

Human Rights Statement

ABN AMRO's business affects the lives of millions of people. Over five million individuals and families use our bank accounts, mortgages and other financial products. We employ over 18,000 people. And we provide banking services to almost 400,000 corporate clients. Through our investment services, we enable our clients to invest in thousands of other companies. The sheer scale of our connections as a bank means we can have an impact on a wide range of people, from individual and family clients, to employees, workers, communities and consumers of companies we are connected to via our corporate and investment services.

As a business built around connections to people, we have both an opportunity to [accelerate the sustainability shift within ABN AMRO and in our business relationships](#), as well as a responsibility to do business with respect for human rights in line with international standards. Respecting human rights is key to achieving our purpose.

This statement sets out our commitment, responsibilities and expectations for ourselves and for our business relationships including our clients, companies that we invest in on behalf of clients, and our suppliers. It also describes the key activities we undertake to meet our responsibilities. The statement is primarily for us, ABN AMRO, and for our business relationships. It also serves to clarify our commitment, actions and expectations to our external stakeholders, such as trade unions and civil society organisations that represent people whose human rights we can impact through our work. We will communicate this statement to our own employees, our business relationships and to our external stakeholders.

This Statement is organised into the following sections:

1. Working to meet international standards
2. Prioritising our salient human rights issues
3. Governance
4. Assessing risks and impacts on people
5. Taking action
6. Tracking performance
7. Transparency
8. Remedy
9. Approval

1. Working to meet international standards

States bear the primary duty to respect, protect and fulfil human rights.¹ Their efforts to advance business respect for human rights are critical to achieve responsible business conduct and the effective remediation of adverse human rights impacts. In addition to states' duty to protect human rights, businesses have a responsibility to respect human rights. This responsibility is set out in two core international standards: the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. ABN AMRO is committed to working to meet the expectations set by these standards and expects the same from its clients, suppliers and other business relationships. Concretely, this means that at ABN AMRO we work to live up to the expectations we have of ourselves and of companies with which we have a business relationship in order to achieve the following:

- not undermine efforts by states to meet their human rights obligations.

¹ The rights people are entitled to as human beings are expressed in various international human rights declarations and conventions. This includes the standards of the International Labour Organization and the rules of international humanitarian law that apply in situations of armed conflict.

- take proactive steps to avoid infringements on human rights, regardless of whether they are recognised or protected by governments. This implies that when there are conflicts between domestic law and international standards, they should make an effort to respect the latter.
- have a policy commitment to respect all internationally recognised human rights, which covers their own activities and their business relationships.
- pay special attention to vulnerable groups, including women, children, minorities, migrant workers, human rights defenders and indigenous peoples.
- have an ongoing human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights.
- avoid causing or contributing to adverse human rights impacts, and address such impacts when they occur.
- seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services.
- provide for, or cooperate in, the remediation of adverse impacts in line with their responsibility.
- have, or participate in, effective grievance mechanisms for individuals (including workers) and communities who may be adversely impacted.
- be transparent about how they fulfil their responsibility to respect human rights.

2. Prioritising our salient human rights issues

As a bank we are at risk of causing, contributing to, or being directly linked to a broad range of human rights impacts. By analysing our business operations, client portfolio, suppliers and companies that we invest in on behalf of clients, we – together with our internal and external stakeholders – identify which human rights are most salient. This means that within the full spectrum of human rights, we focus our efforts on the most severe risks to people. Our list of salient issues is not static. We conduct periodic reviews to take into account developments in our own business and in the world around us. Trends like global population growth, migration flows, big data and artificial intelligence, urbanisation, health crises and the platform economy all create new human rights challenges. On climate change, we recognise that failure to achieve the goals of the 2015 Paris Agreement constitutes one of the biggest risks to human rights in the 21st century. And while we support the transition to a carbon-neutral and circular economy, we are mindful of the fact that the technologies, value chains and ways of doing business that help lower emissions can also pose human rights risks, ranging from labour conditions in cobalt mining critical for emissions-lowering technology to land rights in the context of renewable energy projects like wind farms.

3. Governance

Ultimate responsibility for the ABN AMRO human rights programme lies with the Executive Committee. Our Chief Executive Officer is responsible for sustainability as part of our strategy. Our Chief Risk Officer is responsible for sustainability risk management, which explicitly includes human rights risks. At senior management level, we also rely on the leadership of several delegated committees to provide oversight and take critical decisions affecting our daily management of human rights risks. The Executive Committee and its delegated committees are supported by the Sustainability Advisory Committee, which oversees and advises on strategic and regulatory implementation across the bank, and by the Engagement Advisory Committee, which monitors engagement with clients.

