

Supplement to 2020 Human Rights Report

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ABN AMRO Bank N.V.

**Supplement to 2020
Human Rights Report**

About this Report

This document acts as a supplement to ABN AMRO’s Human Rights Report 2020.

This document sets out several details related to specific corporate policies that are referred to in ABN AMRO’s Human Rights Report 2020. This supplement should be read in conjunction with our [Human Rights Report 2020](#).

For more information on our approach to reporting, see abnamro.com

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1. Sustainability Risk Management Framework: Accountability for policy adherence

This section refers to ABN AMRO's Sustainability Risk Management Framework, as introduced in our Human Rights Report 2020, page 14.

From the Sustainability Risk Policy:

"Sustainability Risk has been identified as a material sub-risk type under Business Risk. Sustainability Risk thus requires its own risk management framework, that is described in this policy, and that is consistent with the Bank's Enterprise Risk Management framework, set out in the Enterprise Risk Management Policy.

The Executive Board ('ExBo') is accountable for the management of sustainability risk in the Bank. The Executive Board has delegated responsibility for the management of sustainability risk, including climate related and environmental risks, to the Group Risk Committee ('GRC').

The Sustainability Advisory Committee (SAC) has been mandated by the ExBo to assist the ExBo in its oversight concerning sustainability commitments and sustainable finance instruments and further oversees the embedding of the sustainability strategy and responsibilities of the organisation.

The Engagement Committee has been mandated by the ExBo to oversee the Bank's engagement processes (as described in the Sustainability Risk Policy for Lending and Project Finance).

The Three Lines of Defence principle, as defined in the Enterprise Risk Management Policy is applied to sustainability risk in the following way:

- a. The business areas represent the first line of defence for the management of sustainability risk.
- b. Central Risk Management (CRM) co-ordinates and oversees the second line of defence activities for sustainability risk at the Bank and portfolio level and across risk types.

In addition, the second line of defence role is performed at the following levels:

- The respective Risk Types Owners that are impacted by climate-related and environmental risks are responsible to identify, assess and manage the risks caused by climate and environmental risks drivers in their risk types.
- The Risk Type Owner for Credit Risk is responsible for the second line risk management role of sustainability risks, including climate-related risks at an individual client level. Specifically, second line Sustainability Risk Assessment (SeSRA) within Credit Risk performs the validation of the first line sustainability assessment in

case of high sustainability risk as indicated by the Global Sustainability Risk Index (GSRI) as well as providing advice in case of certain events (i.e. potential breach of Exclusion List/Controversial Weapons List, adverse media, defence link).

- Internal Audit represents the third line of defence for sustainability risk. The Risk Type Owner for Sustainability Risk (head of Central Risk Management) is accountable for putting in place and maintaining the sustainability risk management framework and ensuring the risk type is managed appropriately in the Bank, according to the Bank's policies and procedures and within the agreed risk appetite.

The Internal Audit function should review the sustainability risk management framework, by considering external developments, changes in the risk profile and in products and/or business lines."

For policy adherence, see picture on the next page:



Policy Adherence

These controls and indicators can be used to measure – and provide evidence on – the implementation of the Sustainability Risk Policy for Lending and Project Finance.

Scope	Subject	Indicator/Statement	Evidence	Reporting
All departments that provide corporate lending	Sustainability risk determination and – assessment	For all corporate lending transactions > 1 mln EUR, the sustainability risk is determined and an assessment is performed which is included in the documentation for credit approval	AMA (Advanced Measurement Approach) test on application of requirements in credit applications. Test is performed by Second line Sustainability Risk Assessment (SeSRA) – part of Credit Risk	Quarterly AGRC reporting AGRC: Risk control mechanism that tests if all control-procedures, which are in place to prevent or mitigate risks, are being followed-up properly.
All departments that provide project finance	Applying Equator Principles	For project finance transactions within scope EP/ sustainability assessment is performed and included in the documentation for the project approval	AMA test on application of requirements in the Project Finance credit applications. Test is performed by SeSRA	Yearly AGRC reporting
All departments that provide corporate lending	Application of requirements for loans with sustainability or acceleration features	For all loans with sustainability or acceleration features an assessment is performed, which is included in the documentation for credit approval	AMA test on application of requirements in the application of loans with sustainability or acceleration features. Test in performed by SeSRA	Semi-annually AGRC reporting
All departments that provide corporate lending	Administration of Sustainable Finance and Sustainability-Linked loans	All Sustainable Finance and Sustainability-Linked loans shall be administered in the credit origination systems of the bank	Quarterly of all financing administered as Sustainable Finance and Sustainability-Linked loans to Sustainability Advisory Committee	Quarterly reporting in business line dashboards

