

HUMAN-RIGHTS REPORTING

AS MANAGEMENT TOOL

By Herma van der Laarse

Reporting acts as a management tool, that is the experience of ABN AMRO. That is, if you use a report, whether it is an integrated report, a financial report or a specific topic report on for instance human-rights, as a means and not an end. Reporting helps in strengthening your management processes in the specific field of interest and shows the gaps and dilemmas to work on. In this article, Herma van der Laarse, Sustainability Reporting Specialist at ABN AMRO, explains ABN AMRO's approach to human-rights reporting and how this has helped the bank in its path towards respecting human-rights.

ABN AMRO is a bank based in the Netherlands that is primarily active in Northwest Europe and offers selective sector expertise globally. The bank wants to be recognized for sustainability and transparency. With a targeted stakeholder communication approach, we respond to our stakeholders' needs and also enter into dialogue with them on what they expect from us now and in the near future. This is also of crucial importance for our efforts in the field of human-rights. ABN AMRO has been active for many years on human-rights and followed the development of the UN Guiding Principles since they were conceived. 2015 marked the start of the bank's reporting journey on human-rights. In that year, ABN AMRO announced that it would be reporting on its ongoing efforts to implement policies and practices to respect human-rights by applying the UNGP Reporting Framework. This framework helps the bank to do so in a transparent manner and helps us to gain a better understanding of what the UNPGs mean for us as a bank as the framework is aligned with the UNGPs.

Gaining understanding of our salient issues

Our stakeholders increasingly emphasize the role that financial institutions can play in ensuring respect for human-rights and our human-rights report helps us in responding to their questions. But more impor-

tantly, the report is also a great starting point for us to enter into dialogue with our internal and external stakeholders and thereby learn what we still can improve in this field.

With the introduction of the concept of salience by the UNGP Reporting Framework, we started with gaining a good understanding of the concept of salience. Salience focuses on risks to people, not risks to business (ungpreporting.org). The process of determining our salient issues – “the human-rights at risk of the most severe negative impact through the company's activities and business relationships” (ungpreporting.org) – was very valuable for the bank, we involved internal business lines and support functions such as Legal as well as external stakeholders to think about salience for the bank. Furthermore it resulted in being able to make choices on what topics to commit the bank's resources. ABN AMRO's salient issues are: privacy, discrimination, labour rights and land-related rights.

Explaining the different roles of the bank

The publication of this report marks an important milestone in our efforts to revisit all our operations from a human-rights perspective. More than thirty ABN AMRO employees were interviewed about their work and related salient human-rights issues. Looking at the four salient human-rights, we realized that the way we implement our commitment on labour rights for our own employees is very different from our processes to determine whether our clients manage labour issues in their supply chains. Central to our human-rights approach is the impact we have through the various roles we play as a bank – service provider, employer, lender and investment services provider – and understanding our connection to potential impacts on people. When we understand the risks and opportunities in each role, we can use our leverage to try to make positive change. So we use these four roles to explain to colleagues and external stakeholders our possible roles in respecting human-rights.

Follow-up on the findings

Producing this report following the UNGP Reporting Framework allowed us to ask questions about how we manage the governance of respect for human-rights

UNGP REPORTING FRAMEWORK

“The UN Guiding Principles Reporting Framework is the first comprehensive guidance for companies to report on human-rights issues in line with their responsibility to respect human-rights.” (ungpreporting.org) The UNGP Reporting Framework consists of three parts: (A) Governance of respect for human-rights, (B) Defining the focus of reporting and (C) Management of salient human-rights issues.

and our salient human-rights issues. In this process, we identified gaps, dilemmas, success stories and we have set priorities on these three elements. Using a report as a means and not an end in itself, means that one acts upon the findings, results and priorities set in the report. Since the publication of the report, we are acting upon these findings. Our human-rights reporting approach focuses on a two year cycle, in that way allowing us to have sufficient time to act upon the results of the report, thereby making sure we in fact use the report as a means to stimulate improvement.

What did we gain?

Being the first financial institution to publish a human-rights report, it has allowed us to make next steps in our path towards respecting human-rights: It helped us in determining our salient issues and where to focus our resources on. It brought us internal awareness and external stakeholder engagement. Furthermore, it introduced the notion that our salient issues are not only related to corporate lending, but that every business line within the bank and every employee has something to do with human-rights, for instance regarding privacy or discrimination. It stimulated us to ask questions, thereby identifying gaps, disclosing our dilemmas, it helped us setting priorities and resulted in significantly involved internal stakeholders and serves as a base for further engagement with our stakeholders. Thereby truly acting as management tool, providing guidance on what to improve and helping the bank to follow up on the findings and live up to the actions included.