Day-to-day responsibility for embedding human rights in our operations lies with various departments. Our Group Sustainability department functions as our internal team of experts in charge of coordinating our human rights programme across the bank. But the daily work of doing business with respect for human rights is the responsibility of thousands of employees across our bank, from client relationship managers to human resources staff, to risk advisors in our Central Risk department.

ABN AMRO has a range of operational policies and statements in place that explain in more detail what our standards are and how we implement them. This includes:

- [Privacy Statement](#): describes how we handle personal data.
- [Binding Corporate Rules](#): a set of internal rules regulating the international exchange of data within ABN AMRO.
- Privacy Statement for Employees: describes how we handle personal data of employees.
- [Code of Conduct](#): the day-to-day manual on conduct for all ABN AMRO employees.

- [Diversity & Inclusion Policy](#): states ABN AMRO's commitment to diversity and inclusion, which includes the promotion of equal treatment and equal opportunities for workers, prevention of harassment, ensuring non-discrimination and compliance with national and local labour and employment laws.
- [International Framework Agreement](#): an agreement with UNI Global Union and FNV Finance that contains our labour rights commitment for all people who work – directly and indirectly – for ABN AMRO.
- [Exclusion List](#): our 'red lines' that describe the sectors and activities that we do not want to finance.
- [Sustainability Risk Policy for Lending and Project Finance](#): the principles that guide our approach to sustainability, including human rights, in all lending activities.
- [Sustainability Standard with Sector Requirements and Sustainability Standard for Defence](#): the minimum requirements and benchmarks we use to assess corporate clients in specific sectors.
- [Sustainability Risk Policy for Investments](#): the principles that guide our approach to sustainability, including human rights, in all investment services.
- [Supplier Code of Conduct](#): the principles that ABN AMRO uses in its procurement policy.

These policies apply to the bank as a whole, including our subsidiaries. In our [Human Rights Reports](#) and [Modern Slavery Statement](#), we explain in more detail how we implement our human rights-related policies as well as the results.

4. Assessing risks and impacts on people

Understanding how our operations, products and services may be, or are, affecting human rights is key. This is true in a range of activities, from developing the privacy protocol for a new banking app to providing a loan to a textile manufacturing company. We review our specific risks and impacts at regular intervals.

In our roles as a service provider and as an employer, we consult directly with the people whose human rights we affect and with organisations that represent their interests. For example, the Employee Council and the European Staff Council represent employees directly in the governance of the bank, and we are committed to our relationships with trade unions in all countries where we are active.

In our roles as a lender and investment services provider we work to identify the human rights risks and impacts of our clients and the companies we invest in on behalf of clients.

As a lender, we conduct our most intensive screening. This is a risk-based screening conducted at various levels. First, we seek to understand the sectors and value chains in which our clients are active. Taking a value chain approach helps us better understand the level of risk associated with financing companies that are active in these sectors, and how we can best use our leverage with the client. Second, we assess the client's commitments, capacity and track record on human rights based on information provided by the company and public domain sources. Occasionally civil society organisations bring allegations of human rights harms by our clients to our attention, or about human rights harms endemic to certain sectors. This information also informs our risk assessment of clients. We also take into account country risks. The risks of doing business in specific locations informs how we prioritise certain business relationships for enhanced due diligence.

The risk assessment approach described above reflects the reality that as a bank we often operate far away from where our clients are active. This means we often rely on reports from civil society organisations, trade unions and journalists to understand human rights impacts we can be connected to via our clients or investment universe. Protecting the rights of these civil society organisations, trade unions and journalists – and human rights defenders overall – to operate freely is important in itself and it enables companies like ABN AMRO to identify adverse human rights impacts in their value chains. This means that infringements on civic freedoms by (potential) business relationships, for example by bringing defamation lawsuits against human rights defenders, constitutes 'red flags' in our due diligence.

As an investment services provider, we are even further removed from the companies we are connected to and their activities. When it comes to identifying risks, this means we rely more heavily on external research providers to assess the human rights policies and practices of companies we actively advise clients on. And while some of our clients ask us to advise them on investments and allow us to make investment choices for them (and we do have a policy of advising clients to invest in sustainable companies), we also provide an online investment facilitation platform where clients can buy shares of nearly any company or fund on public exchanges. This has implications for all stages of our human rights due diligence: we cannot assess and take action on the human rights risks of every company on a public exchange. We can, however, decide not to allow certain transactions on our platform, which we have done for controversial weapons companies.

5. Taking action

The actions we take when we identify human rights risks connected with our business depend on how we are connected to the risks. The most challenging situations are those in which we are connected to adverse human rights impacts through a client or other business relationship, such as in our role as a lender. The types of impacts we can be connected to range from, for example, labour exploitation by a Dutch corporate client in the transportation sector to the failure to observe [Free, Prior and Informed Consent \(FPIC\)](#) in the context of a renewable energy project that we finance in Latin America. When we have contributed to these impacts, for example because our actions facilitated or incentivised a client to cause human rights impacts,² we will take the necessary steps to cease our contributions and use our leverage to mitigate any remaining impact to the greatest extent possible.

