Summary - Energy

Why does ABN AMRO have a sustainability policy for Energy?

ABN AMRO strives to create long-term value for its stakeholders, respect human rights and safeguard the environment. The bank recognizes that in its role as a financial service provider it may be exposed to social, environmental and ethical risks through the activities of clients. To manage these sustainability risks, ABN AMRO operates a Sustainability Risk Policy Framework in line with the banks moderate risk profile.

More specifically, ABN AMRO has formulated sustainability requirements for clients in the energy industry. ABN AMRO acknowledges that the energy sector poses significant sustainability risks, such as:

- *Climate change*: the energy sector is one of the largest contributors to global Greenhouse Gas (GHG) emissions, due to its direct impact (such as flaring and fugitive emissions) and the combustion of fossil fuels by other actors/sectors;
- *Pollution*: the extraction, processing and transportation of fossil fuels poses the risk of spills and hazardous waste which, if not dealt with responsibly, may result in pollution of water, soil and/or air;
- *Ecosystems & Biodiversity*: the energy infrastructure as well as the extraction and transportation of fossil fuels may disturb wildlife habitat and lead to the degradation of ecosystems and local biodiversity.
- *Occupational Health & Safety*: employees may be exposed to health & safety risks due to accidents and the effects of hazardous waste and emissions;
- *Local communities*: the extraction and transportation of fossil fuels may have adverse effects on local communities due to pollution and/or competing land claims.

What is the scope of this policy?

This policy applies to ABN AMRO and all its subsidiaries, branches and representative offices and legal entities that are under its control, and it applies to all the bank's capacities: lender, investor, asset manager, service provider and purchaser.

For the purpose of the policy, the energy sector is divided in the following four subsectors with specific requirements:

- Upstream oil & gas exploration, extraction and production
- Oil & gas supporting services and midstream and downstream energy activities. Including energy trading companies with a presence in any of the midstream or downstream energy activities mentioned (traders with operations).
- Trading of energy commodities
- Power generation (including renewable energy and hydropower/dams)

Due-diligence standards

For all clients classified in the four subsectors ABN AMRO applies a set of minimum requirements and benchmark criteria. ABN AMRO will only finance clients who comply with all applicable minimum requirements, or have an improvement plan in place to do so within a limited timeframe. The benchmark criteria, which are aligned with international best practices, are used to compare the client's performance with their industry peers on an ongoing basis. An overview of the applicable minimum requirements and benchmark criteria for the other four subsectors is included in the appendix below.

In addition, the bank applies specific rules for energy activities in sectors that are highly sensitive due to their complex nature and/or diverging stakeholder views. These are nuclear power, shale gas & coal seam gas and oil & gas sector activities in fragile states, conflict-affected and high-risk areas. Credit proposals related to these energy sources are assessed and validated against the special requirements included in appendix 5 below.

ABN AMRO has an inclusive approach. This means that the bank will engage with clients who do not yet meet the bank's minimum requirements, but who are willing and able to do so within a limited timeframe. The exception to this inclusive approach concerns activities on ABN AMRO's Exclusion List; as these activities are simply too risky from a sustainability perspective.

How does ABN AMRO put its standards into practice?

In accordance with its Sustainability Risk Policy for Lending and Project Finance, ABN AMRO puts its sustainability standards into practice through a sustainability risk management process. This covers the following steps; risk determination, risk assessment, approval of the transaction and monitoring and reporting. ABN AMRO reviews (prospective) clients at various moments to determine their compliance with the bank's Policy:

- When the client is first accepted;
- If and when the client applies for a loan of € 1 million or more – the review is then repeated every year;
- In the event of incidents or if important new information comes to light based on which the client's risk level or performance score might change.

Appendices:

Appendix 1: sustainability standards for Upstream oil & gas exploration, extraction and production

Appendix 2: sustainability standards for Oil & gas supporting services; midstream and downstream energy activities

Appendix 3: sustainability standards for Trading of energy commodities

Appendix 4: sustainability standards for Power Generation

Appendix 5: sustainability standards for Sensitive Energy Sector Activities

Appendix 1 - Requirements Upstream oil & gas exploration, extraction and production