HERMA VAN DER LAARSE
Sustainability Reporting Specialist
ABN AMRO, is responsible for clear and up-to-date reporting of ABN AMRO's sustainability performance towards various target groups and sustainable rating agencies. She has co-developed ABN AMRO's human-rights reporting approach which resulted in ABN AMRO's first human-rights report.



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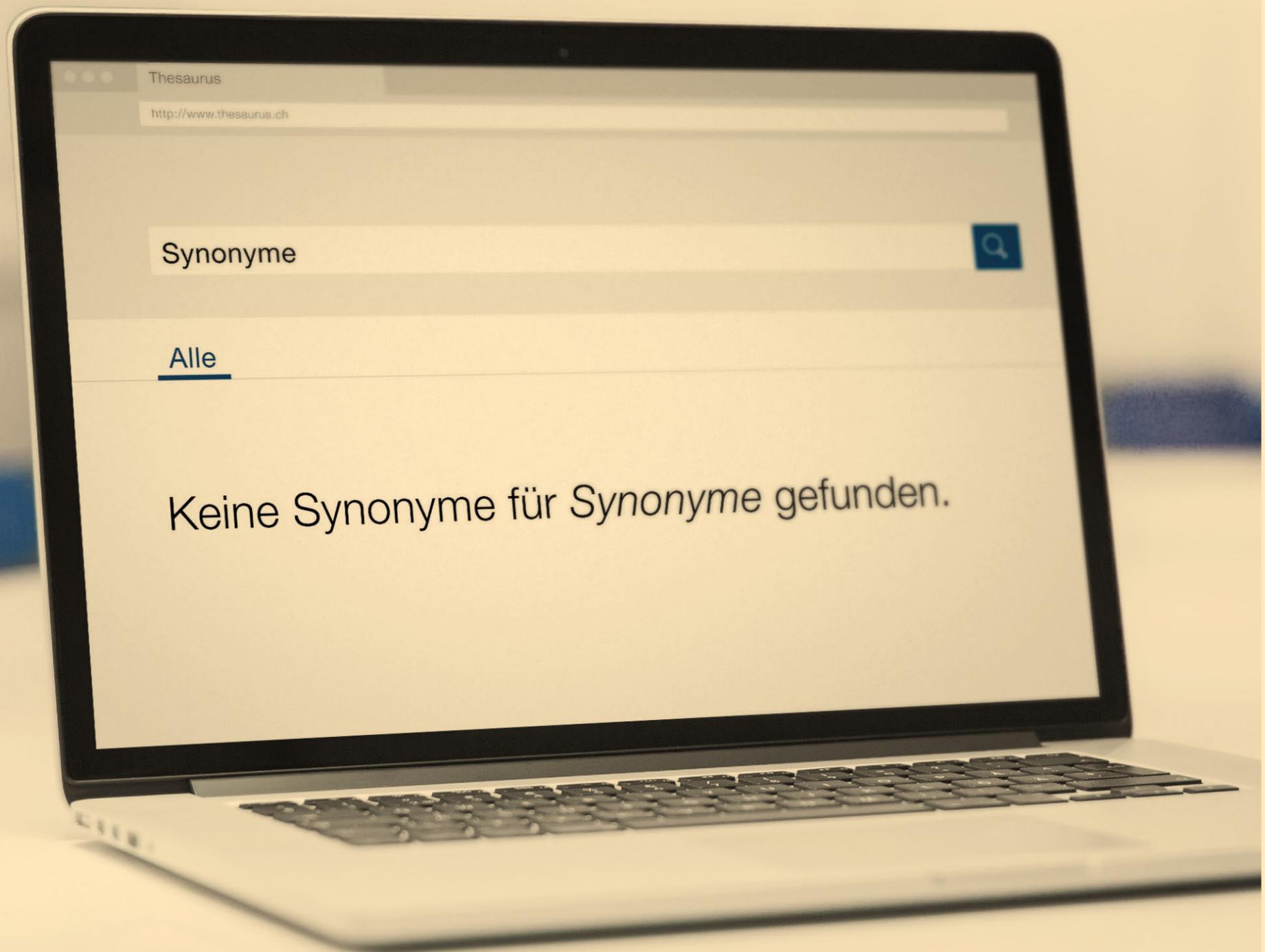
LABOUR RIGHTS

of ABN AMRO's own workforce, and the supply chain workforce of corporate clients and companies we invest in on behalf of private clients



LAND-RELATED HUMAN-RIGHTS

of local communities and indigenous peoples in relation to corporate clients or companies we invest in on behalf of private clients.



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CLS Communication AG
Sägereistrasse 29
CH-8152 Glattbrugg-Zürich

+41 58 900 70 00
info-ch@cls-communication.com
www.cls-communication.com