

# Putting people centre stage

ABN AMRO Bank N.V.

**Human Rights  
Report 2022**





**We have a responsibility to understand and address our impact on human rights. As a bank, we affect the lives of many people through our individual clients and business clients, whose activities and value chains can in turn impact millions of workers, communities and consumers.**

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# About this report

Welcome to ABN AMRO's Human Rights Report.

This Human Rights Report is part of ABN AMRO's annual reporting suite. It is published alongside the Integrated Annual Report, which covers our business, strategy and performance. Its primary purpose is to explain how, over time, we create value for our stakeholders – not only as a provider of banking and other financial services, but also as a responsible employer and an active contributor to society as a whole. Other reports that are part of the annual reporting suite are illustrated in the adjacent box. For a list of our corporate reports, please see [our website](#). Further details of our approach to reporting can be found on [page 60](#).

The purpose of the Human Rights Report is to provide information about our efforts to respect human rights in all our business activities and relationships.

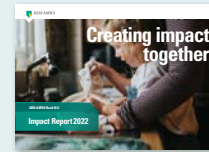
As with our 2016, 2018 and 2020 Human Rights Reports, this 2022 Report has been drawn up in line with the UN Guiding Principles Reporting Framework. This year, for the second time, EY has provided limited assurance on this report, in line with the UN Guiding Principles Reporting Framework. The report refers to a reporting period over 2021 and 2022.

In this report, we set out our human rights governance, define our salient issues and describe how we manage these in the bank's day-to-day operations. In order to prevent and address our adverse human rights impacts, it is important to deepen our understanding of the scope and impact of our activities. This is not a simple tick-the-box assignment and we are aware of this. We must continuously assess our performance and be critical: what is going well and what can we improve? We view the Human Rights Report 2022 as a management tool rather than an act of disclosure. We strive to embed human rights even further in our strategy, every day, with the help of our employees and our clients.

## Other ABN AMRO reports



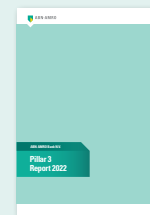
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# Banking is about people

At ABN AMRO, we serve nearly 5.5 million clients whose activities and value chain connections span the globe. Through our own activities, and through the activities and value chains of our business relations, we are connected to millions more people and communities around the world.



...affected by their activities and value chains



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# About ABN AMRO

Our business is organised by client needs – to ensure we put clients’ interests first. We have transformed our business in three client units, created in January 2022: Personal & Business Banking, Wealth Management and Corporate Banking<sup>1</sup>. In total, we serve more than five million clients, mainly in the Netherlands and Northwest Europe.

## Our businesses



### Personal & Business Banking

We are one of the largest retail banks in the Netherlands. ABN AMRO is the first-choice bank for around 20% of the Dutch population. In 2022, we were market leader in the production of new mortgages in the Netherlands and the second biggest in savings accounts. We also supply banking and payment services to approximately 365,000 small and medium-sized businesses across the Netherlands<sup>2</sup>.



### Wealth Management

Our Wealth Management business serves more than 100,000 clients in four markets in Northwest Europe. We are market leader in the Netherlands, and among the largest private banks in Germany and France, providing financial advice and a full array of wealth management

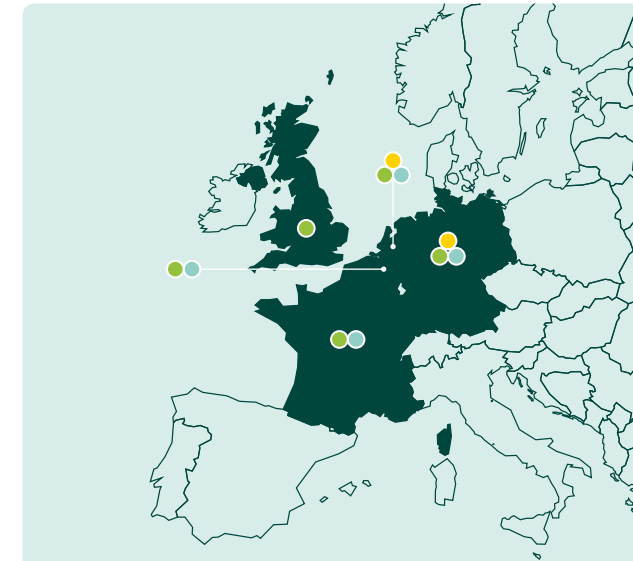
services. In total, over 38% of the assets that clients invest with us qualify as ESG or impact investing. Our Wealth Management business manages just over EUR 202 billion in client assets.



### Corporate Banking

Corporate Banking serves more than 8,500 medium-sized and large corporate clients and financial institutions. We provide financing, advisory services, corporate finance and corporate investment products, as well as asset-based finance and capital market solutions. Corporate Banking has been leveraging on the strong domestic franchise in selected Northwest European countries, where it serves clients in a variety of sectors, with a strong market position in the Netherlands. We are a global leader in derivatives and equity.

<sup>1</sup> Prior to January 2022, ABN AMRO was organised by business line (Retail Banking, Private Banking, Commercial Banking and Corporate & Institutional Banking).  
<sup>2</sup> Refers to clients with annual turnover of less than EUR 25 million.



## Focus on Northwest Europe

- Personal & Business Banking
- Wealth Management
- Wealth Management

**The Netherlands:** Personal & Business Banking, Wealth Management, Corporate Banking  
**Belgium:** Wealth Management, Corporate Banking  
**France:** Wealth Management, Corporate Banking  
**Germany:** Personal & Business Banking, Wealth Management, Corporate Banking  
**UK:** Corporate Banking

Other offices:  
**Europe:** Athens (Greece), Oslo (Norway)  
**Outside Europe:** Australia, Brazil, Hong Kong, Japan, Singapore and the US

We have closed our Shanghai and Sydney operations following the wind-down of our former Corporate & Institutional Banking portfolio outside Europe, but have maintained offices elsewhere as part of our global Clearing activities.

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# Message from our CEO Robert Swaak

2021 and 2022 were pivotal years of geopolitical change and high instability. We are emerging from uncertain times dominated by Covid only to face new global uncertainties and complexities. We now find ourselves in a world of converging crises: the war in Ukraine, the climate crisis and the energy crisis. The impact of these crises is being felt around the world and has increased the number of social challenges facing society.



In our dialogue with consumer and business clients, we see how this complex global context affects the most vulnerable among us. Banking is about people and we are fully aware that the decisions we take as a bank can directly or indirectly impact people around the world in a positive or negative way. This means that it's important that we keep human rights and people-centred values at the heart of our decision-making and actions as a bank.

In our fourth Human Rights Report we explain the steps we take to strengthen our efforts to advance positive outcomes for people around the world who are affected by our activities and the activities of our suppliers, clients and the businesses in our investment universe. In this report, we seek to be transparent about the policies, procedures and practices we implemented in 2021 and 2022, where we see real progress and where there is room for improvement.

We included many colleagues in drawing up this report, in a reflection of our embedded commitment to human rights across the full spectrum of our bank.

Across a range of roles at ABN AMRO, from our business and human rights advisers to our risk colleagues and client relationship managers, we are taking steps every day to turn our human rights and environmental goals into reality. Delivering on our commitment to respect human rights begins with educating our employees, with good governance and with the tone at the top – and I feel personally responsible for that. Chairing the Group Sustainability Committee and the Ethics Committee enables me to stay close to the execution of our strategy while remaining aware of the dilemmas we face.

”  
**It's important that we keep human rights and people-centred values at the heart of our decision-making and actions as a bank**”

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“  
**We have got to move to net zero by 2050 in a fair and just way and make sure the climate agenda takes into account the perspective of people who might be adversely affected.**”

A single corporate, civil society organisation or financial institution cannot do the job alone. That’s why I’m encouraging all parties to join forces where possible. We are seeing, for example, the positive effects of our continued cooperation with trade unions, the Netherlands Labour Authority and the Global Maritime Forum. Together, we have made a strategic effort to counter the exploitation of migrant workers in agriculture, transport and food production. Their modelling and sector-specific research is a great example of how we can use robust human rights due diligence, including leveraging financial transaction and account data, to respect human rights and truly involve potentially affected people.

We are very much aware of the necessity of the energy transition. It is putting a lot of pressure on both governments and business. We have got to move to net zero by 2050 in a fair and just way and make sure the climate agenda takes into account the perspective of people who might be adversely affected. Besides people being affected by the direct consequences of climate change, this means considering people being affected by adverse impacts of the energy transition and other climate actions.

For example, people mining for cobalt or manufacturing solar panels in today’s complex global contexts. A strong human rights approach is needed in the execution of the climate strategy that we published this December.

While I am very proud of the efforts we have made to prevent harms to people from occurring, we should acknowledge that we cannot prevent all negative impacts on our own. We are devoting more attention to the critical aspect of respect for human rights that focuses on how we can use our leverage in our business relationships to make things right when they have gone wrong. I had the opportunity to sit down with my human rights team to discuss how we can set up a human rights remedy mechanism and set an example for other financial institutions.

Being an agent of human rights change is an ongoing process. I hope this report creates dialogue, connection and inspiration. We welcome your input as we work together towards a people-centred future, for generations to come.

**Robert Swaak**  
 CEO of ABN AMRO

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# Developments related to our work on human rights



## February 2022

European Commission adopts Corporate Sustainability Due Diligence Directive proposal

## March 2022

ABN AMRO publishes Social Impact & Human Rights Update 2021



## March - July 2022

ABN AMRO part of Dutch Banking Association project on gender due diligence



## January 2022

ABN AMRO adopts Generic Principles in its Sustainability Risk Management Framework (refer to page 27)



## December 2021

ABN AMRO hosts its 7th International Human Rights Conference about women's rights in global supply chains

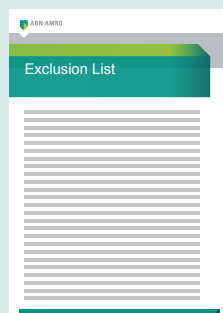


## March 2021

ABN AMRO publishes Human Rights Report 2020

## March 2021

ABN AMRO updates Exclusion List with new restrictions for companies with a link to the defence sector and temporary employment agencies



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### July - October 2022

ABN AMRO adopts new due diligence criteria on labour migrant exploitation for client acceptance and review and joins forces with trade union FNV in supporting clients identifying exploitation risks

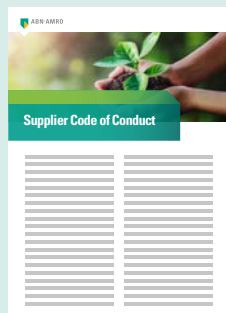


### April 2022

ABN AMRO apologises for historic involvement in slavery

### May - July 2022

ABN AMRO carries out a pulse check on its salient human rights issues



### November 2022

ABN AMRO published its new Supplier Code of Conduct, more closely aligned with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises

Together with Shift we organised a Just Transition Workshop for employees

### October 2022

We established the Sustainability Centre of Excellence in 2022. The Centre brings together different core sustainability functions that were previously separate, including Group Sustainability, Sustainable Innovation and Lead by Example

### December 2022

ABN AMRO signs Investor Call to Action – Ensuring a gender-responsive CS3D initiated by Boston Common Asset Management

ABN AMRO publishes climate strategy and joins the Net Zero Banking Alliance



ABN AMRO announces newly appointed Chief Sustainability Officer per 1 January 2023: Solange Rouschop



### December 2022

Human Rights Conference – Just Transition

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# Part A

## Governance of respect for human rights

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# 1 Our commitment to human rights

Our commitment to do business with respect for human rights has been in place for over a decade. Our [Human Rights Statement](#), first developed in 2012 and updated in 2020, sets out what we expect from ourselves and our business relationships when it comes to respecting human rights. It details how we identify our salient human rights issues and our governance of human rights at the bank. And it describes how we implement this commitment in line with international standards including the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, and in line with our overall purpose of banking for better, for generations to come.

## Our policy commitments

Human rights at ABN AMRO are primarily governed by three comprehensive policies or statements known as the ‘policy ecosystem’. The policy ecosystem includes<sup>1</sup>: (i) our Human Rights Statement, (ii) our Code of Conduct; and (iii) our Sustainability Risk Management Framework<sup>2</sup>. These policies, standards and procedures focus on addressing and preventing human rights risks connected to our business and help us deliver on our commitment to respect human rights. The processes and responsibilities set out in these documents also help us to integrate respect for human rights into our day-to-day operations and into the way we do business. Our Human Rights Statement sets out our overarching commitment to do business with respect for human rights, our Code of Conduct focuses on an ethical business culture that defines our own operations and extends into our business relationships, and our Sustainability Risk Management

Framework sets out how we manage sustainability-related risks (including human rights) in our roles as a lender and investment services provider.

In the reporting period, we made minor changes to the content of some of these policies, which do not affect their purpose, scope or fundamental processes. For example, we have tightened our credit policies for Personal & Business Banking clients with the aim of preventing excessive borrowing by clients. There have not been any signs of this leading to problems in terms of derisking clients.

In instances where these changes are relevant to our salient human rights issues, we discuss those in Part C of this report.



” The processes and responsibilities set out in these documents also help us to integrate respect for human rights into our day-to-day operations and into the way we do business ”

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<sup>1</sup> See Human Rights Report 2020, pages 8 and 9.

<sup>2</sup> Human rights are explicitly addressed in our Sustainability Risk Management Framework.



# 2 Embedding respect for human rights in everyday business

## Governance and accountability for human rights

Our entire Executive Board<sup>1</sup> plays a key role in fulfilling our human rights commitment. Several bank committees and working groups are involved in relevant decision-making and in the implementation of various human rights-related activities. Our Sustainability Centre of Excellence, which falls under the direct responsibility of our CEO, consists of a core team of business and human rights advisers who guide human rights efforts across the bank.

During the reporting period, updates and changes to our governance of human rights commitments and activities included:

- ▶ We established the Sustainability Centre of Excellence in 2022. The Centre brings together different core sustainability functions, including Group Sustainability, Sustainable Innovation and Lead by Example. The Sustainability Centre of Excellence provides overall oversight and coordinates the implementation of the bank’s sustainability strategy, which includes human rights
- ▶ We placed the Credit Risk Sustainability team more centrally in our Credit Risk department to better integrate sustainability considerations into the fundamental credit risk decision-making process
- ▶ In 2022, we announced a new role at ABN AMRO: Chief Sustainability Officer (CSO). In January 2023, Solange Rouschop was appointed as CSO, reporting directly to our CEO Robert Swaak. She was previously head of ABN AMRO Belgium, where she led several sustainability-related initiatives.

We also made the following updates and changes to our committee and working group structure insofar as relevant to human rights. Read more about these updates and changes on the next page.



**Hein Brekelmans**  
Corporate Banking Sustainability  
Expertise Team, ABN AMRO

**“We have noticed an increased awareness of human rights issues among our employees. This has led to colleagues raising topical questions such as boycotting large sporting events in geographies with poor human rights records. It really matters that all of our employees understand the importance of these topics – that’s critical for us to fulfil our commitment to respect human rights.”**



<sup>1</sup> See Human Rights Report 2020, page 20.

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**Group Sustainability Committee (GSC)**

- ▶ With the establishment of the Sustainability Centre of Excellence, the GSC was set up to replace the Sustainability Advisory Committee (SAC)
- ▶ Whereas the SAC was designed to advise, the new GSC has the mandate to decide on sustainability topics, in cooperation with the GRC and GDC (see below). The GSC took significant decisions during the reporting period, such as on the bank’s salient human rights issues for this report (see [page 24](#)), the further development of the human rights remedy mechanism (see [page 55](#)) and the bank’s [climate strategy](#)
- ▶ The GSC is chaired by our CEO Robert Swaak. It includes Executive Board members (or their delegates), the Chief Sustainability Officer, as well as other colleagues who are involved in sustainability, and is supported by the Sustainability Centre of Excellence

**Group Risk Committee (GRC)**

- ▶ The GRC has approved an updated list of companies that the bank will not finance or invest in because of their involvement in controversial weapons
- ▶ It has adopted and approved updated policies within the Sustainability Risk Management Framework (see [Part C](#) of this report for more information)

**Group Disclosure Committee (GDC)**

- ▶ The GDC is headed by our Chief Financial Officer. Lars Kramer was appointed in 2021 and will hold this position until May 2023
- ▶ It approved the [Social Impact & Human Rights Update 2021](#), the [2020 Human Rights Report](#) as well as the [Impact Report 2021](#)

**Ethics Committee**

- ▶ During the reporting period the Ethics Committee advised on human rights-related issues including how to handle potential business clients that are connected with spreading disinformation and misinformation; allegations of forced labour in supply chains in Xinjiang in China; and the bank’s apology for its historic involvement in slavery

**Engagement Committee**

- ▶ There has been a significant increase of attention to thematic engagement and deep dives on sectors – see more on [page 43](#)
- ▶ Reviewed cases of human rights risks and impacts related to corporate clients and businesses in our investment universe – read more about those on [page 41-42](#) and [48-49](#) as they pertain to our salient issues

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### Wealth Management expert teams without a formalised mandate

During the reporting period, we established two expert teams that advise on and help us advance our human rights due diligence. These teams are not formalised committees with a mandate, but they are central to human rights due diligence efforts in their respective business areas. In addition to these new teams, we continue to have teams and individual human rights experts across numerous positions and business areas of the bank – see the infographic on page 16 for an overview of different roles and responsibilities for human rights across ABN AMRO.

