

Animal welfare and aquaculture policies

Rabobank Group



Introduction

As a cooperative bank we use our industry knowledge, networks and financial solutions to help customers transition to a sustainable future and help move ‘the system’ in a more sustainable and just direction. This is about increasing positive impact and reducing negative impact. Because we know: change is needed.

And we want to contribute to that as a cooperative bank. To us that means we act on climate, value nature and enable people. While the composition of our portfolio means that most of our focus is on helping our customers and their sectors transition to that sustainable future, we also make conscious choices in growing our portfolio in a more sustainable manner.

We use policies to set minimum requirements which clients and business partners are expected to meet. This also holds in relation to animal welfare, notably in livestock farming, and for the aquaculture and fisheries sectors.

Animal welfare

Animal welfare is the wellbeing of animals, which from a human interaction perspective, includes providing for their physical and mental needs. Animal welfare is recognized by relevant industry standards and to varying degrees addressed in local legislation.

Good animal welfare implies that an animal is healthy, well-nourished, safe, comfortable, able to express innate behavior, and that it is not suffering from pain, fear nor distress. It also requires disease prevention and veterinary treatment, appropriate shelter, management, and humane treatment.

Rabobank recognizes the importance of the Five Freedoms and is aware that its own economic activities and that of its clients and business partners can contribute to impacts on animal welfare. At the same time, Rabobank is mindful of regional differences in current practices and believes these need to be carefully considered when developing policy requirements.

Rabobank believes in positive engagement with external stakeholders such as clients and business partners, sector associations, and society on the topic of animal welfare, to ultimately enhance animal welfare.

Aquaculture and fisheries

Fish farming and wild catch contribute to the provision of nutritious food for local, national and international markets, and they generate income that supports local and national economies. However, the seafood sector is also linked to potential adverse impacts on the environment and livelihoods, with increasing demand also challenging future fish production.

In this sector, both upstream activities, and midstream processing, can cause and contribute to material adverse impacts on: people (e.g. food security for local communities); animals (e.g. welfare within fish farms); the environment (e.g. pollution of surface water); and social and environmental impacts further up or down the value chain.

Rabobank believes that fishing can be sustainable and supports initiatives that aim to make the fishing industry value chain more sustainable.

The policies

We distinguish between impacts in our direct control and those that are indirectly created through our relationships with clients and business partners. We therefore set requirements for our own activities ('Rabobank's own activities') and for our clients and business partners ('acceptance requirements' and 'performance monitoring'), to the extent applicable.



*Rabobank's
own activities*



*Acceptance
requirements*



*Performance
monitoring*



Animal welfare

Scope

This paragraph of this Standard applies to all clients and business partners that are active in livestock farming and its value chain, from rearing animals, to transportation, processing (slaughter) and food manufacturing, including but not limited to meat, dairy, eggs and leather. Aquaculture and fisheries are not in scope of this paragraph.

It also applies to those clients and business partners that are active in businesses related to animals used for experimental purposes. The animals referred to in this respect are animals that are used in research for the testing of products to be used on humans. Research for the betterment of animals or agricultural systems (e.g. research to measure methane emissions) is out of scope.

Regarding livestock farming, we distinguish between the following sub-sectors: dairy cattle, beef cattle, pigs, poultry, sheep and deer. In addition, we distinguish between requirements for activities in the up and midstream value chain. Clients and business partners can be active in one or more sub-sectors and one or more parts of the value chain. Therefore, one or more of the requirements set out in this paragraph can apply.

- Upstream activities are those on the farm itself, involved in the reproduction and growth of livestock, including breeding, milking, feeding and fattening.
- Midstream activities are those that don't involve the reproduction or growth of livestock, nor consumer facing activities, e.g. abattoirs, traders, storages, packagers, transporters and distributors.

Acceptance requirements

Rabobank assesses clients and business partners and their activities against specific acceptance requirements, which are split into client and business partner-level and activity-level.