	Minimum requirements	Benchmarks
1. Bank clients declare to be in compliance with any laws and regulation applicable to them and to obtain, maintain and ensure compliance with all requisite permits and licences.	X	
2. Bank 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, (3) emergency preparedness & response, (4) human rights, and (5) anti-corruption measures.	X	
3. Bank 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.	X[1]	
4. Bank clients apply environmental and social criteria to the selection of service providers and contractors and monitor their environmental and social performance.	X	
5. Bank clients reduce their greenhouse gas emissions over time, avoid gas flaring and venting as much as possible, and improve resource efficiency (including water).	X	
6. 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.	X	
7. Bank clients have a good track record, in terms of: 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.	X	
8. Bank clients are expected to report comprehensively about their environmental and social performance. This includes the disclosure of their greenhouse gas emissions, the environment, health & safety statistics, and (tax) payments to local governments (where applicable). GRI reporting in accordance with the Oil and Gas Sector Supplement must be used as a benchmark.	X[2]	X
9. Bank clients apply Best Available Techniques in the oil & gas sector.		X
10. Bank clients are committed to the continuous improvement of the management of environmental and social risks, with the aid of quantitative targets for improvement (e.g. zero incidents/zero lost time injuries).		X
11. Bank clients develop appropriate decommissioning plans for oil & gas activities (including rehabilitation of the natural environment where applicable).		X
12. Bank clients ensure that human rights are respected under their corporate responsibility. Oil & gas operations are preceded by an adequate human rights due-diligence process and clients should ensure remedy and compensation measures to mitigate (human rights) impacts. Compliance with the UN Guiding Principles on Business & Human Rights, the Voluntary		X

[1] For large globally operating companies (integrated majors) the ESMS should be certified.
[2] Minimum requirement for large globally operating companies (integrated majors).

Principles on Security and Human Rights, and the ILO Core Conventions must be used as a benchmark.		
13. Bank clients are committed to on- and offshore biodiversity conservation and protection (which includes marine mammals). Biodiversity impacts are identified and managed and mitigated in a Biodiversity Management Plan in order to achieve 'no net loss' (in areas of natural habitat) or 'net positive impact' (in areas of critical habitat).		X
14. Bank clients actively participate in sustainability initiatives such as: UN Global Compact, IPIECA, EITI, Global Gas Flaring Reduction Initiative, the Oil Spill Response Project, the Carbon Disclosure Project, the Energy and Biodiversity Initiative, etc.		X

Appendix 2 - Requirements Oil & gas supporting services; midstream and downstream energy activities

	Minimum requirements	Benchmarks
1. Bank clients declare to be in compliance with any laws and regulation applicable to them and to obtain, maintain and ensure compliance with all requisite permits and licences.	X	
2. Bank 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, (3) emergency preparedness & response, (4) human rights, and (5) anti-corruption measures.	X	
3. Bank clients are expected to have a corporate Environmental and Social Management System (ESMS) in place, which ensures compliance with applicable national legislation and internal 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.	X[3]	
4. Bank clients apply environmental and social criteria to the selection of service providers and contractors – including criteria for the vetting of vessels and storage facilities – and monitor their environmental and social performance.	X	
5. 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.	X	
6. Bank clients have a good track record, in terms of: 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.	X	
7. Bank clients are expected to report comprehensively about their environmental and social performance. This includes the disclosure of their greenhouse gas emissions, the environment, health & safety statistics, and (tax) payments to local governments (where applicable). GRI reporting in accordance with the Oil and Gas Sector Supplement must be used as a benchmark.	X[4]	X

[3] The ESMS should be certified for large globally operating companies (integrated majors).
[4] Minimum requirement for large globally operating companies (integrated majors).

8. Bank clients apply Best Available Techniques in the oil & gas sector, are committed to reducing their Greenhouse Gas Emissions over time and aim to improve resource efficiency (including water).		X
9. Bank clients are committed to the continuous improvement of the management of environmental and social risks, with the aid of quantitative targets for improvement (e.g. zero incidents/zero lost time injuries).		X
10. Bank clients ensure that human rights are respected under their corporate responsibility. Oil & gas operations should be preceded by an adequate human rights due-diligence process and clients should ensure remedy and compensation measures to resolve potential (human rights) impacts. Compliance with the UN Guiding Principles on Business & Human Rights, the Voluntary Principles on Security and Human Rights, and the ILO Core Conventions must be used as a benchmark.		X
11. Bank clients are committed to on- and offshore biodiversity conservation and protection (which includes marine mammals). Biodiversity impacts are identified and managed and mitigated in a Biodiversity Management Plan in order to achieve 'no net loss' (in areas of natural habitat) or 'net positive impact' (in areas of critical habitat).		X
12. Bank clients actively participate in sustainability initiatives such as: UN Global Compact, IPIECA, EITI, Global Gas Flaring Reduction Initiative, the Oil Spill Response Project, the Carbon Disclosure Project, the Energy and Biodiversity Initiative, etc.		X