### Global ESG team

- ▶ This team has replaced our Private Banking Global Sustainability Board (PBGSB). It is comprised of ESG experts for investment services
- ▶ The team’s function is to provide the management team of Wealth Products with advice, proposals and updates with relevance for ESG, including human rights

### Human Rights Expert Committee

- ▶ Formed in 2022, this committee focuses on five main topics, including diversity and inclusion, just transition, living wages, access to remedy, and human rights and states’ duties (what type of human rights should be considered when investing with sovereigns). The committee focuses on knowledge-building and implementation, and is not a decision-making body



**Anne Huibrechtse-Truijens**  
Global Head of Climate, Sustainability  
Centre of Excellence, ABN AMRO

**“In December 2022, we announced our climate plan as part of our strategy. In the plan, we note that reducing carbon emissions is connected to impacts on human rights, and the importance of a just transition to a net zero future. We acknowledge that decarbonisation and human rights efforts are complementary. Human beings live in our climate, while at the same time our actions as humans affect our climate.”**



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# Key functions responsible for human rights



Sustainability Centre of Excellence department: our internal team of experts in charge of managing our human rights programme across the entire bank.  
 Supported across all roles by Legal (e.g. Complaints Management), Risk Management (e.g. Security & Integrity Management) and Compliance (e.g. Conduct & Ethics team, Privacy Office)



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## Fostering a business culture that respects human rights

We continue to provide awareness raising and capacity building for the bank's employees on human rights. Updates to our awareness raising and capacity building activities during the reporting period include:

- ▶ Our annual human rights conference again took place in 2021, after a break in 2020 due to the Covid-19 pandemic. The 2021 conference focused specifically on women's rights in global supply chains. The 2022 conference focused on the [just transition](#)
- ▶ We offer a monthly social impact meeting for all employees. At each meeting, we present two topics that relate directly to human rights and social impact activities within the bank, and discuss the bank's latest human rights activities
- ▶ During our semi-annual Learning Weeks, we offered various human rights workshops and sessions focusing on human rights due diligence, human rights in the shipping sector, and engagement opportunities for human rights
- ▶ We continued to offer human rights-related learning modules in our online Circl Academy. In the reporting period, those modules included:
  - ▶ specific training on how to discuss social impact with corporate clients
  - ▶ recognising business model red flags, building on [work by Shift](#) on this topic
  - ▶ the forthcoming EU Corporate Sustainability Due Diligence Directive
  - ▶ exploitation of migrant workers

- ▶ During the reporting period, we offered colleagues several workshops on business and human rights and on the UN Guiding Principles on Business and Human Rights (UNGPs), provided by Shift (we remain a member of their [Business Learning Program](#) and participate in their [Financial Institutions Practitioners Circle](#)). These trainings and workshops included the UNGPs for financial institutions, an introduction to the UNGPs, the just transition, and indigenous rights. In 2022, approximately 60 ABN AMRO employees from disciplines including procurement, legal, risk, sustainability advisory, investment, sustainable finance regulations, and corporate lending participated in these events. In 2021, around 25 ABN AMRO employees took part in sessions on leverage, remedy, human rights due diligence in high-risk contexts, and the UNGPs for financial institutions
- ▶ In collaboration with ING and Rabobank, we offered an 'interbank analyst workshop'. The theme of the workshop was assessing the difficulties faced by non-profit organisations in accessing financial services
- ▶ In 2022, we offered a 50 Shades of Green event for all employees that focused on human rights reporting, thematic engagements and the just transition



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# Part B

## Defining a focus of reporting

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# 1 Our salient issues

We conducted our first salience assessment in 2015<sup>1</sup>, shortly after the methodology was introduced by the UNGP Reporting Framework. This assessment not only enabled us to focus on those human rights at risk of the most severe negative impact through our activities and business relationships, but also helped us to focus our resources on risks that could be most severe for people.

That initial assessment, drawing on internal and external consultations, produced a list of four issues: privacy, discrimination, labour rights and land-related human rights. In the years following, we took steps to embed human rights due diligence across all of our roles as an employer, service provider, procurer of goods and services, lender, and investment services provider. Within each of these roles we have taken action to prevent and address human rights risks and impacts connected to our business. Five years later, we carried out a new salience assessment, incorporating insights we gained between 2015 and 2020<sup>2</sup>. That salience assessment formed the basis for our previous human rights report.

In 2020, we established a Human Rights Risk Register (HRRR). The register has served as an important basis for the development of quarterly reviews of human rights risk management, which is part of our broader ongoing Enterprise Risk Management system. The HRRR includes a wide range of human rights risks that we can be connected to, in any role. It helps us keep track of our observations about these risks over time. The HRRR is built on desktop research using internal and external

documentation (such as peer analysis, internal policy documents and trend reports) to determine a longlist of possible human rights issues related to the bank's different roles.

The register also informs our engagement with relevant internal and external stakeholders (such as peer analysis, internal policy documents and trend reports) through conversations, interviews and surveys to ensure our list is complete and accurate in terms of descriptions, contexts, triggers and consequences.

During the previous reporting period, we integrated insights from the HRRR into the human rights component of our quarterly risk management reports, which are integral to our Enterprise Risk Management (ERM) system. As part of the ERM system, colleagues from a range of departments such as Corporate Banking, Wealth Management, Risk Management, Procurement, and the Sustainability Centre of Excellence prepare input for quarterly ERM reviews of sustainability risk. One key risk indicator (KRI) within sustainability risk is human rights risk. These quarterly reviews on human rights risk and their management include information pertinent to our salient human rights issues across our different roles. This process helps us identify and assess the degree

to which we are managing our salient human rights issues (as well as broader human rights issues that are not salient), and if there have been any changes in their nature over time. For example, this quarterly review process helped us identify that privacy and freedom of expression and opinion should be included as a salient human rights issue in our role as a corporate lender.

For this report, we have carried out a 'salience pulse check' to check whether our salient issues in the 2020 Report still apply<sup>3</sup>. Those issues were: workplace discrimination and harassment, inadequate standard of living and health impacts caused by financial distress due to inadequate client protection, personal privacy breaches, discrimination in banking services, labour rights, land-related human rights, right to life and health, right to privacy, and freedom of opinion and expression. An explanation of the changes to our salient issues is provided on the next few pages.

<sup>1</sup> See Human Rights Report 2020, page 108.

<sup>2</sup> See Human Rights Report 2020, Part B, page 26 onwards.

<sup>3</sup> See Human Rights Report 2020, pages 29 to 32.

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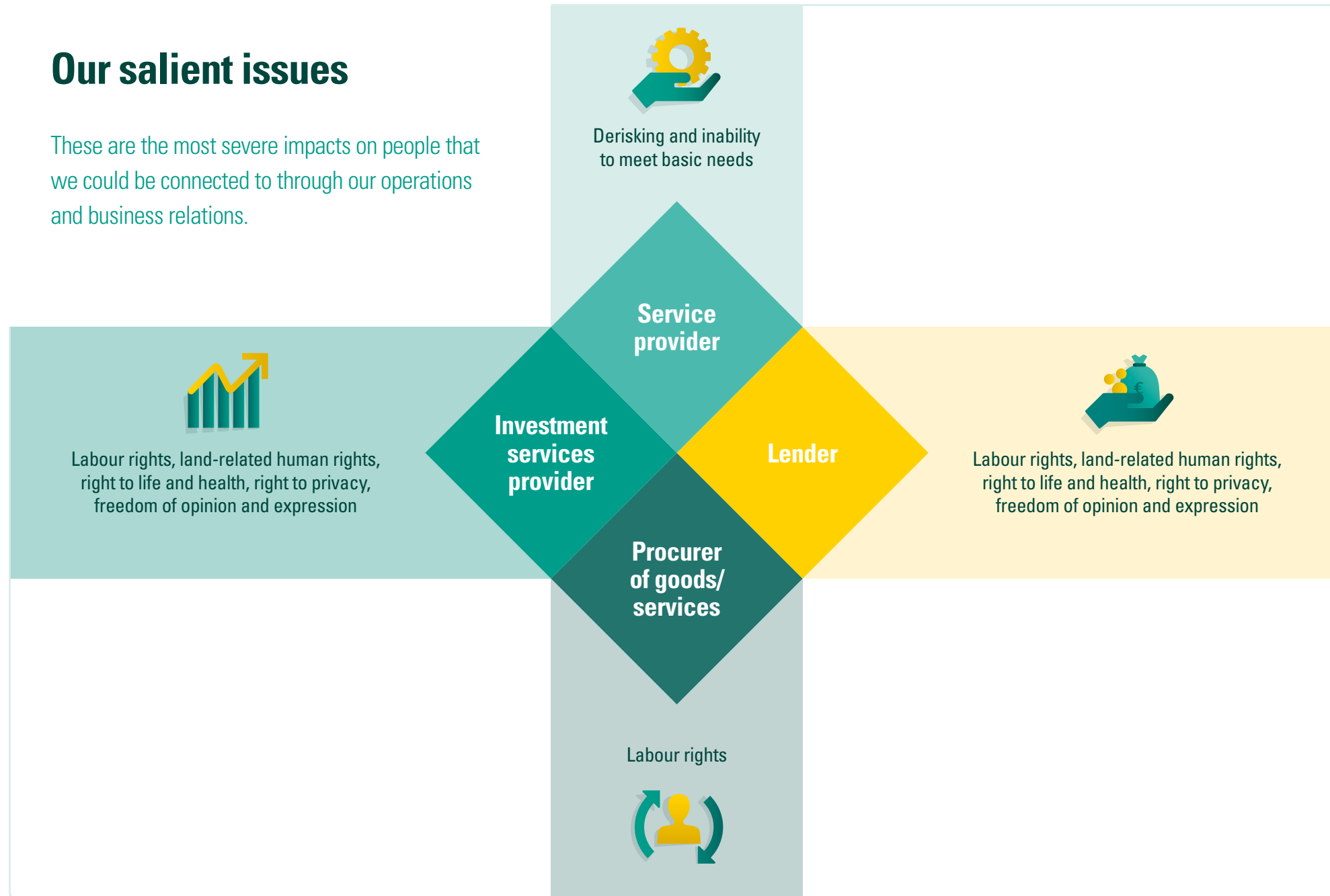
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# Our salient issues

These are the most severe impacts on people that we could be connected to through our operations and business relations.



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## ABN AMRO salient human rights issues

The salient human rights issues we identified during the reporting period are:



### Service provider

- ▶ In our role as a **service provider**: inability to meet basic needs, exacerbated by lack of access to financial services (derisking and inability to meet basic needs)
  - ▶ Who could be affected: people who rely on support from non-profit organisations to meet their basic needs, in cases where those non-profit organisations cannot access financial services that facilitate their support to affected people (such as cash payments, humanitarian assistance, etc.)
  - ▶ Who could cause impacts: ABN AMRO
  - ▶ In most cases, ABN AMRO could be causing or contributing to adverse impacts



### Procurer of goods and services

- ▶ In our role as a **procurer of goods and services**: labour rights
  - ▶ Who could be affected: workers in our supply chain (including goods and services)
  - ▶ Who could cause impacts: suppliers in our supply chain
  - ▶ In most cases, ABN AMRO could be contributing to or be directly linked to adverse impacts



### Lender

- ▶ In our role as a **lender**: labour rights, land-related human rights, right to life and health, right to privacy, freedom of opinion and expression
  - ▶ Who could be affected: workers, consumers and communities connected to our corporate clients' operations and/or value chains
  - ▶ Who could cause impacts: our corporate clients and/or their business relationships
  - ▶ In most cases, ABN AMRO could be directly linked to adverse impacts



### Investment services provider

- ▶ In our role as an **investment services provider**: labour rights, land-related human rights, right to life and health, right to privacy, freedom of opinion and expression
  - ▶ Who could be affected: workers, consumers and communities connected to the operations and/or value chains of businesses in our investment universe
  - ▶ Who could cause impacts: businesses in our investment universe<sup>1</sup>
  - ▶ In most cases, ABN AMRO could be directly linked to adverse impacts

## Salience pulse check based on ERM Reporting

ABN AMRO provides financial products and services for a range of sectors and businesses as well as for individual and household clients. This means that our salient issues do not tend to change significantly within the span of just a few years. At this stage, we have seven years of experience identifying and managing our salient issues, and our assessment is that it generally makes sense to

do a full salience assessment every four or five years or sooner if there are concrete reasons for doing so, such as a strategic refocus. Of course, in between assessments, we continue to track the changing nature of salient issues and seek to address them in a dynamic fashion.

That said, in 2021 and 2022, we carried out a 'pulse check'<sup>2</sup> on our salient human rights issues. This assessment came just one year after our previous full assessment in 2020. We felt this intermediate review was necessary for two reasons:

1. Following the bank's [strategy review](#) in 2020, our activities and business relations changed. Our focus on the Northwest European market has changed both our Corporate Banking portfolio as well as our staffing in various locations outside of Northwest Europe. We therefore decided to assess the changes in salient human rights issues for our roles as a lender and employer that stem from this impact.
2. Our ERM reports over 2021 and 2022 showed us that for some salient issues – particularly those in our roles as an employer and service provider (where we have a high degree of insight about risks and impacts, performance tracking, and significant control in risk management) – our existing risk prevention and mitigation measures are largely effective. Given the effectiveness of these risk controls, we felt we should review all our salient issues to see whether our risk controls were effective to the degree that the likelihood of impacts occurring would be very low, and therefore (potentially) not salient<sup>3</sup>.

<sup>1</sup> The term 'investment universe' is defined in our *ESG and Sustainability Standards for Investment Products* as being 'companies and investment funds that ABN AMRO is advising on'.

<sup>2</sup> See *Human Rights Report 2020*, page 28.

<sup>3</sup> We have followed the UNGP Reporting Framework implementation guidance, which sets out that "an understanding of a company's salient human rights issues is built on a process by which the company... prioritizes potential negative impacts for attention... primarily based on their potential severity... [and] secondarily based on their likelihood, retaining due attention to high-severity, low-likelihood impacts."

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## 2 Carrying out the pulse check

As a starting point for the pulse check, we used our longlist of salient issues from our 2020 salience assessment. The methodology we used is based on the United Nations Guiding Principles (UNGP) Reporting Framework and its implementation guidance. We followed the UNGP Reporting Framework definitions for key concepts including human rights risk, salient human rights issues, severity, and likelihood.

### Examining likelihood

As stated above, our ERM reporting on human rights over 2021 and 2022 identified that the likelihood of certain potential impacts to occur is lower than we found during our salience assessment in 2020. We noticed a particular difference between the salient human rights issues arising from our own operations and those we are connected to through our business relationships. The reason for this lower likelihood is the effectiveness of our existing risk management measures. These include proactive, preventative measures that reduce the likelihood of an impact ever occurring.

For example, we have effective measures in place that significantly reduce the likelihood that clients of our Personal & Business Banking unit experience infringements on their privacy. These measures<sup>1</sup> include a range of policy instruments, a set of standardised risk prevention processes, regular monitoring, a mechanism for clients

to report concerns that requires follow-up from ABN AMRO, as well as ongoing awareness raising and training for our employees. Where impacts have occurred, we have identified them as not of the highest severity. Therefore, in this report we have removed this issue as salient in our role as a service provider.

We wanted to have an overview of the effectiveness of our existing risk measures for our 2020 salient issues across all our roles. To do this, we looked at effectiveness based on two factors:

- ▶ One factor examined the *number* of risk management measures we have in place (policies and procedures) for the given salient issue
- ▶ The other factor examined the *degree to which those measures are working in practice*. For this factor, we looked at data about instances where we knew impacts occurred, as well as data that gives us a signal or sense that an impact may have occurred

We have a greater quantity of reliable data about occurrences of impacts in our roles as an employer and service provider. In addition to information we have gathered for our quarterly human rights risk reviews as part of the broader ERM process, we also reviewed our annual Employee Engagement Survey, examined detailed data about data privacy and financial distress issues experienced by our Personal & Business Banking clients, and held discussions with various colleagues in relevant positions across the bank.

This is due to the fact that inputs from our ongoing conversations with civil society organisations and trade unions, and independent reports from media and civil society feed into our quarterly human rights risk review process that is part of the broader ERM process.

### Stakeholder input

We shared the findings of our salience pulse check with external stakeholder groups, including those representing potentially affected people (like trade unions) in the summer of 2022. While we did not receive a robust response to that contact (only one group responded, a trade union, confirming our findings), we do feel fairly confident that our findings reflect (to a degree) perspectives from potentially affected people and their legitimate representatives. This is due to the fact that the ERM reports are informed by inputs from our ongoing conversations with civil society organisations, trade unions, and independent reports on impacts from media and civil society. When we undertake our next complete salience process, we expect to include more stakeholder engagement.

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<sup>1</sup> See [Human Rights Report 2020](#), page 88.

## Findings

In our roles as an employer and service provider, we found that our risk management measures are largely effective and that impacts related to our 2020 salient issues in these roles that do or could occur are relatively low in severity. As part of the pulse check, we analysed the reported cases of employee discrimination and harassment, as well as the privacy data breaches and follow-up that occurred during the reporting period. This analysis confirmed that the follow-up by our Human Resources and Privacy Office colleagues and management systems was adequate. For the salient issue inadequate standard of living and health impacts caused by financial distress due to inadequate client protection, we established that debt problems were mainly caused by third parties. Financial distress in connection with ABN AMRO's own products and services remains a potential human rights issue. Financial distress caused by third parties is not a human rights issue for ABN AMRO, given the lack of exposure to the issue. However, we are committed to supporting vulnerable clients as part of our social impact ambition.

One salient issue from 2020 in our role of service provider remains: the issue of difficulty accessing basic financial services for specific Personal & Business Banking clients, namely non-profit organisations. These clients rely on financial services to facilitate support, such as cash payments or humanitarian assistance, for vulnerable people to meet their basic needs. Many of these vulnerable people may be in 'high risk' contexts affected by conflict or natural disasters. If financial services are not provided due to inappropriate denial of financial services (called 'derisking'), vulnerable people who depend on the support provided by these non-profit organisations can be negatively affected. In our 2020 list of salient issues, this

## A historical human rights issue: Acknowledging ABN AMRO's role in slavery, and current efforts to address this



During the reporting period, research commissioned by ABN AMRO showed that some of the bank's legal predecessors were involved in the slave trade, plantation slavery and the trade in products that originated in slavery during the 18th and 19th centuries. Slavery caused untold suffering, and in April 2022 [we issued a public statement](#) apologising for the actions and activities of these predecessors. The research into this history was conducted by the International Institute of Social History.

ABN AMRO has been involved in a dialogue with representatives of the communities of descendants of enslaved persons to discuss the research findings. One of the results of that dialogue was that, in addition to an acknowledgment of the suffering, those communities also want to see concrete measures to help mitigate the structural social disadvantages faced by descendants of enslaved persons.

We have committed to continuing our dialogue with the community representatives to explore further ways to benefit from our existing efforts and develop or support new initiatives. A recent example of such an initiative is the Social Impact Covenant that ABN AMRO as the first major commercial institution signed with the City of Amsterdam, containing arrangements about work experience placements and traineeships with the bank, debt relief programmes and procurement of local goods and services in Amsterdam's Zuidoost district. Our Executive Board has committed to scaling up this model to other cities in the Netherlands. We have already identified vulnerable neighbourhoods in five additional cities where our offices are located. We are committed to deploying our network and cooperating with existing initiatives to improve situations of social inequality that these vulnerable groups are experiencing.

We are still taking steps to address the impacts of our historical ties to slavery. Other than this situation, we are not aware of any severe impacts on human rights during the reporting period that fall outside of the salient human rights issues discussed in this report.

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issue was part of the broader category of ‘discrimination in banking services.’ In the pulse check, we found that other discrimination issues, such as client discrimination based on national origin, sex or age, were sufficiently managed such that they are no longer salient for this report.

In our roles as a procurer of goods and services, lender, and investment services provider, the salient issues remain the same as in 2020, with one addition: we have added the issues of right to privacy and freedom of expression and opinion in our role as a lender.

