



Modern Slavery Statement

About ABN AMRO

ABN AMRO is a leading full-service bank with a transparent and client-driven business model, a moderate risk profile, a clean and strong balance sheet with predominantly traditional banking products, a solid capital position and strong funding profile. We serve retail, private, commercial and corporate & institutional banking clients, with a primary focus on the Netherlands and with selective operations internationally. The information provided in this statement covers ABN AMRO's global operations.

ABN AMRO is the first financial institution in the world to publish a human rights report based on the reporting framework of the UN Guiding Principles on Business and Human Rights. These Guiding Principles are the global authoritative standard on business respect for human rights. In its report, the bank sets forth its human rights policy and how it seeks to meet its policy commitments. The report focuses on four salient human rights issues: privacy, discrimination, labour rights and land-related human rights. These are the human rights that are most at risk of being negatively impacted by the activities of the bank and the companies it finances or invests in on behalf of clients.

The abolition of modern slavery is a top priority for ABN AMRO. Our activities and business relationships are diverse and range from ABN AMRO employees and clients to the people who work for the supply chains of our corporate clients. We cooperate with many external partners, including other banks, law enforcement entities, non-governmental organisations and victims' organisations. We actively share our learnings in internal workshops and external conferences. Internally, ABN AMRO's efforts are coordinated by the Sustainable Banking and Compliance departments. Ultimate responsibility lies with our Executive Board.

Under the UK Modern Slavery Act, companies are obliged to provide information on the steps they have taken to ensure that slavery and human trafficking do not occur in their own businesses and supply chains. ABN AMRO is most likely to be exposed to modern slavery through the services it offers corporate and retail clients. Additionally, as ABN AMRO enables its clients to invest in corporate bonds, equity and other financial products, the bank is potentially exposed to risks of modern slavery at companies in its investment universe. Lastly, the bank has a duty towards all people producing products or services for ABN AMRO, whether or not they are employees of the bank.

We are committed to respecting human rights and consider it important that banks do not interpret the legal requirements of the UK Modern Slavery Act restrictively. The purpose of publishing statements is not to satisfy a compliance criterion. On the contrary, the financial sector as a whole should identify its potential exposure to modern slavery and act accordingly. This should enable mutual learning and a 'race to the top'.

Large corporate clients

ABN AMRO serves corporate clients that are active in numerous sectors and countries. As a financier, we are a partner to these companies as well as a part of their value chain. The ambition is clear: ABN AMRO and its clients should do everything in their capacity to avoid being directly or

indirectly involved in modern slavery. People should not be disadvantaged by the way we and our clients make money.

ABN AMRO has an Exclusion List and a Human Rights Statement which explicitly address forced labour and child labour. We expect our clients to respect human rights in line with the UN Guiding Principles on Business and Human Rights and to continuously improve their performance. Our commitment applies to all types of client relationships, including corporate lending, project finance, clearing, lease and commercial finance.

ABN AMRO is an 'Equator Principles (EP) bank' – its project financing activities are assessed according to the EP standards. For regular lending clients, ABN AMRO has various sector policies in place. These contain tailored requirements: we ask a commodity trader different questions than we ask an energy company. Compliance with these requirements is mandatory. If a company does not comply, we will not enter into a relationship with them, or if possible, we will start an engagement procedure and work towards compliance. Companies are first assessed before they become a client. We subsequently conduct annual reviews and, when potential issues are brought to our attention, event-driven reviews. The process of client assessments and engagements is described in detail in the ABN AMRO Human Rights Report 2016.

In addition to doing human rights due diligence on individual clients, ABN AMRO has conducted various value chain mappings. Thus far we have worked on four sectors: diamonds, textiles, cocoa and copper. Taking a value chain approach helps us to better understand the level of risk associated with financing companies that are active in these high-risk sectors and how we can best use our leverage.

