

Putting people centre stage

Our actions and engagement
to do business with respect
for human rights

ABN AMRO Bank N.V.

**Human Rights
Report 2020**





“We have a critical responsibility to understand and address our impact on human rights. As a bank, we affect the lives of many people: our millions of individual clients and hundreds of thousands of business clients, whose activities 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 2020.

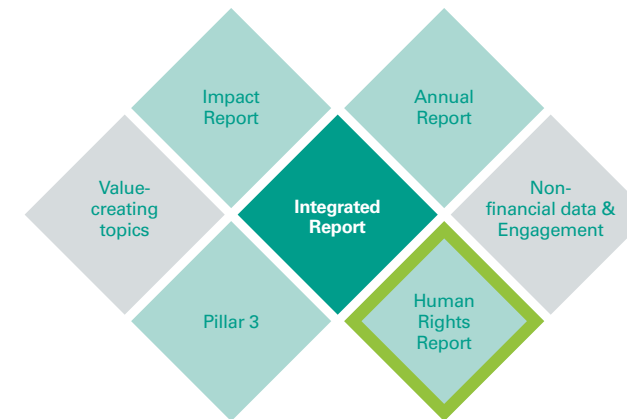
ABN AMRO takes a 'core and more' approach to reporting. The Integrated Report is the bank's 'core' report and covers our business, strategy and performance. Its primary purpose is to explain how, over time, we create value for our stakeholders – not only as a provider of banking and other financial services, but also as a responsible employer and an active contributor to society as a whole. We also publish other 'more' reports, these are designed to provide stakeholders with additional information on specific subjects (see illustration). For a list of our corporate reports, please refer to our website: [🌐](#) Further details of our approach to reporting can be found on page 107. [➡](#)

This Human Rights Report is one of the bank's 'more' reports, and parts of it are included in the Integrated Report. 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 and 2018 Human Rights Reports, this 2020 Report has been drawn up in line with the UN Guiding Principles Reporting Framework (UNGPRF).

This year, EY has provided limited assurance on this report, in line with the UN Guiding Principles Reporting Framework.

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 impact, 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 2020 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.

◆ This Human Rights Report provides a better understanding of what it means for a financial institution and its employees to view their activities from a human rights perspective.



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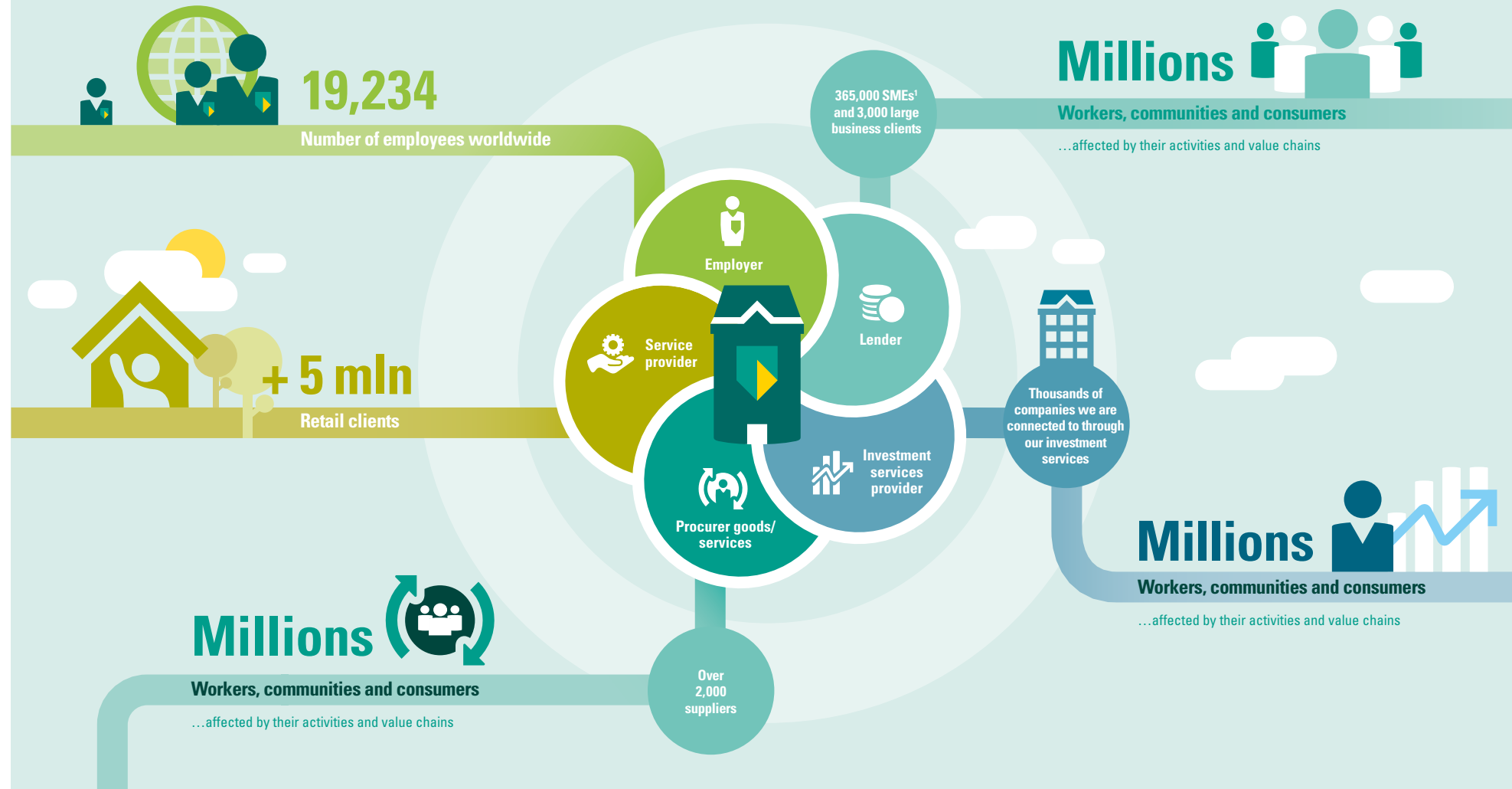
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Banking is about people

At ABN AMRO, we serve nearly 5.5 million clients whose activities span the globe. In all our activities, and in the activities of our clients, companies we are connected to via our investment services, and suppliers, we estimate millions more people and communities are affected by our work.



¹ SMEs: small and medium-sized enterprises.

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About ABN AMRO

ABN AMRO is one of the Netherlands' leading banks. Our focus is on Northwest Europe. We provide banking services to retail, private and business clients. There are more than 19,000 ABN AMRO employees worldwide. Our vision is to be a personal bank in the digital age, serving clients where we have scale in the Netherlands and Northwest Europe.

We have four businesses:

Through **Retail Banking** in the Netherlands, we provide personal finance – from current accounts to credit cards, investment services, mortgages and insurance. In the Netherlands, five million people have an account with ABN AMRO – more than a quarter of the Dutch population.

Commercial Banking provides financing and advice, mainly to small and medium-sized enterprises (SMEs). ABN AMRO is the first-choice bank for around a quarter of all Dutch SMEs, the backbone of the country's economy. ABN AMRO is the first-choice bank for around a quarter of all Dutch small to medium enterprises (SMEs), the backbone of the country's economy. At the end of 2020, our commercial loans – to both SMEs and other companies – totalled just over EUR 40 billion.

We also offer financial advice and wealth management services through our **Private Banking** operations. We are active in four countries: the Netherlands, Belgium, France and Germany. In total, our Private Banking business manages client assets worth almost EUR 190 billion.

Corporate & Institutional Banking works with larger companies – many of them multinationals. Our business offers a range of financial products to more than 2,000 clients worldwide, including structured finance, fixed income, debt capital and clearing. We're currently winding down our Corporate & Institutional Banking activities outside Europe; Clearing will remain a global business.

In addition, we have **Group Functions** to support our businesses in areas such as Innovation & Technology, Finance, Risk Management, HR & Transformation, Group Audit, Strategy & Sustainability, Legal, Corporate Office and Brand, Marketing & Communications.

Currently, just over 80% of ABN AMRO's operating income is generated in the Netherlands; the remaining 20% comes from outside our home market, though this is likely to decrease in the coming years because of the refocusing of our Corporate & Institutional Banking business.

Focus on Netherlands and Northwest Europe



Netherlands: Group Functions, Retail Banking, Private Banking, Commercial Banking, Corporate & Institutional Banking

Belgium: Private Banking, Commercial Banking, Corporate & Institutional Banking

France: Private Banking, Commercial Banking, Corporate & Institutional Banking

Germany: Private Banking, Commercial Banking, Corporate & Institutional Banking

UK: Commercial Banking, Corporate & Institutional Banking

ABN AMRO branch offices:

In Europe: Athens (Greece), Oslo (Norway).

Outside Europe: Chicago (US), Dallas (US), Hong Kong, New York (US), Sao Paulo (Brazil), Shanghai (China), Singapore, Sydney (Australia), Tokyo (Japan)

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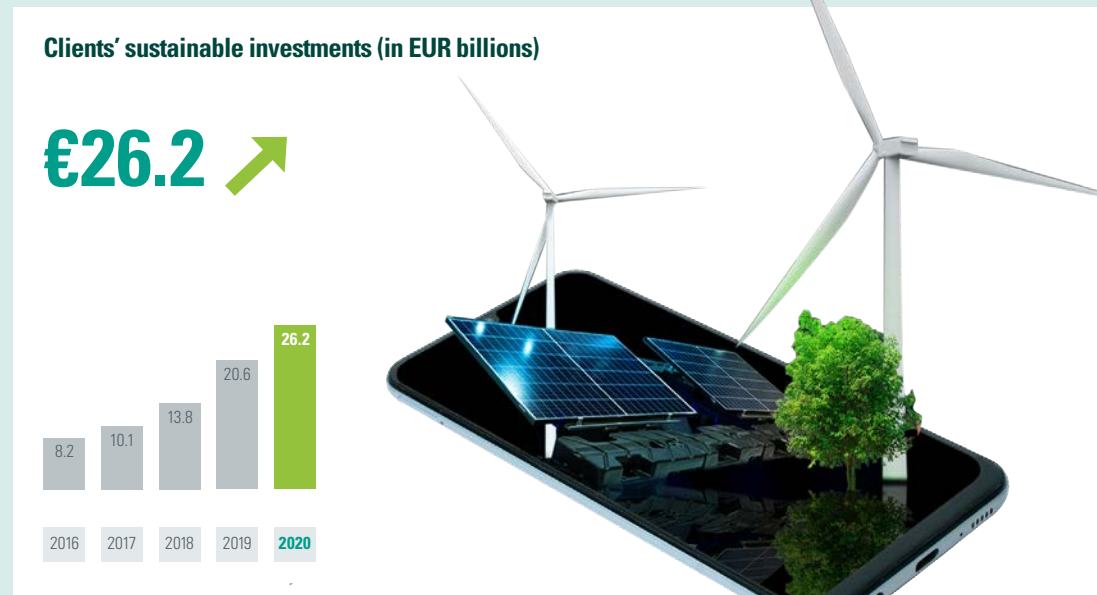
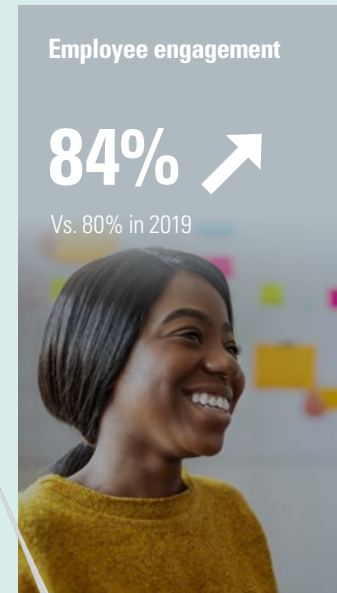
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Note: the charts on this page are for illustrative purposes only.

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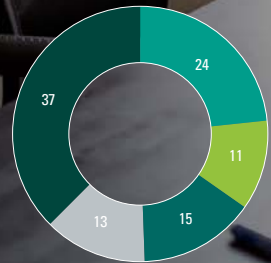


Number of employees (in FTEs)

19,234

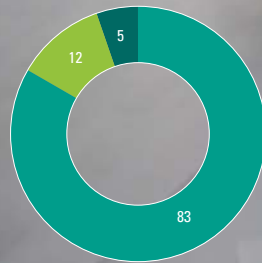
More than 80% of our employees work in the Netherlands for our businesses or in Group Functions. We also have around 5,621 temporary workers and sub-contractors.

By business (end 2020)
(in %)



- Retail Banking
- Commercial Banking
- Private Banking
- Corporate & Institutional Banking
- Group Functions

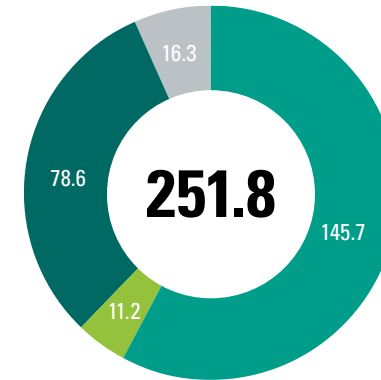
By location (end 2020)
(in %)



- Netherlands
- Rest of Europe
- Rest of the world

Loans and advances to clients
(in EUR billions, end 2020)

At the end of 2020, our loan portfolio was worth just over EUR 250 billion. Of the total, residential mortgages accounted for more than half, corporate loans for just over 30%.



- Residential mortgages
- Consumer loans
- Corporate loans
- Loans to professional counterparties and other loans

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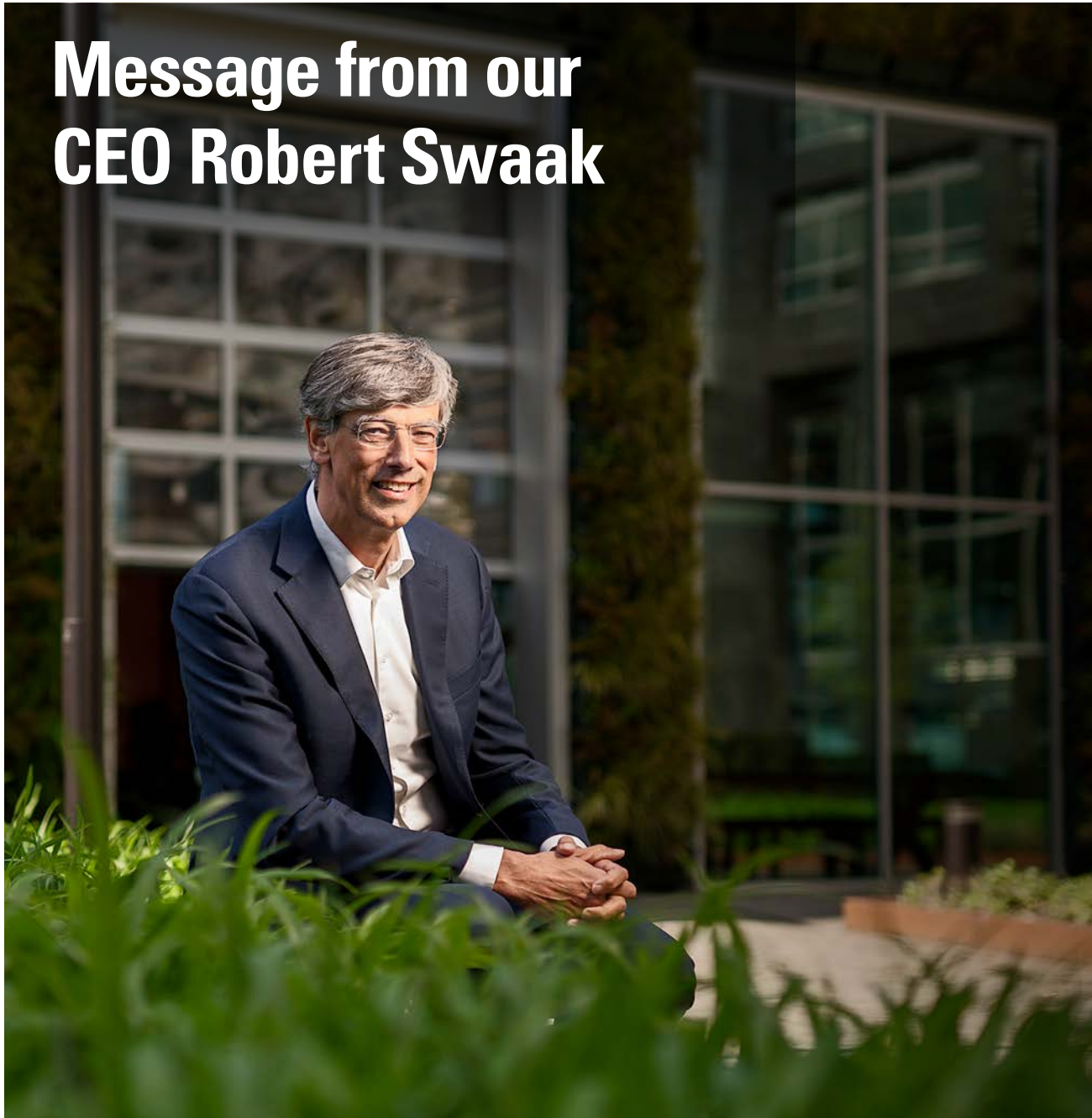
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Message from our CEO Robert Swaak



2020 was a memorable year for all of us. The Covid-19 pandemic has taken a grip on the world, dominating every area of our lives. The Black Lives Matter movement and the continued attention for diversity in all its forms have made many speak up and join the debate. Realising we are in unprecedented times gives pause for thought about the values we uphold and how our actions affect people's fundamental dignity – their human rights.

This Human Rights Report is our fifth report¹ on how we understand our impacts on human rights and our efforts to try to make that impact as positive as possible. This is a significant responsibility for a bank with millions of individual clients and hundreds of thousands of business clients, whose activities can in turn impact millions of workers, communities and consumers.

¹ ABN AMRO publishes a Human Rights Report every two years. In alternating years, we publish a Human Rights Update. Read more about our approach to human rights reporting [here](#).

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Having joined the bank as its CEO in 2020, I've had the opportunity to engage with our clients, employees, and broader society about how we put people at the centre of our business. These discussions have shown me that our purpose 'Banking for better, for generations to come' is even more critical in the extraordinary times in which we live.

“In my conversations over the past year, I’ve had an opportunity to hear directly from civil society organisations about how they view our progress on respecting human rights in our role as a corporate lender and investment services provider.”


Following the death of George Floyd in the United States and increased focus on systemic racism and violence, our Executive Board and management teams across the globe discussed this at length and invited employees to speak up at all times when they feel the situation calls for it. At ABN AMRO, we do not tolerate discrimination in our workplace. In my weekly email to all employees, I emphasised this and was deeply affected by the responses I received. During our annual Diversity & Inclusion Week, I had the chance to moderate a discussion about discrimination. As I continue to lead ABN AMRO, I intend to keep making use of these valuable opportunities for exchange and dialogue, so that we can learn from each other and build a stronger, future-proof bank that respects people.

I am pleased with the progress we've made over the last two years in further implementing our commitment to respect human rights. We've embedded sustainability risk – which includes human rights risks – in our central risk management processes. In our role as a lender, we've dedicated more time to senior-level discussions about complex human rights cases with our corporate clients through our Engagement Committee. And in our role as a service provider, we've rolled out additional support for our retail clients in the Netherlands to help them stay financially stable and able to pay their bills, especially in the unique and challenging economic circumstances we've experienced due to the Covid-19 pandemic. Banking with respect for human rights will never be easy, and we still have work ahead of us. We seek to be transparent about our efforts on this front in this report.

This year's report features a special section on engagement and dialogue as a key tool for us to deliver on our commitment to respect human rights. We welcome your participation in this conversation as we work together to bank for better, for generations to come.

Robert Swaak

Chief Executive Officer, ABN AMRO

Please also read the interview with Robert Swaak in the Integrated Report 2020, where he elaborates on his first year as the CEO. 

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Responsibility for sustainability risk management for corporate clients and investment services transferred to Central Risk Management department (previously in Group Sustainability). Comprehensive Sustainability Risk Management Framework review begins, including updating of Key Risk Indicators for sustainability

JAN 2020

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ABN AMRO begins testing a potential grievance procedure, designed to help it enable remedy for people who have been harmed by its corporate clients

JUN 2020



MAR-OCT 2020

ABN AMRO updates several policies and processes in its Sustainability Risk Management Framework

ABN AMRO CEO Robert Swaak holds several discussions with representatives of civil society organisations. One topic of their conversations are human rights connected to ABN AMRO's activities

ABN AMRO commits to **Women's Empowerment Principles**
Publication ABN AMRO **Human Rights Update 2019**

MAR 2020

ABN AMRO commissions independent research into its 300-year history, to better understand its role in systemic racism and inequality

JUL 2020

SUMMER 2020

Announcement of new focus of ABN AMRO's Corporate & Institutional Banking business

AUG 2020



ABN AMRO signs a joint statement with 26 companies, business associations and investor initiatives calling for European Union cross-sectoral mandatory human rights and environmental due diligence legislation

SEP 2020

Conclusion of ABN AMRO's assessment of its salient human rights issues

ABN AMRO Private Banking Global Sustainability Board approves scaled-up engagement approach as investment services provider

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OCT 2020

ABN AMRO publishes its updated Human Rights Statement

DEC 2020

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ABN AMRO publishes Social Impact publication



DEC 2020

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Part A Governance of respect for human rights

In the last two years, we updated our public commitment to respect human rights, strengthened our policy framework on human rights, and established and strengthened structures to help us implement our commitment across ABN AMRO.



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1. Our commitment to human rights

Our commitment to do business with respect for human rights is anchored in a set of policies, some of which apply bank-wide and some of which apply to specific aspects of our business. These policies define and set expectations for ABN AMRO on human rights and guide how we do business every day. From our client relationship managers to human resources staff to our CEO, thousands of ABN AMRO employees share responsibility for implementing these policies.

Overarching and issue-specific frameworks on policy and process

Our Human Rights Statement sets out our commitment to human rights for our entire bank and is part of our Sustainability Risk Management Framework. It is approved by our Group Disclosure Committee, a delegated committee of the Executive Board. Our Code of Conduct and Sustainability Risk Management Framework set out comprehensive, binding expectations and processes that translate and set criteria for how we put our commitment into practice.

We have numerous other policies and processes that guide more specific aspects of how we deliver on our commitment to human rights – see our ABN AMRO Policy Ecosystem infographic on page 15 and the section on issue-specific policies on page 37.

This part of the report focuses on our governance of human rights generally. For information about our salient human rights issues and how we manage them, see Parts B and C of this report.

Definition

“Salient human rights issues are the human rights at risk of the most severe negative impact through our activities and business relationships.”

[UN Guiding Principles Reporting Framework](#)

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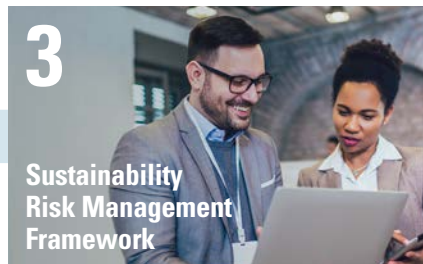
Human rights at ABN AMRO are primarily governed by three comprehensive policies or statements:



We published our first-ever Human Rights Statement in 2012 and updated it in 2020. Our Human Rights Statement defines how we understand our responsibility to do business with respect for human rights, including our expectations of our clients and business partners. The Human Rights Statement is part of our Sustainability Risk Management Framework. See more on page 18. [➔](#)



All of our employees worldwide are expected to adhere to our Code of Conduct. The Code includes specific expectations about individual employees' responsibility to work with respect for human rights, and includes disciplinary action for failure to comply with the Code. Our Code of Conduct is scheduled for review in 2021. See more on page 38. [➔](#)



This Framework, a combination of policies and processes, includes our overarching [Sustainability Risk Policy](#) and numerous sub-policies that govern and define how we manage sustainability risks of our corporate clients and risks associated with our investment services. We clearly state in our Framework that human rights risks are a component of broader sustainability risks. Our Human Rights Statement is part of the Sustainability Risk Management Framework. The Sustainability Risk Management Framework applies to all our business clients and companies we are connected to via our investment services, with specific elements within the Framework applying to only certain kinds of clients or situations. See more on page 18. [➔](#)



Definition

Business relationships: "A company's 'business relationships' is defined broadly to encompass relationships with business partners, entities in its value chain and any other State or non-State entity directly linked to its business operations, products or services. This includes entities in its supply chain beyond the first tier and indirect as well as direct business relationships."

[UN Office of the High Commissioner for Human Rights, Frequently Asked Questions About the Guiding Principles on Business and Human Rights](#)

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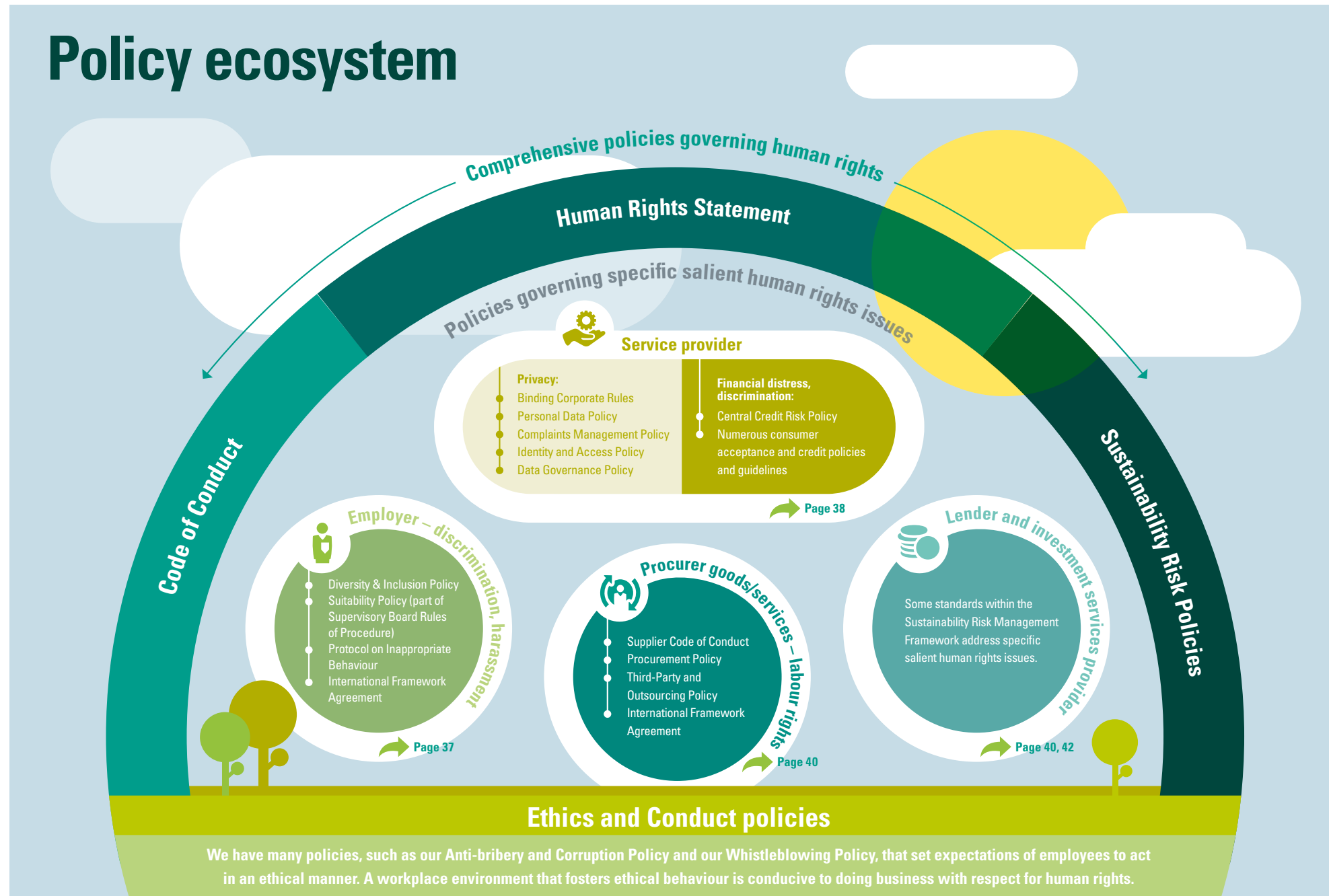
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Policy ecosystem



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Note that not all salient issues have a specific policy. See Part C of this report for more information.




In 2012, we published our first Human Rights Statement. At that time, only one year had passed since the adoption of the [UN Guiding Principles on Business and Human Rights](#). Companies around the world, including ABN AMRO, were just beginning to build understanding of how to do business with respect for human rights.

Nine years have passed since the UN Guiding Principles were established in 2011, and we've learned a lot about human rights and our role as a bank. With all the experience and learning we've gained since our first statement, we realised that it was time for a new human rights statement.

"When you look at our 2012 Human Rights Statement, it overlooks some concepts that are now very relevant for us. For instance, it didn't really address the importance

of identifying salient human rights issues or the topic of remedy. And when it comes to the roles of ABN AMRO, our 2012 statement was a bit confusing – it jumped from our lending portfolios to procurement to our own human resources. We simply needed a better statement that touches upon all the roles and issues that we have identified over the past several years," says Ruben Zandvliet, Social Sustainability Advisor at our Group Sustainability department who led the process of updating the statement.

[Read the statement here](#)



Definition

Remedy: "When human rights abuses occur, those who are harmed are entitled to effective remedy. The idea of effective remedy is that those individuals or groups who have suffered some adverse impact to their human rights should be made whole again, by restoring them to a situation the same as or as close as possible to the position they were in before the impact occurred. The actual reparation measures will depend on the nature of the harm suffered and the wishes of those adversely impacted."¹

¹ "Discussion paper: Working Group enabling remediation," Dutch Banking Sector Agreement, Sociaal-Economische Raad 2019. ABN AMRO actively contributed to the development of this paper through its participation in the remedy working group of the Dutch Banking Sector Agreement.

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Our Group Sustainability department began working on a new statement in 2019, consulting external and internal stakeholders. In September 2019, we organised an [external stakeholder session](#) on our Human Rights Statement, inviting civil society organisations, trade unions, issue experts and other companies that we're regularly in dialogue with about human rights. At the consultation, we focused on key questions about the statement's function and about what should – and what shouldn't – be in the statement. We talked about the audience for the statement and specific issues that should be referenced.

After these consultations, our Group Sustainability team consulted internal stakeholders such as human resources staff, privacy officers, sustainability risk experts who work with clients, and our Sustainability Advisory Committee. Final approval for the Statement came from the Group Disclosure Committee in December 2020, chaired by our Chief Financial Officer (at the time) Clifford Abrahams.

We think we can use an ambitious statement as a kind of springboard to inspire and drive our efforts on human rights. We don't want to overpromise, but we also think it's important to be ambitious when it comes to doing business with respect for human rights," Ruben says.

"In the new statement I'm particularly pleased we took a position on human rights defenders and civic space. This is an area where we've been in dialogue with civil society and other companies for several years, particularly since we joined the [Business and Human Rights Resource Centre network on human rights defenders and civic space](#) about four years ago. Our role as a bank on providing remedy is also an area we've grappled with for years, for example through the [Dutch Banking Sector Agreement](#), which we [actively participated in and supported](#). By referencing these issues specifically in our Human Rights Statement, we can recognise these concerns, express that we share them, and show that we want to contribute to solutions in our role as a bank," Ruben explains.

