

RABOBANK GROUP'S APPROACH TO GENE TECHNOLOGY

The Rabobank Group expects that gene technology will be able to make a major contribution in the coming decades to solving social problems in respect of food security and public health and to developing environmentally sustainable production processes.

The Group is aware of the doubts that many still have regarding this technology. For this reason, the Group believes that great care should be taken in the application of gene technology by all parties concerned.

The Group is willing to be involved only in those activities with the potential to deliver added value to the users of the products in which gene technology is incorporated and which, at the same time, show due regard for the safety of people, nature, the environment and animal welfare.

The Group believes that all parties concerned should handle the interests of the community with care and should communicate openly with their stakeholders. It is under these conditions that the Rabobank Group is willing to be involved in this technology as a financial services provider.

Explanatory notes:

The Rabobank Group is a prominent worldwide provider of financial services in the food & agri-business sector. In this role, it is related to the problems of food security and food safety. The Group strongly believes that the application of gene technology can offer a solution to the requirement to continue to feed the rapidly growing world population into the long-term future. This is another reason why it is willing to be involved in this development as a financier.

The Group is aware of and also respects the concern that exists in some parts of the community regarding the possible negative effects of gene technology. For this reason on 25 August 2000, following consultation with experts in the fields of science, ethics, the environment and consumer affairs, the Group published its own code of conduct regarding GM. The Group's aim in so doing was to express explicitly its policy to its customers, employees and society against a background in which clear legislation and regulations were lacking.

Since 2000 the use of gene technology has undergone rapid development. New applications are arising in quick succession. The world production of GM crops, products and the trade in them has grown exponentially in recent years. At the same time, more knowledge and experience have been acquired about the risk and the risk management associated with genetically modified organisms (GMOs). In more and more countries legislation is being adopted that relates specifically to the application of gene technology to people, animals, plants and microorganisms. Given this, the freedom of choice of the food producer and consumer in these areas is being ever more explicitly safeguarded by law. For these reasons, the Rabobank Group believes that the use of a code of conduct in this area has become less relevant for the Group, but the need remains for the Group to establish a clear position on how to handle new developments in this area that are not yet covered under law.

Developments in the field of gene technology are moving so quickly that existing legislation and regulations are unable to foresee all future possibilities, while it is precisely the latest developments in this field that should be evaluated with great care. For this reason the Rabobank Group continues to

feel the need to clearly state its position with regard to this subject matter. This revised approach has the character of a positioning statement yet it does not precede a standardised checklist, with the consequence that each individual credit application relating to gene technology will be evaluated within its own specific context.

Given the concern felt by many within society regarding the risks of and ethical objections to the gene technology, the Rabobank considers it important that all parties involved in this technology take account of these feelings and views. It also expects that all involved parties will exercise transparency about their activities and aims.

In making a decision about the financing of GM activities, the Rabobank Group will certainly allow itself to be guided by the degree of transparency in the companies involved. To form its own opinion of this subject matter, the Rabobank Group maintains a dialogue with scientists, ethicists, politicians and social organisations. Should any of the Rabobank's own employees face a dilemma, the individual concerned may ask the opinion of the Rabobank Group's Ethics Committee.

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