Client and business partner-level

We do not accept clients or business partners that:

- do not comply with laws and regulations on animal welfare of the jurisdiction in which the client operates;
- are not willing to enter into a dialogue about improving animal welfare practices.

Livestock farming - upstream

For upstream clients or business partners in livestock farming:

- Regarding feed and water, we do not accept those that:
 - do not provide continuous access to drinking water appropriate for age classes of animals and climatic conditions;
 - do not provide all age classes of animals with access to sufficient quantities of feed needed for maintenance, production, reproduction, condition gain, activity, and/or growth.
- regarding husbandry practices performed on cows (i.e. dairy and beef herds), we do not accept those that engage in routine tail docking;
- regarding shelter, we do not accept those that:
 - for dairy and beef herds, and in case the animals are fully housed indoors, routinely use tie stalls¹;
 - for dairy herds in the Netherlands, in case the animals are primarily housed indoors, do not have the possibility to provide a type of grazing opportunity by 2026. This applies only to new clients;
 - for horses, use tie stalls².
- regarding housing of poultry in the Netherlands, we do not accept new clients nor new financing requests of existing clients for expansion or renovation of cages.



Livestock farming – up and midstream

For up and midstream clients or business partners in livestock farming, we do not accept those that:

- do not handle animals in a reasonable manner or intentionally cause the animals unnecessary pain, distress or other harm. Examples include inflicting any blow or kick to any animal, or strike or apply pressure to particularly sensitive parts of the body (e.g. eyes, nose, ears, tails).
- When transporting livestock, we do not accept those that:
 - use modes of transport that are not fit for purpose;
 - transport animals that are not fit for travel.

Livestock farming – midstream

For midstream clients in livestock farming:

- Regarding slaughter we do not accept those that:
 - Use non-accepted stunning techniques³;
 - Suspend or hoist animals whilst they are still conscious⁴.
- Regarding stunning and slaughter equipment we do not accept those that:
 - Do not have an operating plan that covers maintenance and cleaning procedures of equipment as well as having suitable back-up equipment that is easily accessible at all time for use in an emergency.

Animals used for experimental purposes

For clients or business partners using animals for testing of products to be used on humans, we do not accept those that:

- use endangered species or non-human primates for any testing or experimental purposes; non-human primates being apes (gorillas and chimpanzees) and monkeys;
- do not have a 'Three Rs policy' in place⁵.

Activity level

We do not accept activities related to the:

- production, trade and processing of angora wool from rabbits;
- production, trade and processing of fur;
- traditional foie gras production and trade;
- animal fighting for entertainment;
- cultural events and other uses of animals including marine animals or fish for entertainment purposes;
- cloning of animals for commercial purposes.

Livestock farming

At activity level:

- Regarding housing of pigs in the Netherlands, we do not accept new financing requests of existing clients for expansion or renovation of standard farrowing crates for sows. This excludes refinancing requests of existing facilities.

Animals used for experimental purposes

We do not accept activities related to using animals for testing of products to be used on humans in case:

- after specific evaluation, the purposes of the experiment/research (i.e. its anticipated benefits) are considered not to be justified⁶;
- the client cannot demonstrate that the benefits outweigh the harms and that specific attention has been given to maximizing the benefits and minimizing the harms, through a harm-benefit analysis;
- after the experiments have finished, the wellbeing of the animal cannot be guaranteed, the animal is not euthanized by an approved method, as soon and as painless as possible;
- persons who carry out or take part in experiments are not scientifically competent and do not have the appropriate education and training. Any associated animal breeding, supply and user establishments must be approved by the competent authorities.

