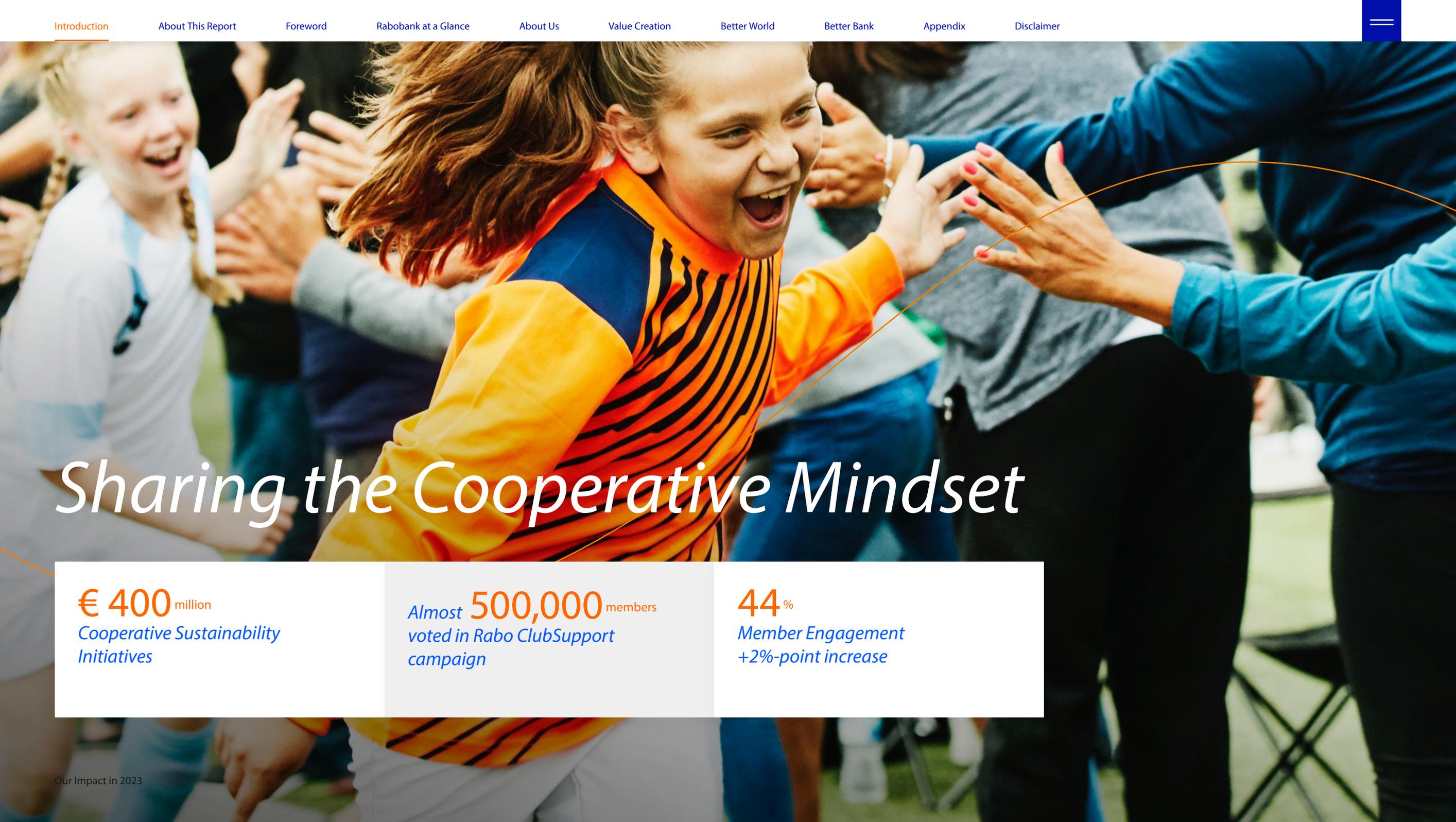




# *Our Impact in 2023*



# Sharing the Cooperative Mindset

€ 400 million

Cooperative Sustainability Initiatives

Almost 500,000 members  
voted in Rabo ClubSupport  
campaign

44%

Member Engagement  
+2%-point increase



# *Growing a better world*

## **Act on Climate**

*On or below 1.5 °C pathways*

## **Value Nature**

*Back to planetary boundaries*

## **Enable People**

*A more inclusive society  
for customers, communities  
and workforce*

# Being a better Bank

**94%** of our employees feel that in their immediate work environment everyone is treated equally and with respect

**250 startups** connected with corporates and investors on a monthly basis

Over **2.2 million** customers use the personal-insight features in our app every month

# About This Report

## Our Impact in 2023

There is great urgency to transform our economies and societies to more sustainable ways of living and working. At Rabobank we want to contribute to this enormous challenge. From our cooperative mindset we aim to contribute to a better world by focusing on the transitions which matter to us and our stakeholders now and in the future. Worldwide there are big steps to take. These challenges require us to cooperate but that is how we started 125 years ago and how we worked ever since.

By means of this Impact Report we intend to give our stakeholders an impression of how we endeavor to make a positive impact on the societies we serve and how we aim to contribute to the transitions we deem necessary. We are nonetheless aware that the eventual and actual impact of our initiatives obviously depends on many factors, such as economical changes, customer behavior and changes in regulations. As we are making a contribution to a more sustainable society, we also realize that the indirect impact from our lending portfolio i.e. our clients' activities is not only positive. For example, if we look at our impact on climate, the reality is that our clients emit Green House Gas (GHG) in one form or another. Whether it is a transport company whose trucks emit CO<sub>2</sub>, a farmer whose dairy cows produce methane, or a homeowner heating his/her house.

## Annual Report

This Impact Report was published on March 7, 2024, together with our Annual Report 2023. In that report we present a detailed overview of our financial performance over 2023 and the progress we have made on our strategy. The Impact Report must be seen in congruence to the Annual Report.

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## Better World



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## Better Bank



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## Act on Climate

Growing a better world together. Actively involved in future-proof business.



## Value Nature

Restoring nature is positive impact for all. Sound natural foundation enables strong economies.



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## Enable People

From out the cooperative mindset we collaborate with partners and communities shaping the future.

# Foreword

At the heart of the historic city of Utrecht, just a stone's throw from our head office, in 1898 the founders of Rabobank put their names to the plan to establish a cooperative. Their initiative to institutionalize the collaboration between small, local agricultural credit unions helped the member farmers keep their businesses financially healthy.

In autumn 2023, I visited that historic site and sat in the room where the founders meeting took place of the Centrale Raiffeisen-Bank, one of the two predecessors of the present day Rabobank. I was interested to see where it all started. As I stood outside that timeworn building in the city centre, I wondered what those founders' expectations would have been for their cooperative. I do not think they could ever have imagined that 125 years later their idea would have been transformed into a bank like the Rabobank we know today.

When I was appointed over a year ago as the first non-Dutch national to lead this cooperative bank, I described it as a *schone* bank. I used this typically Flemish word (meaning "beautiful") primarily to commend Rabobank for all the good things that the bank does and stands for as a cooperative bank with a societal mission. After my first full year as chair of the Managing Board, I know that this description is still apt, and it is my ambition, and that of my fellow board members, to turn this fine bank into an even better one: a cooperative bank that can make an even greater impact for its customers and for society.

In the second half of 2023 we came together to celebrate the bank's 125th birthday. I believe we have many causes for celebration, because in that long period the bank had many achievements to its name. We can be justly proud of the many things Rabobank has worked on with others to bring about in the many years since that founding meeting in 1898. Of course, the scope of this Impact Report and Annual Report does not go back so far. Here we focus primarily on what happened in 2023.

The past year was characterized by rising geopolitical tensions. These conflicts often made themselves felt in the world in which we as a bank operate. It was also a year of rapidly rising interest rates and economic slowdowns in almost the entire world. To say it was a challenging environment is to put it mildly. Yet in the end Rabobank performed very well. Of course, higher interest rates were a driver, but we also achieved good results in our business in the Netherlands, in our activities as the leading global bank in Food & Agri, and at our vendor leasing subsidiary DLL. Taken together, these factors resulted in our best-ever performance and a profit of over EUR 4 billion.



This result gives us even more opportunities to make a difference to society as a cooperative bank. As part of our activities to mark our 125th anniversary, we allocated a total of EUR 400 million (including our annual cooperative dividend) to support our customers, members, and our employees in making the transition to a more sustainable future. For instance, we established a Rabo Cooperative Insulation budget of EUR 128 million to accelerate sustainability measures in the housing market. Specifically, a budget of EUR 1,000 is available to help our mortgage customers who live in a property classed as energy label F or G to insulate their home. We have also allocated EUR 75 million to the *Rabo Transitiefonds* to help fund local energy projects through the *Nationaal Groenfonds*. Another EUR 51 million has been invested in the Rabo Sustainability Contribution to SMEs (*Duurzaamheidsbijdrage MKB*) through which we will contribute up to 12.5% (capped at EUR 10,000) of the investment made by loyal SME customers to become more sustainable. We also launched a Cooperative Sustainability Contribution (*Coöperatieve Duurzaamheidsbijdrage*) of EUR 10 million. In this project, our 78 local banks in the Netherlands have EUR 125,000 to spend on local projects set up by customers and members to help solve societal issues. Finally, at the end of the year all our employees were given a personal sustainability budget of EUR 1,250 euro to invest in making their homes and living environment more sustainable. This represents an investment of EUR 96 million by the bank.

Even before we announced these initiatives, I learned that our employee engagement scores were at their highest level ever. Added to this, our customer satisfaction scores are good, not only in the Netherlands but everywhere we operate in the world. As a Managing Board we are extremely proud of these results. Once again, I would like to express my heartfelt thanks to our customers and employees for their feedback.

As I mentioned, 2023 was a challenging year in many respects. The first signs suggest that 2024 is unlikely to be any different. This year, more than half of the global population will go to the polls. Elections in countries including the United States, Russia, India, and across the EU will redetermine the world order. At the same time, we face tackling global problems such as climate change and migration. In these geopolitically turbulent times, there are major challenges for politicians and businesses and joint action is crucial.

Here at Rabobank we strongly believe in the power of cooperation, that is interwoven with our mission of “Growing a better world together.” We want to work together to make the world a better place for our customers, our members, and our employees. To make sure we get even better at that, we updated our strategy in 2022. We believe that by simplifying our organization, focusing more intensely on our customers, and giving clear ownership to our people, we will get even better at what we do. Then we can make this fine bank an even better one. A bank with more impact on society than the founders could ever have imagined 125 years ago.

I am proud to invite you to read about our achievements in our Impact Report.

**Stefaan Decraene**

Chairman of the Managing Board Rabobank



# Rabobank at a Glance

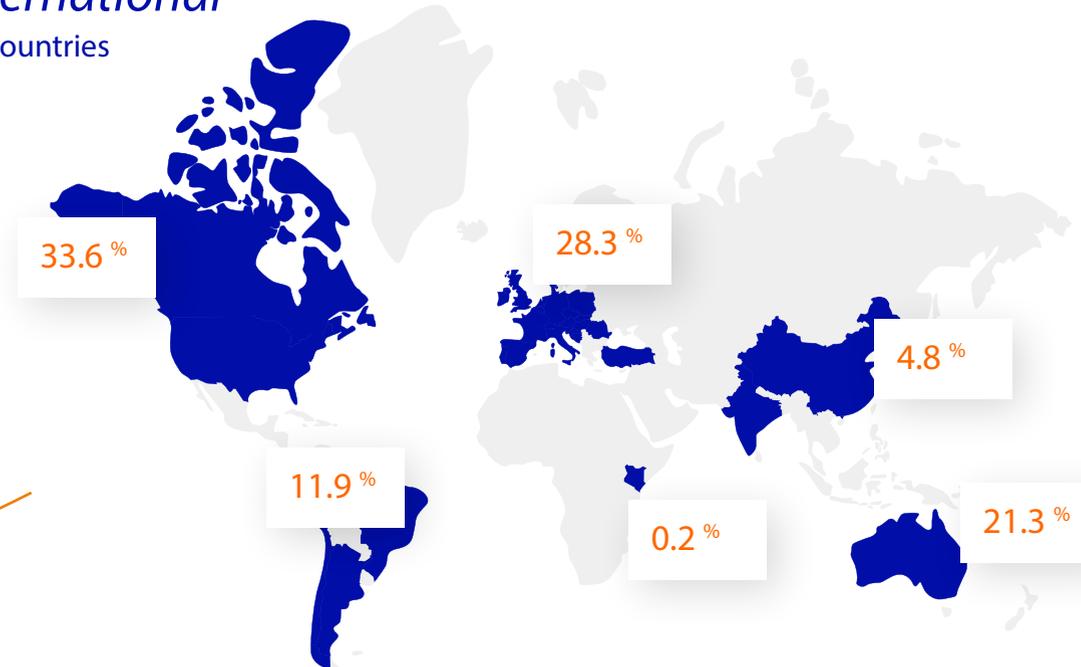


*Our mission*  
Growing a better world together

*The Netherlands*  
78 Local Rabobanks



*International*  
36 Countries



## What We Offer in the Netherlands

(amounts in EUR billions)

- Dutch Residential Mortgages: 193.8
- Lending to Food & Agri: 42.2
- Lending to Trade, Industry and Services: 75.3
- Number of point-of-sale terminal transactions: 2.2 (billions)
- Savings: 163.0
- Assets Under Management: 57.6
- Leasing: 1.3
- Number of BPD transactions: 4,239
- Insurance Commission: 0.3

14

Regions

8.3 million

Private Customers

2.3 million

Members

0.8 million

Business Customers

## What We Offer internationally

(amounts in EUR billions)

- Lending to Food & Agri: 72.6
- Lending to Trade, Industry, and Services: 40.2
- Leasing: 40.5

# Profile

## Our History

Rabobank grew out of small credit unions founded by farmers and horticulturists dating back to the end of the 19th century. These farmers wanted to modernize in order to meet increasing demands, but had limited or no access to credit. They solved this problem by founding credit cooperatives. The farmers were not shareholders but members working together on structural solutions to the challenges they faced, while also sharing their gains with others. The success of this cooperative model attracted other citizens who brought their savings to the local "banks."

As these cooperatives worked locally, they needed a central bank to support them in various areas. This is why they founded what is today the cooperative Rabobank. Today we work with 49,132 employees (FTE) in 37 countries. Our international focus is on the Food & Agri sector and vendor finance. In the Netherlands, we also offer private and commercial customers a wide variety of financial products and services. Rabobank Group also includes BPD, Obvion, and DLL, which provide, respectively, real estate, mortgage, and leasing solutions.

## *Rabobank plays an active role in society*

Given the cooperative's strong local presence, Rabobank plays an active role in society. Local Rabobanks continue to help build strong, liveable communities in municipalities and regions. And internationally, Rabobank helps rural, wholesale and vendor finance customers continue to innovate and become more sustainable. This is how we are turning on our mission into reality: Growing a better world together.

## Our Cooperative Governance

We are a cooperative with members. Customers can demonstrate their involvement in the bank by becoming members. More than 2 million customers are currently members of Rabobank.

Since the founding of the first credit cooperative in 1895, Rabobank's governance has been regularly adapted to reflect social developments, changes in the banking sector, and strategic considerations. On January 1, 2016, all Dutch local cooperative Rabobanks and the cooperative central organization were merged into one cooperative with one financial statement and one banking license: Coöperatieve Rabobank U.A. (Rabobank).<sup>1</sup>

This fundamental governance change was intended to strengthen both the cooperative and the bank, as well as the unity between the two. The opinion of members influence the governance locally, regionally, and centrally. This important, disciplining role is anchored in the governance at all levels. The tasks and responsibilities of the governance bodies are formalized in the Articles of Association and the regulations and are discussed in general terms in the Corporate Governance section of our Annual Report 2023.

<sup>1</sup> The abbreviation "U.A." stands for the "uitgesloten aansprakelijkheid" ("excluded liability") of the members.

# The Cooperative Mindset

Our mission, vision, values, behaviors, strategy, and our distinctive and cooperative form of stakeholder engagement are the fundamentals of how we operate and create value.

## Our Mission

Each generation faces its own unique challenges. And in every era, people have joined forces in search of solutions. That is how we started 125 years ago, and how we have worked ever since. As a cooperative bank. We will continue to do so, because the future, too, is cooperative. We aim to contribute to the transitions needed in society and help our customers to grow and manage their challenges and transitions.

## Growing a Better World Together

We embrace innovation, growth and sustainability. We invest in our global and local networks to benefit both our customers and members. Together, we ensure that we stay financially healthy, and our living environment is future proof. We will hold on to our mission, "Growing a better world together" and further integrate sustainability in the way we operate. We focus on global transitions related to energy and food systems



## Our Values and Behaviors

Our values are central to all our thinking, considerations and actions. They form our identity, the core of who we are as an organisation. Our values are universal. The associated behavior may be different depending on the context. Our behavior makes our ambitions and intentions visible. Therefore, it is important that we can all translate

the values and behaviors into our daily work. And that we see how we can all contribute to the mission of our organization.

- We are customer driven - 'I prioritize customers'
- We are cooperative - 'I connect society'
- We are professional - 'I simplify'
- We take responsibility - 'I take ownership'

## Our Ambitions

### Strengthen our leading position in the Netherlands

As interaction is our lifeline, we strive for relevant and digital day to day customer interaction. With additional attention during and after life events. In line with our ambition to be a banking partner for life and meaningful cooperative. To build new and deepen existing customer relationships.

Balanced growth is key. As we compete in a competitive, consolidating and mature market, we need to build scale and shift from tailor made to standardized IT solutions. Adaptivity and digital ease are prerequisites to meet continuously changing customers expectations. We will digitize our core products as much as possible, without losing our cooperative 'touch'. But digitization alone will not suffice. We need to be cost efficient and competitive with our segment propositions, for long term success.

We aim to be a transition leader and accelerator. And as a banking partner for life, we care about the financial well-being and inclusion of our customers.

### Be the Food & Agri bank of choice globally

We want to expand our position as the preferred bank in the Food & Agri sector, whilst growing in line with our sustainability agenda. The Food & Agri sector will continue to grow. We facilitate and finance the development of the food system transition and help the Food & Agri sector become more sustainable. We reach out to our customers and ensure long term relationships by leveraging our Food & Agri knowledge, presence in the global food supply chain, extensive network and high quality products.

### Be the market leader in vendor finance globally

Our purpose is partnering for a better world. We want to expand our number one position as global vendor finance partner by enabling sustainable business growth through our point of sale solutions. Our unique positioning provides relevance and the ability to add value for both vendors and end customers.

DLL is strongly positioned to continue to grow its business by expanding our existing partnerships and attracting new vendor partners. As the economy is moving from ownership to more sustainable solutions, we aim to further enhance our leading product portfolio with life cycle asset management and pay per use services and play an active role in the energy and food system transition to seize market opportunities in new asset classes.



