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1. Introduction

The Supplier Code of Conduct (the Code of Conduct) has been drawn up to provide clarity on the principles that ABN AMRO uses in its procurement policy regarding sustainable procurement. By adhering to this policy, ABN AMRO wants to prevent procurement from having a possible negative impact on people and the environment. Suppliers are expected to comply with the Code of Conduct and acknowledge that failure to comply with it may damage their relationship with ABN AMRO.

Primary suppliers are responsible for ensuring that any subcontractors they use adhere to the Code of Conduct, thereby achieving compliance throughout the chain.

2. ABN AMRO Sustainability strategy

As one of the three major banks in the Netherlands, ABN AMRO strives to be a leading sustainable bank. We continuously invest in a sustainable future for customers, employees, shareholders and society.

Our purpose is ‘Banking for better, for generations to come’. For more information about ABN AMRO’s sustainability policy and strategy, please visit www.abnamro.com.

3. Sustainable Procurement

Sustainable procurement is a powerful tool for achieving ABN AMRO’s sustainability goals. The definition of ‘sustainable procurement’ according to the worldwide norm ISO 20400 is as follows:

“Sustainable procurement is procurement that has the most positive environmental, social and economic impacts possible over the entire life cycle.”

ISO 20400 identifies seven sustainable procurement core subjects:
1. Organisational governance
2. Human rights
3. Labour practices
4. Environment
5. Fair operating practices
6. Consumer issues
7. Community involvement and development

See Appendix 1 for a more detailed explanation of the above main procurement sustainability subjects regarding the two principles of ABN AMRO Procurement below:

In control of the basics; a set of minimum criteria and a solid efficient procurement process.
Creating more impact; to apply additional criteria/agreements

4. In control of the basics

ABN AMRO expects its suppliers to conduct their business activities in a fair way, with integrity and with respect for people and the environment, throughout the entire value chain. Suppliers should comply with applicable national and international laws, regulations and standards such as the OECD Guidelines, UN Guiding Principles, UN Human Rights treaties and the core conventions of the International Labour Organization, and should obtain relevant certification from institutions such as OHSAS and ISO.

By violating human rights, polluting the environment or ignoring labour rights, our suppliers may pose a risk to ABN AMRO. This risk could lead to reputational damage for ABN AMRO, and it could also complicate delivery of the products or services in question. It is important to determine the sustainability risks of our supplier portfolio. Procurement performs continuous risk analyses and encourages suppliers to become more sustainable.
If a supplier fails to have a sustainability strategy or policy in place, ABN AMRO will make clear arrangements with the supplier on working towards remediying this situation. Also, as part of the supplier selection process, ABN AMRO asks potential suppliers questions regarding their sustainability practices.

4.1. Organisational governance

Suppliers are expected to have a transparent sustainability policy in place and to share it with ABN AMRO. It must be possible to verify performance and progress on the seven sustainable procurement subjects of leading independent assessors (e.g. FIRA, TIM, Ecovadis, Achilles). Any costs for verification are borne by the supplier.

4.2. Human rights

Suppliers must be able to demonstrate that they respect human rights in their business activities and their value chain by having a human rights policy in place and by performing a thorough evaluation of the impact the company may have on human rights.

4.3. Labour practices

Suppliers must respect the rights of their own employees and of all employees in their value chain. We expect suppliers to have, and to comply with, policies regarding labour rights based on the conventions of the ILO International Framework Agreement.

The ILO International Framework Agreement conventions are as follows:

- The prohibition of child and bonded labour.
- The prohibition of discrimination or intimidation on the working floor.
- The right of employees to unionise and to negotiate their terms of employment collectively.
- Suppliers must compensate their employees sufficiently to meet basic living wage standards. Employees must be protected from excessive overtime and should be compensated for overtime according to applicable national and international laws, regulations, collective bargaining agreements or individual employment agreements.
- The right to a safe and healthy working environment for all employees, including measures to prevent any harm or injury, training and education, a zero-fatality policy and basic hygiene measures.
- The right of employees and their unions to obtain information and conduct consultations on decisions affecting employment and working conditions, regarding restructuring, redundancies, outsourcing and offshoring.

4.4. Environment

Suppliers must demonstrate a commitment to and continuous improvement in environmental protection. They must minimise the negative impact or damage they might cause to the environment in their business activities and have in place:

- an environmental policy that takes into account all applicable national and international environmental laws and regulations on the use of natural resources, emissions reduction, and improving environmental performance;
- an information system to inform employees and the public in a timely manner about potential negative environmental, health or safety impacts of their business activities;
- effective measures should any serious harm to the environment exist or occur. These measures should prevent or minimise environmental damage and must include a contingency plan in case of an emergency.