Appendix 3 - Requirements Trading of energy commodities

	Minimum requirements	Benchmarks
1. Bank clients declare to be in compliance with any laws and regulation applicable to them and to obtain, maintain and ensure compliance with all requisite permits and licences.	X	
2. Bank clients apply environmental and social criteria to the selection of service providers and contractors, including criteria for the vetting of vessels and storage facilities. Or the client can demonstrate its compliance with environmental and social standards of major oil & gas companies in its supply chain.	X	
3. Bank clients have a good track record, in terms of: a) Incident rates (e.g. law violations, fraud/corruption cases) 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.	X	
4. Bank clients demonstrate their commitment to managing environmental and social impacts. At a minimum, clients are expected to have internal policies and procedures that prevent bribery and corruption. Depending on the company's specific activities, it may also have an environmental and social policy in place, which addresses environmental protection, employee and community health & safety, and human rights.		X
5. Clients monitor the environmental and social performance of their service providers and contractors.		X

Appendix 4 - Requirements Power Generation

Although power generation activities potentially have high ESE impacts, the extent of the sustainability risks depends strongly on the specific energy source and applied method. In support of the 2015 Paris Agreement on Climate Change and its goal to limit the increase in global average temperature to well below 2°C above pre-industrial levels, ABN AMRO applies a two-tiered approach:

- The first tier (paragraph 4.5.1 and 4.5.2) consists of assessments at portfolio as well as individual-company level to determine the acceptance of companies ("utilities") and projects in the power generation sector.
- If the company or project is found acceptable it must be assessed on the sustainability standards for companies and projects in the power generation sector (second tier, paragraph 4.5.3 and 4.5.4).

The sustainability standards of both tiers must also be used for reviews of existing business relations.

Tier 1 part a) Portfolio-level acceptance criteria – mix of electricity generation capacity

1. The Bank aligns its lending portfolio with the "450 scenario" of the International Energy Agency (IEA). This scenario is the outcome of calculations by the IEA of the mix of electricity generation capacity from different power sources that is needed to limit the increase in global average temperature to 2°C.
2. The Bank focusses on the electricity generation capacity from coal and renewables (excluding hydropower[5]) of all companies and projects in the power generation sector receiving and applying for loans at ABN AMRO.
3. For the period 2019-2020 the mix of electricity generation capacity of ABN AMRO's lending portfolio[6] of companies and projects in the power generation sector must meet the following criteria:
    - o ≤ 28% lending exposure to coal-fired electricity generation capacity
    - o ≥ 20% of lending exposure to renewable electricity generation capacity[7]
4. From 2020 onwards, these criteria must be adjusted in order to continue to meet the (future) calculations of the IEA under the "450 scenario" or any revised scenario in line with updated agreements under the UN Framework Convention on Climate Change.

Tier 1 part b) Individual-company level

1. The Bank is committed to support utilities that move away from the most carbon-intensive sources of power generation, make the transition towards renewable energy sources and reduce their greenhouse gas emissions. This is reflected in the acceptance criteria for individual companies in the power generation sector that must be applied in the context of client, credit and deal acceptance[8]:

A. Does the company have an energy transition strategy?

- Yes, continue with criterion B
- No, not acceptable

[5] Hydropower is not included in the calculations used for this policy as this not a relevant energy source in the markets in which ABN AMRO operates.

[6] Limited to the Corporate and Institutional Banking portfolio

[7] These percentages must be calculated by multiplying the committed loan amount with the relative mix of electricity generation capacity of our utilities clients and projects, aggregating to a weighted portfolio average.

[8] These criteria are not applicable to stand-alone project finance for the development of renewable energy or gas-fired power plants.

- The energy transition strategy should at least address:
    - Measurable targets on the reduction of greenhouse gas emissions
    - Measurable targets on investments in electricity generation from renewable energy sources and/or moving the energy mix of the utility company towards low-carbon energy sources
    - Commitment not to increase coal-fired electricity generation capacity

B. Is lignite excluded from the company's electricity generation capacity?
- Yes, continue with criterion C
- No, but the company has a short term lignite phase out strategy, continue with criterion 3
- No, and the company does not have a lignite phase-out strategy, not acceptable

C. Does coal-fired electricity generation capacity account for < 30% of the company's total electricity generation capacity?
- Yes, company acceptable, proceed to tier 2 (paragraph 4.4.3)
- no, coal capacity ≤ 50%, acceptability based on supplementary considerations listed below
- no, coal capacity > 50%, company not acceptable

Supplementary considerations following criterion C:

- In case coal-fired electricity generation capacity accounts for 30-50% of a company's total electricity generation capacity, the following considerations must be taken into account to determine its acceptability:
    - Trend in CO2 -emissions;
    - CO2 -emissions per unit of electricity produced (KWh/MWh) compared to regional average;
    - Efficiency level of the coal-fired electricity generation plants compared to current best practice and regional average;
    - Quality (grade) of the coal used in the power plants;
    - Application of cogeneration or combined heat and power;
    - Capture and storage of carbon and other emissions (e.g. NOx, SOx, particulates, ash).