"A human rights statement is a statement – that means it's an opportunity to take a position on issues."

Raising awareness about our new Human Rights Statement

Updating our Human Rights Statement gives us an opportunity to start or renew conversations about our actions on human rights, both internally (with employees) as well as externally (such as with clients, civil society organisations and trade unions). Because the statement was finalised shortly before publication of this report, at the time of writing we can say only what our plans are to disseminate it, ideally to take place in Q1-Q2 2021.

We plan to:

- ▶ Publish the statement on the [abnamro.com](#) website
- ▶ Publish it on our ABN AMRO employee intranet homepage
- ▶ Email it to colleagues across ABN AMRO who are involved with implementing our human rights programme, from sector bankers to employees in Central Risk Management to Human Resources and more
- ▶ Email it to our network of human rights stakeholders and issue experts, including potentially affected people and their representatives (such as civil society organisations and trade unions), human rights issue experts, academia, other companies, etc.¹
- ▶ Publish an article about the new statement in our [Sustainable Banking newsletter](#)
- ▶ Provide information about the new statement in this Human Rights Report.

We also recognise that we need to ensure that our clients and business partners are aware of our updated Human Rights Statement. Reaching all of our business partners with the updated statement presents us with logistical challenges. As one way to disseminate the statement to all our corporate clients, we plan to try to integrate the new statement into the annual client sustainability review process undertaken by our client relationship managers.

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¹ As this report is published at the end of Q1, we have already disseminated the statement in this, and the above described ways.



Name:
**Myrthe
Haase**

Position:
**Sustainability Risk
Specialist**

The Sustainability Risk Management Framework:
**“Policies and processes
that translate our human rights
commitment into practice.”**

While our Human Rights Statement sets out our commitment to human rights, our Sustainability Risk Management Framework (SRMF) translates our commitment into practice when we act as a lender and investment services provider.

The SRMF is also relevant to specific salient human rights issues; see Part C for more details. Myrthe Haase, Sustainability Risk Specialist at Central Risk Management, explains how it works.

Q: What is the Sustainability Risk Management Framework?

A: “It’s a set of policies and risk management processes specific to managing sustainability risk. ‘Sustainability’ in the SRMF explicitly includes human rights. By following these policies and processes, we aim to identify and address sustainability risks that our corporate clients and clients that use our investment services are connected to.”

Q: What’s in the SRMF?

A: “The SRMF is governed overall by our Sustainability Risk Policy. This policy defines the purpose and function of the SRMF, sets minimum requirements and establishes rules for the management of sustainability risks within ABN AMRO. Under this policy, we have specific policies, standards, sector requirements, exclusion lists and statements, including our Human Rights Statement. The SRMF also sets out processes that help us know if we and our clients are putting these policies into practice.”

“Our sector standards set our most detailed expectations of corporate clients when it comes to human rights. These standards define our expectations of corporate clients with a loan from ABN AMRO of over EUR 1 million with regard to their management of human rights risks, particularly those known to be systemic to their sector.”

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Sectors covered include agriculture, animal protein, chemicals and pharmaceuticals, commercial real estate, defence, energy, extractive industries, financial institutions, manufacturing, and transportation.” See more about our sector standards on ¹

Q: How does ABN AMRO use the SRMF in practice?

A: The SRMF serves many purposes for us.

The main purposes are:

- ▶ Defines which human rights considerations inform our decision to enter into a relationship with a client
- ▶ Helps make clients aware of our expectations of them with regard to human rights risk management. The SRMF overall guides our dialogue with clients, and our sector standards specifically are binding conditions
- ▶ Provides a process for monitoring client compliance with the SRMF and defines the procedure we undertake in cases of non-compliance
- ▶ Sets expectation of ourselves to engage with non-compliant corporate clients to help them improve their human rights risk management. This includes offering these clients capacity building, exchanging knowledge and best practice information, suggesting initiatives to join, and providing technical expertise

- ▶ Makes clear what types of activities are grounds for us to exclude providing financial products or services, as set out in our Exclusion List and Controversial Weapons List.”

“A wide range of colleagues within the bank are responsible for the implementation of the SRMF, from us in Central Risk Management to Credit Risk to client relationship managers to our investment advisors.”

Q: Who is responsible for implementing the SRMF?

A: “The policies and standards within the SRMF are approved by our Group Risk Committee. A wide range of colleagues within the bank are responsible for the implementation of the SRMF, from us in Central Risk Management to Credit Risk to client relationship managers to our investment advisors. See more about accountability for policy adherence in the supplement to this report.

More work to do: Ensuring alignment between human rights issues addressed in the Sustainability Risk Management Framework and our Human Rights Statement.

Since 2012, we’ve publicly committed ourselves to strive to do business with respect for human rights in line with the UN Guiding Principles on Business and Human Rights (UNGPs). The UNGPs, and our Human Rights Statement, expect companies to respect all “internationally recognized human rights” (see full definition in UNGPs).

For the sector standards in our Sustainability Risk Management Framework, we have tried to make risk management more effective by defining specific expectations of clients with regard to certain human rights issues known to be systemic in the sector. But sometimes this means our expectations of clients don’t cover the full spectrum of human rights we expect clients to respect under our Human Rights Statement. Our sector standards also do not always focus specifically on our salient human rights issues. We have further work to do to ensure full alignment of our policies with our own human rights commitment, international standards and the human rights we have identified as most at risk. This is an ongoing process, not least because the nature of our clients’ risks evolves over time.

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¹ While our sector standards only apply to corporate clients with a loan from ABN AMRO of over EUR 1 million, we do assess all corporate clients for human rights risks. Our [Human Rights Report 2018](#) (p.37) describes this process for client acceptance and client approval, and [this section](#) of this report describes our ongoing assessment of our clients’ human rights risks.



2. Embedding respect for human rights in everyday business

The tone from the top: responsibilities of our senior leadership for human rights

Our Chief Executive Officer Robert Swaak is directly responsible for our Strategy & Sustainability department. Our entire Executive Board is also involved in sustainability as it relates to their areas of oversight. In particular, because sustainability is classified as a business risk for ABN AMRO, our Chief Risk Officer Tanja Cuppen is responsible for sustainability risk management, which explicitly includes human rights risks. Our Supervisory Board¹ oversees the work of the Executive Board and advises, challenges and supports the Executive Board in carrying out its functions, including those related to human rights due diligence.

At the senior management level, we rely on the leadership of various committees to provide oversight and take critical decisions affecting our daily management of human rights risks. See our organisation chart on page 24  for an

overview of these committees. The primary function of these committees, and examples of human rights-related issues they addressed during the reporting period, are laid out on the next pages. Note this list is not exhaustive.

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¹ The Supervisory Board is independent of management and its members are guided by the interests of the bank. The members are required to take into account the legitimate interests of the bank's stakeholders. Additional information about the Supervisory Board is available in our [Integrated Report 2020](#).



Committees that include member(s) of the Executive Board (ExBo) or are delegated committees of the ExBo

Group Risk Committee (GRC)

Chaired by our Chief Risk Officer Tanja Cuppen, the GRC oversees the development and implementation of our Sustainability Risk Management Framework.

Example activities in the reporting period:

- ▶ Annually: approves the Risk Taxonomy, in which sustainability risk is defined; approves the Bank Risk Appetite Statement, which sets our risk appetite and defines how we will measure if we are operating within our appetite, including by setting risk indicators (such as on human rights)
- ▶ Quarterly: discusses monitoring report of Enterprise Risk Management system¹, which includes monitoring the risk indicator on human rights (from 2021)
- ▶ 2020: approved the list of companies we will not finance or invest in due to their involvement in controversial weapons
- ▶ 2019-2020: adopted/approved updated policies within SRMF

Central Credit Committee (CCC)

The Central Credit Committee oversees the process of determining whether or not to approve, renew or extend credit to new and existing corporate clients. The committee weighs human rights issues in making these decisions, informed by advice from Credit Risk’s sustainability risk advisors.

Examples of activities in the reporting period:

- ▶ See the Client Acceptance and Review Committee.

Group Disclosure Committee (GDC)

Headed by our (now former) Chief Financial Officer Clifford Abrahams, the GDC approves reports and statements about human rights.

Example activities in the reporting period:

- ▶ In 2019 and 2020, the GDC approved our Human Rights Update. In December 2020, the GDC approved our updated Human Rights Statement.

¹ A monitoring report on the Enterprise Risk Management system is also shared monthly with the Executive Committee.

Committees that do not have Executive Board involvement

Client Acceptance and Review Committee

The Client Acceptance and Review Committee oversees the decision-making process of the acceptance of corporate clients. The committee weighs human rights issues in making these decisions, informed by advice from sustainability risk advisors from Credit Risk.

Example activities in the reporting period:

- ▶ In 2020, this committee, as well as the CCC, discussed three potential and existing clients, which Credit Risk advised against accepting/continuing the relationship due to human rights concerns. None of the clients were accepted, nor were any relationships extended. The human rights issues in these cases concerned gross human rights abuses against a specific ethnic group, potential complicity in state violations of international humanitarian law, and human trafficking.

Sustainability Advisory Committee (SAC)

We established the SAC in 2020, chaired by the Director of Group Sustainability Richard Kooloos. It is mandated by our Executive Board to assist the Board in its oversight concerning, among others, our sustainability commitments, sustainable finance instruments, key performance indicators, transparency and disclosure and prioritisation of human rights risks. The SAC does not provide approval, but gives advice on sustainability matters.

Example activities in the reporting period:

- ▶ In 2020, the SAC endorsed the salient human rights issues we focus on in this report as well as our updated Human Rights Statement.

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Committees that include member(s) of the Executive Board (ExBo) or are delegated committees of the ExBo

Ethics Committee

Comprised of six permanent members from our senior management, including our CEO, the Ethics Committee provides guidance on moral dilemmas in cases where existing laws, regulations and our own policies provide ambiguous guidance. The Ethics Committee regularly provides guidance in cases with relevance to human rights.

Example activities in the reporting period:

- ▶ In 2019, the Ethics Committee considered cases related to whether the bank should provide financing to a client who asked for a loan or lease facility from us in order to purchase solar panels from a subsidiary of a company involved in cluster bombs manufacturing,¹ and advised on whether ABN AMRO should facilitate credit card transactions for retail clients sending payments by credit card to far-right extremist organisations.²
- ▶ In 2020, they considered a case of a client providing services to a military that has faced allegations of human rights violations.

Engagement Committee

Read more about our this committee on page 60. [➡](#)

¹ In this case, we considered a client's ('A') loan/lease request to be able to purchase goods from a company subsidiary ('B') of holding company ('C'). Another subsidiary ('D') held by the same holding company ('C') is involved in the manufacture of cluster bombs. The holding company and the subsidiary manufacturing cluster bombs ('C' and 'D') are on our exclusion list due to their involvement in controversial weapons. But the subsidiary company ('B') manufactures solar panels, which we would generally strive to support as a source of renewable energy. In the end, the Ethics Committee advised that if our client ('A') were to enter into a financial relationship with B, we would inform our client that this company is connected to cluster bomb manufacturing. We can provide a loan to a client that wants to buy solar panels, but we will not offer a leasing solution in which ABN AMRO would become the owner of the solar panels.

² Following this initial discussion, a broader assessment was undertaken to consider the extent to which ABN AMRO wants to accept or retain clients who are actively involved in the use of hate speech.

Committees that do not have Executive Board involvement

Private Banking Global Sustainability Board (PBGSB)

The PBGSB approves our criteria and exceptions for sustainable investing, coordinates sustainable investing activities between countries where we offer private banking investment services, reviews engagement proposals for investments and advises the senior management of our private banking division on sustainable banking issues at least once per year. The PBGSB is advised by, among others, sustainability Advisory Councils of our national subsidiaries offering investment services ([read about one example here](#)). The PBGSB is comprised of representatives from ABN AMRO Private Banking, national subsidiary banks with investment services, ABN AMRO Investment Solutions and Group Sustainability.

Example activities in the reporting period:

- ▶ Accepted a proposal for proactive engagement on human rights and climate change.

Product Approval and Review Process (PARP) Committees

Each of our businesses (e.g. Retail Banking, Commercial Banking, etc.) has a PARP Committee. These committees are responsible for reviewing and approving financial products that we offer. Part of the process these committees undertake examines whether the product could have a negative impact on clients, such as threatening their financial stability.

Example activities in the reporting period:

- ▶ Comprehensive review of process for developing new products to better serve clients' best interests.

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Human rights risk management on a day-to-day basis

On a day-to-day basis, responsibility for delivering on our commitment to respect human rights is integrated into our existing organisational and governance structure. Our Group Sustainability department – part of our Strategy & Sustainability department, which is directly overseen by our CEO – functions as our internal team of experts in charge of managing our bank-wide human rights programme. But the daily work of doing business with respect for human rights is the responsibility of thousands of employees across our bank.

Because human rights can be affected by so many of our activities, we think the best way to effectively manage them is by integrating responsibility across a range of functions. This integrated approach also makes sense given ABN AMRO's overall strategic goal to accelerate the sustainability shift, both for ourselves and for our clients.

Embedding sustainability risk into central risk management

Over the past several years we have been in the process of formalising sustainability risk as a business risk type of ABN AMRO. In the reporting period, responsibility for sustainability risk was reassigned to our Central Risk Management department (it was previously with Group Sustainability).

By embedding sustainability risk into our central risk management and accountability structure, we're in a better position to effectively manage sustainability risk as part of our everyday work as a bank. Throughout this report you can read about various processes that reflect this embedding, such as our new human rights risk indicator that informs our Enterprise Risk Management reporting, and about insights from sustainability risk advisors who sit within departments such as Credit Risk and Central Risk.



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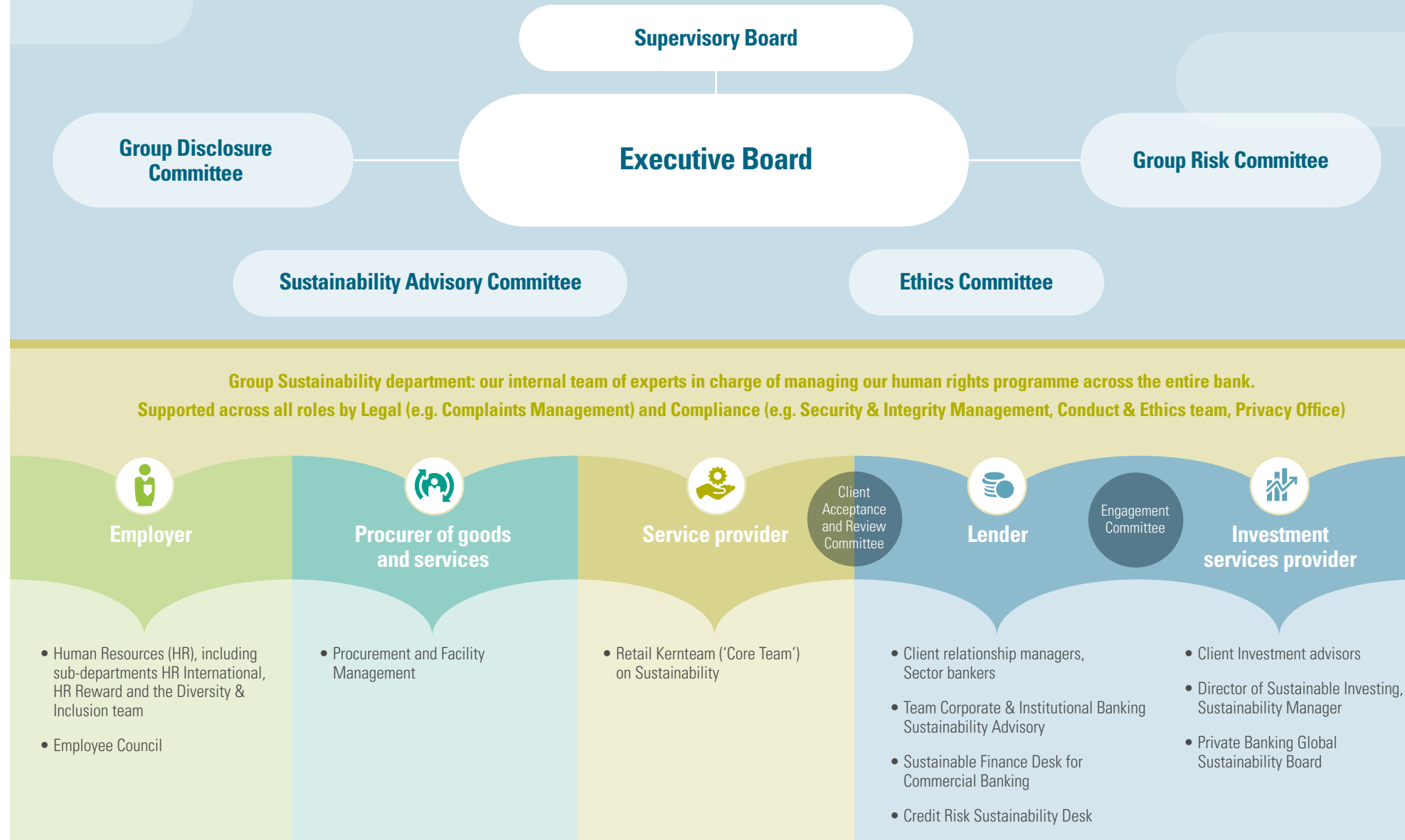
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Key functions responsible for human rights



¹ This organisation chart shows key functions that carry out aspects of our human rights programme; it does not show every function.

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To support employees in the decisions and actions they take every day on human rights, we provide a range of resources to build awareness and understanding on human rights.

Activities in the reporting period designed to increase awareness among employees and business relationships about ABN AMRO's human rights commitment

Note this list is not exhaustive.

 **Education and dialogue opportunities on human rights for employees**

- ▶ E-learning module (Sharp) on non-financial risks, including human rights, is a continuous, mandatory awareness and learning programme for all employees. In 2020, we added new questions specifically on human rights issues such as labour rights and the role of our International Framework Agreement, and human trafficking
- ▶ Permanent Education Programme (ongoing programme for senior management and Executive Board): In 2019, the Group Sustainability department gave a 90-minute presentation to our senior leaders, including the Executive Board, to build their awareness of our human rights approaches and challenges
- ▶ Business and human rights peer learning workshop facilitated by Shift: As a participant in Shift's Business Learning Program, we invite different employees every year to their two-day workshop on business and human rights. In 2019, we hosted this workshop in Amsterdam.
- ▶ Learning weeks: Twice per year, ABN AMRO offers learning weeks, an opportunity for employees to learn about a wide range of topics relevant to our work. In the reporting period, we hosted sessions on social impact and human rights, and our overall sustainable strategy
- ▶ '50 Shades of Green' sustainability seminars: These seminars, organised quarterly from 2016 to 2019, were designed to educate and inspire ABN AMRO employees about sustainability. In 2020 we organised one session prior to the onset of the Covid-19 pandemic. Human rights were explicitly addressed in one seminar a year
- ▶ Human Rights Course offered quarterly since 2018. In 2019 and 2020, ABN AMRO's Group Sustainability team provided a Human Rights Introduction Course, every quarter. In total 124 colleagues participated in these courses, over the two years. This course is meant for bank-wide employees to gain knowledge of ABN AMRO's human rights programme. In 2021, we will offer this course via the Circl Academy online learning platform.

 **General communication on human rights for employees and external audiences**

- ▶ Quarterly Sustainable Banking newsletter
- ▶ Human rights disclosure: Human Rights Reports and Human Rights Updates
- ▶ Yearly human rights conferences (human rights conference did not take place in 2020, due to the Covid-19 pandemic)
- ▶ News articles on human rights on our employee intranet

 **Awareness raising on human rights with corporate clients and companies we are connected to via our investment services**

- ▶ See our special section on engagement on page 43. 

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Part B

Defining a focus of reporting

In 2020, we identified our salient human rights issues for the various roles we play as a bank.



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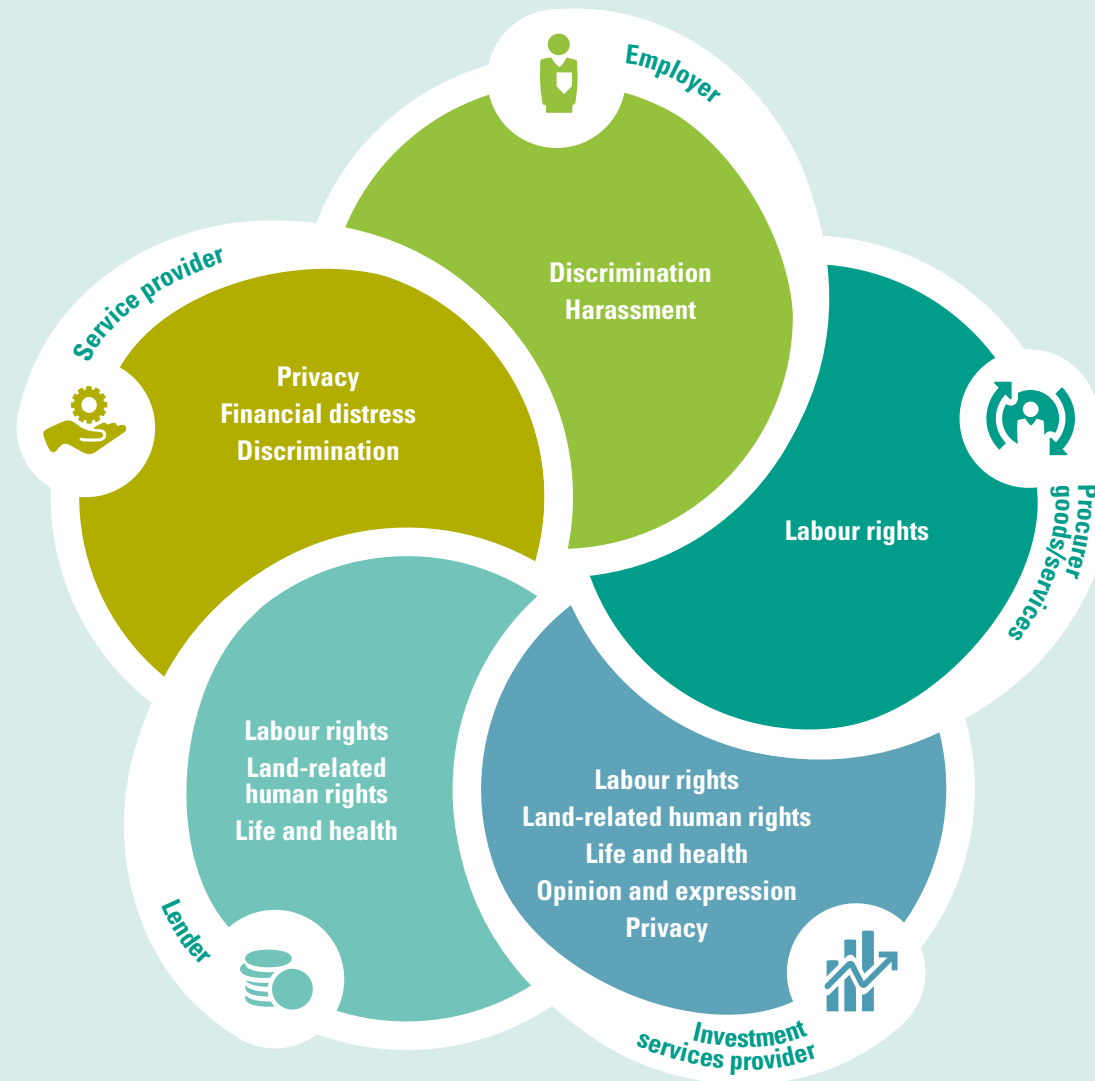


Our salient human rights issues

The first time we identified our salient human rights issues was in 2015, to prepare for our [first Human Rights Report](#), published in 2016.

Five years later, in 2020, we decided to carry out a new salience assessment, involving input from a wide range of colleagues, issue experts and representatives of potentially affected people such as trade unions and civil society organisations. We provide an explanation of that process, including who participated and how, [on our website](#).

Our salience assessment in 2020 was built on our Human Rights Risk Register, a new human rights risk management tool we developed in 2020.



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On the previous page, we state our findings from our assessment. It is important to note that the assessment was conducted in 2020. The refocusing of our Corporate & Institutional Banking business, announced in August 2020, means our client portfolio will change considerably over the next several years.

This affects the kinds of human rights risks we can be connected to. Our next salience assessment will take this change into account. We are considering doing a 'salience pulse check' in 2021 to take this change, plus other potential changes, into account when prioritising how we manage our human rights risks.



Identifying salient human rights issues isn't an exact science

"Our bank is connected to a vast number of companies in very different sectors and places. All of these companies have their own value chains that affect millions of workers, communities and consumers. Given the nature of our business, identifying our salient human rights issues is very challenging. We've gained some good experience and knowledge over the years, but it's not an exact science. For some issues we identify, we don't always have extensive data that makes it perfectly clear that something is a big risk.

Sometimes we have to go on media reports, conversations with civil society organisations and our own knowledge about common practices in certain industries. Then we research the issue further to learn more about what's really occurring. But we have to be honest that we don't always have perfect evidence to support our determination to focus on particular issues. This is an area where we can always make improvements, and I hope that, for example, our new Human Rights Risk Register will help us do that."

Herma van der Laarse
Sustainability Reporting Specialist,
Group Sustainability, ABN AMRO

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Our salient human rights issues vary based on our role. The issues are:



Employer

As an employer

- **Workplace discrimination and harassment**

- ▶ **Who could experience these impacts:**
our employees
- ▶ **Who could cause these impacts:**
our employees



We strive to create a diverse and inclusive environment for our employees. This means welcoming the individual and unique characteristics of all our employees, including their gender, race, nationality, ethnic origin, age, religion/belief and value systems, occupational disability, sexual orientation, marital status, union membership and political affiliation.

However, we are aware that some of our employees nonetheless experience discrimination and/or harassment at work because of their unique characteristics, in particular those related to:

- ▶ gender
- ▶ sexual orientation
- ▶ cultural background
- ▶ occupational disability.

Workplace harassment can take the shape of actions such as:

- ▶ bullying
- ▶ sexual intimidation
- ▶ creating a threatening environment.

Excluded from these salient issues are discrimination or harassment by clients towards employees of the bank.

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Service provider

As a service provider

- **Inadequate standard of living and health impacts caused by financial distress due to inadequate client protection**
- **Personal privacy breaches**
- **Discrimination in banking services**
- ▶ **Who could experience these impacts:**
Retail clients and non-profit organisations
- ▶ **Who could cause these impacts:**
ABN AMRO; external parties contracted by ABN AMRO to process personal data on behalf of ABN AMRO

Retail Banking provides a full range of transparent banking products and high-quality services to individuals with investable assets up to EUR 500,000. We have approximately five million retail clients across the Netherlands, both individuals and families.

Financial distress due to inadequate client protection

When we offer financial products and services to our retail clients, we realise we can have a significant impact on their financial stability. The appropriateness of our financial advice and services is even more critical in the current challenging economic climate caused by the Covid-19 pandemic.

If we fail to comprehensively assess our clients' financial situation and needs, we can have a serious negative impact on their financial stability and even their standard of living and health, should they fall into serious financial distress. Specifically, we can impact a client's financial stability through:

- ▶ the financial products and services we offer,¹ at the start of the client relationship and ongoing as the client's circumstances change. For example, we could impact a client's financial stability if we extend too much or too little credit, or if we provide a product to a client who is not the intended target group for that product or service
- ▶ monitoring we undertake to watch for warning signals of serious financial distress, whether caused specifically by our products and services or by circumstances outside of our control.

Personal privacy breaches

Although we have policies and practices in place to safeguard our clients' privacy, we realise the risk remains relatively high that privacy breaches could occur, namely because, as a bank, we require a significant amount of sensitive client data. Specifically, we see the risk that clients' personal data could be used illegitimately. Illegitimate use is, for instance, use outside the boundaries

of the European Union General Data Protection Regulation and/or the applicable privacy or consent statement.

Discrimination in banking services

When we provide banking services to individuals and families we need to assess the client's risk profile to determine if we can provide banking services to them in line with our Risk Appetite.

But sometimes our risk management practices can lead to discrimination against potential clients – causing them to be excluded from access to our banking services for inappropriate reasons. When people do not have access to banking services, it can have wider effects on their standard of living, mainly because having a bank account, debit or credit cards, and access to credit are necessary for daily living and doing business in many countries.

Specifically, clients could experience discrimination when seeking credit approval or trying to open an account with us. Client characteristics that can influence their credit approval or their ability to open an account with us include:

- ▶ age
- ▶ profession, job or sector
- ▶ nationality or immigration/residency status
- ▶ for civil society organisations: high-risk countries of operation.

We are also aware that a client's gender can play a role in the quality of service they receive from us and that our products and services may be tailored more to men than to women.

¹ Here we also mean our analysis of the appropriateness of our service offer to the client, including their ability to make informed decisions about this service offer (financial literacy).

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Our salient human rights issues vary based on our role. The issues are:



Procurer goods/services

As a procurer of goods and services

- Labour rights

- ▶ **Who could experience these impacts:** workers of companies in our supply chain
- ▶ **Who could cause these impacts:** companies in our supply chain



The bank has its own supply chain, providing goods and services ranging from computers and coffee, to workers for our office canteens, to call centres for our IT support services. We have over 2,000 suppliers and they have hundreds of thousands of workers in their own operations and supply chains.

Our suppliers fall into three general categories:

- ▶ Suppliers that provide services within our own operational infrastructure, such as for our offices (e.g. facility management or catering)
- ▶ Suppliers that provide services outside our own operational infrastructure, such as for our IT support services
- ▶ Suppliers that provide us with goods such as computers, construction or promotional materials.

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Our salient human rights issues vary based on our role. The issues are:



Lender and Investment services provider

As a corporate lender

- Labour rights
- Land-related human rights
- Right to life and health

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 experience these impacts:** workers, communities and consumers
- ▶ **Who could cause these impacts:** our client companies and their business relationships, companies we are connected to through our investment services and their business relationships

Through our corporate clients and the companies we are connected to through our investment services, we are connected to hundreds of thousands of companies and dozens of sectors, all of which have their own human rights risks based on factors such as countries of operation, the nature of the business' activities and the effectiveness of the company's risk management system.

Based on our client portfolio and the sectors we are most active in as a lender, we believe our salient human rights issues as a lender can be grouped into three categories: labour rights, land-related human rights, and right to life and health. We realise these are broad categories and in the appendix we provide more detailed information about the specific human rights we think are most at risk within each grouping of rights.

As an investment services provider, we believe our salient human rights issues can be grouped into these same three categories of labour rights, land-related human rights and right to life and health. In addition, we have identified the right to privacy and the right to freedom of opinion and expression as salient issues. This is due to the scale of our investment in companies providing internet platforms and services.

Our roles of corporate lender and investment services provider:

Similar risk exposure, different management practices

In this section of the report, we formally separate our salient human rights issues between our role as a corporate lender and our role as an investment services provider. This is because the salient issues we identified in these two roles are not entirely the same, and because our human rights risk management practices in these two roles are different (although they share some aspects of their overarching policy and process management framework, the Sustainability Risk Management Framework).

