

ABN AMRO's Human Rights Programme

Stakeholder dialogue

22 October 2019

Stakeholder dialogue by ABN AMRO on its Human Rights Statement and on the bank's approach to enable remedy.

Goal – Engaging with stakeholders on policy and remedy

As part of ABN AMRO's stakeholder management and in order to further the development of ABN AMRO's human rights programme, ABN AMRO conducted a stakeholder dialogue on 22 October 2019. We organised this dialogue to obtain feedback on, in particular, the bank's Human Rights Statement and the bank's vision of enabling remedy and grievance. The outcome of this dialogue provides ABN AMRO with a better understanding of what stakeholders find important, helping the bank to take action. The meeting was attended by representatives from civil society organisations, trade unions, academics, lawyers, public institutes and business. A total of 17 stakeholders were present.

Context

ABN AMRO is committed to respecting human rights. Our products and services have an impact on society. We directly affect the lives of over 5 million people, as a service provider and as an employer. Indirectly, in our roles as a lender and a provider of investment services and products, our impact is even greater. Our Human Rights Statement articulates our general policy commitments to respect human rights and the expectations we have of the businesses we serve and those we work with. The statement is based on international guidelines and conventions, such as the UN Guiding Principles (UNGPs) on Business and Human Rights.

In ABN AMRO's 2018 Human Rights Report, we highlight our future steps, such as updating our Human Rights Statement and developing a view on remedy including an exploration of the bank's responsibility on grievance. The takeaways from

the stakeholder meeting and other contacts with stakeholders will be included in the updated Human Rights Statement and in the development of ABN AMRO's views on enabling effective remedy.

Stakeholder reflections and suggestions

The reflections and suggestions below have been derived from stakeholders' questions, visions and opinions on ABN AMRO's Human Rights Statement and their views on remedy. These represent critical and constructive efforts by external stakeholders to encourage ABN AMRO to strengthen its Human Rights Statement and to make any grievance procedure as relevant as possible. The stakeholder meeting was held under the Chatham House Rule, which is why the reflections and suggestions below have been anonymised.

Human Rights Statement

ABN AMRO is planning to adopt a new Human Rights Statement, as the current one dates from 2012 and is due for revision. For more information about the Human Rights Statement, please see our current one ([link](#)). Three questions were put to those attending the stakeholder dialogue:

- ▶ What do you want to read in our Human Rights Statement?
- ▶ What is the main goal of the statement?
- ▶ What do our people need to know about human rights and ABN AMRO's policy in this area (to be used in an internal learning module)?

Discussions and reflections

“A Human Rights Statement should provide at-a-glance information on ABN AMRO’s position on human rights. It should serve as a landing page for anyone looking for ABN AMRO and human rights, as well as a robust starting point for a conversation with business partners.”

► Human Rights Statement – showing that we care

Our stakeholders reckon that our statement should be the landing page for anyone who wants to find out about ABN AMRO and human rights. This is what they are looking for: The entire bank respects human rights in all four of its roles. The statement should not be too high-level and it should provide hands-on information: what are ABN AMRO’s red lines when lending money? What are the responsibilities that come with money lending, facilitating financial products and services, and the bank’s leverage? The bank should clearly explain what international standards it endorses and meets.

► Awareness on the part of ABN AMRO employees

Our stakeholders support raising employees’ awareness of human rights by means of e-learning. Some stakeholders recommend including dilemmas and cases, so that employees can practice with real-life examples and learn different perspectives on how to act in day-to-day situations. The training course/ information should explain where employees can direct their questions or leave comments. A few stakeholders suggest not always using the term ‘human rights’ and selecting themes that are at play close to home and further afield.

► Enabling remediation: introduction

ABN AMRO continues to develop policy requirements on grievance mechanisms for its clients in order to gain insight into the quality of these mechanisms. ABN AMRO’s website explicitly notes that the bank is open to receiving complaints about adverse human rights impacts by clients. In some cases, ABN AMRO should do more. According to the UNGPs, when companies become aware that they have caused or contributed to adverse human rights impacts, they should provide for or cooperate in their remediation through legitimate processes. This could mean that we cooperate with our clients in a remediation process, or that we cooperate in a legitimate external process, such as the OECD National Contact Point Procedure. Alternatively, we could provide remedy through a process we set up ourselves. In our 2018 Human Rights Report, we announced that this year we would explore how our bank can further facilitate remediation, based on thorough testing among internal and external stakeholders and by defining the contours of a possible independent bank-level grievance mechanism.