### Project case

## Music Association 'Liefde voor Harmonie'

Music association 'Liefde voor Harmonie' from Roelofarendsveen recently conducted a successful campaign to keep their home base. The municipality was planning to sell the old Ignatius School, the building where musicians have been coming together to rehearse for many years. But now the association, with the help of Rabo ClubSupport, is the owner of the building.

Thanks to financial support from Rabobank, the association was able to purchase the building and make it more sustainable. They installed a new kitchen and renovated the pipework, among other things. The building is also insulated and 22 solar panels have now been installed on the roof of the building.



# 22

Solar panels installed  
for Music Association

# Meaningful Change: Cooperative Sustainability Initiatives

## 125 Years a Cooperative

In 2023, Rabobank celebrated its 125th anniversary as a cooperative bank. "Together" is the word that has fit seamlessly with our cooperative from the start. We do not have shareholders, but members and we give part of our profits back to society. In this way we help our customers move forward every day. We always look for the solution that is best for them and the world around them.

*Celebrating the 125th anniversary, we collected stories to share in our Jubilee Magazine. From how it all started, to where Rabobank is now and how we manage banking in transitions. The magazine can be found [online](#).*

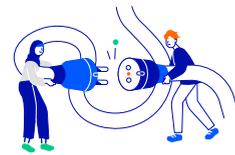
## Cooperative Initiatives

We made EUR 400 million available for our customers, members, partners and employees to give an extra impulse to helping them become more sustainable. As a cooperative bank we are able to offer these advantages to our customers, members, partners and the communities we work in, as we have been doing for the last 125 years. This way we are building on our cooperative tradition to join forces with our customers, members and partners to grow a better world together. These initiatives include our regular social and societal contributions to the local communities and the energy and food system transitions, through our cooperative dividend.



### Initiative 1

Rabobank mortgage customers with houses with energy label F or G are eligible for EUR 1,000 to insulate their house.



### Initiative 2

We support our business customers with 'Rabo Transition Fund', a new established fund from Nationaal Groenfonds we support our business customers with favorable additional financing for its sustainable energy, food transition or circularity initiatives.

€ 128 million  
Cooperative  
Insulation Budget

€ 400 million  
Total amount

€ 75 million  
Transition Fund



€ 40 million  
Cooperative  
Dividend

Through our annual cooperative dividend, we have allocated EUR 40 million to projects and initiatives in local habitats in 2023.



### Initiative 5

For members and customers in our local communities, we made 78 x EUR 125,000 available for local projects, investments, and contributions to social themes that require financial support.

€ 10 million  
Cooperative  
Sustainability  
Contribution



### Initiative 4

Rabobank employees and subsidiaries, both locally and globally, are enabled to spend EUR 1,250 to make their own living situation more sustainable via the Employee Sustainability Contribution (total EUR 96 million).

€ 96 million  
Sustainability  
Contribution for Employees

€ 51 million  
Sustainability  
Contribution SME

### Initiative 3

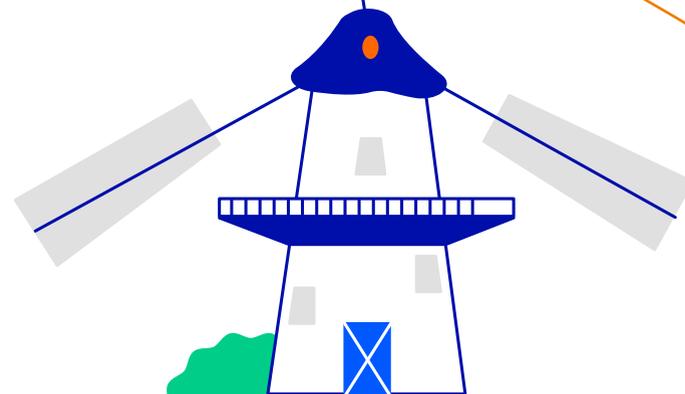
SME customers willing to make their business more sustainable are eligible for a contribution of 12.5% of their investment with a maximum of EUR 10,000.





10-25 kWh

*of green power delivered  
by a historical wind mill*



#### Project case

## When tradition meets transition

The Emmamolen, located in Nieuwkuijk, plays a crucial part in the municipality of Heusden as a historical and cultural monument. This mill, built in 1886, has a rich history and still produces flour for local bakeries and the production of organic bread a few hours every week.

### Cultural history, education and energy transition

With the support of the Sustainability Contribution an investigation is started to use the traditional mill also to generate electricity in the remaining hours and to empower the connection between nature, history and education.

## Members and Our Impact in Our Local Communities

### Rabo ClubSupport

By supporting local clubs with our knowledge and networks we enhance the vitality of local communities. A part of the cooperative dividend is allocated to Rabo ClubSupport. We support associations through partnerships, a support programme and a voting campaign.

### Partnerships

The cooperative Rabobank has traditionally been an organisation that plays an important role in the field of partnerships. Together with our members and partners, we primarily focus and continuously aim to make sports, cultural or social organizations more vital, inclusive, sustainable and future-proof. We do this not only with money, but also with our knowledge and our network. The starting point is and remains that each party becomes more self-reliant and future-proof. This is paid from local or national sponsorship budgets. On national level we have a partnership with NOC\*NSF, KNHB, Kunstbende, KNLTB, NEVOBO, Uniek Sporten and Jeugdfonds Sport & Cultuur.

### Support Program

With knowledge and network we support associations to become more self-reliant and futureproof. Through our national partner NOC\*NSF we execute the program in which we qualitatively support clubs and associations through workshops, masterclasses and 1-on-1 guidance. And together with LKCA, Kunstbende, our social partners and the sport associations we develop the program according to the needs of the organisations involved. In 2023, a new module was set-up to fully focus on sustainability. A program in which we support clubs with our knowledge, network and also financially to become fully sustainable in the future. 11 Frontrunners in Sustainability had been set up by the end of 2023. Through our support program we have supported over 2,500 sports- and cultural clubs in 2023.

- 2,567 clubs participated in one of our workshops or attended one of our inspirational evenings
- 669 clubs were supported through masterclasses or intensive 1-on-1 programs

### Voting Campaign

Part of the bank's cooperative dividend is reserved for the associations who participate in the Rabo ClubSupport voting campaign. Associations that are customers of Rabobank can participate by indicating what the social spending goal of the association is. Rabobank members then vote for an association of their choice in the area where they bank. With this vote they have influence on the amount of cooperative dividend the participating associates receive.

The results of 2023 are as follows:

- 32,199 clubs and associations participated in the voting campaign
- Almost 500,000 of our members voted for their favourite local club or association
- In total we distributed EUR 15.5 million cooperative dividend to these clubs and associations who participated

### Cooperative Dividend

Rabobank wants to contribute to positive changes and is committed to a more sustainable, inclusive society. We do this through knowledge, network and cooperative dividend. In 2023, an amount of EUR 40.1 million in cooperative dividend has been allocated to projects and initiatives in local habitats that contribute to this. This amount includes EUR 15.5 million for the Rabo ClubSupport voting campaign. In addition, local member councils have made an amount available from the cooperative dividend for the benefit of the Rabo Foundation, in addition to the contribution made available by Rabobank.

The total amount of cooperative dividend is distributed to support the following:

- Rabo ClubSupport
- Rabo Foundation
- Banking4Food
- Sustainable Entrepreneurship
- Sustainable Living
- Energy transition
- Financial Healthy Living
- Strengthening local communities

### Member Engagement

In 2023, 44% of our 2.3 million members said that they are engaged with Rabobank (2022: 42%). Various dialogues have been held with both local supervisory boards, members of the client councils and members about various topics, for example about the future of customer interaction, financial inclusion for the young generation and sustainable entrepreneurship.



# Rabo ClubSupport

This infographic provides an overview of all results achieved in 2023. Clubs that have attended an inspiration evening or workshop are referred to as 'inspired clubs', while clubs that participated in a masterclass or 1-on-1 guidance are referred to as 'supported clubs'.

**2,567**  
Inspired clubs  
Target: 2,000

**682**  
Supported clubs  
Target: 500

**7.7\***  
Average rating  
Target: 8 or higher

\*Figure is based on the rating of the workshops and masterclasses.



**1,623**  
Inspiration evenings

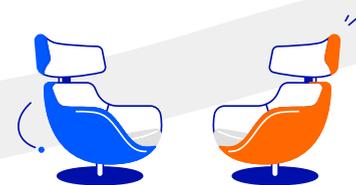
Meetings in which the possibilities for club support are highlighted.

**212**  
Masterclasses

Two to three in-depth meetings with 6-8 clubs on a specific theme.

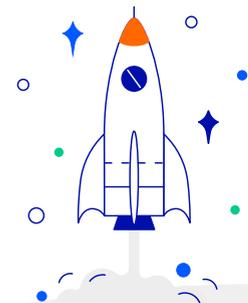
**470**  
1-on-1 guidance

Intensive guidance under the guidance of an expert.



**944**  
Workshops

One-off information session of 2 to 2.5 hours on a specific theme.



**187**  
Kick-offs

Joint kick-off with all clubs that start in a circle with 1-on-1 guidance.





# Cooperative Banking Strategy



### Strategic drivers

#### Excellent Customer Focus

Banking solutions for food, housing, entrepreneurship, living and financial well being.

#### Meaningful Cooperative

Solutions for environment and society related to food, climate & energy and a more inclusive society.

#### Rock-Solid Bank

Strong performance for investors and upholding our license to operate for society.

#### Empowered Employees

A diverse and inclusive workplace facilitating engagement, well-being and development for employees.

### Sustainable Growth Aspirations

#### Act on Climate

On or below 1.5 °C pathways.

#### Value Nature

Back to planetary boundaries.

#### Enable People

A more inclusive society for customers, communities and workforce.

# How We Create Value



## Our Mission Growing a better world together

### Resources

#### Employees

- Diversity & Inclusion
- Learning & development

#### Partnerships & Networks

Multilateral, (inter)national and local partnerships and networks related to: Food, Agriculture, Energy, Climate and Inclusion.

#### Capital & Funding

- Wholesale funding
- Capital instruments

#### Knowledge

- Research publications & sector visions
- Dialogue sessions

#### (IT) Infrastructure

- System availability
- Online services
- Local banks
- Regions
- Foreign Countries



### Products and services

- Dutch Private Mortgages
- Lending to Trade, Industry and Services
- Lending to F&A
- Number of point-of-Sale transactions
- Savings
- Assets under Management
- Leasing
- Number of BPD transactions



## for a Better World... with future proof business

Increasing positive impact on nature and people, reducing negative impact on climate.

See page 19



## ...with a Better Bank with empowered employees

Stimulating balanced and sustainable growth with a cooperative mindset.

See page 54



# Better World

with future proof business

*“The transitions we drive are about increasing positive impact on nature and people, reducing negative impact on climate.”*

# Act on Climate

Limiting the warming of the earth's surface temperature to 1.5 degrees Celsius is critical if we are to have a reasonable chance of managing the impacts of climate change.

## Objectives



**Act on Climate**  
On or below 1.5 °C pathways.

- *Maximum reduction of greenhouse gas emissions*
- *Strong increase of carbon sequestration*
- *Decarbonization of the economy*

Efforts to reduce CO<sub>2</sub>e emissions, and thus to limit global warming to 1.5 degrees Celsius, are generally referred to as mitigation actions. But even at 1.5 degrees Celsius of global warming, we will still face more extreme weather and climate change events (such as hurricanes, droughts, flooding, forest fires), reduced crop yields, and increased scarcity of drinking water. Efforts to deal with these events are referred to as adaptation actions.

Reducing CO<sub>2</sub>e emissions is a challenge for all of us: governments, businesses of all sizes, farmers, consumers, and financial institutions, all have a role to play. In line with our “Growing a better world together” mission, we are determined to play ours. In the Dutch domestic market, we have a duty to help keep the real economy healthy. As a global Food & Agri bank we see climate- and nature-smart agricultural practices as a critical component of building a resilient food system. We therefore try to help our customers transition to climate-smart practices in an economically viable manner.

Our ultimate goal is to support the transition towards a net-zero economy by 2050 and to set emission reduction targets that help limit global warming (with a likely limited/no overshoot) to 1.5 degrees Celsius by end of the century. We have underlined that goal by signing the Dutch Financial Sector Climate Commitment (DFSCC) (2019) and joining the Net-Zero Banking Alliance (NZBA) (2021). Through these commitments we have pledged to have “all our operational and attributable GHG emissions from our lending and investment portfolios align with pathways to net-zero by mid-century, or sooner”

## Where are we today

Knowing where we are today is equally as important as knowing where to go. So all of this starts with measuring how much we emit ourselves and how much our clients emit.

**0.073** *Megaton CO<sub>2</sub>e*  
Scope 1 & 2  
*Our own operational emissions in 2023*

2022: 0.064 (restated)

**48.8** *Megaton CO<sub>2</sub>e*  
Scope 3  
*Our customers' emissions in 2022*

2021: 51.5

Our starting point is to take mitigating actions to reduce CO<sub>2</sub>e emissions from our own operations (like emissions resulting from energy purchased to heat or cool our offices, or from our lease fleet and business travel). We are addressing the climate impact of our own operations by travelling less, reducing our energy usage and improving the energy efficiency of our office buildings. In the Netherlands 79% of our buildings already qualify for energy label A or higher and 98% already qualify for energy label of C or higher, meaning we are on track to meet government targets. In addition, 33% of our buildings in the

Netherlands (55% of total m<sup>2</sup> of VVO (Lettable Floor Area)) no longer use natural gas. In 2023, the CO<sub>2</sub>e emissions from our own operations increased by 13%, mainly the result an increase in the number of travel movements (mainly by air), partly compensated by a reduction in the number of offices and energy-saving measures.

In 2023, we defined decarbonization targets for our real estate/air travel/lease cars for our operations outside the Netherlands. Furthermore we updated our reduction targets from Rabobank real estate in the Netherlands following the CRREM (Carbon Risk Real Estate Monitor) v2.0 benchmark update. We also started with the targeted reduction of the carbon footprint of our IT landscape (i.e., our own data centres and cloud usage), based on the Green House Gas Protocol and using an ICT decarbonization benchmark pathway.

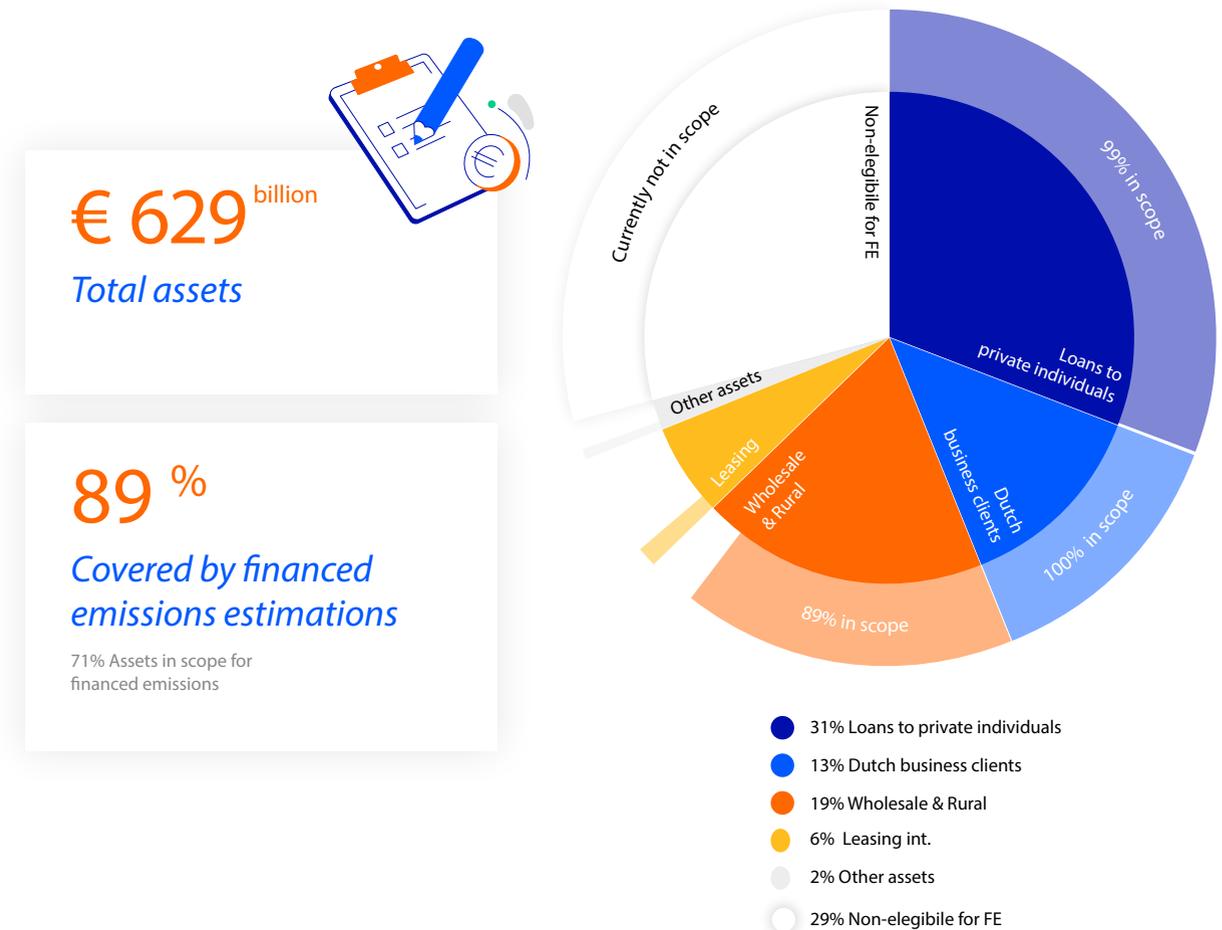
#### Emissions of Our Customers in 2022

As part of our climate commitments, and in addition to disclosing the greenhouse gas (GHG) emissions of our own operational activities, each year (in our Impact Report and this year in our Annual Report as well) we report on the CO<sub>2</sub>e emissions of our customers linked to our financing, so-called Scope 3 Financed Emissions. We also report on customers activities that we have financed and that have helped avoid GHG emissions, such as increasing the supply of renewable energy.

For more information on the commitment we have made regarding financed emissions, the targets we have set and the challenges we face, please refer to [Appendix 1: Financed Emissions Interpretation Pointers](#)

There are different ways to estimate and disclose financed emissions. In Rabobank we use the PCAF (Partnership for Carbon Accounting Financials) standard for accounting and disclosing Financed Emissions. The availability, specificity and accuracy of the data we use to make these calculations varies widely per sector. Therefore, the financed emissions overview presented in this report should be interpreted as our "estimates on a best effort basis", in accordance with PCAF methodology, using the current information and data we have at hand. Where possible, we have used self-reported emissions of our customers.

