



Modern Slavery Statement

June 2022

About ABN AMRO

ABN AMRO Bank N.V. is one of the Netherlands' leading banks, with over 26,000 ABN AMRO people working for the bank worldwide. We create value for our stakeholders by providing individuals and businesses with banking services such as loans, mortgages, payments, savings, advice and asset management. We also provide third-party clearing and settlement services to wholesale clients. We fund our loans through savings and capital markets, and actively manage the risks associated with them. In return for our services, we receive interest, fees and commissions. We use our income to pay for our operating costs, reinvest in our business and distribute dividend to our investors. Our focus is on Northwest Europe. We have offices in the Netherlands and 13 other countries, among which in the United Kingdom and Australia. This Modern Slavery Statement pertains to ABN AMRO Bank N.V. and all its branches, subsidiaries and representative offices, including those in the United Kingdom and Australia. ABN AMRO Bank N.V., ABN AMRO Lease and ABN AMRO Commercial Finance are reporting entities under the UK Modern Slavery Act. ABN AMRO Bank N.V. and ABN AMRO Clearing Sydney Pty Ltd (ABN AMRO Clearing Sydney) are reporting entities under the Australian Modern Slavery Act. By issuing this statement, we are complying with our obligations under these acts. This statement has been prepared in consultation with the relevant departments throughout ABN AMRO and its branches and subsidiaries, including ABN AMRO Clearing Sydney. The objective was to ensure full alignment between this statement and the activities conducted throughout ABN AMRO to address modern slavery and ensure adherence to the abovementioned modern slavery legislation. ABN AMRO Bank N.V. and its subsidiaries use similar policies and procedures related to combatting modern slavery and have shared suppliers.

ABN AMRO may be exposed to modern slavery risks through the services it offers consumer and business clients, through companies in its investment universe, through its employment practices and through suppliers of goods and services it procures. Of the different forms of modern slavery, ABN AMRO is predominantly exposed to risks of labour exploitation. We have therefore named labour rights – broadly defined – as one of ABN AMRO's salient human rights issues. The most recent update of our salient issues was performed in 2020, with extensive input from external stakeholders. This resulted in a Human Rights Risk Register – a comprehensive list of human rights risks ABN AMRO may be connected to. The Register helps us record and aggregate our observations about how our exposure to these risks develops, and to assess whether existing mitigation efforts should be made more effective. It is also used to inform the Executive Board about ABN AMRO's human rights risks. An intermediate update of the salient issues will be performed in 2022 to ensure that these remain up to date. ABN AMRO's internal training modules devote attention to the bank's salient human rights issues.

At ABN AMRO we have a Human Rights Statement that sets out our commitment, responsibilities and expectations for ourselves and for our business relationships (e.g. our clients, companies we invest in on behalf of clients, and our suppliers) in relation to human rights. The statement describes the key activities we undertake to meet our responsibilities concerning all steps of the human rights due diligence process. Furthermore, ABN AMRO reports extensively on its efforts to address human rights

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

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

Exposure through our consumer clients

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

Since 2015, ABN AMRO has been working on [a project with the Inspectorate of the Dutch Ministry of Social Affairs and Employment \(Inspectorate SZW\) and the University of Amsterdam \(UvA\)](#), with the aim of sharing knowledge to identify modern slavery. With our partners, we deconstruct cases that have been prosecuted successfully to see whether, in hindsight, there were financial indicators. So far, we have identified 26 indicators. Specialist teams in our Security & Integrity Management Department as well as our Detecting Financial Crime department use search queries to look for possible red flags associated with this crime in our banking data. The geographical scope is limited to the Netherlands where ABN AMRO has consumer banking activities. If we identify a sign that might point to modern slavery, we conduct additional open-source intelligence research and report any unusual transactions to the Financial Intelligence Unit (FIU), an independent authority which is also a member of the project. The FIU assesses whether the investigating authorities, such as the police or the Inspectorate SZW, should take action. Searching for unusual transactions and reporting them to the FIU is common practice for any bank, but in this project our focus is on potential victims as our search parameters include indicators of labour exploitation.

Besides the abovementioned FEC project, we are a participant in the COMCRIM initiative, which is being led by the University of Amsterdam. COMCRIM is aimed at comprehensively COMbatting CRIMes that undermine the rule of law, through the use of complexity science and in a financial public-private partnership – with a focus on human trafficking, money laundering and corruption.

