



Value nature

Back to planetary boundaries

Rabobank's nature vision and approach

Executive Summary

Climate change and nature loss undermine the resilience of our planet and its ability to recover. It affects everyone, everywhere. Rabobank clearly recognizes the gravity of the situation. We acknowledge that the global cost of inaction is higher with an estimated \$2.7 trillion annually by 2030 according to the World Bank. As a bank we can contribute to close the financing gap of \$700 billion/year¹ by scaling up our financing of natural infrastructure and developing more sustainable customer solutions.


That's why, in parallel with our climate approach [Our Road to Paris](#), we continued to develop our nature approach. That's what this document is about. It outlines the steps we have taken and are planning to take to make the broad definition of 'nature' more tangible and measurable, mainly in the context of food production. As an international food and agriculture business bank, we know how much impact our global food system has on our planet as well as that many of our customers are (highly) dependent on nature. In fact, our analysis shows that approximately 85% of our [covered assets](#) is 'highly' to 'very highly' dependent on one or more ecosystem services. Therefore we have been looking for ways to enable farmers to increase their positive impact and decrease the negative impact on nature. For instance with the Biodiversity Monitor for both dairy as well as for arable farming, the Open Soil Index and AGRI3 Fund. This document provides an overview of where we are with our nature approach and where we're heading. As part of our sustainability aspiration to 'Value nature' and help our customers to bring their impacts 'back to planetary boundaries' we aim to integrate nature in our way of working in the bank. With the role a bank can have in this, we use the three levers of the [Rabo Cooperative Sustainability Plan](#). In that way we aim to progressively adapt our portfolio and policies toward alignment with the Kunming-Montreal Global Biodiversity Framework (GBF), in line with the best practices and leveraging the best available science to guide our actions. Our main priorities stemming from the GBF are:

- Halting deforestation and land conversion
- 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

With this focus, we are taking steps in assessing and managing our nature-related risks, opportunities, impacts and dependencies and are aiming to accelerate. In parallel, we are embedding our nature approach in our steering and decision-making.

We are aware that we still have a long journey ahead and do not have all the answers yet. We can't do this alone and that's why we, as a cooperative bank, engage with our clients and collaborate with many external partners to jointly learn, for instance in the context of the Taskforce on Nature-related Financial Disclosures (TNFD), Finance for Biodiversity Pledge or with organizations such as WWF.

June 2024

A photograph of a honeybee in flight, positioned on the right side of the frame. The bee is facing left, with its wings spread. It is flying over a cluster of small, purple, bell-shaped flowers. The background is a soft, out-of-focus green and purple. A blue rectangular box is overlaid on the left side of the image, containing white text.

*'Value nature' and help
our customers to bring
their impacts 'back to
planetary boundaries'*