This reflects our new focus on clients in Northwest Europe – an increasing number of whom are active in the information and communication technology sector where these potential impacts are of particular concern.

**Managing the process**

Our Sustainability Centre of Excellence, in particular our business and human rights advisers in this department, managed the salience pulse check process. Our Corporate Banking and Human Resources colleagues were involved in assessing the impact of our strategy review on our international employee base and on our client portfolio. The process and outcomes of the salience pulse check were endorsed by the Group Sustainability Committee in October 2022.

**Geographic focus of our salient issues**

While our strategy review has focused our business on Northwest Europe, we are still connected to workers and communities around the globe in our roles as a procurer of goods and services, lender, and investment services provider. The strategic refocus did not affect the global nature of our connections as a procurer and investment services provider. It has, in some cases, created more

degrees of separation in terms of our connections to potential or actual impacts in our role as a corporate lender. For example, in our role as a lender, we are still connected to negative impacts on labour rights in the manufacturing of solar panels in China, even though we are many degrees removed from these impacts. On [page 43](#) we describe how we have investigated our connection and our plans to take action on this issue.

In our role as a procurer of goods and services, we are connected to potential impacts on workers in a range of locations. In particular, we rely on third-party service providers for services like IT and customer support in South Africa and India. Other areas of procurement, like purchasing computers or maintaining or building office buildings or branch offices, connect us to workers in many more geographies around the globe.

In our role as a service provider, clients who could experience a lack of access to financial services are located in northwest Europe. However, the affected people – people who rely on the support of these clients to meet their basic needs (such as support provided through humanitarian organisations) – may be located in a range of geographies around the world, in particular in places where people are experiencing poverty, conflict or natural disasters.

In our role as an investment services provider, we are connected to almost 10,000 businesses in our investment universe whose activities have an impact on workers and communities around the world.



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# Part C

## Management of our salient human rights issues

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# 1 Policies governing our salient issues

## Policy updates

Earlier in this report we discussed our policy ecosystem<sup>1</sup>, which includes our Human Rights Statement, our Code of Conduct, and our Sustainability Risk Management Framework. We updated some of the policies in that ecosystem during the reporting period, which we describe in this section.



### Procurer of goods and services

#### Our policy framework for suppliers on labour rights

Our [Supplier Code of Conduct \(Code\)](#) and our [International Framework Agreement \(IFA\)](#) remain two important policies that set out what we expect of our suppliers with regard to respecting the labour rights of their workers. During the reporting period, we conducted a review of our Supplier Code of Conduct with a view to bringing the Code in line with the due diligence process as set out in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as with our existing commitments and policies on human rights. The update is designed to help ensure that we consider sustainability and ethics (including human rights risks and impacts) when doing business with our suppliers. We also believe it will strengthen the policies and procedures our suppliers use to prevent and address negative impacts on labour rights.

While we have taken steps to strengthen our policies related to labour rights of workers affected by our suppliers, we recognise that the ESG risk management system as set out in our current policies requires improvement. To this end, we considered how to improve supplier due diligence processes in line with the global standards referenced above. The review and update of our Code was a first step. We have discussed the importance of suppliers being able to demonstrate to the bank that they are able to manage human rights-related risks by carrying out due diligence practices. We have also identified that our supplier due diligence process could be improved, for instance by incorporating a validation of the sustainability risk management of suppliers<sup>2</sup>. These processes have not yet been implemented, and are expected to be put into place in the next year.



### Service provider

#### Our policy framework relating to inability to meet basic needs, exacerbated by lack of access to financial services (“derisking and inability to meet basic needs”)

In our 2020 Human Rights Report<sup>3</sup>, we considered derisking and inability to meet basic needs within the wider context of discrimination in our banking services. As described in [the section on our salient issues](#), for this report we identified as salient the issue of civil society organisations having difficulty accessing financial services due to derisking. As a result, vulnerable people who rely on support from these organisations may be unable to meet their basic needs.

When deciding whether to provide new or existing clients with financial products and services, we are required by law to address anti-money laundering and counter-terrorism concerns. At ABN AMRO, we use our Anti-money Laundering and Counter-terrorism Financing (AML/CTF) policy framework to ensure we comply with these regulations. Several individual policies (such as the Client

<sup>1</sup> See [Human Rights Report 2020](#), page 15.

<sup>2</sup> This means that an initial sustainability assessment conducted by an ABN AMRO procurement professional receives a second opinion and review from a specialised sustainability professional within ABN AMRO.

<sup>3</sup> See [Human Rights Report 2020](#), page 39.

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Acceptance and Anti-Money Laundering policy and the Global Standards) help us determine a client’s potential financial crime risk. We review these policies yearly. We do not currently have a dedicated policy regarding the specific issues of derisking and inability to meet basic needs. Our existing policy frameworks are designed to prevent current clients from being inappropriately denied access to our financial services.



**Lender**

**Our policy framework for corporate clients relating to labour rights, land-related human rights, right to life and health, right to privacy and freedom of opinion and expression**

In our role as a lender, we have implemented various policies for corporate clients to help address risks and impacts that relate to labour rights, land-related human rights, the right to life and health as well as the right to privacy and freedom of opinion and expression.

Sustainability risk (which includes human rights) is fundamental to our goal of accelerating the sustainability shift, which is centred around three sustainability themes: climate change, circular economy and social impact. In our risk taxonomy, we identify sustainability risk as a material sub-risk under business risk, requiring its own risk management framework. The risk management framework operates in accordance with our ‘three lines of defence’ model. Our Sustainability Risk Policy remains our primary policy setting out the principles that guide our approach to sustainability risk management relating to banking and

**Generic Principles**

The Sustainability Risk Standard with Sector Requirements defines the “Generic Principles” that form the foundation of our ESG risk assessment of corporate clients and for verification that our clients are implementing the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The following 10 Generic Principles form the basis of our assessment:

1. Clients comply with applicable laws and regulations and are able to demonstrate transparency regarding their responsible business conduct.
2. Clients know the salient human rights risks of their own activities and business relationships and take measures to address these risks.
3. Clients have identified potentially affected groups and other relevant stakeholders and engage with them constructively and openly in assessing and mitigating human rights risks and addressing any grievances.
4. Clients monitor their GHG emissions and take measures to reduce them in line with the Paris climate goals.
5. Clients are aware what the transition to a net zero economy means for their business model and take appropriate measures to prepare for the transition.
6. Clients are aware of the physical risks of a changing climate for their business model and take appropriate measures to mitigate these risks.
7. Clients are aware what their impact is on biodiversity, water, air and soil and take appropriate measures to prevent biodiversity loss and pollution.
8. Clients are aware of how their business model depends on ecosystem services (for example: resources, pollination) and take measures to preserve these services.
9. Clients take measures to promote circularity and reduce the use of virgin material and waste (for example: through design, recycling, lifetime extension), if applicable.
10. Clients have a satisfactory ESG track record.

business relations. This policy sets out a Sustainability Risk Management Framework to guide our everyday activities. Our salient human rights issues in our role as a corporate lender are covered by this policy and framework.

We have implemented other sustainability risk policies, standards and statements to ensure that sustainability risks are adequately identified, analysed, mitigated, managed, monitored and reported. These policies apply at a bank-wide level and at sector-specific level. During the

reporting period, we implemented the following updates and changes:

- Our Central Risk Management (CRM) team is working on restructuring the Sustainability Standard with Sector Requirements in order to reflect the Generic Principles (see adjacent box) we adopted in January 2022. The current sector requirements do not independently weigh up each client’s risks and are somewhat proscriptive regarding risk mitigation actions.



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- ▶ Our aim regarding human rights risk assessment for our corporate clients is to move toward an approach that enables us to assess each client based on the risks relevant to them specifically, as well as ensure that our sector requirements are not excessively proscriptive and instead allow clients to mitigate risks using the most effective approaches for their particular risk profile. This is important because we strongly believe that effective risk management will differ from client to client.
- ▶ In 2022, we began the process of incorporating the Generic Principles into our Client Assessment on Sustainability (CASy) questions<sup>1</sup> for our clients in Corporate Banking. The CASy questions are a tool we use to assess our clients on sustainability issues. Incorporating these principles will help to broaden their scope and allow for them to be applied more broadly across the bank. This is important because these principles will now apply to all corporate clients with a One Obligor Exposure (OOE) over EUR 1 million where sustainability risks are relevant. We believe this change will ultimately help us to strengthen our overall environmental, social and governance (ESG) due diligence, and also prepare us for upcoming legislation like the European Union Corporate Sustainability Due Diligence Directive.
- ▶ In 2021, we revised and updated our Sustainability Risk Standard for Defence to include a clearer definition of which human rights issues it aims to mitigate. These are issues contributing to oppression and other abuses of human rights, international or regional instability,

internal armed conflict, civilian casualties, local corruption and terrorism. The Standard also strengthens our assessment of defence clients that we classify as high risk. It requires us to assess these clients for their human rights commitment and human rights due diligence processes, as well as their vetting and approval processes for purchase or sales of defence-related products and services. It also requires us to assess their policies and processes to prevent defence products from being supplied to paramilitaries, non-governmental armed groups, or end users for internal repression, violations of international humanitarian law or provocation or prolongation of armed conflicts.

- ▶ In line with our focus on engagement as a key means to both understand and address human rights risks in our role as a lender, we have adjusted some of our policy elements that were originally encapsulated in our Sustainability Risk Standard for Lending & Project Finance. We are removing this standard and shifting and expanding elements of it to existing or new policies and standards. Policy aspects on lending will be included in the Sustainability Risk Policy (already existing) and a separate Project Finance Standard (a new standard we developed and approved in 2022) respectively. Our standard around sustainability engagement has been expanded and is encapsulated in the Sustainability Risk Standard for Engagement, which was approved in 2022.
- ▶ Our Sustainability Risk Country Rating is no longer based only on the rating from ESG data provider Morningstar Sustainalytics<sup>2</sup>, but now also looks at whether a country has ratified certain conventions.



**Myrthe Haase**

Strategic Risk Specialist, Central Risk Management, ABN AMRO

**“At ABN AMRO, we respect the right of sovereign states to defend themselves, and weapons are a legitimate part of a defence programme. That’s why we don’t categorically exclude all weapons. However, we do carry out careful due diligence, including by screening any company that comes to us in need of financial services – be it payments or loans – for defence links. We want to make sure that we take steps to mitigate potential human rights risks and avoid unintentionally, through our clients, contributing to or being directly linked to for example armed conflicts at the expense of civilians.”**



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<sup>1</sup> See Human Rights Report 2020, page 57.

<sup>2</sup> ABN AMRO evaluates potential holdings using data supplied by Sustainalytics, a Morningstar company and a globally recognised provider of ESG research, ratings and data. Potential holdings are created/ managed by ABN AMRO at its sole discretion and as the single entity responsible for the assessment conclusions. This applies to all our references to Morningstar Sustainalytics throughout this report.



These conventions include the Paris Agreement Under the United Nations Framework Convention on Climate Change, the eight fundamental conventions of the International Labour Organization, the UN Kyoto Protocol on climate, the UN Convention on Biological Diversity, the Convention on International Trade in Endangered Species, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the International Convention on the Rights of the Child; and the International Convention on the Elimination of All forms of Discrimination against Women.

- ▶ We have updated our Exclusion List to reflect societal developments, new scientific insights, and dialogue with external stakeholders. We did so to reflect that we will not provide financial products or services to entities that:
  - ▶ produce, sell and/or distribute controversial weapons, which now includes depleted uranium weapons and fully autonomous weapons
  - ▶ provide private security services in countries that are defence-sensitive<sup>1</sup>, without the company being member of the International Code of Conduct Association (ICOCA)
  - ▶ sell small arms and light weapons to the private sector in countries without gun control laws or countries that are defence-sensitive
  - ▶ provide labour agency services and are not certified – or in the process of becoming certified – by the Labour Standards Foundation (SNA) and (if they provide housing to migrant workers) the Housing Standards Foundation (SNF). Employment agencies

that do not operate in the Dutch market must provide evidence that they comply with the same material standards

- ▶ We have updated our Controversial Weapons List (CWL), which excludes both publicly listed and private companies that are involved in controversial weapons. Morningstar Sustainalytics supplies us with research data on a quarterly basis regarding which companies are involved in the production, trade and/or sales of any weapons listed in our CWL. On an annual basis, we consolidate this information and update our CWL by adding and removing companies accordingly. The number of companies added to our CWL has been much higher during the reporting period than in previous years. Morningstar Sustainalytics has indicated that over the last two years, many new companies have become (indirectly) involved in controversial weapons. The updates which took place during the reporting period are in line with Morningstar Sustainalytics' input from June 2021 and June 2022. Part of the implementation of this policy is a preventative measure.
- ▶ Morningstar Sustainalytics flags which companies are active in the production, trade and/or sales of controversial weapons and we put them on our watchlist. We then proactively send a letter to those flagged companies and request an explanation. If the company fails to provide a satisfactory explanation within a year, we notify them that they have been placed on our CWL and outline the consequences – namely, that our clients will no longer be able to

invest in the company and that we will refrain from doing business with them.

- ▶ In line with recommendations on preventing migrant worker exploitation in the Netherlands, commissioned by the Dutch government and led by the Dutch politician Emile Roemer, we have adopted stricter client acceptance criteria for labour agencies. We now expect these agencies to be certified by, at least, the Labour Standards Foundation (SNA), and by the Housing Standards Foundation (SNF) if they provide housing to migrant workers. While SNA and SNF provide certifications, we are also strengthening other elements of our client and credit acceptance due diligence procedures for these clients to cover the entire spectrum of issues that are relevant to the issues of fair pay and decent working and living conditions among vulnerable migrant workers in the Netherlands. This is in line with the recommendations of the Roemer report 'Geen tweederangsburgers' by the Migrant Worker Protection Taskforce<sup>2</sup>.
- ▶ Our Corporate Banking team included terms around responsible ship recycling in facility agreements for all relevant transactions relating to shipping and floating production storage and offloading (FPSO) entered into in 2021 and 2022<sup>3</sup>.

<sup>1</sup> As defined in our Sustainability Risk Standard for Defence.

<sup>2</sup> This taskforce was set up to achieve greater protection for migrant workers.

<sup>3</sup> We are a founding member of the Responsible Shipbuilding and Recycling Standards for Banks. These standards address asset-based financing (where the bank directly finances the ship).

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**Investment services provider**

**Our policy framework for businesses in our investment universe relating to labour rights, land-related human rights, right to life and health, right to privacy and freedom of opinion and expression**

We implement various policies to help manage our salient human rights issues in our role as an investment services provider. The Sustainability Risk Standard for Investment has been dissolved. The primary policies governing the management of our sustainability risks (including our salient human rights issues) for this role has been integrated in the Client Investment Risk Policy.

In 2022, we updated our ESG and Sustainability Standards for Investment Products. Key updates include:

- ▶ Minimum criteria for ESG investing<sup>1</sup> and Sustainable Impact Investing. For example, businesses must have good corporate governance practices, and activities of the investee companies must contribute to a sustainable environmental and/or social objective such as achieving the Sustainable Development Goals or alignment with the Paris agreement for specific investment products.
- ▶ For ESG Leaders<sup>2</sup>, an exclusion has been added for sovereign bonds of countries that demonstrate poor human rights performance.

- ▶ For ESG Improvers, an exclusion has been added for sovereign bonds of countries that have not ratified the ILO Convention 182 on child labour.
- ▶ Our screening on businesses' compliance<sup>3</sup> with the 10 Principles of the UN Global Compact has been extended to apply to more investment products.

In terms of requirements, we are subject to the implementation of the second phase of the EU Sustainable Finance Disclosure Regulation (SFDR), set to take place in January 2023. The SFDR requires financial market participants operating in the EU to disclose the various sustainability risks associated with their investments and products, as well as their policies relating to these risks. Sustainable investments are also required to 'Do No Significant Harm' (DNSH) and must take into account principal adverse impacts (PAIs) and meet the minimum social safeguards. To meet these safeguards, they must be aligned with the OECD Guidelines for Multinational Enterprises as well as the UN Guiding Principles on Business and Human Rights. The Sustainable Finance Platform recently released a guidance report on these safeguards that emphasise robust due diligence processes, legal liability and active participation in existing remedy mechanisms. We are seeking to formalise human rights structurally in our investment policies.

“ Sustainable investments are also required to ‘Do No Significant Harm’ and must take into account principal adverse impacts and meet the minimum social safeguards. ”



<sup>1</sup> ESG investing is split into two sub-categories: ESG Improvers and ESG Leaders. The classification is used for instruments, portfolio/service concepts, and the client sustainability profile. ESG Leaders are considered more sustainable than ESG Improvers.

<sup>2</sup> We offer three types of ESG and sustainable investing solutions to clients: (i) an ESG Improver: we apply exclusions to avoid significant harm; (ii) an ESG Leader: we apply even more exclusions and select investments based on good ESG performances; and (iii) Sustainable Impact: we select investments that make a positive contribution to the sustainability objectives.

<sup>3</sup> Non-compliance with the UN Global Compact Principles is determined by our partner Morningstar Sustainability.

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## 2 Assessing risks and impacts

We use various tools and methods that help us understand how our salient human rights issues are evolving. During the previous reporting period, we used our Human Rights Risk Register (HRRR) to help us to identify, manage and address our human rights risks and impacts. In 2021 and 2022, we shifted away somewhat from using our HRRR on a daily basis. We have found that, in practice, the quarterly human rights risk reviews we prepare for our broader Enterprise Risk Management (ERM) process are a more practical tool to understand how our salient issues are evolving, as well as helping us track whether our risk management efforts are working. By using the ERM system as a cornerstone of our human rights due diligence, we ensure human rights risk management is integrated into the bank's core risk management system. Our ERM system is the bank's primary risk management reporting tool for all types of risks, and ERM reports are reviewed by the bank's most senior levels, including the Executive Board and the Group Risk Committee.

The review process provides us with a means to discuss actions and trends among colleagues. Specifically in relation to identifying our salient issues, the quarterly review process helped us identify that privacy and freedom of expression and opinion should be included as a salient human rights issue in our role as a lender. It also drew our attention to the issue of derisking and poverty in our role as a service provider, highlighting that non-profit organisations continue to face heightened risks of being inappropriately derisked. This reflects an industry-wide challenge that we have not yet sufficiently mitigated.

We also use quarterly risk reviews to examine how we engage with a range of stakeholders as well as our own clients and businesses in our investment universe. We assess the quality of these engagements in the reports, which has helped improve our overall dialogue.