2. Additional information on the Diversity & Inclusion Policy

This section refers to ABN AMRO's Diversity and Inclusion Policy, as introduced in our Human Rights Report 2020 page 37.

- ▶ Policy developed by Human Resources and Conduct & Ethics. We did not undertake explicit external consultations when developing the policy. Our Human Resources senior management team was involved in the development of the policy and our Chief Human Resources Officer, who sits on the ABN AMRO Executive Committee, holds ultimate accountability for the policy and its implementation. The policy was approved by Product Owner Diversity & Inclusion and the People Development Management Team.
- ▶ Day-to-day policy implementation is the responsibility of the management of business lines (i.e. different parts of ABN AMRO's business), country offices and their Human Resources departments. We have a dedicated Diversity & Inclusion team that sits within Human Resources who support the policy's implementation and integration across ABN AMRO.
- ▶ The Policy is reviewed annually by the Diversity & Inclusion team and is posted within the policy framework of the bank on our intranet. The policy is also part of ABN AMRO's Code of Conduct.
- ▶ Our senior management has made statements on numerous occasions supporting diversity and inclusion at ABN AMRO. See:
 - ▶ ABN AMRO appoints Gerard Penning as Chief Human Resources Officer 
 - ▶ Supervisory Board member, Laetitia Griffith, on diversity and inclusion. 

3. Updates to the privacy policy framework in the reporting period

This section refers to ABN AMRO's policy framework on privacy, as introduced in our Human Rights Report 2020, page 38.

Privacy policy framework document updated in the reporting period	Key changes to the policy in 2019 and 2020
Personal Data Policy	<ul style="list-style-type: none"> ▶ Introduced governance structure for privacy risk including three lines of defence model ▶ Introduced responsibilities on certain regulatory requirements (data breach notification and performing privacy risk analyses)
Complaints Management Policy	<ul style="list-style-type: none"> ▶ Further specification of roles and responsibilities ▶ Reflection of realignment of Complaints Management department from Brand, Marketing & Communications department to Risk Management and Legal departments ▶ Complaints Management department is designated in process ownership ▶ Reference to responsibility of business for root cause analysis ▶ Updated mandate for Complaints Management department
Identity and Access Policy	<ul style="list-style-type: none"> ▶ Two policies are merged into one simplified new policy ▶ Rules for identity and access are clearly defined ▶ Rules for granting, validation and review of access rights are aligned to new Agile way of working ▶ Access reviews must be performed on a yearly basis ▶ New requirements based on the security classification and access usage of the asset
Data Governance Policy	<ul style="list-style-type: none"> ▶ Governance in terms of formal enterprise-wide steering has been updated ▶ Data functions and roles have been updated ▶ The role of the Data User has been clarified ▶ The various data management activities that need to be adhered to have been detailed ▶ More data quality dimensions have been added

4. Sustainability Risk Management Framework: Standards for clients relevant to salient issues (excerpts from standards)

This section refers to ABN AMRO's Sustainability Risk Management Framework Sector Standards, as introduced in our Human Rights Report 2020, page 18.