¹ A New Deal for the Nature Finance Gap | The Nature Conservancy



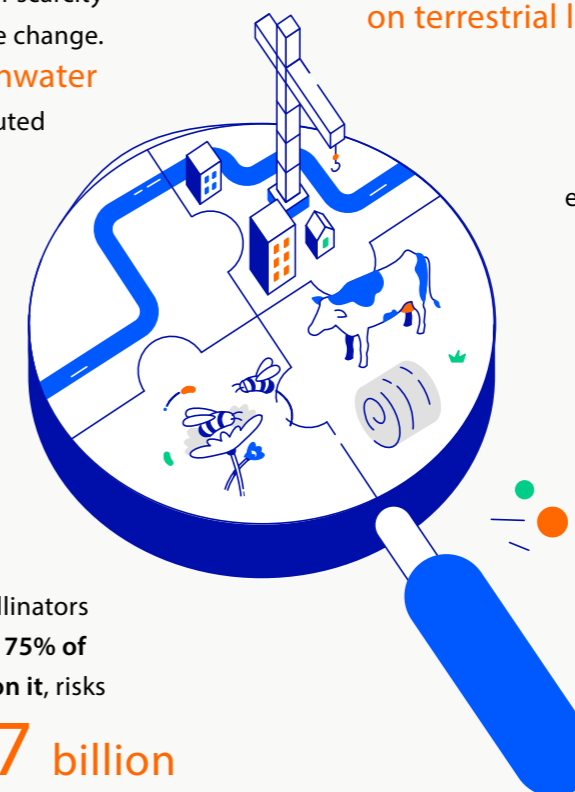
Contents

1.	<i>Executive summary</i>	2
2.	<i>Prologue of the CEO</i>	4
3.	<i>Introduction – setting the scene</i>	5
	<i>a. Urgency</i>	5
	<i>b. Scope</i>	5
4.	<i>Our vision and approach</i>	6
	<i>a. 2050 and 2030 vision and objectives</i>	6
	<i>b. Cooperatively working on our ambitions</i>	7
	<i>c. Rabobank's nature approach</i>	8
5.	<i>Where are we today?</i>	9
	<i>a. Measurement</i>	9
	<i>b. Take action</i>	11
	<i>c. Awareness & disclosure</i>	13
6.	<i>Next steps</i>	14
<i>Annex:</i>		
	• <i>TNFD reference table</i>	15
	• <i>GBF table</i>	17
	• <i>Abbreviations and definitions explained</i>	17
	• <i>Considerations</i>	19

Impact and dependency on nature

47%
of the world population
is projected to experience water scarcity
by 2030 due to climate & nature change.
Meanwhile, **70% of all freshwater
withdrawals** are attributed
to food & agriculture

Land degradation has
reduced productivity by
23%
on terrestrial land



Estimates suggest that the
economic benefits obtained by
protecting lands and oceans
**outweigh the costs by
5-to-1**

50%
of habitable land is used
for agriculture

The decline in pollinators
combined with **> 75% of
crops depending on it**, risks
\$235-577 billion
of annual global crop output



Prologue

Each generation faces its own unique challenges. And in every era, people have joined forces in search of solutions. That is how we as Rabobank 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.

Making the way we live and do business more sustainable is among the greatest challenges of our time. It requires us to reinvent or adapt the way we produce and consume, so we can build a resilient future that is 'on or below 1.5°C pathways and nature-inclusive'. We know change is needed and we want to contribute to that as a sustainable cooperative bank. To us that means we act on climate, value nature and enable people.

We use our financial solutions, industry knowledge and networks to help customers transition to a sustainable future and help move 'the system' in a more sustainable and just direction. This is about increasing positive impact and reducing negative impact.

That's why our Managing Board supports that Rabobank increases its efforts to 'value nature and support our customers to bring their nature impacts back to planetary boundaries'. Initiatives like our Agrofoodvision 2040 for the Dutch F&A sector serve as evidence of this support.

This is not a straightforward journey and requires an integrated approach. We know very well that we don't have all the answers or solutions, but we are committed to work tirelessly to find them, in collaboration with our customers and other stakeholders. Because we also know: we can't do this alone.

For now, I hope you will read about our evolving nature approach and reach out to us with constructive solutions on how we can improve together.

Stefaan Decraene
Chair Managing Board



Rabo Cooperative Sustainability Plan

The essence of Rabobank's Cooperative Sustainability Plan, with nature as one of its pillars

Growing a better world together

Our aspiration

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

Our levers

Customer

Help customers transition to a sustainable future

System

Help move the system in a sustainable direction

Portfolio

Grow a sustainable portfolio

Our focus

Food System Transition

Facilitate the Food System Transition toward a future-proof system based on responsible production and consumption of food

Energy Transition

Facilitate the Energy Transition toward a future-proof system based on responsible energy production, distribution and consumption

Our cooperative mindset shapes our actions

With customers and (chain) partners we can accelerate the transitions.



Introduction – setting the scene

Urgency

Recently six of the nine planetary boundaries have been crossed. That's what the Stockholm Resilience Centre concludes with its model of 'Planetary Boundaries'. They state that the boundaries are about interrelated processes within the complex biophysical Earth system. This asks for understanding – in science and practice - of the interplay of boundaries, especially climate and biodiversity loss. In the meantime, according to the United Nations, around one-third of global soils are considered 'eroded'. When soil erodes, because of weather or human activities including agriculture, its ability to produce nutrient-rich food, to absorb and cycle water, and to store carbon is reduced. And many thousands of farmers all over the world are impacted by this. Degrading soils is just one part of a multifaceted challenge.