The quarterly review process involves numerous employees from across the bank:

- ▶ We have a designated team of people who provide input for quarterly human rights risk reviews that relate to 'issues of focus' as they arise, such as human rights risks in the solar panel supply chain. The team also considers on an ongoing basis new information that can be included in the quarterly risk reviews, for example from client conversations and reviews of client documentation, as well as reports from media and civil society organisations. In this way, the quarterly reviews capture information about human rights issues for each of our roles (as a lender, a procurer of goods and services, etc.).
- ▶ Employees from other parts of the bank, including Corporate Banking, Risk Management, Procurement and Wealth Management, complete a questionnaire that asks for updates on actions and information in six categories relating to the human rights due diligence process: policies and commitments, assessing risks and impacts on people, taking action, tracking performance, grievances and access to remedy, and stakeholder engagement. Each questionnaire is tailored to the profile of the business area completing it.



**Yuri Herder**

Business and Human Rights Adviser, Sustainability Centre of Excellence, ABN AMRO

**“We have found that our quarterly reviews on human rights help us monitor how our salient issues change over time. Sometimes the reviews show that certain issues arise less frequently. Sometimes they highlight new salient issues, or certain aspects of these issues that shed new light on our understanding of the issue and how we address it.”**



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- ▶ The types of questions asked in the templates include:
  - ▶ Do you have any concerns about the extent to which we implement our current Sustainability Risk Management Framework? Do you see any incoherence between our existing policy rules, guidelines and statements?
  - ▶ Do you see any barriers to effectively conducting human rights due diligence? E.g. difficulty identifying all risks, tension with commercial objectives, knowledge gaps, capacity constraints, time constraints, lack of leverage, etc.
  - ▶ Did you notice any trends or patterns in human rights issues associated with the client portfolio in your area of business?
  - ▶ Has your area of business discussed human rights issues with clients? Which topics were addressed? Did these discussions yield results?

Each ERM review provides a red-amber-green rating of how well we are managing human rights risks in a given role. The quarterly ERM reviews on sustainability (including human rights) are channelled into the broader Central Risk Management ERM process. Human rights constitute one key risk indicator among broader sustainability risks tracked in a process led by Central Risk Management.

Here we provide a summary of key findings from the ERM reviews conducted during the reporting period that are pertinent to our salient issues, organised by our roles.



### Procurer of goods and services

**Our procurement function makes use of two screening tools designed to help us assess sustainability risks and performance of our suppliers, including how they relate specifically to labour rights risks. These two tools are: Hellios and Global Sustainable Enterprise System (GSES).**

#### Hellios

Hellios is a monitoring tool we use to assess risks such as sustainability and human rights risks connected to tier 1 and 2 suppliers<sup>1</sup> that provide us with services. Hellios provides a standard mechanism for collecting and managing supplier audit related data. Its Financial Services Supplier Qualification System (FSQS-NL) allows for data to be stored based on supplier due diligence. Hellios collects basic information about a supplier, which it uses to produce a profile on the supplier’s legal entity, financials and the nature of goods and services being supplied. In October 2020, we began to divide our suppliers into batches, starting with our first batch of high-risk suppliers<sup>2</sup>. In 2021 we approached the next batch of suppliers that will be asked to enter data into the Hellios system. Around 350 suppliers were contacted by 2022 and we have now begun to add subsidiaries and international branches to Hellios.

Hellios requires suppliers to complete a questionnaire that includes questions about sustainability. This gives us some insight into labour rights risks connected to these suppliers in their own operations. Examples of questions

### Keeping track of the changing nature of our salient issues: moving from reactive to proactive



The ERM review process is the primary way we identify changes to the nature of our salient issues over time. We complement this with thematic engagements, sectoral reports on topics like retail and shipping, and by leveraging transactional and account data to spot issues that can be difficult to detect. We keep abreast of emerging issues in specific sectors by regularly engaging with and by consulting trade unions and civil society representatives, and consulting media reports and specialised outlets. Our ongoing, regular conversations and documentation reviews with clients also help us stay aware of the changing nature of the risks we are connected to through our clients. For a business as large as ours, which includes many complex procedures, turning ad-hoc trend reporting into a systemic, proactive process can be challenging, but we are making progress and plan to continue efforts to be more proactive in monitoring salient issues in the coming years.

are ‘Has your company had any employment tribunal claims brought against it in the past three years?’ and ‘Does your company train your employees to identify and report on modern slavery?’.

<sup>1</sup> ABN AMRO defines tier 1 and 2 suppliers as those that fall into one of the following categories: outsourcing (T1), Critical or Important Functions, including material cloud (T1), IT Crown Jewel (T2), Critical Data (T2), Critical Business Continuity (T2).

<sup>2</sup> We determine whether a supplier is ‘high-risk’ by assessing the supplier’s third-party arrangement and scoring them using different risk triggers (this helps us identify any inherent risks). And we define a default set of third-party risk checks that apply to a specific contract or supplier. This ensures that we apply risk controls that are proportionate to the level of risk – being the inherent risk tier of the contract – that we run in that third party arrangement.

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The same suppliers in the Hellios system are also in GSES (see below). The questionnaire only reaches our tier 1 and 2 suppliers and many of these questions do not relate to a supplier's human rights risk management practices. This inevitably leaves a gap in our understanding of labour rights risks associated with the full set of our suppliers and their business relationships.

While Hellios gathers data from suppliers, we have not yet implemented a process where we take action based on that information. The data should be used to help us actively engage with suppliers to find out what steps they intend to take to manage their human rights risks and whether or not they have created remedial processes to address these risks, or a process to track or report on their own performance.

## GSES

GSES is another tool we use for supplier benchmarking. It is based on sustainability certificates obtained by (some) suppliers. Where suppliers do not have certificates, the GSES system may also perform assessments. Suppliers that have more sustainability certifications receive higher scores. The scores range from 0 to 5, with 5 being the highest. A GSES Score comprises six pillars: corporate social responsibility (CSR), sustainable procurement (SP), carbon reduction, circular economy, health and safety, and biodiversity. To obtain a certificate, suppliers upload their sustainability certifications and receive a score and a rating.

The CSR pillar is based on the ISO standard 26000. This pillar looks at an organisation's generic approach to sustainability and is strategic in nature. It relates to both business operations and business processes and has an impact on the supply chain and on society.

The SP pillar is based on ISO 20400, which also addresses, to a degree, human rights risk management. This is similar to the CSR pillar, but the SP pillar focuses on how the organisation implements and develops sustainable procurement. In ISO 20400, sustainable procurement is defined as 'purchasing with the most positive environmental, social and economic effects, that are possible throughout the entire life cycle<sup>1</sup>'. This pillar's scope includes the company's own operations as well as the operations of its suppliers in tiers 1 and 2 of its supply chain.

We onboard our tier 1 and tier 2 suppliers and suppliers where our contract size exceeds 1 million euros onto the GSES platform in tranches. In 2021, we onboarded the first tranche of suppliers, and we are currently analysing the data. In 2022, we onboarded the second tranche and we are currently preparing to onboard the third tranche at the end of 2022. By the end of 2022, 444 suppliers had been onboarded.

We recognise that our current screening tools (GSES and Hellios) have shortcomings when it comes to their utility in our efforts to manage labour rights risks connected to our role as a procurer. For example, the tools are focused on the presence of certain policies, procedures, or certifications, which may not reflect the actual efficacy of suppliers' efforts to prevent and address labour rights

impacts in practice. We have also yet to follow up on findings from the data entered into these systems. Finally, the data required from suppliers by these systems does not fully reflect the human rights due diligence process as set out by the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles. However, we believe that the steps we have taken during the reporting period are in the right direction and we intend to make progress on strengthening our human rights due diligence in our procurement role in the coming years.

In addition to these screening tools, we are investigating possibilities for new procedures that will enable effective due diligence, engagement and access to remedy.

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<sup>1</sup> [gses-system.com/about-the-pillars/](https://gses-system.com/about-the-pillars/).



### Lender

**In our role as a corporate lender, our sustainability assessments (CASY questionnaires) are a key tool to understand human rights risks our clients are connected to. To this end, we hold regular conversations with clients. The CASY questionnaire – and clients’ responses to it – provides a structure for many of these conversations.**

Our corporate clients’ human rights risks, and leading practices to prevent and address them, are constantly evolving. That means we need to regularly update our CASY tool. During the reporting period, Corporate Banking updated our CASY questionnaires to better reflect human rights risks for the leisure and business services sectors, including risks around migrant and temporary workers’ labour rights, which was a thematic engagement focus for us during the reporting period. We have taken several steps to strengthen our risk assessment on this topic – read more on [pages 45–46](#). Read more about the outcomes of these assessments on [page 53](#).

We recognise that even if we build a strong CASY tool, it will only be useful if our own employees and our corporate clients see the value in it. Through our ERM reporting process, we identified that the CASY process could be used more effectively as an opportunity to identify and spur management of human rights risks and impacts. We recognise we have work to do to continuously raise awareness about the value and importance of human rights risk assessment and performance monitoring, and how the CASY tool can contribute to that.



### Service provider

**Through our participation in various dialogue fora (see [page 39](#)) as well as our attention to expert reports<sup>1</sup>, we recognise that inappropriate derisking of non-profit organisations continues to be a challenge for the broader financial sector, including ABN AMRO.**

Based on general observations (including gleaned from multistakeholder settings) and learning from existing cases, we know that inappropriate derisking tends to occur with new clients that are applying for an account. From exchanges with employees responsible for conducting Know Your Client (KYC) checks on new clients, we feel confident that employees conduct the KYC in good faith and do not inappropriately derisk a new client on purpose. In-depth investigation has shown us that new clients in the non-profit sector have been rejected for not providing us with information required under various regulations and bank policies. Those investigations have shown us that inappropriate derisking tends to occur when clients have not provided us with information required under various regulations and bank policies. To try to address this information gap, we have set up a resource page for non-profit organisations to help them understand what kind of information is necessary to have an account with us, and how we conduct checks in compliance with anti-money laundering and anti-terrorism financing regulations. See more on this on [page 50](#) of this report.



#### Nelleke Hoffs

Business and Human Rights Adviser, Sustainability Centre of Excellence, ABN AMRO

**“Some non-profit organisations have ceased their crucial and valuable work because of increasing regulatory pressure. This is a very problematic situation that can have significant negative consequences for people who depend on these organisations in their daily lives. At ABN AMRO, we want to contribute to ensuring that non-profit organisations can perform their crucial role in society – and to do this, they need access to financial services. Fortunately, for the vast majority of non-profit organisations we serve, this is not a problem. At the same time, we want to avoid that mandatory implementation of laws and regulations would cause us to hinder non-profit organisations in carrying out their work.”**

<sup>1</sup> For example, “Bank De-Risking of Non-Profit Clients: A Business and Human Rights Perspective,” New York University Paris EU Public Interest Clinic, 2021, [hscollective.org/assets/Uploads/NYU-HSC-Report\\_FINAL.pdf](https://hscollective.org/assets/Uploads/NYU-HSC-Report_FINAL.pdf).

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We try to keep track of data about instances when non-profit organisations are at risk of or have been inappropriately derisked by ABN AMRO, but we face considerable challenges to interpret and make use of this data. This is for the following reason: Under the EU General Data Protection Regulation, we are not allowed to keep data from clients that attempted to open a bank account with us but were not successful. Their reasons for not being successful are not always due to inappropriate derisking. For example, some clients that apply for an account may not receive one if they do not provide us with information required under various regulations and bank policies. We are unable at this time to put a figure on the number of non-profit organisations applying to be a client with us that face inappropriate derisking.

We track data about the number of non-profit organisations with which we exited the relationship in the past year. However, not all relationship exits are due to inappropriate derisking. Sometimes the exit is due to the organisation ceasing to exist, choosing to switch banks, or because they had other reasons to exit the relationship (not related to money laundering or terrorism financing concerns). Sometimes we can identify former clients' reasons for leaving, but this is not true in all cases.



### Investment services provider

**Our insights on trends and patterns<sup>1</sup> related to our salient issues come from various sources. Our in-house experts use conversations with colleagues, stakeholders, issue experts, peer financial institutions as well as reports from media, academia and civil society to keep abreast of the human rights risks we face and how they are evolving over time.**

We also rely on risk information provided to us by ESG data provider Morningstar Sustainalytics. This approach to assessing risk is unchanged from the approach we shared in our previous human rights report.

During the reporting period, we extended our contract with Morningstar Sustainalytics. We now also receive data from Morningstar Sustainalytics on 'Principal Adverse Impacts (PAIs)<sup>2</sup>' as defined in the Regulatory Technical Standards (RTS) of the Sustainable Finance Disclosure Regulation (SFDR), which includes data on gender pay gap and human rights performance<sup>3</sup> of countries. Our asset management company, ABN AMRO Investment Solutions (AAIS)<sup>4</sup>, also monitors PAIs with relevance to our salient issues in our role as an investment services provider, and AAIS is in the process of integrating monitoring into their existing human rights due diligence processes.



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<sup>1</sup> See Human Rights Report 2020, page 73.

<sup>2</sup> 'Principle Adverse Impacts' has been defined in our ESG and Sustainability Standards for Investment Products as: "investment decisions and advice may cause, contribute to or be directly linked to effects on sustainability factors that are materially or likely to be materially negative." Sustainability factors are further defined therein as being "environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters".

<sup>3</sup> Human rights performance is based on an assessment of political rights and civil liberties, which we obtain from Morningstar Sustainalytics.

<sup>4</sup> See Human Rights Report 2020, page 68.



### Taking steps to tackle the challenge of civic space restrictions and their impact on risk assessment



In the majority of countries around the world, civic space is restricted. This means that people living in these countries experience restrictions on their ability to organise, participate and communicate freely in order to claim their rights and influence the political and social structures around them<sup>1</sup>. Civic space restrictions have many detrimental effects on human rights. These restrictions also significantly hinder the ability of businesses, including ABN AMRO, to gain access to reliable and complete information about risks and negative impacts on human rights in places where civic space is restricted. Effectively, civic space restrictions create a “black box” situation, where we struggle to have the information we need to identify human rights risks we may be connected to through our business relationships.

To try to better understand the nature of this challenge and how a financial institution like ABN AMRO can try to tackle it, in 2021 we formed a group of financial institutions and financial information service providers, as well as a representative from civil society. Over a period of several months in 2022, we held regular online discussion sessions where we heard from a range of issue experts and civil society representatives how civic space restrictions affect risk information on specific geographies. Ideas were also put forward about alternative data gathering and verification approaches that could help us attain critical risk information despite civic space restrictions and without harming human rights defenders who can provide this information. The group intends to publish a summary of its findings and insights in a public paper to be released in 2023.

<sup>1</sup> Definition from Civicus, [monitor.civicus.org/whatscivicspace](https://monitor.civicus.org/whatscivicspace).

Our human rights specialists within our Sustainability Centre of Excellence team increasingly recognise the challenge to identify reliable information about the human rights context in a given country, including as this information relates to our salient issues. This means that we regularly question and consider what the data from ESG service providers is (or is not) telling us about human rights issues we are connected to via our investment services (this also applies in our role as a lender). During the reporting period, we continued our regular dialogue with Morningstar Sustainalytics on the availability and quality of its data and methodologies on human rights. In 2022 we added a new set of data points to our data set provided by Morningstar Sustainalytics,

including human rights performance. We are currently in the process of analysing the results. We are also collaborating with Morningstar Sustainalytics as part of a dialogue and learning group of Dutch financial institutions and financial information service providers regarding improving our assessment of human rights risks in contexts where civic space is restricted. We provide more information about that collaboration in the story box above.

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# 3 Dialogue and engagement

We continue to use dialogue and engagement tools<sup>1</sup> that help us not only to understand the perspectives of potentially affected people, but also to assess human rights issues and take action.

## Approaches we use to hear the perspectives of potentially affected people

As part of our human rights commitment, we strive to hear from potentially affected people (or their legitimate representatives), particularly as it relates to our salient issues. We continue to use stakeholder engagement as a tool for learning to understand the issues at hand and collaborate on solutions. During the reporting period, we heard the perspectives of potentially affected people through various conversations and formats, which we set out below.

- ▶ **Service provider:** We participate in the Human Security Collective and the Dutch central bank (DNB) roundtable discussions on access to financial services for non-profit organisations. These discussions include representatives from Dutch ministries, other commercial banks, and non-profit organisations (mainly civil society organisations providing international humanitarian and development aid). We also have regular meetings with non-profit sector organisations, which alerts us to new issues related to negative impacts on people arising from compliance with the Dutch act on the prevention of money laundering and financing of terrorism (Wwft<sup>2</sup>).
- ▶ **Procurer of goods and services:** Our suppliers' workers can use our Speak Up channels<sup>3</sup>. Although Speak Up channels are available to any of their workers, we recognise they are not always user-friendly.

We are considering whether we can hear concerns about labour rights from workers in our supply chain through our human rights remedy mechanism, which we are currently developing (see [page 55](#)).

- ▶ **Lender:** We continue to gain insight into the perspectives of potentially affected people<sup>4</sup> through conversations with civil society organisations and trade unions, as well as through published reports from these groups. One example is research we conducted into labour conditions in the shipping industry, which we carried out by engaging directly with seafarers through social media channels. This enabled us to hear about the social issues that seafarers face in the shipping industry. The initiative is discussed in more detail on [page 44](#) of this report.
- ▶ **Investment services provider:** When it comes to hearing the perspectives of potentially affected people<sup>5</sup>, we engage with businesses in our investment universe regarding their own stakeholder engagement, and we have regular discussions with civil society organisations about human rights risks we are connected to through our investment services. Because it can be very challenging to understand the perspectives of potentially affected people when we are farther removed from risks and impacts, we also seek to complement our understanding through engagement with experts, our clients, news media, peer financial



**Tanja Cuppen**  
Chief Risk Officer of the  
Executive Board, ABN AMRO

**“I see that human rights have become more and more central to our conversations with clients. This is important to us because we want to make sure our clients are aware of the human rights risks they may be connected to. After all, we care for affected people and communities, but we also care for our clients’ businesses: human rights risks often converge with other business risks. We see that our clients increasingly value these conversations and the way our relationship managers discuss social risks in their value chain or sector.”**

institutions, governments, our investment engagement partners, and ESG data providers.

Our CEO Robert Swaak, together with our Executive Board, previously engaged in discussions about human rights issues with representatives from civil society organisations. This activity was paused during the reporting period due to the Covid-19 pandemic and we have not yet resumed engagement.

<sup>1</sup> See Human Rights Report 2020, page 43.  
<sup>2</sup> Wwft stands for the Wet ter voorkoming van witwassen en financieren van terrorisme and provides a set of measures to prevent the use of the financial system for money laundering or terrorism financing.  
<sup>3</sup> See Human Rights Report 2020, page 84.  
<sup>4</sup> See Human Rights Report 2020, pages 48-52.  
<sup>5</sup> See Human Rights Report 2020, page 45.

