

Stakeholder dialogue - Labour Rights and Labour Exploitation

September 16, 2016



Multi-stakeholder dialogue on labour rights and labour exploitation

Engaging with our stakeholders to deepen our understanding...

As part of ABN AMRO's stakeholder management and in order to further facilitate the development of ABN AMRO's sustainability strategy, ABN AMRO and Sustainalize conducted a stakeholder dialogue on the topics labour rights and labour exploitation. The outcome of this stakeholder dialogue helps ABN AMRO to gain insight into what stakeholders find important, and helps the bank to take action regarding these topics.

...of a global issue,

We acknowledge our responsibility as a bank to respect human rights in the broadest sense. Labour rights are human rights. ABN AMRO wants to prevent the occurrence of labour rights violations in their own activities, but also in the activities of clients and suppliers. We closely monitor the high risk sectors in which we and our clients are actively involved. We engage with our clients when necessary.

...in our local context.

Often most attention is given to labour rights violations in countries like Bangladesh and Qatar. However, labour rights violations also occur in the Netherlands. Sectors that are exposed to the risk of labour exploitation are for example construction, agriculture, hospitality and the staffing industry.

Multi-stakeholder dialogue on labour rights and labour exploitation

To gain a broader insight into ABN AMRO's impact and responsibility regarding labour rights ,

Prior to the dialogue, participants were asked to answer several questions regarding labour rights topics and their relevance for ABN AMRO through an online questionnaire. Stakeholders identified the sectors 'agriculture' and 'construction' as sectors where violations of labour rights are most likely to occur. Cases of labour rights violations within these sectors were brought up to illustrate the issue and to start the debate in two interactive break-out sessions.

...in order to formulate action points.

After a short introduction, the participants were asked to familiarise themselves with a selected labour rights violation case within the sector. For the sake of consistent and comparable results, the break-out sessions were broken down into three consecutive phases. First, the stakeholders determined how ABN AMRO should act in different situations and what role the bank should play within these cases. Second, the stakeholders were asked what they expect of ABN AMRO and what kind of specific actions they wanted the bank to take. Third, the stakeholders discussed how they, as an important stakeholder and player in their field, could assist ABN AMRO in strengthening its role concerning Labour Rights. Finally, after the break-out sessions, the joint statements and expectations as formulated by the stakeholders were summarised by Sustainalize, discussed and presented to ABN AMRO.

Input from a diverse range of stakeholders

Twenty internal and external stakeholders participated in the stakeholder dialogue. The external stakeholders represented the following organisations:



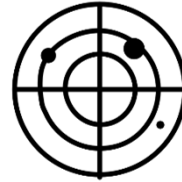
Outcomes of break-out session 1: 'Agriculture'

Joint statements



- *Rather start a conversation with clients than directly exclude them. However, do not continue the conversation indefinitely*
- *Fulfil a signal function towards the government. With its knowledge ABN AMRO can advise on certain topics*
- *Provide anonymised information on incidents with the aim to advise shareholders and clients*
- *Take an educational role in the industry and throughout the chain concerning labour rights violation, exploitations and risks*
- *Sanction clients when necessary but reward proactive behavior*

Expectations of ABN AMRO



- *Explore opportunities for collaboration at sector level*
- *Use big data to examine incidents and violations of human rights*
- *Identify and create networks for collaboration and make these visible*
- *Provide insight in ABN AMRO's current position by communicating the bank's vision, policy, and results*
- *Make (local) employees aware of possible dilemmas regarding human rights violations in the sector and create whistle-blower opportunities*
- *Focus on labour rights violations nearby, e.g. violation of labour rights in the Netherlands which are often underexposed. The possible impact nearby is larger*

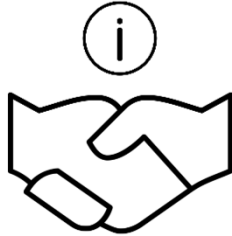
Role of the stakeholder



- *Support the signaling function of the bank*
- *Share information from the field regarding violations and developments in the sector and further down the chain*
- *ABN AMRO can call on external support from other interest groups or organisations to gather more information on sectors and incidents*

Outcomes of breakout session 2: 'Construction'

Joint statements



Fulfil an active role with regard to the bank's primary task

- *Proactively inform clients and create awareness*
- *Continue with existing client monitoring solutions*
- *Work together in the chain to sharpen policies*
- *Take preventive action and ask the right questions*
- *Engage rather than exclude for the purpose of having an impact*

Fulfil a proactive societal role

- *Inform the general public; and communicate more on the bank's policy and proactivity*

Expectations of ABN AMRO



- *Communicate through various channels, both to the public and other stakeholders*
- *Proactively involve and inform stakeholders regarding evolving policy*
- *Create awareness among clients. Companies do not always know what is going on*
- *Collaborate with other financial institutions and communicate together*
- *Organise structural not occasional dialogues with stakeholders*
- *Specifically highlight issues that are nearby (this will have an effect further on in the chain)*

Role of the stakeholder



- *Maintain a constant dialogue and communicate on this regularly*
- *Share information on the level playing field so everyone knows what is going on*
- *Exchange methods (how do you deal with a gut feeling?)*
- *Jointly and repeatedly organise dialogues (use each other's network)*
- *Organise specific dialogues about internal policies in order to combine expertise*

Summary of the stakeholder dialogue

What should ABN AMRO focus on according to their stakeholders?

Overall statements

- *ABN AMRO should fulfil an active role in mitigating labour rights violations*
- *To have an impact in this field, exclusion of clients is not desirable. Impact can be realised through engaging with clients*
- *The bank should use its current strong position and policies on human rights. Take a preventive role by taking a strong position and communicate to all stakeholders about the bank's Human Rights policies*



Overall expectations

- *Evaluate existing business processes, for example sharpen criteria for the financing of potential clients*
- *Focus communications on knowledge sharing to strengthen the cooperation with stakeholders*
- *Reach a wider variation of stakeholders by multi-channel communication*
- *Collaborate with other stakeholders and/or communicate as a sector*
- *Use big data and extended network in order to mitigate violations of labour rights*



Role of stakeholders

- *Sharing each other's networks and joint organisation of dialogues with clients*
- *Exchange methods to support and strengthen ABN AMRO's research and monitoring measures.*
- *Organise frequent and transparent dialogue with ABN AMRO to support the signaling function of the bank*
- *Use the knowledge and research capacity of NGOs. Pursue proactive data collection in multiple sectors and the chain*



Organisers and facilitators

About ABN AMRO

ABN AMRO is an all-round bank serving retail, private and commercial banking clients. ABN AMRO offers a full range of services to its clients, not only in the Netherlands, but wherever their business takes them. Based on the engagement with stakeholders, ABN AMRO draws up a plan of action, monitors progress and reports the results in the Annual Report. Reporting the progress on stakeholder engagement, such as in this leaflet, is therefore part of the annual sustainability reporting of ABN AMRO over the year 2016.

Additional information about Sustainable Banking is posted on www.abnamro.com/en/sustainable-banking. For further inquiries about stakeholder engagement, please contact Lea Zeemans, Stakeholder Manager Sustainable Banking (lea.zeemans@nl.abnamro.com).

About Sustainalize

Sustainalize is a consulting and interim-management firm specialized in Corporate Social Responsibility (CSR) and sustainability. We help organisations in the Benelux with every aspect of CSR implementation and give insight into their non-financial performance: from strategy development to the actual reporting, and from the initial stage to anchoring of the strategy, control and management of CSR.

Sustainalize is experienced in dealing with large companies, SMEs and not for profit institutions.



Contact:

www.sustainalize.nl

Twitter: @sustainalize