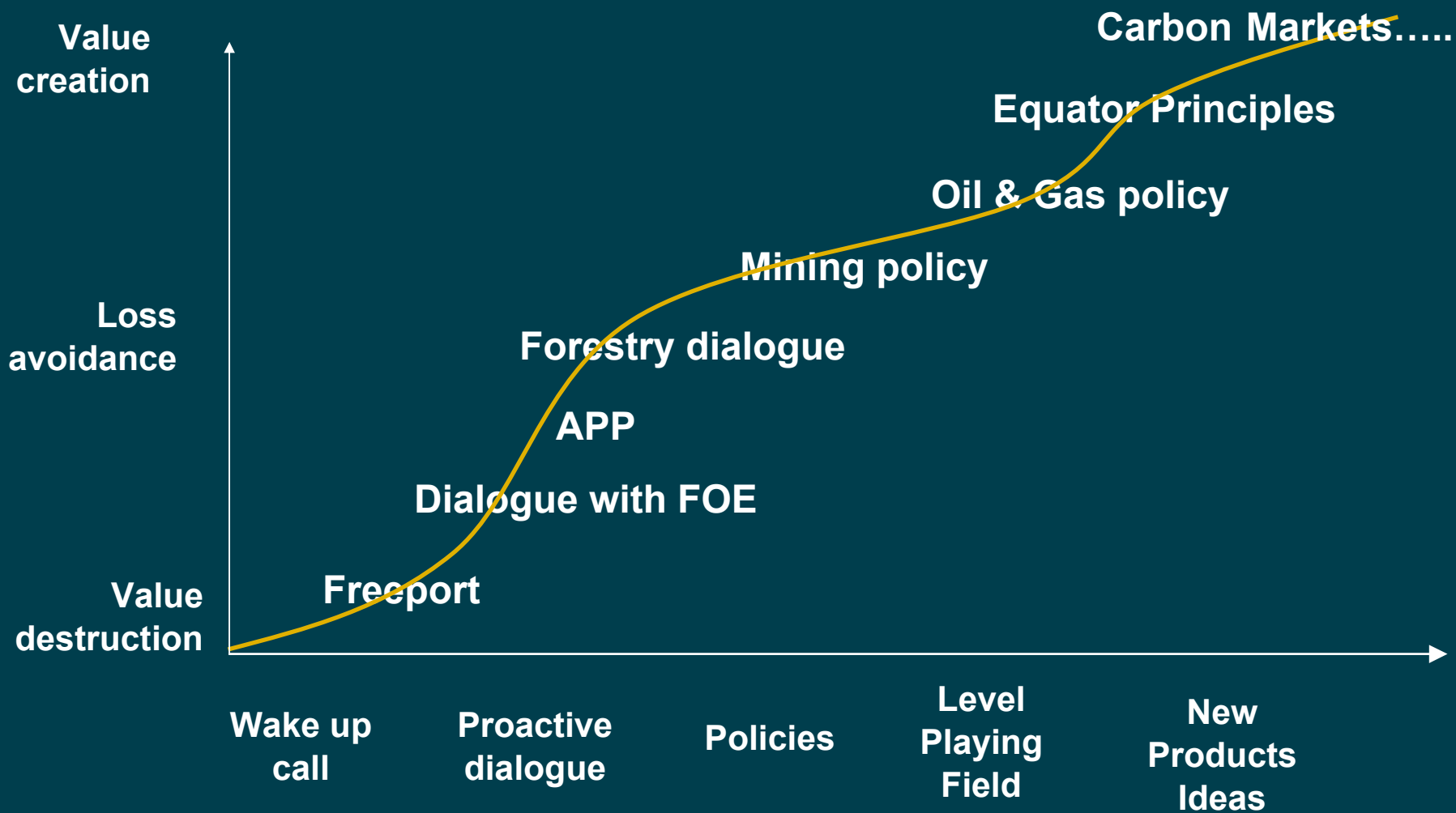
# ABN AMRO E&S Risk Management

- ◆ Policies governing all engagements in sensitive sectors: Pulp & Paper, Mining & Metals, Defence, Tobacco, Nuclear, Oil & Gas - Equator Principles embedded within Mining & Metals and Oil & Gas
- ◆ High level risk filter to trap E & S risks in all credit
- ◆ Embedding Sustainability criteria into country rating assessments
- ◆ Development and operationalisation of tools and training on all policies, risk filter etc.....

# Client Diagnostic Tool

- ◆ This tool will assess a client's management of E&S issues within its business by focusing on the following key areas:
  - Policy
  - Governance
  - Risk Management
  - Stakeholder Engagement
- ◆ A score will be given to the client in each area to produce an overall rating
- ◆ This will be used to determine business engagement

# The Sustainability Value Proposition....



# Making Sustainability Pay.....

- ◆ The EU ETS and Kyoto regulatory environments have created trading markets of huge potential magnitude
- ◆ OTC and Exchange based trading
- ◆ Carbon based lending a new reality
- ◆ Funding of Clean Technology and Renewable Energy
- ◆ New Growth in Fund and PE involvement
- ◆ New Listings of “green” equities / instruments
- ◆ Increasing Demand for SRI related product

# Lessons Learned

- ◆ Understanding the new risk profile emerging from Sustainability issues
- ◆ Engaging with the sensitive industry areas
- ◆ Adjust Risk Parameters to the new realities?
- ◆ Leading to better investments and loans
- ◆ Recognition of the revenue generating potential of the Emerging Carbon Markets and Renewable / Clean Tech sectors
- ◆ SRI performance issues