Performance monitoring

Livestock farming

We can request supporting information on our accepted clients' and business partners' controls and progress in the upstream value chain that demonstrate:

- they apply (topical/ local) anesthesia when performing husbandry procedures;
- they provide appropriate housing environments or shelter, considering climatic conditions;
- they phase out the use of antibiotics as growth promoters;
- antibiotics are used under the direction of a veterinary surgeon, following diagnostic testing;
- the choice of breeds and breeding objectives also considers animal welfare;
- a health care program is in operation, supported by periodic testing of the animals and remedial action being taken when necessary.



Aquaculture and fisheries

Scope

This policy applies to all clients and business partners that are active in aquaculture (fish farming), fisheries (wild catch) and seafood processing, unless explicitly specified.



Rabobank's own activities

Regarding aquaculture and fisheries, for activities in our direct control we will:

- promote sector initiatives such as the Marine Stewardship Council (MSC) and the Aquaculture Stewardship Council (ASC).



Acceptance requirements

Rabobank assesses clients and business partners and their activities against specific acceptance requirements, which are split into client and business partner-level and activity-level.



Client and business partner-level

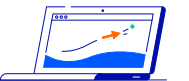
We do not accept clients or business partners that are involved in:

- illegal, unrecorded and unregulated (IUU) fishing, fishing related activities and processing;
- hunting of marine mammals and shark finning;
- the use of dynamite and poison in fishery practices;
- drift net fishing in marine environments using nets in excess of 2.5 km in length.

Performance monitoring

Regarding aquaculture, we can request supporting information on our accepted clients' and business partners' controls and progress that demonstrate they:

- work towards becoming certified under a credible scheme, e.g. ASC standards or the Best Aquaculture Practices;
- undertake social and environmental impact assessments, aligned with international standards ISO 14001 or OHSAS 18001, prior to establishing new aquaculture operations, and incorporate results into planning, management and operations;
- track feed currently used as an alternative for fish oil and fish meal used as feed⁷.



Regarding fisheries (wild catch), we can request supporting information on our accepted clients' and business partners' controls and progress that demonstrate:

- for those country/specie combinations where MSC or equivalent is available, work towards becoming certified under a credible scheme; the MSC standard for sustainable fishing or equivalent.

Regarding seafood processing, we can request supporting information on our accepted clients' and business partners' controls and progress that demonstrate they:

- have a sourcing policy in place. Notably regarding purchasing practices, traceability and certification in their value chain and the application of food safety standards.

Implementation

Rabobank embeds these acceptance requirements and performance monitoring in its business operations taking into account the applicable and relevant finance practices, thresholds per client and business partner type, different impacts per sector and region, and risks and controls that are applicable in the specific business operations and subsidiaries. As a result, requirements may be implemented differently across business operations and subsidiaries. In light of ongoing regulatory and societal changes, our sustainability policies are regularly reviewed and updated as necessary. This means that implementation is a continuous process, and there may be instances where parts of our policies are not fully implemented at a given time.

Rabobank supports its clients and business partners on their journey to become more sustainable and acknowledges that they might need time to fully meet the requirements mentioned in this policy. A limited number of exceptions can be made, in line with internal governance.

Our commitments

Rabobank is involved in sector initiatives and has joined commitments that relate to animal welfare and aquaculture:

- OECD Guidelines

Endnotes

¹ This relates to new clients and new financing requests of existing clients for expansion or renovation of such environments and excludes re-financing requests of existing facilities.

² This does not apply to livestock producers that use horses, for example, to travel across their property.

³ Acceptable methods of stunning include captive bolt and electrical stunning.

⁴ This does not apply to poultry.

⁵ The Three Rs principle entails the following: 1) replace the use of animals with alternative techniques, or avoid the use of animals altogether; 2) reduce the number of animals used, and 3) refine the way experiments are carried out, to minimize animal suffering.

⁶ Justified purposes would be a) treating diseases or health problems in humans, animals or plants; b) treating physiological conditions in humans, animals or plants; or c) for the protection of the natural environment in the interests of humans or animals.

⁷ For example, by purchasing from suppliers with Global Standard for Responsible Supply (IFFO RS) certification.



Rabobank