In practice, our exposure to human rights risks in these two roles have similarities: in both roles, we are several steps removed from potentially affected people and it is an ongoing challenge to be able to know when human rights risks or impacts are occurring, and to use our leverage to try to prevent and address them. As a corporate lender we have a direct relationship with our clients, and the risk management system set out in our Sustainability Risk Management Framework supports us in systematically identifying and addressing human rights risks connected with our clients. But as an investment services provider, we do not always have a direct relationship with the companies we invest in and our human rights risk management practices are more high level – we have more work to do in this area, which you can read about on [page 66](#).

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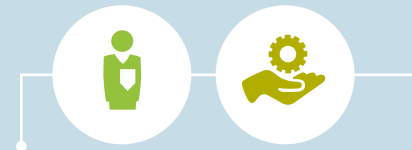
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Geographic focus of our salient human rights issues

Where could human rights impacts connected to ABN AMRO be occurring?



Employer and service provider:
countries where we have employees and branches [See complete list](#)



Procurer of goods and services, Lender, Investment services provider
all regions of the world (the operations and value chains of our suppliers, clients and companies we are connected to through our investment services are found in every region of the world)



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Does identifying salient human rights issues mean ABN AMRO ignores other human rights?

A conversation with Anne Stickers, Team Lead Sustainability Risk, Credit Risk, ABN AMRO:

“Definitely not. We’re committed to respecting the full spectrum of internationally recognised human rights. Identifying our salient human rights issues is about assessing which rights are most at risk, and therefore where we need to focus our attention and resources. It’s not about ignoring other human rights risks or impacts. And of course our salient human rights issues aren’t set in stone – we adjust and take action based on new information and analysis.”

“International standards like the UN Guiding Principles on Business and Human Rights leave room for companies to prioritise which risks or impacts they address first. We’re connected to a broad range of human rights risks, particularly in our role as a lender and investment services provider. It helps us be more effective in our work when we focus on salient human rights issues within sectors. In our role as a lender, these issues are the focus of our initial assessments and conversations with clients in the given sector. Obviously if human rights risks or impacts arise with specific clients that aren’t identified as salient for the whole sector, we still engage with the client on these issues.”

“An example is the textile sector: we focus on labour rights as they are salient for this sector. Community impacts, for instance, are not as salient and generally we don’t examine community impacts as closely when we assess textile companies for human rights risks. But we still ask clients questions about community impacts – just not as many, perhaps. Or we can look at the cocoa sector: we focus on child and forced labour since these rights are most salient, but trade union rights and gender discrimination are there as well.

“I think about this focus and prioritisation as ‘zooming in’. When we zoom in on specific human rights risks, all the other risks are still there. But we need to focus our attention first on the issues that are the most severe for people.”

Anne Stickers

Team Lead Sustainability Risk,
Credit Risk, ABN AMRO

We are not aware of any severe impacts on human rights that occurred or were still being addressed during the reporting period, but which fall outside of our salient human rights issues.

Some of our salient human rights issues identified in this report were also salient for us in previous years. For more information on the following issues, please see our Human Rights Reports 2018 and 2016:

- **As an employer: labour rights, discrimination**
- **As a procurer of goods and services: labour rights**
- **As a service provider: privacy, discrimination, financial distress**
- **As a lender and investment services provider: labour rights, land-related human rights**

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Leveraging data to combat human trafficking

Since 2015, we've worked with the Inspectorate of the Dutch Ministry of Social Affairs and Employment and the University of Amsterdam with the aim of sharing knowledge to identify cases of human trafficking. We've shared information previously about this project, such as in our [Human Rights Report 2018](#). In these cases, we're by no means connected to the impact – if a client is the victim of trafficking, we weren't involved in any way. But at the same time, as a bank we have data that can help uncover these cases. We believe it's our responsibility to put this data to good use to support these victims, identify criminals and help end the trafficking or labour exploitation situation that victims find themselves in. This work initially started as a pilot, and it is now a public-private partnership with the Dutch government and is an [official project of the Financieel Expertise Centrum](#) (Financial Expertise Centre, FEC). Other banks have joined the partnership as well.

Our tools for catching signs of human trafficking improved in the reporting period. In the past, we had to do search queries of client data manually. Now these searches are built into our systems such that they can be performed automatically and constantly. If we do catch signs of trafficking in a client's data, the findings are automatically shared with our Security & Integrity Management department, which shares the information with the members of the public-private partnership.



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Part C

Management of our salient human rights issues

In the last two years we've begun testing a new approach to enabling remedy for affected people, strengthened our approach to assessing how our human rights risks are evolving, and continued and deepened our engagement with a wide range of stakeholders on human rights.

Because dialogue and engagement are tools we use in numerous aspects of our human rights programme – from understanding the perspectives of potentially affected people, to assessing risks, to taking action – we've created a special section in this report devoted to this topic.

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Dialogue and Engagement

Assessing impacts

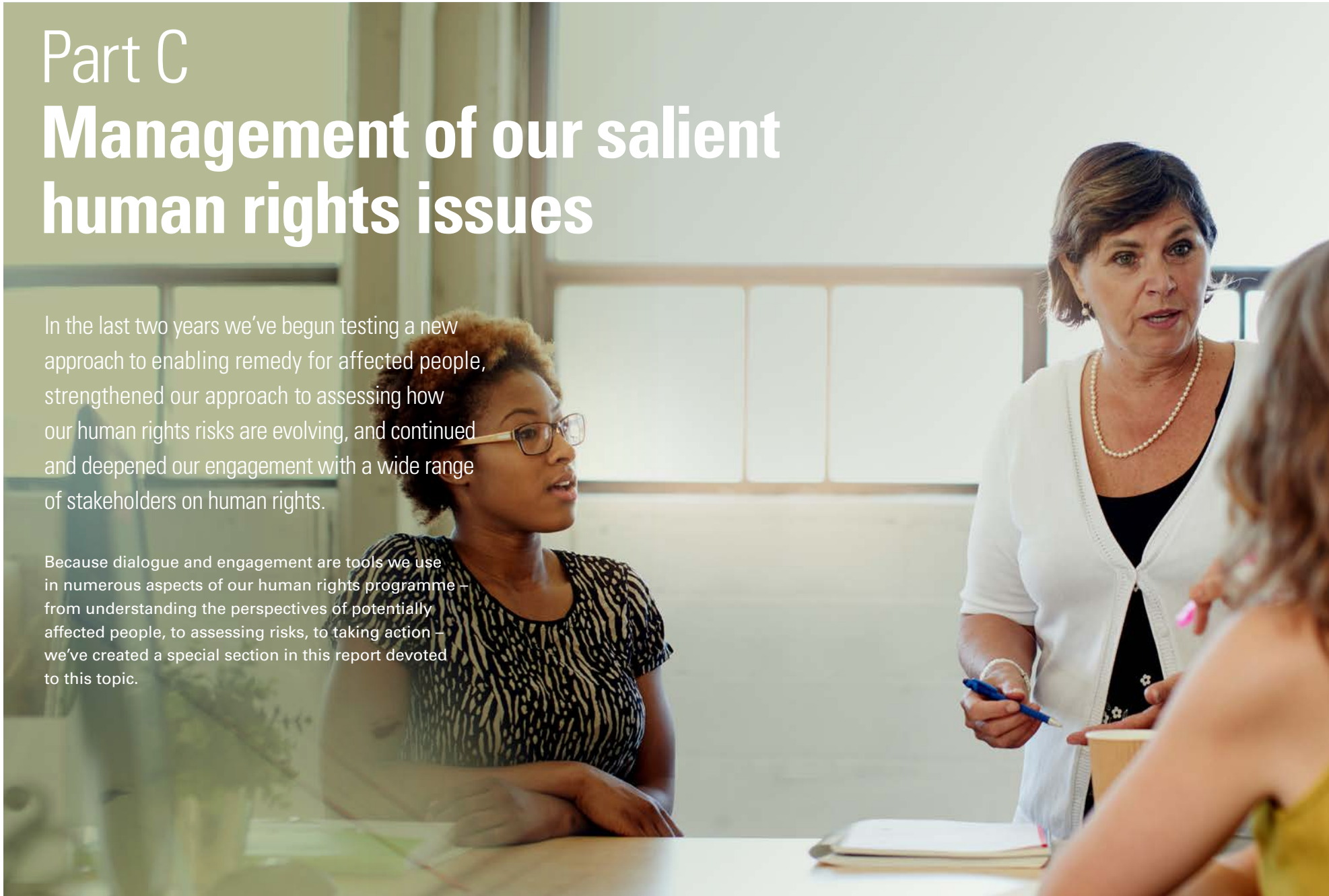
Global developments

Taking action

Tracking performance

Remedy

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Policies governing our salient issues

To set standards and management processes for our salient human rights issues, we rely on a mix of comprehensive policies that address a full spectrum of human rights, and on additional issue-specific policies. Our policy ecosystem infographic on [page 15](#) provides an overview of these policies. In this section we provide more information about issue-specific policies.

Employer

Our policy framework to combat discrimination and harassment at work

The following policies set our expectations with regard to treatment of our employees at work, and specifically aim to prevent workplace discrimination and harassment:

- ▶ **Diversity & Inclusion Policy:** This policy applies to everyone working for or on behalf of ABN AMRO worldwide, as well as to people applying for jobs at ABN AMRO. Violations of this policy can lead to, in the most serious cases, termination of employment. This policy addresses both discrimination and harassment and is organised into four areas: diversity and inclusion, equal opportunity, non-discrimination and non-harassment. You can read more about this policy [here](#).
- ▶ **Suitability Policy:** This policy, which is part of our [Supervisory Board Rules of Procedure](#), sets expectations for diversity in our Executive Committee, Executive Board and Supervisory Board based on gender, age, educational and professional background, and geographical provenance.

- ▶ **Protocol on Inappropriate Behaviour:** Applying to all ABN AMRO employees in the Netherlands (80 percent of our workforce), this Protocol makes clear that ABN AMRO does not tolerate ‘inappropriate behaviour’ in the workplace, including sexual harassment, discrimination, bullying and stalking. The Protocol describes how these behaviours may occur in the workplace and what employees can do if they experience or observe such behaviours. The Protocol describes the responsibilities of managers, independent Trusted Advisors, and our formal grievance mechanism, which is designed to address and remedy such circumstances should they occur. Labour Affairs within Human Resources and Security & Integrity Management are responsible for addressing and providing remedy in cases of workplace harassment, while our Employee Council provides formal approval of the Protocol. Learn more about updates to the Protocol and its implementation on the next page. For employees outside the Netherlands, the Code of Conduct is the applicable policy where inappropriate behaviour and grievance channels are addressed.



Taking a stand for diversity and inclusion in the workplace

Over the years, we’ve created or signed on to several statements that demonstrate our commitment to diversity in the workplace, such as:

- ▶ [The Declaration of Amsterdam for an LGBT Inclusive Workplace](#) (2013)
- ▶ [ABN AMRO Ethics Committee statement on LGBT+ rights in the workplace](#) (2016)
- ▶ [UN Standards of Conduct for Business on Tackling Discrimination against LGBTI people](#) (2018)
- ▶ [LGBTI Manifesto for the Sustainable Development Goals](#) (2018)
- ▶ [Women’s Empowerment Principles](#) (2020)

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- ▶ **International Framework Agreement (IFA):** Signed in 2015 with Dutch trade union federation FNV and UNI Global Union, our IFA sets out our commitment to respect labour rights for our employees, including their right to be free from discrimination and harassment at work. The IFA Monitoring Committee is responsible for the implementation and monitoring of the IFA.
- ▶ **Code of Conduct:** Referenced in Part A of this report, our Code of Conduct sets specific requirements of all our employees worldwide to maintain “a safe and healthy work environment that is free from sexual intimidation, discrimination and harassment.” It also lays out reporting channels for violations of the policy that are relevant to reporting of discrimination and harassment.

Combating harassment at work: employee feedback and adjustments

In 2020, our Employee Council called for several changes to how we address harassment in the workplace and specifically our Protocol on Inappropriate Behaviour. This input led us to form a cross-departmental working group to examine how to implement the changes and improve the protocol overall. We drew on insights from Trusted Advisors, our Employee Council, our annual Employee Engagement Survey and guidance from third-party experts who help companies prevent and mitigate inappropriate behaviour at work.

We are currently updating our protocol to reflect this input, with a particular focus on improving communication about our policies and procedures to combat inappropriate behaviour, and on increasing transparency about the process and case investigations (while ensuring employee confidentiality).

We also plan to simplify reporting routes, referring employees who have experienced inappropriate behaviour to an internal or external Trusted Advisor as a primary point of contact who then guides the employee through the reporting and remedy process. This change is based on feedback from employees who felt that the various reporting and remedy channels were too varied and led to confusion.



Service provider

Our policy framework on personal privacy, financial distress and discrimination in banking services

Our privacy policy framework

Two overarching policy documents – our [Binding Corporate Rules](#) and the internal Personal Data Policy – set our overall framework for our governance of safeguarding clients’ personal data. An explanation of these policy documents, additional standards and processes, and training and awareness-raising activities on them is available in our Human Rights Report 2018. Each part of our business is responsible for implementing these policies. Our Privacy Office (part of Compliance) is responsible for privacy risk oversight, monitoring and advice.

In 2019 and 2020, we updated several of the policies in our privacy framework. They include the Personal Data Policy, the Complaints Management Policy, the Identity and Access Policy and the Data Governance Policy. In the [supplement to this report](#), we provide a table with a summary of key changes to these policies.

Our policy framework on preventing financial distress

The primary way that our retail clients can fall into financial distress that is severe enough to threaten their standard of living and health is through financial illiteracy and/or debt. That means that the primary policy instruments we use on this issue seek to prevent our retail clients from accruing excessive debt linked to various financial products including loans, credit cards, mortgages and insurance.

We have a wide range of policies and guidelines that set standards and processes for how we decide to extend credit to retail clients. Which policy or guideline applies depends on which financial product we are offering the client. All these acceptance policies and guidelines are subject to the Central Credit Risk Policy of ABN AMRO. Some of these policies, such as the consumer credit acceptance policy, expressly address the prevention of excessive lending in the interest of safeguarding the client’s interests, including to ensure the client has enough money left over for minimum subsistence costs.

Related to this policy framework on credit acceptance, we have a standard process, the Product Approval and Review Process, to review and approve financial products we offer to our retail clients. The process is in part designed to identify the appropriateness of the products we offer to clients and if the product is in their best interests. You can read more about this process [here](#).

Responsibility for implementing these policies is embedded in standard processes within the relevant business areas. Credit Risk Management provides oversight and coordination to ensure policy adherence.

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Our policy framework on preventing discrimination in banking services

We do not have a specific policy on preventing discrimination in banking services. As a business, it is in our interest to provide banking services to interested clients and we strive to do that wherever possible. Furthermore, in the European Union, people have the right to a basic payment account regardless of their place of residence or financial situation.

At the same time, we realise that our policies that seek to prevent client financial distress may be interpreted as or indeed lead to discrimination in access to banking services.

With regard to the risk of civil society organisations being excluded from financial services due to operations in high-risk contexts: this is a complex issue where we encounter dilemmas due to certain regulations. Anti-money laundering and anti-terrorism regulations require us to undertake particular due diligence in relation to certain kinds of banking services, such as when clients want to transfer money to certain countries. To comply with these regulations, we may decline certain transactions – but that may mean we’re stopping a legitimate civil society organisation from sending money to people who urgently need support for food, housing or education. We realise that we have more work to do to provide better guidance on policies and risk mitigation to help us effectively balance regulatory and risk demands with business objectives and the legitimate needs of clients in special circumstances. You can read more about our work in this area in our [Human Rights Report 2018](#) and here. 

Dilemma: A fine line between preventing financial distress and discrimination

In some cases, our efforts to prevent serious financial distress of our retail clients could actually cause some clients to experience discrimination in banking services. Jasper Grotjohann, Senior Business Expert at Retail Banking, explains the challenge in finding the right balance.

“The challenge is that, when it comes to providing credit for clients, we need to be sure we’re not endangering their financial stability by allowing them to be in debt. We know that certain characteristics or circumstances make some clients more vulnerable to problematic debt, like if they’re self-employed, or if they’re over a certain age and will be or are already dependent on their pension. So we try to build into our credit acceptance policy extra safeguards for these vulnerable groups – in other words, we won’t always extend them credit, or we only offer reduced credit.

“But of course a policy can be a blunt instrument and these extra safeguards can cause problems in individual cases. If somebody is self-employed with a solid income that’s been steady for 20 years, should they be barred from getting a mortgage to buy a house? If somebody is 70 years old, should they be denied access to credit to buy a caravan to fulfil their travel dreams in retirement? We have to consider individual circumstances when making decisions as a bank.

“We did have a [case in 2020 at the Dutch Institute for Financial Disputes \(Kifid\)](#), where an older client challenged us when we denied him the ability to overdraw on his account, due to his age. Kifid ending up finding in our favour, ruling that our policy does not constitute age discrimination.

“We are committed to safeguarding our client’s interests, and at the same time recognise that financial products such as loans are critical for them to achieve their professional and personal goals. Overall, we focus on assessing if our decision to exclude certain people from some kinds of financial products and services puts them at risk.

“We have to walk a fine line and constantly assess the precise circumstances of each client. The best approach is when the client has a banker who listens and follows the client’s needs and circumstances, and who can adapt our banking products and services as appropriate and in line with our policies, in dialogue with the client.”

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Procurer of goods and services

Our policy framework for suppliers on labour rights

The following policies set our expectations for our suppliers on respecting the labour rights of their workers:

- ▶ **Supplier Code of Conduct:** Applying to all our suppliers (of products and services) worldwide, this Code of Conduct sets expectations of suppliers that they conform to international standards on business and human rights including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, and with the standard set in our International Framework Agreement (see below). Our Supplier Code of Conduct, cross-referenced in our Procurement Policy and Third-Party and Outsourcing Policy, is part of our contractual agreement with suppliers whose contracts with us are valued at over EUR 50,000 and/or are deemed high risk (generally, not just on human rights).¹ Our Procurement department is responsible for implementing and checking adherence to this policy.
- ▶ **International Framework Agreement (IFA):** In addition to recognising the labour rights of our employees, our IFA commits us to “promote, encourage and monitor application and compliance with” labour rights by our suppliers. The standards set in our IFA and our Supplier Code of Conduct are aligned.

¹ Some of our suppliers have their own code of conduct with relevance to human rights. In those cases, we may review their code of conduct, and if it is aligned with our own, we will sign on to theirs.



Lender

Our policy framework for corporate clients on labour rights, land-related human rights and right to life and health

Our Sustainability Risk Management Framework sets out our policies and expectations of our corporate clients in regards to their human rights risk management broadly. That means our specific salient human rights issues as a corporate lender – labour rights, land-related human rights, and right to life and health – are covered by this Framework. We explain the Sustainability Risk Management Framework generally in Part A of this report.

As part of this Framework, we set expectations of some corporate clients with regard to certain human rights that we believe are particularly at risk in specific sectors. These expectations are laid out in our Sustainability Standard with Sector Requirements. These requirements apply only to clients with a loan of over EUR 1 million. The expectations are organised in two types: minimum requirements and benchmarks.

- ▶ **Minimum requirements** are based on relatively common practices in the sector. ABN AMRO will not take on or finance clients that do not meet these minimum requirements unless they have a time-bound plan to comply as indicated by our Sustainability Risk Policy for Lending and Project Finance (part of the Sustainability Risk Management Framework).
- ▶ **Benchmarks** are based on best practices in the sector. ABN AMRO does not impose these criteria but encourages clients to meet them.

Summaries of our sector standards are available on our website.

Excerpts from our sector standards relevant to our salient issues in our role as a lender are available in the supplement to this report.

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Name:
Marieke Abcouwer

Name:
Myrthe Haase

Updating our animal protein sector standard based on insights from Brazil.

In 2019, we updated our animal protein sector standard, which is part of our Sustainability Risk Management Framework. To ensure we had a good grasp of both the environmental and human rights risks that our clients in this sector may face, Myrthe Haase and Marieke Abcouwer from ABN AMRO's Central Risk Management department travelled to Brazil and met with current and prospective clients, peer banks, the Dutch consulate and a civil society organisation, and visited a slaughterhouse and a cattle farm. You can read more about their trip and learning on our website. 

People might assume that a bank writes a policy somewhat in isolation, from within an office somewhere. But you undertook a fact-finding trip to Brazil in addition to

the internal and external consultations you did from the Netherlands. Why did you do that?

Myrthe: "This was a brand-new standard for us, so we needed to build a good quality standard from the ground up. For all our sustainability sector standards, we talk to clients and ask for perspectives from civil society organisations and issue experts. Site visits are an 'extra': for updates we might not do this, but for new standards, it's more likely. More importantly, the human rights issues that are at play around animal protein production in South America are completely different from the issues that we might see here in the Netherlands."

What were key takeaways for you on human rights risks for the animal protein sector in Brazil?

Myrthe: "In Brazil we had the opportunity to meet with the civil society organisation Repórter Brasil. In our conversation, they explained to us how people in very remote areas do the heavy work of clearing land for cattle grazing. Because these

areas are so remote, Repórter Brasil described the workers' situation as them being trapped – a situation of modern slavery. We didn't initially have this issue on our radar and it was important to learn this. In our animal protein sector standard, we require clients to adhere to the ILO core labour standards, which include the prohibition of forced labour."

Because of your Corporate & Institutional Banking (CIB) review, you'll no longer have clients in the animal protein production sector. Is there any learning you have from the process of developing the animal protein sector standard that you could apply to future policy or standards developments?

Marieke: "Certainly. The level of research and engagement we undertook to develop the animal protein standard can be a model for us when working on other sector standards for sustainability. We always think it's important to gather perspectives from outside the bank, and not just perspectives that are easy to hear. We want to accelerate the sustainability shift and that means being aware of our sustainability risks so we can work to address them."

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Investment services provider

Our policy framework for companies we are connected to through our investment services on labour rights, land-related human rights, right to life and health, privacy, and freedom of opinion and expression

At the global level, our Sustainability Risk Policy for Investment, which is part of the Sustainability Risk Management Framework, defines processes we use to manage sustainability risk in our role as an investment services provider. The Sustainability Risk Policy for Investment addresses human rights broadly by stating that the bank’s investment products and services seek to align with international standards including the UN Global Compact Principles. These Principles include the UN Guiding Principles on Business and Human Rights (UNGPs), which cover “internationally recognized human rights.” The Sustainability Risk Policy for Investment also expressly addresses exclusions of certain companies, particularly controversial weapons companies, which is relevant in particular to our salient issue of the right to life and health.

As set out in the Sustainability Risk Policy for Investment, our Retail & Private Banking business (the part of ABN AMRO that manages our investment services) is required to undertake a sustainability risk management process that can be summarised as follows:

- ▶ **Screen for exclusions:** We exclude companies on our [Controversial Weapons List](#) and Investment Exclusion List.¹
- ▶ **Assess, classify and disclose sustainability performance:** For this assessment, we rely on information from data providers such as Sustainalytics and Morningstar.
- ▶ **Engagement in cases of non-compliance with UN Global Compact Principles**
See page 66. ➡
- ▶ **Proxy voting²:** When voting on behalf of our client shareholders, we strive for alignment with internal and external standards, such as the Principles for Responsible Investment and our own Sustainability Risk Management Framework.
- ▶ **Disclosure:** We set annual transparency requirements about our investment services activities such as the number of engagement and voting processes, status and outcomes.

It is important to note that about half of ABN AMRO’s client assets are managed by ABN AMRO Investment Solutions, a subsidiary of ABN AMRO, and third-party asset managers. The Sustainability Risk Policy for Investment is designed as an umbrella policy to which these asset managers should align. However, at this point in time, we do not have complete alignment. For instance, ABN AMRO Investment Solutions requires portfolio managers to exclude companies that are not compliant with the UN Global Compact Principles.

¹ ABN AMRO may place a company on the Investment Exclusion List if it is non-compliant with the UN Global Compact Principles (as defined by Sustainalytics) and if ABN AMRO deems the company cannot improve or has not improved following an engagement process. At the time of publication, no company was on this list.

² Proxy voting is casting shareholder votes without attending the actual shareholder meeting.

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Dialogue and Engagement

A critical tool to understand and manage our salient human rights issues

“Conversations are at the heart of our work as a bank, from serving and advising clients, to creating a positive work environment for employees, to listening to and learning from issue experts and civil society organisations. Engagement and dialogue are a critical part of our efforts to be a bank that respects human rights.”

Tanja Cuppen, Chief Risk Officer, ABN AMRO



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Because dialogue and engagement are tools we use in numerous aspects of our human rights programme – from understanding the perspectives of potentially affected people, to assessing risks, to taking action – we’ve created a special section in this report devoted to this topic. As for this entire report, we concentrate on our actions in the reporting period of 2019 and 2020, with a focus on our salient human rights issues.

What engagement means to us

Engagement means different things to different people, including within ABN AMRO.

Within ABN AMRO, ‘engagement’ can refer to a formal, intensive monitoring and dialogue process with corporate clients who have severe human rights risks or incidents. Sometimes engagement means sitting down with a local civil society organisation in Brazil to learn how forced labour practices are used when clearing land for cattle pasture in the meat production sector. And sometimes engagement means meeting with our elderly clients and groups that support them in the Netherlands, to understand if they feel sufficiently empowered and informed to make smart decisions about the products and services we offer.

In this report, we focus on engagement specifically related to human rights. However, we also engage with stakeholders on other topics.

For more information, read our [Integrated Report 2020](#) 



Stakeholder engagement defined

Under the UN Guiding Principles Reporting Framework – the reporting framework we have sought to align to for this report – ‘engagement’ is used to refer to ‘stakeholder engagement,’ which is about “ensur(ing) a full understanding of how the company’s actions and decisions can affect individuals and groups. The focus is therefore on stakeholders whose human rights can be negatively impacted.” This type of engagement is certainly part of our broader engagement activities, which include dialogue, information exchange, using our leverage and working on solutions. Our engagement partners include, broadly, potentially affected people and their legitimate representatives (such as trade unions and civil society organisations) as well as external issue experts and our business relationships. Throughout this section of our report, we explain how we engage in dialogue with different types of people and organisations to understand and manage our human rights risks.

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Why engagement is important for us

At its most fundamental, we see engagement as a critical tool to both understand and take action on our human rights risks and impacts.

Through dialogue and information exchange, we learn about the human rights harms people could or have already experienced, and about our potential connection to these harms. And through dialogue, strong arguments, aligning with other financial institutions and setting specific requirements, we use our leverage to push and support clients and companies in our [investment universe](#) to address their own human rights risks and impacts. Engagement is therefore both a tool that helps us prevent human rights impacts, as well as a means to address them if they've already occurred. Engagement is a particularly important tool for us because, in many cases, we don't have direct

access to people who could experience human rights harms in connection with our business.

- ▶ As a service provider, employer and procurer of services,¹ we do have direct access to potentially affected people. If these people have experienced human rights harms, we may be causing or contributing to it – so we're responsible for fixing it.
- ▶ When we procure goods and provide corporate lending and investment services, we're indirectly connected to potentially affected people. In these roles, we may contribute to or be directly linked to the risk or impact, rather than causing it. Contributing or being directly linked to a risk or impact means we're not responsible for solving the problem alone – but we do have a responsibility to take action to prevent and/or address it, including contributing to or enabling the provision of remedy. To prevent and address negative impacts on human rights in these roles, our best tool is to engage: to exert our leverage with our suppliers, clients and investment companies.

We decide which people and organisations to engage with based on the topic or action we want to discuss. Civil society organisations or trade unions, for example, may proactively come to us to discuss allegations of human rights harms connected with a corporate client. If we become aware of increasing human rights risks

in a given sector (for example, in relation to women in the textile sector), we'll proactively reach out to civil society organisations, trade unions and issue experts to learn more about the situation. Or we may enter into a partnership with an organisation as part of our efforts to take action to address human rights risks such as discrimination at work.

As set out in the UN Guiding Principles on Business and Human Rights, a company can cause, contribute to or be directly linked to human rights risks or impacts. At ABN AMRO, as stated in our Human Rights Statement, we follow these definitions when working to fulfill our responsibility to respect human rights in our own operations and throughout business relationships. More information about the meaning of these terms can be found in [Frequently Asked Questions About the Guiding Principles on Business and Human Rights](#), UN Office of the High Commissioner for Human Rights.

Specifically with regard to banks' role in the provision of remedy and determining if the bank has contributed to or is directly linked to negative impacts on human rights connected to lending activities, we follow the guidance set out in the [discussion paper on enabling remediation](#) from the Dutch Banking Sector Agreement Working Group on enabling remediation.

¹ As a procurer of services, we may have direct access to potentially affected people (e.g. cleaners in our offices or canteen workers), but not always (some services are provided in facilities entirely separate from ours and we have less direct oversight).

Definition



Potentially affected people we are connected to through our own activities and our business relationships include our employees, our retail clients, and workers, communities and consumers affected by the business activities of our suppliers, our corporate clients and companies we are connected to via our investment services. For more, see our infographic '[Banking is about people.](#)'

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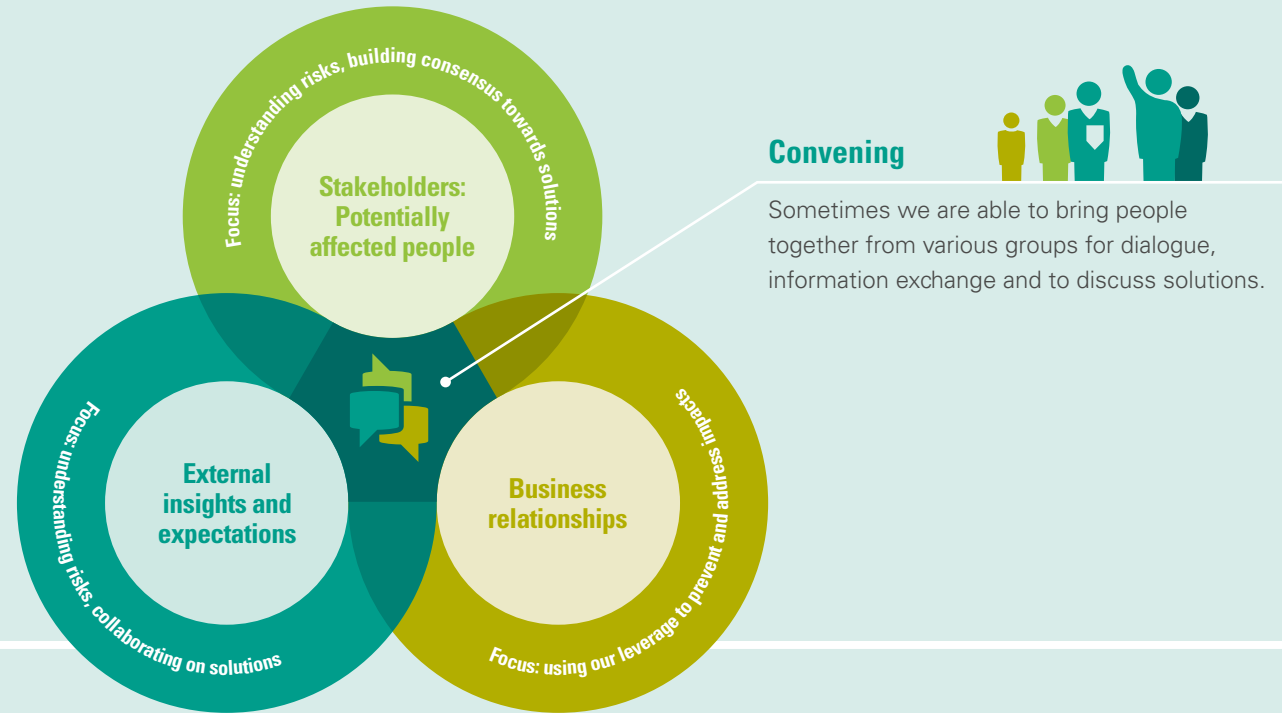
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People and organisations we engage with

We decide which people and organisations to engage with based on the topic or action we want to discuss. Dialogue partners also frequently reach out to us with questions or ideas.