Exposure through our business clients

All our business clients, which range from small or medium-sized enterprises to large corporates, are subject to our Know Your Client (KYC) screening process. This takes place at the moment of client acceptance and periodically throughout our relationship with the client. In line with our policy, we perform checks on modern slavery in these client due diligence processes. The first check that relates to modern slavery is verification that the company's activities are not in conflict with our [Exclusion List](#). ABN AMRO will not knowingly provide financial products or services that directly facilitate activities causing adverse human rights impacts. In 2021, we added a criterion to address specific risks around exploitation of migrant workers by labour agencies.

The second check in our KYC process that relates to modern slavery begins with categorisation of so-called sensitive sectors. These are:

- Agricultural commodities
- Agriculture and horticulture
- Animal protein and aquaculture
- Fisheries and wild-caught animals
- Metals and minerals
- Electronic components and electronics products
- Textiles, clothing and leather
- Construction
- Shipping
- Freight transport by road
- Hotels and holiday parks
- HR services resources
- Sex industry

If a prospect or client is active in one of the above sectors, we will perform enhanced due diligence on that sector's most salient sustainability risks. Depending on the case, companies may be asked, for example, whether the recruitment agencies they work with are certified. The client review process is repeated periodically.

For corporate clients with whom ABN AMRO has a lending relationship above a 1 million-euro exposure, our policy provides for an additional due diligence process that coincides with the credit assessment and review. The robustness of this due diligence process depends on the sustainability risk level of the client in question. Based on the client's sector of operations, an additional set of sector requirements apply. These requirements are tailored to the salient risks in a particular sector. Several of these sector requirements address modern slavery. Access to effective grievance mechanisms and remediation is also part of the policy requirements and our policy demands that if a company does not comply with our requirements, we work towards compliance through engagement or end the relationship as a last resort.

ABN AMRO is an Equator Principles (EP) bank – its project financing activities are assessed according to the EP standards, which were updated in 2020 to include stricter human rights requirements for projects related to financing. In addition to the EPs, we also seek alignment with the UN Guiding Principles on Business and Human Rights in other financial sector platforms or sectors in which we are active, including the Principles for Responsible Banking.

Exposure through our investment services

Our clients use ABN AMRO's investment services to invest in shares, investment funds or corporate and sovereign bonds. They can invest in three ways: self-directed or execution-only, based on our experts' advice, or by delegating all investment decisions to ABN AMRO. ABN AMRO's ability to influence its clients' decision-making depends on the service model chosen by the client. For all services, we aim to inform our clients on whether the companies they invest in conduct business in a responsible way. We use an external provider of environmental, social and governance (ESG) research, Sustainalytics, as our main source of information. Companies are assessed on a quarterly basis, resulting in an indicator ranging from 'excellent' to 'poor'. We draw our clients' attention to this indicator – passively, by including it in ABN

AMRO's financial analysis, but also actively, through recommendations by our investment advisors. We have an exclusion list in place, banning investments in companies and countries that do not meet our minimum criteria. Furthermore, if a company is underperforming on sustainability, we may start an engagement procedure. If the reason for engagement is underperformance on sustainability factors and the company fails to improve its performance in due time, it can be placed on ABN AMRO's Investment Exclusion List. Besides incident-related engagement, we also employ proactive thematic engagement, in collaboration with EOS at Federated Hermes. One of the engagement themes is 'human rights, including labour rights'.

ABN AMRO is a member of the Platform Living Wage Financials (PLWF), a coalition of Dutch financial institutions that focuses on listed companies in the garment and footwear, food retail and food & agri sectors. PLWF has developed a unique assessment methodology to determine whether a company has satisfactory policies and procedures in place to evaluate whether its suppliers are paying a living wage and, if not, are required to encourage its suppliers to do so. Payment of a living wage is an important human rights issue in itself that reduces people's vulnerability to modern slavery. Assessments are carried out by members of PLWF based on information in the public domain and additional information received from the companies in scope.

Exposure through our employment practices

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

Exposure through our suppliers

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

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

The Executive Board of ABN AMRO Bank N.V. and the board of ABN AMRO Clearing Sydney were involved in drafting this statement. It was discussed with ABN AMRO Bank N.V.'s Chief Executive Officer and Chief Risk Officer and with the Directors of ABN AMRO Clearing Sydney, and was approved by ABN AMRO's Group Disclosure Committee on 9 May 2022. The statement was approved by the Executive Board of ABN AMRO Bank N.V. on 23 May 2022 and the board of ABN AMRO Clearing Sydney on 9 June 2022.



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