Closer to home you might have noticed fewer butterflies in your garden. Or fewer insects splattered all over your windshield during summer time road trips. These are actually telltale signs of the negative impact of for example pollution, pesticide use, declining natural habitats and climate change on 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 natural capital. The size of that capital is difficult to overstate; over half of the global economic value generation, circa USD 58 trillion is moderately or highly dependent on nature (PwC, 2023). From our own dependency analyses, which covers 63% of our total assets, we have learned that approximately 85% of the covered assets is 'highly' to 'very highly' dependent on ecosystem services such as water availability, soil quality and climate regulation. The sheer size has led central banks and financial supervisors to recognize that the degradation of nature can have material consequences (Network for Greening the Financial System, 2023). The urgency and logic for the financial sector to act, is aptly voiced by Frank Elderson, European Central Bank executive board member: 'This is not some kind of a flower power, tree-hugging exercise... this is core economics'.²

Scope and sphere of influence

Nature is a broad theme. It includes many elements – such as biodiversity - and many different definitions. Working together to agree on definitions and approaches is important to have a chance to improve human impact on nature. However, with nature being as diverse and location specific

as it is, a one-size-fits-all approach for our financed activities for every region in the world or every sector impacting nature, is not realistic. That's why ambitious realism is a key component of our nature approach as well as of the plans to implement that approach throughout our business.

Throughout our development process we consider impacts, dependencies, risks and opportunities and follow science-based reports and frameworks. For our climate approach we follow reports of the Intergovernmental Panel on Climate Change (IPCC). When defining the scope of nature, we consider the five major drivers of biodiversity loss identified by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). These drivers include changes in land and sea use, direct exploitation of resources, climate change, pollution and invasive alien species. Additionally, we align with the Global Biodiversity Framework (GBF) to guide our efforts (see annex for [GBF table](#)).

Regarding the impact on nature, the impact of our customers (scope 3) far surpasses the direct impact arising from our own operations (scope 1 & 2). While we have more direct control over the decisions and actions that influence our operational impact, we are ultimately reliant on the actions of our customers to bring their impact on nature back to planetary boundaries. Therefore our current main focus, also in this Nature Vision and Approach, is on our financed activities (specifically our food & agriculture (F&A) portfolio).

This, for instance, also applies to the priorities we have set and how we want to progressively adapt and work on these. We try to help our customers transition to a more sustainable future, try to move the system in a more sustainable direction and grow our portfolio in a sustainable way. We do this for instance by integrating sustainability topics in risk appetite statements and underwriting criteria and stimulate clients to transition with favorable financing conditions. The honest story also is that we are making effort to work toward these goals but we cannot guarantee results at this stage. Our ability to achieve our goals depends to a significant extent on the actions of independent actors outside our direct control. Rabobank strives for an engagement approach rather than excluding business relations with clients who do not yet meet our expectations. Our exclusion criteria set out the activities or clients that are not compatible with Rabobank's business principles on sustainability or mission. The activities on this list are not subject to our engagement approach.

² Note for the full document: most abbreviations and definitions will be described in the [appendix](#).

Our vision and approach

*It is our ultimate aspiration to:
integrate nature in our way of working by 2030 and live in harmony with nature by 2050*

Toward 2050

We support the overarching Kunming-Montreal Global Biodiversity Framework 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: Balance between the production of food and energy within planetary boundaries.

Toward 2030

Toward 2030 it is our aspiration to integrate nature in our way of working. To this end we are working on embedding nature into all our core banking processes and governance and progressively adapting our portfolio and policies toward alignment with the Global Biodiversity Framework 2030 targets, in line with the best practices and based on the best available science. Based on analyses of double materiality we currently will focus our nature efforts on three 'topics': (1) land use, (2) water and (3) pollution, being aware that these topics are highly interdependent and connected and require an integral approach.

