

# Rabobank's position on Wildcatch

Rabobank Group

## Our aim

Sustainability is one of the four core values of Rabobank Group, next to Respect, Integrity and Professionalism. We aim to contribute to the sustainable development of society in economic, social and ecological terms. In order to cope with risks related to global environmental change and resource scarcity, it is essential that supply chains become sustainable. Companies face a number of sustainability challenges. This implies that sustainable solutions need to be integrated in their daily business. Sustainable resource management will be key for the long term viability of their business. In our view sustainability is not an option but a condition for future prosperity. This implies that sustainability issues need to be integrated in daily business and that positive and negative impacts as a result of our clients' activities on society and on the environment throughout the supply chain need full consideration in our decision making processes.

Rabobank aims to positively affect the overall sustainability of the operations of our clients. Our clients in the fishery sector have to deal with sustainability issues in their business operations. We want

to contribute to the realization of a sustainable wild catch supply chain by *client assessment* and *client engagement*. The assessment of how our clients deal with material issues will be guided by our Code of Conduct and the Wild Catch Supply Chain Policy we have drawn up for this specific purpose; the policy is a supplement to the CSR section of our credit manual. It has been designed to support sustainable practices, sustainability being defined in economic, social and ecological terms. The philosophy behind the policy is 'positive engagement' (meaning constructive dialogue) with clients to identify and resolve CSR issues, thus enabling Rabobank Group entities to positively influence clients in CSR issues and avoid any risks to Rabobank. So, the engagement idea is to solve CSR related problems in partnership with the client and to meet challenges for the future.

This approach will enable Rabobank to gradually exclude certain undesired operational practices and to motivate clients whenever possible to work towards realizing more sustainable business operations. The wild catch policy embraces some binding conditions between the bank and the clients based on material issues we have determined in the fishery sector.

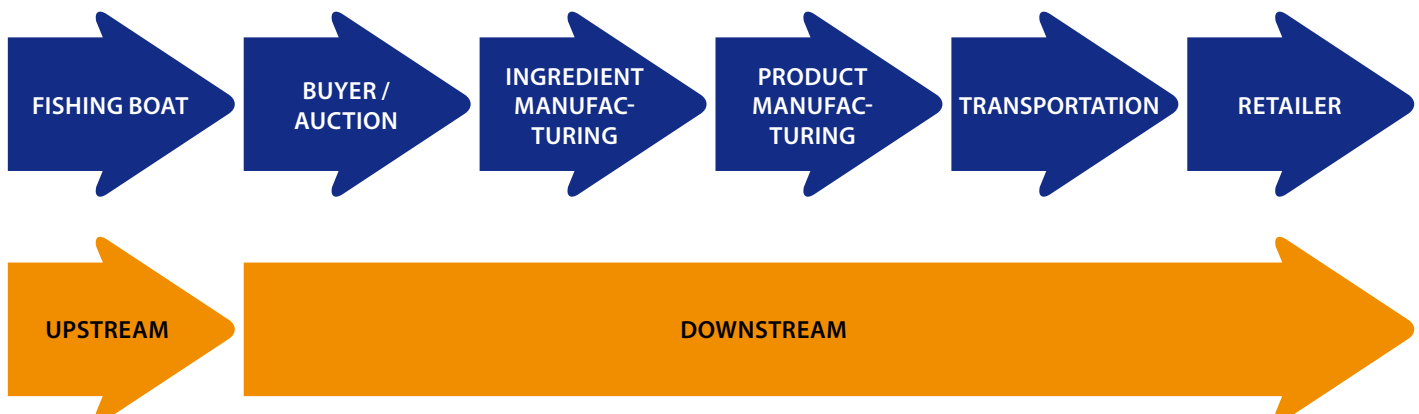
## Scope of our wild catch supply chain policy

Our Wild Catch Supply Chain Policy<sup>1</sup> applies to all commercial banking services such as credit facilities, project finance, advisory services and trade finance provided by Rabobank in the fishery sector.