Stakeholders: potentially affected people

Responsibility within ABN AMRO:

- Human Resources
- Group Sustainability
- Retail Banking
- Customer Care Centre
- Complaints Management

Types of people in this group:

- ▶ Potentially affected people (e.g. employees, retail clients, workers at factories operated by corporate client)
- ▶ Legitimate representatives of potentially affected people (e.g. civil society organisations, trade unions)

Business relationships

Responsibility within ABN AMRO:

- Client relationship managers
- Credit Risk Sustainability Desk
- Group Sustainability
- Investment Services sustainability leads
- Procurement

Types of companies in this group:

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

External insights and expectations

Responsibility within ABN AMRO:

- Group Sustainability
- Government Affairs
- Central Risk Management
- Media Relations & Public Affairs

Types of people in this group:

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

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Definition



Stakeholders We have a broad definition of ‘stakeholders’ which includes clients, investors, employees and society at large. To provide clarity and specificity, in this report we use the word ‘stakeholders’ to talk about people who could experience human rights harms connected to our business and their legitimate representatives, such as trade unions or civil society organisations. Other groups like issue experts, peer companies and clients we try to name specifically rather than grouping them under the broad term ‘stakeholders.’

Engagement as learning: Understanding the issues, collaborating on solutions



Stakeholders: Potentially affected people

Engagement with stakeholders: potentially affected people



Employer

Understanding the perspectives of people we have direct access to; Employees

Structures we have in place that help us hear employees’ perspectives with regard to discrimination and harassment at work include:

- ▶ Diversity & Inclusion Circles
- ▶ Annual Employee Engagement Survey
- ▶ Work Climate Survey (2019 only; in 2020 it was integrated into the Employee Engagement Survey)
- ▶ Annual Diversity & Inclusion Week
- ▶ Networks of employees focused on diversity, including PRIDE+ (LGBT+), DNA (cultural diversity), WOTM (Women on the Move), B-Able (occupational disabilities)
- ▶ Employee Community online (about 300 employees who regularly exchange feedback and ideas about diversity and inclusion)
- ▶ Trade unions structures: ABN AMRO Dutch Employee Council, ABN AMRO European Staff Council, our International Framework Agreement (unions therein are FNV-Finance and UNI Global Union)
- ▶ We also have structures in place to provide support and remedy as necessary to employees who have experienced discrimination and harassment at work.



Gitte Wouters Stakeholder Manager and Social Impact Lead, Group Sustainability department, ABN AMRO

“Stakeholders’ is a word that gets used a lot when we talk about human rights and business, and for many people, it can have many meanings. But first and foremost is our responsibility to do right by people whose human rights we could harm because of our actions.”

Yes, we need to be in dialogue with a lot of different people and institutions to do our work effectively. But at the end of the day, what matters most is that we have listened to the views of people whose human rights could be impacted by our activities, including through organisations that represent these people. I really believe in the importance of our open attitude about listening to these perspectives. I’m glad to be able to bring forward within ABN AMRO the issues and ideas we discuss, and to share them with organisations we collaborate with in external platforms and initiatives.”

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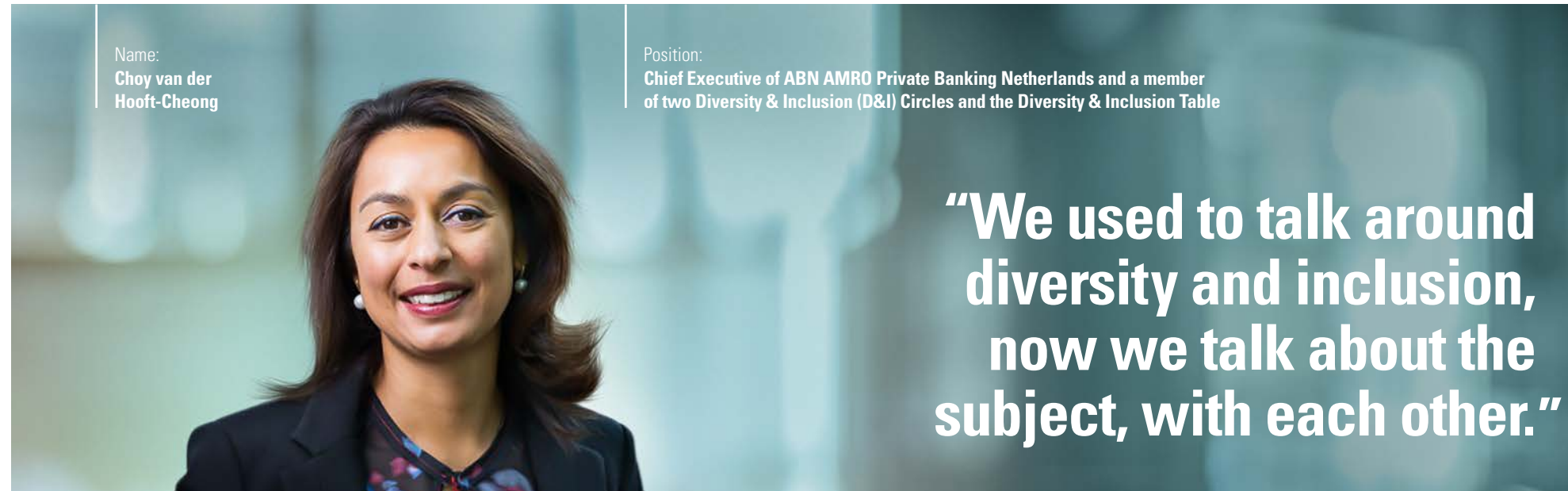
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Name:
Choy van der Hooff-Cheong

Position:
Chief Executive of ABN AMRO Private Banking Netherlands and a member of two Diversity & Inclusion (D&I) Circles and the Diversity & Inclusion Table

“We used to talk around diversity and inclusion, now we talk about the subject, with each other.”

Q: How do the D&I Circles work? What do you talk about and when?

A: “I’m part of two Circles. One is a mix of colleagues from our Private Banking and Retail Banking businesses, and we meet quarterly. It’s very helpful to be able to exchange ideas across different businesses through this Circle. I’m also in a Circle just for Private Banking, which meets monthly.

“Private Banking is an international business and the Private Banking D&I Circle includes colleagues from the Netherlands, Germany, France and Belgium. I think it’s very important that the bank looks at diversity and inclusion beyond the offices in the Netherlands. We decided which issues we wanted to focus on in this Circle and then went on to examine data for each country represented and identify key issues we wanted to address.

We asked each country to draw up key performance indicators. What was immediately noticeable was the scarcity of women in senior leadership roles. We are fairly good at supporting women who start at lower levels to attain more seniority in the bank, but we still don’t have enough women in senior management positions and on the Board. We have set a number of goals to try to improve this.

“Another striking aspect has been cultural diversity. Traditionally in Private Banking, you see highly educated, formally dressed white men. We want to change the idea that only these types of employees are welcome. I’ve been lucky enough to form my own management team and have been able to create a 50/50 gender balance in this team. I want to lead by example.”

Q: You’re also part of the D&I Table. How is this different from the D&I Circles?

A: “The Table includes our most senior leaders, including the CEO, and we have a broad view of D&I across ABN AMRO. At D&I Table meetings, which take place quarterly, we discuss proposals and initiatives for D&I that apply to the bank as a whole. The D&I Circles then determine their own sub-priorities, set short-term goals and oversee the progress of D&I initiatives in their particular business.”

Q: Based on your experience in the D&I Circles and the D&I Table, do you think ABN AMRO has made progress on diversity and inclusion? What are areas that still need improvement?

A: “In the past twenty-five years that I have been working for the bank, we have made great stride. There is less hierarchy and more diversity. If you look at clothing and appearance, people physically look different than they did twenty-five years ago.

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“I am very proud that there is more diversity at the top (primarily upper middle management, not the Board). At the same time, there are still teams within the bank that aren’t diverse enough. How are we going to reach them and how are we going to improve the situation? We still have work to do in this area. We also need to properly

resource our D&I initiatives. For example, we are currently running a programme for highly educated asylum seekers, called Reboot. The programme is fantastic and has received positive feedback. We put a lot of effort into diversity and inclusion at ABN AMRO. I want to see that we properly resource it in order to achieve maximum impact.”



Definition

Diversity & Inclusion Week: Our annual Diversity & Inclusion week is an important opportunity for all our employees to learn about and discuss diversity and inclusion at work. In the reporting period, this online event featured over 50 courses and talks per year and in 2020 included our international employees for the first time. In 2020, a total of 6,500 employees signed up to participate

“I also think it’s great that the term ‘diversity’ has more colour nowadays. It’s not just about male-female, but also about other types of diversity. The topic of diversity and inclusion is ‘alive’ among colleagues. Five years ago, we talked around the subject – now we really talk about it with each other. That is a big step we can be proud of.”



Pride Talks

In 2020, our networks PRIDE+, DNA, WOTM and B-Able jointly organised ‘Pride Talks,’ a talk show-style event during Pride Amsterdam week. During the live streamed event, which was also open to the public, ABN AMRO employees and external professionals shared their personal experiences on issues related to diversity in the workplace. The event drew an audience of about 150 participants from ABN AMRO and members of the public.

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Service provider

Retail clients

Hearing from clients about financial distress and discrimination

We are able to ask our retail clients what they think about our products and services, decisions and communications, by using our customer community. We survey this group quarterly to understand how we're doing. We also make use of other platforms or measures, like our apps, smaller focus groups or individual interviews. Within the customer community, we're able to engage selectively with clients based on characteristics such as their age or level of comfort with digital services. This helps us know how our actions can affect different kinds of clients in different ways. In the reporting period, issues raised in these forums included concerns about pensions, interest rates and debt, and online privacy and safety issues such as those related to phishing.

Through our conversations with clients who use our financial stability programmes, we are also able to hear their perspectives about our role and how we impact their financial stability.

Hearing from clients about privacy

We gain insights into clients' perspectives on their personal privacy through different channels. In particular, we hear from clients about privacy through privacy-related complaints, communications about data breaches and when clients make subject access requests. We evaluate all these inputs to determine if they should have consequences for the way in which we process clients' personal data. We have occasionally conducted focus groups with clients related to privacy impacts of certain products or services,

although in the reporting period we did not conduct such consultations.

Hearing from civil society organisations about access to financial services

As we explain here, civil society organisations operating in high-risk contexts can sometimes face exclusion from banking services. We've been aware of and working on this issue for a while – you can read more in our 2018 Human Rights Report: In the reporting period, we intensified our conversations with civil society organisations about this issue. Our cooperation with the Human Security Collective has become more regular, and we participate in a regular roundtable on this topic hosted by the Dutch Banking Association that includes other banks and civil society organisations.

Understanding the perspectives of stakeholders to whom we have indirect access



Procurer of goods and services

Workers of suppliers

Our suppliers' workers are covered by our International Framework Agreement (IFA). They may also use our Speak Up channels. In practice, only one worker in our supply chain has ever used these mechanisms, which we reported on in our Human Rights Report 2018. At this time, we do not ask our suppliers to share with us information they may have about their workers' perspectives on their labour rights. We realise that we have room for improvement when it comes to understanding the perspectives of workers of suppliers.



Lender

Workers, communities and consumers

In our role as a lender, we are connected to millions of workers, communities and consumers who can be impacted in connection with our business. Having structures in place to hear the perspectives of these people presents real challenges, because we typically operate at a significant distance from them (geographically and in terms of business relationships). In most of our sector standards, we do require corporate clients subject to these standards to have a stakeholder engagement plan and know who their main stakeholders are.

To understand the perspectives of potentially affected people in our role as a lender, we rely on and invest significant time and resources in open, frank and ongoing communication with a range of individuals and organisations that can provide us with insights. Our primary dialogue partners in these exchanges include representatives of potentially affected people such as civil society organisations and trade unions, issue experts and our business relationships. We also gain insights on stakeholders' perspectives through third-party information sources such as news media, our investment engagement partners and sustainability data providers.

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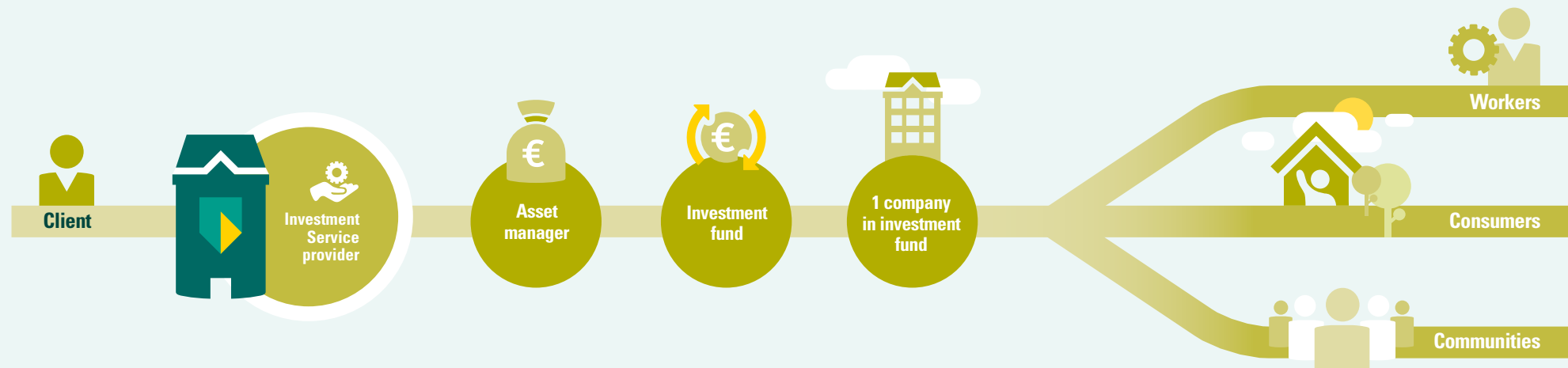
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Stakeholders: Potentially affected people

**Our connection to potentially affected people as a lender and investment services provider:
Several steps removed**

Some of our connections to potentially affected people are 'closer' – perhaps just one step removed (like the workers of a client company). And sometimes the connection is even further removed, deep in the supply chain of a subsidiary of a client, for example. The distant nature of our connection to potentially affected people as a lender and investment services provider in no way means we don't have a responsibility to respect their human rights. But it does mean it's challenging to hear their perspectives.



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Despite the challenges, we do occasionally have the opportunity to hear directly from potentially affected people to whom we are connected in our role as a lender. For example, in the reporting period:

- ▶ As part of our participation in multistakeholder initiatives like the [Roundtable on Sustainable Palm Oil \(RSPO\)](#) and the [Dutch Banking Sector Agreement](#), we were able to hear from civil society organisations and trade unions on issues such as labour, land- and health-related rights.
- ▶ In 2019, we represented Dutch financial institutions in the [Dutch Banking Sector Agreement](#) in a site visit to palm oil plantations in Indonesia. There we had the opportunity to discuss with local trade unions representatives and local civil society organisations the human rights issues that workers and communities face.
- ▶ 2016-2020: Through the RSPO and our own clients' invitations, we visited palm oil growers, smallholders and collection stations in Malaysia and Indonesia annually to understand environmental and social challenges. During these visits, we were able to discuss human rights issues with plantation managers and employees. You can read more about our work on human rights in the palm oil sector [here](#).
- ▶ In 2019, as part of developing our new animal protein sector standard, we visited Brazil and were able to hear from a [civil society organisation](#) about issues workers and communities face in the meat production sector, such as forced labour.
- ▶ In 2019, Friends of the Earth Netherlands facilitated a visit to Amsterdam of two people from communities in Liberia affected by palm oil production. As part of their trip, they met with representatives from our Group Sustainability department to discuss their experiences and perspectives on the role and responsibility of ABN AMRO in the palm oil sector in Liberia.



Myrthe Haase Sustainability Risk Specialist, ABN AMRO

“Of course respecting human rights in our business means doing our own work and getting our own house in order. But we can’t do that in a vacuum. Understanding and addressing our human rights risks requires lots of insight and information from a range of experts.”

These external insights really help advance our work on human rights and show us the bigger picture about what we’re trying to achieve.”



Room for improvement: investment services and engagement

The engagements with potentially affected people and their representatives, issue experts, peer companies and governments that we undertake in our role as a corporate lender would also be possible in our role as an investment services provider. However, to date we haven’t done this level of engagement in our role as an investment services provider. As a start, we hope to gain more insights about human rights risks we’re connected to through our investment services by means of our new partnership with Hermes.

For more information about our partnership with Hermes, see page 66. [➡](#)

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External insights and expectations

Engagement with issue experts, other companies and governments

In addition to critical inputs from potentially affected people, we also have regular engagements with issue experts, other companies and governments. The insights we gain from these exchanges sharpen our understanding of our risks, add additional information to perspectives shared with us by potentially affected people, and help move us forward when taking action to address our salient human rights issues.



Employer

Engagement and collaboration in our role as an employer

In our role as an employer, we work with a wide range of organisations on collaborations, information exchange and dialogue, sharing best practice and assessment and critical feedback of our work. These engagement opportunities significantly enhance our understanding of how to combat discrimination and harassment at work, and help us generally raise awareness in society about discrimination – which indirectly helps make our workforce more aware and sensitive to the importance of diversity and inclusion. A list of these collaborations is available here: [🌐➡️](#)



Service provider

Engagement and collaboration in our role as a service provider

Regarding financial distress, particularly related to our older clients, see our [Human Rights Report 2018](#) and our [Social Impact publication 2020](#). We also participate in the working group on consumer credit at the Dutch Banking Association, where we discuss challenges and best practice on issues such as clients facing excessive debt and being in a 'locked up' situation.

Regarding privacy, we chair a working group at the Dutch Banking Association on privacy. In this group, we discuss, among other issues, tensions between privacy laws and regulations and data science, artificial intelligence and machine learning, as well as risks related to data bias that could lead to discrimination.

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 **Lender**

Engagement and collaboration in our role as a lender

In our role as a lender, we participate in numerous platforms and dialogue opportunities, from groupings of hundreds of participants to informal, one-on-one conversations. The types of engagements we participate in can be broadly organised in four categories. This list focuses on active engagements in the reporting period and is not exhaustive.

- ▶ **Broad human rights initiatives** | Examples: Dutch Banking Sector Agreement
- ▶ **Issue-specific initiatives** | Mekong Club, Responsible Ship Recycling Standards, Women Empowerment Principles, Business Network for Civic Freedom and Human Rights Defenders, Roundtable on Sustainable Palm Oil

- ▶ **Direct dialogue and information exchange** | Examples:
 - ▶ **Working groups and informal groupings:** Equator Principles Social Risk Working Group, dialogue with Asian banks and regulators on human rights due diligence and specifically palm oil, Human Rights Practitioners Group
 - ▶ **Information exchange with issue experts, academia, and investors:** University of Geneva case study palm oil, ISS-oekom, Triodos Bank, IDH-The Sustainable Trade Initiative, Triple R Alliance, Fairphone, Profundo, World Benchmarking Alliance, dialogue day on grievance mechanisms and our Human Rights Statement with civil society organisations, academics and peer companies
 - ▶ **Direct dialogue with civil society organisations, trade unions and multistakeholder initiatives on specific issues:** FNV, Oxfam Novib, Friends of the Earth Netherlands, Rainforest Action Network, Pax, BankTrack, Centre for Research on Multinational Corporations (SOMO), Eerlijke Geldwijzer, ActionAid, WO=MEN, Fair Wear Foundation, International Code of Conduct Association
- ▶ **Events** | Examples:
 - ▶ **We hosted:** Conference, ‘Civic Freedom and Human Rights Defenders: What Is the Role of Business?’
 - ▶ **We attended and provided input:** dozens of high-level conferences, workshops, seminars, consultations and meetings. Issues included, among others, child labour, smallholder farmers and livelihoods, living income, tobacco and human rights, climate change and human rights, temporary employment and precarious work, enabling remediation.



Tjeerd Krumpelman Reporting & Engagement, Group Sustainability, ABN AMRO

“Engaging with civil society organisations, trade unions and issue experts means we gather a lot of information. We have to manage that information well and make sure it’s put to good use. I think when it comes to information about specific human rights impacts connected to clients, we’re pretty good about recording the information and including it in our ongoing engagement process.”

“Where I think we can improve is recording input about our policies, or human rights issues more generally where it’s not tied to a specific case. The perspectives we hear through dialogue are valuable and we need to be sure we have systems that help us make use of the information.”

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Equator Principles Social Risk Working Group

While ABN AMRO has limited involvement in project finance, we were one of the initiators of the Equator Principles, which focus on environmental and social risk management in project financing. Our [Sustainability Risk Management Framework](#) explicitly references the Equator Principles and we're active in the Equator Principles Social Risk Working Group. The fourth edition of the Equator Principles came into effect in 2020, and we contributed at an early stage by providing input on the human rights criteria.

“Even though we aren't a big player in project financing¹, we think it's important to bring our knowledge and approach on human rights, including specific issues like grievance mechanisms and remedy, to important standards-setting bodies like the Equator Principles,” says Ruben Zandvliet, who represents ABN AMRO in the Social Risk Working Group.

¹ In our Non-financial Data & Engagement report, we report on the number of project finance transaction under the Equator Principles that ABN AMRO has financed.



Conversations with civil society organisations

In the summer of 2020, our CEO Robert Swaak had several discussions with representatives from civil society organisations. One topic was ABN AMRO's activities on human rights. As Robert says in his opening message to this report, these conversations help both our senior leadership and representatives from civil society organisations better understand each other's key concerns and issues we're focused on.

Our Executive Board, led by Robert, plans to continue these exchanges in the future. So far, Robert has had the opportunity to speak with representatives from Oxfam Novib, BankTrack and Pax on human rights issues (he also spoke with Friends of the Earth Netherlands, with the focus on climate change). Common themes in these conversations included client confidentiality, our engagement approach with corporate clients, grievance mechanisms and transparency.

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Convening dialogue, galvanising collective action

Hosting a conference on the role of business with civic freedoms and human rights defenders.

Beginning about five years ago, we realised that our conversations with various dialogue partners – civil society organisations, other financial institutions, issue experts, our clients – were increasingly bringing up issues related to attacks on civic freedoms and human rights defenders. As we state in our Human Rights Statement 2020, “Protecting the rights of these civil society organisations, trade unions and journalists – and human rights defenders overall – to operate freely is important in itself and it enables companies like ABN AMRO to identify adverse human rights impacts in their value chains.”

Building on other activities such as our contribution to the report, ‘[Shared Space Under Pressure: Business Support for Civic Freedoms and Human Rights Defenders](#)’, in June 2019 we hosted a conference called ‘[Civic Freedom and Human Rights Defenders: What Is the Role of Business?](#)’, organised jointly with the Business & Human Rights Resource Centre and International Service for Human Rights. Our aim was to bring representatives from companies and civil society together to discuss challenges and expectations. We also heard from human rights defenders from Colombia, Kenya and Zambia, who spoke about issues like LGBTI+ rights and the impact of companies’ activities on local communities.

This conference is part of an ongoing dialogue on human rights defenders and civic freedoms with civil society organisations and trade unions like Oxfam Novib, Amnesty International and CNV Internationaal. As part of this dialogue, ABN AMRO has used policy recommendations from Oxfam and Amnesty, and participated in a meeting hosted by CNV with banks in the summer of 2019.

By convening dialogue opportunities that bring together key voices, including those of affected people, we both improve our own understanding of issues as well as help improve practice at other companies. With issues as complex as human rights, we find that part of fulfilling our own responsibility is to galvanise other companies to take action – we can achieve more collectively than we can on our own.



Mauricio Lazala Deputy Director & Head of Europe Office, Business & Human Rights Resource Centre

“The event that ABN AMRO organised and hosted in June 2019 on the issue of civic freedoms, human rights defenders and the role of business was pioneering from a company perspective. ABN AMRO was helpful in bringing attention to the necessity of companies supporting human rights defenders and being aware of their critical role.”

“Crucially, the event brought together various actors and viewpoints for a meaningful dialogue and exchange of perspectives. From a civil society perspective, it was very welcome that ABN AMRO provided a platform for voices of affected people, who shared the same room with representatives from companies – that kind of opportunity does not happen often enough. While more remains to be done in this area, with this event ABN AMRO demonstrated that it intends to be in the leadership business group.”

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Engagement as leverage: Helping and pushing business relationships to manage their own human rights risks



Business relationships

When we are connected to human rights risks or impacts through our business relationships, our responsibility is to use our leverage with them to push and support them to prevent or address the impacts. If we are unable to move our business relationships to improve on human rights, we will consider ending the relationship with them. In our role as a lender and investment services provider, we screen prospective clients (lender) and companies/funds (investment services) for human rights risks and have refused to enter into business relationships due to these risks.



Lender

Using our leverage with corporate clients: engagement processes

With our corporate clients, we proactively discuss our expectations of them on human rights at regular points during our relationship. We also monitor how our clients are doing meeting our expectations on human rights, as set out in our Sustainability Risk Management Framework (SRMF). When our monitoring shows our clients should improve their performance, we engage with them to support and push them to improve their management systems and address impacts.

In our role as a corporate lender, our process for monitoring our clients' compliance with the SRMF, and determining if we need to engage more robustly is as follows:

Step 1 Monitor clients: Our relationship managers monitor and report on the (continued) compliance of the client with the policies and requirements in the Sustainability Risk Management Framework as well as any conditions set by the Sustainability Risk analysts.


- ▶ Relationship managers complete a sustainability assessment (CASY questionnaire) of the client. The assessment is based on desktop research (like the client's sustainability report, information from Sustainalytics and media reports) as well as information gathered in conversations with the client. For project financing, we also draw information from a third-party impact assessment. The frequency with which this assessment is conducted depends on the country and sector risk profile of the client. If these contextual risks score high, we undertake the sustainability assessment every year.
- ▶ We also gather information about clients' human rights risks through:
 - ▶ regular conversations with clients
 - ▶ regular monitoring of media and civil society reports
 - ▶ ongoing conversations with civil society, trade unions, issue experts and other companies.

Step 2 Triggers for engagement:

- ▶ Client does not meet ABN AMRO's sustainability standards: Client scores 'below par' in the CASY assessment and/or client is subject to conditions set by the Sustainability Risk analysts in our Credit Risk department.¹
- ▶ Client has been the focus of concerning information that has appeared in reports from media or civil society organisations.

If one or more of these triggers are found to be true for the client, we will enter into an engagement trajectory. Broadly, we have three types of engagement trajectories:

1. Normal intensity: 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
2. Focus list: an ongoing process that is triggered by 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 concerning reports from media or civil society organisations
3. High intensity: a formal, time-bound process that involves setting detailed objectives, close monitoring by relationship managers and the Credit Risk department, and quarterly oversight from our Engagement Committee.

On page 61 , we provide examples of some of these engagement trajectories in practice.

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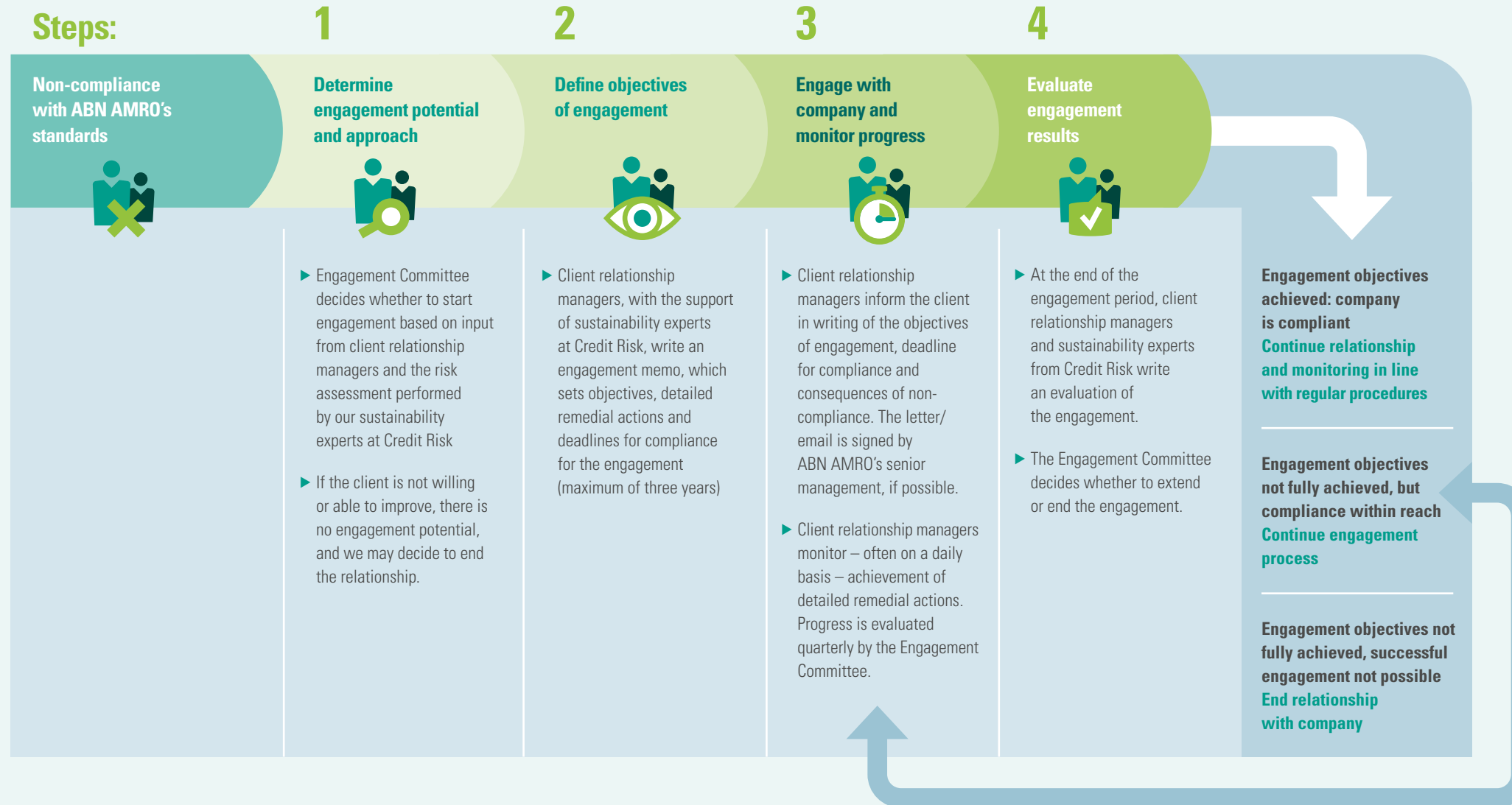
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¹ During the entire credit life cycle (loan origination and annual monitoring), Credit Risk may accept the (continuation of a) lending relationship to a client that does not fully meet our Sustainability Risk Policy framework. In most of these cases, monitoring and/or engagement with the client has to take place in order to get or remain comfortable that the client is moving towards full compliance. In case there is not sufficient comfort, for example due to a major policy gap or incident, a high intensity engagement trajectory with a maximum time span of 3 years can be started.



