



Modern Slavery Statement

June 2023

About ABN AMRO

ABN AMRO Bank N.V. (**ABN AMRO**, *we*, *our* or *us*) is one of the Netherlands' leading banks, with over 20,000 employees worldwide. We create value for our stakeholders by providing individuals and businesses with banking services such as loans, mortgages, payments, savings, advice and asset management. We fund our loans through savings and capital markets, and actively manage the risks associated with them. In return for our services, we receive interest, fees and commissions. We use our income to pay for our operating costs, reinvest in our business and distribute dividend to our investors. Our focus is on Northwest Europe. Through our subsidiaries, we also provide third-party clearing and settlement services to wholesale clients. We have offices in the Netherlands and 12 other countries, among which the United Kingdom and Australia. In Australia, ABN AMRO Clearing Sydney Pty Ltd (**ABN AMRO Clearing Sydney**) is a regulated and licensed third-party clearer, offering wholesale clients access to financial markets through its local exchange memberships.

This Modern Slavery Statement applies to ABN AMRO and all entities it owns and controls, such as its branches, subsidiaries and representative offices, including those in the United Kingdom and Australia. ABN AMRO Lease and ABN AMRO Commercial Finance are reporting entities under the UK Modern Slavery Act. ABN AMRO and ABN AMRO Clearing Sydney are reporting entities under the Australian Modern Slavery Act. By issuing this statement, we are complying with our obligations under the [UK Modern Slavery Act](#) and the [Australian Modern Slavery Act](#). In preparing this statement, we engaged with each of the reporting entities and had multiple consultations with the relevant departments throughout ABN AMRO and its branches and subsidiaries, including ABN AMRO Clearing Sydney and other entities we own and control. The objective was to ensure full alignment between this statement and the activities conducted throughout ABN AMRO to address modern slavery and ensure adherence to modern slavery acts. ABN AMRO and the entities it owns and controls use similar policies and procedures relating to combating modern slavery and have a large number of shared suppliers.

ABN AMRO may be exposed to modern slavery risks through the services it offers consumer and business clients, through companies in its investment universe, through its employment practices and through suppliers of the goods and services it procures. Of the different forms of modern slavery, ABN AMRO is predominantly exposed to risks of labour exploitation. We have therefore classified labour rights as one of our salient human rights issues. We update our salient issues periodically, most recently in 2022. Since 2020, we include human rights risks in ABN AMRO's group level Enterprise Risk Management report in a so-called Key Risk Indicator. Insights are based on quarterly consultations with colleagues that work in a variety of client units and functions throughout ABN AMRO. This process helps us to understand and monitor how our salient issues are evolving, as well as helping us track whether our risk management efforts are adequate. By using the Enterprise Risk Management report in monitoring human rights risks, we ensure human rights risk management is integrated into the bank's risk management. ABN AMRO's group level Enterprise Risk Management report is the bank's primary risk management reporting tool for all types of risks and is discussed monthly by the Executive Board and quarterly by the Supervisory Board. The Human Rights Key Risk Indicator in ABN AMRO's group level Enterprise Risk Management report and [our externally published reports](#) help us track the effectiveness of the measures for managing modern slavery risks described in this statement. Where applicable, the findings of this process are used to improve these measures. We use insights from these quarterly reviews to examine how we engage with our clients and businesses in our investment universe on modern slavery issues. We assess the quality of these engagements in the reports, which has helped improve our overall dialogue.

We have a [Human Rights Statement](#) that sets out our commitment, responsibilities and expectations for ourselves and for our business relationships. This includes our clients, the companies we invest in on behalf of clients, and our suppliers. It also describes the key activities we undertake to meet our responsibilities concerning all steps of the human rights due diligence process. Furthermore, ABN AMRO reports extensively on its efforts to address

human rights risks. In 2016, ABN AMRO was the first financial institution in the world to publish a report based on the reporting framework of the UN Guiding Principles on Business and Human Rights (UNGPs). The UNGPs are the authoritative global standard on business respect for human rights. In its [2016](#), [2018](#), [2020](#) and [2022](#) Human Rights Reports and in the [2017](#), [2019](#) and [2021](#) interim updates, ABN AMRO explains in detail its human rights governance, policy framework and due diligence processes. The most recently published 2020 and 2022 Human Rights Reports received assurance from external auditor EY.