4.5. Fair operating practices

Under ABN AMRO’s policy, any form of bribery or corruption is prohibited. The Anti-bribery and Corruption policy is part of this Code of Conduct (Appendix 2).
4.6. **Consumer issues**
Suppliers must protect the health and safety of consumers by providing reliable, environmentally-friendly and safe products and services that enable sustainable consumption.

4.7. **Community involvement and development**
Suppliers should be involved in the community in which they are active, for example to encourage local employment or to help people with occupational or other disabilities. They should also consider and take responsibility for the impact of their purchasing activities on the community and the health of the people and animals in that community.

5. **Creating more impact**

This means doing more than is strictly necessary to manage risks and to meet the basic requirements that apply to all purchasing categories (see 4). Additional requirements or wishes may apply to each purchasing category that contribute to our purpose and sustainability strategy. These are described in the delivery agreements concluded between ABN AMRO and its suppliers.

Examples are additional requirements or ambitions regarding reports, carbon emissions, energy reduction, circularity or social entrepreneurship. A proactive approach is expected from the supplier.
Appendix 1: Sustainable procurement core subjects explained
This appendix contains a summary of the seven core subjects according to ISO 26000 and ISO 20400, to give suppliers more background information on each subject. For more information, see the ISO standards or go to https://www.iso20400.org

Organizational governance

Organisational governance is an overarching core subject, related to the formal or informal system by which an organisation makes and implements decisions including the fulfilment of its social responsibility.

Issues

- Developing policy, e.g. a supplier code of conduct
- Establishing processes
- Applying the principles of sustainable procurement
- Encouraging awareness

Human rights

These are basic rights to which all human beings are entitled. Recognition and respect for human rights is widely regarded as essential to the rule of law and to concepts of social justice and fairness. While most human rights law relates to the relationship between the state and individuals, it is widely acknowledged that non-state organisations can affect individuals’ human rights, and hence have a responsibility to protect them.

Issues

- Discrimination and vulnerable groups
- Civil and political rights
- Economic, social and cultural rights
- Fundamental labour rights

Labour practices

The labour practices of an organisation encompass all policies and practices relating to work performed within, by or on behalf of the organisation, including subcontracted work. International standards on labour practices have been formulated by the International Labour Organization (ILO), a United Nations agency. These minimum standards are legal instruments setting out universal basic principles and rights at work. They pertain to workers everywhere, working in any type of organisation, and are intended to prevent unfair competition based on exploitation and abuse.

Issues

- Employment relationships
- Conditions of work
- Social dialogue
- Health and safety at work
- Human development

Environment

Environmental issues include the depletion of natural resources, pollution, climate change, destruction of habitats, loss of species, the collapse of whole ecosystems and the degradation of urban and rural human settlements. There is a need to identify opportunities to reduce and eliminate unsustainable volumes and patterns of production and consumption and to ensure that the resource consumption per person becomes sustainable.

Issues

- Prevention of pollution
- Sustainable resource use
- Climate change
- Protection of the environment

Fair operating practices

Fair operating practices concern ethical conduct in an organisation’s dealings with other organisations. These include relationships between organisations and
government agencies, as well as between organisations and their partners, suppliers, contractors, customers, competitors, and the associations of which they are members. Behaving ethically is fundamental to establishing and sustaining legitimate and productive relationships between organisations.

Issues
- Anti-corruption and business integrity
- Responsible political involvement
- Fair competition
- Promoting social responsibility
- Respect for property rights

Consumer issues
Organisations that provide products and services have responsibilities to customers, consumers and end users, also if they operate in a business to business setting.
Organisations have significant opportunities to contribute to sustainable consumption and sustainable development through the products and services they offer and the information they provide, including information on use, repair and disposal.

Issues
- Fair marketing and contracting
- Consumer health and safety
- Sustainable consumption
- Consumer service
- Consumer data protection
- Access to essential services
- Education and awareness

Community involvement and development
Organisations have a relationship with the communities in which they operate. This relationship is strengthened based on community involvement which contributes to community development. Community involvement – either individually or through associations seeking to enhance the public good – helps to strengthen civil society.
Organisations that engage in a respectful manner with the community and its institutions reflect and reinforce democratic and civic values.