Business relationships

High-intensity engagement with corporate clients: stepwise approach



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Myrthe Haase Sustainability Risk Specialist,
Central Risk Management, ABN AMRO

“Across our client relationships and through our investment services, we have connections to hundreds of thousands of companies. It’s a mammoth task to try to understand the human rights risks we’re connected to through all these relationships, and sometimes it can feel overwhelming.”

“But we try to lay a foundation with our policy requirements for our business relationships. We then work upwards, starting with annual questionnaires and sometimes progressing to intensive, formal engagement processes that set time-bound requirements for clients that do not or do not yet meet our standards. We have a long way to go to really use our leverage with all our clients on their human rights risks – but I think we’re making improvements year on year, and with every engagement we’re learning more effective approaches.”



Using our leverage with suppliers

While we do set requirements for larger and high-risk suppliers with regard to human rights (and labour rights specifically), to date we have not engaged with them systemically to use our leverage to push and support them to improve their labour rights risk management. We have engaged with some suppliers occasionally where we became aware of serious abuses.

In the third quarter of 2020 we began asking our largest and/or high-risk suppliers to complete online, third-party questionnaires about how they manage risks related to human rights. Our ambition is that in the future, we can use this information to inform our approach to systematic engagement with suppliers on human rights.

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Taking an inclusive approach means we have to listen to all sides

Two members of our Engagement Committee discuss the benefits and challenges of our engagement approach in our role as a corporate lender.

Karianne Tieleman, Head of Sustainability Advisory, Corporate & Institutional Banking, ABN AMRO: “Engagement on human rights is extremely complex. There are various angles – and sometimes contradictory information. For us, it’s important to listen to all sides, to understand the different perspectives.”

Tjeerd Krumpelman, Head of Advisory, Reporting & Engagement, Group Sustainability, ABN AMRO: “In our corporate lending, we take an inclusive approach on human rights risk management. That means we first engage with companies that have human rights risks and impacts, rather than immediately excluding them. This kind of approach means we put a lot of emphasis and resources into engagement. We have to be in dialogue with the relevant parties. It’s not just about figuring out the facts but also about hearing perspectives. We need to understand whether there’s a path towards improvement – if there’s not, we can’t continue our relationship with the client.

“For example, over the last several years we’ve been in regular dialogue with some civil society organisations (Pax, Friends of the Earth Netherlands, the Rainforest Action Network) concerning severe human rights impacts connected with some of our corporate clients. In some of these cases we aren’t even directly linked

to the case, for instance because the company wasn’t our client when the impacts occurred. But we want to learn from these cases and we do think we can use our leverage to improve the situation. We’ve listened to the information and perspectives shared by the civil society organisations. We’ve done the same with our clients.

“We’ve used our leverage in a few ways in these cases: we’ve suggested using a mediator, we’ve passed information between the client and the civil society organisation, we’ve reminded our clients of our standards on human rights. In all these cases we’ve tried to educate ourselves as much as possible about what occurred and how we can learn from these cases going forward.

“Being in dialogue doesn’t mean we always agree. Our position is not always the same as that of a civil society organisation. Sometimes they want us to pull out of an entire sector, and we think we can do more good by staying in the sector and pushing for better practices from within. We might stay in a sector as long as we think there’s an opportunity for improvement. We believe some sectors, like tobacco, are incompatible with human rights and we’ve pulled out completely.”

Karianne: “We know that we are balancing a mix of interests. ABN AMRO has business objectives –

we’re not a non-profit organisation. At the same time, the bank’s strategy focuses on sustainability and accelerating the sustainability shift. Because we have to make choices that balance business objectives with human rights objectives, our Engagement Committee is particularly important. The committee provides us with a forum to discuss dilemmas with a senior and diverse group of colleagues. It’s been very helpful that in 2020 we increased the length of these meetings and that we have a clearly defined decision-making process. Ultimately we have to take complex situations on a case-by-case basis and that requires time and a clear process.”

Tjeerd: “And to go back to the purpose of engagement: tough situations where we want to help a client improve on human rights are usually addressed best by engagement. We have to work with them and use our leverage. One person may say we need to retain the client for business objectives. Another person may say this client has harmed human rights and we need to end the relationship. We think that by committing to an active and goal-oriented dialogue with the client we can ideally achieve both the business objective of retaining the client and the human rights objective of preventing and addressing human rights impacts. It’s by no means a perfect process but at a strategic level we think this approach is the right one for us.”

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Engagement cases

Addressing labour rights, land-related human rights, community resettlement, and learning from legacy cases.

When we engage with clients, what do we talk about? What outcomes have we seen? Anne Stickers, Team Lead Sustainability Risk within the Credit Risk department, works directly with our corporate clients on human rights risks issues. Here Anne shares two cases from the reporting period to illustrate what client engagement means in practice.



Anne Stickers Team Lead Sustainability Risk, Credit Risk department, ABN AMRO

“In our engagements with clients, we tend to focus on concrete outputs as the goal of the engagement, for example an improved policy or the establishment of a grievance mechanism.”

“But that is only the start, and that’s why our ongoing dialogue with our clients is so important. When we stay in dialogue, we can continue to address what those concrete outputs mean in practice – and try to ascertain if the circumstances for affected people have indeed improved.”



“This company has been a client of ABN AMRO’s for many years. As our own human rights risk management has become more informed and mature over the years, we increasingly recognised that the client operates in a high-risk sector, namely in relation to issues like child labour, forced labour and decent labour conditions in the harvesting and production of cotton.

By 2017, we had the resources and know-how ourselves to be able to engage in dialogue with this company about the inherent risks in their sector and best practices in managing them. We had many conversations – in-person meetings (prior to the Covid-19 pandemic), phone calls, emails. These conversations are a team effort that I undertake closely with our relationship managers. These kinds of ‘normal intensity’ engagements are tailor-made for the risks and the client’s needs, and we adjust course as we go.

In the beginning, the client didn’t have a formal human rights policy or a human rights risk management system. They didn’t report on issues connected with human rights. But over several years of regular engagement, including referencing human rights risks related to cotton sourcing in our loan agreements, we made progress together.

Today, the client has an environmental, social and governance (ESG) strategy, an ESG policy and a reporting mechanism. They’ve analysed their top ESG risks. Their senior leadership has been involved in our discussions. Any company with operations connected to cotton sourcing faces human rights risks and we’re glad we have been able to work together to take steps to address them.”

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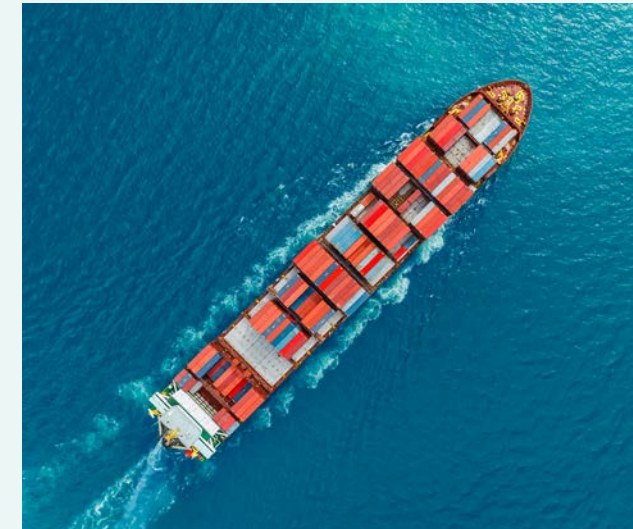
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Business type:
Infrastructure development

Type of engagement:
Focus list



Expanding and improving policy frameworks

Responsible ship recycling standards in our sector standard for energy companies

ABN AMRO has pushed the issue of responsible ship recycling standards with clients for some time, and helped establish the [Responsible Ship Recycling Standards](#). These standards initially addressed asset-based financing (when the bank directly finances the ship). We're now going further and updating our sector standard for energy companies to also address the issue of responsible ship recycling.

“During the reporting period, information was published about a forced resettlement of several thousand people at a site that subsequently became part of the location of a project done by our client. We contributed to the financing of this project.

ABN AMRO condemns the practice of forced resettlement, which is a clear human rights abuse. The parties in the financing did conduct environmental and social due diligence on the project in line with the Equator Principles, but the forced resettlement took place for a different infrastructure project and another contractor. Neither ABN AMRO nor our client was involved in the forced resettlement.

Nonetheless, we have discussed with the client possibilities to engage with governmental and civil society actors to enable remedy for victims and prevent future negative human rights impacts. We've also broadened our discussions with the client to talk about their human rights risk management systems in general. It's been helpful for both of us that we can have this dialogue about best practices and international standards on human rights connected to their business.”

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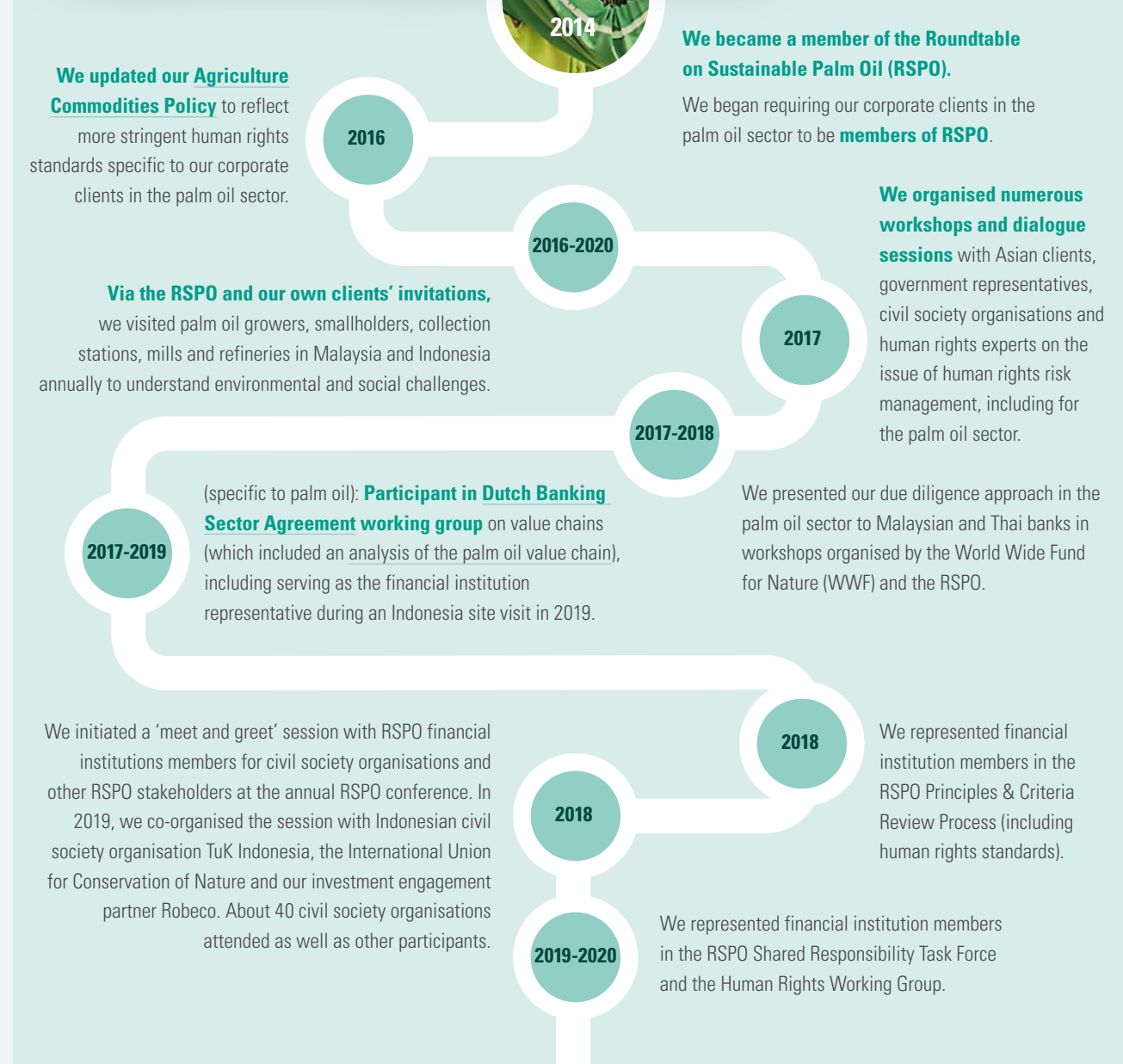


Lender

Using our leverage with clients via multistakeholder initiatives: focus on palm oil

Since 2016, following an [Amnesty International report](#) documenting labour abuses in the palm oil sector, we've increased our active engagement on human rights with our corporate clients in the palm oil sector, as well as participating in multistakeholder initiatives focused on palm oil. We've reported quite a bit about these activities over the years, namely in our [Human Rights Report 2018](#), our [Human Rights Update 2019](#) and [numerous articles](#) available on our website.

In September 2020, [ABN AMRO announced a strategic refocus of our Corporate & Institutional Banking business](#), with the result that we will be exiting the palm oil commodities sector globally. But we're still connected to the palm oil value chain through clients that are food brands and food retailers headquartered in Europe. On the next page, Ghislaine Nadaud, former Head of Sustainability Asia Pacific, and Wijbrand Fabius, Stakeholder & Engagement Manager, look back on our engagement on palm oil in the last two years, and reflect on our role in the future.



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Our engagement on palm oil

Ghislaine Nadaud, former Head of Sustainability Asia Pacific, and Wijbrand Fabius, Stakeholder & Engagement Manager, look back on our engagement on palm oil in the last two years, and reflect on our role in the future.

Q: It's been six years since you joined the Roundtable on Sustainable Palm Oil, and you've been actively engaged with the platform during that time. Looking back, what have you learned? What impact do you think you've had?

Ghislaine: "Our clients have let us know that they appreciated our active and open engagement, both with them individually and through the RSPO. We actively contributed at RSPO meetings, we invested in creating strong standards – all while trying to understand the challenges our clients face and their operating context. When issues were raised about our clients' performance on human rights, we tried to be there, listening to their perspectives, looking into collaborative solutions, and pushing them to do better when it comes to their impacts on workers and communities."

"The RSPO is a platform that brings together all the relevant stakeholders in the palm oil sector, including financial institutions.

Through this structure, we've increased our understanding of the palm oil sector and learned a lot about how to use our leverage as banks, for example to push for increased transparency, better

governance and an effective complaints mechanism for the RSPO. This is a takeaway we can apply to many areas of our work, not just palm oil."

"Through multistakeholder platforms like the RSPO, we've learned how we can help create opportunities for solutions and partnerships on complex issues. Being part of this initiative gives us an opportunity to build up relationships with key stakeholders and to learn from them."

"As a financial institution, if you really want to be a good risk advisor to your clients, you need to have knowledge of the sector and circumstances in which your client operates. The experiences we've had through the RSPO have informed our own approach in human rights due diligence in complex sectors."

In your role as a lender you're often rather removed from operations on the ground where people are impacted. But with your engagement on the palm oil sector, you've had more access to affected people than usual. What have you learned from these opportunities?

Wijbrand: "You see more complexities to the issues. Because we're somewhat distant from what's



happening on the ground, we rely on a lot of different information sources.

But visiting palm oil plantations and talking to worker and community representatives in palm oil-producing countries brings what we've read on paper to reality. And that reality isn't black and white. It's not just about exiting the sector. Sometimes some civil society organisations call on us to do this, while other groups say, no, stay, you have more leverage to make things better when you're part of the sector."

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Q: Up until now your connection to the palm oil sector has largely been through clients who operate at the production level. But now you're shifting to having your connection through clients that are food brands and food retailers. How do you see your role going forward?

Ghislaine: “The RSPO has been focusing on shared responsibility: the concept that all actors in the palm oil value chain, from producers to food retailers and everybody in between, including financial institutions – have an important role to play in making sustainable palm oil the norm. It’s not just about the producers at the plantation level in Southeast Asia and it’s also not just about the big brands selling foods in large supermarket chains in Europe.

For us, given our shift in how we’re connected to the palm oil value chain, we’ll also need to embrace the concept of shared responsibility and work with our food brand and food retailer clients to help and push them to support sustainable palm oil.”

“The RSPO requires members to purchase a certain quantity of sustainable palm oil. But it’s not just about purchasing: our clients that are food brands and food retailers also need to be sure they’re doing their human rights due diligence deep into the value chain, not just to their palm oil trader and stopping there. For example, through our work on the palm oil value chain mapping in the Dutch Banking Sector Agreement, we hope we’ve contributed to companies’ understanding of the complexities of this value chain and the tiers they need to be looking at when conducting their due diligence.”

Wijbrand: “We’re currently reconsidering our strategy on the palm oil sector due to our shifted position in the palm oil value chain.

Q: After so many years of intense work to support human rights in the palm oil sector, what’s your view on the big picture for the sector? What are the areas that need more progress?

Ghislaine: “I think it comes back to the shared responsibility concept. And not just shared responsibility among those already in the RSPO. For instance, at ABN AMRO we focused in recent years on sharing our experiences on due diligence with Asian banks and Asian governments. Palm oil is a global commodity and it requires a global effort to make it more sustainable. Although we’ve seen progress in China and India, with an increasing number of companies in these countries joining the RSPO, these markets are still considered leakage markets for palm oil.¹ We have to bring these markets up to RSPO standards. By bringing these players into our community of standards, we can make a real impact.”



Bremen Yong Director of Sustainability, Apical Group (ABN AMRO client)

“Over the past years, we’ve seen ABN AMRO taking an active role on its commitments towards protecting not only the environment, but also human rights in the sector in which we operate. They have initiated field visits to our sites and engaged with smallholders to further understand the needs of people, challenges faced and sustainable good practices.”

“We’ve had frequent discussions on our sustainability commitments and these valuable learnings have been the basis for our work on the SUSTAIN Alliance and the Roundtable on Sustainable Palm Oil Principles and Criteria Review Taskforce.”

¹ A leakage market in the palm oil sector means an economic market where palm oil produced under non-sustainable conditions – conditions that harm the environment and people – is bought and sold.

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ABN AMRO investment services



~50%
managed by ABN AMRO

~50%
managed by third-party
asset managers
(~200 managers)
and ABN AMRO
Investment Solutions



Investment services provider

ABN AMRO as an investment services provider: taking steps to build our leverage in engagement

Clients who use our investment services have a choice regarding whether to ask us for advice about their investments. Some clients make investments using our investment platform without seeking our advice. Others want advice but make their own decisions. Others give us a mandate to invest on their behalf. As clients seek more advice, we have more leverage to advise them to make sustainable investment choices, including about human rights.

When ABN AMRO advisors manage investments on behalf of clients, we take an engagement-first approach with companies in our portfolios that are lagging on human rights. The trigger for this kind of engagement is when a company is non-compliant (has violated) or is on the watchlist (is at risk of being non-compliant) with the UN Global Compact Principles, as determined by our investment research partner Sustainalytics.

Since 2015, we have partnered with the asset management company Robeco for most of these engagements. In the reporting period, Robeco engaged with 24 companies specifically on human rights on our behalf. Before Robeco engages with the company, we agree on an engagement plan – which is discussed in the Private Banking Global Sustainability Board.

While engaging with companies in reaction to major human rights incidents is important, we see that reactive, smaller-scale engagement isn't enough. We want to become more proactive and scale up our engagement with companies

we're connected to through our investment services. Beginning in January 2021, we'll begin a partnership with EOS at Federated Hermes to significantly scale up our company engagement and make it more active. Our aim is to be able to engage with about 400 companies on an ongoing basis by leveraging Hermes' significant resources, expertise and collaborations with other asset managers (like pension funds).

These engagements will not only be reactive to major incidents, but also proactively engage companies in discussions on managing their human rights risks, particularly where risk assessment information (like Sustainalytics data) indicates weaknesses in companies' human rights risk management systems.

Vincent Triesschijn ABN AMRO Director
of Sustainable Investing

“When a company in our investment portfolio has a major human rights incident, we set up a paper trail of documentation of our engagement.”

“We write formal letters, have dedicated calls, usually together with our engagement partners. Before the Covid-19 pandemic, in some cases we also met in person with companies. Our dialogue partner from the company is usually senior management. This is an intensive form of engagement that we undertake ourselves or where we partner with asset management or large asset owners.”

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Engagement example: Johnson & Johnson

In 2019, we finished a three-year long dialogue with Johnson & Johnson, an American multinational corporation that develops medical devices, pharmaceutical and consumer health products.

After research on multiple allegations of human rights harms, Robeco concluded that there was a risk that Johnson & Johnson was in breach of the UN Global Compact Principles, potentially harming patients as a result of unethical conduct.

During the dialogue, conducted in partnership with asset management company Robeco, we focused on understanding the product safety and quality processes at Johnson & Johnson, as well as their approach to advertising and communication about health risks. In addition, we considered the firm's risk management systems in relation to suppliers and external manufacturers, and aimed to get a better understanding of the product recall processes.

After an intensive dialogue, the company improved post-marketing research and oversight and introduced annual webcasts concerning its sustainability report to provide more transparency regarding measures taken and systems implemented.

Our investment universe

Our investment universe includes companies that are part of investment portfolios or funds managed by ABN AMRO, or funds managed by our third-party asset managers (we also call this discretionary portfolio management). But not all clients ask us for advice or designate us to manage their assets. On our investment 'execution only' platform, our clients can choose to buy shares of nearly any publicly listed company in the world (we block clients from buying shares in controversial weapons companies). From a human rights perspective, we're connected to all of these companies, not just the companies in our investment universe. But currently our human rights risk management practices in our role of investment services provider apply mostly to companies in our investment universe that we advise our clients on.

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Engagement by ABN AMRO Investment Solutions and third-party asset managers

ABN AMRO expects its third-party asset managers as well as its subsidiary ABN AMRO Investment Solutions (AAIS) to engage with companies in their portfolios that are lagging on environmental, social and governance (ESG) issues, including human rights. ABN AMRO does not, however, currently have a system in place to monitor adherence to this expectation.

Some of the portfolios these managers offer are ‘sustainable funds,’ meaning they include companies that meet or are working to meet a higher ESG standard. AAIS is one of our asset managers that is focused on offering sustainable funds.

Shareholder voting

We do not generally participate in shareholder voting on behalf of our clients. However, some of our third-party asset managers do. ABN AMRO Investment Solutions participates in shareholder voting on behalf of clients, as well as some of our third-party asset managers.

“Compared with the total number of shareholder resolutions brought every year, resolutions on human rights issues are still fairly nascent. But they are increasing in number and people are paying more attention to them. At ABN AMRO Investment Solutions we do vote on resolutions and in 2020 we updated our policy to reflect higher expectations of companies on human rights issues,” says Lea Zeemans.



Lea Zeemans ESG Manager, ABN AMRO Investment Solutions

“As an asset manager, we work closely with about 40 external portfolio managers. We work with several managers who have specialised in managing sustainable funds for years, and they are in regular contact with companies in their portfolios to talk about ESG issues, including those related to human rights.”

“It is difficult to draft a uniform engagement procedure for the managers on our platform, as each fund has its own investment philosophy, style and portfolio characteristics, and the engagement approach needs to be in line with these. That means that so far, AAIS has not set expectations for portfolio managers about how they engage with companies on ESG issues. In 2020 we sent a questionnaire to our portfolio managers asking how they conduct their engagement. Our plan is to use this input to inform future guidance we would provide for portfolio managers on their ESG engagement.”

Growing clients’ sustainable assets: in our Human Rights Report 2018, we wrote that we aimed to increase our clients’ ESG assets to EUR 16 billion by 2020. At the end of 2020, we managed 26.2 EUR billion sustainable client assets. Our new aim for 2025 is to increase this amount further to EUR 50 billion.

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Work to be done: Helping corporate clients identify their salient human rights issues and strengthening risk assessment

When it comes to understanding human rights risks we're connected to through our corporate clients, and engaging with them to address those risks, we recognise we need to make progress in the following areas:

The refocus of our Corporate & Institutional Banking business means our client risk profile has changed considerably. We are currently at work redefining how we decide which clients require a high-intensity engagement on human rights.

While we think our Annual Client Assessment on Sustainability (CASYS) is a worthwhile baseline effort, we know that in practice the assessment is sometimes based on desktop research only rather than real engagement with clients, which can be a missed opportunity to really discuss human rights with clients. We also think the assessment could be strengthened when it comes to the questions it poses on human rights specifically. We'd like to take steps to address these issues in the next reporting period.

Our Sustainability Risk Policy for Lending and Investments is clear that if there is no potential for clients to make improvements through engagement, or if engagement remains unsuccessful, we will consider ending the relationship with the client. The cause for ending the relationship could be at odds with commercial objectives. An important way for us to address this tension is through our Engagement Committee, where different functions within the bank come together to consider complex cases and reach a decision that takes all factors into consideration. With each client engagement we learn more about how to address these tensions. Our aim is to continually improve our ability to meet both our human rights objectives and commercial objectives as part of our bigger purpose of accelerating the sustainability shift.

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Assessing impacts

In addition to engagement and dialogue, we use certain tools to help us understand how our salient issues are evolving, to catch specific cases and to stay abreast of trends and patterns on these issues. Some of these tools also support our understanding of whether our management systems are working; see [page 92](#) for more on tracking our performance.

Key processes we use to assess changes in the nature of our salient human rights issues

	Role Employer	Role Service Provider	Role Procurer of goods and services	Role Corporate Lender	Role Investment Services Provider
Process	For all roles: Monitoring of economic, social and political developments that impact salient issues (e.g. Covid-19 pandemic), through channels like news media reports				
	<ul style="list-style-type: none"> ▶ Annual Employee Engagement Survey ▶ 2020: Equal pay research for employees in the Netherlands ▶ 2020: Survey on diversity and inclusion at our international branches ▶ Quarterly assessment of diversity and inclusion performance against indicators ▶ Complaints mechanisms 	<p>For financial distress:</p> <ul style="list-style-type: none"> ▶ Monitoring client recognition leads¹ <i>insofar as we can while also respecting clients' privacy rights</i> ▶ Use metrics and severity of cases of our financial stability programmes <p>For privacy:</p> <ul style="list-style-type: none"> ▶ Privacy Impact Assessments: undertaken when changing existing or introducing new products, processes or information systems, especially when high inherent privacy risks may exist 	<ul style="list-style-type: none"> ▶ In 2020, we began asking some of our suppliers to complete a third-party questionnaire that checks for compliance against our Supplier Code of Conduct and relates to suppliers' policies and processes to manage, among others, labour rights risks. 	<ul style="list-style-type: none"> ▶ Screenings and assessments as part of the client approval process (new clients) and the credit review process (existing clients). Information about these processes is available in our Human Rights Report 2018, p.36 ▶ Quarterly enterprise risk management reviews of sustainability risk ▶ Ongoing documentation and internal reporting on client engagement processes 	<ul style="list-style-type: none"> ▶ Monitoring of information from investment engagement partners and ESG research and ratings services
	For all roles: Insights from potentially affected people and their representatives (civil society organisations, trade unions) and issue experts, specifically:				
	See page 47	See page 50	To a degree: our International Framework Agreement. See page 50	See page 50	See page 52

¹ Recognition leads are signals based on different data sources that can indicate that a client is or will soon be facing serious financial distress. These signals are based on factors including but not limited to the client's age (e.g. when the client is approaching the age at which they may be living on a pension (a fixed income)), a change in the client's housing situation, and data indicating the client is in arrears or is suddenly using a higher percentage of funds in their loan(s).

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Interview: Integrating human rights into our key risk indicators

In 2020, we updated our key risk indicators for sustainability risk in our role as a lender to explicitly include human rights risks in our risk appetite. Bram Kauer, team lead Sustainability Risk at ABN AMRO's Central Risk Management department, and Ruben Zandvliet, Social Sustainability Advisor at Group Sustainability, played key roles in the update. Here they explain how the updated risk indicators will be part of our risk management process beginning in the first quarter of 2021.

Bram: "Working in risk management, we're always concerned about how we're doing managing our risks. It's obviously important to set down expectations in our policies, but and alongside that we have to be able to assess the actual risk profile and ensure that it remains in line with our risk appetite. Key risk indicators are an important tool for this – they're like a thermometer that shows us how we're doing managing our risks."

"Responsibility for sustainability risk was transferred to our Risk Management department in 2020. We did a large number of reviews of our risk management policies and processes on sustainability. Based on our risk identification, we felt we needed to update our key risk indicators for sustainability. Part of that update included adding a specific risk indicator for human rights."

Ruben: "The new human rights risk indicator sounds like just one indicator, but it's actually rather big: it's our entire Human Rights Risk Register. The Risk Register is something we developed in 2020 and we used it to identify the salient human rights issues in this report. The Risk Register includes all the kinds of human rights risks we can be connected to, in any role, and helps us record and aggregate our observations about these risks over time. We're of course still in the early days of having this tool, and we're always working to improve our information sources, in particular so we can get more specific about our human rights risks and changes over time."

"Human rights risks are something that can be very hard to assess in our role as a lender, because we often have to go through so many layers to get to the places where people can be experiencing human rights harms.

"Human rights risks are something that can be very hard to assess in our role as a lender, because we often have to go through so many layers to get to the places where people can be experiencing human rights harms. "

We think that by integrating the Human Rights Risk Register into our Enterprise Risk Management system, we'll all have better awareness of how these risks are evolving, which should make us better able to prevent risks from turning into impacts."

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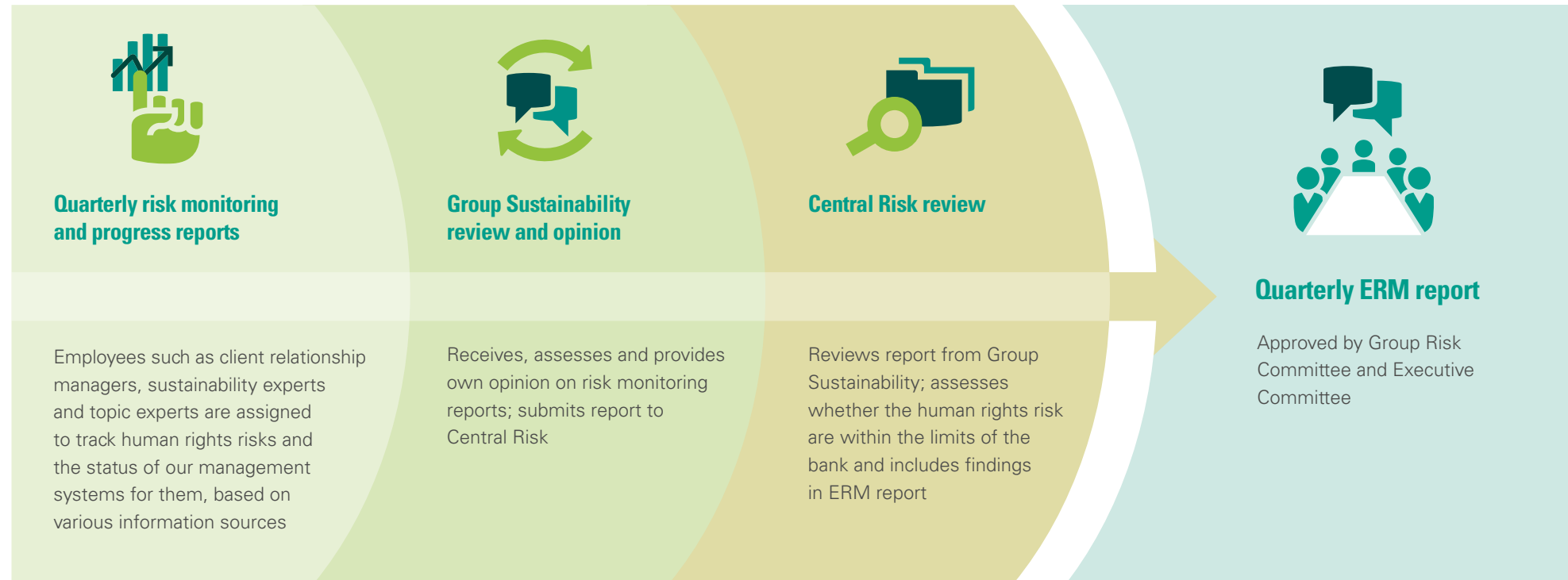
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Looking to the future: integrating human rights risks into our Enterprise Risk Management (ERM) system

We are currently developing processes to be able to report on the human rights risk indicator that is newly part of our sustainability Key Risk Indicators (KRIs) in our role as a corporate lender. KRIs are included in our quarterly ERM reporting. The roles and types of information gathered by various functions in ABN AMRO to inform the quarterly ERM report might look like this:



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Trends and reflections on the changing nature of our salient issues

Our insights on trends and patterns related to our salient issues come partially from specific assessment measures we use. But here again, engagement is a critical tool for us. Our in-house experts – from human resources to credit risk sustainability experts to the Privacy Office – use conversations with colleagues, stakeholders, issue experts, peer companies as well as reports from media, academia and civil society to keep abreast of the human rights risks we face and how they’re evolving over time.