This Modern Slavery Statement builds on the Human Rights Statement and our Human Rights Reports, with more specific information on our efforts to address modern slavery risks.

Exposure through our consumer clients

Perpetrators and victims of modern slavery may have personal or business bank accounts with ABN AMRO, or use our financial products and services. As banking becomes increasingly digital, data analytics is a very important tool to identify signs of modern slavery. Often, modern slavery takes place behind the facade of legitimate business practices. All banks have infrastructure in place to detect signs of financial crime, but the indicators of modern slavery are not necessarily similar to those of money laundering or terrorism financing. Potential indicators are not only numerous, they also depend on the local context and evolve over time.

Since 2015, ABN AMRO has been working on [a project with the Inspectorate of the Dutch Ministry of Social Affairs and Employment \(Inspectorate SZW\) and the University of Amsterdam \(UvA\)](#), with the aim of sharing knowledge to identify the human trafficking phenomenon of labour exploitation. With our partners, we deconstruct cases that have been prosecuted successfully to see whether, in hindsight, there were financial indicators. So far, we have identified 26 indicators and have integrated those into a data model. Specialist teams in our Security & Integrity Management department as well as our Detecting Financial Crime department are responsible for handling the outcomes of this data model to see whether these actually constitute red flags for crime. The geographical scope is limited to the Netherlands where ABN AMRO has retail banking activities. If a sign is identified that might point to modern slavery, we conduct additional open-source intelligence research and report any unusual transactions to the Financial Intelligence Unit (FIU). The FIU is an independent authority that is also a member of the newly established FEC project, which is a follow-up to the 2015 project. It assesses whether investigating authorities such as the police or the Inspectorate SZW should take action. Reporting unusual or suspicious transactions to the FIU is common practice for any bank; what makes this project unique is the collaboration between banks and the FIU prior to, and independently of, those reports. We have identified multiple potential cases since the launch of the initial project.

Besides the above-mentioned FEC project, we are a participant in the COMCRIM initiative, which is being led by the University of Amsterdam. COMCRIM is aimed at another phenomenon of human trafficking: the forced commission of crimes. Through the use of complexity science and in a financial public-private partnership we hope to be able to identify indicators to detect this phenomenon.

Exposure through our business clients

All our business clients, which range from small or medium-sized enterprises to large corporates, are subject to our Know Your Client (KYC) screening process. This takes place at client acceptance and is reviewed periodically throughout our relationship with the client. In line with our policy, we perform risk-based due diligence on clients to identify any modern slavery risks.

Enhanced due diligence will take place in the client acceptance and review processes if a client is active in so-called sensitive sectors. These are:

- Agricultural commodities
- Agriculture and horticulture
- Animal protein and aquaculture
- Fisheries and wild-caught animals
- Metals and minerals

- Electronic components and electronics products
- Textiles, clothing and leather
- Construction
- Shipping
- Freight transport by road
- Hotels and holiday parks
- HR services resources
- Sex industry

Enhanced due diligence will focus on that sector's most salient sustainability and human rights risks. Depending on the case, companies may be asked, for example, whether the recruitment agencies they work with are certified to mitigate the risk of exploitation of (migrant) workers. The client review process is repeated periodically.

For corporate clients with whom ABN AMRO has a lending relationship above a 1 million-euro exposure, our policy provides for an additional due diligence process that coincides with the credit granting and review process. The robustness of this due diligence process depends on the sustainability risk level of the client in question. Based on the client's activities, an additional set of requirements may apply. In 2023, we strengthened our ESG requirements for clients. One aspect is that we have a specific requirement on modern slavery in place for sectors that are particularly sensitive to modern slavery – such as manufacturing, transport & logistics and leisure. This requirement explicitly mentions vulnerable groups such as migrant and temporary workers, women and youth. We also have a specific requirement on living wage. These requirements are currently being implemented.. Access to effective grievance mechanisms and remediation is also part of the policy requirements. Lastly, our policy demands that if a company does not (yet) comply with our requirements, we work towards compliance through engagement or end the relationship as a last resort.