Issues
- Community involvement
- Education and culture
- Employment creation and skills
- Technology development
- Wealth and income creation
- Health
- Social investment
Appendix 2: The Anti-bribery and Corruption Policy
The Anti-bribery and Corruption Policy

1. Introduction

1.1 Purpose
This policy sets out ABN AMRO Group’s* (hereafter referred to as ABN AMRO) stance on bribery and corruption. It complements ABN AMRO’s core values and the standards of behaviour expected from the bank’s staff worldwide. It takes into account the latest national and international regulations and legislation. ABN AMRO’s policy position is that any form of bribery or corruption is prohibited. This applies to accepting, offering, paying, giving, soliciting or authorising bribes. This policy sets out ABN AMRO’s minimum standards. Where local laws are stricter than the standards contained in this policy, local laws will prevail. If, in exceptional cases, deviation from this policy is requested, such deviation must be discussed with business line management, who should liaise with Compliance to determine whether the request is acceptable and to record any such deviation along with the rationale for allowing the deviation. This policy should be read in conjunction with associated policies, such as ABN AMRO’s Gifts Policy, which sets out detailed policy requirements in relation to gifts and entertainment given to, or received from, clients and others.

1.2 Scope
This policy applies to all activities and operations of ABN AMRO, irrespective of their jurisdiction, country or business. The policy applies to:
- Members of ABN AMRO’s Executive Board
- Members of ABN AMRO’s Executive Committee
- Members of ABN AMRO’s Supervisory Board
- All ABN AMRO permanent employees
- All ABN AMRO temporary staff (e.g. temporary workers, advisors and consultants).
- ABN AMRO permanent employees and temporary staff are referred to here collectively as ‘staff’
- The engagement of third-party service providers by ABN AMRO or any individual or corporate entity associated with ABN AMRO (e.g. suppliers, agents and sponsors).

This policy applies to all public and private sector transactions in which ABN AMRO is engaged.

1.3 Background
The reputational and financial risks of the bank being involved in or becoming a vehicle for bribery and corruption are risks the bank takes seriously and wishes to mitigate. Corruption increases uncertainty in business and in the costs of transactions. It restricts international trade and reduces investment, and therefore growth, both within a region and globally. The international community has been aware of the negative effect corruption has on national economies and has enacted international agreements and domestic laws to help combat this. Bribery and corruption may be relevant to ABN AMRO in the following circumstances:
- Staff or third-party service providers accept or solicit bribes
- Staff or third-party service providers pay, offer or promise bribes
- Staff or third-party service providers authorise the actions above
- Clients misuse ABN AMRO’s financial and other services and/or facilities, e.g. to deposit or transfer the proceeds of bribes

* All ABN AMRO operations across the globe and all its subsidiaries and/or any entities in which it has a stake of more than 50% and/or management control.
Although corruption is regarded as an increased risk in relation to public officials, it is also relevant in the private sector.

1.4 Definitions

Bribery
This is the offering, suggestion, payment or authorisation of a payment to someone for their, or another person’s, personal gain with the intention either to motivate active or passive deviation from a duty or to secure the performance of a duty.

Bribe
A bribe is an inducement or reward offered, promised or provided to gain any commercial, contractual, regulatory or personal advantage.

Corruption
This refers to the state or situation resulting from providing, soliciting, authorising or offering a bribe.

Facilitation payments
See paragraph 2.2.

Payment
This is defined widely and need not be monetary in nature; it can be of any value, and include goods, services and information.

Public official
This is any official or employee of a state or its agencies, including those who have been selected, appointed, or elected to perform activities or functions in the name of a state or in the service of a state. It also includes any official or agent of a public international organisation, private individuals carrying out official state functions, and officials of state-owned enterprises. This is a wide definition, and Compliance or, if necessary, Legal will be able to provide further guidance.

2. Policy

2.1 Policy
All ABN AMRO staff and third-party service providers are prohibited from:

- Making facilitation payments
- Using another party to conduct any of the above
- Using vendors or suppliers that do not have high standards on bribery and corruption
- Processing funds known to be, or reasonably suspected of being, the proceeds of bribery or corruption.

ABN AMRO will carry out appropriate due diligence on its clients, agents, and suppliers to minimise the risk of being associated with acts of bribery or corruption. In addition, bribery and corruption risks are monitored and managed effectively in order to maintain a strong control system. Advice can be obtained from business line management as the first line of defence, who can seek further guidance from Security & Intelligence Management (SIM) and Legal or Compliance to the extent required. Infringements of this policy may result in ABN AMRO taking disciplinary action, including dismissal, and may involve criminal or regulatory proceedings for individuals and ABN AMRO.