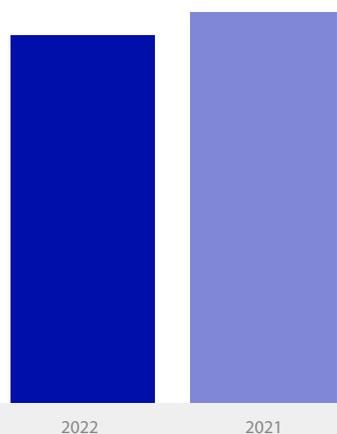
## Assets from loans & investments in scope



## Financed emissions in Mt CO<sub>2</sub>e

48.8  
Financed  
emissions  
2022

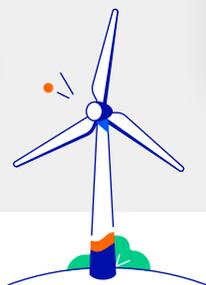
51.5  
Financed  
emissions  
2021



5.3 Mt CO<sub>2</sub>e

Avoided emissions  
via renewable energy  
portfolio

2021: 4.8 Mt CO<sub>2</sub>e



### Loans to private individuals

Residential  
real estate

2022	1.9
2021	2.0

### Dutch business clients

Food &  
Agriculture

2022	9.3
2021	10.0

Trade, Industry  
& Services

2022	2.3
2021	2.9

Commercial  
Real Estate

2022	0.3
2021	0.3

### Wholesale & Rural

Wholesale  
clients

2022	12.3
2021	12.9

Rural  
clients

2022	19.2
2021	19.6

### Leasing international

DLL tractors  
assets

2022	1.6
2021	1.5

DLL transport  
assets

2022	0.4
2021	0.4

### Other assets

Sovereign  
Bonds

2022	1.4
2021	1.8

Rabo  
Investments

2022	0.2
2021	0.1

PCAF's Data Quality Scores (score 1-5) are used to qualify the level of precision of the estimates we disclose per PCAF asset class. Data quality scores are specific to each asset class. Data with PCAF scores 1/2, (verified and unverified respectively) company-level reported emissions data, represent the highest data quality and results in the most accurate emissions estimates. This is followed by physical activity-based emissions (PCAF score 3), and PCAF scores 4/5, given for an economic activity-based emissions approach. We strive to include the best data quality score based on data availability and feasibility. Details on the average data quality score per portfolio can be found in [Appendix 3](#) of the Annual Report

### More Customers Reporting Emissions

Thanks to increased availability of data and improved methodologies, this year we are able to report financed emissions for 89% of the relevant (71% of our total assets) on-balance sheet assets in our portfolio, covering all of the most carbon-intensive sector x region combinations of our financing activities. We see that customer-reported data is growing significantly with almost 60% of our wholesale lending now calculated using reported emissions. We also see important improvements in self-reported GHG emissions in our Rural portfolio (see next sections for more details).

### A Decrease in Financed Emissions

Our financed emissions in 2022 have decreased by 5% compared to 2021<sup>1</sup>, dropping from 51.5 MtCO<sub>2</sub>e to 48.8 MtCO<sub>2</sub>e. This reduction in absolute emissions comes despite a 2% increase in the size of our loan portfolio. Our financed emissions decreased in both our Dutch and international financing activities. The decreases in our residential real estate and the Dutch business customer portfolios appear consistent with the general trends we see in these sectors of the Dutch economy. And we are confident that our Road to Paris approach is helping more and more customers transition to a climate smart future. However, as we are still largely reliant on modelled emissions calculations, we cannot draw specific conclusions on the role our own climate mitigation activities have played in achieving these results. A range of other factors, including high energy prices, government policies and incentives and changes to customer financials also impact the results.

### Avoided Emissions Increase

Our avoided emissions have increased by 10% - from 4.8 Mt CO<sub>2</sub> to 5.3 Mt CO<sub>2</sub>. This increase is linked to a 25% increase in our loans to the renewable power generation sector. Rabobank plans to more than triple its investments in this sector by 2030 (compared to our base year 2020)

### Emission Reduction Targets

The biggest potential for positive impact lies in helping our customers transition to low-emitting business models. We have millions of customers around the world and we want all of them to successfully transition to the low-carbon future. However, we realize that the need to act and our ability to help differs per customer segment. Therefore, we have focused our

<sup>1</sup> Financed emissions data reported this year refer to 2022 results unless otherwise indicated. This is due to delays in the publication of national emissions data required for top-down calculations, which we still use for the majority of our financed emissions calculations.

short-term efforts on the 12 sector x region combinations with the highest carbon emission contributions (e.g. residential real estate in the Netherlands or soy production in Brazil). For each of these segments, we have identified scientific decarbonization pathways indicating how much and how rapidly each sector x region combination must reduce its emissions in order to align with the 1.5 degrees Celsius temperature goal. We have set emissions reduction targets for each of these sector x region combinations and report annually on our progress in the table in [Appendix 2](#).

In 2023, the CRREM decarbonization pathway was updated and we adjusted the targets for the relevant sector x region combinations accordingly: Residential Real Estate (RRE) in the Netherlands and Commercial Real Estate (CRE) in the Netherlands. In addition, in the Energy/Power Generation sector, we saw a sizeable growth in the portfolio of both Energy Wholesale and Project Finance and therefore decided to distinguish between two sector x region combinations, and set targets for each.

Following our efforts to encourage farmers to measure on-farm emissions (see section below on Emissions reduction targets in the F&A sector) and our collaboration with value chain partners, we can now calculate emissions intensities for our Australian beef portfolio.

Unfortunately, a lack of farm-level emissions data and production values mean that we still cannot determine the carbon intensity for our remaining rural sector x regions (New Zealand Dairy, US Beef and Soy Brazil). However, emissions data from the US National Inventory report (allocated to the beef sector) and FAO (Food & Agriculture Organization of the United Nations) production data indicates an overall decline in the US beef sector emissions intensities between 2019 and 2021. Sector production data from Dairy Companies Association of New Zealand and Dairy NZ and emissions data from the NZ National Inventory Report (allocated to the dairy sector) also show an overall decline in emissions intensity in NZ Dairy between 2019 and 2021. For the Brazil Soy sector we are not able to disaggregate soy production emissions from the larger grains and oilseeds sector.

### Next steps

In 2023 we started preparations for setting a 2030 absolute target on the CO<sub>2</sub>e emissions of our customer portfolio. This target will distinguish between CO<sub>2</sub> and non-CO<sub>2</sub> related emissions. This is a challenging task, especially in the Food & Agri part of our portfolio. We expect to publish those targets in 2024.



#### Project case

## Brim: contributing to sustainable fisheries

Brim Hf is a listed Icelandic seafood company, which produces high-quality food products from fresh seafood in harmony with society and the environment. In order to support Brim's growth strategy and the ambition to contribute to shaping the future of a sustainable fisheries sector, four international banks – consisting of Rabobank, DNB, Nordea and Íslandsbanki provided a Sustainability-Linked Loan (SLL) of EUR 220 million with Rabobank acting as the Sustainability Coordinator.

This SLL structure is the first transaction in wild catch including decarbonization targets on sea vessels. This is a true testament to Brim's sustainability leadership in the industry. The company relies on the existence of healthy fisheries for the quality of their product, the existence of the company and the significant contribution sustainable fisheries are making to the Icelandic economy.

95 € million

Rabobank's commitment  
in this transaction



As mitigation is just one side of the climate change coin, in 2023 we increased our focus on adaptation. Together with 26 banks, we contributed to the [target-setting guidance for climate adaptation finance](#) launched by UNEP FI in November 2023. In 2024, Rabobank will continue its work, focusing especially on sectoral deep-dives. In addition, in December 2023 a cooperation between the Dutch financial sector, the Dutch government, the Delta commissioner, and a network organization named Climate Proof Together, launched the report '[Accelerating climate adaptation - an alliance between the financial sector and government](#)'. The report contains recommendations among others on how the financial sector, where applicable together with the government, can contribute to climate adaptation. In 2024 we will build on this foundational work, to develop an approach towards adaptation.

#### Emissions Reduction Targets in the Food & Agri Sector

GHG emissions from the Food & Agri sector account for almost 75% of Rabobank's business customers emissions. However, target setting methodologies and emissions reporting for the sector are still in the early stages of development. This is mainly due to the fact that the vast majority of farmers do not record or report on-farm GHG emissions. At the same time, there are no recognized tools or methodologies for financial institutions wishing to set emissions reduction targets for their F&A portfolios. Given the importance reducing agriculture emissions play in our climate ambitions, and our role as a leading global F&A bank, Rabobank has taken a proactive approach to addressing these issues.

To start with, in 2021, Rabobank, together with the World Business Council for Sustainable Development, UNEP FI, PCAF, the Environmental Defense Fund and eight other global banks launched the Banking for Climate in Agriculture (B4iCA) initiative to develop guidelines for target setting and data collection for financial institutions with large F&A portfolios. The first comprehensive set of guidelines are expected to be published in the first quarter of 2024. In 2022, in our Road to Paris report, we attempted to use SBTi FLAG decarbonization pathways to set initial emissions reduction targets for the beef sectors in Australia and the US, the dairy sector in New Zealand and the Soy sector in Brazil.

#### Encouraging Use of Carbon Calculators

In 2023, we launched an internal initiative to encourage farming customers in Australia, Brazil, the Netherlands, New Zealand and the United States to use carbon calculators and report on on-farm emissions. By the end of 2023, over 2.000 farmers (on a total of approximately 15,500 farmers) from Australia, New Zealand, Brazil, Argentina, Peru and Chile had started using carbon calculators. As different sectors in different countries use different carbon calculators, we have been working with external consultants to develop a way of standardizing the different results so that they are compatible with the scientific decarbonization pathways. In 2024 we will continue working with external consultants to chart the CO2 footprint of our customers in the Dutch horticulture sector. We will leverage these insights to help our customers become more sustainable as well as to improve the calculations of our customers' emissions, using farm level data.

## Business Delivery and Opportunities

As a bank we develop actions we can take to help meet our ultimate goal of supporting the transition towards a net-zero economy by 2050 and to set emission reduction targets that help limit global warming (with a likely limited/no overshoot) to 1.5 degrees Celsius by end of the century. First of all we aim to **help customers in their transition to a sustainable future** with knowledge and insights into decarbonization through among others sectoral information meetings and RaboResearch, with financial products (sustainable/transition finance) to support their transitions, and by financing innovations that will accelerate their efforts. Secondly, we engage with stakeholders at different levels in the economy and society to **help move the system in a sustainable direction**. Thirdly, we continuously **optimize our portfolio for sustainability** by making conscious choices in how we grow our portfolio and by developing policy that provides clarity on what we can and cannot finance.

#### Increased Expectations

Enhanced (international) efforts and increased expectations to combat climate change push both banks and their customers to move toward more sustainable business models. Increased sustainability disclosure and due diligence requirements will require companies to become more transparent about their sustainability impact and efforts. At the same time, environmental activists are continuing to urge organizations to do more and accelerate. Even though we have similar end goals, Rabobank also experiences this, working toward these is part of its sustainability strategy. Proactively responding to developments is key as we have a big role to play and can make substantial impact. In the end, we all need to strive for (net-)positive impact.

#### Incentivizing More Sustainable Business Models

Supporting customers transitions to low- or lower-emitting practices and models compels us to take a different perspective on developing and offering financial products and services. Or rather to add a perspective. Whereas financial institutions have generally looked primarily at the risk and return perspective when developing and offering products and services, Rabobank has started taking steps to include sustainability or impact perspectives. This approach can result in more favorable financing conditions (a.o. discounts on interest margins) for customers with improved sustainability performance. In the past several years we have actively stimulated sustainable entrepreneurship through Sustainability-Linked Loans. In short, we try to incentivize more sustainable business models. Customers who invest in technology or practices to reduce emissions, use of

water, or any other sustainability goal benefit from a lower interest rate. Our Sustainable Financing amounted to EUR 34.2 billion at the end of 2023, of which EUR 26.9 billion are Sustainable Mortgages (A-label). In 2023, 64% of our Assets Under Management (EUR 58 billion) were categorized as sustainable, of which 32.8 billion were invested in mandate funds with the specific objective of achieving at least 30% lower CO2 intensity than the benchmark. Our Sustainable Funding amounted to EUR 8,907 (2022: 7,465) million and we recently finalized our Sustainable Funding Framework.

#### Rabo Groen Bank

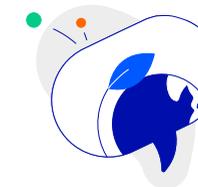
In the Netherlands, Rabo Groen Bank (Rabo Green Bank) brings together private savings customers and sustainable, innovative projects that meet the requirements of the so called Regeling Groenprojecten. This government scheme is intended to stimulate innovation and focuses on frontrunners on sustainability. At the end of 2023, a volume of EUR 2.8 billion (+4%) was outstanding in sustainable green financing and leases to companies and green mortgages for private customers. As the largest green bank in the Netherlands, Rabo Green Bank contributes to both the energy and food transition, as well as to a more sustainable Dutch society. Private customers have invested a total of EUR 3.2 billion in green savings at the end of 2023, a result of a strong increase of EUR 564 million (+21%) in 2023. Over 10,500 new green savings accounts were opened. These savings and their proceeds were used for funding green loans at a lower interest rate to companies and private customers that go the extra mile on the road to sustainability. More than EUR 550 million in new loans were granted in 2023, mainly in solar and wind energy, but also in sustainable buildings and organic agriculture. Finally, the demand for providing green funding to sustainable mobility assets increased during 2023.

#### Renewable Energy

The energy sector plays a vital role in achieving a net-zero society. We have an ambitious agenda for our energy sector portfolio. Through our involvement in 55 projects and exposure of EUR 2.6 billion in 2023, we are one of the top 15 global lenders in renewable energy. Up to 2030, we want to make EUR 30 billion of financing available for the energy transition, of which EUR 10 billion should go to renewable power generation.

#### Sustainable Food & Agri Sector

It cannot be denied that the F&A sectors are responsible for significant GHG emissions around the world. However, we believe that the Food & Agri sector can also be a significant part of the solution for the challenge of providing enough affordable, nutritious food for a growing world population within planetary boundaries. After all, by adopting new technologies and transitioning to sustainable practices, farmers can reduce their GHG emissions. Even more importantly, they can remove and capture CO2 in the soils they work, the crops they grow, and the trees they plant and cultivate. There are opportunities where we can help them to seize by offering the right financial products and the right knowledge.



#### Project case

## Landsvirkjun (Iceland)

Landsvirkjun provides Iceland with more than 70% of its total electricity demand with its 100% renewable hydropower and geothermal plants. The total installed generation capacity is circa 2.1GW. The coming years, significant investments are expected to support Iceland's energy transition, which will increase the company's funding need. Therefore, Landsvirkjun was looking for a new relationship bank, to support their sustainability and energy transition strategy.

All new financing is and will be green or sustainability-linked. Rabobank Corporate Lending participated in the syndicated Sustainability-Linked Loan. The credit facility is linked to two sustainability KPIs: carbon footprint reduction including Scope 1 and 2, and Scope 1 fossil fuel emission reduction.



2.1 GW

Total generation capacity installed

## Project case

## Acciona Energía: investing in wind farms and solar fields



Acciona Energía is one of the largest independent full renewable energy developers in Europe and is listed on the Madrid stock exchange. The company successfully closed a new EUR 750 million Green Revolving Credit Facility (RCF), of which Rabobank committed EUR 50 million. The transaction is labelled Green under Acciona's sustainable finance framework.

The RCF will be used to prefund investments in wind farms and solar fields and will be refinanced by capital market instruments. Acciona Energía currently has more than 12GW of renewable energy capacity and aims to have a capacity of 30GW by 2030.

### 13,6<sup>GW</sup>

Current renewable energy capacity

### 40<sup>GW</sup>

Diversified & flexible pipeline (onshore wind and solar PV, storage, biomass, offshore wind and pumped-hydro)

### Knowledge sharing

We established F&A Advisory Boards in all our regions which address important topics like cooperation in the value chain and sustainability. Through the Rabo Community Fund and Rabo Client Councils, various community initiatives are supported, for instance in Australia and New Zealand. The initiatives are centered amongst others, around environmental sustainability, long-term industry capacity and agricultural education. In Australia, Farm2Fork took place in 2023, which brought to life Rabobank's unique value proposition of access to knowledge, networks and finance. The aim of the event is to build stronger relationships with and between customers and industry partners. Through this summit, customers across the supply chain were challenged and inspired with ideas and solutions, they could bring back to their own operations.

Additionally, in our Future Farmers Council we bring together a panel of next generation farmers from all over the world. They share knowledge and exchange thoughts and insights on a range of topics. In 2023, the 8th edition of the Global Farmers Masterclass was held; Rabobank showcased the global networks and challenged the top farmers (25 farmers across 5 continents, including Rabo Partnerships customers) to think collectively on the future of farming; global food security was addressed, sustainability practices were discussed, and participants developed their skills to help their farming practices produce more with less.

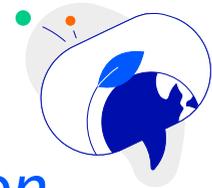
We started several initiatives to help customers and other stakeholders improve their knowledge of sustainability topics. In the United States the Sustainability Academy for Young Farmers focuses on the economic and environmental benefits of innovative, sustainable agriculture. Young producers can network with thought leaders, gain an understanding of current business opportunities, and develop an action plan for their own operations.



Craigmore has set bold climate aspirations, seeking to materially exceed the GHG reduction targets set by the Climate Change Commission through land use change and changes to existing operations.

**142 \$ million**

*Sustainability-linked loan for Craigmore Farming Partnership*



Project case

## Help Customers Transition

Craigmore Sustainable, a large rural investment company in New Zealand, has highlighted its commitment to achieving better environmental outcomes across its primary sector portfolio with a new USD 142 million Sustainability-Linked Loan (SLL) agreement for one of its first investment portfolios, Craigmore Farming Partnership. It will see Craigmore Farming Partnership, which operates dairy farms and horticulture properties across New Zealand, receive financial incentives as it delivers on targets linked to its sustainability strategy. This includes greenhouse gases, people and leadership, animal welfare, and biodiversity.

Craigmore has set bold climate aspirations, seeking to materially exceed the GHG reduction targets set by the Climate Change Commission through land use change and changes to existing operations. This includes one of New Zealand's first carbon-neutral dairy farms by 2035. Craigmore's commitment to investing in new technologies and practices is also driving improvements in key areas beyond GHG emissions, such as water use efficiency and water quality.

## Project case

## Energy Cooperatives

The energy system in the Netherlands is facing a gigantic transformation. In addition to the switch from fossil fuels to renewable energy sources, the Dutch Climate Agreement also sets the ambition that 50% of renewable energy production in a region should be owned by the local community. In other words, citizens must also be able to benefit from and participate in at least half of the renewable energy generated locally.

There are different ways to achieve this: for example, by companies creating an “energy hub” together on industrial estates, or by private individuals joining forces through energy cooperatives to produce and share renewable electricity. This could be generated for example through solar panels on the roof of a local school, barn, sports hall or through purchasing a wind turbine in the neighborhood. From the proceeds of this green energy, the cooperative can make more investments to become even more sustainable, or return part of the profits to the members of the cooperative. The members of an energy cooperative always determine where their energy comes from, and the money never ends up in the pockets of a commercial supplier. In addition, an energy cooperative creates more support among residents for installing wind turbines, batteries and solar panels, which are indispensable in achieving energy transition goals.