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# People and organisations we engage with

We continue to remain deeply invested in engagement in order to help us understand, prevent and address human rights issues and impacts we are or could be connected to.



## External insights and expectations:

### Engagement with this group led by:

- ▶ Sustainability Centre of Excellence
- ▶ Legal
- ▶ Central Risk Management
- ▶ Media Relations and Public Affairs

### Types of people in this group:

- ▶ Representatives from other financial institutions and companies
- ▶ Government representatives
- ▶ Issue experts, such as legal professionals, consultants and academics



## Stakeholders: potentially affected people:

### Engagement with this group led by:

- ▶ Sustainability Centre of Excellence
- ▶ Personal & Business Banking
- ▶ Complaints Management
- ▶ Customer Care Centre
- ▶ Corporate Banking

### Types of people in this group:

- ▶ Potentially affected people (e.g. workers at factories operated by corporate clients, communities affected by operations of a company in our investment universe, non-profit organisations that have been derisked); and their legitimate representatives (e.g. trade unions, civil society organisations)



## Convening

We bring people together from various groups for dialogue, information exchange and to discuss solutions.



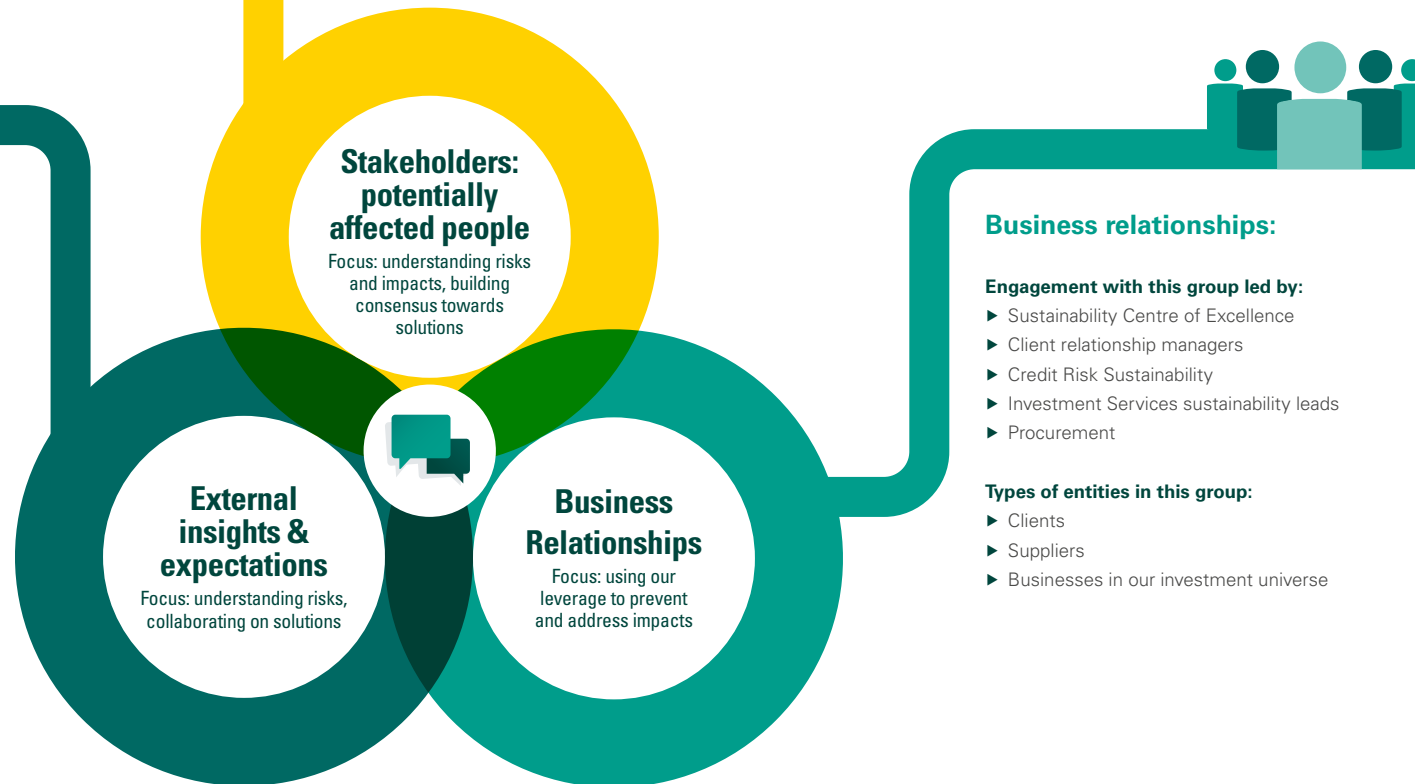
## Business relationships:

### Engagement with this group led by:

- ▶ Sustainability Centre of Excellence
- ▶ Client relationship managers
- ▶ Credit Risk Sustainability
- ▶ Investment Services sustainability leads
- ▶ Procurement

### Types of entities in this group:

- ▶ Clients
- ▶ Suppliers
- ▶ Businesses in our investment universe



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## ABN AMRO as a convener and participant in dialogue

During the reporting period, we were able to resume some of our dialogue, convening and participating in activities after a pause due to the Covid-19 pandemic.

- ▶ In 2021 and 2022, we continued our annual human rights conference – see [page 17](#) for more on the topics of those events. The conferences help raise awareness of human rights issues within ABN AMRO and serve as a way for us to convene dialogue regarding human rights
- ▶ As described on [page 36](#) of this report, we convened a dialogue and learning group in 2021 and 2022 to help financial institutions and ESG data providers understand how to improve our human rights risk assessments for countries with civic space restrictions.
- ▶ We continued conversations in our human rights practitioners group, which is an informal learning and exchange group of human rights professionals working in businesses.
- ▶ We continued to actively participate in the Human Rights Working Group convened by the Dutch Banking Association (NVB), which started at the conclusion of the Dutch Banking Sector Agreement.
- ▶ We participated in the Human Security Collective and the Dutch central bank (DNB) roundtable discussions on access to financial services for the non-profit sector. One of the conclusions from the roundtable discussions was the need for better information sharing as well as an online information resource for non-profit organisations that can provide information about risks in the sector and prepares them better for the processes of the bank. We have established such a [resource for ABN AMRO clients](#) – see more on [page 50](#).

Through the roundtable discussions we are in the process of creating risk-related typologies in collaboration with various non-profit organisations, the Dutch Banking Association (NVB), the Dutch Ministry of Finance, ING bank and Rabobank. The aim of the typology is to establish a more realistic view of money laundering and terrorist financing risks in the non-profit sector. Sessions have taken place in which non-profit organisations share information about the typical transactional and governance behaviour of organisations such as their own.

- ▶ We have spoken about the importance of preventing inappropriate derisking of non-profit organisations at several forums, including the EU AML/CTF Global Facility conference in Georgia on financial services access for non-profit organisations in light of the war in Ukraine, a Human Security Collective panel on practical solutions to avoid inappropriate derisking, a masterclass for KYC analysts at ABN AMRO, ING bank and Rabobank.
- ▶ We were involved in the Human Rights Measurement Initiative (HRMI) during the reporting period. The initiative that provides robust, comprehensive measurements to track the human rights performance of individual countries. It provides country-level human rights performance data drawn from both public sources and a network of human rights experts and defenders around the world. We played an active role in brainstorming ways in which the private and financial sectors could make better use of HRMI data. We also helped organise a summit on HRMI that was held in September 2022, and facilitated a workshop that sought to help improve access to remedy by leveraging HRMI's global network.

### Using our voice to push for binding requirements for human rights and environmental due diligence



During the reporting period, we actively engaged with European Union representatives regarding plans for an EU directive for business to undertake human rights and environmental due diligence, the EU Corporate Sustainability Due Diligence Directive (CS3D). We have called on the EU to ensure the CS3D is aligned with existing voluntary standards such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, and noted that current drafts of the directive are not wholly aligned with these standards. We have made clear that we would value a strong CS3D aligned with these standards in order to create a level playing field among businesses and to ensure they demonstrate responsible conduct that furthers shared sustainability objectives.

As we await finalisation of the directive, we are preparing an internal gap analysis of our own human rights and environmental due diligence, as well as getting ready for conversations with our clients regarding compliance with the directive.

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## Engagement as a tool to use our leverage in our business relationships to prevent and address salient issues

In our role as a lender and investment services provider, we continuously engage with our corporate clients and companies in our investment universe. Through these engagements, we use our leverage to support and push clients and companies to strengthen their efforts to prevent and address human rights issues and monitor their progress on doing business with respect for human rights in line with the UNGPs and OECD Guidelines and in keeping with the expectations set out under our Sustainability Risk Management Framework. Our overall system and approach for this type of engagement remained unchanged over the reporting period.

We divide our engagements with corporate clients into four general categories: normal intensity, focus list, high intensity and thematic.

- 1. Normal intensity:** an ongoing process to address human rights issues that is tailored to the client's particular risks or impacts and improvement areas.
  - ▶ We engage with clients on a 'normal' intensity level if we identify improvements clients could make to their human rights due diligence. In the event of allegations of negative impacts, we contact clients to discuss our findings and work together to find ways to address them.

### Degrees of separation: changes in the way we are connected to our salient human rights issues in our role as a lender

Our strategy review announced in 2020 has meant we have reduced our Corporate Banking activities outside of Northwest Europe. This includes exiting from our Trade & Commodity Finance activities and substantially reducing financing in the agricultural commodities sector, and has resulted in a significantly different client portfolio in Corporate Banking. We now have far fewer high-intensity engagements on human rights issues with corporate clients.

As shown by the salient issues we have identified in our role as a lender, we continue to be connected to a number of human rights risks and impacts through our corporate lending clients. The nature of those connections has changed, however: we are now frequently more degrees removed from where the impacts are occurring. This does not change our responsibility, because we are still directly linked to the risks and impacts. Being further removed from risks and impacts does, however, mean that our leverage is different, and the conversations we have with our corporate clients that are connected to risks and impacts in the value chain are slightly different. It also means that we have to work harder to identify where human rights risks or impacts may exist in connection with a corporate client's business activities. One way we are doing this is by tracking financial transactions, which we describe in one particular case on [page 43](#).



- 2. Focus list:** an ongoing process that we initiate if we identify a combination of multiple high-risk factors such as sector and country risks, risks related to the nature of our relationship with the client, and reports from media or civil society organisations that give cause for concern.
  - ▶ Clients on our focus list are closely monitored. These may be clients operating in very sensitive circumstances or in sectors or countries with high inherent risks, or clients that are material to ABN AMRO's business due to the nature of the relationship. Close monitoring means that our first-line function monitors the client's sustainability performance on an ongoing basis and, where necessary, intensifies contact with the client. The first and second-line risk functions inform the Engagement Committee of any important developments with clients on this list.
- 3. High intensity<sup>1</sup>:** a formal, time-bound process that involves setting detailed objectives. This process is closely monitored by relationship managers and the Credit Risk Sustainability team, with quarterly oversight by our Engagement Committee.
  - ▶ We engage with clients on a 'high' intensity level if we identify that more complex efforts are required for the clients to improve their human rights due diligence. If clients do not achieve the agreed objective within the set time period, the business relationship may be terminated. Due to the strategy review, we had fewer high-intensity engagements in the reporting period. Of the two cases of such engagements, one is discussed in more detail below.

<sup>1</sup> See [Human Rights Report 2020](#), page 58.

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**4. Thematic:** this category applies if we identify that a sector or industry is at risk of breaching the bank's ESG-related requirements, including our requirements regarding human rights. Various teams within ABN AMRO can propose a thematic engagement, and the decision to engage is taken by our Engagement Committee. We use thematic engagements for risk mitigation purposes, as well as to achieve our strategic objectives for accelerating the sustainability shift.

The following text provides examples from normal intensity, focus list, and high-intensity engagements related to our salient human rights issues that took place with corporate clients during the reporting period. These engagements are driven by concerns that severe impacts have occurred. In a later section we discuss thematic engagements, as well as engagements with businesses in our investment universe.



**Engagement on human health impacts in metal production:**

A client in the metals sector has recognised the need to transition to lower emissions processes in its metals production activity, but this transition requires significant investment. Metal processing can be risky for human health, due to emissions and pollution, which are a common output from heavy industrial processes. As is increasingly the case across our corporate client portfolio, this engagement involves helping our client make the transition to sustainability: becoming more 'future-proof' for the net zero transition, while respecting human rights. In this engagement, we have discussed how to manage pollution impacts on human health, as well as the importance of grievance mechanisms as a way to hear concerns from affected people, provide remedy, and track the effectiveness of measures the company is taking to manage negative impacts on people.



**Engagement on labour rights impacts on workers in the food industry:**

We have held conversations with meat processors, retailers, and logistics companies about the challenges they face to respect labour rights during the Covid-19 pandemic. As part of our dialogue on ESG risks with these clients, we discussed how they cope with these challenges. Media reports have called attention to the spread of the Covid-19 virus in workplace facilities and pressure on workers to falsify Covid-19 test forms.



**Engagement in the dredging sector on ecosystem impacts, livelihoods, resettlement, stakeholder engagement and grievance mechanisms:**

We have multiple clients in the dredging sector, which carries persistent risks to human rights in a dynamic context. During the reporting period, we engaged with several clients on different dredging projects and risks around broader ESG issues and ecosystem impacts, livelihoods and (economic) resettlement, stakeholder engagement, and grievance mechanisms.



**Engagement on grievance mechanisms and access to remedy in project financing:**

We have had multiple conversations with project finance clients on grievance mechanisms and access to remedy as set out in the Equator Principles (EP). The EP recently published a [guidance note on grievance mechanisms](#), which can be very helpful in our conversations with our clients going forward.

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### Engagement on community and indigenous rights in lithium mining:

We identified concerns that a proper free, prior and informed consent (FPIC) process with indigenous communities located around a lithium mining area in South America may not have occurred. A business relationship of one of our corporate clients was active in this area. We are in ongoing discussions with our client about their perception of what occurred and how their business relationship engaged with local communities and indigenous groups. One challenge is that many companies are active in the same lithium mining area and it can be difficult to differentiate which companies took which actions (or failed to take action).



### Case on surveillance of human rights defenders:

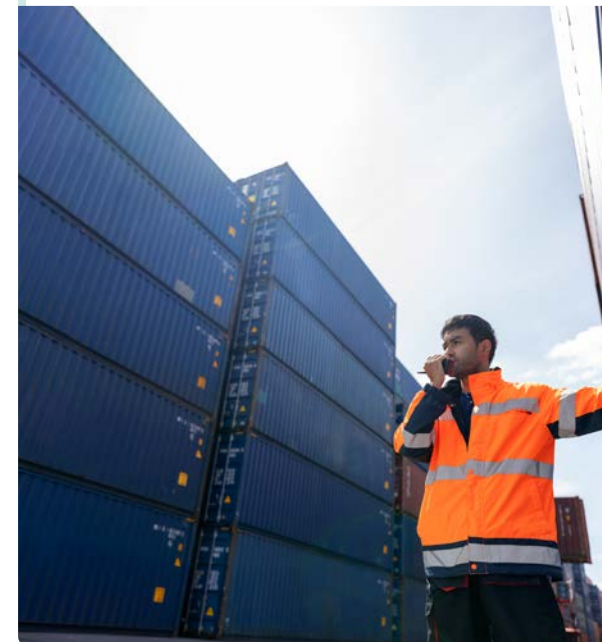
During the reporting period, we found that an ICT company that is both a corporate client and a supplier to ABN AMRO was allegedly involved in providing 'intrusive' software to governments, which is used to hack the mobile phones of human rights defenders. This activity conflicts with our Exclusion List and our commitment in our Human Rights Statement. Through engagement with the company, we are currently investigating how the software is used, who the end users are, and to what extent there are adverse human rights impacts resulting from the company's activities. Based on the findings from this investigation, we are reconsidering both the supplier and the Corporate Banking relationship.

In addition to engagements with corporate clients on specific cases, we provided a training for our Corporate Banking client relationship managers for the leisure sector on sex trafficking and how to spot it within facilities in the leisure sector, such as hotels. The intention of the training is to raise awareness of our client relationship managers on this topic and also help them help their clients to identify and address risks and impacts related to sex trafficking in their facilities.



**Marc Bleijenbergh**  
Corporate Banking Sustainability Expertise Team, ABN AMRO

**“Following the strategy review of the bank, our client portfolio has changed and we are now more degrees removed from where some severe impacts on people are occurring in global supply chains. We face a practical challenge to exercise our leverage with supply chain actors that are far removed from us. This is something we continue to try to innovate around, particularly through the client engagement process.”**



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## Thematic engagements Honing in on high-risk areas

Through our monitoring of the evolving picture of human rights risks we are connected to in our various roles, we see that certain sectors, geographies and types of products and services tend to carry heightened risks to human rights, including our salient issues.

Based on these observations, we develop ‘thematic engagement’ focus areas, where we heighten our monitoring of risks, examine our policies and their implementation, and undertake discussions on the topic with issue experts, stakeholders and clients to strengthen our due diligence. Here we provide information about thematic engagements we undertook during the reporting period that are related to our salient issues in our role as a lender.

### High-risk context: Xinjiang, China

According to extensive reporting from media and civil society organisations, since 2017, more than one million Uyghurs and members of other Turkic Muslim minorities have disappeared into a vast network of ‘re-education camps’ in the far west region of Xinjiang. Inside these camps, detainees are reportedly subjected to political indoctrination, forced to renounce their religion and culture and, in some instances, subjected to torture. There is mounting evidence that many Uyghurs are now being forced to work in factories within Xinjiang as well as outside Xinjiang under a government-led labour transfer scheme. Some factories appear to be using Uyghur workers sent directly from ‘re-education camps’.

Accessing reliable and credible information from this region is difficult. However, in collaboration with our Intelligence Led Financial Crime (ILFC) and Detecting Financial Crime (DFC) teams, we have been able to track financial flows and examine relevant account information. This has made us aware that some of our credit clients, in

particular in the solar panel sector, potentially have links in their supply chain with Uyghur forced labour in Xinjiang and other parts of China. We were able to determine that since 2018, more than one hundred of our clients in the solar panel sector have made significant payments to Chinese companies linked to the solar industry in Xinjiang.

In 2022, we initiated a pilot engagement process whereby we proactively contacted a number of our clients in the solar panel and renewable energy sectors regarding the potential connection to alleged human rights abuses in the solar panel supply chain in China. The goal of the engagement process was to raise awareness among these clients about the risks associated with sourcing from the Xinjiang province in China – including operational, legislative and reputational risks. After a carefully organised and managed pilot project, the decision was made to progress to a more robust engagement with more clients. This process is ongoing and will continue into 2023.