Assessing, building and using our leverage – particularly through dialogue and engagement with clients – is even more important when ABN AMRO is directly linked to adverse impacts via its products and services. This is true for human rights risks as well as for other sustainability issues. The means through which we exercise our leverage varies. As a bank, we set clear expectations for our clients in order to prevent risks from becoming reality. When clients do not yet meet the standards listed in our sector requirements, or when we identify other human rights risks that are not specifically addressed, we will engage in dialogue with the client to bring about improvements. Our engagement activities can range from regular inquiries with the client on the progress of their human rights commitments to ‘high-intensity engagement’, which is a time-bound formalised trajectory in which we define expected improvements in the client’s human rights risk management. Our understanding of how banks can build and apply leverage continues to evolve. In the end, the goal is not to exclude all potential clients who may carry human rights risks, or to have clients just do a box-ticking exercise on our policy framework. We aim to effect positive change in our clients’ ability and willingness to respect human rights, and to encourage continuous improvement.

Responsibility is not the only factor that determines when we take action. We are looking for opportunities to make a positive impact on the financial sector as a whole, and on society at large. We speak out, share learnings, give a platform to those who advance human rights, and seek to explore new issues in partnership with stakeholders and experts.

6. Tracking performance

Whether our actions lead to better outcomes for people is not always easy to determine. It is useful to have data on the number of people we train on human rights, our gender pay gap, and whether the number of grievances we receive that indicate a systemic, unresolved problem decreases over time. We also collect an increasing amount of information on the human rights efforts and controversies of our clients and other business relationships, particularly to track changes over time. The same is true for companies that we invest in on behalf of clients, where we can track changes over time via external data providers. Nonetheless, many of these data points remain proxies for actual improvements on people’s lives. Multistakeholder collaborations like the [Dutch Banking Sector Agreement](#) have helped shape our understanding about meaningful qualitative and quantitative performance indicators that enable us to better track our own progress and provide insights into the results of our engagements with others. But we have more work to do. We want to challenge ourselves and our business relationships to improve the way we evaluate our human rights efforts in order to better measure our impact. It is challenging for companies like ABN AMRO to understand if their interventions work, and we will continue to report on our progress in this area in our human rights reporting.

7. Transparency

We strive to be transparent and accountable. Through in-person meetings, our Human Rights Reports and other publications we provide information on our policy framework (including changes), our due diligence efforts and remediation. We also aim to be transparent about negative human rights impacts connected to our business, the dilemmas we face in our efforts to respect human rights, and the ambitions we have going forward. Human rights reporting allows us and our stakeholders to identify areas for improvement.

One of these improvement areas specifically concerns transparency. We have been frequently challenged by members of civil society to be more open and transparent about who our clients are and specific instances of human rights harms

² For more on the meaning of facilitating and incentivising negative impacts on human rights, see '[OHCHR response to request from BankTrack for advice regarding the application of the UN Guiding Principles on Business and Human Rights in the context of the banking sector](#),' 2017, p.8.

connected to our business. However, at the same time, we have obligations to protect our clients' confidentiality. When possible, we will strive to increase transparency by requesting clients' consent to disclose information about their relationship with ABN AMRO.

8. Remedy

When people's human rights are harmed they should have access to remedy. This is relevant in connection with all adverse human rights impacts that ABN AMRO is connected to. When we cause these impacts, we are responsible for resolving the issue and providing remedy. Our [complaints mechanism](#) is designed to enable our clients to raise human rights grievances with us. When we are connected to adverse human rights impacts through an intermediary party, such as a corporate client, there are different ways in which we can contribute to remedy. One of our key objectives is to engage with our clients on the availability and effectiveness of their operational-level grievance mechanisms and on other means through which the client facilitates remedy.

Remedy is best provided close to where the human rights impact occurred. This should guarantee early and direct redress by the company that is primarily responsible. In reality, however, significant gaps remain in the availability of safe and effective grievance mechanisms. Furthermore, even when grievance mechanisms exist, companies may still fail to remediate human rights harms. In addition to engaging with our clients on their operational-level grievance mechanisms, we are working to establish a bank-level grievance mechanism through which ABN AMRO may receive notifications about human rights impacts that the bank is connected to through its products and services to corporate clients.

9. Approval

Doing business with respect for human rights at ABN AMRO is an ongoing process that requires continuous learning, innovation and collaboration to achieve progress. ABN AMRO will continuously seek to foster an environment – for ourselves and our business relationships – that is conducive to respecting human rights through addressing risks and impacts connected to our business, and contributing to solutions for the pressing social challenges of our time.

This statement has been approved by ABN AMRO's Group Disclosure Committee on 7 December 2020.