Rabobank helps energy cooperatives in different ways. We have various “energy cooperative desks” around the country and we organize events such as energy cafés and master classes for knowledge exchange. Furthermore, from our cooperative dividend we can make a development contribution for local energy projects. Together with Dutch banks Triodos and ASN, we have also launched the Realization Fund to make the financing process easier for energy cooperatives.



### **Martijn Kwant and Stijn Vos in Conversation about the Energy Transition**

**Stijn Vos** is a 47-year-old entrepreneur who since 2015 has been CEO of Enstall, a company that develops rooftop mounting systems for solar panels. Enstall originated from Esdec, which was established in Deventer in 2004 by two Dutch solar installers. From its head office in Amsterdam, Enstall now operates in the major markets for rooftop mounted solar panels in the United States and Europe. "We've just completed our rebranding in America running a new campaign with a slogan which says it all: Enstal Solar sooner."

**Martijn Kwant** is Rabobank's Head of Strategy and Innovation for Business Clients, and Global Lead Energy Transition. At the heart of the bank's strategy are two key transitions which affect all clients, namely Food and Energy. A few years ago, Rabobank launched a number of initiatives as part of its 'Banking the Energy Transition' program to consider how the bank can make a difference on various issues. For instance, construction of sustainable housing for the rental sector, electrification of transport, and facilitating energy cooperatives. In the past few years Rabobank has often supported Enstall to fund the acquisitions which have underpinned the company's rapid expansion.

**Martijn Kwant**  
Lead Energy Transition

**Stijn Vos**  
CEO Enstall



Rabobank was its trusted partner in that expansion long before the energy transition became a central focus of the bank's strategy (alongside the food system transition). "In all those years Rabobank really stood out for us because of the knowledge that your people have, your network and, above all, your unflinching capacity to come up with solutions to the challenges we've faced. There's not a bank in the world that comes anywhere close to what you can do," says Vos. He quickly adds that he's not just saying that because he's been invited to lunch. "You really do make the difference." But during that lunch new challenges and dilemmas are raised to set Rabobank thinking. The main topic of the conversation is: How can we accelerate a successful energy transition?

*Kwant: "Rabobank is a cooperative, we have a role in and responsibility to society and we seriously want to make a difference. That's why we signed up to the Paris Climate Agreement and committed to doing everything we can to achieve the climate goals. The energy transition has a key role to play.*

*We want to involve our clients in that transition. Our ambition is to help all our customers become more sustainable, and we expect to invest at least EUR 30 billion in financing sustainable initiatives up to 2030. Our approach is simple: we'll create a solution for everything that can be financed. We've also said that we truly want to activate our clients. Which is why we've had many conversations with clients recently. We're seeing a vanguard of clients who are working very seriously on their transitions. But the share of clients who are driven by purpose is relatively small compared to those driven by purse. It's complicated."*

*Vos: "Sounds familiar. We've published a wonderful Sustainability Report but very few people have actually read it. The primary concern for most customers is money. If using one of our aluminum products will make them more money than using one of our steel products, then they'll go for aluminum – even though steel has a better footprint because it takes less energy to produce steel than aluminum. What I'm seeing is the importance of pressure from big companies like Amazon or IKEA.*

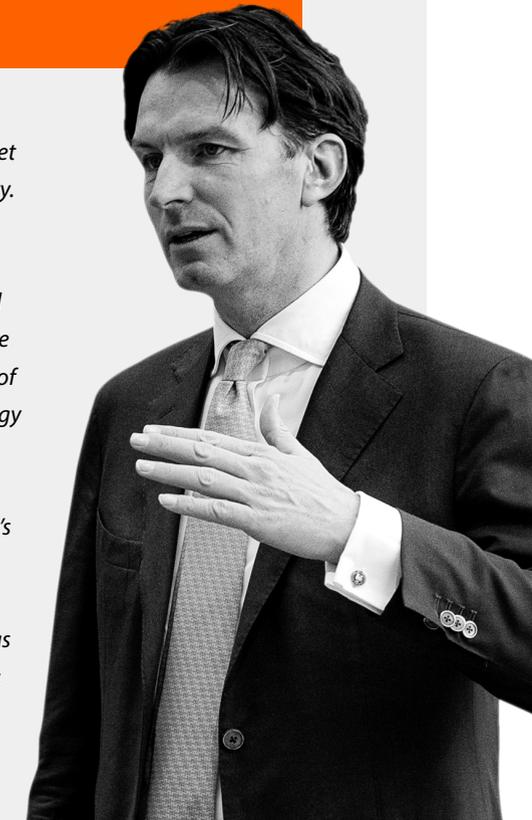
*When they say they're only going to work with companies with positive sustainability scores, that's when things start to change. It's an enormous help. Then our Sustainability Report is a major benefit as it presents all our facts and figures and shows that we really are scoring positively on sustainability. What dilemmas is Rabobank encountering in the energy transition?"*

*Kwant: "One thing we're seeing is that many homeowners in the Netherlands feel little sense of urgency when it comes to sustainability. One explanation for this is last year's government price cap on energy bills, and the fact that energy prices are falling again. Another factor is that people are put off by the negative feed-in tariff rates for solar power. It confuses them and makes them wonder whether investments to make their home more sustainable will pay off. The front-runners are doing the right things, but how do you persuade the population as a whole? By that I mean not just private citizens, but businesses too."*

*"In America we're now also approaching target groups who are resisting the move to sustainability. For instance, people who have less money to invest in solar panels or who rent their homes."*

Stijn Vos, CEO Enstall

*Vos: "In America we're now also approaching target groups who are resisting the move to sustainability. For instance, people who have less money to invest in solar panels or who rent their homes. The question we're asking – and which you should be asking as a bank – is: how can we activate these people? Bearing in mind that this is a large group of people, and we really need them to make the energy transition successful. Someone has to come up with financial solutions, and there's probably a lot more Rabobank could do on that. In the U.S. there's a lot happening in that area, including battery energy storage systems for both businesses and private individuals. That's certainly got potential as a solution, but as yet there are no business models here in the Netherlands."*



*During a lunch on the 25<sup>th</sup> floor of Rabobank's head office in Utrecht, Enstall CEO Stijn Vos and Rabobank's Martijn Kwant share their thoughts on the energy transition. Enstall is regarded as one of the most successful companies in the Dutch energy sector and has expanded rapidly in recent years, thanks in part to industry acquisitions.*



*Kwant: "Yes, that really is the next step in the energy transition: first get the solar panels organized, then the storage solutions. We must work towards that because we've already picked all the low-hanging fruit. It could also be a way forward on the grid congestion issue."*

*Vos: "It's a major challenge of course. The solar power installations on sale today cost an average of EUR 6,000 each. If you have to add in battery storage capacity, that puts another EUR 4,000 on the bill. So, your offer gets more expensive just when you want to attract a new target group with less money to spend. Which makes things even more difficult. The solar power payback period is improving, but the initial investment is considerably higher."*

*Kwant: "The question we're always asking is: how can we provide the capital that's needed to accelerate the energy transition? Because, essentially, the main issue for the energy transition is capital. The energy sector is a very volatile business to start with, and then there's the different subsidy landscapes. For a bank it's quite a challenge to find responses that make commercial sense. We're constantly looking for the best ways to do this. Some of the money we invest is from our stakeholders and savings customers, so we have to be accountable for our actions. You can't go too far."*

*Vos: "I think what really sets you apart as a bank is how you listen to clients and come up with constructive propositions. You can do that here as well. Find an answer to the question: how can you tempt the next group of customers to install rooftop solar panels?"*

*Kwant: "Applying for a mortgage-related loan to install solar panels is still a relatively complex and expensive process. And the interest rates on consumer credits tend to be even less favorable."*

*Vos: "Of course, as a bank you could think: someone wants to invest EUR 10,000 in solar panels; the average house price in the Netherlands is EUR 400,000; installation of those panels will increase the value of the property. So why don't we make this process much easier?"*

*Kwant: "That's exactly what we're looking at now. We're now investigating whether we can develop a new product to accommodate this sort of funding. For instance, where the customer enters into a finance contract with the installation company or the party supplying sustainable products such as heat pumps, solar panels, batteries, and charging points."*

*Vos: "You should take a look at the American market, where they have installation teams that guide the customer every step of the way. They use special technology to calculate the customer's useable roof surface and how many panels can be accommodated. Those companies call themselves installation businesses but in fact they are finance companies. Their initial costs are substantial, but they soon reach a tipping point because they offer a subscription model. Customers pay off their panels in monthly instalments. I think that's really smart."*

*Kwant: "What other energy sector issues do you anticipate in the near future which we as a bank could help to solve?"*

*Vos: "The grid congestion problems on all those industrial parks are getting worse, there's nowhere for them to store their power. It's really a huge problem. You should set up battery storage in sea containers. Every power grid in the world was built for one-way traffic. Now they need to accommodate two-way traffic so that industry can use power and deliver it back to the grid. This is mainly an issue in countries with high solar panel penetration rates, like the Netherlands. If you want to make a difference, make it here."*

*"The energy sector is a very volatile business to start with, and then there's the different subsidy landscapes. For a bank, and for our clients, it's quite a challenge to find responses that make commercial sense."*

Martijn Kwant, Lead Energy Transition

## Housing

For years, the housing market in the Netherlands has been characterized by a lack of affordable homes and rising prices. We see this a challenge where our duty as a systemic bank in the Netherlands and our mission of “Growing a better world together” can create synergies. As one of the country's biggest mortgage lenders, and a housing developer, we work to increase the number of sustainable homes and improve access to the housing market.

### Reducing the Housing Shortage

Rabo SmartBuilds was set up in 2021 with the goal of addressing the housing shortage in the Netherlands. The core-concept behind Rabo SmartBuilds is to build high-quality, modular and sustainable homes at temporary sites. By manufacturing these houses in a housing factory and placing them in temporary locations, we can significantly expedite the development process compared to traditional permanent housing projects. Our objective is to introduce 12,000 such homes to the Dutch market over the next decade.

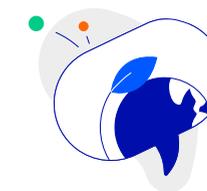
In 2024, Rabo SmartBuilds will realize its very first project on the island of Texel (NL). Together with the municipality of Texel and housing corporation Woontij, 120 affordable rental homes will be built at the Kolibrievlinder in Den Burg. The production of the wooden, energy efficient and modular homes started in January in Barli's housing factory in Uden, Brabant. The new residents will move in gradually over the year and all homes will be occupied by the end of 2024. In addition, the municipality of Zaltbommel intends to realize 139 sustainable and affordable apartments together with Rabo SmartBuilds, housing corporation Bazalt and concept developer Circlewood. We aim to create an affordable place to live while transforming the current agricultural mono-landscape into a nature inclusive environment. In both projects, the public space is focused on nature, biodiversity and social cohesion.

### Sustainable Housing

Our Green Mortgage (for the most sustainable houses) comes with lower interest rates. The GreenDepot (also at discount rate) can be used to borrow additional funding for e.g. a heat pump, solar panels, insulation or HR++ glass. We also developed the homeQgo scan, which gives customers insight in sustainable and energy-saving measures for their own home. In 2023, more than 69,000 home scans were performed. In addition, by 2023, more than 33% of our new mortgage customers financed a future investment to make their homes more sustainable.

### Collective Private Commissioning

There is a housing shortage in the Netherlands. One of the solutions is a collective private housing initiative. As Rabobank we would like to support this in an informative manner. "Self-Building Together" was developed from this idea. A site where you as a customer can find all kinds of information about self-construction and construction in "Collective Private Commissioning".



### Project case

## Bio-based Building

The Dutch construction sector is a major user of primary raw materials, and bio-based building is a solution that could contribute to a circular economy. A special team at Rabobank has helped to scale up the value chain of bio-based building to tackle housing shortages quickly but with the lowest possible environmental impact using bio-based materials. We also partnered with "Building Balance", a transition program that focuses on scaling up regional initiatives in growing, processing, or using bio-based (building) materials.

The partnership with other companies of the bio-based ecosystem and four Dutch ministries enabled us to co-write on the 'Nationale Aanpak Bio-based Bouwen' where EUR 200 million will be provided by the government for the bio-based building development in the coming years.



200 € million

Provided by the  
government for bio-based  
building development



# Value Nature

Over the last decades, scientists and nature experts have increasingly voiced their concern about the degradation of nature, warning that as a global society we are eating into our own capital.

## Objectives



**Value Nature**  
Back to planetary boundaries.

*Progressively adapt our portfolios and policies towards:*

- *Avoiding impacts in protected and key biodiversity areas*
- *Minimizing pollution to safeguard water and soil quality*
- *Minimizing impacts on threatened species*
- *Restoring degraded ecosystems*
- *Steering on good agricultural practices, reducing food loss & waste and protein diversification*
- *Halting deforestation and land conversion*

The continued degradation of nature can have significant consequences including, but not limited to a decline in pollinators (bees, flies, wasps, beetles, butterflies, etcetera) on which the pollination of over 75% of crops depend and productivity decreases caused by land degradation.

*"Nature doesn't need people, people need nature. The food we eat, the water we drink, the air we breathe – it all stems from nature<sup>1</sup>".*

However, we believe it is possible to align the production and consumption of food and energy with what the earth can handle to keep our planet habitable for present and future generations. We want to facilitate and finance the the food system- and energy transitions in a way that respect planetary boundaries.

It is our ultimate aspiration to: **intergrate nature in our way of working by 2030 and living in harmony with nature by 2050** (in line with the Kunming-Montreal Global Biodiversity Framework (GBF)). Our commitment to achieving this goal is evidenced by our co-launching and signing of the Finance for Biodiversity Pledge in 2020. Since then, we have actively participated in leading initiatives, such as the Partnership for Biodiversity Accounting Financials (PBAF) and the Biodiversity Working Group at the Dutch Central Bank (DNB). In 2021 we joined the Taskforce on Nature-related Financial Disclosures (TNFD) as a taskforce member. This international partnership (of among others, the United Nations and WWF) focuses on understanding and managing nature-related risks and impacts. In 2023 the taskforce presented its final framework.

<sup>1</sup> About Nature Is Speaking (conservation.org)

## The dilemma around the nitrogen debate

The agricultural system in the Netherlands has reached its ecological limits, as demonstrated by the nitrogen emissions debate. Government plans to reduce nitrogen emissions have caused great uncertainty in a number of sectors, not only in the agricultural sector. However the impact of the plans on the latter cannot be underestimated

The central issue in the Dutch nitrogen policy concerns the balance between economy and nature. To a greater or lesser extent, economic activities involve nitrogen emissions. Conservation and restoration of nature require a reduction in nitrogen emissions. The balance depends on the objective that one wants to achieve with regard to the quality of nature, the speed with which one wants to achieve this goal and the choice of policy measures. A potential 'Agricultural Agreement' (landbouwakkoord) revolved around formulating a joint vision of government, agricultural entrepreneurs, chain parties and environmental and nature organisations on the future of agriculture and horticulture in the Netherlands.

The agreement should answer the following questions:

1. How much space is available for the sector now and in the future? Both in terms of surface area and environmental use space in the form of permitted emissions;
2. What is the revenue model for entrepreneurs active in the sector? What part of the revenue model comes from the market and what part comes from public funds, and how are the latter safeguarded?

Extensive negotiations between sectors and government have not yet resulted in a formal Agricultural Agreement. The lack of perspective for farmers was one of the main reasons for the failure to reach this agreement. The current political situation will likely further prolongate uncertainties in the sector.

**How do we try to contribute to support our customers in the meantime?**

Rabobank strongly believes a collective agreement and approach is still needed. This continuing uncertainty does not contribute to taking the needed steps in the future-proof direction. It creates a 'stalemate' situation that asks for breakthrough and contributions from all parties involved. Contributions for solutions are needed from all organizations involved and the Agricultural Agreement was the preferred route. Despite the lack of an agreement, Rabobank continued to work on its future vision and guidance for 'Agrofood' in the Netherlands, including nitrogen. This 'Agrofood Vision 2040' was published in November 2023.

This updated 'sector visions' for the future, incorporate goals in the areas of nature (e.g. water and biodiversity), climate, and animal welfare towards 2040. This in order to continue supporting our customers as best we can, while making future-proof steps in the meantime. With currently around EUR 13 billion of exposure to farmers of dairy cattle, calves, pigs and poultry Rabobank is committed to support its agricultural customers through this transition towards a more sustainable sector. We have therefore established financing propositions for our clients with a budget of EUR 3 billion to support them in the strategic choices farmers have toward a future-proof business model (or a combination thereof) for extensive farming, innovation, relocation, conversion, or cessation. Prerequisites of any financing is a sustainable and financially viable business model and legal permits for the operation of the farmer. We will cooperate with our partners in the entire F&A value chain throughout the Netherlands, all with the aim of helping farmers in this transition and protecting nature.

In order to follow up on our vision, in 2023 we have:

Held well over 14,000 transition conversations, representing almost 70% of all planned transition conversations.

provided almost EUR 35 million in loans as part of the transition approach.





### **Alex Datema and Roy Meijer in Conversation About Rabobank's New Vision on Agriculture**

**Roy Meijer (31)** has been chair of NAJK, the organization that defends the interests of young farmers in the Netherlands, since late 2020. He runs a dairy farm with his parents in Witteveen in the province of Drenthe which now has 250 dairy cows. He started his own agricultural consultancy firm in 2014 and has a degree in history. He became well known after participating in the consultations on the Dutch agriculture agreement on behalf of NAJK where he made constructive attempts to restore trust between Dutch farmers and the government.

**Alex Datema (57)** was appointed director of Food & Agri at Rabobank in May 2023 and was tasked with shaping a vision for agriculture in the Netherlands. In late 2023, the bank published that new vision. In it, among other things, the bank sets out its view that the current food system needs to change to combat climate change and conserve nature. Alongside extensive leadership experience in the agricultural sector, Datema has been a dairy farmer for several years; he has 120 dairy cattle and 70 hectares of pasture on his farm in Groningen, which he runs with a partner.

**Alex Datema**  
Director Food & Agri



**Roy Meijer**  
Chairman NAJK



*“My question is whether the bank will help me even if I don’t yet meet all your sustainability criteria”*



Meijer: “There was very little reaction from my own group. Ultimately for every farmer there’s only one question that matters: how does this affect my loan application? What conditions will Rabobank impose when it grants a loan in future? So let me put that question to Alex straightaway, since that vision only becomes a reality once you see what the bank does with your loan application.”