Tier 2 part a) Generic bank standards

The following standards apply to clients that are directly involved in power generation. These utilities may generate electricity from one or several of the following energy sources:

- Fossil-fuel powered (coal, oil/diesel, gas)
- Renewable (wind, solar, hydro, biomass, geothermal, tidal, salinity gradient/osmotic)
- Waste incineration
- Nuclear power

Table 4: *Generic bank standards for utilities*	Minimum requirements	Benchmarks
1. Bank clients declare to be in compliance with any laws and regulation applicable to them and to obtain, maintain and ensure compliance with all requisite permits and licences.	X	
2. Bank clients demonstrate their commitment to the management of environmental and social impacts and are required to have an environmental and social policy in place that describes the management of all key environmental and social risks, such as (1) environmental protection (air emissions, water management, waste- and wastewater management), (2) employee and community health & safety, (3) emergency preparedness & response, (4) human rights, and (5) anti-corruption measures.	X	
3. Bank clients have a corporate Environmental and Social Management System (ESMS) in place that ensures compliance with applicable national legislation and internal environmental and social policies. The ESMS is in line with international	X	

	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.		
4.	Bank clients have clear targets to reduce their greenhouse gas emissions over time. These targets can be either on an absolute level, or defined as a specific emission level per unit of electricity produced (e.g. x Mt CO2 / MWh).	X	
5.	For new power plants, an independent research report should confirm that the power plant is capable of cost efficiently meeting known future (environmental) regulations. This report should cover adaptations to remain compliant with all relevant laws, regulations and permit requirements during the operational lifetime.	X	
6.	Bank clients apply environmental and social criteria to the selection of service providers and contractors. In addition, clients monitor the environmental and social performance of their service providers and contractors.	X	
7.	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.	X	
8.	Bank clients have a good track record, in terms of: 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.	X	
9.	Bank clients comprehensively report about their environmental and social performance. This includes disclosure of their greenhouse gas emissions, environment, health & safety statistics. GRI must be used as a benchmark.	X	
10.	New power plants and retrofits should adopt Best Available Techniques. As a benchmark, clients should adhere to the European Union's Best Available Techniques Reference Document (BREF) for Large Combustion Plants or BREF for Waste Incineration[9].		X
11.	The integration of a combined heat and power system (CHP) should be thoroughly examined during the design phase of a new power plant. If CHP is not integrated in the new power plant, the client should provide a plausible explanation for this decision.	X	
12.	Bank clients are committed to the continuous improvement of the management of environmental and social risks, with the aid of quantitative targets for improvement (e.g. zero incidents/zero lost time injuries).	X	
13.	Bank clients develop appropriate decommissioning plans for power plants (including rehabilitation of the natural environment where applicable).	X	
14.	Bank clients are committed to biodiversity conservation and protection. Biodiversity impacts are identified and managed and mitigated in a Biodiversity Management Plan in order to achieve 'no net loss' (in areas of natural habitat) or 'net positive impact' (in areas of critical habitat).		X
15.	Bank clients actively participate in sustainability initiatives such as the Better Coal Initiative, UN Global Compact, the Carbon Disclosure Project, etc.		X

[9] Best Available Techniques Reference Documents available at: http://eippcb.jrc.ec.europa.eu/reference/lcp.html

Tier 2 part b) Additional bank standards

While power generation from non-conventional energy sources is generally less environment-polluting than power generation from fossil fuels, it may pose other environmental and social risks. Therefore, table 5 lists additional standards to mitigate these specific risks.