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**Labour rights risks in a specific sector: shipping**

The shipping industry is an important sector for ABN AMRO, as we have a long history of servicing ship-owners with financial products. We participate in a number of sustainability-related industry fora such as the Sustainable Shipping Initiative, and we are a founding member of the Responsible Shipbuilding and Recycling Standards for Banks (RSRS). The RSRS have been adopted by 13 global ship financing banks that, together, aim to promote responsible shipbuilding and recycling and to minimise the dangers associated with hazardous materials on board ships. For this purpose, RSRS members seek to engage in an active dialogue with ship owners. All members actively require ship owners to prepare and maintain an Inventory of Hazardous Materials on board their ships and commit on a best-effort basis to ship owners maintaining a sustainable and socially responsible policy with respect to building and dismantling their vessels. We have included RSRS wording in our facility agreements for all relevant shipping and FPSO-related transactions entered in 2021.

Given the importance of the shipping sector for ABN AMRO, we initiated a study into the working conditions of seafarers on deep-sea vessels. We identified and contacted seafarers themselves through social media channels, with the aim of asking them about their working conditions. 133 seafarers filled in the online questionnaire and we held 11 interviews with international organisations, civil society organisations, businesses (shipping industry representatives, shipping registries), human rights defenders, researchers and seafarers. The conversations with seafarers revealed they worry primarily about stress and mental health, overtime, and lack of resting hours.



**Emmelie Claessens**

Business and Human Rights Adviser, Sustainability Centre of Excellence, ABN AMRO

**“By engaging with seafarers in the shipping industry through social media, we heard first-hand about the issues they face in their working conditions.”**

Abuses of seafarers’ rights regarding hours of work were common issues among respondents. For female respondents, harassment was the major issue.

Through this study and conversations, we have gained insight into the types of human rights impacts that tend to occur in the sector, such as those related to decent working and living conditions, hours of work, rest, and harassment. We are in conversation with shipping clients as well as other actors in the shipping sector (such as crew management companies and the Global Maritime Forum) regarding their perspectives on and approaches to seafarers’ rights. We are currently working with a number of industry experts to look at ways to enhance our client engagement and due diligence processes on this topic and thereby contribute to improving labour conditions within the shipping industry, also in light of the decarbonisation efforts the sector is making.

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# High-risk group of potentially affected people: migrant workers in the Dutch economy

As a bank based in the Netherlands, we maintain a focus on our domestic economy. Migrant workers' role in the Dutch economy is of growing importance, but we have seen significant abuses of migrant workers' rights, particularly in specific sectors.



**Yuri Herder**

Business and Human Rights Adviser,  
Sustainability Centre of Excellence, ABN AMRO

We provide financial products and services to 12 sectors in the Dutch economy, seven of which employ significant numbers of migrant workers: employment agencies, agriculture, construction, hotels, transport, industry, retail and logistics. It is not uncommon for our clients to be connected to situations of labour exploitation of migrant workers through their operations or value chains. We find this issue is particularly relevant for small- and medium-sized enterprises (SMEs) that are clients of our Personal & Business Banking area.

## Spotting patterns to identify migrant worker exploitation

Yuri Herder, Business & Human Rights Adviser at our Sustainability Centre of Excellence, looks back on the actions we have undertaken over the past years to improve the situation of migrant workers in the Netherlands.



### Why did ABN AMRO decide to focus on migrant workers' rights?



"The exploitation of migrant workers is a really significant social issue in the Dutch economy.

The severity of human rights risks for migrant workers led to a strategic decision to make this a thematic engagement area for us. We see it as a really important part of our business and an important topic for those clients who rely on migrant workers for their own activities or in their supply chains."

"We were already looking at this issue when the Roemer report was presented in October 2020. The report was commissioned by the Dutch government and seeks to address how migrant workers' lives can be improved in the Netherlands. We realised that we could use its 50 recommendations to tailor our due diligence for both the public and private sectors where it relates to migrant workers' rights in the Netherlands."



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**Q Which clients are most affected and prone to be involved in labour exploitation, directly or otherwise?**

**A** “Clients using our corporate lending services are affected, as are our Personal & Business Banking clients, especially SMEs. Many small companies in the agricultural and construction sectors, for instance, are not always aware of or involved on purpose in the exploitation of migrant workers, either through their own labour practices or through labour agencies they contract.”

**Q How does ABN AMRO’s due diligence help spot exploitation of migrant workers?**

**A** “With the help of the Netherlands Labour Authority and the University of Amsterdam, we first implemented a data model in 2015 that triggers a warning when it spots tell-tale signs of labour exploitation in our clients’ account and transactional data. These patterns include too many people residing at the same address and salaries being withdrawn immediately after they are paid out. We are also strict with clients that don’t carry the required employment certification.”

“Our ongoing due diligence includes information gathering and documentation review relating to current or potential clients, stemming from our KYC and CASY processes. We add insights from other risk information sources, such as stakeholder groups and media, civil society and trade union reports. Once we have this baseline information, in some cases we may consult trade unions on the best questions to ask in a given situation.”

“Our Detecting Financial Crime (DFC) division is on the front line for asking those questions in the context of client acceptance<sup>1</sup> and review, which occurs in a regular cycle. When we provide credit to clients, the relationship manager asks these questions prior to credit approval. We’ve also worked with the trade union FNV to develop a flyer designed to help our client relationship managers as well as clients who use migrant worker labour to assess risks around exploitation of these workers.”

“If information from the data model or information from client assessments in the KYC or CASY processes gives reason for further conversation with a client, we will enter into that conversation and do additional research. If necessary, the bank will refer the case to the Dutch Financial Intelligence Unit (FIU), which is an independent government body designed to prevent and investigate financial crime, and to law enforcement agencies.”

**Q Do you have any examples of how these efforts have had a positive impact for migrant workers in the Netherlands?**

**A** “We once had a client who discovered credible reports that their meat supplier was working with employment agencies that were exploiting migrant workers. They wanted to break ties with these agencies, but they were keen to see if they could retain individual labourers from these agencies who had been doing good work. Knowing how much of a focus the issue is for us at ABN AMRO, the client asked us for advice. Thanks to our sectoral knowledge, we were able to advise our client on an agency with better labour practices that they could work with.”

**” We see it as a really important part of our business and an important topic for those clients who rely on migrant workers for their own activities or in their supply chains. ”**

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<sup>1</sup> We have also adopted stricter client acceptance criteria for employment agencies. As discussed on page 29, we now expect companies to be certified by the Labour Standards Foundation (SNA) as a minimum, and by the Housing Standards Foundation (SNF) if they provide housing to migrant workers.



### Engagement with businesses in our investment universe

Most of our engagement with businesses in our investment universe is carried out by our engagement partners, such as EOS at Federated Hermes (EOS), or by our subsidiary, ABN AMRO Investment Solutions. We also engage through the Platform Living Wage Financials. During the reporting period, we have begun engaging directly with a limited number of companies in our investment universe. Where there is an opportunity, we will do this with others. We have also conducted some engagements on our own with companies in our investment universe. These conversations have addressed sustainability and human rights issues, and are meant to help us gain insight into the potential opportunities and risks for us and the clients on whose behalf we make investments, related to sustainability broadly as well as human rights specifically.

### Engagement partnership with EOS

In January 2021, we entered into a partnership with EOS to scale up our engagement with businesses in our investment universe and to make it more active. EOS provides engagement services with investee companies on behalf of institutional investors, including ABN AMRO. The engagement activities focus on ESG issues, including human rights. Because EOS engages on behalf of a range of institutional investors, they bring the leverage of a large asset basis, which we feel makes them an ideal partner to engage with businesses in our investment universe on severe potential and actual human rights impacts. During the reporting period, our partnership with EOS helped us expand the scope of our due diligence to enable us to have more insights into when businesses in our investment universe are connected to severe impacts on human rights.

The companies that EOS engages with are selected based on the size of the holdings, the sectors, the impacts, the materiality of the issue, and other relevant issues for ESG. Depending on the sector, EOS completes a high-level mapping of risks. For individual engagements with companies, the history of the company is important, as well as the status of current issues, including ESG risks. EOS conducts research on the company using public domain information. After an initial conversation with the company, EOS decides what objectives may be relevant and how to set those. The objectives are set when the impact assessment for a company has been done.

As an EOS client, we can request EOS to engage with the investee on specific issues or areas for improvement ('engagement objectives') related to sustainability broadly and including human rights and our salient issues. EOS regularly assesses engagement objectives until they are either achieved or discontinued. An engagement objective is achieved when the business has demonstrably implemented the requested changes and is discontinued when it is no longer relevant to the business in question or is no longer deemed feasible.

EOS tracks the progress of each engagement objective using its proprietary milestone system. The specific milestones used to measure progress in an engagement vary depending on the concern and its related objective; however, they can broadly be defined as follows:

- ▶ **Milestone 1:** Concern raised with the business at the appropriate level
- ▶ **Milestone 2:** The business acknowledges the issue as a serious investor concern
- ▶ **Milestone 3:** Development of a credible strategy or plan to address the concern
- ▶ **Milestone 4:** Implementation of a strategy or measures to address the concern.



As part of its service, EOS provides us with a reporting suite that includes regular case studies of engagements with investees. This provides ABN AMRO and our clients (who make use of our investment services) with greater clarity on progress and outcomes related to those engagements. On behalf of ABN AMRO, EOS engaged with a total of 747 businesses on 2,239 issues in 2022. A few examples of these engagements are shown in the column on the next pages.

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 **TotalEnergies**

In 2021, prompted by concerns about the military coup in Myanmar and allegations of human rights violations in civil society reports, we joined an engagement by EOS with TotalEnergies relating to the company’s activities in Myanmar. This engagement was geared towards encouraging TotalEnergies to provide more transparency on its activities and on what it was doing to prevent, mitigate and remediate its human rights impacts in Myanmar, particularly given the conflict context in that country. In 2022, TotalEnergies announced it was pulling out of operations in Myanmar (we do not know if this was a direct result of our engagement, but we hope our engagement factored into TotalEnergies’ decision-making).

Since that initial engagement, we have collaborated with EOS to broaden the scope of our engagement with TotalEnergies to include its company-wide human rights due diligence process and the efficacy of that process’s implementation. This is particularly important given the company’s operations in a variety of contexts globally that are high-risk for human rights.

 **Fast fashion**

EOS’ Client Advisory Council decided to pursue further engagement on several fast-growing areas, one of which being fast fashion. Through ABN AMRO investment services, some of our clients are invested in fast fashion companies. EOS is engaging with various apparel companies to address issues around social and

environmental impacts related to the fast fashion sector. Through this engagement, they aim to encourage companies to understand the need to move towards a more circular business model and in turn assess their environmental and social risks to their business, including around the supply chain and disposal. Importantly, EOS engages with companies on the management of salient human rights issues within the company’s value chain. For example, EOS conducts a dialogue with some fast fashion companies around the issue of living wages and human rights due diligence in the garment sector.

EOS engaged with Japanese apparel company Fast Retailing on improving its disclosure on human rights issues. In 2020, EOS engaged with Fast Retailing to raise concerns about risks of forced labour in Fast Retailing’s garment production, emphasising that its supplier social performance monitoring programme no longer provided sufficient information to customers and investors. EOS also asked the company to take actions on forced labour across its supply chain, to expand its supply chain monitoring beyond primary manufacturing locations, to improve migrant workers’ recruitment conditions, and to improve traceability and transparency. In 2022, Fast Retailing provided disclosure which highlighted that it had expanded the scope of its human rights due diligence to cover more upstream tiers of its supply chain. The company also disclosed information about guidelines on monitoring of responsible recruitment, and it has disclosed a list of its garment manufacturers’ fabric mills and other outsourced service subcontractors on its website.

 **Energy in the just transition**

Duke Energy has a goal to achieve net-zero carbon emissions by 2050. It plans to retire all coal-only units by 2030 in North and South Carolina in the United States, and achieve a full exit from coal by 2035. EOS noted it had not seen a clear narrative or strategy from the company for the just transition – ensuring that these emissions targets would not harm human rights, such as forcing workers out of their livelihoods without an alternative. Through engagement, which took place in 2021 and 2022, EOS urged Duke to disclose its strategy and actions for ensuring a just transition, including opportunities for staff training and redeployment into new low carbon business areas (such as renewable energy), and assessment of potential unintended social consequences, including human rights issues in the supply chain and affordability concerns. In late 2022, Duke published its Just Transition Principles, high-level case studies of impacted employees and communities, and has started a human rights risk salience assessment. EOS will continue to encourage Duke to evolve this work into a detailed just transition strategy.

 **Digital rights**

Some technology companies are expending significant capital for the metaverse and other new and emerging digital products and services. These technologies can also carry heightened risks to human rights, such as around privacy. EOS recommends that companies developing such technologies should carry out a

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human rights impact assessment that identifies risks and appropriate mitigation strategies for these technologies' application, in line with the UNGPs. In 2022, EOS engaged with one such company, Microsoft, to discuss this. The conversation touched on numerous aspects of digital rights and included acknowledgement that the company has some practices in place, but it can strengthen its proactive measures to respect human rights, including related to digital rights.



### Compass Group

The International Labour Organization estimates that in 2021, 28 million people around the world were in forced labour. Migrant workers are particularly vulnerable, such as through the payment of illegitimate and illegal recruitment fees to agencies. As a member of the "Find It, Fix It, Prevent It"<sup>1</sup> engagement initiative on modern slavery, EOS challenged Compass Group in 2020 on its recruitment practices for migrant workers for a joint venture in the Middle East. EOS requested the company to conduct a review of its salient human rights issues, which is an important component of the UN Guiding Principles on Business and Human Rights. In 2022, the company renewed its partnership with the Slave-Free Alliance to improve its processes, address salient human rights issues and provide support and advice. As a result of the enhanced processes, the company found cases where those fees were paid, which were then repaid.

<sup>1</sup> This initiative is an investor-led, multi-stakeholder project designed to harness the power of the investment community to increase the effectiveness of corporate actions against modern slavery.



### Engagement through Platform Living Wage Financials

We have taken a more active role in the Platform Living Wage Financials (PLWF)<sup>1</sup> by joining the agribusiness food and agribusiness retail working group. This year we were the lead assessor for Ahold Delhaize and supported other assessments. The results of these engagements are available in PLWF's [annual report](#).

### Engagement Facilitated by ABN AMRO Investment Solutions (AAIS)

AAIS engages with the fund managers to whom daily management of the funds is delegated. These fund managers have one-to-one relationships with the companies they are invested in. Engaging with these companies<sup>2</sup> is therefore part of their day-to-day activities. In 2020, AAIS sent a questionnaire to portfolio managers to understand how they conduct their engagement with a view to using this input to inform future guidance for portfolio managers on their ESG engagement.

In the reporting period, AAIS updated its proxy voting policy to better consider environmental and social (E&S) issues, which implies support for the vast majority of E&S resolutions (including those by shareholders), some of which are pertinent to human rights and our salient issues. This included, for example, voting 'for' the resolution that proposes to report on online child sexual exploitation at Facebook Inc.'s 2021 Annual General Meeting. AAIS summarises its voting activities through its annual [Shareholder Engagement report](#). Since 1 January 2022, AAIS has extended the scope of its proxy voting activities by removing the minimum voting thresholds, which now allows voting to take place for all positions and not only the most significant ones. This can help AAIS to exercise its leverage with investees through proxy voting regarding issues related to our salient issues.

<sup>1</sup> The PLWF is a coalition of 19 financial institutions that engage with and encourage investee companies to enable living wages and incomes in their global supply chains. The PLWF focuses on living wages for contracted workers in the garment and footwear sector, and for retail companies' own employees. Self-employed workers, such as cocoa and coffee farmers, are not paid a wage but earn an income from one or multiple income-generating activities. As an investor coalition, the PLWF represents a total in €6.5 trillion of assets under management.

<sup>2</sup> See [Human Rights Report 2020](#), page 68.

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# 4 Additional measures to prevent and address salient issues



## Lender and investment services provider

In our role as a lender and investment services provider, the measures we take to prevent and address human rights harms connected to the bank are found mostly in the section of this report on dialogue and engagement. As explained in that section, we seek to prevent and address salient issues mostly through regular engagement with clients and businesses in our investment universe about their human rights risk management, including as it pertains to our salient issues.

As explained in other sections of this report, we use ESG data providers to help us identify potential or actual human rights harms connected to our corporate clients and businesses in our investment universe. During the

reporting period, our ESG data provider Morningstar Sustainalytics identified two relevant companies in our investment universe that operate in the information and communication technology sector. Morningstar Sustainalytics cited concerns that these companies are in breach of the UN Global Compact Principles, specifically the principle related to human rights, due to alleged negative impacts on freedom of expression and opinion, and the right to access to information. This is the first time an ESG data provider has flagged businesses in our investment universe as non-compliant with the human rights principle of the UN Global Compact Principles. We are currently evaluating the concerns, and the impact this would have on our investment universe.



## Service provider

Prospective clients found to present high risks may be considered for derisking, meaning we would decline to provide them with financial products or services due to risks related to money laundering and terrorism financing. As with any risk-based decision, it is possible that the risk framework may be incorrectly applied, resulting in inappropriate derisking decisions. This can happen, for example, with current or potential clients that operate in high-risk geographies. Non-profit organisations that provide critical support for vulnerable people to meet their basic needs may operate in such high-risk regions. To help prevent inappropriate derisking, our Client Acceptance Committee considers the details of the decision on a case-by-case basis. In situations where there are concerns that non-profit organisations may be inappropriately derisked, relationship managers from our Institutions & Charities department assist the Committee in identifying human rights impacts that could result from a potential derisking decision. A multidisciplinary team of human rights experts, AML/CTF experts and relationship managers is alerted in cases where we receive signals that a non-profit organisation may be, or may have been inappropriately derisked.

In 2022, we took steps to proactively provide non-profit organisations with information about how to avoid the risk of inappropriate derisking. Working with the Human Security Collective, the Netherlands Fundraising Regulator (CBF),

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the Dutch gender platform WO=MEN, and Partin, we developed a resource offering non-profit organisations guidance about information their bank will require from them to comply with anti-money laundering and counterterrorism financing (AML/CTF) regulations, with the aim of easing the Know Your Client (KYC) process and avoiding inappropriate derisking due to information gaps. It also informs non-profit organisations about how banks conduct AML/CTF risk assessments, and seeks to help non-profit organisations consider measures they may need to put in place to mitigate those risks. While use of the resource is not a guarantee that a non-profit organisation will be accepted as a client, the establishment and use of the information resource is viewed by the Dutch banking regulator DNB as good practice in preventing inappropriate derisking.