This policy should be read in conjunction with ABN AMRO’s Gifts Policy. As it has been widely acknowledged that corporate gifts and hospitality, whether lavish or not, can be used as a subterfuge for bribery and corruption, it is important that compliance with this policy includes adherence to the rules within ABN AMRO’s Gifts Policy and the spirit of ABN AMRO’s zero-tolerance approach to bribery and corruption.

Examples of facilitation payments include but are not limited to:

- Obtaining or expediting a permit, licence or other official document or approval
- Securing police protection for a site against risk of theft or arson
- Facilitating the collection and/or delivery of mail
- Securing safe or prompt entry or exit from a jurisdiction or in relation to border controls or crossing
- The provision of utilities to a site, such as connection of water, electricity, gas or telephone services

2.2 Facilitation payments
Facilitation payments are typically small unofficial payments paid to speed up an administrative process or secure a routine government action by an official.
Facilitation payments should be contrasted with official, lawful, receipted payments (typically to an organisation rather than an individual) to expedite certain functions, e.g. where there is a choice of fast track services to obtain a passport.

ABN AMRO’s policy strictly prohibits any kind of facilitation payments made by employees, agents or third parties acting on its behalf.

If the safety or loss of liberty of staff or a third-party service provider is at risk, the payment should not be refused. In all circumstances, any demand for Facilitation payments must be reported to the local compliance officer immediately.

2.3 Indicators
The following are examples of relationships and events that could lead to a higher risk of bribery and corruption.

Fee payments
If an agent or intermediary is used to make introductions to officials of public or government bodies and agencies, steps must be taken to ensure that any fee paid by ABN AMRO is proportionate to the activity being performed and in accordance with local law.

No such fee payments may be made without the express approval of business line management, who may obtain advice from Compliance or, if necessary, Legal.

Charitable donations
When funds are donated in ABN AMRO’s name for charitable purposes, appropriate due diligence must be conducted to ensure that, if a public official or public body is associated with the charity, written agreement is obtained from line management.

Charitable donations must always be made directly to a recognised charitable organisation and not via another party or individual. In case of doubt, refer to line management, who may obtain advice from Compliance or, if necessary, Legal.

Sponsorship
There are special requirements concerning the bank’s provision of sponsorship activities, which are set out in the Sponsorship Policy.

Public officials
Appropriate due diligence must be conducted when public officials, their relatives or their close associates are invited to any entertainment provided by ABN AMRO, or when payments are made to them by or on behalf of ABN AMRO.

In assessing the amount of due diligence required, reference should be made to the Country Financial Crime Risk rating matrix of the level of corruption in a country and to ABN AMRO’s Politically Exposed Person (PEP) screening process.

Political donations
No political contribution to a candidate for public office, an elected official, a political party or political action committee may be made on behalf of ABN AMRO without prior approval from a member of the Executive Board.

Offers of employment
Care must be taken when providing work experience or employment to people that are connected to, or are relatives of, senior public officials. Although it is not prohibited to employ such staff, it is important to avoid any perception that any hiring is for an improper purpose. Where such hiring is being considered, approval from business line management must be obtained.

2.4 Advice and reporting
If a member of staff knows of an actual incident or breach of this policy or any attempt to bribe or otherwise engage in corruption, he/she must report this immediately, in accordance with the Reporting & Prevention of Security Incidents and Compliance Breaches policy or the Global Policy on Employee Whistleblowing. If there is suspicion or knowledge that funds held by ABN AMRO are intended to be used for, or are the proceeds of bribery or corruption, the responsibility is on the individual immediately to notify business line management, who should assist the individual in contacting SIM, Compliance or Legal.
2.4 Advice and reporting
Where a member of staff knows of an actual incident or breach of this Policy or any attempt to bribe or otherwise engage in corruption, he/she must report immediately, in accordance with the Reporting & Prevention of Security Incidents and Compliance Breaches policy or the Global Policy on Employee Whistleblowing. Where there is suspicion or knowledge that funds held by ABN AMRO are intended to be used for, or are the proceeds of bribery or corruption, the responsibility is on the individual immediately to notify business line management who should assist the individual in contacting SiM, (local) Compliance or (local) Legal.