ABN AMRO is an Equator Principles (EP) bank – its project financing activities are assessed according to the EP standards. In addition to the EPs, we also seek alignment with the UN Guiding Principles on Business and Human Rights in other financial sector platforms or sectors in which we are active, including the Principles for Responsible Banking.

Exposure through our investment services

Our clients use ABN AMRO's investment services to invest in public equity as well as corporate and sovereign bonds. They can invest in three ways: on their own (self-directed investing or execution-only), based on our experts' advice, or by leaving all investment decisions to ABN AMRO. ABN AMRO's ability to influence its clients' decision-making varies, depending on our role. Whatever the role, at the very least we want to be able to inform our clients whether the companies they are looking to invest in conduct business in a responsible way. Given the scope of ABN AMRO's investment universe, we use an external provider of environmental, social and governance (ESG) research, Sustainalytics, as our main source of information. Companies are assessed on a quarterly basis, resulting in an indicator ranging from 'excellent' to 'poor'. We draw our clients' attention to this indicator – passively, by including it in ABN AMRO's financial analysis, but also actively, through recommendations by our investment advisors. We have an Exclusion List in place, banning investments in companies and countries that do not meet our minimum criteria. Furthermore, if a company underperforms on sustainability, we may start an engagement procedure. If the reason for engagement is underperformance on sustainability factors and the company fails to improve its performance in due time, it can be placed on ABN AMRO's Investment Exclusion List. Besides incident-related engagement, we also employ proactive thematic engagement, in collaboration with our ESG engagement stewardship partner [EOS at Federated Hermes](#) (EOS). One of the engagement themes is 'human rights, including labour rights'. In 2022, EOS engaged specifically on human rights with 367 companies on ABN AMRO's behalf.

ABN AMRO is a member of the Platform Living Wage Financials (PLWF), a coalition of Dutch financial institutions that focuses on listed companies in the garment and footwear, food retail and food & agri sectors. PLWF has developed a unique assessment methodology to determine whether a company has satisfactory policies and procedures in place to evaluate whether its suppliers are paying a living wage and, if not, are required to encourage

its suppliers to do so. Payment of a living wage is an important human rights issue in itself that reduces people's vulnerability to modern slavery. Assessments are carried out by members of PLWF based on information in the public domain and additional information received from the companies in scope.

Exposure through our employment practices

In October 2015, [ABN AMRO signed an International Framework Agreement](#) (IFA) with the Dutch trade union federation FNV and UNI Global Union. The IFA covers a broad range of labour rights, including the right to free choice of employment, freedom of association and collective bargaining. It expresses our commitment to these rights for all workers producing products and delivering services for ABN AMRO, whether or not they are employees of ABN AMRO. This is a broad and ambitious scope, which covers all of the entities owned and controlled by ABN AMRO as well as its outsourced services and procured goods. The parties to the IFA meet annually to discuss progress. The IFA also allows for grievances to be filed on non-compliance with the standards.

Exposure through our suppliers

The IFA also covers ABN AMRO's procurement activities. ABN AMRO expects its suppliers to conduct their business activities in a way that respects people throughout their entire value chain. [Our Supplier Code of Conduct](#) requires suppliers to have a comprehensive labour policy in place that covers their own operations as well as subcontracted work. This is usually a contractual commitment. With our assessment system via online questionnaires (Hellios and GSES systems), we gain insight into our suppliers' labour rights policies and practices. This information enables us to identify gaps and work with suppliers to make improvements.

ABN AMRO welcomes feedback on its human rights programme via humanrights@nl.abnamro.com.

The Executive Board of ABN AMRO Bank N.V. was involved in drafting this statement. It has been discussed with ABN AMRO Bank N.V.'s Chief Executive Officer and Chief Risk Officer and was approved by ABN AMRO's Group Disclosure Committee on June 16 2023. The Executive Board of ABN AMRO Bank N.V. approved this statement on behalf of each reporting entity on June 26 2023.

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