Given this tension between compliance, derisking and the potential to exacerbate the inability to meet basic needs, our Detecting Financial Crime (DFC) department is keen to develop solutions that can help ensure that non-profit organisations seeking to support the most vulnerable people have access to financial services. At the same time, we recognise that tackling this issue will require collaboration and exchange with various actors, such as the Dutch Banking Association (NVB) and national and international regulators and policy developers. This is why we regularly participate in the dialogue and knowledge-sharing sessions and activities through the Human Security Collective and the NVB – read more in our section on engagement.

During the reporting period, one case came to our attention where a non-profit organisation was potentially going to be inappropriately derisked by ABN AMRO. A foundation called the Road Transport Due Diligence

Foundation (RTDD), operated by Dutch and international umbrella trade unions, wanted to become a client of ABN AMRO. The RTDD works to help companies undertake due diligence related to workers’ rights in their transport and logistics supply chains, and their approach is one that we view very positively. However, when RTDD sought to open a bank account with ABN AMRO, our systems stopped them from opening the account. This is because the automated system, which helps us ascertain risk associated with clients, flagged RTDD as having a compliance-related risk. The reason for this was that some of the directors of RTDD are not Dutch nationals, causing an automatic rejection by the system. We were able to resolve this problem by pointing RTDD to our Institutes & Charities department, where our colleagues had a closer look at the Foundation, confirmed there were no concerns, and were able to onboard them as a client.



### Procurer of goods and services

In our role as a procurer of goods and services, we are researching new supplier engagement methods that go beyond the Hellios and GSES tools that we are currently using. We have sent questionnaires regarding human rights due diligence to most of our high-risk suppliers, but we have yet to engage with them on their responses. We are aware that in our role as a procurer, we could have stronger systems in place to use our leverage with our suppliers to prevent and address our salient human rights issues in this role.

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# 5 Tracking performance

When it comes to knowing whether the actions we have taken to prevent and address our salient issues are working, we continue to face the inherent challenge to put in place meaningful performance metrics.

During the reporting period, we began conversations about applying the indicator design tool developed by Shift<sup>1</sup> and the Valuing Respect project<sup>2</sup> to keep track of how well we have been exercising our leverage with corporate

clients and businesses in our investment universe through engagement. These conversations are nascent, and we hope to be able to disclose more information in our next human rights report.

For this report, we are able to provide the following information about performance on our salient human rights issues:

## Performance on our salient human rights issues

Service provider			
Indicator	2022	2021	Explanation
Number of exits NGOs	63	29	These numbers represent cases where NGOs have been exited by ABN AMRO for a wide variety of reasons. During the reporting period, we did not record the reasons for exiting, so these numbers have no direct link with derisking.

Procurer of goods and services			
Indicator	2022	2021	Explanation
Number of suppliers requested to complete online Hellios questionnaire assessing their policies and processes to manage human rights risk (percentage of ABN AMRO procurement spend represented by these suppliers)	312 (67%)	417 (N/A)	Tier 1 and 2 suppliers are suppliers that fall in one of the following categories: <ul style="list-style-type: none"> <li>▶ Outsourcing (T1)</li> <li>▶ Critical or Important Functions, including material cloud (T1)</li> <li>▶ IT Crown Jewel (T2)</li> <li>▶ Critical Data (T2)</li> <li>▶ Critical Business Continuity (T2)</li> </ul> We have not registered the percentage of ABN AMRO procurement spend represented in 2021.
Number of suppliers that completed the Hellios questionnaire	193	219	Hellios is a monitoring tool we use to assess risks such as sustainability and human rights risks connected to tier 1 and 2 suppliers that provide us with services <sup>3</sup> .
Number of suppliers invited to onboard in the GSES system by year-end	444	N/A	Score comprises six pillars: corporate social responsibility (CSR), sustainable procurement (SP), carbon reduction, circular economy, health and safety, and biodiversity. We have not registered 1) the number of suppliers invited to onboard in the GSES system by year-end 2021, 2) the percentage of ABN AMRO procurement spend represented in 2021.

<sup>1</sup> The leading centre of expertise on the UN Guiding Principles, <https://shiftproject.org/>

<sup>2</sup> A collection of indicators and methodologies to help business leaders, investors and other stakeholders measure, improve and communicate about a company's social performance.

<sup>3</sup> 2021 the number of suppliers requested to complete the questionnaire was higher as there were relatively many suppliers in scope because we had personal data processing agreements with them. Due to several reasons there were 458 suppliers in scope in 2022 compared to 783 suppliers in 2021. We revised the definition of our scope for risk tier 2. Another reason is that we already ended the relationship with some suppliers or that they were double registered in our system.

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**Richard Kooloos**

Global Head of Social Impact,  
Sustainability Centre of Excellence,  
ABN AMRO

**“The number of corporate clients in high-intensity engagement has decreased over the past few years due to us no longer having clients in Asia and the Americas. This does not mean, however, that the number of client conversations on human rights has also decreased. We maintain our focus on ongoing client conversations and thematic engagement. The ‘high-intensity’ label does not mean that these types of engagements are always the most meaningful in terms of effectively exercising our leverage with clients on human rights issues.”**

**Performance on our salient human rights issues**



Lender			
Indicator	2022	2021	Explanation
Percentage of clients assessed with the Client Assessment on Sustainability (CASY) tool, including on human rights	74%	75% (CB) 94% (CIB) <sup>1</sup>	Number of assessments on sustainability performance of ABN AMRO credit clients. In this assessment, the sustainability performance is reflected upon the Sustainability Risk Management Framework. The target is 100%.
Percentage of cases with a specific human rights link on which second line Sustainability Risk (sustainability risk experts within Credit Risk) provided advice	47.3%	45.7%	Advice is provided in cases that are high risk from a sustainability standpoint. It regards whether clients/credit to clients should be approved or rejected based on compliance/non-compliance with our Sustainability Risk Management Framework or other risk factors.
Number of clients with which we undertook a normal-intensity engagement specifically related to human rights	165	113	An ongoing process to address (human rights) issues that is tailored to the client’s particular risks or impacts and the client’s improvement areas.
Number of clients with which we undertook a high-intensity engagement specifically related to human rights	1	1	A formal, time-bound process that involves setting detailed objectives, close monitoring by relationship managers and the Credit Risk Sustainability team, and quarterly oversight by our Engagement Committee. If clients do not achieve the agreed objectives within the time period, we may end the business relationship.
Number of sustainability-linked loans related to human rights	20	17	Number of loans that ABN AMRO has provided specifically focused on accelerating the sustainability performance of these clients, wherein broader sustainability includes human rights aspects.



Investment services provider			
Indicator	2022	2021	Explanation
Number of engagements with companies specifically related to human rights – through EOS	367	352	Number of companies that have been engaged with on our behalf, based on EOS’ human rights risk assessment. These engagements specifically relate to human rights.
Number of engagements with companies specifically related to human rights – through PLWF	52	54	Number of companies that have been engaged by the members of The Platform Living Wage Financials (PLWF). PLWF is an alliance of 19 financial institutions that encourages and monitors investee companies to enable living wages and incomes in their global supply chains.

<sup>1</sup> Due to many transfers between the Commercial Clients and Corporate and Institutional Clients sub-units during the restructuring of the Corporate Banking client unit, we are not able to disclose separate numbers as we did in the 2020 Report on Commercial Banking (CB) and Corporate and Institutional Banking (CIB) clients.

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## 6 Enabling access to remedy

As we are directly linked to the vast majority of impacts related to our salient issues, rather than having caused or contributed to them, we have focused on how we can enable access to remedy. During the reporting period, we built on the systems we have in place<sup>1</sup> to enable access to remedy for people negatively affected by our actions and those of our business relationships.

In our conversations with internal stakeholders as well as corporate clients, we focused in the reporting period on the importance of grievance mechanisms and the role of businesses in access to remedy. We actively participated in conversations with civil society organisations, peer companies and issue experts with regard to our particular role in enabling or contributing to remedy when the bank is directly linked to the harm. The role of financial institutions in enabling access to remedy, particularly in cases where we are directly linked to impacts but have not caused or contributed to them, is complex and evolving in terms of current approaches and practices.



<sup>1</sup> See Human Rights Report 2020, page 100.

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# Enabling access to remedy for people negatively affected by our corporate clients

As a financial institution, we can be directly linked to negative impacts on human rights, including in our role as a corporate lender. Through our corporate clients, we are connected to a vast range of global value chains and geographies, where business activities affect millions of workers and community members.



**Herma van der Laarse**

Business and Human Rights Adviser,  
Sustainability Centre of Excellence, ABN AMRO

We know that people can experience harms from business activities even when robust prevention measures are in place. In these cases, financial institutions like ABN AMRO have a role to play in enabling access to remedy for these people, even if we have not caused or contributed to the harm. For the past three years we have been working to develop a concept for a mechanism that would help enable access to remedy for people negatively affected by our corporate clients and their value chains. In this interview, ABN AMRO Business and Human Rights Adviser Herma van der Laarse answers some questions about why and how we have gone about developing this concept, and our next steps.

**Q Why did ABN AMRO decide to develop a remedy mechanism for people impacted in connection with the bank's corporate clients?**

**A** "We identified numerous reasons to develop this type of remedy mechanism. We see it in what is expected of businesses under the UNGPs. We realise that unaddressed grievances raised by workers and communities can fester and lead to conflict. This is bad for workers and communities and can be bad for business and for the risk profile of our loans. Increasingly, regulations such as the forthcoming EU Corporate Due Diligence Directive require businesses to enable access to remedy. Sustainability – including respect for human rights – is at the heart of our strategy as a bank, and we aim to help our clients make the transition to sustainability."

"Putting in place a remedy mechanism like this one ensures we are taking active steps to fulfil our commitment to respect human rights and achieve the vision we have set for ourselves as a bank"

**” We realise that unaddressed grievances raised by workers and communities can fester and lead to conflict. This is bad for workers and communities and can be bad for business, for the risk profile of our loans and for the value of the investments we manage for our clients ”**

**Q What kind of value can ABN AMRO bring to affected people and its corporate clients with this mechanism? What is ABN AMRO's role?**

**A** "It's important to understand that we are not talking about ABN AMRO standing alone and providing remedy to people who have been negatively affected by our corporate clients or their business relationships. First and foremost, the business in the value chain that caused the harm is responsible for providing remedy to affected people. As set out in the UNGPs, our role when we are directly linked to negative impacts can be to help enable access to remedy – using our leverage to help set things right for affected people."

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**Q What has ABN AMRO been doing these past few years to develop the mechanism? How would it work?**

**A** “Over the past three or so years, we have undertaken a wide range of consultations with numerous internal stakeholders as well as with external experts, peer organisations and civil society organisations. We’ve looked closely at what the UNGPs require when enabling access to remedy and examined many forms of guidance regarding financial institutions’ role in enabling access to remedy. We’ve also been in touch with other financial institutions – both development banks and commercial banks – that have existing remedy mechanisms. We wanted to learn how they had approached the issue and how it has been working for them, affected people and their clients.”

“Based on the insights we gathered through this process, we developed a model for how an ABN AMRO human rights remedy mechanism could work. To put it very simply, ABN AMRO would act as a convener. We would bring together the relevant parties (namely our corporate clients and affected people) for dialogue facilitated and mediated by an external, neutral expert with the aim of having the parties reach an understanding or agreement. There would be eligibility criteria for cases, and each case would be decided on an individual basis. Affected people or their nominated representative(s) could bring cases to the mechanism.”

**Q Is the mechanism in place now? What is its status?**

**A** “In October 2022, our Group Sustainability Committee agreed with the concept for the mechanism, and decided we should move ahead and further develop its procedure, carry out an in-depth legal analysis, decide how we will communicate about it publicly, and set out how we will engage the external expert. We have already developed general thinking on these topics, but it needs further elaboration and discussion with various internal stakeholders who would play a key role in its implementation. Once the procedure has been developed, our Executive Board would have



final approval and then we could put the mechanism in place. Developing a mechanism like this is not something we’ve done before – it’s complex and requires in-depth discussions with a range of internal and external stakeholders. We’ve already made a significant investment to get to where we are now, and we are hoping that in the next few years we’ll be able to have the mechanism up and running.”

“Currently the human rights remedy mechanism is primarily designed for people affected in connection with our corporate clients. We are also considering if over time we could extend the mechanism to people negatively affected by our suppliers.”

**” We would bring together the relevant parties for dialogue facilitated and mediated by an external, neutral expert with the aim of having the parties reach an understanding or agreement. ”**

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### Remedy and investment services

In our role as an investment services provider, we have identified enabling access to remedy as one focus area for our human rights due diligence (see page 15 of this report regarding focus topics for our Human Rights Expert Committee).

In 2022, we developed plans for a pilot engagement programme with some companies in our investment universe. The programme is designed to encourage companies to advance their thinking on the topic of ‘preparedness for remedy’, and help us understand how companies currently think about remedy. We will initially focus conversations with companies on the importance of effective operational-level grievance mechanisms. Our current plan is to focus in particular on companies whose products are important for the transition to a low-carbon economy (such as renewable energy technologies). As part of our efforts to secure a just transition to a low-carbon economy, we feel it is important to ensure that companies active in this transition have an effective way to hear and address concerns from workers and community members who have experienced harms in connection with the business. We will engage with these companies starting in 2023, with the intention of encouraging them to take further steps towards being prepared to enable access to remedy. ABN AMRO will use the World Benchmarking Alliance (WBA) Corporate Human Rights Benchmark and Core Social Indicators as part of the process – we are an existing designated ally of the WBA. As the pilot progresses, we will look to involve other organisations, starting with ESG data providers and ESG engagement providers.



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# 1 Overview of ESG high-intensity engagements and focus list clients

This table contains ABN AMRO’s high-intensity engagements with clients on human rights issues. The table also shows clients that are on ABN AMRO’s focus list because of human rights issues. These engagements all relate to ABN AMRO’s lending products and services in 2021/2022. Please refer to our [Non-Financial Data and Engagement Factsheet 2022](#) for a complete overview of all our ESG engagement activities, including those with companies in our investment universe.

	List	Product	Sector	Region	Engagement / Focus Status <sup>1</sup>	Issue
1	High Intensity	Lending	NR <sup>2</sup> - Basic Materials	Europe	Starting	Environmental pollution, health impacts, grievance mechanism
2	High Intensity	Lending	NR - Energy	Europe	Ongoing	Human rights violations
3	Focus	Lending	Global Transportation & Logistics	Europe	Ongoing	Defence activities
4	Focus	Lending	Construction	Europe	Ongoing	ESG risk management framework, potential breach of exclusion list
5	Focus	Lending	NR - Energy	Europe	Ongoing	Security risks
6	Focus	Lending	TCF <sup>3</sup> - Agriculture	Asia	Ongoing	Human rights violations, deforestation
7	Focus	Lending	Construction	Europe	Ongoing	ESG risk management framework, potential breach of exclusion list
8	Focus	Lending	Food & Retail	Europe	Ongoing	Animal welfare, ESG risk management framework
9	Focus	Lending	Construction	Europe	Ongoing	ESG risk management framework, human rights violations
10	Focus	Lending	Food & Retail	Europe	Ongoing	Labour conditions

<sup>1</sup> Starting = new client on the list, not included in 2021 overview, Ongoing = client was already included in 2021 engagement list, engagement is ongoing.

<sup>2</sup> NR stands for Natural Resources.

<sup>3</sup> TCF stands for Trade & Commodity Finance.

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## 2 Our approach to reporting

This section describes the frameworks, scope, methodology, data process and definitions used to develop the Human Rights Report.

### Annual reporting suite

This Human Rights Report is part of ABN AMRO's annual reporting suite. It is published alongside the Integrated Annual Report. Other reports that are part of the annual reporting suite include the Impact Report, which contains information about the bank's financial and non-financial impact on its stakeholders. For more information, see [abnamro.com](https://abnamro.com).

### Purpose of this Human Rights Report

The primary purpose of this Human Rights Report is to describe the steps that ABN AMRO has taken over the past two years to deliver on our commitment to respect human rights. We explain the progress we have made in addressing our salient human rights issues. Our goal is to present a balanced picture of all our efforts to this end, success stories and challenging issues alike.

This is our fourth Human Rights Report, prepared in alignment with the UNGP Reporting Framework (link to [2016](#), [2018](#) and [2020](#) report). This fourth Human Rights Report builds on earlier publications such as the Human Rights Guide 2015, the Human Rights Report 2016, the Human Rights Update 2017, the Human Rights Report 2018, the Human Rights Update 2019, the Human Rights Report 2020 and the Social Impact and Human Rights Update 2021<sup>1</sup>.

The reporting criteria used for the preparation of the Human Rights Report are set out in the UN Guiding Principles Reporting Framework and its implementation guidance and the supplemental reporting criteria applied as disclosed in the chapter 'Tracking performance'. The UN Guiding Principles Reporting Framework "provides a set of questions to which any company should strive to have answers in order to know and show that it is meeting to respect human rights in practice". The UN Guiding Principles Reporting Framework also contains reporting principles that should define a company's approach to implementing this framework.

We invite you to provide us with feedback. If you have any questions or comments about this report, please send an email to [humanrights@nl.abnamro.com](mailto:humanrights@nl.abnamro.com).

### Review and approval of content

Production of this Human Rights Report is overseen by a dedicated project team from the Sustainability Centre of Excellence. Issue experts have been involved in collecting information and providing feedback on the report. The reporting approach, including the salient issues for 2022, has been discussed in the Group Sustainability Committee; content is reviewed and approved by ABN AMRO's Group Disclosure Committee, the bank's Executive Board and Supervisory Board before publication. Some information has been drawn from other ABN AMRO

publications. The Human Rights Report should not be seen, however, as a substitute for these other publications.

### Scope and boundaries

- ▶ Unless otherwise stated, this Human Rights Report pertains to ABN AMRO Bank N.V.
- ▶ While the salience assessment excludes independently operating entities, notably ABN AMRO Clearing, and International Card Services, these entities and their stakeholders have been included in our human rights programme.
- ▶ Annual data relates to the bank's financial year (1 January - 31 December).
- ▶ Only content that is relevant to the bank's human rights programme or the salient human rights issues confirmed in the 2022 pulse check has been included in this report. Content is based on both internal and external sources. Where external sources are used, an explanation has been provided in the text.
- ▶ This Human Rights Report is structured around our salient human rights issues and describes how ABN AMRO manages its impact on these rights.
- ▶ In this report, we refer to ABN AMRO's four roles. Five roles were identified in the 2020 Human Rights Report. These roles are: service provider, employer, procurer of goods and services, lender and investment services provider. These roles have been re-confirmed as relevant

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<sup>1</sup> We use a two-year reporting cycle for our Human Rights Report, in order to have sufficient time and resources to follow up on the lessons learned from the reporting process.



to 2020 with the exception of our role as an employer, where we have determined that we do not have salient issues for the reporting period for this report.