Employer

Diversity and inclusion

“I think awareness of and commitment to a diverse and inclusive ABN AMRO has gotten better and better over the last few years. Diversity and inclusion weren’t on the agenda before – now they are. And we’re making some progress, with more women in our senior leadership, for example. We still have a way to go on cultural diversity at the top and gender in upper middle management – that’s going slowly.”

“In the big picture, we have work to do on that critical aspect of inclusion which is about belonging – having a voice that will be heard. This means more than giving, say, women or people with a non-Western background or a person with disabilities a seat at the table. It’s about more than them having a voice at that table. It’s about their voice being heard in a way that changes culture. My hope is that our new D&I strategy will help us achieve this.”

Nicole Böttger

Head of Diversity & Inclusion, ABN AMRO

Workplace behaviour

“Especially this year, so many people around the world have had a renewed focus on fighting racism. I thought we might see that reflected more in our Employee Engagement Survey – perhaps people would feel free to speak up about experiences of racism at the bank. But interestingly, that didn’t really feature as a big issue.”

“When employees did report negative experiences in the survey, it was about issues that have been more typical among reported concerns in the past years: sexual intimidation, people feel pressured to not follow procedures properly, unequal treatment, bullying, aggression. But (in 2020) it’s also different, because this year these behaviours occur online due to the Covid-19 pandemic. Most of our employees have been working from home since March 2020. This gives our ‘workplace’ – it’s now mostly virtual – a new dynamic. We see the same issues arising, but in new forms. We’re taking steps to try to support employees better in this new dynamic, like providing guidance for employees about using video during calls. We also want to issue guidance to help make sure employees feel free to take a break, to go on a walk, not to work too late – even though there’s no longer a physical separation of home and office. We have to help employees feel stable and safe in their new working environments. A good sense of employee wellbeing can help prevent unethical and inappropriate behaviour.”

Elise Neven

Product Owner Wellbeing, Human Resources, ABN AMRO

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Service provider

Privacy, financial stability and artificial intelligence

As we've referenced [earlier in this report](#), we have to strike a balance between clients' rights to privacy and our efforts to watch for signals that clients could be facing financial distress. The rise of artificial intelligence and its impact on privacy and discrimination is another important development relating to the salient issues in our role as a service provider. Jasper Grotjohann, Senior Business Expert at Retail Banking and a member of our Sustainability Core Team, and Wolter Karsenberg from our Privacy Office, discussed these issues and how they are interrelated.

Wolter: "Awareness of privacy issues has grown over the past years. The interest in having and using more and more data means that we have to be more alert to abuses arising out of data use. Envelope-pushing ideas about the use, storage and big possibilities of data create bigger risks. We must have mitigating mechanisms in place. The EU General Data Protection Regulation (GDPR) has helped increase awareness of privacy. But the GDPR has not changed much about the essence of our challenge. We have to be able to show that we are in control of the data we have, that we do the right thing with that data, that we prevent harm and that we are transparent."

Jasper: "We need data to make decisions about, say, whether or not a client can reasonably pay back a loan, or if offering a loan would put the client in financial distress. We might decide to go ahead and offer the loan, but then we'd want to keep an eye on how

the client is doing – make sure they can still repay the loan, that they haven't gotten overextended. If monitoring certain kinds of data about clients' behaviour can help us prevent clients from falling into financial distress, logically we'd like to have access to that data. At the same time, we adhere to privacy regulations and want to be sure that our clients feel we are not intruding on their personal privacy."

Wolter: "If we were to monitor all those transactions, all that data, looking for signs of financial distress, many would say today we should use artificial intelligence (AI) to do that. But we also know that AI can introduce biases of its own. This could cause clients to face discrimination. We're currently developing principles on artificial intelligence, drawing on guidance from governmental bodies, supervisory authorities and the Dutch Banking Association and in line with our purpose, strategic pillars and policies."

Jasper: "Our policies set boundaries on who we will extend financial products and services to. It's designed to safeguard clients' interests – that is our duty of care and it is fundamental to our licence to operate as a bank. At the same time, these boundaries can lead to perceived or real discrimination."

Wolter: "As a bank, we need to strike the right balance, for instance both meeting our duty of care obligations and our privacy obligations. Innovative ways to gain insights based on personal data, like AI, are the subject of intense debate. Expectations vary widely. We need to identify the boundaries and options regarding what is possible and what isn't, both in legal and in ethical terms. But no matter what, as we explore and investigate the limits of this dilemma, we need to be transparent about our challenges, dilemmas and the routes we are exploring to find that right balance."

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Driver of debt: unstable employment due to short-term contracts

“As a Financial Coach, I work directly with our clients to help them avoid really serious debt by catching the problem early and adapting their loans and payments.

I specialise in mortgages. The biggest problem I’ve seen in the last few years for these clients is unemployment. Not necessarily that they’re not working, but more that they have a lot of instability in their work. They have short-term contracts that aren’t renewed. They don’t know when they’ll find their next job or how long it will last.”

Ron van der Ploeg

Mortgage Advisor and Financial Coach, ABN AMRO

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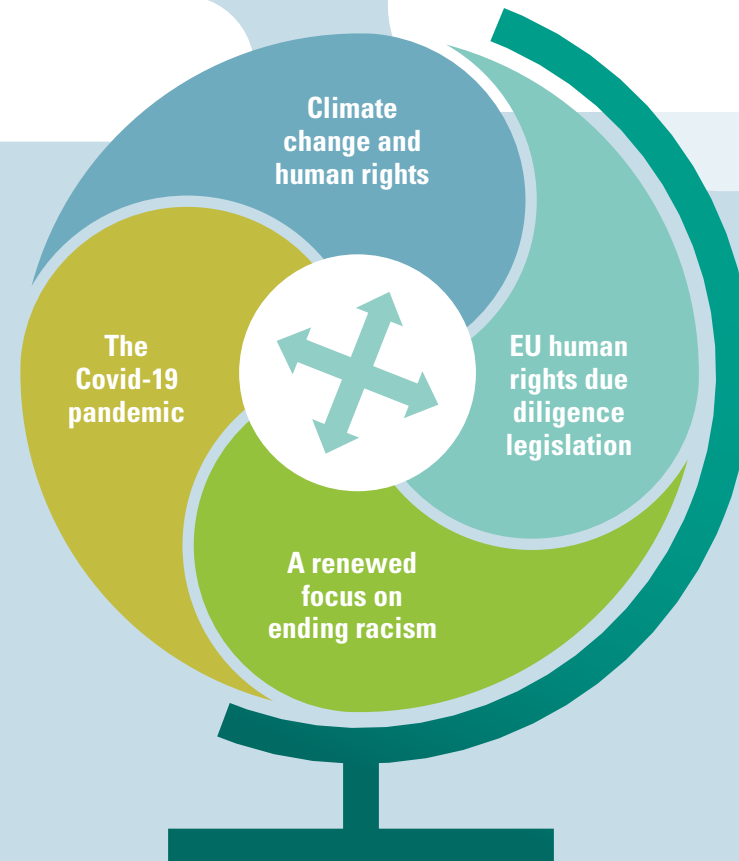
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Global developments

As a global bank, we don't operate in a bubble. Social, economic and political developments in countries around the world have a significant impact on our business and our human rights risks. To illustrate these connections, we've integrated throughout this report information about 'global developments' that have impacted our business, including the nature of our human rights risks.



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The Covid-19 pandemic and emergency support measures for our clients

As a bank, we've noticed significant impacts on our salient human rights issues, for instance the issue of financial distress for our retail clients, and impacts on workers in the supply chains of our corporate clients. Due to the pandemic, we've also taken steps to further support employment for people with disabilities, within our own workplace and across the Netherlands.¹

Emergency measures to support financial stability of retail clients in the Netherlands

On 12 March 2020, the Dutch government announced a 'soft lockdown' in response to the increasing number of Covid-19 infections in the Netherlands. As countries around the world have experienced, these lockdowns have led to a rapid economic downturn, with many workers facing furloughs, unemployment or severe drops in orders and contracts.

We soon realised that our retail clients could imminently face serious financial problems, leaving them unable to pay their bills. This was particularly true for clients who are self-employed, who work on fixed-term contracts, or who are new to the Netherlands and don't understand how all our systems work. We realised we would need additional emergency measures to help keep these clients afloat, beyond our usual financial stability programmes. We moved as quickly as possible to implement payment

deferral measures ('Betaalpauze') for our retail clients. The payment break was for various kinds of credits – below we outline how it worked for clients with mortgages. At the time of developing these measures, nobody knew how long the lockdown would last, or how quickly the economy would recover.

Payment deferral for mortgages

- ▶ The basic concept is that clients get a break from their mortgage payments for a fixed period of time. They make these payments at a later date, after the deferral period is over.
- ▶ The payment break was offered for up to six months. Later, the amount must be repaid by the client in instalments.
- ▶ From March to October 2020, approximately 11,500 of our retail clients requested the payment break:
 - ▶ Approximately 7,800 clients received a payment break, based on their demonstration that they faced a temporary loss of income during the Covid-19 pandemic.
 - ▶ Around 80 percent of these clients resumed regular payments after three months. The remainder resumed regular payments after six months.
 - ▶ Every client who used the payment break had or has a personal advisor at ABN AMRO – read more [here](#). ➡

In the realisation that the Covid-19 pandemic and the related economic downturn is not a temporary crisis and requires support measures designed for longer periods, we stopped offering the payment break as an emergency measure as of 1 October 2020. We continue to offer customised debt avoidance or debt relief solutions for any client who comes to us in need.



Robert Swaak Chief Executive Officer, ABN AMRO

“For many of us at ABN AMRO, when we think back on global challenges in 2019 and 2020, what stands out most in our minds is the Covid-19 pandemic. It has affected the lives of seemingly every person on the planet, from their physical and mental health to their financial stability.”

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¹ Information about measures we have taken to support our small- and medium-sized business clients and corporate clients through the Covid-19 pandemic is available in our Integrated Report 2020.



 **Lender and Investment services provider**

Lending: climate change, shrinking civic space, impacts of the pandemic on workers, due diligence legislation

As a corporate lender, our clients are active in a wide range of sectors with activities around the world. Because of the breadth of our client portfolio, we've identified broad categories of salient issues in our role as a lender. That also means we see a myriad of trends and patterns related to human rights risks and impacts in our role as a lender.

In relation to the labour rights, land-related human rights and right to health of workers, communities and consumers affected by our corporate clients, some of the macro trends and developments that we are monitoring include:

- ▶ the increasingly severe impact of climate change on human rights
- ▶ shrinking civic space and attacks on human rights defenders
- ▶ impacts of the Covid-19 pandemic
- ▶ potential for EU human rights due diligence legislation

 **Global development**
Climate change and human rights

Climate change is having an ever more obvious impact on human rights. For many years, this link wasn't always clear. But in 2019, the Dutch Supreme Court (Hoge Raad) ruled that by setting insufficient greenhouse gas emissions targets, the Dutch government was failing to uphold its human rights obligations under the European Convention

on the Protection of Human Rights and Fundamental Freedoms. Looking at our own business, we have also taken steps to clearly articulate this link, for example in our [Human Rights Statement 2020](#). We've also taken steps to shrink our own climate footprint and continue to engage with our investors, clients and employees on our shared responsibility to reduce our carbon output.

"We've set standards for clients for many years related to greenhouse gas (GHG) emissions and climate change. But we haven't always explicitly linked their emissions with human rights impacts. We've now made this link explicit in our [Human Rights Risk Register](#), which includes a category for 'climate change inaction'. The methodology to measure and assess this link is not readily available. In 2021 we will be working to identify the right indicator to measure the degree of climate change inaction in relation to human rights. Our aim is to improve our understanding about which and how many corporate clients are harming human rights by not acting on climate change," says Ruben Zandvliet, Social Sustainability Advisor at ABN AMRO.

 **Global development**
Standing up for EU human rights due diligence legislation

While some companies, including ABN AMRO, have been working to implement human rights due diligence for years, we believe that voluntary measures are no longer enough. In September 2020, we signed a [joint statement](#) with 26 companies, business associations and initiatives stating our support for mandatory European Union human rights and environmental due diligence legislation.

European mandatory human rights and environmental due diligence legislation will, we believe, help accelerate the sustainability shift, which is our overarching goal at ABN AMRO. By setting clear regulatory requirements for companies, we believe this legislation can help raise the baseline for companies' practices on human rights and align expectations in different EU member states.

We believe this type of legislation would particularly impact our business relationships. By requiring companies that are active in the EU market to take concrete steps on human rights due diligence, we hope that our suppliers, corporate clients and companies we're connected to through our investment services would also take notice and take action. We've supported and pushed our business relationships for years to undertake human rights due diligence. We believe that mandatory legislation in the EU would help us be more effective in our advocacy for human rights toward our business relationships.

The current EU Parliament proposal only requires companies to prevent and address instances where they may be causing or contributing to human rights harms. We believe that any future EU legislation on this matter must be aligned to international standards on business and human rights,¹ and include due diligence requirements where companies are directly linked to impacts.

¹ Primarily, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

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Name:
Gitte Wouters

Name:
Nicole
Böttger

Banking through a gender lens

In March 2020, ABN AMRO signed the UN Women’s Empowerment Principles. Now we have to live up to these principles. Through our bank-wide programme ‘Banking through a gender lens’, we are critically assessing where we can do better to live up to our commitment to promote gender equality and women’s empowerment. This means looking at ourselves critically with regard to how women are treated in our workplace, and how we can affect women through our products and services. You can read more about this programme in our [2020 Social Impact publication](#).

“Women are speaking out more than ever to raise critical issues about their treatment in society, from ‘everyday’ discrimination to gender-based violence. At ABN AMRO, we believe we can do better when it comes to our own impact on women’s lives, but we are still in the process of improving our understanding of our own shortcomings.

We do have some specific areas that are clear: we need more women in management, and we have heard from our female clients that they feel unheard and not properly supported through our banking services, which have traditionally been tailored to men,” says Nicole Böttger, Head of Diversity & Inclusion at ABN AMRO.

Gitte Wouters, Stakeholder Manager and Social Impact Lead at ABN AMRO, adds, “Thanks to conversations with civil society organisations and issue experts, we are also taking a closer look at sectors where discrimination or other serious mistreatment of women can be occurring in connection with our corporate clients. These kinds of issues tend to be inherent to certain sectors, like the garment sector, which has a lot of low-wage female workers. This is an area where we’re just beginning to understand how we can take action with our policies and practices to support better outcomes for women in these sectors where our corporate clients are active.”

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In the following overview, we outline aspects of our Banking Through a Gender Lens programme that are specifically designed to help prevent and address discrimination against women in connection with our business.

Employer

Action

- ▶ Survey on equal pay for employees in the Netherlands
- ▶ Increase awareness of employees about discrimination, including against women, through our [Diversity & Inclusion week](#)
- ▶ ‘Talent to the Top’: [this programme](#) an initiative of Talent to the Top, is designed to further the careers of female employees. The women in the programme – there are currently about 40 ABN AMRO employees – work with senior female leaders in the bank who act as mentors. The group participates in events, workshops and individual coaching for a period of eight months to accelerate their professional development
- ▶ Programme ‘50/50 inflow’: This programme aims to create a more balanced recruitment process. The inflow of ABN AMRO employees in previous years was about 30 percent women and 70 percent men. Programme 50/50 inflow does the following:
 - ▶ Amends the text of job adverts to be more gender neutral (for instance, research shows that women tend to underestimate their qualifications and decide not to apply when job adverts have longer lists of required skills)
 - ▶ At least one woman representing ABN AMRO is present at the job interview (this action is currently being piloted)
 - ▶ Tries to recruit qualified women who may be invited to apply for positions
 - ▶ For every vacancy, we invite at least two women to be interviewed

Employer

Service provider

Action

- ▶ Bias trainings which, among other topics, address gender. Some of the trainings are specifically for managers and some are for all employees.

Lender

Action

- ▶ Identify gaps on women’s rights in our [Sustainability Risk Management Framework](#) sector standards:
 - ▶ The first sector we are looking at is the apparel and textile sector. 80 percent of workers in this sector are female, and we have a long history and experience in this sector supporting our clients on human rights issues. [The issues women in this sector face have also become more severe since the Covid-19 pandemic.](#)
 - ▶ Based on discussions with civil society organisations and issue experts, and drawing on studies and guidance documents, we are aiming to build a clearer understanding of red flags and best practices on respecting women’s rights in the apparel and textile sector. This way, we hope to develop ‘smart indicators’ to help us integrate a gender lens into our sector standards. Once we’ve tried out this process for the apparel and textile sector, we plan to broaden our work to other sectors and vulnerable groups.

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Severe impacts on salient issues in the reporting period

Across our different roles, our ability to know about severe impacts on our salient human rights issues varies significantly. For each role listed below, we share cases where we have knowledge of the occurrence of such impacts and explain the degree to which we can determine if severe impacts have occurred.

Employer

Incidents of discrimination and harassment by our employees against other employees did occur in the reporting period. You can see data about the number of cases in the section in this report on [tracking performance](#).

In one case in the reporting period, an employee of ABN AMRO reported that she had been facing repeated verbal bullying from colleagues. Security & Integrity Management conducted an investigation and the employees who were found to be behaving inappropriately faced disciplinary action in line with Dutch labour law and participated in antiharassment training.

Further details of this case and case descriptions of other incidents have not been disclosed to protect the identify of those involved.

Cases at the Netherlands Institute for Human Rights

In the reporting period, two former ABN AMRO workers brought cases to the Netherlands Institute for Human Rights related to their work at the bank.

In one case, a former temporary worker claimed that he was let go from his position due to discrimination against his occupational disability. The Institute found against the claimant and concluded ABN AMRO had not discriminated against him.

In another case, a former temporary worker claims that the termination of her temping contract (temporary employment contract) with ABN AMRO should be qualified as a victimisation discharge. The case is still being reviewed by the Institute. We will provide more information about this case in our human rights disclosure after the Institute has determined its findings.

Service Provider – Privacy

In the reporting period, there were cases that had a severe impact on individual clients' personal privacy. These impacts occurred in cases where somebody had unauthorised access to client data.

Most of these cases occurred in instances when a person still had access to financial data (e.g. an online bank account) belonging to their ex-partner (our client), even though this access was no longer authorised. These instances occurred because ABN AMRO did not process an access permissions change request correctly or on time, or because the ex-partners concerned did not make the request. The consequences of 'unauthorised access' cases can be significant, as the people involved are often engaged in disputes that can significantly affect their financial stability, such as divorce proceedings or disputes related to alimony. In the reporting period, there were several dozen instances of this type of impact.

As soon as ABN AMRO becomes aware of such an instance, it will do its utmost to solve the situation by processing the original access permission change request as soon as possible, after which the ex-partner will be denied access to the financial data of the client in question. ABN AMRO's Privacy Office will furthermore be asked to review whether a specific 'unauthorised access' case has resulted in a serious data leak, which must be reported to the Dutch Data Protection Authority (AP).

One example of unauthorised access that occurred during the reporting period concerns two ex-partners. Initially the two people had one account to which they both had access. Later a new account was opened for one partner ('Partner A'), to which the other partner ('Partner B') should not have had access. However, ABN AMRO made a mistake with this new account, which caused Partner B's administrator to have access to Partner A's account for a brief period of time. During that time, a significant amount of money was inappropriately removed from Partner A's account. This case was made more severe due to the fact that the partners had a history of personal difficulties that left them with limited ability to take care of their financial affairs. ABN AMRO repaid the amount to Partner A.

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Procurer of goods and services

Because we do not currently have a system in place to assess human rights impacts of individual suppliers, we are not able to report if severe impacts on the labour rights of suppliers' workers occurred in the reporting period. We hope that the steps we have begun to take – requiring some suppliers to answer questionnaires about their management of risks related to labour rights – will begin the process of providing us with insights about suppliers' human rights risk management systems and, potentially at a later point, information about severe impacts.

Lender

As described in our section on engagement and dialogue in this report, in our role as a lender we have systems in place that help us know when severe impacts on human rights occur in connection with a corporate client. We realise these systems are not perfect and we may miss information about severe impacts – this is why we try to continually improve our assessment and monitoring of clients' human rights due diligence. One example of such improvement steps is our new Human Rights Risk Register.

On pages 61 and 62 of this report we disclose information about some cases of severe impacts on workers and communities connected with some of our corporate clients. The table on page 105-106 also provides some information about corporate clients with which we are currently conducting a high-intensity engagement, which means there have been severe impacts on human rights connected with their businesses. The types of human rights impacted in those cases is listed in the table. On page 60 we reference cases of severe impacts that we have been in dialogue about with civil society organisations, although these impacts did not occur in the reporting period and we are not directly linked to the impacts in all of those cases. These cases are complex and remedy for affected people has not yet been provided; we want to learn from these cases and stay active in the dialogue.

The cases referenced above do not constitute all cases with our corporate lending clients where we are aware of severe impacts on people connected to a client's business. When disclosing information about these cases we must seek client consent, even when we do not disclose the client's name. When preparing this report, we did not receive client consent to disclose information about all cases of severe impacts. As discussed elsewhere in this report, serving our clients' needs while at the same time striving for transparency is an ongoing challenge.

Investment services provider

The table on page 105-106 provides some information about companies we are connected to through our investment services with which we are currently engaging, which means that severe impacts on human rights connected with their businesses have occurred. The types of human rights impacted in those cases are listed in the table.

Through our investment services we are connected to the vast majority of publicly-listed companies in the world. It is not feasible at this time for us to know all instances of severe impacts on human rights connected with these companies. For companies in our investment universe, we do use sustainability data providers, who flag instances of non-compliance with the UN Global Compact Principles. This system provides us with some insights on severe impacts connected to these companies. Our new partnership with EOS Hermes will help us expand the scope of our due diligence to enable us to have more insights about when companies in our investment universe are connected to severe impacts on human rights.

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In our role as a procurer of goods and services, lender and investment services provider, where we are indirectly connected to people who could experience human rights harms, the actions we have taken to prevent and address those harms are described [in our special section on dialogue and engagement](#). In our role as an employer and service provider, where we are directly connected to people who could experience harms, we provide more information here about actions we took in the reporting period.



Employer

Preventing and addressing discrimination and harassment of employees

Particularly through our Diversity & Inclusion programme and our Speak Up programme, we aim to prevent and address discrimination and harassment of employees at work through awareness raising, trainings, simulations, dialogue opportunities and setting a clear tone at the top. Our programme to support people with disabilities at work, B-Able, also works to help prevent discrimination against disabled people. All of these programmes began prior to the reporting period and you can read about the activities they include in a range of publications including our previous human rights reports and updates, and articles on our website. [🌐➡](#)

Below is a summary of actions we took in the reporting period – many continuations of ongoing programmes, as stated above – to prevent and address discrimination and harassment of employees.

- ▶ **Awareness raising:** examples of these activities can be found throughout this report
- ▶ **Collaborations:** a list of our collaborations is available on our website. [🌐➡](#)
- ▶ **Commitments:** in the reporting period, [we signed on to the UN Women's Empowerment Principles](#)
- ▶ **Strategy:** in the reporting period, we refreshed our Diversity & Inclusion Strategy and [we are updating our Protocol on Inappropriate Behaviour](#)

- ▶ **Career advancement:** We have several programmes designed to help advance careers at ABN AMRO for groups we've identified as being underrepresented at the bank, including women, disabled people and refugees:
 - ▶ Recruitment:
 - ▶ Programme '50/50 inflow'
 - ▶ We're considering and testing out new assessment models for job applicants to achieve a more inclusive skills measurement approach (for example, for women and disabled applicants)
 - ▶ Our Reboot programme, launched in 2017, works to increase the numbers of status holders (people with a refugee background) working at ABN AMRO. In 2019, [we committed to employing 80 status holders by 2022](#)
 - ▶ Employing people with a disability:
 - Our aim by 2025 is to employ 225 people with a disability. You can see how we are progressing here. [🌐➡](#)
 - Following the onset of the Covid-19 pandemic, we helped set up a campaign, podcast and several initiatives to create an online job market for people with disabilities. These initiatives will continue into 2021 and 2022. We've also developed a special training for our disabled employees to support their physical and mental health during the pandemic.
 - ▶ Employees:
 - ▶ [B-Able Desk](#)
 - ▶ 'Talent at the Top' on page 80. [🌐➡](#)

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Speak Up: Supporting a safe and open working environment

Our Speak Up programme, launched as a pilot in 2018 and now expanding across ABN AMRO, is an initiative of our Conduct & Ethics department to support integrity in everything we do. Part of acting with integrity means treating colleagues with respect and contributing to a workplace free of discrimination and harassment, as laid out clearly in our Code of Conduct.

What is Speak Up?

Speak Up stands for an open and safe working environment in which everyone feels free to express themselves. We want to foster a climate in which employees can talk to each other or their supervisor if they have concerns or if something does not feel right. This can be about moral dilemmas, risks or observations that rules have been violated.

Why is feeling free to speak up an important issue?

It is important that colleagues feel safe. This is part of being a good employer. It also contributes to our purpose 'Banking for better, for generations to come'.

In the past, incidents have occurred that Conduct & Ethics has investigated. Both internal and external research shows that people do not always feel comfortable speaking up at work, but that an open and safe working environment contributes to, for example, early awareness of warning signs.

The Speak Up programme

The Speak Up programme consists of several parts and is implemented with the help of the Speak Up team from Conduct & Ethics. We recruit Speak Up ambassadors to encourage and help other colleagues feel confident to speak up. We provide training for Speak Up ambassadors, managers and employees. We offer numerous channels where people can speak up. So far, several different parts of our business have implemented their own Speak Up programmes, tailored to their needs and activities. In the coming years we aim to integrate this programme across all parts of our business.

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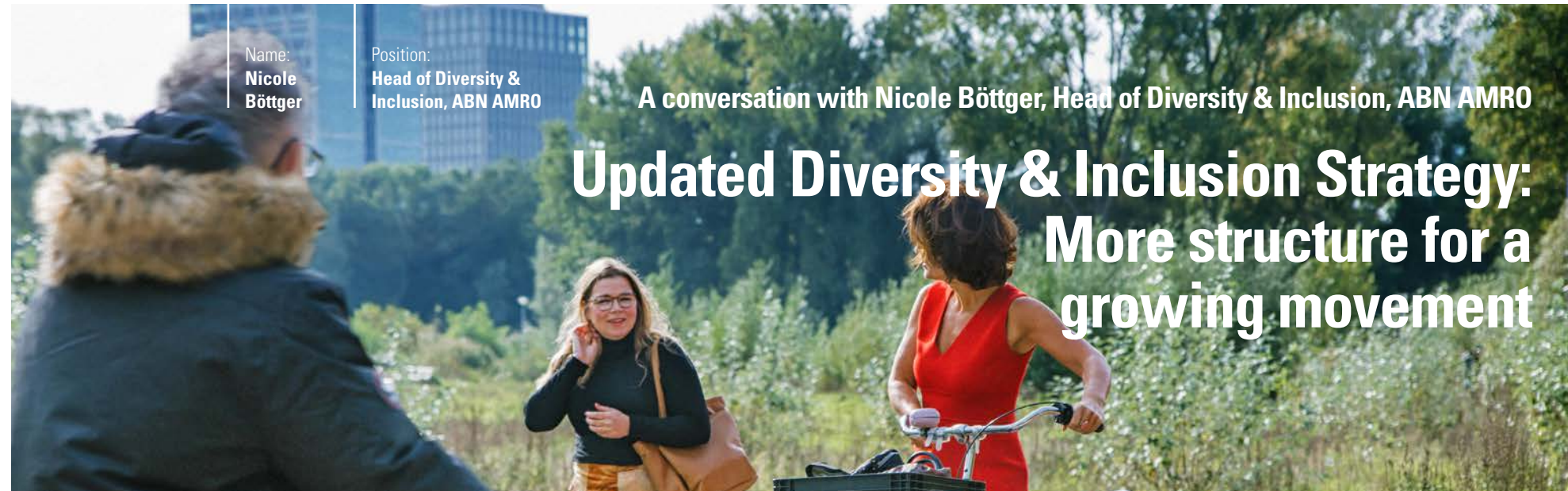
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Name:
Nicole Böttger

Position:
Head of Diversity & Inclusion, ABN AMRO

A conversation with Nicole Böttger, Head of Diversity & Inclusion, ABN AMRO

Updated Diversity & Inclusion Strategy: More structure for a growing movement

“We do a lot of different activities and provide many opportunities for dialogue and learning through the Diversity & Inclusion (D&I) programme. After a while some employees said it felt so big, and they didn’t have a good sense for all the opportunities and where it was all going. We realised it was time for an updated D&I strategy, to put structure around our activities and make sure they are driving toward improvements we can measure.”

“Our new strategy aims to take diversity and inclusion at ABN AMRO to the next level, which means integrating D&I into different parts of our business operations, products and services. It’s been important to have strong support for this ‘next level’ shift from our CEO and Chief Human Resources Officer.”

“With regard to improving diversity and inclusion for our employees specifically, we are particularly focused on building awareness and leadership commitment,

developing a data-driven approach to decision making, driving diversity through hiring practices and increasing company-wide awareness and incentivising inclusive behaviours. We also identified ‘bold moves’ such as coaching for teams, not just for individual employees.”

“We needed to be sure we had a strong basis for our strategic focus and the activities we want to do. Our process involved workshops, desk research and around 40 stakeholder interviews. We tried to interview

a broad range of employees – different management levels, different cultural backgrounds, different genders, etc. We also ran questions by our Employee Community online, the Dutch Employee Council, Human Resources International... we talked to a lot of people!”

“One thing we weren’t sure about initially was the timing: at the same time we were devising a new strategy for D&I, our leadership was working on a new strategy for ABN AMRO as a whole. But in the end, it worked out well. While my team was discussing the strategic direction for D&I, senior leadership was also thinking about strategy. We ended up having fruitful exchanges and, I think, enriching each other’s strategies.”