Sector standard	Expectation of client
Agriculture	<ul style="list-style-type: none"> ▶ Human rights and labour policy / statement on material human rights risk(s)... ▶ Working conditions in alignment with ILO core conventions in own operations and in supply chain... ▶ RSPO membership... ▶ Time-bound plan for RSPO certification for own plantations and the entire supply chain... ▶ Client has process for supplier selection based on E&S criteria and addresses sustainability issues with suppliers... ▶ The client has a process in place to ensure traceability of their supply chain... ▶ Clear and transparent mechanism for communication with NGO's, stakeholders and affected stakeholders (e.g. smallholders) including a complaints mechanism... ▶ Client has a good track record in terms of health & safety, environmental and social performance... ▶ Prior to new operations including land transfer or expansion of existing production site(s): social impact assessments undertaken and mitigation plans in place and free, prior and informed consent is obtained, or consultation is undertaken, including a transparent grievance process... ▶ Clients have Environmental and Social Management Systems (ESMS) in place. The ESMS is expected to be in line with international standards such as ISO:14001 or OHSAS:18001... ▶ Local environment: <ol style="list-style-type: none"> a. Clients take measures to reduce their local air pollution (e.g. emissions of particulate matter, NO_x). b. Clients are committed to responsible manure management. c. Clients assess water risks (e.g. scarcity, pollution).
Animal protein	<ul style="list-style-type: none"> ▶ Clients know who their main stakeholders are (e.g. local communities, workers, NGO's local authorities) and have a stakeholder engagement plan to engage with them constructively and openly... ▶ Clients have or participate in, effective operational-level grievance mechanisms for stakeholders who may be adversely impacted... ▶ Clients have a policy in place that describes a commitment and strategy to address human rights risks in their own operations and in the supply chain, and specifically how salient human rights risks are identified and addressed... ▶ Clients have a system in place to provide for, or contribute to the provision of remedy for adverse impacts on human rights that they caused or contributed to. ▶ Clients have obtained Free, Prior and Informed Consent of local and/or indigenous communities when affecting their (land) rights... ▶ Clients have committed to the core conventions of the ILO, e.g. prohibiting all forms of child labour and forced labour, allowing workers (including vulnerable groups such as migrant and temporary workers, women and youth) to exercise their right to freedom of associations and collective bargaining... ▶ Clients promote that their workers receive a living wage...

Sector standard	Expectation of client
Animal protein	<ul style="list-style-type: none"> ▶ Clients disclose worker injury, job related illnesses and fatality data in reporting year and previous years... ▶ Clients apply environmental, social and animal welfare criteria to the selection of suppliers, service providers, contractors and other business partners, and monitor their suppliers' performance on these topics... ▶ Clients take preventive measure and respond adequately to accidents and incidents such as: animal diseases, barn fires, employee health & safety and food safety... ▶ Clients have Environmental and Social Management Systems (ESMS) in place. The ESMS is expected to be in line with international standards such as ISO:14001 or OHSAS:18001... ▶ Clients have a good track record: <ul style="list-style-type: none"> a. Incident rates are low and show consistent decline over time, b. Inspection authorities have not reported structural shortcomings in the company's management of animal welfare, environmental impact, human rights and health & safety risks, c. No evidence of structural poor sustainability practices or of poor management of sustainability related incidents.
Energy	<ul style="list-style-type: none"> ▶ Clients demonstrate their commitment to managing environmental and social impacts and are expected to have an environmental and social policy in place that describes the management of all key environmental and social risks, including but not limited to (1) environmental protection (air emissions, waste and wastewater management), (2) employee and community health & safety... ▶ Clients are expected to have a corporate Environmental and Social Management System (ESMS) in place, which ensures compliance with applicable national legislation and environmental and social policies. The ESMS is in line with international standards such as ISO:14001 or OHSAS:18001, has clear objectives and targets and includes documented procedures to mitigate, monitor and measure, on a regular basis, the environmental and social impacts of the business activities. ▶ Clients apply environmental and social criteria to the selection of service providers and contractors and monitor their environmental and social performance... ▶ When impacting stakeholders, bank clients engage constructively and openly with stakeholders (local communities in particular), and should address their environmental and social concerns adequately and on time. This includes mechanisms for dealing with complaints and grievances... ▶ Clients have a good track record, in terms of: <ul style="list-style-type: none"> a. Incident rates (e.g. spills, fires, injuries, fatalities, fraud/corruption cases human rights violations) are low or show consistent decline over time. b. The company has a demonstrated capacity in comprehensive and transparent response management. c. Inspection authorities have not reported significant shortcomings in the company's management of environmental and social risks.
Metals & Minerals	<ul style="list-style-type: none"> ▶ Clients have identified who their main stakeholders are and have a strategy to engage regularly, openly and constructively with these stakeholders... ▶ Clients have in place effective operational-level grievance mechanisms for stakeholders who may be adversely impacted... ▶ Clients demonstrate their commitment to managing environmental risks and impacts and are expected to have an environmental policy in place that describes the management of their key environmental risks and impacts both while the mine is in operation and after mine closure, among others: <ul style="list-style-type: none"> ▶ biodiversity, ▶ air/soil/water pollution, ▶ waste (incl. tailings and overburden) and wastewater, ▶ water use, energy use, and ▶ usage of chemicals (including mercury) ... ▶ Clients perform Social Impact Assessments for each relevant operation and update / review human rights due diligence regularly... ▶ Clients demonstrate their commitment to managing human right risks and impacts and are expected to have a policy in place that describes the management of their salient human rights risks and impacts both while the mine is in operation and after mine closure, such as: <ul style="list-style-type: none"> ▶ discrimination, ▶ labour rights (e.g. working conditions in line with ILO conventions, living wage), ▶ rights of local communities... ▶ Clients have obtained Free, Prior and Informed Consent... ▶ Where involuntary resettlement is unavoidable, clients ensure that the resettled communities experience improved lives and livelihoods through, for example, effective compensation programmes... ▶ Clients have a community development plan in place which ensures benefits for the communities that are affected by the mining operation through employment opportunities and community services (e.g. health & education)...