Datema: “The easy answer is that it very much depends on the application itself of course. What we say in our vision is: this is the picture we want to see in 2040. And a lot of people want to fast forward to that picture, thinking it’s what they need to show us tomorrow. But what’s important to us is which steps you can start to take from tomorrow to ensure that the vision becomes a reality in 2040, that you’ll have done everything necessary to meet our sustainability requirements by that time. Our challenge is to translate that vision to the action that we can ask and expect agricultural entrepreneurs to take tomorrow. After farmers and the government failed to reach agreement on the

*They already know each other from the dairy sector and regional contact. They’re both farmers and managers and come from the far north of the Netherlands. But since last spring Datema has spent most of his time as a “banker” working from Rabobank’s head office in Utrecht. Today, Meijer has come to meet him there to talk about*

future of agriculture, the bank decided to develop a number of propositions, such as favorable terms on loans if you invest in sustainability. Now we’re looking at whether that works in practice, what we can and cannot approve. Does our system work? That’s what we’re considering now and that’s how we approach the vision as a whole. The way things turn out in practice will require constant adaptation and adjustment.”

Meijer: “If a large part of our sector benefits from your new policy, it will help. If not, it will mean that Rabo is backing some farmers into a corner and they’ll simply have to pay off their loans. Once they’ve done that, the bank will just shake their hand and say goodbye. What preys on the minds of many farmers in this country is that they feel left out in the cold. The government’s doing nothing, there’s no clear policy. The abolition of the Ministry of Agriculture, with all its underlying institutions, under the first Rutte government in 2010 because the Netherlands was ‘done,’ caused an agricultural brain drain and now there’s hardly any clear policy. So it’s

*Rabobank’s new vision for agriculture and farmers in the Netherlands. Going forward, the bank will subject all applications for loans in the agricultural sector to criteria relating to the sustainability plans and ambitions of its farming customers. **What was his reaction to the bank’s new vision?***

*“We’ve developed a system which helps to show your status on sustainability as a farmer, as an entrepreneur.”*

Alex Datema, Director Food & Agri Rabobank

*a good thing that Rabobank has developed a vision. The question that most concerns me is: to what extent will the bank help a client if they don’t yet meet all your sustainability criteria?”*

Datema: “We’ve developed a system which helps to show your status on sustainability as a farmer, as an entrepreneur. We call it the ‘9-grid-box.’ So after our initial analysis you’ll be put in one of the nine boxes. That’s the starting point for the bank to look at how it could help you. Again, exactly how we can help here will depend on each individual case. There’s one particular box on the grid where it’s difficult for us to help if you’re in it. That’s if your farm is scoring really poorly on both financial and sustainability criteria. Most of the negative feedback on our plans comes from entrepreneurs who don’t actually want to hear that they need to change. We’re confirming their fears that they will in fact have to take steps to change. The entrepreneurs who’ve already started to change are willing to embrace our plans.”



Meijer: "Two major determining forces are active on the farm. The government determines what you are allowed to do (rules) and the bank determines what you can do (financing). The government has no clear vision, but the bank does. This means that a bank must ask itself the question: if the government has no clear vision, but we do, will the government still ignore our vision? If so, should we let that happen or should we become the process owner ourselves and make our vision a reality?"

Datema: "From an internal perspective we're the process owner. But from the external perspective it's difficult to be the leader in that process. We've set out this vision because there's no vision coming from the government. There are two very important elements to our vision. Firstly, in the absence of a government agreement on the future of agriculture, we need to create our own framework for taking decisions. And secondly for us the whole sustainability issue is a matter of enlightened self-interest, from the perspective of the bank but also from the perspective of entrepreneurs. We're seeing that sustainability is becoming ever more important for the future prospects of entrepreneurs. So it's only logical that we as a bank look at this question and have an opinion on it."

Meijer: "If I were you I would raise this with my CEO and get him to invite all the top civil servants from The Hague to the bank so you can explain exactly how things work when it comes to making vital investments in sustainability plans in the agricultural sector. Because there are very few people in The Hague who really understand that. The lack of steering on this issue in the Netherlands when it's so badly needed is my main concern. I'm calling for a central hub in which farmers, businesses, and government come together to look at questions concerning the who, what, and where of sustainability? But also: where is nothing happening? That's the way we can help the people who have to get it done, in this case the chains and the farmers. If we don't get that hub I'm afraid that everyone will just do their own thing and end up failing to deliver what individual farmers need as a next step towards making their business more sustainable."

Datema: "We will be happy to share our knowledge in that hub. And if the result is different to the one we'd envisaged, that's fine. Because all of us working on this together is more important than doing it on our own. And we can't do it on our own. Our vision really is intended as an invitation for us all to come

together and keep talking about the issues. But that also means that everyone should have the courage to take responsibility, and I'm not seeing much of that among the other parties."

Meijer: "Let me just give you one other piece of advice: Rabobank should be thinking about the issue of ageing in our sector. And you should make it a key theme because it's important for all of us, for investments, for the chains, and for the geopolitical position of the Netherlands. In the past 30 years the farmer population in Europe has aged very significantly. In Europe between 6 and 8 percent of farmers are under 35; 30 to 40 percent are over 65. Thirty years ago, those figures were in reverse proportion. In the Netherlands over half of the

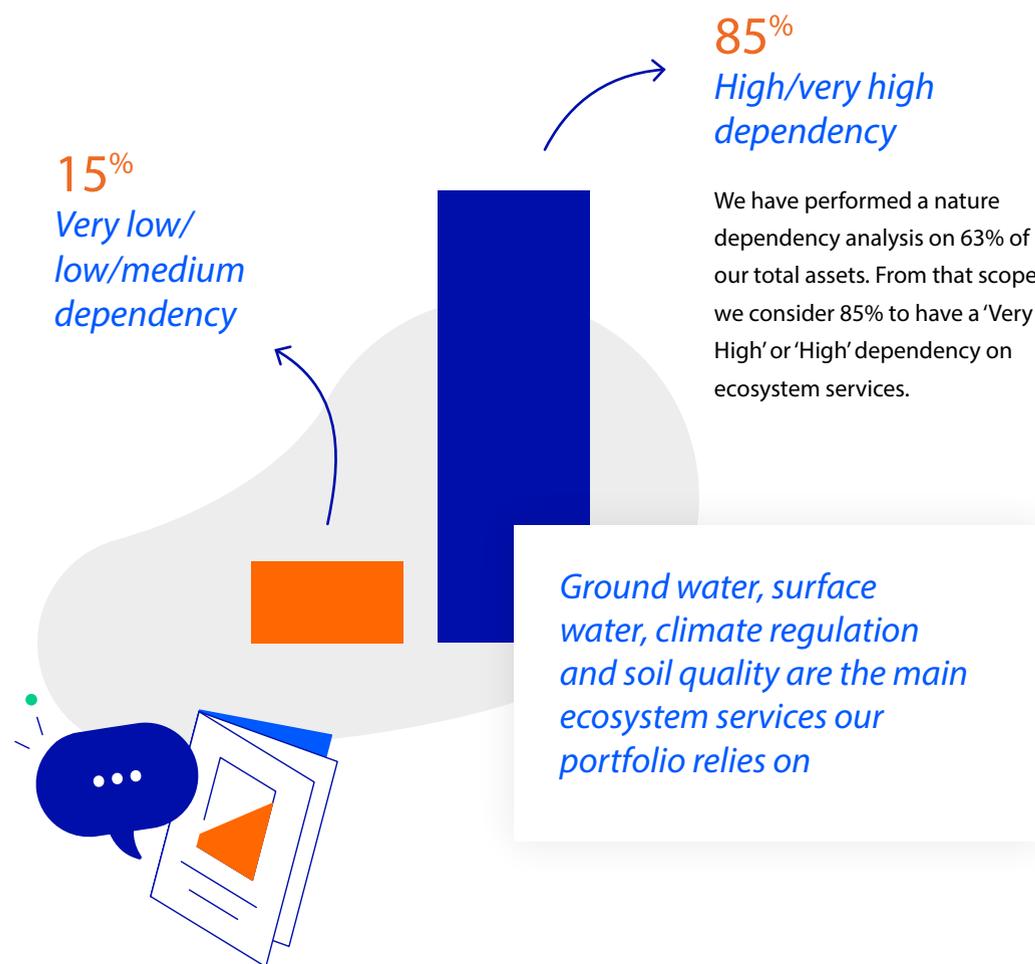
horticulturist and farming population are over 55. We have around 55,000 farmers, of which 29,000 are over 55. Eleven thousand of them have a successor, the rest don't."

Datema: "That issue is certainly on our radar. I'm a bit more optimistic than you are about the future of the farming sector. Of course some farmers will give up but others will say: no matter what happens, I'm still going to make my own choices. It's all taking too long for my liking. And, of course, as Rabobank we have to be ready to help those entrepreneurs. And we will be."

*"The lack of steering on this issue in the Netherlands when it's so badly needed is truly dramatic. I'm calling for a central hub in which farmers, businesses, and government come together to look at questions concerning the who, what, and where of sustainability? "*

Roy Meijer, Chairman NAJK

## Rabobank portfolio dependency on ecosystem services



### Where Are We Today

Nature is a broad theme. Where climate mainly revolves around global warming caused by CO<sub>2</sub>e emissions, the theme of Nature consists of multiple subtopics like pollution, water & marine resources, biodiversity & ecosystems, resources & circular economy. This makes the process of footprinting, or assessing where we are today in terms of dependency and impact on nature, quite complex. In addition we need to acknowledge that our sphere of influence as a bank lies primarily on financing the transition, steering on the triangle risk, return and sustainability and our efforts to embed nature in our organization and core banking processes (e.g. governance, training, risk management, policies). We cannot determine the outcomes of our customer engagements.

In 2023 we established a dedicated Nature team, within our sustainability department that in close cooperation and alignment with the Climate and People teams developed a 2030 ambition and a 2050 vision on Nature. Based on that ambition and vision the team developed a bankwide and multi-year approach consisting of four basis steps: 1. footprinting, including data- and metric development, 2. target-setting, 3. integration in strategies, policies, risk management frameworks and business development, 4. awareness and disclosure.

### Impact and dependency

Our own operations (Scope 1 and 2) have limited impact and dependency on nature. Therefore our main focus is on our financed activities (Scope 3). In 2023 we performed a nature impact analysis for 63% Rabobank's total assets that shows that most of the impact on nature is due to the effect of land use. The analysis also indicated that most of Rabobank's impact on nature occurs at farm level in the animal protein, grains & oilseeds and dairy sectors. In these sectors, Rabobank has large exposures in the Netherlands, Australia, United States, New Zealand and Brazil. We are seeking to improve the quality, specificity and granularity of data for future analysis.

On the other side, our portfolio is very much dependent on nature. In 2023 we updated our dependency analyses (based on 2022 figures), which covers 63% of our total assets. From this update we have learned that approximately 85% of the covered assets is highly to very highly dependent on one or more ecosystem services. Surface and Ground water, Soil Quality and Climate Regulation are among the ecosystem services we are most dependent on. Not protecting and restoring our natural capital can put our and our customers' long term business model at risk.

## Next Steps

We are taking steps in assessing and managing our nature-related risks, opportunities, impacts and dependencies and are aiming to accelerate. Therefore, we are in the process of setting nature-related targets ourselves, following the relevant external guidance (such as the United Nations Principles for Responsible Banking Nature Target Setting Guidance and the guidance of the Finance for Biodiversity Foundation), starting with so called practice targets. The purpose is to help strengthen the consideration of nature in our steering and decision-making and to firmly embed over time in our business-as-usual processes, while continually gathering information and preparing to set impact targets eventually. Examples of the practice targets that we have already set, include:

- Governance: to have developed and implemented a clear governance and established senior management accountability by the end of 2024. In addition, we will have developed and rolled out a group-wide mandatory training curriculum that includes the theme of Nature.
- Materiality and impact assessment: to have included Nature in our materiality analysis by the end of 2024 and assessed a significant majority of our Nature-material portfolio on Nature impacts.
- Strategy & policy: to have developed a vision on Nature and integrated it in our overall sustainability strategy by the end of 2024.
- Risks & opportunities: to have continued incorporating nature sensitive portfolios in our risk management approach.

### Towards 2030

Towards 2030 it is our aspiration to integrate nature in our way of working. To this end we will embed nature into all our core banking processes and governance and are steering on the triangle of risk, return as well as sustainability and progressively adapt our portfolio and policies towards alignment with the Kunming-Montreal Global Biodiversity Framework (GBF) 2030 targets, in line with the best practices and based on the best available science. Leveraging our banking activities, we mainly focus on:

- Avoiding impacts in Protected Areas and Key Biodiversity Areas.
- Minimizing pollution and impacts on threatened species.
- Restoring degraded ecosystems.
- Steering on good agricultural practices, reduction of food loss & waste and protein diversification.
- Halting deforestation and land conversion.<sup>1</sup>

<sup>1</sup> In line with our updated Deforestation & Land Conversion policy

### Towards 2050

We support the overarching Kunming-Montreal Global Biodiversity Framework (GBF) vision: 'A world of living in harmony with nature, where by 2050, biodiversity is valued, conserved, restored and wisely used, maintaining ecosystem services, sustaining a healthy planet and delivering benefits essential for all people'. We translate this vision into: transitioning to activities efficiently using natural resources and balancing between the use of natural resources and the nature, climate and people levers. We do this by including nature in our steering and decision making. Throughout our approach, our efforts are firstly aimed at avoiding negative impacts, secondly at minimizing negative impacts, subsequently at restoring negative impacts which can't be avoided or minimized and only then at offsetting what can't be restored.

## Business Delivery & Opportunities

Meanwhile, we work towards **helping customers in their transition to a sustainable future** and towards valuing and using natural resources efficiently e.g. by engaging and stimulating good agricultural practices, by developing nature based solutions, by financing natural and protective infrastructure and by engaging with customers on their nature performance. Secondly, to **help move the system in a sustainable direction** we e.g. work with private and public partners to co-facilitate the protection and restoration of Key Biodiversity areas to leave more nature for next generations. Thirdly, we aim to **optimize our portfolio** towards activities that efficiently use natural resources by developing data, and risk frameworks that include nature impacts and dependencies and by focusing on the nature investment potential.

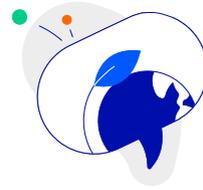
## Project case

## Regenerative agriculture, a solution to become future-proof

Healthy soils are crucial for agriculture as climate change and the related rise in extreme weather conditions are having a negative impact on harvests. Our Canadian Wholesale customer McCain, famous for its potato products, is concerned about those negative effects on their growers' harvests. The company not only recognizes the need to reinvent the way potatoes are grown, but also feels the responsibility to support their growers.

### Regenerative agriculture

A healthy soil produces more food and nutrition, stores more carbon and increases biodiversity. Healthy soils are also essential to improve resilience to the growing impact of extreme climate conditions. For instance, it is better able to retain water, which mitigates the effects of droughts and/or excess water. Regenerative farming can both restore agricultural land and reduce environmental impact, including reducing greenhouse gas emissions.



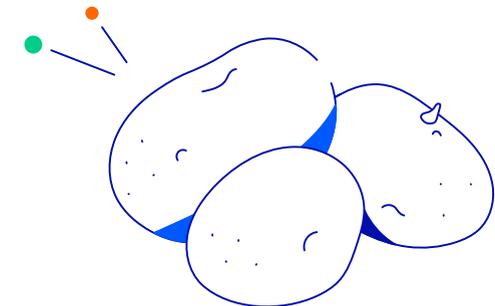
## On the right path to regenerative agriculture

**34** growers have entered the program in the first year of the partnership

This represents an acreage of over

**800**<sup>ha</sup>

**28%** of McCain growers globally are engaged in adopting regenerative practices



### Project case

## Future-proof commitment

McCain made a commitment to implement regenerative agriculture across 100% of their acreage by 2030. To achieve this ambition McCain developed a global Regenerative Agriculture program and scientific framework to incentivize farmers to adopt more sustainable farming practices. The framework lists key regenerative practices with measurable indicators to monitor progress towards regenerative agriculture. The program offers their 3,500 growers comprehensive tool sets and solutions they can adopt gradually and collectively depending on the different geographies they operate in. These include training, demonstration farms, three-year contracts, and better prices when the grower achieves high scores on the framework.

## Perfect match

With our combined expertise, McCain and Rabobank can make a big impact on the future of agriculture, by offering growers in the Netherlands opportunities and incentives to transition to regenerative agriculture. In addition to benefiting from lower interest rates, McCain growers are also able to make use of favorable lending conditions whenever they invest in precision technology and other equipment necessary in the transition to more regenerative practices. Discounts on interest for these transition loans are matched by McCain, resulting in a significant discount. Rabobank and McCain are also currently looking at possibilities to expand the scope of the program to other rural regions.

## Financing sustainability

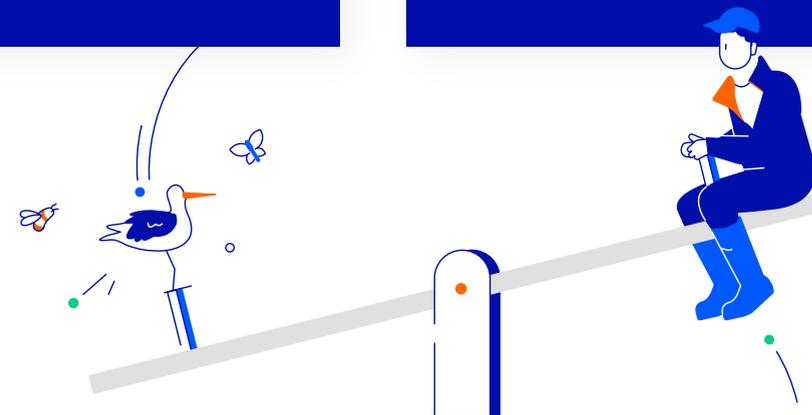
In 2023 Rabobank presented sector visions towards 2040, identifying five transition paths for agriculture in the Netherlands: extensive farming, innovation, relocation, conversion, or cessation. To support the sector Rabobank allocated a EUR 3 billion budget for transitions loans. Farmers can receive significant discounts when they need to take out loans for investments in these transition paths. Rabobank assesses their customers through the Sustainability Matrix. Together with WWF and Royal Friesland Campina, Rabobank has developed the Biodiversity Monitor for dairy farming, and the KPIs in our sustainability matrix are largely in line with this monitor. By 2023, the objectives for arable farming have also been completed, and the biodiversity monitor for arable farming has been launched.

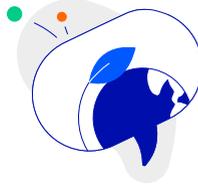
### Biodiversity Monitor

In cooperation with our clients we have also worked with the Biodiversity Monitor in the Dutch dairy and arable farming sector, which measures improvement in on-farm biodiversity performance, through measurement of a shared set of KPIs.

### Open Bodemindex

The Open Soilindex is a tool which is developed together with Wageningen University, a.s.r. and Vitens that give farmers insights in the soil quality. An open soil index provides a better picture of the development of the soil and soil quality in the Netherlands. Ultimately, the goal is to make the soil more sustainable, with the result that agricultural entrepreneurs and the drinking water supply benefit from this.