Small and medium-sized enterprises and retail clients

Human rights violations do not only occur in complex and distant supply chains. ABN AMRO serves many small and medium-sized enterprises in the Netherlands. Agriculture, construction, HR services, cleaning, transportation, and the leisure industry all face risks of modern slavery. At ABN AMRO, we have taken two main steps. First, we have included checks on modern slavery in our client due diligence for small and medium-sized enterprises. When applying for loans, for example, companies are asked whether they have foreign subsidiaries that are involved in the recruitment process, whether the recruitment agencies they work with are certified, and whether employment contracts are drafted in the employee's own language. Second, ABN AMRO organised two workshops in 2016 in cooperation with experts from the national police to train its relationship managers in the Dutch agriculture sector to identify signals of labour exploitation when they visit their clients' farms. This year, a similar workshop was organised focusing on sexual exploitation in the hotel sector. When ABN AMRO employees notice that something is out of the ordinary, they are able to raise it with the client or notify the Sustainable Banking department about their findings. We will organise similar workshops in the coming years.

Perpetrators and victims of modern slavery may also have (personal) bank accounts with ABN AMRO, or use our financial products and services. Many 'red flags' would go unnoticed if banks ignored retail banking activities. Here, too, front-office staff play an important role. When interaction with clients uncovers suspicious activities, this will be recorded in our systems. Such information may later be crucial to completing the full picture of a modern slavery case.

The main innovation that ABN AMRO is looking at in the context of human trafficking is the use of data analytics. Often, human trafficking takes place behind the facade of legitimate business conduct. All banks have an infrastructure in place to detect signals of financial crime. But the indicators of human trafficking are not the same as those for money laundering or terrorism financing. (Potential) indicators are not only numerous, they also depend on the local context and evolve over time. Banks should not treat human trafficking as a mere spin-off from money laundering investigations, but should actively seek to identify 'red flags' associated with this violation. ABN AMRO has joined the European

Bankers Alliance Against Human Trafficking to exchange knowledge with other banks, and has also established partnerships with the police, the public prosecution authority and victims' organisations in order to constantly improve its understanding of human trafficking. With our partners, we deconstruct cases that have been prosecuted successfully to see whether, in hindsight, there were financial indicators. The knowledge we build may help detect or even prevent future cases of modern slavery.

Investment services

Apart from opening bank accounts or borrowing money, our clients can use ABN AMRO's investment services to invest in shares or bonds of companies. ABN AMRO has no direct investment relationship with the companies in its investment universe, we solely invest assets on behalf of our clients. They can invest in three ways: on their own (self-directed investing or execution-only), through ABN AMRO based on our experts' advice (investing with advice), or by leaving all investment decisions to the bank (giving ABN AMRO a mandate). ABN AMRO's leverage varies between these roles. Whatever the role, we want at least to be able to advise our clients on whether the companies they are looking to invest in are serious about human rights.

Given the scope of ABN AMRO's investment universe, we use Sustainalytics, an independent provider of Environmental, Social and Governance (ESG) research, as our main source of information. Companies are assessed on a quarterly basis, which results 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. When Sustainalytics determines that a company is not compliant with the principles of the UN Global Compact, we start an engagement procedure. If the company does not improve its performance, it will be placed on ABN AMRO's Investment Exclusion List, in which case we actively recommend our clients not to invest in it.

ABN AMRO employment practices

In October 2015 ABN AMRO signed an International Framework Agreement (IFA) with the Dutch trade union federation FNV and UNI Global Union. The IFA covers a broad range of labour rights, including the right to free choice of employment, freedom of association and collective bargaining. It expresses our commitment to guarantee these rights for 'all workers producing products or services for ABN AMRO, whether or not they are employees of ABN AMRO'. This is a broad and ambitious scope, which covers all of the bank's subsidiaries, as well as its outsourced services and procured goods. In 2018, all ABN AMRO branches will conduct a self-assessment to determine to what extent they comply with the IFA. If additional gaps are identified, the bank will take appropriate action.

ABN AMRO procurement activities

The IFA also covers the bank's procurement activities. ABN AMRO expects its suppliers to conduct their business activities in a way that respects people, throughout their entire value chain. We ask all our suppliers to sign a Code of Conduct that requires them to have a comprehensive labour policy in place covering their own operations as well as their value chain. This is a contractual commitment. Suppliers that are active in medium and high risk sectors are also requested to be transparent about their sustainability performance and to join supplier rating initiatives such as FIRA or EcoVadis.

ABN AMRO welcomes all feedback on its human rights programme, and in particular on its work in the area of modern slavery, via humanrights@nl.abnamro.com.

STATEMENT

ABN AMRO's Executive Board acknowledges and approves this statement and will have it reviewed and updated annually, as required.

26 March 2018