Sector standard	Expectation of client
Metals & Minerals	<ul style="list-style-type: none"> ▶ Clients active in mining in conflict areas have performed additional due diligence to ensure that they respect human rights and do not contribute to conflict, following internationally accepted standards for due diligence such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas... ▶ Clients demonstrate their commitment to managing health & safety risks and are expected to have a health & safety policy in place that describes the management of their key risks both while the mine is in operation and after mine closure... ▶ Clients are expected to have a system in place for emergency preparedness & response (where relevant in relation to tailings management) in line with international standards such as UNEP and ICMM guidance on Awareness and Preparedness for Emergencies at the Local Level (APELL) or equivalent... ▶ Clients apply environmental, human rights and health & safety criteria to the selection of suppliers, service providers and contractors and monitor their performance... ▶ Final responsibility for the environmental, human rights and health & safety policies and commitments lies with board level management... ▶ Clients have operational guidelines in place for each individual site to guarantee that corporate commitments and policies are supported and complied with at individual sites... ▶ All employees are regularly trained on relevant environmental, human rights, health & safety and anti-corruption policies of the company... ▶ When making use of private security arrangements to secure mining operations, staff and assets, clients ensure that security personnel operate in accordance with the client's policies and the Voluntary Principles on Security and Human Rights... ▶ Clients are expected to have a corporate Environmental and Social Management System (ESMS) in place. The ESMS is in line with international standards such as ISO:14001 or OHSAS:18001, has clear objectives and targets and includes documented procedures to mitigate, monitor and measure, on a regular basis, the environmental, human rights and health & safety impacts of the business activities... ▶ Clients have drawn up SMART reduction targets on among others the following key performance indicators: <ul style="list-style-type: none"> ▶ fatalities and (lost time on) injuries, ▶ incidents, ▶ energy use and water use, ▶ greenhouse gas (e.g. CO₂, SO₂) and other emissions, ▶ waste... ▶ Clients have a good track record: <ul style="list-style-type: none"> ▶ performance against targets (requirement 25&10) show improvement over time, ▶ the company has a demonstrated capacity in comprehensive and transparent response management, ▶ inspection authorities have not reported structural shortcomings in the company's management of environmental, human rights and health & safety risks, ▶ there is no or limited bad press on the sustainability performance of the client and/or it has responded adequately to it.
Manufacturing	<ul style="list-style-type: none"> ▶ Clients have identified who their main stakeholders are and have a strategy to engage regularly, openly and constructively with these stakeholders on the environmental and social risks and impact of their operations... ▶ Clients have in place effective operational-level grievance mechanisms for stakeholders who may be adversely impacted... ▶ Clients have identified key human rights impacts of their own business and have a code of conduct or policy in place stating their commitment to respect Human Rights based on the UN Human rights Conventions and the Core Labour Conventions of the ILO. At least the following human rights are addressed: working times, forced and child labour, discrimination and the right to collective bargaining... ▶ Clients have identified key environmental, human rights and health and safety impacts in their supply chain and apply criteria on these impacts for the selection of their suppliers, service providers and contractors and monitor their performance... ▶ Clients have a transparent overview of their supply chain and know in which country and in what factories their products are manufactured... ▶ The client has appointed qualified staff within the company that is responsible for the implementation of its social and environmental policies. Final responsibility for social and environmental policies lies with a member of senior management or board... ▶ Clients are expected to be SA8000, OHSAS 18001 or ISO 14001 certified... ▶ The client has a good track record in the field of sustainability (in its supply chain). Incidents are reported transparently and the client has demonstrated that it acts rapidly and effectively in the event of incidents... ▶ When the products include conflict minerals (Tantalum, Tin, Gold and Tungsten) a sustainability policy on the responsible sourcing of these materials must be in place...