Table 5: *Additional bank standards for utilities*	Minimum requirement applicable to power generation from:
1. Bank clients involved in the (potential) construction or expansion of wind parks, dams and other plants generating hydro-, tidal, salinity gradient or incinerated waste power conduct a social and environmental impact assessment detailing adequate mitigations of the associated risks prior to the start of construction works.	Wind, Hydro, Tidal, Salinity gradient
2. Bank clients make sure that the (potential) construction or expansion of dams and other plants generating hydropower is preceded by free, prior and informed consent (FPIC) of potentially affected communities including project selection, compensation, resettlement and benefits sharing. Suitable provisions for equitable benefit sharing must be provided to and accepted by affected communities.	Hydro
3. Bank clients have a stakeholder management system and a grievance mechanism in place and actively engage with local communities.	Wind, Hydro, Tidal, Salinity gradient
4. If adverse negative impacts are unavoidable, bank clients shall provide affected communities with fair, appropriate and legally guaranteed compensation and assistance to restore or improve their living conditions.	Hydro, Tidal, Salinity gradient
5. Bank clients minimize the negative impacts on biodiversity. The construction or expansion of wind parks, dams and other plants generating hydro-, tidal or salinity gradient power is preceded by a detailed analysis of the potential impact on biodiversity, including the effects on (migratory) birds and bats, aqua- and marine life.	Wind, Hydro, Tidal, Salinity gradient
6. Bank clients minimize the negative impacts on the eco-system. The construction or expansion of dams and other plants generating hydro-, tidal- or salinity gradient power is preceded by a detailed analysis of the potential impact on the marine and water systems (including water levels and quality) and (international) waterways.	Hydro, Tidal, Salinity gradient
7. Bank clients assure that issues involving international waterways are covered by an appropriate agreement between the beneficiary state and the other riparian. In absence of such an agreement, the client assures that the project must not cause harm to the other riparian.	Hydro
8. The client must assure that a project site is selected through a transparent and participatory process and that reasonable alternatives have been considered based on project characteristics, potential environmental and social impacts, as well as the feasibility of mitigation requirements.	Hydro
9. If a project classified as high risk/category A, the client must involve an independent third party in the project assessment and/or monitoring process.	Hydro
10. If a project classified as high risk/Category A, a third party must confirm the project's compliance with all applicable World Bank Group safeguards and IFC Performance Standards.	Hydro
11. For the construction of dams, bank clients apply the seven principles for dam building of the World Commission on Dams (WCD).	Hydro
12. Banks clients assure that no persistent organic pollutants, no harmful concentrations of other toxic pollutants and ashes and a minimized amount of greenhouse gases are emitted.	Waste incineration
13. The source of the biomass complies with the ABN AMRO Sustainability Sector Policy for Agri Commodities.	Biomass

Appendix 5 –Sensitive Energy Sector Activities

1. Existing Nuclear power

Credit proposals directly related to nuclear power, not including stand-alone project finance of nuclear power plants, must be assessed on a case-by-case basis and require approval by the Executive Board. This includes engagements with:

- Enhancement of nuclear power plants
- Decommission of nuclear power plants
- Waste consultancy

In its case-by-case assessments the bank must assess the initiative against strict requirements, including:

- Client and host country apply the IAEA safety and security requirements
- Improvement of the safety of an existing nuclear plant
- Prolongation of the life of the reactors only if Best Available Techniques are applied
- Backing of the multilateral institutions
- Export Credit Agency coverage and sovereign guarantees (if relevant)[10]
- Transaction structured such that the bank receives an indemnity for all nuclear liability
- Only in countries that have signed the Nuclear Non-Proliferation Treaty and that limit themselves to the peaceful use of nuclear technology.

2. Shale gas & coal seam gas (coal seam methane / coal bed methane)

Bank clients should clearly demonstrate their commitment to community and stakeholder engagement in each phase of development. Prior to commencing their operations, clients should:

- perform a careful study of the geology of the area to mitigate risks of seismic impacts
- conduct well integrity testing to prevent leaks and ensure isolation from other strata (freshwater aquifers in particular)
- carry out baseline water testing.

It is expected that the result of these studies and operational tests are publicly disclosed.

With regard to their operations, clients should be willing to:

- openly disclose data on their production methods (including the contents of fracturing fluid and volumes and characteristics of waste water and air emissions)
- undertake steps to minimise greenhouse gas emissions from flaring or venting of gas to the atmosphere
- use water efficiently
- perform regular monitoring and testing of local water quality
- implement a wastewater management plan
- when using fracturing fluids, environmentally friendly alternatives should be considered where feasible.
- bank clients should ensure that their contractors and service providers comply with E&S standards along with all local laws and regulations.

In addition to these requirements, the bank actively considers the geographic context of the initiative in its case-by-case assessments. Current perspectives indicate that shale gas development is widely supported, and mature, in the United States, whereas European initiatives are „premature" due to public opposition deriving from environmental and social concerns.

[10] Backing of multilateral institutions and ECA coverage provides the bank with extra comfort.

3. Oil & gas sector activities in fragile states, conflict-affected and high-risk areas

The bank takes a very cautious approach to financing upstream oil & gas activities in fragile states, and in conflict-affected and high-risk areas as defined by the World Bank. The bank must engage with clients in these areas in exceptional cases only. Bank clients are expected to have a clear corporate policy on responsible business and operational guidance on operating in areas of conflict, ensuring that appropriate mechanisms are in place to work constructively.