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Global development
Renewed focus on ending racism

A renewed focus on ending racism

In 2020, sparked in particular by the police killing of George Floyd in the United States, communities and politicians around the world showed a renewed focus on recognising systemic racism in our societies and demanding its end.

When we look at our own centuries-long history, we recognise that in the past the bank has been involved in systemic racism and inequality. In 2020, we took additional steps to make clear the kind of bank we want to be for our employees and clients in the future – a bank that is diverse and inclusive. These steps include:

- ▶ We commissioned research into our 300-year history to learn more about our role in systemic racism and inequality

- ▶ We began a dialogue with other companies and municipalities to learn how they've dealt with having a history of involvement in systemic racism and slavery
- ▶ Following George Floyd's murder and increased attention to the Black Lives Matter movement in the Netherlands, our Executive Committee met to discuss the bank's role in systemic racism
- ▶ Following this Executive Committee discussion, our CEO sent a message to all our employees underlining our zero tolerance policy on discrimination and recognising that our employees still face discrimination and we have progress to make in this area
- ▶ All ABN AMRO managers were notified that the bank will no longer allow racially stereotyped

depictions of 'Zwarte Piet' (Black Peter) in or related to the ABN AMRO workplace

- ▶ As every year, our Diversity & Inclusion week had many sessions that dealt with discrimination. In 2020, the closing panel had a particular focus on this topic, featuring our CEO in conversation with an employee who had been discriminated against by a client.

These steps are additions to our ongoing Diversity & Inclusion programme and our Speak Up programme, which are two important programmes that address our salient issues of discrimination and harassment of our employees. Information about these programmes and their policies and activities can be found throughout this report.

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Monitoring adherence to our International Framework Agreement

The IFA Monitoring Committee, which includes representatives of ABN AMRO and of the trade unions in the IFA (the Dutch trade union federation FNV and UNI Global Union), met three times in 2020 (the committee is supposed to meet at least once a year; the 2019 meeting was delayed until 2020).

At this time, these meetings mostly function as a forum for ABN AMRO to update union representatives about our ongoing work to adhere to the IFA. During the reporting period, we did not hear from the unions in the IFA information about the specific perspectives of or cases of impacts to our own workers or workers in our supply chain. We did, however, receive information about general developments affecting workers, such as working from home during the Covid-19 pandemic. We have agreed with the unions in the IFA that in 2021 they will participate in our self-assessment process (see below) and we will organise meetings with our international branches to discuss the IFA and to see if there are opportunities to work with local unions.

Based on the findings of our 2018 IFA assessment, ABN AMRO Human Resources decided to focus on three areas in its ongoing implementation of the IFA: grievance mechanisms, the gender pay gap, and parental leave. To date, we have confirmed with the international branches that they have grievance processes for employees in place. We looked into whether we could use HR analytics to study the gender pay gap (for most countries the gap is too small to have significant outcomes). Currently, we are working on establishing parental leave for all our international employees who are in same sex partnerships and we are reviewing the current leave policies in all international branches.

In 2019 we conducted a ‘check in’ with our international branches on progress and gaps identified in the 2018 assessment and found no major issues. Some branches reported new or expanded initiatives on issues like diversity and inclusion.



Service provider

Preventing and addressing privacy abuses, financial distress and discrimination against retail clients

Privacy

We’ve reported in the past on steps we take to prevent and address abuses of clients’ privacy. In the reporting period, in light of increasing concerns about the use of payment transaction data for commercial purposes and the application of innovative ways to process personal data (e.g. artificial intelligence – AI), we’re in the process of developing a range of guidance documents and processes designed specifically to prevent and address unnecessary privacy impacts, including:

- ▶ **Data ethics plans:** these plans describe in what way personal data can be used for specific purposes, for example, whether clients’ personal data can be used for commercial purposes
- ▶ **Guidance documents:** these documents describe how to implement solid data protection practices for specific subjects, for example, privacy by design, principles on AI
- ▶ **Risk assessment processes:** these processes seek to ensure that data protection risks are properly assessed. They address, for example, privacy risk assessments for changes in products, processes and information systems, and privacy risk assessments for explorative use of personal data.

How does ABN AMRO make use of artificial intelligence?

We have 12 formalised Advanced Analytics Centres of Excellence. These specialised teams develop predictive models to help us get more value from our data by using machine learning and artificial intelligence techniques.

We use predictive models to combat both financial and cybercrime (such as identifying money laundering or intercepting phishing emails), to personalise our apps, to analyse the effects of the Covid-19 pandemic and much more. These models have been developed following a standard way of working, which takes into account the potential risks that come with AI – including the risk of bias in design that leads to discrimination.

In addition to this, we are currently finalising principles on artificial intelligence, which further sets out our approach on topics like fairness and transparency. These topics are being translated into tools, guidance and processes for our Advanced Analytics teams. This should enable us, for example, to (continuously) monitor bias in predictive models, and ensure transparency for both our clients and employees along the way. This approach helps us continuously address potential dilemmas in a way that suits our values and strategy as a bank.

Although the potential of AI is enormous, the scale of AI use in ABN AMRO is very small, with only a handful of models in operation. We expect the next one or two years to be foundational years of which we will not yet use AI at scale. We first need to implement our data strategy and become more digital.

Financial distress

When it comes to taking action to prevent and address serious financial distress faced by our retail clients, we took action in the following areas during the reporting period:

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- ▶ Our ongoing financial stability programmes
- ▶ Special additional measures following the onset of the Covid-19 pandemic
- ▶ A review of our products and services for retail clients
- ▶ Specific actions to address the issue of clients who are 'locked up' in debt and cannot switch banks as a result of excessive debt.

While we can and do take steps to prevent or address clients experiencing serious financial distress, not all clients are eligible for our financial stability programme. And for those that are eligible, we cannot guarantee that they will stay financially stable. Many external factors out of our control impact clients' financial stability. But we do have a responsibility and obligation to offer our products and services in a manner that, as much as possible, does not cause clients to experience financial distress. This is part of our fundamental 'do no harm' responsibility as a bank.

Our financial stability programme

We offer a range of services and options to our retail clients who are facing serious financial distress. We've reported on this programme in our Human Rights Report 2018 , and we provide more information about this topic in [this article from our Sustainability Newsletter](#).

As an overview, our financial stability programme includes:

- ▶ Any client who is struggling to pay their bills can contact us for support. The types of support we can offer include three general categories: financial coaching, credit restructuring and credit forgiveness
- ▶ Financial coaching through our Budget Coaching and Debt Assistance Advisors: we offer clients one-on-one support from over 150 Advisors who specialise in different areas, such as mortgages and budget management. You can read an interview with one advisor here. 


- ▶ [Free financial awareness reports](#) and [Grip](#), a free budget management app
- ▶ Since 2012 clients can request a payment break on loans and credits. In 2020, we offered an additional emergency payment break due to the Covid-19 pandemic
- ▶ We're a member of the [Nederlandse Schuldhulproude](#), an initiative to establish one route to appropriate debt relief, for all people in the Netherlands. In this initiative, companies (including banks), municipalities and partners in the debt domain work together with the aim of preventing payment problems from becoming debt
- ▶ We would like to be able to use clients' payment transaction data to watch for signs of financial distress, but at this time we exercise restraint in using payment transaction data due to the strict position of the Dutch Data Protection Authority concerning the use of such data for commercial purposes.

In 2020, we offered a training to all ABN AMRO employees to improve their awareness and skills in helping our clients manage their money and make smart financial choices. 750 employees took part. We launched a campaign in 2020 about staying fit financially, offering digital self-assessment tools and insights, and explaining routes for seeking help to address excessive debt.

Supporting financial literacy and access to financial services

Supporting clients to make informed decisions about the products and services we offer them, and to help them make smart financial choices over the course of our bank-client relationship, means we need to support clients' financial literacy, especially for vulnerable groups or groups that may have reduced access to information we provide to clients online. In particular, [we focus on supporting our elderly clients](#) and clients with dementia to help them make informed choices in their banking


with us. We also continuously work on simplifying the language of our products and services, so that our clients better understand the details of our products and services.

You can learn more about this in our Human Rights Report 2018  and [this 2020 article](#) from our Sustainability Newsletter.

To support our elderly clients with reduced mobility, we offer Financial Care Coaches, who are Daily Banking advisors available to these clients to help them maintain access to their daily banking affairs. In 2020, in response to concerns from elderly clients about our services increasingly going online, we decided that clients 75 and over can continue to use 'paper based banking services' like bank transfer receipts and bank statements for free.

Review of our products and services

While ABN AMRO offers support services and options for clients through our financial stability programmes, we cannot claim to be best in class in terms of ensuring our own products and services are designed in a way that minimises as much as possible negative financial consequences for our retail clients.

In the reporting period we received communication from the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten – AFM) regarding some of our actions related to our products. One of those communications relates to the way we developed one of our products for retail clients, an equity release mortgage. In December 2020, the AFM published a report  in which it states that it has concerns about these types of products. These concerns were addressed to the entire banking sector, not just to ABN AMRO. In its report, the AFM shares expectations regarding the robustness

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of the product development process of these types of products and the degree to which banks rigorously test risks for clients who make use of this product.

Even prior to the AFM communicating with us on this topic, we formed a task force to review the robustness of our product approval and review process. Key findings and recommendations include:

- ▶ It takes a lot of time and effort to achieve the quality level necessary in this process. This can lead to lower quality than desired due to competing goals like process completion deadlines. We need to streamline and simplify the process and begin it earlier to ensure a quality process can be achieved in the necessary timeline. We also need to be sure we allot sufficient human capacity to this process – it is a demanding process and we need to resource it properly if we are to attain the necessary quality
- ▶ We need to improve the integration of risk assessment from various perspectives (client centricity, client integrity, etc.)
- ▶ If we conclude that a product is no longer suitable for a specific group, we need to connect actions to these findings.

We already started acting on the key findings and recommendations of the task force in 2020; for instance, in December 2020 the GRC approved the revised product approval and review process policy. In 2021, we will continue to act on the findings and recommendations.

Taking steps to ensure that our products and services are in the best interests of our clients is an area where we can improve in the future – making sure our own house is in order, so to speak.

Identifying and supporting clients who are 'locked up' in debt

An important red flag that a client could be facing serious financial distress is if they are 'locked up' in debt. In these situations, clients are so overextended in their credit that they are unable to change banks, because no bank will accept them while they hold such high debt ('high debt' being relative to the client's ability to pay down or pay off the debt).

In 2020, we proactively approached a significant number of our consumer credit clients in the Netherlands to raise the issue of them potentially being in a 'locked up' situation. For these clients, as with all our retail clients, we offer three general forms of support for financial stability, depending on the client's needs and the severity of their situation: financial coaching (such as budget coaching), credit restructuring, and loan forgiveness. Loan forgiveness is for clients whose debt is so excessive that they face imminent challenges to meet their most basic needs, like housing and food. In 2020 we forgave loans in a small number of client cases.

"Our monitoring and awareness of clients facing a locked-up situation has improved over the years. Our engagement with these clients is also helpful as we continuously improve our products and services. For example, if we regularly see clients are running into problems with a certain product we offer, we will review that product and consider making changes to it for all our clients," says Sander van Osch, Business Owner, Consumer Loans at ABN AMRO.

"Generally, we see that certain types of people tend to be more vulnerable to being in a locked-up situation: pensioners, people who have lost their job, people who can't work, and people who've gotten a divorce. With pensioners, for example, we try to take preventative action by reviewing the consumer credits we offer when they are 60, so before they reach 66 (the age of eligibility for pension benefits in the Netherlands). We want to know early if these clients will be able to pay their loans before they enter a period of being on a fixed income, so that we have time to make adjustments before they fall into a severe situation like being locked up," Sander says.

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“Any client here in the Netherlands who is having trouble making their payments to us, like for loans or mortgages, can contact us and ask for help. In the past, we used to proactively send them letters when we noticed they were struggling to make payments. Right now we can’t do that for privacy reasons, but we have information on our website about how to contact us by phone or online.”

“We have 19 coaches in my team. We focus on preventative credit management. This year (2020) things got especially busy because of Covid-19. With the first round of lockdowns (in the Netherlands) in the spring, we knew our clients would be hit really hard and we had to do something. We quickly set up some measures to give people a break on their payments. Then one weekend our CEO mentioned the payment pause in a media interview. After that, we had many calls. So many people were facing really difficult situations. At the beginning and end of every person’s payment pause, my team plus some additional colleagues spoke personally to each client. That’s over 11,000 people – it was a lot. But it’s really important.”

“What I have found amazing is how our clients, even those who have been so hard hit by the pandemic and the lockdowns, have prioritised paying their mortgages. They’re taking on second jobs or getting family members to lend them money.”

“What’s really important is that our clients have somebody to call when they’re having trouble making a payment. Just the other day I was talking with a client, a young woman, whose parents own a hair and beauty salon. Thirty years ago, they were new immigrants to the Netherlands and were the first people from their home country to open such a salon in the Netherlands.”

They used our payment pause in the first lockdown. After three months, they were able to reopen and even put some money aside. But now we’re in another lockdown (December 2020) and they can’t pay their home mortgage again. We managed to adjust their mortgage to a monthly amount they can manage for the next few months. I’m always really happy when we show our clients that we’re committed to helping them stay financially stable – sometimes our clients seem surprised that we’re so proactive and supportive.”

“Any client who tells us they have a payment problem has a personal contact at ABN AMRO. When they need help, or they think they’re going to need help, they call us. I’m really proud of my team and our bank. I think we’ve helped people, especially in these difficult times.”



Procurer of goods and services

Preventing and addressing labour rights risks and impacts connected to our suppliers

As a general strategy, we keep our supplier relationships relatively small in number, and aim to build relationships with preferred suppliers who score high in screenings about, among others, their sustainability management (including labour rights). At this time, however, we do not have a system in place to take action to prevent and address impacts on the labour rights of our suppliers' workers.

With our new assessment system via online questionnaires (Hellios and GSES systems), we will in the future have more information about our suppliers' policies and practices on labour rights. This information should enable us to identify gaps and work with suppliers to make improvements. In the past, we have occasionally engaged with suppliers on their human rights risk management systems, but it has not been systematic. Human rights risk management in our role as a procurer of goods and services is an area where we realise we can improve in all aspects of due diligence.

Integrating sustainability into more supplier relationships

To improve awareness of sustainability issues in our supplier relationships, in June 2020 we finalised a new approach. Each member of our Executive Committee has been assigned to set up a supplier contract management department within their respective part of the business. This department will oversee supplier risk management in line with the processes used within the central Procurement department for larger contracts. Our ambition with this integrated approach is to foster continuous dialogue with strategic suppliers, to help accelerate their sustainability shift and to improve our understanding of their risks, including on human rights.

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Tracking performance

Knowing if the actions we take to prevent and address our salient human rights issues are working is an area where we can improve. But we also face inherent challenges in tracking performance, because of the ‘many steps removed’ nature of our connections to some of our salient issues.

There is an initiative called the Valuing Respect Project from the non-profit organisation Shift (we are a participant in their Business Learning Program) that is trying to develop tools and insights that can help companies focus their resources on what matters most – outcomes for people – rather than just measuring activities and inputs of human rights risk management processes. We’re following this initiative and have provided input about our experience and challenges with tracking performance on human rights risk management.

In our role as an employer, we do have information about our actual performance (outcomes for people) on our salient issues of discrimination and harassment. In our other roles, we provide ‘performance-related’ information – information that has relevance to outcomes but mostly measures outputs.



Anne Stickers Team Lead Sustainability Risk, Credit Risk, ABN AMRO

“It can be very difficult to verify if our engagement with a corporate client about, for example, the risk of forced labour deep in their supply chain has actually led to improved conditions for those people at risk.

By entering into an engagement with the client we can ascertain that the client has taken certain measures, such as improving policy commitments and management systems. But it can be very difficult to know or measure the actual impact of these measures on people.”



Ruben Zandvliet Social Sustainability Advisor, ABN AMRO

“Knowing whether our actions are actually working for affected people is one of our biggest challenges. I think that for everybody who works on human rights within companies, and especially within banks, has there’s room for improvement in this area.”

“We hope that by being transparent about our own challenges, and engaging in conversations where we learn from each other and consider how we can improve, we will ultimately be able to do this better. We can take a lot of actions, but they’re not worthwhile if they don’t lead to better lives for people impacted by our bank.”

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Employer

How diverse and inclusive is ABN AMRO?

In our role as an employer, we probably have the best insight among all our roles about whether or not our efforts to prevent discrimination and harassment of employee are working. We can compare this data over time to see if we are improving.

As referenced in our section about assessment in this report, we set targets for diversity and inclusion indicators and report on our progress against the targets quarterly. These reports are shared with senior management and our Diversity & Inclusion Circles and Diversity & Inclusion Table. We also report on them in our annual [Integrated Report](#). We are monitored and benchmarked on our

progress on diversity and inclusion by external organisations including Talent naar de Top, Diversiteit in Bedrijf, Prestatieleader Socialer Ondernemen (PSO), Wet Bestuur en Toezicht and Workplace Pride.

Our diversity and inclusion targets are also part of the performance plan of ABN AMRO senior management.

Supporting a workplace free of discrimination				
Indicator	2020	2019	Explanation	
1	Gender diversity at the top	30%	28%	Percentage of women at pay scales 14 and above, according to the Hay pay scale (Netherlands only). ¹
2	Gender diversity at the subtop	28%	27%	Percentage of women at pay scales 12 and 13, according to the Hay pay scale (Netherlands only).
3	Gender diversity total	43%	44%	Percentage of women within ABN AMRO's workforce (Netherlands only).
4	Employee Engagement Survey score on 'inclusive environment'	91%	86% (+2% from 2018)	Percentage of employees who agree with the statements: ▶ "This company has an environment where people from different backgrounds can succeed." ▶ "I am treated with respect and dignity." ▶ "Where I work, different opinions are valued." Number of respondents: 18,239 (2020)
5	Overall gender pay gap for an average workweek of 36 hours, based on gross salary	Gender pay gap of 15.67% in favour of men	Gender pay gap of 16.49% in favour of men	The average difference between the remuneration for male and female employees of ABN AMRO (Netherlands only). Based on an average workweek of 36 hours, calculating the average gross monthly salary for men and women. Per June, each year.
6	Specific pay difference men/women per Hay pay scale	+0.12% in favour of women	+ 0.15% in favour of men	The average difference between the remuneration for male and female employees of ABN AMRO (Netherlands only) per Hay pay scale. Based on an average workweek of 36 hours, calculating the average gross monthly salary for men and women.
7	Number of nationalities represented within ABN AMRO	138	No data available	Number of different countries represented by the citizenships held by ABN AMRO employees and their parents. This is a snapshot per 1 January 2021
8	Percentage of employees with a non-Western background at the top	4%	3%	Percentage of non-Western employees at scales 14 and above, according to the Hay pay scale (Netherlands only). Definition of non-Western: people who originate from, or have one parent who originates, from countries in Africa, Latin America, Asia (excluding Indonesia and Japan) or Turkey.
9	Percentage of employees with a non-Western background at the subtop	6%	6%	Percentage of non-Western employees at scales 12 and 13, according to the Hay pay scale (Netherlands only). Definition of non-Western: people who originate from, or have one parent who originates, from countries in Africa, Latin America, Asia (excluding Indonesia and Japan) or Turkey.

¹ For our diversity targets, please see our [Integrated Report 2020](#).

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Supporting a workplace free of discrimination			
Indicator	2020	2019	Explanation
10 Cultural diversity total	14%	12%	Percentage of non-Western employees within ABN AMRO's workforce (Netherlands only). Definition of non-Western: people who originate from, or have one parent who originates, from countries in Africa, Latin America, Asia (excluding Indonesia and Japan) or Turkey.
11 Number of job placements for people with an occupational disability	116	105	Includes people with disabilities including those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others. (Based on Article 1 of the UN Convention on the Rights of Persons with Disabilities).

Room for improvement: aligning data sources on policy violations

In 2019, our Code of Conduct monitoring team started a project to improve monitoring of awareness of as well as adherence/non-adherence to our Code of Conduct and its supporting policies, which address, among others, discrimination and harassment at work. One reason for this project is that we have recognised that we have too many discrete data sources that are not aligned and that this lack of centralisation or alignment of data sources could mean we are double counting cases or incidents.

At this time, the lack of a centralised or aligned data management approach means we cannot report reliable figures on the number of discrimination or harassment cases addressed by various channels at ABN AMRO during the reporting period. For transparency's sake, we share some of the figures here, again noting there are discrepancies and potential overlap of cases (double counting):

- ▶ We offer employees use of external Trusted Advisors through Beter; we do not currently have data regarding the number of employees Beter's advisors have supported on cases related to discrimination or harassment.
 - ▶ Our annual questionnaire to employees that includes the questions¹ "Have you experienced undesirable behaviour in the past 12 months?", "Do you feel free to report undesirable behaviour?" and "Do you know how to report undesirable behaviour?". We are not able to disclose the respondents' answers to these questions because we promised respondents we would not publicly disclose any findings from the survey. We report findings of these survey questions to our Executive Committee and senior management team one level below the Executive Committee. Follow-up on the findings of the survey questions are the responsibility of Information & Operational Risk Management, Conduct & Ethics and Group Audit. Actions are defined to improve the work climate in the organisation.
 - ▶ Our Security & Integrity Management (SIM) department conducted nine investigations into allegations of discrimination and/or harassment in 2019 and nine in 2020. Note that SIM does not necessarily investigate every case. Also, some investigations concern multiple cases and/or reports.
 - ▶ Labour Affairs handled six cases of discrimination and/or harassment that arose in 2019 (data not yet known for 2020). Note that Labour Affairs does not necessarily get involved in every case.
- We realise that we need to make improvements to our data management approach for cases of discrimination and harassment and we hope to be able to provide more accurate data in future disclosures.

¹ In 2019 these questions were posed through the Work Climate Survey; in 2020 the question was integrated into the Employee Engagement Survey. In 2020, the response rate to the questions was 76%. All internal and external ABN AMRO employees (as at 31 July 2020) were invited to take part. Trainees and contracted workers, such as catering personnel or IT consultants, did not participate.

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Service provider

Performance-related indicators in our role as a service provider

Data Protection Officer Report

Beginning in 2021, our Data Protection Officer (DPO), Frank Mulder, will publish an internal annual DPO Report. This report concerns the execution of the DPO responsibilities and tasks and includes recommendations for improvements to privacy risk management.

The report for 2020 will be issued in March 2021, but based on the key findings for the first half of 2020 we can state the following:

- ▶ Overall, privacy risk management at ABN AMRO is properly designed. For most relevant subjects, sufficient policies, guidance documents and processes are in place. A few improvement recommendations will be made in the DPO Report
- ▶ The effective execution of privacy risk management cannot be demonstrated for all relevant subjects yet. Therefore, an approach for improving risk-based privacy oversight has been defined and will be implemented
- ▶ Furthermore, like any other organisation that processes a large amount of – sometimes sensitive – personal data, ABN AMRO faces inherent challenges. These challenges stem from, for example, legacy infrastructures in information technology and the implementation of new technologies.

Privacy breaches			
Indicator	2020	2019	Explanation
12 Number of complaints related to privacy	118	180 ¹	Complaints are statements that something is unsatisfactory or unacceptable caused by ABN AMRO in relation to privacy. This figure includes all complaints that are referred to, and handled by the Complaints Management department. We call them third line complaints (professional and escalated complaints). This figure also includes first and second line complaints, which are also known as Immediately Resolved complaints and Not-Immediately Resolved complaints.

Financial distress			
Indicator	2020	2019	Explanation
13 Number of Budget Coaching and Debt Assistance Advisors ²	150 (109 are formally NEN-certified) ³	150	Netherlands only
14 Number of clients supported by Advisors on personal loans	29,000	50,000	Netherlands only
15 Number of clients supported by Advisors on debt limits	3,000	43,000	Netherlands only
16 Number of clients helped to prevent payment problems based on early signals of financial distress	28,300	1,700	Netherlands only
17 Number of clients helped with intensive budget coaching to support better financial decision-making and/or to prevent structural financial problems	2,500	2,500	Netherlands only

¹ In ABN AMRO's Non-financial data & Engagement 2020, published in March 2020, we reported a total number of 181 complaints related to privacy. This number has been reevaluated to 180.
² In 2019 and 2020, the consultants of Budget Coaching & Debt Aid helped more than 174,200 clients with financial problems or problematic debts. They had contact with these clients via mailings, video banking, telephone and the branch network.
³ Each NEN-certified budget coach has successfully completed a training and certification programme based on the NEN Norm 8048 about debt counselling (*schuldhulpverlening*). These coaches also participate in a continuing education programme on debt counselling. The NEN is a Dutch standard-setting organisation. For more information, see nen.nl/en/certificatie-en-keurmerken-schuldhulpverlening.

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Financial distress				
Indicator	2020	2019	Explanation	
18	Number of Financial Care coaches	29	25	Netherlands only. Number of coaches during the year.

Discrimination in banking services				
Indicator	2020	2019	Explanation	
19	Number of complaints related to discrimination against clients	63	62	An official statement that something is unsatisfactory or unacceptable caused by ABN AMRO in relation to unjust or prejudicial treatment of different categories of people, especially on the grounds of race, age, sex, or disability. This figure includes all complaints that are referred to, and handled by the Complaints Management department. We call them third line complaints (professional and escalated complaints). This figure also includes first and second line complaints, which are also known as Immediately Resolved complaints and Not-Immediately Resolved complaints.



Procurer of goods and services

Performance-related indicators in our role as a procurer of goods and services

Because we do not yet have a systematic approach to taking action to prevent and address labour rights harms to our suppliers' workers, the only performance-related data we can share at this time is the degree to which suppliers state they are in compliance with our Supplier Code of Conduct.

Suppliers violating labour rights				
Indicator	2020	2019	Explanation	
20	Number of suppliers requested to complete online questionnaire assessing their policies and processes to management human rights risks	233 Tier 1 and 2 suppliers	n/a (new as of 2020)	Tier 1 and 2 suppliers are suppliers that fall in one of the following categories: <ul style="list-style-type: none"> ▶ Outsourcing (T1) ▶ Critical or Important Functions, including material cloud (T1) ▶ IT Crown Jewel (T2) ▶ Critical Data (T2) ▶ Critical Business Continuity (T2)
21	Percent of ABN AMRO procurement spend represented by these suppliers (item above)	59.96%	n/a (new as of 2020)	
22	Number of suppliers who have completed the questionnaire as of 20 January 2021	62 Tier 1 and 2 suppliers	n/a (new as of 2020)	Suppliers have until 20 January 2021 to complete the questionnaire in the first round. Thereafter, the questionnaire will be completed annually.

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Lender

Performance-related indicators in our role as a corporate lender

Labour rights, land-related human rights and right to life and health				
Indicator	2020	2019	Explanation	
23	Number of clients with which we have undertaken a high-intensity engagement specifically related to human rights	9	16	Trigger for engagement is client non-compliance with human rights aspects of our Sustainability Risk Management Framework
24	Percentage of cases with specific human rights link on which second line Sustainability Risk (sustainability risk experts within Credit Risk) provided advice	22%	12%	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
25	Percentage of clients assessed via Client Assessment on Sustainability (CASY) tool	Commercial Banking: 59.2% Corporate & Institutional Banking: 88.5%	Commercial Banking: 35% Corporate & Institutional Banking: 84%	Number of assessments on sustainability performance of ABN AMRO credit clients. In this assessment, the sustainability performance is reflected upon the Sustainability Framework. The target is 100%
26	Number of sustainability linked loans related to human rights	7	2	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

Performance-related indicators in our role as an investment services provider

Labour rights, land-related rights, right to life and health, right to privacy and freedom of opinion and expression				
Indicator	2020	2019	Explanation	
27	Number of engagements with companies specifically related to human rights	22	7	Number of companies that have been engaged with on our behalf, based on non-compliance or watchlist status with the UN Global Compact Principles

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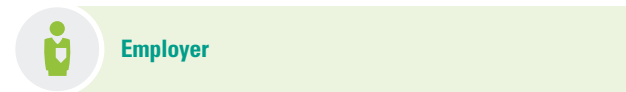


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As set out in our [Human Rights Statement](#), when we cause harm to somebody’s human rights, we are responsible for setting the situation to right – providing remedy for the affected person. This is more likely to happen when we have a direct connection to potentially affected people, for example in our role as an employer and service provider to individuals and families.

When we are connected to a human rights harm through another party, such as a supplier, a corporate client or company we are connected to through our investment services, we are committed to contribute to enabling remedy for affected people, even though the primary responsibility for remediation lies with the party that caused the impact.

Enabling remedy, including through effective grievance mechanisms, is an area we focused on during the reporting period. We think we’ve made some progress in building our understanding of challenges and innovative approaches, and we’re currently testing out a new grievance procedure which we describe on page 101. But we still have a way to go to get it right in this complex area. We also recognise that we are not currently able to know in all instances if we are connected to a negative impact on human rights, which means we are not always aware of instances where we should provide, contribute to or enable remedy.



Providing remedy in our role as an employer

As an employer, our [policies related to discrimination and harassment](#) clearly state we do not tolerate these behaviours against our employees. The policies also set out processes to ensure policy adherence, meaning that should employees see or be subject to violations of those policies – such as discrimination or harassment in the workplace – there are a number of reporting channels they can use that are designed to set the situation right.

As set out in these policies, the reporting channels ABN AMRO provides for employees who have seen or experienced discrimination or harassment include:

- ▶ Management channels: employee’s manager, their manager’s manager or a senior representative of the employee’s choice
- ▶ Departments with a specific mandate to take complaints on discrimination or harassment: Human Resources, Compliance, Security & Integrity Management (SIM), Conduct & Ethics.
- ▶ Whistleblowing hotline operated by SIM



Do employees feel comfortable speaking up?

Our annual Employee Engagement Survey included new questions in 2020 related to how comfortable employees feel speaking up at work on issues of ethics, fairness and dilemmas. Findings include:

Statement	Percentage of employees who agree with the statement
I feel free to speak up without fear of negative consequences.	82%
I am confident that if I were to report any unfair or unethical practices, this would be followed up.	92%
I feel free to discuss dilemmas with my team.	92%

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- ▶ ABN AMRO Trusted Advisors or third-party Trusted Advisors from Beter
- ▶ ABN AMRO Mediation Office
- ▶ Trade union channels, including the Dutch Employee Council and the unions in our International Framework Agreement

The specific ways employees can access these channels is laid out in the relevant policies, and programmes such as [Speak Up](#) help raise employees' awareness of these channels' existence and how to use them. Should the case not be addressed by other means, such as through dialogue facilitated by Trusted Advisors or the Mediation Office, our Security & Integrity Management (SIM) department may get involved by, for example, conducting assessments and investigations. Possible subsequent measures to a SIM investigation are the responsibility of the employee's manager and ABN AMRO Labour Affairs.

Employees can also raise concerns and share experiences about discrimination and harassment through our various employee engagement programmes, such as our Diversity & Inclusion Circles, our networks for employees (e.g. PRIDE+, Women on the Move), and our various Speak Up engagement mechanisms.

We also occasionally have more ad hoc instances when we invite employees to share their experiences and reflections on discrimination and harassment at work. For example, our CEO Robert Swaak's message to employees in 2020 following George Floyd's death and reflecting on ABN AMRO's role and work ahead to combat discrimination invited employee feedback.