Sector standard	Expectation of client
Manufacturing	<ul style="list-style-type: none"> ▶ Where applicable, the client must comply with REACH regulations... ▶ Clients that use palm oil in its products is itself member of the Roundtable for Sustainable Palm Oil (RSPO), or else has a commitment of sourcing RSPO certified sustainable palm oil... ▶ Clients that also produce raw materials from own plantations has a policy that addresses, where relevant issues such as deforestation and exploitation of local communities. The client complies with the Free and Prior Informed Consent (FPIC) principle when acquiring land... ▶ Clients that manufacture products in Bangladesh have signed the Bangladesh Accord on Fire and Building Safety...
Chemicals & Pharma	<ul style="list-style-type: none"> ▶ Clients apply environmental, human rights and health & safety criteria in the selection of suppliers, service providers and contractors... ▶ Clients using and/or producing hazardous substances and/or hazardous waste explain the appropriate steps taken to prevent harm to human health and the environment. They do so in accordance with the precautionary principle... ▶ Clients have identified their key human rights impacts and risks and have a policy in place specifying how human rights risks associated with their processes and products are addressed, in accordance with the UN Guiding Principles... ▶ Clients have a system in place that ensures the appropriate identification, labelling and documentation of hazardous substances as they appear during any stage of the client's operations... ▶ Clients have identified their key health & safety risks and have a health and safety policy in place specifying how these risks are addressed... ▶ Clients have an emergency response plan in place that includes communication and cooperation with local communities and authorities in case of emergencies... ▶ Clients operate in accordance with the principles of Responsible Care... ▶ Clients have (a strategy to) effectively disclose and communicate relevant environmental, human rights and health & safety risks and impacts of their operations and products to (potentially) affected stakeholders... ▶ Clients have in place effective operational-level grievance mechanisms for stakeholders who may be adversely impacted... ▶ Clients have set SMART targets on at least the following key performance indicators: <ol style="list-style-type: none"> a. fatalities and (lost time on) injuries b. emissions of greenhouse gases and other pollutants (e.g. NO_x, SO₂) c. use of resources (e.g. energy, water)... ▶ Bank clients have a good track record, in terms of: <ol style="list-style-type: none"> a. Incident rates (e.g. spills, fires, injuries, fatalities, fraud/corruption cases, human rights violations) are low or show consistent decline over time. b. The client has a demonstrated capacity in comprehensive and transparent response management and to adequately address issues. c. Inspection authorities have not reported structural shortcomings in the client's management of environmental and social risks. d. There is no or limited bad press on the sustainability performance of the client and/or the client has responded adequately to it... ▶ Final responsibility for the client's human rights, environmental and health & safety policies and practices lies with a dedicated member of senior management or board... ▶ Clients are expected to have a corporate Environmental and Social and a Health & Safety Management System (ESMS) in place. The ESMS is in line with international standards such as ISO:14001 and OHSAS:18001, has clear objectives and targets and includes documented procedures to mitigate, monitor and measure, on a regular basis, the environmental, human rights and health & safety impacts and risks of the business operations... ▶ Clients have operational guidelines in place for each individual site to guarantee that corporate commitments and policies are supported and complied with at individual sites... ▶ Personnel are trained on relevant environmental, human rights, health and safety risks and compliance with the company's policies to mitigate these risks... ▶ Clients apply environmental, human rights and health & safety criteria in the selection of suppliers, service providers and contractors.
Transport	<ul style="list-style-type: none"> ▶ Clients comply with all national laws and regulations as well as international conventions and legislation applicable to them, e.g. Maritime Labour Convention (2006)... ▶ Clients have a sustainability policy in place addressing at least the key environmental risks (emissions, waste and pollution), human rights risks (labour, health, safety, modern slavery) and ethical risks (corruption and bribery) to which the company is exposed... ▶ Clients are committed to responsible ship recycling. If the client is selling a vessel at end-of-life, only responsible scrapping facilities are considered which are at least Hong Kong Convention compliant... ▶ Clients have an environmental and social management system in place preferably in line with ISO 14001 (environmental) and OHSAS 18001 (health and safety) or comparable... ▶ Clients have appointed qualified staff within the company that is responsible for the implementation of its sustainability policy. Final responsibility sustainability policies lies with a member of senior management or board...