Enabling remediation

Effective grievance mechanisms help provide remedy to affected people and strengthen a company’s general human rights due diligence process. Effective grievance mechanisms operate at five different levels at least (clients, sectors, project finance, external processes and the bank). ABN AMRO’s main objective is to engage with clients on the availability and effectiveness of their operational-level grievance mechanisms. Remedy is best sought close to where the impact occurred. This should guarantee early and direct redress by the company that is primarily responsible for this impact. For more information, see the Enabling Remediation Discussion Paper, published by the SER as part of the Dutch Banking Sector Agreement [see website SER](#).

Stakeholders' feedback on various dilemmas and challenges

Grievance mechanism

Various issues need to be resolved here. The following questions were asked during the stakeholder dialogue:

- ▶ What are the main obstacles to establishing an effective bank-level mechanism, and how can we overcome these obstacles?
- ▶ How can we reconcile the legal requirements for client confidentiality with the need for a legitimate and transparent procedure?
- ▶ What can we do if a client is unwilling to cooperate in the procedure?
- ▶ How transparent should we be during and after the procedure, also taking privacy into account?
- ▶ How can a single bank's grievance mechanism be used in syndicated financing?

▶ Admissibility

Our stakeholders say we need to have clearly defined criteria for admissibility, to communicate these clearly and to be alert to them. The bank must also take care not to automatically reject the 'complainer'/'reporter' if they have failed to correctly formulate their request or issue. The main thing is the right intention of the mechanism, and stakeholders advise the bank not to act too strictly or to set too many criteria.

There are various ways banks can cause, contribute to or be directly linked to human rights violations. In this dialogue, it emerged that the mechanism is also an opportunity to work together with the client to find a solution that is satisfactory to the victims – a positive approach. The question was also asked as to how we should deal with human rights complaints that, for example, are caused by climate change. Stakeholders advise explaining how the grievance mechanism works for each of the three possible forms of involvement and to clarify how far the bank's responsibility goes.

▶ Complementarity

A bank-level mechanism would be a second resort for victims who cannot direct their complaint to, or do not receive a reaction from, companies that the bank finances. ABN AMRO intends to address and handle the complaint by talking to the client in the first place. During the dialogue, stakeholders considered the wishes of the victims. What are they looking for? The final results may vary, with one being easier to achieve than others.

▶ Legal challenges

A well-functioning mechanism poses a few challenges relating to accessibility and privacy. How does a victim know whether ABN AMRO has a relationship with the company in question? It is the victim's responsibility to demonstrate this, for example with the help of external parties such as NGOs. During the dialogue, it emerged that stakeholders encourage banks to refrain from being too careful in obtaining contractual consent for naming clients.

"How can you make sure the results of a complaints procedure are channelled back to your operations? How can you learn from the process followed and the results? How can you create the right feedback loop?"

This works the other way around as well – it is important for the company to know who has submitted the complaint, i.e. who the victim is. At the same time, the person's privacy must be guaranteed; consider the importance of protecting human rights defenders. The stakeholders attending the dialogue said that there are examples of compromises. A third problem relating to transparency concerns publishing the results (stakeholders want this; the process is confidential, but the results should be available to the public) and how the bank can carefully report on progress even if a client does not want the bank to do so.

► Profile of an independent ombudsperson

The profile of an ombudsperson was also considered during the dialogue. Our stakeholders recommend that this person have enough support. One of the possible ways to obtain that support is for the ombudsperson to report to ABN AMRO's Supervisory Board. The stakeholders also proposed a layered approach, depending on the type of complaint. Complex complaints or situations may require an investigation by a panel of experts; less complex cases could be handled by one ombudsperson. The ombudsperson could use an escalation model to scale up to a larger panel of experts if necessary. And finally, the stakeholders present considered the independence of the ombudsperson's advice, how binding the judgement is and what influence ABN AMRO has on it.

About ABN AMRO

ABN AMRO serves retail, private and corporate banking clients with a primary focus on the Netherlands and with selective operations internationally. ABN AMRO offers a full range of services to its clients, not only in the Netherlands, but wherever their business takes them. Based on its engagement with stakeholders, ABN AMRO draws up a plan of action, monitors progress and reports the results in the Annual Report, Human Rights Report, Human Rights Updates or online. The bank's policy, such as the Human Rights Statement, is available online at abnamro.com/en/in-society.

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