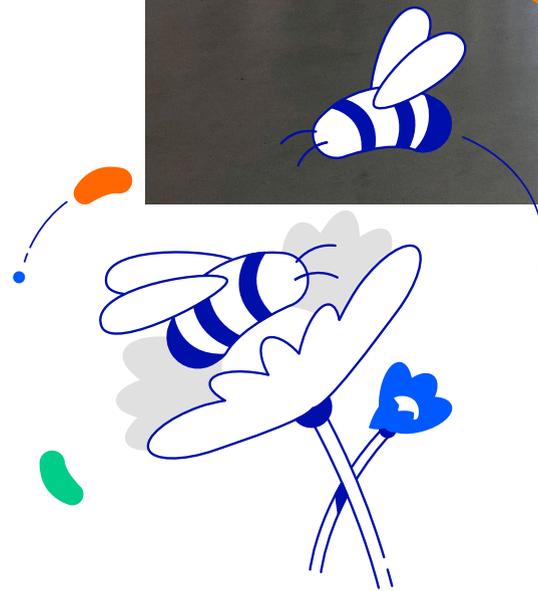
  
**Project case**

## Closing the food chain by ensuring leftover food doesn't go to waste

It is estimated that one third of the world's consumable food goes to waste. Rabobank is helping two Dutch companies to turn this challenge into an opportunity. Protix and RavenFeed grow insects on truckloads of food waste, producing protein rich feed for chickens, while at the same time reducing the footprint of food production.

### No Time to Waste

This innovative and sustainable solution is now going global. Tyson Foods has partnered with Protix and is investing to facilitate global expansion and to build an insect ingredient factory in the United States. This is an important step towards a future-proof food system. As Protix is a Rabo Investments portfolio company this is one way that Rabobank contributes to a sustainable global food industry. Rabobank embraces innovative solutions that can change the global food system. By investing in innovators like Protix and RavenFeed, we create momentum for other banks and investors to step in. Creating an ever-growing positive impact.

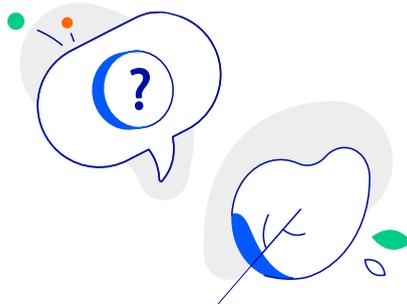


*Rabobank embraces  
innovative solutions that  
can change the global  
food system*

## The dilemma around deforestation

### **Dilemma: Should we be financing customers in deforestation risk regions, yes or no?**

Humankind has used and converted land as long as it has existed and continues to do so, mainly to feed itself. However, scientists claim that due to the way land is currently used (for agricultural, commercial, recreational, residential, and transportation purposes) and the scale at which it is converted, nature loss might be pushed beyond 'safe limits' and past Planetary Boundaries.



*"We strongly believe that the best way we can contribute to a future-proof food system is by actively participating in it, with customers and other stakeholders."*

Our customers all face climate change and nature loss as massive global challenges that undermine the resilience of our planet and its ability to recover. It affects everyone, everywhere. Land Use Change (including Deforestation and Land Conversion (D&LC)) is one of the causes of this and touches our sustainability priorities. It can impact climate, through increased emissions or decreased carbon sequestration capacity, and nature through biodiversity loss: animal and vegetation. Both in turn can impact human rights and livelihoods.

The growing world population continues to ask for more food, which consequently, puts more pressure on food production and increases the land at risk for conversion or deforestation, both legal and illegal. At the same time, Rabobank is

an internationally operating bank with a strong presence in the food value chain, from smallholder farmers to multinational food producers. We are committed to helping drive a food system transition toward a future-proof, more sustainable direction. At the same time we appreciate that the international food value chain, as a whole, is not there yet. This means our financing activities can also potentially be exposed to the risk of land use change. In addition, in some regions there is a higher risk; for instance, risk is lower in areas that were converted for agricultural use long ago, such as Europe, and higher in densely forested regions, such as Brazil.

**What then, if you are a bank that is against deforestation? Would you need to stay out of regions with a higher risk? Would you need to stay out of certain sectors entirely?**

Withdrawing services from certain economic sectors or geographies is likely to have the unintended consequence that actual deforestation increases, as parties with lower policy levels and fewer preventive and corrective measures in place will occupy the place of banks with higher policy levels. We strongly believe that the best way we can contribute to a future-proof food system is by actively participating in it, with customers and

other stakeholders, rather than simply ignoring it or being passive bystanders. In the meantime, we know that the system won't change overnight.

**How do we work in areas with risks of deforestation?**

Asking customers to sign a 'no deforestation' commitment is not enough, it also requires us to work at customer level and at system and portfolio level. At customer level, we work on knowledge and financial product development to help customers towards a more sustainable direction, stimulating for example, climate and nature-smart farming practices. At system level, we work on solutions and innovations in partnerships with other key players, from banks to governments to NGOs, to push the system towards a more sustainable direction. At portfolio level, we continuously optimize for sustainability by making conscious choices in how we grow our portfolio and by developing policies that provides clarity on what we can and cannot finance going forward.

## A few examples of how we deal with deforestation

As a bank, we have a duty to adhere to contractual obligations and to respect local rules and regulations. As a consequence we cannot exclude having at any moment in time customers accused of illegal deforestation or customers who are in the process of meeting IBAMA's (or any other relevant governmental bodies') obligation to restore land. However, we choose to be present in countries with high deforestation and land conversion risk, and aim to make a positive impact by engaging in an active dialogue, monitoring our customers closely, setting progressive policies and acting upon these policies.

It is part of our sustainability strategy to act on climate as well as to value nature.

We actively encourage customers acting in Brazil with valid legal deforestation rights not to exercise such rights, including by developing carbon credits, or payment for eco-system services. We focus our attention to any form of deforestation, also when legally allowed.

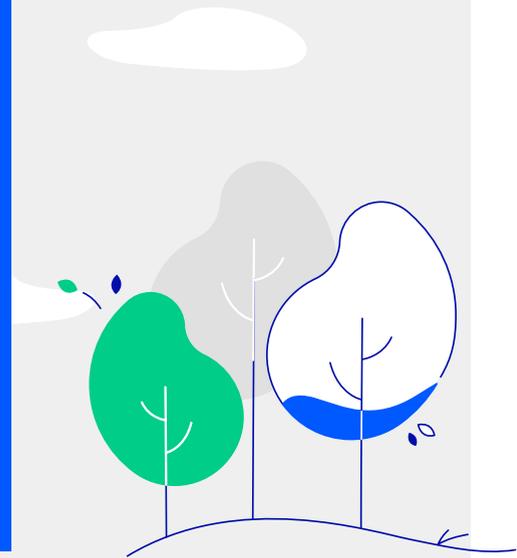
We are an active participant in global platforms, addressing sustainability issues through systems change, such as UN Food Systems Summits, COP's, World Economic Forum and the Taskforce for Nature-related Financial Disclosures and global roundtables where business, finance and civil society are working together to find solutions and set standards to curb deforestation.

Since 2006, we have a no deforestation policy. We have priority sectors and regions for which we have recently formulated a dedicated D&LC policy based on a no-deforestation and no-land conversion approach, even when legally allowed. The scope for prioritization of sectors and regions has also been expanded to notably include more biomes within South America, encompassing the Amazon, Cerrado and Chaco biomes, as well as soy and beef sectors. This updated policy will be published externally shortly. If our policies are not adhered to, a last resort is terminating a customer relationship within the boundaries of our contractual obligations and duty of care.

We provide financing that can help reduce deforestation risk such as Sustainability Linked Loans, blended finance solutions and Zero Deforestation Soy Fund.

We have committed to the Financial Pledge for Biodiversity, an international platform of banks dedicated to eradicating deforestation by 2030 and aiming for a net-positive impact on nature and biodiversity.

We screen customers if they are on an embargo list which could link to an environmental delict. We screen against public lists on embargos maintained by IBAMA. After a customer has been placed on the list, we investigate the situation and start a customer due diligence process. Part of this process is that we request our customer to clarify the listing and provide us with any relevant information. We also review all public information that is related to the embargo. Due to contractual obligations and our duty of care as a bank, we may not be able to take action until finalisation of the investigation and possible external proceedings, however we actively engage in a dialogue to resolve the situation.





**47 \$ million**

*Invested through RCF in deforestation free soy production with plans to scale significantly in future seasons*

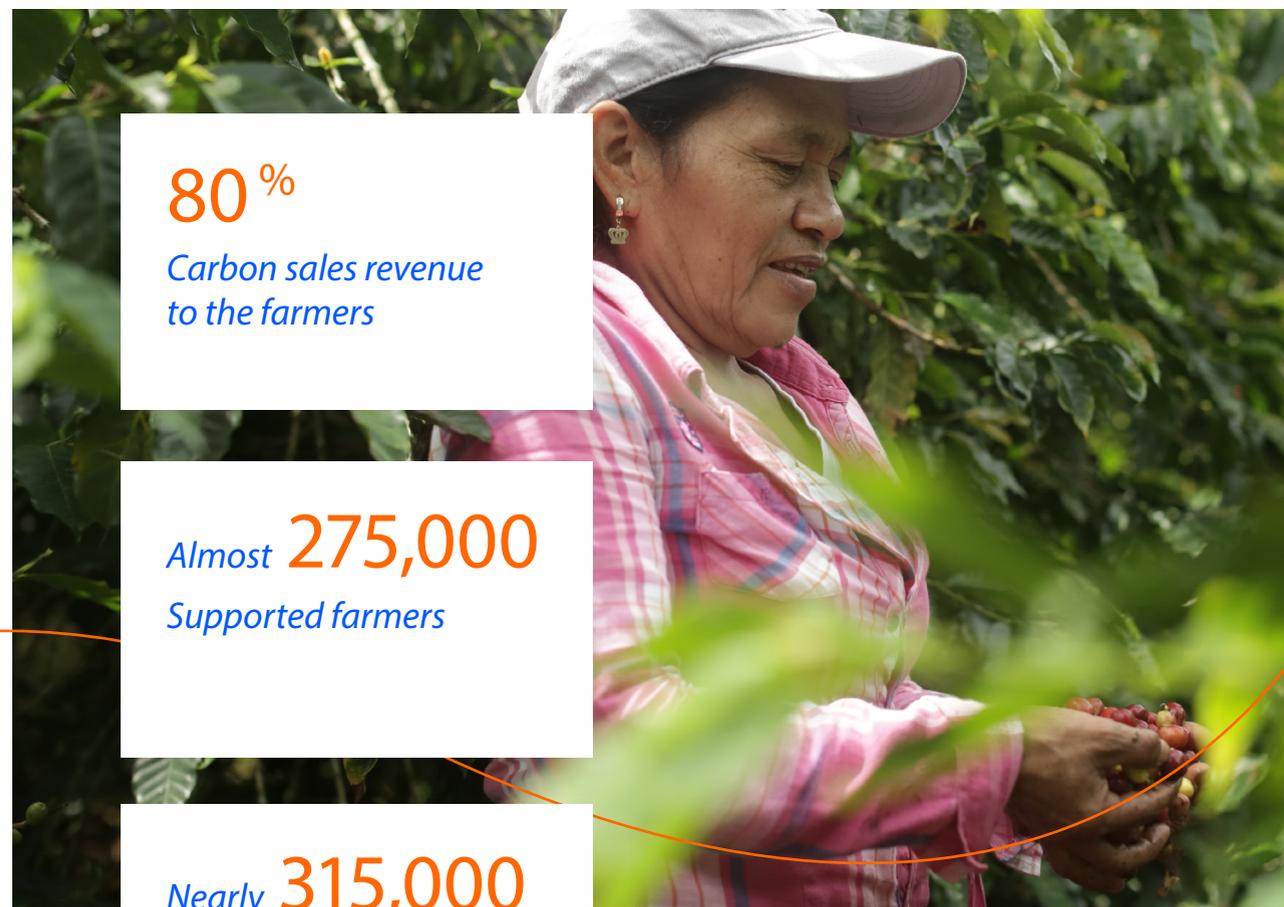


Project case

## Responsible Commodities Facility

Transforming our food production system requires innovative finance solutions, such as the Responsible Commodities Facility (RCF). This innovative blended finance solution offers financial incentives for farmers to adopt more sustainable farming practices, creating a positive environmental and economic impact downstream in the soy supply chain.

The Responsible Commodity Facility is set up to provide crop financing at preferential rates to Brazilian soy farmers, conditional on producing the soy on a deforestation-free basis. The objective of the RCF is to prevent negative climate impacts from land use change and to protect the natural habitat in the Cerrado region. The Cerrado biome, which lies mostly in Brazil, is the world's most biodiverse savannah, and it is under threat from deforestation, mostly driven by the expansion of soy cultivation. The RCF pilot was set up in 2022 by Sustainable Investment Management ("SIM") and 3 UK retailers (Tesco, Waitrose and Sainsbury) for USD 11 million. With Rabobank and the AGR13 fund now coming on board, the RCF has grown to USD 47 million for the 2023/24 soy harvest season. In the 2023/24 season the RCF will provide finance to 122 farms, producing 260,000 tons of soy, resulting in the conservation of around 43,000 ha of native vegetation. The RCF is a clear example of how competitors that are upstream in a supply chain can cooperate to support transformative change at a primary production level.

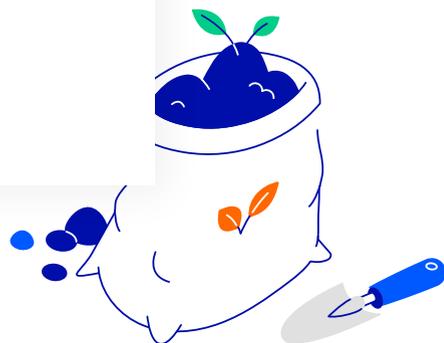


80%

Carbon sales revenue  
to the farmers

Almost 275,000  
Supported farmers

Nearly 315,000  
CRUs issued



## Acorn

Smallholder farmers in developing and emerging regions that switch to agroforestry can generate Carbon Removal Units (CRU's) through our "Acorn" program (Agroforestry Carbon Removal Units for the Organic Restoration of Nature). Agroforestry under the Acorn Program provides certified, nature-based carbon credits, with 80% of the carbon sales revenue going to the farmers. So far, the program has supported almost 275,000 farmers and issued nearly 315,000 CRU's.

### Our goals?

To sequester 100 million tons of CO<sub>2</sub> per year, partnering with 10 million farmers and planting a total of over 1 billions trees by 2030.

### COP28

At the 28<sup>th</sup> annual Conference of the Parties, Rabobank attended to discuss and negotiate measures to mitigate climate change and its consequences. Acorn signed a Memorandum of Understanding with the intention of investigating possibilities to start an Acorn project with smallholder farmers in the northern and southern regions of Kyrgyzstan (together with local partner AFoCO and the Republic of Kyrgyzstan). The intention is to regenerate up to 600,000 hectares of degraded forests through the Acorn program and create additional income possibilities for the participating smallholder farmers.

# Enable People

The rights of people are central to Rabobank's business. While governments are responsible for protecting human rights, companies, including Rabobank, must respect them in the way they organize and do business. We can play a role in protecting labor conditions, enabling and enhancing livelihoods, and supporting communities to thrive.

As an employer and bank, Rabobank impacts people every day, inside our own operations, through our business activities and through our business relations. We are also a systemic bank in the Netherlands where 9.1 million customers entrust us with EUR 163.0 billion in savings and we are quite aware that financial well-being is under pressure from inflation, energy poverty, and income inequality. As a cooperative bank, whose mission is "Growing a better world together", we will work together with public and private organizations to help face these challenges. Our ultimate goal is to contribute to a more inclusive society for customers, communities and workforce.

Rabobank is committed to the United Nations' Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The UN now recognizes access to a healthy and sustainable environment as a universal right. Climate and nature related transitions need to be 'fair' and 'just', with considerations of affordability, equal distribution of effects and ensuring the minimum social safeguards.

## Where are we today

In 2023 we have focused in our own operations on strengthening diversity, equity and inclusion. We have e.g. updated our Global Policy on Diversity, Equity and Inclusion. We view winning the 2023 NVP HR Professional Award 2023 for having proven to be successful with an innovative HR policy as an acknowledgement of our focus and efforts. More information about this is available in the Better Bank section of this Impact Report.

Outside our own operations, In the Netherlands, 'financially healthy living' is a key theme. We believe that financial health is pre-conditional for a 'Better World'. By helping our customers to be financially resilient, we help them participate in for example the energy transition that is required for a sustainable future. This is why in the Netherlands, Rabobank is part of the National Coalition Financial Health, a public private organization aimed halving the number of families living in poverty and providing one million children and young adults with financial education by 2030 (a national target that we will try to realize and translate into Rabobank specific targets in 2024). The scope of financially healthy living as a theme is broader than financial products and services; we for example support local projects that contribute to greater equality of opportunities and provide teaching packages around 'financially healthy living' for MBO (secondary vocational education) students.

## Objectives



### Enable People

*A more inclusive society for customers, communities and workforce.*

- *Support of fair and equal opportunities for financial well-being and participation in society*
- *Respecting human rights*
- *Support of customers and communities to act on climate and nature in their business and at home, in a financially sound way*
- *Driving transitions that can contribute to make the sustainable option affordable, available and accessible*

### Cooperative Circles

In a cooperative circle participants donate a minimum of EUR 1,000 per year. Customers and members of Rabobank and engaged residents of a region raise funds to increase equal opportunities for children. The collective contribution is used to support local projects that contribute to greater equality of opportunities. Participants are actively involved in the initiative they support. Rabobank has helped kickstart 11 of such circles in the Netherlands, with more to be established in 2024. By setting up cooperative circles, we are working towards a national movement that is committed to equality of opportunity. The circles operate independent from the bank.

### Teaching Package

We developed a Rabo teaching package for MBO (secondary vocational education) students in the Netherlands. Lessons cover e.g. online gambling, fraud, and crypto currency. The goal of the lessons is to have a 'financially healthy living' conversation with 21,000 young people. This training serves as an effective tool to reach this goal. In 2023, the lessons have been rolled out throughout the Netherlands.

### Internationally

We continued to work on improving the livelihoods of smallholder farmers and financial inclusion via Rabo Partnerships and Rabo Foundation as evidenced by the cases in this chapter. Beyond the work that we are currently doing, it is our aspiration to integrate 'people' in our way of working within the bank. We need to prioritise and identify where we have the greatest people related risks and impacts. We have started to discuss this topic with stakeholders and have initiated a process to identify where we impact people most through our business relationships.

## Business Delivery & Opportunities

We increasingly aim to include a social dimension into our financial products and propositions. This can have different shapes and forms, potentially ranging from more favorable financing terms to tactical assistance (e.g. for smallholder farmers). Below we outline some examples of how we aim to do this.

### Financially Healthy Living

In the Netherlands, we see increasing levels of financial vulnerability. Twenty-nine percent of Dutch people have insufficient savings to make ends meet for two months without an income. As a cooperative bank, we support the shift toward a more inclusive society, in which people are more financially responsible and there are equal opportunities for all. Rabobank encourages everybody to live a more financially healthy life, and is convinced that everybody is capable of it. We do this by providing inspiration and motivation, by encouraging people to talk more about money and by providing clear information,

practical tips and tools. We also provide information on opportunities for further capital accumulation through saving and investing.