Sector standard	Expectation of client
Transport	<ul style="list-style-type: none">▶ Clients train key employees on environmental, human rights and ethical risks...▶ Clients ensure that all seafarers (including subcontracted) are provided living wage, adequate accommodation and safe working conditions...▶ Clients have an emergency response plan in place...▶ Clients consider environmental and social performance of shipyards when ordering new vessels...▶ Client that use private security – only use companies that have committed to the International Code of Conduct for Private Security Service Providers (ICOCA) or equivalent standards...▶ Clients have a good track record, in terms of:<ul style="list-style-type: none">a. incident rates (e.g. spills, fires, injuries, fatalities, fraud/corruption cases, adverse human rights impacts)b. response managementc. Port State Control (PSC) Inspectionsd. Media and/or NGO campaigns

5. Process steps and key questions to address during testing phase of proposed ABN AMRO grievance procedure

This section refers to ABN AMRO's proposed grievance procedure, as introduced in our Human Rights Report 2020, page 101.

The following is adapted from work developed with [Shift](#).

Meeting	Key discussion points
1. Establishing the simulation	<ul style="list-style-type: none"> ▶ Questions about the procedure ▶ Clarifying roles and simulation process ▶ Planning of remaining simulation sessions
2. Admissibility determination	<ul style="list-style-type: none"> ▶ Under what circumstances can the case be admissible? ▶ What do we do if it is? What if it isn't? ▶ What if the client consents and what if it doesn't?
3. Initial Assessment	<ul style="list-style-type: none"> ▶ How can the initial assessment be conducted? How would ABN AMRO assess the situation on the ground? ▶ What can come out of the review? How will ABN AMRO respond? What if the Legal department does not consent to publishing the outcome? ▶ What are the types of follow-up that could come out of this procedure? How would ABN AMRO organise the various types? What could be some of the challenges and opportunities, including related to the nature of the financial relationship?
4. Resolution Process	<ul style="list-style-type: none"> ▶ What are the different types of resolution processes that the procedure could consider? ▶ What could be different types of cost-sharing agreements? How would it work for ABN AMRO internally? ▶ What are the different types of challenges that can come up during a mediation process? ▶ What if an outcome is reached? What if it is not reached? ▶ What kind of report (by the independent ombudsperson) can we anticipate? What would be the reactions and how to address them? How can the ombudsperson monitor compliance?
5. Capturing lessons learned	<ul style="list-style-type: none"> ▶ What are the key takeaways from the simulation process? How can this inform next steps?