The policy provides conditions for assessing upstream companies (fisheries). Downstream companies (fish processing industry, trading companies, wholesalers and retailers) will be assessed on how they take their responsibility in the supply chain.

<sup>1</sup> Because of the difference in issues in each sector, Rabobank has developed a separate policy for aquaculture.

## Simplified overview of the wild catch supply chain



## Material issues

Fish are caught in different ways and under different circumstances. Rabobank acknowledges that sustainability issues vary accordingly and moreover that regional and local differences can occur, depending on the economic, environmental and social contexts. Taking this into account issues generally associated with the wild catch industry, include:

- over-fishing (including by catch);
- catching and trading of endangered species;
- harm to the sea life environment and related loss of resources on which livelihoods (food security) are dependent;
- poor treatment of coastal communities;
- poor working and labour conditions.

- endangered species to refrain from unauthorized catching and trading of endangered species;
- catching methods to use catching methods that minimize the impact to other marine species and/or habitats and avoid the capture of non-target species;
- new operations to respect the right of, and involve, affected stakeholders before establishing new operations;
- food safety to apply food safety standards.

Rabobank believes that downstream companies play an important role in the sustainable wild catch supply chain. The extent to which downstream companies can exercise influence on sustainability issues depends among other things on their role and their impact in the supply chain. Therefore, Rabobank recommends companies to have a purchasing policy in place that pays attention to the sustainability issues for the fishery sector and the conditions for investments as mentioned for the upstream companies. In addition, we advise a company to apply food safety standards and to trace back which fish vessel has caught which species to avoid sourcing of endangered or threatened species.

## Rabobank's 'conditions for investments' for upstream and downstream companies

Our wild catch supply chain policy includes 'conditions for investments' for upstream and downstream companies based on the identified material issues as mentioned above. These conditions relate to (1) legality, (2) human rights, (3) certification, (4) overfishing, (5) endangered species, (6) catching methods, (7) new operations, (8) food safety.

### Rabobank requests a company with regard to:

- legality to show the legality of its operations and comply with all applicable local, national and international ratified laws and regulations;
- human rights to work in accordance with the Human rights guidelines as described in the Human Rights policy of the Rabobank Group;<sup>2</sup>
- certification to take action to become certified under a credible scheme, for example Marine Stewardship Council (MSC) standard for sustainable fishing;
- over-fishing to conduct the fishery in a manner that does not lead to over-fishing or depletion on one hand and that demonstrably leads to the recovery of populations that are depleted on the other hand;

## Monitoring progress in sustainable management

Rabobank is aware that the process of implementing sustainable management standards and practices is challenging and takes time. We accept that some clients are more advanced than others, as long as clients are able to show significant progress in implementing environmentally and socially responsible management practices and responsible purchasing. If we have reason to believe the client does not comply with the abovementioned conditions or shows insufficient progress in integrating sustainability measures in daily operations, we will engage with the client to achieve the desired improvements within an arranged time frame.

## Engagement practices to contribute to improvements

There is no single, globally applicable sustainable management solution. As issues can vary widely from one region to another, improvements towards sustainability can vary accordingly. Nonetheless, sustainability principles can be applied across different regions and climates. Rabobank is convinced that a sustainable fishery industry can be achieved through the use of new technologies and improved management techniques in combination with attention being paid to working and labour conditions. Rabobank chooses therefore to adopt an active and positive engagement approach to contribute to improvements in the sector.

<sup>2</sup> The Human Rights Policy is based on the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, as well as the four fundamental labour norms expressed in the core conventions of the International Labour Organisation (ILO)..

For example, we will encourage companies to be *transparent* on their current fish production or procurement and their plans to increase the portion of sustainable caught fish among other things. We will also encourage companies to deploy *good practices* such as - among other things - setting up a track and trace system to identify sustainably sourced fish food, using energy efficient vessels or securing sufficiently healthy and safe working conditions or providing a sufficient remuneration for their employees.

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