Nicole Böttger Head of Diversity & Inclusion, ABN AMRO

“Robert got so many replies to his email, I think it made a big impression on everybody, including Robert himself. I see it as a good sign that people seemed to feel pretty free to reply to Robert’s message and share their perspectives and experiences.”

Trusted Advisors: Purpose and findings

ABN AMRO has made use of Trusted Advisors for many years as a go-to confidential resource for employees in the Netherlands who have concerns about something going on at work, including if they see or experience inappropriate behaviour like harassment. The role of Trusted Advisors is anchored in our Code of Conduct and other supporting policies such as our Whistleblowing Policy and our Diversity & Inclusion Policy.

We offer both internal ABN AMRO Trusted Advisors and external Trusted Advisors through Beter, an occupational health and safety consultancy that is an independent subsidiary of ABN AMRO.

Grievance channels and access to remedy for workers of suppliers

As reported in our [Human Rights Report 2018](#), the unions that are part of our International Framework Agreement (IFA) can hear concerns from our suppliers' workers and seek to resolve them with local or regional management. ABN AMRO is committed through the IFA to getting directly involved with the case if local or regional resolutions attempts fail.

In the reporting period, we had no cases where unions in the IFA have intervened to support workers of suppliers or brought situations to our attention.

Our Supplier Code of Conduct requires suppliers to adhere to the UN Guiding Principles on Business and Human Rights, which address the provision of remedy. Our Code of Conduct does not, however, have any additional explicit requirements of suppliers on access to or provision of remedy. Taking steps to exercise more oversight of suppliers on all aspects of human rights risk management, including provision of remedy, is an area where we recognise we need to improve.

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Service provider

Hearing and addressing complaints from retail clients

In terms of a formal channel to report complaints, including on privacy, financial distress and discrimination, our retail clients can use our Complaints channel. Information about this channel and how to access it is available on our website: [🌐](#) Our process for handling these complaints is laid out in our Complaints Policy, which includes aspects such as escalation procedures, responsible departments and timeliness in addressing complaints. While each part of our business is responsible for handling complaints, we also have a dedicated Complaints Management department to provide advice, support, coordination and monitoring to ensure complaints are handled correctly and appropriately.

In our current registration system of client complaints, we cannot easily filter complaints related to financial distress. In 2021, we will adopt a new CRM (customer relationship management) system. With the use of this new system, we want to improve the language used to register client complaints, to align with the salient issue of financial distress. This does not necessarily mean that we will get more insights into actual harms resulting from inadequate client protection by ABN AMRO, leading to financial distress. Nevertheless, we hope to obtain more insights into trends and the number of complaints related to this salient issue. We are taking action to make it easier for clients to file a complaint.

In the reporting period, we had one case related to age discrimination that was addressed by the Dutch Institute for Financial Disputes (Kifid).



Gudy van der Wal Director of Daily Banking Northwest Netherlands and lead for ABN AMRO's seniors & vulnerable consumers programme

“Having an ongoing conversation with our clients is a very important way for us to hear about concerns and be able to address them. On the one hand, we’ve reduced the number of branches and personalised services like assigning clients an individual banker.”

“This makes it harder for us to have our ‘ear to the ground’ if clients have concerns. But we do try to keep dialogue channels open and tailored to our different client groups. For example, our new strategy focuses on improving our app-based services for clients who prefer those options and use them readily. Clients can raise concerns with us through our apps. Our programmes supporting financial stability and literacy, like financial care coaches, remain very important ways we understand and address client concerns. Finally, our ongoing dialogue with client representative groups, such as those for our elderly clients, let us know when numerous clients could be having shared concerns that we need to address.”



Lender and Investment services provider

Enabling remedy in our role as a corporate lender

In previous years, as we reported in our Human Rights Report 2018 [🌐](#) and Human Rights Update 2019 [🌐](#), we’ve used our policies and leverage to push and support our corporate clients to provide people harmed by their business activities with access to remedy, in line with the UN Guiding Principles on Business and Human Rights and our Human Rights Statement. We’ve also actively participated in various conversations with civil society organisations, peer companies and issue experts with regard to banks’ particular role in enabling or contributing to remedy when the bank is directly linked to the harm (e.g. when the harm is caused by a third party, such as a client or a business relationship of the client).

These activities are important, but we also wanted to consider a more robust way to enable remedy for people affected by our business relationships. In 2019, we reported that we consulted with civil society organisations, trade unions, academics, lawyers, public institutions and businesses about options for an ABN AMRO grievance mechanism that would support remedy in direct linkage cases. We’ve also discussed this issue with other banks. We’re also an active participant in conversations at the Equator Principles’ Social Risk Working Group on exploring approaches to foster remedy in the context of project finance. Overall, it’s important for us to communicate proactively and be transparent about our thinking and progress on this issue.

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In 2020 we began testing out a new grievance procedure, carrying out a simulation based on a real case connected to a corporate client. The simulations have involved colleagues from various parts of ABN AMRO such as Corporate & Institutional Banking, Group Sustainability, Credit Risk and Legal – departments that would likely be involved in just such a case. More information about process steps we've planned to test out the potential grievance procedure are [available in the supplement to this report](#).

We're still testing out this approach and gathering learning and feedback. We envision that eventually we could expand such a grievance procedure to support parts of our business beyond corporate lending, such as our investment services and procurement.



Ruben Zandvliet Social Sustainability Advisor, ABN AMRO

“We want the potential grievance procedure to have added value for all of us: for people who have experienced human rights harms in connection with our business, for our clients, and for ABN AMRO. We want to convey to our clients that with a good grievance mechanism, everybody wins. That’s a lot to ask, but we think it’s the right ambition.”

Room for improvement: Enabling remedy in our role as an investment services provider

Our Sustainability Risk Policy for Investment broadly sets the expectation that companies in our investment universe comply with the UN Global Compact Principles. These Principles reference the UN Guiding Principles on Business and Human Rights, which set standards on the provision of remedy. However, at this time we do not have an explicit policy expectation of companies in our investment universe on remedy and/or grievance mechanisms. This is different from our policy framework in our role as a corporate lender, where we do have explicit requirements on grievance mechanisms in our sector standards.

At this time, we do not provide a grievance mechanism or process for people who experience human rights harms in connection with companies in our investment universe. We have also not to date engaged with companies in our investment universe specifically on the issue of providing remedy. This is an area where we realise we can improve in the future. We hope that through our scaled-up company engagement plan with Hermes, we'll be able to expand the scope of our conversations with companies to include the critical issue of remedy.

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Grappling with tough questions

In laying the groundwork for a potential grievance procedure, we've grappled with many tough questions that we need to answer to implement this kind of mechanism. In our Human Rights Report 2018, we already laid out some of the key questions. Now, further into our process of understanding the issues and trying out new approaches, Ruben Zandvliet, Social Sustainability Advisor at ABN AMRO, shares some reflections on our thinking on these questions so far.

Q: What are the main obstacles to establishing an effective bank-level grievance mechanism, and how can we overcome these obstacles?

A: There are many hard questions. But when you specifically look at the effectiveness criteria in the UN Guiding Principles on Business and Human Rights (UNGPs), accessibility is a key concern. Often, affected stakeholders will not know that ABN AMRO finances a company. We have to make sure that as many civil society organisations and unions as possible know about the grievance mechanism, as they will likely serve as intermediaries between affected stakeholders and the mechanism.

Q: How can we reconcile the legal requirements on client confidentiality with the need for a legitimate and transparent procedure?

A: By asking clients if they are willing to be involved in the process. We want to show them that effective grievance mechanisms bring value to them as well – that they should want to be involved in the process. We can also use our leverage as their bank.

Q: What can we do if a client is unwilling to cooperate in the procedure?

A: In that case we could review whether our policies and due diligence process match expectations set by the UNGPs. In some cases we won't be able to contribute to or enable remedy if the client won't participate. It would also be a 'red flag' in our client due diligence if a client doesn't participate.

Q: How transparent should we be during and after the procedure, also taking privacy into account?

A: We're not sure yet. This issue has many dimensions. Transparency may be hindered by privacy concerns of a claimant, but also by legal risks for the bank.

Q: How can a single bank's grievance mechanism be used in syndicated financing?

A: It can definitely be used, but the problem is more whether the outcomes of our procedure could be held against other banks participating in the syndicate. This is why we have consulted with other banks in developing our approach.

Ruben Zandvliet

Social Sustainability Advisor, ABN AMRO

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Further definition of the salient issues¹

Salient issue	Further definition
Labour rights	Human rights related to the ILO core labour standards, and other issues such as living wage/income and vulnerable groups: <ul style="list-style-type: none"> ▶ occupational health and safety ▶ freedom of association ▶ collective bargaining ▶ child / young workers ▶ forced labour ▶ job security / temporary work ▶ right to work ▶ living wage/income ▶ working hours ▶ migrant workers ▶ gender
Land-related human rights	<ul style="list-style-type: none"> ▶ environmental impacts on communities ▶ community development ▶ indigenous people ▶ cultural heritage ▶ Free, Prior and Informed Consent ▶ human rights defenders ▶ excessive GHG emissions, impacting, among other things, right to health and right to work
Right to life and health	<ul style="list-style-type: none"> ▶ adverse impacts products ▶ access to medicine ▶ irresponsible marketing ▶ controversial weapons ▶ end use of weapons ▶ security of operations

¹ Descriptions of the salient issues for the other roles, are provided in Part B of this report.

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2. Overview of ESG engagements

Overview of ESG high-intensity engagements and focus list clients

This table contains ABN AMRO’s high-intensity engagement with clients on human rights issues related

to ABN AMRO’s lending and investment products and services in 2019/2020. The table also shows ABN AMRO’s focus clients related to its lending products and services in 2019/2020.

	List	Product	Sector	Region	Engagement / Focus Status	Issue
1	High Intensity	Lending	TCF ¹ – Agriculture – Palmoil	Africa	To Focus and Exiting ³	Land rights, human rights violations and deforestation in supply chain
2	High Intensity	Lending	TCF – Agriculture – Palmoil	Asia	Exited	Labour rights violations in own operations and supply chains
3	High Intensity	Lending	TCF – Agriculture – Palmoil	Asia	Exited	Deforestation, peatland degradation in supply chain and infringement rights of local communities
4	High Intensity	Lending	TCF – Energy & Metals	Europe	Closed	Arctic activities, human rights policy commitment
5	High Intensity	Lending	NR ² – Basic Materials	North America, Middle East, South America, Asia	To Focus and Exiting	Health & safety impacts, water & land pollution
6	High Intensity	Lending	NR – Energy	Africa	Ongoing	Human rights violations, access to remedy
7	High Intensity	Lending	NR – Energy	Australia	To Focus and Exiting	Land and community rights
8	High Intensity	Lending	NR – Energy	Australia	Exiting	Land rights, energy transition strategy
9	High Intensity	Lending	NR – Energy	Europe	Ongoing	Unsustainable ship recycling practices
10	High Intensity	Lending / Investment Services ⁴	Financial Institutions	North America	To Focus	Business ethics
11	High Intensity	Lending / Investment Services	Financial Institutions	Europe	To Focus	Business ethics
12	High Intensity	Lending	Food & Retail	Asia	Exited	Forced labour in supply chain
13	High Intensity	Lending	Transportation & Logistics	Europe	Exited	Health & safety impacts
14	Focus	Lending	TCF – Agriculture	South America	Exiting	Land rights, human rights violations and deforestation in supply chain
15	Focus	Lending	TCF – Energy & Metals	Middle East, Africa, South America, Asia	Exiting	Human rights violations, access to remedy
16	Focus	Lending	TCF – Energy & Metals	Africa	Exiting	Human rights violations ((no) access to remedy, land pollution)
17	Focus	Lending	TCF – Energy & Metals	Asia	Exiting	No RSPO member
18	Focus	Lending	TCF – Energy & Metals	Africa, South America	Exiting	Environmental damage, human rights violations and health and safety
19	Focus	Lending / Investment Services	NR – Basic Materials	South America	Exiting	Environmental damage, health & safety
20	Focus	Lending	NR – Basic Materials	Europe	Ongoing	Environmental damage, limited external grievance mechanism

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List	Product	Sector	Region	Engagement / Focus Status	Issue	
21	Focus	Lending	Construction	Europe	Ongoing	Human rights (policies) and potential breach with the Exclusion List regarding the Arctic
22	Focus	Lending	Construction	Europe	Ongoing	Human rights and labour rights, climate footprint, ship recycling, business ethics and potential breach with the Exclusion List regarding the Arctic
23	Focus	Lending	Construction & Utilities	Africa	Ongoing	Land rights violations
24	Focus	Lending	Food & Retail	Europe	Ongoing	Human rights (poor labour conditions)
25	Focus	Lending	Transportation & Logistics	Africa	Ongoing	Defence activities, transparency
26	High Intensity	Investment Services	Agriculture	Asia	Closed	Bribery and corruption, forced labour
27	High Intensity	Investment Services	Agriculture	Asia	Closed	Human rights violations, water pollution
28	High Intensity	Investment Services	Commodities	North America	Ongoing	Business ethics
29	High Intensity	Investment Services	Energy	Asia	Ongoing	Human rights and Environmental violations
30	High Intensity	Investment Services	Energy	Asia	Ongoing	Human rights violations
31	High Intensity	Investment Services	Energy	North America	Ongoing	Human rights violations
32	High Intensity	Investment Services	Energy	South America	Ongoing	Human rights violations
33	High Intensity	Investment Services	Financial Services	Asia	Ongoing	Business ethics
34	High Intensity	Investment Services	Financial Services	Europe	Ongoing	Business ethics
35	High Intensity	Investment Services	Financial Services	North America	Ongoing	Human rights violations
36	High Intensity	Investment Services	Healthcare	Europe	Ongoing	Bribery and corruption
37	High Intensity	Investment Services	Healthcare	Europe	Ongoing	Business ethics
38	High Intensity	Investment Services	Healthcare	North America	Closed	Health & safety impacts
39	High Intensity	Investment Services	Meat producer	South America	Ongoing	Business ethics
40	High Intensity	Investment Services	Mining & Metals	Asia	Ongoing	Human rights and Environmental violations
41	High Intensity	Investment Services	Mining & Metals	North America	Ongoing	Human rights violations
42	High Intensity	Investment Services	Mining & Metals	North America	Ongoing	Labour rights and Environmental violations
43	High Intensity	Investment Services	Mining & Metals	North America	Closed	Human rights violations, land pollution, water pollution
44	High Intensity	Investment Services	Public	North America	Closed	Human rights violations
45	High Intensity	Investment Services	Toll roads	Europe	Ongoing	Human rights violations
46	High Intensity	Investment Services	Toll roads	Europe	Ongoing	Human rights violations
47	High Intensity	Investment Services	Telecommunication	Africa	Ongoing	Human rights violations
48	High Intensity	Investment Services	Technology, Media & Telecom	Asia	Closed	Bribery and corruption
49	High Intensity	Investment Services	Utility	Africa	Ongoing	Environmental and Business Ethics violations

¹ TCF stands for Trade & Commodity Finance.

² NR stands for Natural Resources.

³ The exiting files are mainly a consequence of ABN AMRO's CIB strategy review announced in August 2020.

⁴ In 2020 Investment Services started a collaboration with EOS at Federated Hermes. This was previously with Robeco.

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3. Our approach to reporting

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

Core and more

ABN AMRO takes a 'core and more' approach to corporate reporting. This Human Rights Report is one of the bank's 'more' reports. It is published alongside the 'core' report, the [Integrated Report](#). Other 'more' reports include the Annual Report, which contains the bank's financial statements. For more information, see 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 towards respecting 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 address human rights issues, success stories and challenging issues alike.

This is our third Human Rights Report, following the UNGP Reporting Framework (link to [2016](#) and [2018](#) report). This third 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 and the Human Rights Update 2019.¹

The reporting criteria used for the preparation of the Human Rights Report are the UN Guiding Principles Reporting Framework 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 your feedback. If you have any questions or comments about this report, please send an email to humanrights@nl.abnamro.com.

Review and approval of content

Production of this Human Rights Report is overseen by a dedicated project team from the Group Sustainability department. Issue experts have been involved in collecting information and providing feedback on the report. Content is reviewed 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 covers ABN AMRO Bank N.V.
- ▶ While the salience assessment excludes independently operating entities most importantly, ABN AMRO Clearing, ABN AMRO Verzekeringen, ABN AMRO Pensions 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 identified in 2020 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 five roles. Four roles were identified in the 2016 and 2018 Human

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¹ We use a reporting cycle of two years for our Human Rights Report, in order to be able to have sufficient time and resources to follow up on the lessons learned from the reporting process.




Rights Reports. These roles are: service provider, employer, lender and investment services provider. These roles have been re-confirmed as relevant for 2020 with the addition of the role of procurer of goods and services.

- ▶ 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 a global applicability and apply to ABN AMRO Bank 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”¹

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. The objective of the assessment was to identify the salient human rights issues for ABN AMRO during the reporting period 2019-2020. Again, this salience assessment provides the basis for our Human Rights Report. The salience assessment took place from May to October 2020. A summary of the salience process was drawn up by ABN AMRO and can be found online. 

Human rights and reporting experts from our Group Sustainability department managed the salience assessment project. This project team worked closely with experts from Central Risk Management in order to align the salience risk assessment approach with

ABN AMRO's sustainability risk assessment approach. Representatives from different departments within the bank have been involved in all steps of the assessment: Retail Banking, Private Banking, Commercial Banking, Corporate & Institutional Banking, Compliance & Conduct, Human Resources (HR) (including experts from HR International, HR Diversity & Inclusion), Procurement, Facility Management, Clearing, Credit Risk and Central Risk Management, as well as two representatives from ABN AMRO's Employee Council.

External stakeholders were also consulted. We realise that specifically on human rights, ‘stakeholders’ are defined by the UN Guiding Principles on Business and Human Rights more narrowly: as people who could experience human rights harms in connection with our business.

For our salience assessment, we engaged with civil society organisations as representatives of potentially affected people, including by integrating their survey responses in our assessment and conducting several interviews with CSO representatives. During interviews with our own colleagues, we asked them to share with us information and insights they have received from external contacts, including civil society organisations who seek to represent potentially affected people.

The process and outcomes of the salience assessment were endorsed at the Sustainability Advisory Committee meeting on 12 October 2020.

Stakeholders

ABN AMRO regularly consults its stakeholders. In addition to their involvement in the salience determination, 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 is taken from [ABN AMRO's Annual Report 2020](#). Figures are presented in euros (EUR), the bank's functional and presentation currency. Financial information is prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. All capital and risk exposure metrics are reported under the Basel III (CRD IV/CRR) framework. From 2019, all capital figures and ratios (including comparisons) are shown on a fully-loaded basis.
- ▶ Non-financial data is collected centrally; this includes data relating to for instance 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 is indicated in the text.

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¹ 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).



External assurance

External assurance for this Human Rights Report was provided by EY; the assurance report can be found on pages 114 . 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, except for any comparable figures. These are not in scope of EY's assurance procedures as this contains a first-year assurance engagement. EY does not provide any assurance on the forward-looking statement, assumptions and achievability of prospective information. Also references to external sources or websites, with the exception of the methodology of the 2020 assessment of salient human rights issues, available at abnamro.com/AnnualReport, 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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Compliance with UN Guiding Principles Reporting Framework

This Human Rights Report is written in accordance with the UN Guiding Principles Reporting Framework.

Reporting principles of the UNGP Reporting Framework

According to the UNGP Reporting Framework, these seven principles ‘define a company’s implementation of the UNGP Reporting Framework’:

Reporting Principle	Explanation	Our approach	Reference
1 Setting human rights reporting in the business context	<ul style="list-style-type: none"> ▶ 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 five roles identified: employer, service provider, procurer of goods and services, lender and investment services provider.	<ul style="list-style-type: none"> ▶ Banking is about people: page 3 ▶ About ABN AMRO: pages 4-6 ▶ Further information about ABN AMRO’s business context, see Annual Report 2020 and Integrated Report 2020
2 Meeting a minimum threshold of information	<p>Any company claiming to use this Framework should at a minimum:</p> <ul style="list-style-type: none"> ▶ Provide a substantive response to the two overarching questions in Part A; ▶ Meet the four informational requirements under Part B; ▶ Provide a substantive response to the six overarching questions in Part C. 	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 a sufficient answer, we disclose this in the text.	<ul style="list-style-type: none"> ▶ Part A: pages 12-25 ▶ Part B: pages 26-35 ▶ Part C: pages 36-102
3 Demonstrating ongoing improvement	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 progress on managing salient human rights. The Report includes a timeline and overview of progress since the Human Rights Report 2018. We disclose our progress in implementing the UNGP on Business and Human Rights. Additionally, future plans are explained, to disclose how we intend to improve in the near future.	<ul style="list-style-type: none"> ▶ Developments timeline: pages 10-11 ▶ 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.
4 Focusing on respect for human rights	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.	The scope of this Human Rights Report is solely our actions to respect human rights and specifically our salient human rights issues. Part A, B and C relate directly to the bank’s salient human rights and management.	<ul style="list-style-type: none"> ▶ Part A: pages 12-25 ▶ Part B: pages 26-35 ▶ Part C: pages 36-102 ▶ See Salient human rights issues 2020
5 Addressing the most severe impacts on human rights	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 focused on ABN AMRO’s salient human rights issues. Part A, B and C relate directly to the bank’s salient human rights issues and our management of them. That means we focus our attention on risks to potentially affected people and any impacts they have experienced.	<ul style="list-style-type: none"> ▶ See Salient human rights issues 2020

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Reporting Principle	Explanation	Our approach	Reference
<p>6 Providing balanced examples from relevant geographies</p>	<p>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>	<p>This Human Rights Reports explains ABN AMRO's five key roles has:</p> <ul style="list-style-type: none"> ▶ Employer ▶ Service provider ▶ Procurer of goods and services ▶ Lender ▶ Investment services provider <p>Per role, the relevant geography differs. This has been taken into account in the salience assessment and is addressed in the report.</p>	<ul style="list-style-type: none"> ▶ See Salient human rights issues 2020 ▶ See the World Map on page 33
<p>7 Explaining any omission of important information</p>	<p>The company should indicate the nature of the information it has omitted and explain its reasons for the omission.</p>	<p>This Human Rights Report aims to adhere to the UNGP Reporting Framework and include the most important information on the bank's salient human rights. If information has been omitted, this has been indicated. The UNGP RF Index will highlight the omissions as well.</p>	<ul style="list-style-type: none"> ▶ Part A: pages 12-25 ▶ Part B: pages 26-35 ▶ Part C: pages 36-102

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UN Guiding Principles Reporting Framework Index

The table below details the questions of the UNGP Reporting Framework and where relevant information can be found.

Criterion	Reporting Principle	Where to find it	UNGP RF Reference
Governance	Governance of respect for human rights		A
Policy commitment	What does the company say publicly about its commitment to respect human rights?	▶ Human Rights Report 2020, page 13-19 – ‘Our commitment to human rights’	A1
Embedding respect for human rights	How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?	▶ Human Rights Report 2020, page 20-25 – Embedding respect for human rights into everyday business	A2
Reporting focus	Defining the focus of reporting		B
Statement of salient issues		▶ Human Rights Report 2020, page 27-32 ▶ Salient human rights issues 2020	B1
Determination of salient issues		▶ Human Rights Report 2020, page 27 , page 108 ▶ Salient human rights issues 2020	B2
Choice of focal geographies		▶ Human Rights Report 2020, page 33 ▶ Salient human rights issues 2020	B3
Additional severe impacts		▶ Human Rights Report 2020, page 34 ▶ Salient human rights issues 2020	B4
Management salient issues	Management of salient human rights issues		C
Specific policies	Does the company have any specific policies that address its salient human rights issues?	▶ Human Rights Report 2020, page 15 – Infographic Policy ecosystem on human rights ▶ Human Rights Report 2020, page 37-42 – Policies governing our salient issues	C1
Stakeholder engagement	What is the company’s approach to engagement with stakeholders in relation to each salient human rights issue?	▶ Human Rights Report 2020, page 43-69 – ‘Part C – Dialogues and Engagement: A critical tool to understand and manage our salient human rights issues’	C2
Assessing impacts	How does the company identify any changes in the nature of each salient human rights issue over time?	▶ Human Rights Report 2020, pages 50, 52, 57-58, 66-67, 70-78, 81-82, 100	C3
Integrating findings, taking action	How does the company integrate its findings about each salient human rights issue into its decision-making processes and actions?	▶ Human Rights Report 2020, pages 57-69, 79-80, 83-91	C4

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Criterion	Reporting Principle	Where to find it	UNGP RF Reference
Tracking performance	How does the company know if its efforts to address each salient human rights issue are effective in practice?	▶ Human Rights Report 2020, page 92-97	C5
Remediation	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 2020, pages 81-82, 98-102	C6

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

Our conclusions

We have performed a limited assurance engagement on the Human Rights Report 2020 of ABN AMRO Bank N.V. based in 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 2020 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 section "Reporting criteria" 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 section "Our responsibilities for the assurance engagement on Human Rights 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 Human Rights Report needs to be read and understood together with the reporting criteria.

ABN AMRO Bank N.V. is solely responsible for selecting and applying these reporting criteria.

The reporting criteria used for the preparation of the Human Rights Report are the UN Guiding Principles Reporting Framework and the supplemental reporting criteria applied as disclosed in appendix "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 question 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 any metrics and indicators in the Human Rights Report allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

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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 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.

We were engaged to provide assurance on the 2020 indicators. Consequently, any 2019 (and prior year) indicators, as disclosed in the section “Tracking performance” were not in scope of our assurance procedures.

The references to other sources or websites in the Human Rights Report, with the exception of the methodology of the 2020 assessment of salient human rights issues, are not part of our assurance engagement. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

Responsibilities of the Executive 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 section “Reporting criteria” of our report. In this context, the Executive Board is responsible for the identification of the intended users and the criteria being applicable for their purposes. The Executive Board is responsible for setting governance and policies with regard to human rights, determining and managing the salient issues and to ensure that the Human Rights Report focusses on the salient human rights issues.

The choices made by the Executive Board regarding the scope of the Human Rights Report and the reporting policy are summarized in the section “Our approach to reporting” of the Human Rights Report.

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

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.

Our procedures performed to obtain a limited level of assurance on the Human Rights Report 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 applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional skepticism throughout our review, in accordance with the Dutch assurance standards, ethical requirements and independence requirements.

The procedures of our limited assurance engagement included amongst 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 most relevant to respecting human rights. Including desk research by means of e.g. media search and benchmark analysis and sector analysis
- ▶ Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures on the Human Rights Report
- ▶ Reconciling the financial information included in the section “About ABN AMRO” in the Human Rights Report with the full set of audited consolidated financial statements of ABN AMRO Bank N.V. for the year ended 31 December 2020 as included in the separately published Annual Report 2020 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 Report for the year 2020 of ABN AMRO Bank N.V.
- ▶ Evaluating the overall presentation, structure 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

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- ▶ Identifying areas of the Human Rights Report with a higher risk of misleading or unbalanced information or material misstatements, whether due to fraud or errors. 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):
 - ▶ Reviewing of the public commitment, its developments, the human rights it addresses and how it is disseminated and evaluating of disclosure of this commitment in the Human Rights Report
 - ▶ Evaluating disclosure of how respect for human rights is embedded in the organization
 - ▶ For Defining the focus of reporting (Part B):
 - ▶ Evaluating the 2020 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
 - ▶ Evaluating the Human Rights Risk Register as prepared by ABN AMRO Bank N.V. and evaluating its disclosure in the Human Rights Report
 - ▶ Obtaining an understanding of the reporting processes for the Human Rights Report with a specific focus of the reporting processes of the salient issues as determined by ABN AMRO Bank N.V. including obtaining a general understanding of internal control relevant to our assurance engagement
- ▶ 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 it is in principle capable of helping the company's advance respect for human rights
 - ▶ Evaluating the company's understanding of who its stakeholders are with regards to human rights risks and impacts and evaluating disclosure of identified stakeholders
 - ▶ Evaluating stakeholder engagement as performed by ABN AMRO Bank N.V. by inquiry of stakeholder managers and other relevant personnel and by reviewing evidence of stakeholder engagement
 - ▶ Reviewing any evidence 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 any reported severe impacts, for salient issues and issues determined as not salient, and the disclosure of these impacts or disclosure of any limitation to report
 - ▶ Evaluating the appropriateness of disclosure of the companies integration of findings about salient issues into its decision-making process and actions
- ▶ Obtaining assurance information that the 2020 outcome of the indicators as disclosed in the section "Tracking performance" of the Human Rights Report reconcile with underlying records of the company
- ▶ Evaluating examples as disclosed in the Human Rights Report to illustrate whether the salient issues are managed effectively and assess if the Human Rights Report provides a balanced view of the issues and reviewing the reconciliation with underlying evidence
- ▶ Evaluating disclosures in the 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 information in 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

Amsterdam, 9 March 2021

Ernst & Young Accountants LLP
Signed by J. Niewold

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AAIS	ABN AMRO Investment Solutions
AFM	Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten)
AI	Artificial Intelligence
CASY	Client Assessment on Sustainability
CRD/CRR	Capital Requirements Directive/Capital Requirements Regulation
CSO	Civil society organisations
CWL	Controversial Weapons List
D&I	Diversity & Inclusion
DBA	Dutch Banking Sector Agreement
DPM	Discretionary Portfolio Management
DPO	Data Protection Officer
EP	Equator Principles
ESG	Environmental, Social and Governance
ExBo	Executive Board
ExCo	Executive Committee
FEC	Financial Expertise Centre
FNV	Federation of Dutch trade unions (Federatie Nederlandse Vakbeweging)
FPIC	Free, Prior and Informed Consent
GDC	Group Disclosure Committee
GDPR	European Union General Data Protection Regulation
GHG	Greenhouse Gas

GRC	Group Risk Committee
GSES	Global Sustainable Enterprise Systems
IEL	Investment Exclusion List
IFA	International Framework Agreement
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
Kifid	Dutch Institute for Financial Disputes (Klachteninstituut Financiële Dienstverlening)
LGBT(+)	Lesbian, Gay, Bisexual, Transgender (and other identities)
OECD	Organisation for Economic Co-operation and Development
PARP	Product Approval and Review Process
PBGSB	Private Banking Global Sustainability Board
RSPO	Roundtable on Sustainable Palm Oil
RSRS	Responsible Ship Recycling Standards
SAC	Sustainability Advisory Committee
SIM	Security & Integrity Management
SRMF	Sustainability Risk Management Framework
UN	United Nations
UNGP RF	UN Guiding Principles Reporting Framework
UNGPs	UN Guiding Principles on Business and Human Rights
UNI Global Union	Union Network International Global Union
WOTM	Women on the Move
WWF	World Wide Fund for Nature

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General Coordination

Group Sustainability department

Copywriting & Editing

Julie Schindall

Translations department (part of Brand,
Marketing & Communications)

Photography

Erik van der Horst

Hannie Verhoeven

Tom van Limpt / Hollandse Hoogte

Jesus Merida / Hollandse Hoogte

Kris Pannecoucke / Hollandse Hoogte

Fred Hoogervorst / Hollandse Hoogte

Mirjam Bekker / Stoop van St. Open Mind

Design & lay-out

DartGroup, Amsterdam

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Postal Address

P.O. Box 283

1000 EA Amsterdam

Internet

abnamro.com/humanrights

humanrights@nl.abnamro.com

abnamro.com