- ▶ Not all policies refer to an exact scope in terms of applicability. This is a limitation of our policy framework. Unless stated otherwise, ABN AMRO's policies have global applicability and apply to ABN AMRO and its subsidiaries. Therefore, the functional applicability concerns all staff.

## Salience

In 2015 we conducted our first salience assessment, enabling us to focus on “the human rights at risk of the most severe negative impact through our activities and business relationships”<sup>1</sup>.

Gaining this focus helps us appropriately prioritise our resources. Five years later, we decided to carry out a new salience assessment, incorporating all our insights gained in the period from 2015 to 2020. A summary of this salience determination process was drawn up by ABN AMRO and can be found [online](#).

As announced in 2020, we carried out a ‘salience pulse check’ from May to July 2022 to check whether the salient issues we used for the 2020 Report still applied. This has resulted in a new list of salient issues that are pertinent to ABN AMRO. Human rights and reporting experts from our Sustainability Centre of Excellence department managed the salience assessment project. Please see [pages 22-24](#) of this report for more detailed information about this project.

## Stakeholders

ABN AMRO regularly consults its stakeholders. In addition to their involvement in determining salient issues, through interviews and by providing input through a survey, we regularly interact with our stakeholders to identify additional important human rights concerns. Our main stakeholder groups are: clients, employees, investors and society at large.

## Performance data and indicators

- ▶ All financial performance data has been taken from ABN AMRO's Integrated Annual Report 2022. Figures are presented in euros (EUR), the bank's functional and presentation currency. Financial information has been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. All capital and risk exposure metrics have been reported under the Basel III (CRD IV/CRR) framework.
- ▶ Non-financial data has been collected centrally, including data relating to employee engagement.
- ▶ Annual averages used in this report are based on month-end figures (management does not believe that using daily averages would make any material difference).
- ▶ Certain figures may not tally due to rounding. Larger figures are rounded to the nearest million or billion. Some percentages are calculated using rounded figures. Certain metrics included in this report may have inherent limitations (those reliant on estimated data, for example). Where possible, this has been indicated in the text.

## External assurance

External assurance for this Human Rights Report was provided by EY; the assurance report can be found on [page 65](#). ABN AMRO believes external assurance strengthens the credibility of its reporting, and helps improve the bank's own reporting systems and processes. EY provided limited assurance on the full Human Rights Report. EY does not provide any assurance on the forward-looking statement, assumptions and achievability of prospective information. Also references to external sources or websites are not part of EY's assurance engagement on the Human Rights Report.

## Forward-looking statements

This Human Rights Report contains certain statements that may be construed as forward-looking. These statements are not historical facts, and represent ABN AMRO's beliefs regarding future events, many of which are inherently uncertain and beyond the bank's control. The statements apply only at the document's publication date. ABN AMRO does not intend to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this report, and does not assume any responsibility to do so.

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<sup>1</sup> This is the definition of salient human rights issues as set out by the UN Guiding Principles Reporting Framework. We report on human rights in line with this reporting framework. See [ungpreporting.org](https://www.ungpreporting.org).



## Compliance with UN Guiding Principles Reporting Framework

This Human Rights Report has been written in accordance with the UN Guiding Principles Reporting Framework. The UNGP Reporting Framework consists of three parts: (A) Governance of respect for human rights, (B) Defining the focus of reporting and (C) Management of salient human rights issues.

### UN Guiding Principles Reporting Framework

Reporting Principle	Explanation	Our approach	Reference
<b>1 Setting Human rights reporting in the business context</b>	Readers of a company's human rights disclosure should understand the broader context of what the company does.	This Human Rights Report makes a clear connection between ABN AMRO's profile and explains the impact of our products and services on people's lives, in particular in the four roles identified: service provider, procurer, lender and investment services provider.	<ul style="list-style-type: none"> <li>▶ Banking is about People: <a href="#">page 4</a></li> <li>▶ About ABN AMRO: <a href="#">page 5</a></li> <li>▶ Further information about ABN AMRO's business context, see <a href="#">Integrated Annual Report</a>.</li> </ul>
<b>2 Meeting a minimum threshold of information</b>	Any company claiming to use this Framework should at a minimum: <ul style="list-style-type: none"> <li>▶ Provide a substantive response to the two overarching questions in Part A;</li> <li>▶ Meet the four informational requirements under Part B;</li> <li>▶ Provide a substantive response to the six overarching questions in Part C.</li> </ul>	This Human Rights Report is structured around part A, B and C of the UNGP Reporting Framework. Where possible, we provide substantive answers to the overarching questions of part A and C and meet the four informational requirements under part B. If we do not have an adequate answer, we disclose this in the text.	<ul style="list-style-type: none"> <li>▶ Part A: <a href="#">pages 11-17</a></li> <li>▶ Part B: <a href="#">pages 18-24</a></li> <li>▶ Part C: <a href="#">pages 25-57</a></li> </ul>
<b>3 Demonstrating ongoing improvement</b>	In using the Reporting Framework, companies should endeavour to show how they have progressed in their implementation of the Guiding Principles and how they intend to continue to improve.	This Human Rights Report explains ABN AMRO's ongoing efforts to manage salient human rights. The Report includes a timeline and overview of progress made since the 2020 Human Rights Report. We disclose our progress in implementing the UNGP on Business and Human Rights. Additionally, future plans are explained in order to disclose how we intend to improve in the near future.	<ul style="list-style-type: none"> <li>▶ Developments timeline: <a href="#">pages 9-10</a></li> <li>▶ Part C: Throughout the report, especially in Part C, we reference past activities and what we've done in the meantime. In several places in the report, we also explicitly reference reporting from previous reports that presented future plans and reflect on them.</li> <li>▶ Tracking Performance: <a href="#">pages 52-53</a></li> </ul>
<b>4 Focusing on respect for human rights</b>	A company may wish to report on initiatives that support or promote human rights but which are unrelated to the management of salient human rights issues; if so, it should ensure that this does not obscure or detract from the responses it provides to the questions in this Reporting Framework.	This Human Rights Report is structured around ABN AMRO's salient human rights. Parts A, B and C relate directly to the bank's salient human rights issues and their management.	<ul style="list-style-type: none"> <li>▶ Part A: <a href="#">pages 11-17</a></li> <li>▶ Part B: <a href="#">pages 18-24</a></li> <li>▶ Part C: <a href="#">pages 25-57</a></li> </ul>

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Reporting Principle	Explanation	Our approach	Reference
<b>5 Addressing the most severe impacts on human rights</b>	The starting point for disclosure is risk to human rights rather than risk to business, while recognizing that where impacts on human rights are most severe, they converge strongly with risk to the business as well.	This Human Rights Report is structured around ABN AMRO's salient human rights issues. Parts A, B and C relate directly to the bank's salient human rights and management. In this respect, we focus our attention on impact on potentially affected stakeholders and the impacts they have already experienced.	▶ Part B: <a href="#">pages 18-24</a>
<b>6 Providing balanced examples from relevant geographies</b>	Companies should prioritize those contexts where the salient human rights issues are most significant. Taken together, examples should be balanced and broadly representative of the company's performance; if they are not, the company should explain why.	<p>This Human Rights Reports explains ABN AMRO's four key roles as a:</p> <ul style="list-style-type: none"> <li>▶ Service provider</li> <li>▶ Procurer of goods and services</li> <li>▶ Lender</li> <li>▶ Investment services provider</li> </ul> <p>The relevant geography differs per role, and this has been taken into account in the salience assessment.</p>	▶ Part B: <a href="#">pages 18-24</a>
<b>7 Explaining any omission of important information</b>	The company should indicate the nature of the information it has omitted and explain its reasons for the omission.	This Human Rights Report aims to adhere to the UNGP Reporting Framework and includes the most important information on the bank's salient human rights. For certain salient issues, part C of the UNGP RF was most difficult to fully comply with. Where information has been omitted, it has been indicated. Also, the UNGP RF Index will highlight the omissions as well.	<ul style="list-style-type: none"> <li>▶ Part A: <a href="#">pages 11-17</a></li> <li>▶ Part B: <a href="#">pages 18-24</a></li> <li>▶ Part C: <a href="#">pages 25-57</a></li> </ul>

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## UN Guiding Principles Reporting Framework Index

Details of our compliance may be found in the UNGP Reporting Framework Index. The table below sets out the criteria of the UNGP Reporting Framework and where relevant information can be found.

Criterion	Reporting Principle	Where to find it	UNGP RF Reference
<b>Governance</b>	<b>Governance of respect for human rights</b>		<b>A</b>
<b>Policy commitment</b>	What does the company say publicly about its commitment to respect human rights?	▶ Human Rights Report 2022, <a href="#">page 12</a> – Our commitment to human rights	A1
<b>Embedding respect for human rights</b>	How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?	▶ Human Rights Report 2022, <a href="#">pages 13-17</a> – Embedding respect for human rights into everyday business	A2
<b>Reporting focus</b>	<b>Defining the focus of reporting</b>		<b>B</b>
<b>Statement of salient issues</b>		▶ Human Rights Report 2022, <a href="#">pages 19-21</a>	B1
<b>Determination of salient issues</b>		▶ Human Rights Report 2022, <a href="#">pages 22-24</a>	B2
<b>Choice of focal geographies</b>		▶ Human Rights Report 2022, <a href="#">page 24</a>	B3
<b>Additional severe impacts</b>		▶ Human Rights Report 2022, <a href="#">page 23</a>	B4
<b>Management salient issues</b>	<b>Management of salient human rights issues</b>		<b>C</b>
<b>Specific policies</b>	Does the company have any specific policies that address its salient human rights issues?	▶ Human Rights Report 2022, <a href="#">page 12</a> - Our policy commitment to human rights ▶ Human Rights Report 2022, <a href="#">pages 26-30</a> - Policies governing our salient issues	C1
<b>Stakeholder engagement</b>	What is the company's approach to engagement with stakeholders in relation to each salient human rights issue?	▶ Human Rights Report 2022, <a href="#">pages 37-51</a> – Part C – Dialogue and Engagement: A critical tool to understand and manage our salient human rights issues	C2
<b>Assessing impacts</b>	How does the company identify any changes in the nature of each salient human rights issue over time?	▶ Human Rights Report 2022, <a href="#">pages 31-36</a>	C3
<b>Integrating findings, taking action</b>	How does the company integrate its findings about each salient human rights issue into its decision-making processes and actions?	▶ Human Rights Report 2022, <a href="#">pages 37-51</a>	C4
<b>Tracking performance</b>	How does the company know if its efforts to address each salient human rights issue are effective in practice?	▶ Human Rights Report 2022, <a href="#">pages 52-53</a>	C5
<b>Remediation</b>	How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?	▶ Human Rights Report 2022, <a href="#">pages 54-57</a>	C6

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# 3 Limited assurance report of the independent auditor

**To: the Executive Board of ABN AMRO Bank N.V.**

## Our conclusion

We have performed a limited assurance engagement on the Human Rights Report for 2022 of ABN AMRO Bank N.V. at Amsterdam (hereinafter: the Human Rights Report).

Based on our procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Human Rights Report does not present, in all material respects, a reliable and adequate view of:

- ▶ the governance and policies with regard to human rights
- ▶ the determination and the management of the salient issues which are the human rights at risk of the most severe negative impact through ABN AMRO Bank N.V.'s activities and business relationships

in accordance with the reporting criteria as included in the 'Reporting criteria' section of our report.

## Basis for our conclusion

We have performed our limited assurance engagement on the Human Rights Report in accordance with Dutch law, including Dutch Standard 3000A 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)' (Assurance engagements other than audits or reviews of historical financial information (attestation engagements)). Our responsibilities under this standard are further described in the 'Our responsibilities for the assurance engagement on the Human Rights Report' section of our report.

We are independent of ABN AMRO Bank N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Reporting criteria

The reporting criteria used for the preparation of the Human Rights Report are the UN Guiding Principles Reporting Framework and the applied supplemental reporting criteria developed by ABN AMRO Bank N.V. as disclosed in section 'Our approach to reporting' of the Human Rights Report.

The UN Guiding Principles Reporting Framework provides a set of questions to which any company should strive to have answers in order to know and show that it is meeting to respect human rights in practice. The UN Guiding Principles Reporting Framework also contains reporting principles that should define a company's approach to implementing the UN Guiding Principles Reporting Framework.

The UN Guiding Principles Reporting Framework enables companies to report about meeting their responsibility to respect human rights, whatever their stage of progress in implementing the UN Guiding Principles and to highlight progress over time. Putting the UN Guiding Principles on Business and Human Rights into practice is an ongoing process requiring continuous improvement. It is not a finite process that can be reported as complete. Consequently the Human Rights Report describes the stage of progress in implementing the UN Guiding Principles on Business and Human Rights by answering the questions as provided by the UN Guiding Principles Reporting Framework and does not necessarily disclose all violations of human rights or impacts that occurred related to human rights.

The absence of an established practice on which to draw, to evaluate and measure human rights information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Consequently, the Human Rights Report needs to be read and understood together with the reporting criteria used.

## Limitations to the scope of our assurance engagement

The Human Rights Report includes prospective information such as ambitions, strategy, plans, expectations and estimates. Inherent to this prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the Human Rights Report.

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The references to external sources or websites are not part of our assurance engagement on the Human Rights Report. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

### Responsibilities of the Executive Board and the Supervisory Board for the Human Rights Report

The Executive Board is responsible for the preparation of the Human Rights Report in accordance with the reporting criteria as included in the 'Reporting criteria' section of our report. The Executive Board is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting. In this context, the Executive Board is responsible for the identification of the intended users and the criteria being applicable for their purposes. The choices made by the Executive Board regarding the scope of the Human Rights Report and the reporting policy are summarized in in section 'Our approach to reporting' of the Human Rights Report.

Furthermore, the Executive Board is responsible for such internal control as it determines is necessary to enable the preparation of the Human Rights Report that is free from material misstatement, whether due to error or fraud.

The Supervisory Board is responsible for overseeing the reporting process of AMRO Bank N.V.

### Our responsibilities for the assurance engagement on the Human Rights Report

Our responsibility is to plan and perform our limited assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance obtained in a reasonable assurance engagement.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, regulations for quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

The procedures of our limited assurance engagement included among others:

- ▶ Performing an analysis of the external environment and obtaining an understanding of the sector, insight into relevant human rights themes and issues, and the characteristics of the company that are relevant to respecting human rights, including desk research by means of e.g. media search, benchmark analysis and sector analysis
- ▶ Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the Human Rights Report. This includes the evaluation

of the reasonableness of estimates made by the management board

- ▶ Identifying areas of the Human Rights Report with a higher risk of misleading or unbalanced information or material misstatements, whether due to error or fraud. Designing and performing further assurance procedures aimed at determining the plausibility of the Human Rights Report responsive to this risk analysis. These further assurance procedures focus on the questions (part A, B and C) from the UN Guiding Principles Reporting Framework and consisted amongst others of:
  - ▶ For Governance of respect for human rights (Part A):
    - ▶ Evaluating the public commitment of ABN AMRO N.V. to respect human rights and its disclosure in the Human Rights Report, including its developments, the human rights it addresses and how it is disseminated
    - ▶ Evaluating disclosures in the Human Rights Report of how respect for human rights is embedded in the organization
  - ▶ For Defining the focus of reporting (Part B):
    - ▶ Evaluating the 2022 salience assessment as performed by ABN AMRO Bank N.V. and evaluating its disclosure in the Human Rights Report, including any specific focus on particular geographies
    - ▶ Obtaining through inquiries an understanding of internal control, reporting processes and information systems relevant to the preparation of the Human Rights Report, without obtaining evidence about implementation or testing the operating effectiveness of controls. These inquiries had a specific focus on the reporting processes of the salient issues as determined by ABN AMRO Bank N.V.

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- ▶ For Management of salient human rights issues (Part C):
  - ▶ Interviewing management and relevant staff at corporate and business level responsible for the policies, stakeholder engagement, assessment of impact, integrating findings in its decision-making process, taking action, tracking performance and remediation relating to human rights
  - ▶ Evaluating the appropriateness of specific policies for the identified salient issues to reflect whether they are in principle capable of helping the company advance respect for human rights
  - ▶ Evaluating the company's understanding of who its stakeholders are with regards to human rights risks and impacts, including evaluating the disclosure in the Human Rights Report of the stakeholders identified
  - ▶ Evaluating stakeholder engagement as performed by ABN AMRO Bank N.V. by inquiry of stakeholder managers and other relevant personnel and by reviewing documentation of stakeholder engagement
  - ▶ Reviewing documentation of how the views of stakeholders have influenced the company's understanding of the salient issues and its approach to address them
  - ▶ Evaluating ABN AMRO Bank N.V.'s approach of identifying any changes in the nature of the salient issues over time including any trends or patterns
  - ▶ Evaluating the disclosure of the severe impacts as included in the Human Rights Report, for salient issues and issues determined as not salient, or disclosure of any limitations in reporting on these severe impacts
- ▶ Evaluating the appropriateness of disclosure of integration of findings related to salient issues into the decision-making process and actions of ABN AMRO Bank N.V.
- ▶ Obtaining assurance information that the 2021 and 2022 outcomes of the indicators as disclosed in the section 'Tracking performance' of the Human Rights Report reconcile with underlying records of the company
- ▶ Evaluating the examples as disclosed in the Human Rights Report to illustrate how ABN AMRO N.V. manages the salient issues and assess if the Human Rights Report provides a balanced view of these issues
- ▶ Evaluating disclosures in the Human Rights Report on how ABN AMRO Bank N.V. enables effective remedy if people are harmed by their actions or decisions in relation to the salient issues
- ▶ Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the Human Rights Report
- ▶ Obtaining assurance information that the Human Rights Report reconciles with underlying records of the company
- ▶ Reviewing, on a limited test basis, relevant internal and external documentation
- ▶ Performing an analytical review of the data and trends

- ▶ Reconciling the relevant financial information included in the section 'About ABN AMRO' in the Human Rights Report with the full set of audited financial statements of ABN AMRO Bank N.V. for the year ended 31 December 2022 as included in the separately published Integrated Annual Report 2022 of ABN AMRO Bank N.V.
- ▶ Reconciling the other information in the section 'About ABN AMRO' in the Human Rights Report with the separately published Integrated Annual Report for the year 2022 of ABN AMRO Bank N.V.
- ▶ Evaluating the overall presentation and content of the Human Rights Report
- ▶ Considering whether the Human Rights Report as a whole, including the disclosures, reflects the purpose of the reporting criteria used

Amsterdam, 7 March 2023

**Ernst & Young Accountants LLP**  
Signed by J. Niewold

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