### Geldfit.nl

In 2023, approximately 13,500 people were referred to Geldfit.nl through our own channels and staff. Private customers and entrepreneurs can take the anonymous financial test. The independent website offers free tips and information on a wide range of financial topics. People are able to anonymously get personal advice on their financial situation.

### Online Financial Health Check

In 2023 we added a financial health check in our mobile banking app. The check (developed in cooperation with Nibud (Dutch National Institute for Family Finance Information)) presents a number of questions and after answering those, provides a financial health score as well as tips to improve. The financial health check provides insight which is the first step in a four step approach: insight, spend less, save more, build wealth. In 2023 (the functionality was launched in June), over 100,000 people used the financial health check.

## Next steps

Overarchingly, we will continue to build on our aspiration to integrate 'people' in our way of working in the bank. In 2024 we will expand our efforts in this process and determine where our focus will be. Our approach will be integrated and holistically linked to our ambitions in Climate and Nature. We will invest time in this process, to gain and share knowledge and find out together who has what impact where. These findings will be the foundation of an implementation plan which we aim to finalize by the end of 2024. Key to the implementation plan will be to approach Climate, Nature and People holistically. Only then will we build a truly sustainable future. Everyone must also be able to join in the process that it brings around. In other words, this future and everything required to achieve it must be accessible and affordable.



**+752,000**

*People have the chance to improve their living standards in 2023*

**42 € million**

*Funding provided to new and existing partners and clients*

**New initiative for smallholder agroforestry**

Smallholder farmers in Africa, Asia and Latin America are being hit hard by climate change. Drought, depleted soil and failed harvests result in lower yields and this directly affects the livelihoods of farmers. The transition to agroforestry can offer a solution for farmers. Improved soil quality, increased yields and additional income. Rabo Foundation sees the benefits of agroforestry and started in 2023 to set up a new separate vehicle, in collaboration with Rabobank's Acorn. The new initiative will provide impact financing to support smallholder farmers in the transition to agroforestry.



## Rabo Foundation

On 31 December, 1973, Rabo Foundation was established to pass on Rabobank's rich history and cooperative beliefs.

In line with Rabobank's roots, the Foundation is convinced that self-reliance is the key to creating lasting change. Over the past 50 years, the Foundation has been committed to structurally improving the economic and social standards of people in a disadvantaged position. Rabo Foundation provides impact funding in the form of loans and technical assistance to organizations that cannot (yet) be financed by the traditional financial system or organizations that have a broad reach to people who really need it. Rabo Foundation is active both in the Netherlands and across more than 20 countries in Africa, Asia and Latin America.

In Africa, Asia and Latin America, Rabo Foundation focuses on smallholder farmers. Annually, the Foundation supports more than 240 farmers' cooperatives, financial service providers and other organizations, that collaborate with millions of smallholder farmers. On a global scale, smallholder farmers produce at least one third of the world's food supply, and therefore play a vital role in feeding our growing global population. As the impacts of climate change further threaten farmers' livelihoods and their crops, Rabo Foundation's financing aims to enhance productivity, build climate resilience, and increase incomes.

In the Netherlands, the Foundation finances over 150 social entrepreneurs who are leading the way in finding innovative solutions to promote a more inclusive labour market and transition to a more circular economy. These entrepreneurs provide people with a distance to the labour market opportunities for work and encourage greater participation in society. Rabo Foundation is organized in a separate Public Benefit Organization ("ANBI stichting").



450

People that found a job  
with the help of Ctalents

90%

Successfully employed  
people after one year



Project case

## Ctalents: frontrunner in an inclusive job market

Too many people who have a sensory impairment are stuck at home without work. However, these people are extra talented in other areas and deserve a fair chance on the labor market. With support from Rabo Foundation, Ctalents, a secondment agency that works with people from this group, is working on realising a more inclusive society where everyone can have a great career.

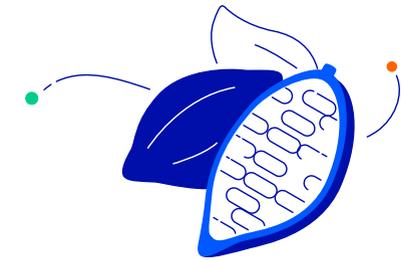
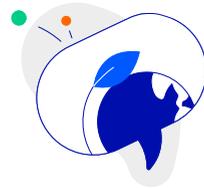
Ctalents focuses on the unique talents of people with a visual or hearing impairment; even though these people have often other senses more developed and can be an asset to any team, unemployment among them is still very high. Ctalents aspiration is to decrease unemployment within this group of people from 70% to 20%. By linking these talents to employers, they feel that they are contributing to society again and companies can contribute towards a more inclusive society - a win-win situation for both sides. Rabo Foundation supported Ctalents in its start-up phase by providing loan financing and enabling it to grow. Currently, Ctalents is collaborating with more than 30 different organisations, including provinces, to realise its mission.

## Project case

## Latitude: higher and more stable incomes for smallholder cocoa farmers in Uganda

Better chocolate for a better life: that is the mission of Latitude Craft Chocolate in the heart of Uganda. Latitude is a specialty cocoa exporter and craft chocolate maker structurally improving the lives of local cocoa farmers. Rabo Foundation has been supporting Latitude for many years in their mission to create local jobs and sustainably improve incomes for smallholder cocoa farmers throughout Uganda.

Latitude sources its cocoa in Eastern and Western Uganda, where many families do not earn enough to make a decent living. Latitude supports farmers to escape this reality by purchasing the cocoa from the farmers at a premium price and producing high quality cocoa and chocolate at origin. With support of Rabo Foundation through loan financing, Latitude developed a vertically integrated cocoa chain over the years with farm-to-bar traceability and expanded export of high quality cocoa sourced from smallholder farmers.



### 6,000

Cocoa farmers that  
earn a higher price

### 3,460

Acres of certified  
cocoa

Latitude does not only support farmers to improve their income, but also helps them to structurally improve their working conditions and build a better future. Through long-term farmer contracts to grow organic cacao, it promotes biodiversity and ensures fair labour practices on all farms. This is guaranteed by routine visits and inspections of the field teams. They also provide training on good agronomic practices and financial literacy and ensure farmers have access to micro-finance to support their families year-round and not only during the harvest period. Rabo Foundation also recently supported Latitude by providing grant funding to launch a project to help farmers transition from cash to digital payments.



## Rabo Partnerships

An equitable transition of the food system in emerging markets starts with (mostly smallholder) farmers, their supply chains and financial institutions. Rabo Partnerships is our booster for financial inclusion and sustainable food systems globally through providing patient capital to financial institutions, technical assistance, blended finance solutions, and creating smallholder ecosystems.

Rabo Partnerships creates value for farmers in emerging markets by organizing access to financial services that improve productivity and income. By doing so we create sustainable financial systems that benefit food system transition and rural development.

### Our goals

Through strong partnerships we build resilient financial institutions and foster innovation in food and agri value chains in Africa, Asia and Latin America. Our global footprint includes 30+ countries, where we engage with public and private partners, to share our knowledge, networks, finance, and innovative solutions. For over three decades Rabo Partnerships has shown commitment to creating a positive contribution towards the global food systems transition.

### Our Impact

Rabo Partnerships' portfolio footprint of EUR 400m+ is invested towards financial inclusion in Africa and Latin America. In Sub-Saharan Africa, Rabo Partnerships investees, through Arise, have over 200,000+ touchpoints (branch, agent, ATM)



offering financial services. Through this platform, ~20% of African adults with a formal account hold them at an Arise investee. The rural economy in Africa is serviced via ~35,000 rural touchpoints reaching over 6 million rural customers with a loan exposure of EUR 1.4 bln to the primary agriculture sector.

Next to this, we founded the AGRI3 Fund in cooperation with United Nations Environment Programme ('UNEP') to support deforestation free sustainable agriculture and improve rural livelihoods. As of year-end 2023, the AGRI3 Fund has de-risked 16 impactful transactions through cooperation with financial institutions, mainly in Brazil, and also expanding into Africa and Asia. Globally, we are now shaping the future by offering digital solutions to farmers with our digital platform solution, Agriculture Exchange, currently reaching 1 mln farmers and growing.

400 € million

Invested towards  
financial inclusion in  
Africa and Latin America

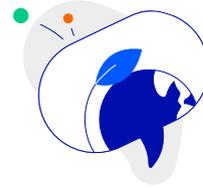
1 mln

Farmers reached by  
our digital platform,  
Agriculture Exchange



## Project case

## Avanti Finance



In April 2023, Rabo Partnerships announced the investment in the Bengaluru-based Avanti Finance, a technology-led NBFC (Non-Banking Financial Company) focused on financial inclusion for the underserved segment of the population. Avanti secured USD 24 million equity funding from existing shareholders, Rabo Partnerships and IDH Farmfit Fund.

The investment supports Avanti's mission of providing frictionless, affordable and hyperlocal credit products to smallholders in India, enabling them to build sustainable livelihoods. Through this investment, Rabo Partnerships enables access to finance to help smallholders contribute to food system change while driving rural development.

The investment in Avanti is in line with Rabo Partnerships' "smallholder ecosystems" strategy, which focuses on providing data-driven finance solutions to underserved smallholders through local cooperatives and service providers. Smallholders play an increasingly important role in feeding a growing world population. Increasing access to financial services will benefit farmer households and help achieve rural development and global food system change.

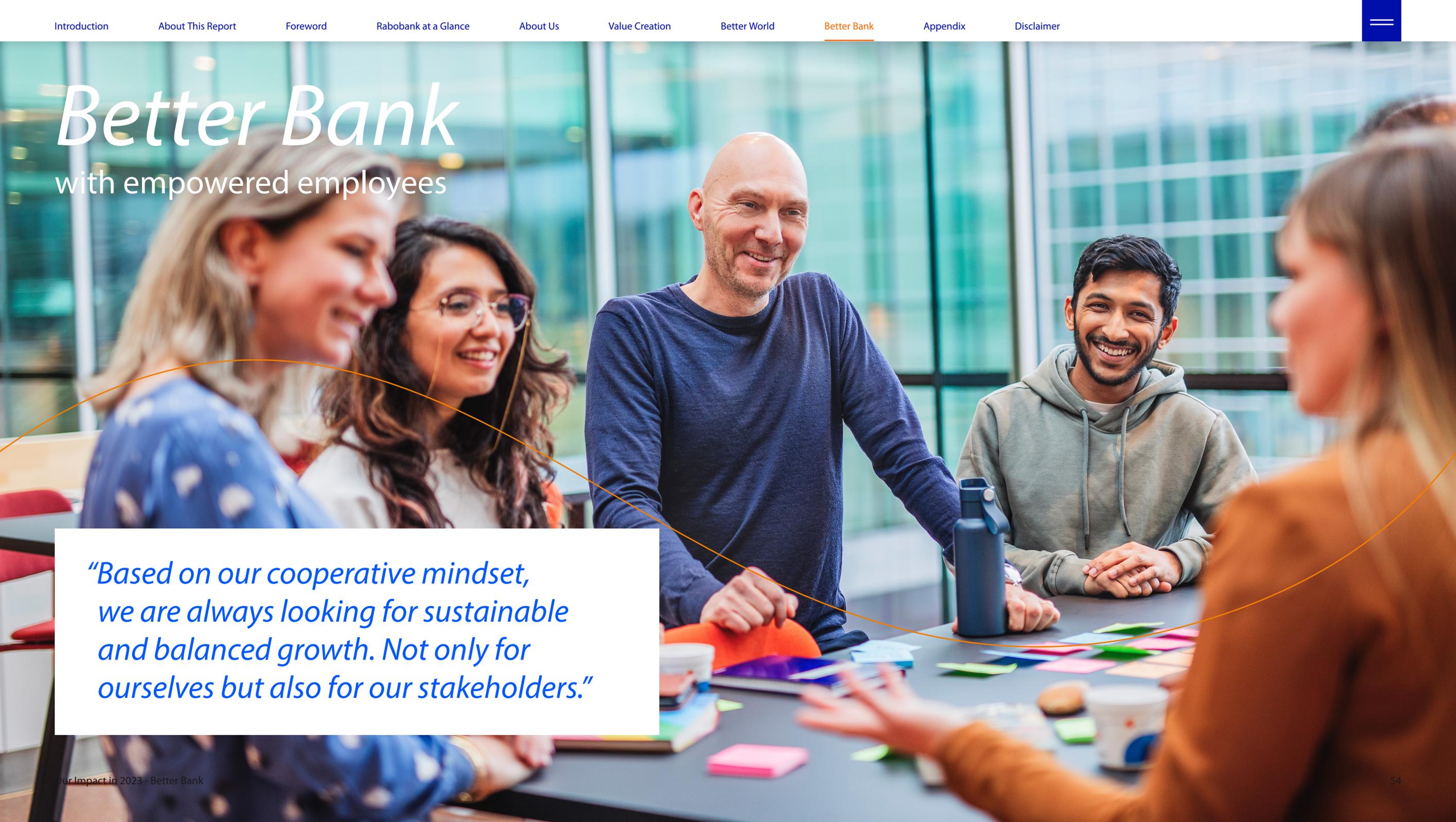
**24 \$ million**

*Equity funding  
invested in Avanti*



# Better Bank

with empowered employees



*“Based on our cooperative mindset, we are always looking for sustainable and balanced growth. Not only for ourselves but also for our stakeholders.”*

# Empowered Employees

## A Great Place to Be

We want our employees to realize results, add value for our customers, and contribute to our goals. That is only possible if we offer them the best environment for them to work, develop, and grow in: in short, if Rabobank is a great place to be. For us this means a safe and supporting place, where people feel valued and can reach their full potential. Creating such a place requires not only an effortless employee journey and clear roles and responsibilities, but also diverse and inclusive teams that work together. We want Rabobank to be a great place to be and somewhere people want to stay.

## Create One Rabo Culture

*We dare to make a difference in the world. Where we do the right thing exceptionally well. Where we go the extra mile for our customers. We strive to make one another better.*

Our One Rabo Culture is rooted in the collective values, beliefs and assumptions that are held in our organization. It determines how we interact with each other, our customers, and society every day. Ultimately, we experience and observe it in our collective behaviors, including our leadership, decision making and communication. By acting based on shared values, we can make a greater impact on the world around us.

## Employee Engagement

Our employees are closely involved with our mission and committed to the strategic priorities of our bank. In order to constantly improve, we actively engage with our employees and seek their valuable input on a range of topics. We also measure employee engagement and organizational health each quarter through Effectory's Engagement Score

33,000

Employees give feedback in the Engagement Score, 4 times per year



88

Employee Engagement

2022: 86



of our employees enjoy working at Rabobank

2022: 91%



## Future Ready Workforce

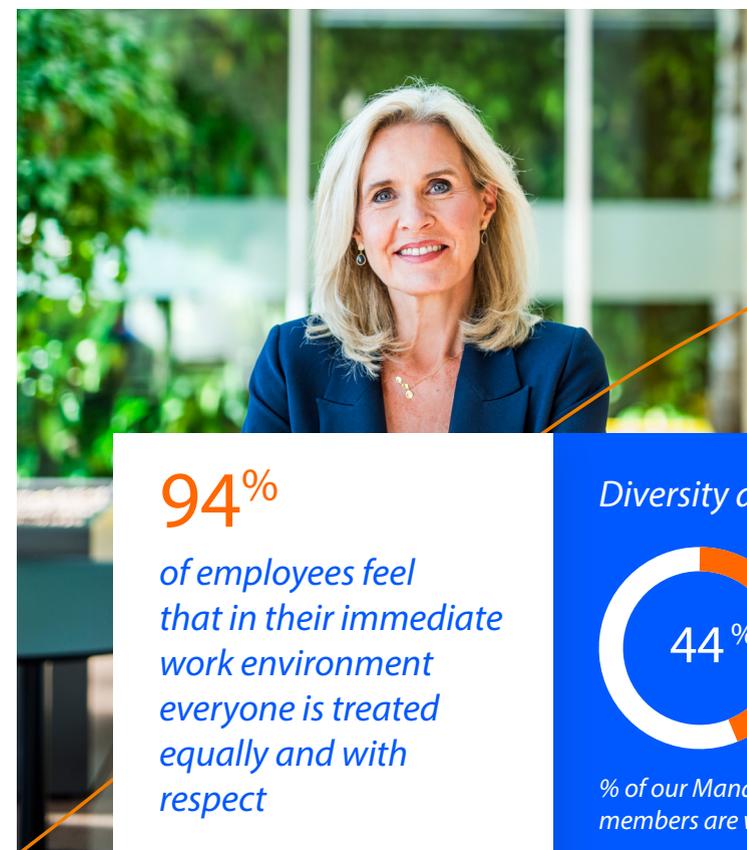
To compete in a changing business world and successfully contribute to the key transitions, we're building a future-ready team. Having identified the capabilities, skills and knowledge needed, we focus on fast recruitment, effective on-boarding, and a supportive environment that prioritizes well-being, development, and career opportunities. This overall approach helps us adapt and thrive, now and in the future.

- 5,074 new employees joined Rabobank in 2023.

Investing in our people is an important part of our people strategy. Reskilling and upskilling allows them to design their own career and contribute to Rabobank's ambitions and goals. Employees are offered a personal annual development budget of EUR 1,400 per year. By year-end 2023, EUR 23.6 million of the total Personal Development Budget available for 2023 had been spent.

## Diversity, Equity and Inclusion

At Rabobank, we firmly believe that with diversity, equity and inclusion comes great strength. Diversity not only benefits our employees, but also our bank and, ultimately, our society as a whole. We strive to provide equal opportunities, and do not want to exclude anyone. This requires an inclusive culture where everyone can be themselves, and where employees feel respected and appreciated for who they are. Therefore, we have a Global Policy on Diversity, Equity, and Inclusion and a Global Standard on Diversity, Equity and Inclusion. The policy reflects our position in society, by which we can better align our services to our customers' needs. Our Diversity Board ensures the commitment and involvement of senior management.



# 94%

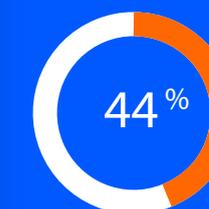
*of employees feel that in their immediate work environment everyone is treated equally and with respect*

## Pay gap

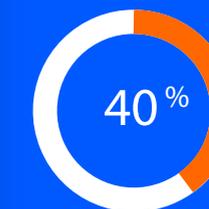
*In 2023 there was a decrease in both unadjusted -/- 21.2% and adjusted -/- 1.2%*

undadjusted 2022: -/- 22.3%  
adjusted 2022: -/- 1.4%

## Diversity and Inclusion



*% of our Managing Board members are women*



*% of the level below Managing Board are women*

## Project case

## NVP HR Professional Award 2023

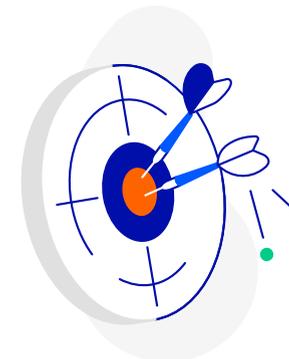


Rabobank won the NVP HR Professional Award 2023. This award is presented every year by the Dutch Network for HR Professionals (NVP) to the organization with the most successful innovative HR policy. This year, special attention was paid to the way in which organizations are able to continuously adapt to the challenges of today and tomorrow in the field of Diversity, Equity, & Inclusion (DE&I).

The professional jury wrote in their detailed report: "Rabobank has a clear vision on Diversity, Equity & Inclusion and has translated this into a strategy aimed at structural and behavioral inclusion. In addition, Rabobank has taken various initiatives and actions to make this strategy successful. Rabobank has also shown that it does what it says. All in all, we as a jury are impressed by Rabobank's DE&I policy and dedication and we congratulate them on winning the NVP HR Professional 2023!"



*Rabobank has taken various initiatives and actions to make its Diversity, Equity & Inclusion strategy successful*



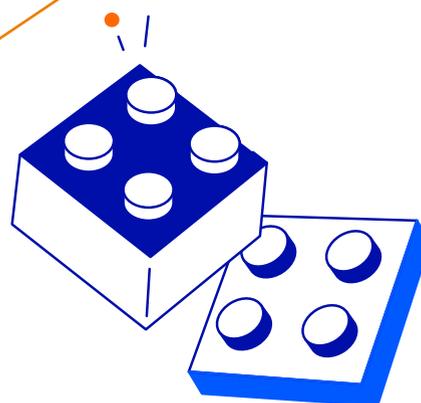


**38,000**

*Members active  
in communities*

**670**

*Members of Women in  
Tech community*



*Project case*

## Women in Tech

There is a wide variety of communities active within Rabobank. Communities are groups of Rabo colleagues who share a field of knowledge, role, or other topic. There are now 38,000 employees active in such communities. One of these communities is the Women in Tech community.

This particular community discusses topics that impact women in this male-dominated profession. For example, work-life balance, authenticity and imposter syndrome. This happens every month in a safe environment where everyone is welcome.

Building the community also contributes to awareness – communities are ways to start conversations and, because everyone knows each other, the quality of conversations continues to improve. As more members come, with different backgrounds, the community is becoming better at facilitating inclusivity. The lively sharing of resources and knowledge shows that the community feels connected and trusts each other to seek help from each other. By the end of 2023, the community had 670 members.

# Innovative Platforms

At Rabobank, we work to continuously improve our systems and processes and we develop innovative solutions to support optimal service provision to our customers. Our customers are able to bank securely, without problems. Anytime, anywhere. We wish to respond rapidly to changing customer and market needs, and we want our products to have a short time to market. Our employees are key to achieving these goals. We, therefore, ensure that employees are engaged, that they can work anywhere, and that they are supported with tools and processes that empower them to focus as much as possible on their core tasks.

## Digitalization

In our digital world, it's crucial that we are always accessible to our customers, that they can rely on our services 24/7, and trust that their data is secure. Rapid technological developments impact how we can achieve our goals for the future. To remain competitive we must simplify our operating models and accelerate digitalization. We need to become a "digital first" organization. It is what our customers expect from us: fully online and easy to use. 69.8% of private customers and 83.8% of corporate customers now use our online services. But we continuously improve and renew our IT landscape. For example by standardizing platforms, automating processes and migrating applications to the cloud. Our goal is to make banking as smooth, easy and safe as possible for our customers.

### Computable Number 1 IT Employer

*Rabobank is the new number one in the employer survey among non-ICT organizations, published by Computable magazine. Positioning ourselves as an innovative IT employer where employees can work on their own projects and develop themselves professionally, is what scored us top marks.*

### Sustainable IT

IT demand has been growing and will keep growing towards the future. Not only in the cloud, but also in our own data centres, caused by increasing volumes, (big) data & analytics, security measures like encryption and upcoming technology like AI.

Despite this growing demand, the overall carbon footprint has already reduced significantly over the last years. It is our ambition to reduce Rabobank's IT CO2 footprint with 50% between 2020 end the of 2025, outperforming the SBTi Data Center Benchmark.

We implemented several sustainability improvements to increase power efficiency: lowering air pressure under the data centre floors, increasing the temperature and improving the airflow. To decrease the IT load, we upgraded to more efficient IT equipment, implemented hardware virtualization and optimized the use of cloud environments. Our procurement process secures that all our vendors (of over EUR 250,000) comply to Ecovadis requirements.

We contributed to society by repurposing depreciated data centre hardware and workplace devices and donated the profit to charity. We introduced refurbished phones for employees and give colleagues the opportunity to extend the lifetime of their laptops, saving 25% of the embodied carbon footprint.

## Innovation

Innovation is crucial for our bank as it ensures we stay competitive in a fast-changing world and helps us achieve our mission of "Growing a better world together." We, therefore, innovate to improve our customers' every daily life, build new business models for the future, and invest in key transitions for our bank on Energy and the Food System.

### Datakeeper

Consumers and institutions share important personal and financial information on a daily basis. Too often this is through unsafe channels. A clear standard for the exchange of digital data is needed. That is why Rabobank developed the ID-wallet in 2017, called Datakeeper. To let other companies and institutions also use this solution, and further shape and develop it together, we have made Datakeeper independent of Rabobank.

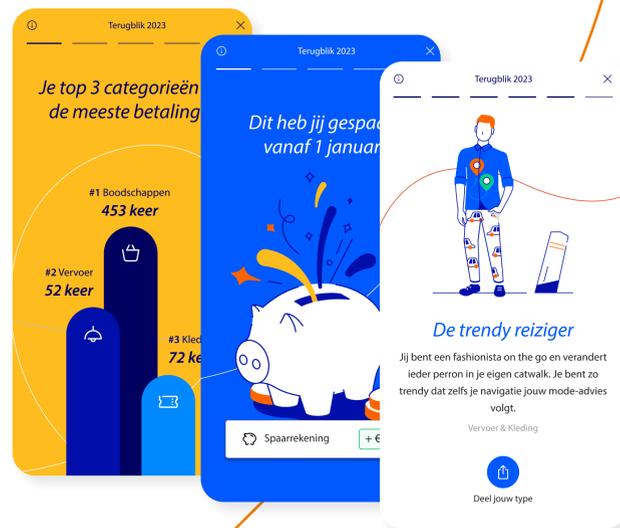
### FoodBytes!Digital

Foodbytes is Rabobank's global platform to help corporates in finding innovative F&A solutions matching their sustainability goals. Since last year Foodbytes has transitioned from an event into a digital connection hub. In this hub our 1,000+ users can find insights on key innovation topics like Carbon Tech, Traceability and Precision Fermentation. Besides that, we allow our users to directly connect with the 1,700+ sustainable innovators in F&A that we are actively tracking and should result in commercial partnerships or investments. In 2023 we have connected 250 start-ups, corporates and investors on a monthly basis.

*Geo-data is the solid foundation of many of our innovations, it's a crucial ingredient for the future of Rabobank*

#### Farmland

The mission of Farmland is to enable our bank to harvest the enormous potential of geo-data. To achieve this mission, Farmland focuses on two main aspects: creating the golden source of our customers' asset locations and leveraging a platform for geo-insights and analytics. With this golden source and geo-analytics platform, we create geo-services that are re-usable across the bank. As a result, our geo-services enable anyone within Rabobank who deals with location-based challenges to better serve our customers and make future-proof decisions



#### Project case

## 'Rabobank Wrapped': a real conversation starter amongst youngsters

Rabobank actively advocates the benefits of a financially healthy life. This all starts with insights in income and spending. That's why we are proud that the personal-insight features in our app are used by over 2.2 million customers every month, with a peak of 3.9 million customers during the 'Rabobank Wrapped' campaign.

Making our younger customers more financially aware, is a special challenge. Here we made a big impact with the Financial Review 2023; a playful annual overview of spending and income. The target group quickly renamed it to 'Rabobank Wrapped' and massively shared their financial year on social media. With 1.7 million views on TikTok alone for #rabobankwrapped, Rabobank went viral. More than a million customers have now played back their financial year. Rabobank Wrapped was a real conversation starter for our young customers, who started actively debating their spending patterns. The Dutch National Institute for Budget awareness (Nibud) immediately endorsed the Rabobank effort. Rabobank will continue to actively seek the connection with our customers, the below 30 especially, to increase financial insight and advocate steps towards financial health.

# Appendix 1: Financed Emissions Interpretation Pointers

## On the commitments we made

- Rabobank supports the Paris Climate Agreement's goals and formalized that support by signing the Dutch Financial Sector Climate Commitment and joining the Net-Zero Banking Alliance.
- Both Commitments share the core belief that the role of banks is not to scrub emissions from their own balance sheets, but to enable customers to make transitions that will have impact in the real economy.
- Rabobank shares this belief; we can contribute best to a future-proof food system by actively participating in it, with customers and other stakeholders, rather than turning away from regions, sectors, that are not yet future-proof. This applies especially to the food and agricultural sector which we believe has both emissions reduction- and CO2 removal-potential.

## On the targets we have set

- Following the most recent IPCC report (also referred to by NZBA), we commit to a net-zero CO2 emissions portfolio and "substantially" reduced non-CO2 GHG emissions by 2050 (as from 2024, in our climate disclosures, we plan to split our GHG emissions into CO2 emissions and non-CO2 emissions to make it easier to track overall progress towards our commitments).
- We currently follow the most common approach outlined in the NZBA guidelines on target setting, which means we have set (a) an overarching bank-level target of having our portfolio 1.5-aligned by 2050, expressed in absolute emissions metrics (MTCO2e) and (b) preliminary targets for 12 sector x region combinations, expressed in emissions intensity metrics (kg CO2e/kg product).
- We have pledged to have "all our operational and attributable GHG emissions from our lending and investment portfolios align with pathways to net-zero by mid-century, or sooner, including CO2 emissions reaching net-zero at the latest by 2050, consistent with a maximum temperature rise of 1.5°C above pre-industrial levels by 2100".

## On the challenges we face

- Almost 75% of our customers emissions are related to food and agriculture sectors, where emissions data and science-based decarbonization pathways are scarce/absent. More than half of these emissions are non-CO2 emissions, which are impossible to fully abate; there will always be residual emissions from for example livestock activities. The implication is that non-CO2 emissions will not be net-zero in 2050.

- Our absolute emissions target is sensitive to balance sheet fluctuations and therefore does not provide a completely accurate picture of our customers' GHG reduction performance. The emissions intensity targets we have set for sector x region combinations on the other hand, do not say anything about the total amount of GHG gasses being emitted. The implication is that despite progress on the intensity-based targets our absolute emissions could still increase.
- Among the main challenges Rabobank and other banks face is the lack of customer-reported GHG emissions data. Therefore, we have to use proxy indicators to estimate the majority of client emissions. Over time methodologies will improve, more data will become available and bottom-up (company specific) numbers will replace top-down (sector) estimates. This means that data may need to be restated in future and comparisons over time will be difficult until methodologies and regulations are more settled.
- According to the NZBA guidelines, banks' GHG reduction targets should include customers' Scope 1, 2 & 3 emissions "where relevant and data is available". There is considerable discussion surrounding the viability of banks disclosing and setting targets for customer Scope 3 emissions, due to the enormous variety and complexity of supply chains involved. For Rabobank, customer Scope 3 emissions are predominantly an issue in the F&A sector, where we have considerable overlap between Scope 3 emissions of Wholesale customers and Scope 1 & 2 emissions of our farming customers. We will disclose Wholesale customer Scope 3 emissions as they become available, but we will focus our reduction efforts on our farming customers' Scope 1 & 2 emissions, as this is where we have more influence.
- Although we are fully committed to the pledge we made, we are dependent on other stakeholders in achieving their goals. This is also acknowledged by the Commitments that state: "We will only succeed if our customers and other stakeholders also play their part." And, "We make this Commitment with the expectation that governments will follow through on their own commitments to ensure the objectives of the Paris Agreement are met."
- We are working on disclosing and tracking effort-based targets on "green/transition financing" and "client engagement activities" in order to provide quantitative measures of our efforts to achieve our climate target.

## Appendix 2: Additional Information Financed Emissions

### Financed Emissions

Sector	Region	Business Line	% In-scope portfolio				Absolute Emissions			Performance				Road to Paris		
			Outstanding FY22 (EUR bn.)	% In-scope portfolio FY22	Outstanding FY21 (EUR bn.)	Outstanding FY20 (EUR bn.)	FY22 Scope 1 and 2 (MtCO2e)	FY21 Scope 1 and 2 (MtCO2e)	FY20 Scope 1 and 2 (MtCO2e)	Measure	FY22	FY21	Baseline	Baseline Year	Rabobank target 2030 Update 5/12/2023	Reference Scenario
<b>Food Transition</b>																
Dairy	Netherlands	Retail NL	10.4	3%	10.9	11.3	3.3	3.6	4.1	Absolute	3.3	3.6	4.1	Y2020	>0.8	Dutch Climate Agreement
Pig Farming	Netherlands	Retail NL	1.3	0%	1.5	1.6	0.7	0.7	0.8	Absolute	0.7	0.7	0.8	Y2020	>0.3	Dutch Climate Agreement
Horticulture	Netherlands	Retail NL	2.9	1%	3.0	3.0	4.3	4.6	5.1	Absolute	4.3	4.6	5.1	Y2020	2.2	Dutch Climate Agreement (CEG)
Beef <sup>1</sup>	Australia	Rural	3.2	1%	3.0	2.9	1.2	1.1	1.4	tCO2e/t	24.6	25.3 <sup>2</sup>	25.3	Y2020	-10%	SBTi FLAG
Beef	United States	Rural	1.6	0%	1.7	1.5	5.4	6.1	5.1	tCO2e/t	17.3 <sup>2</sup>	17.3 <sup>2</sup>	17.3	Y2020	-17%	SBTi FLAG
Dairy	New Zealand	Rural	4.4	1%	4.3	4.3	1.8	1.8	1.9	tCO2e/t	1.2 <sup>2</sup>	1.2 <sup>2</sup>	1.2	Y2020	-12%	SBTi FLAG
Soy	Brazil	Rural	2.6	1%	2.1	1.9	0.7	0.7	0.6	tCO2e/t	0.8 <sup>2</sup>	0.8 <sup>2</sup>	0.8	Y2020	-49%	SBTi FLAG
Tractors	International	DLL	7.3	2%	6.7	6.0	1.6	1.5	1.3	n.a	n/a	n/a	n/a	Y2020	-5%	Own methodology
<b>Energy Transition</b>																
Residential Real Estate	Netherlands	Mortgages	192.2	48%	190.5	189.0	1.9	2.0	2.1	kg CO2/m2	25.0	26.1	26.2	Y2020	-57%	CRREM
Commercial Real Estate	International	NL + Wholesale	19.1	5%	21.4	19.4	0.4	0.4	0.3	kg CO2/m2	39.7	43.2	45.1	Y2020	-57%	CRREM
Transport	NL + International	NL + Wholesale	5.6	1%	5.5	5.1	1.2	1.5	1.4	MTCO2/billion tkm	0.03 <sup>2</sup>	0.03 <sup>2</sup>	0.03	Y2020	-37%	IEA NZE
	Netherlands	Retail NL	1.0	0%	1.1	0.9	0.2	0.3	0.4	kg CO2/kWh	0.21 <sup>2</sup>	0.21 <sup>2</sup>	0.21	Y2020	-48%	IEA NZE
Energy /Powergeneration	International	Traded Oil & Gas	2.6	1%	3.2	n/a <sup>3</sup>	1.0	1.3	n/a <sup>3</sup>	Mboe/day	0.9 <sup>4</sup>	n/a	n/a	Y2022	-20%	IEA NZE
	International	Wholesale	1.2	0%	0.8	0.7	0.1	0.5	0.5	kg CO2/kWh	0.0 <sup>2</sup>	0.0 <sup>2</sup>	0.0	Y2020	-48%	IEA NZE
	International	Project Finance	4.3	1%	3.8	3.4	0.2	0.0	0.0	kg CO2/kWh	0.0 <sup>2</sup>	0.0 <sup>2</sup>	0.0	Y2020	0%	IEA NZE
<b>Portfolio Road to Paris</b>			<b>259.8</b>	<b>65%</b>	<b>259.3</b>	<b>250.8</b>	<b>24.0</b>	<b>26.2</b>	<b>24.8</b>							
<b>Portfolio Impact Report 2022</b>			<b>397</b>				<b>48.8</b>									
<b>Total Portfolio</b>			<b>449</b>													

1 Note that the pathway and portfolio intensity numbers are aligned in emissions boundaries, but the values in the SBTi FLAG pathways are derived in a methodologically different way (the FLAG sector-region default value comes from a top-down model, our portfolio intensity value comes from a bottom-up calculator, with carbon footprints calculated based on primary data collected from our customers). This makes direct comparison difficult.

2 The performance measure is equal to the baseline reference year due to availability of data.

3 The 2020 financed emissions were not measured.

4 Financed (physical) volumes of oil and gas converted to million barrels of oil equivalent/day. This is our first assessment of financed (physical) fossil volumes. We are working with other banks to develop a methodology for traded fossil fuels, which may differ from the current methodology

# Disclaimer

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The climate-related disclosures in this Impact Report rely in part on 2022 data for emissions estimates. This two-year reporting gap differs from the standard one-year gap that is the norm in most financial reporting systems. This difference is due to the fact that the nationally reported GHG emissions data, used for the financed emissions estimates, were not disclosed in time in order to use previous years' data for most regions. Therefore, we used the data from two years ago and, in some cases, even older data. As the number of customers who report on their own GHG emissions increases, we will become less dependent on top-down calculations and national emissions data. Nonetheless, we anticipate that we will have to continue to work with a two-year gap for at least the next reporting cycles. Although Rabobank believes the statements and metrics have a reasonable basis and are stated to the best of Rabobank's abilities and in good faith, they are not certain and involve various known and unknown risks and assumptions. Nothing that is stated or implied in this report, is intended to, or shall create or grant, any right of, or any cause of action to, by, or for any person or legal entity other than Rabobank.

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Forward-looking statements, actual impact on transitions, future results, performance of the bank and external events may be affected by a variety, or combination, of uncertainties and external factors, including but not limited to (in random order):

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- geopolitical risks, political instabilities and policies and actions of any governmental or regulatory authorities;
- changes in performance of financial markets;
- changes in government policies, regulations and laws and the interpretation and application thereof;
- the availability of reliable (emissions or customers) data;
- uncertainties in, and the use of, (emissions) calculation methodologies and models;
- new, or changed, scientific (based) insights in relation to the content of this report and any changes arising out of these insights;
- technological developments;
- changes arising out of market practices and standards, including emerging and developing ESG standards;
- our ability to meet minimum capital and other prudential regulatory requirements;
- operational, regulatory, reputational, transition, and other risks in connection with ESG-related matters;
- our ability to attract and retain key personnel for our daily operations and the execution of the plans set out in this report.