Land use



- Land use is considered by science to be the biggest driver of biodiversity loss, this includes deforestation and land conversion.
- Soils support life on land and water, nutrient cycling, food production, pollution remediation, and climate regulation. Up to 40% of the planet's soil is now moderately to highly degraded, threatening half of global GDP.

Water



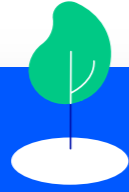
- Water is essential for all life on earth. It sustains ecosystems, supports human health, and influences biodiversity.
- Simultaneously, human actions and climate change are disrupting natural water cycles, putting freshwater ecosystems under increasing pressure.

Pollution



- Pollution negatively impacts biodiversity by contaminating ecosystems, affecting species survival, and disrupting ecological processes. Addressing pollution is crucial for maintaining healthy ecosystems and preserving biodiversity.
- Pollution includes excess nutrients (nitrogen, phosphorus), toxicity (e.g. Highly Hazardous Pesticides) and plastics.

Objectives



Value Nature Back to planetary boundaries

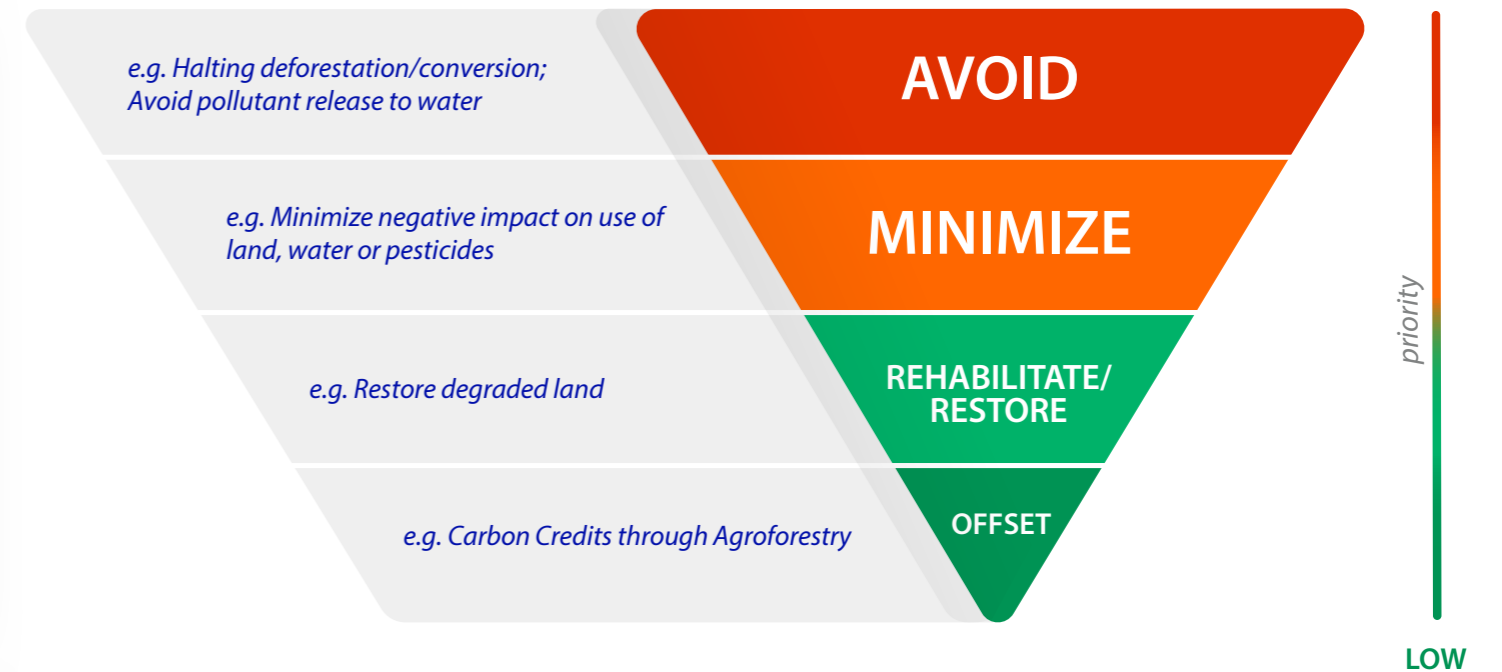
Leveraging our banking activities, we aim to progressively adapt our portfolio and policies toward alignment with GBF. Our main priorities stemming from GBF are:

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

Throughout our approach, our efforts are guided by the Mitigation Hierarchy, as to:

1. Avoid negative impacts
2. Minimize negative impacts
3. Subsequently restore negative impacts that can't be avoided or minimized and
4. Offset what can't be restored

Back to planetary boundaries – our mitigation hierarchy



Cooperatively working on our ambitions

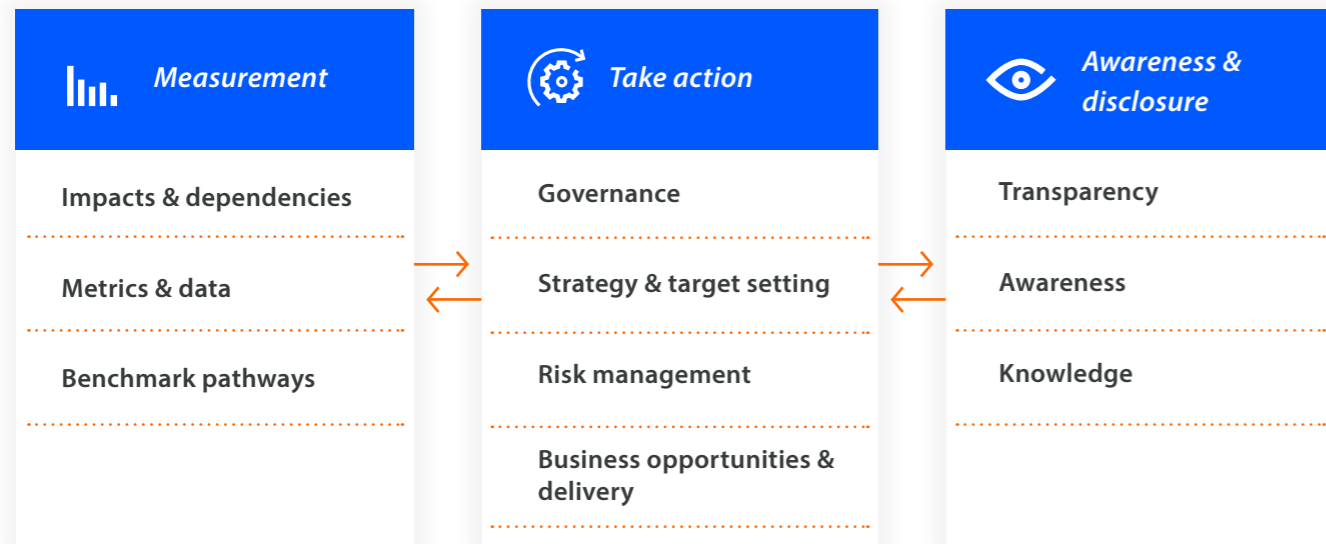
The goals we want to achieve are evidenced by our co-launching and signing of the Finance for Biodiversity Pledge in 2020. Since then, we actively participate in leading initiatives, such as the Partnership for Biodiversity Accounting Financials (PBAF) and the Biodiversity Working Group at the Dutch Central Bank (DNB). In 2021, we joined the Taskforce on Nature-related Financial Disclosures (TNFD) right from the start as a Taskforce member. Furthermore, we are contributing to the World Business Council for Sustainable Development (the WBCSD) nature working groups, Business For Nature, the UN's Environment Programme Finance Initiative (UNEP FI) and the UN's Environment Programme Principles for Responsible Banking (UNEP PRB). Simply put, the main reasons for us to do this are twofold.

On the one hand, we recognize that we can't realize these goals on our own. On the other hand, the involvement of respected organizations, such as WWF, is crucial for our chances of success. Furthermore, as Rabobank we believe we can have more impact if the solutions we develop are tested and agreed upon by other relevant parties, so we can cooperatively act on them. The knowledge shared and commitment to progress on this journey form the foundation to help move the system in a sustainable direction. To us, that's part of our way of doing as a cooperative bank.

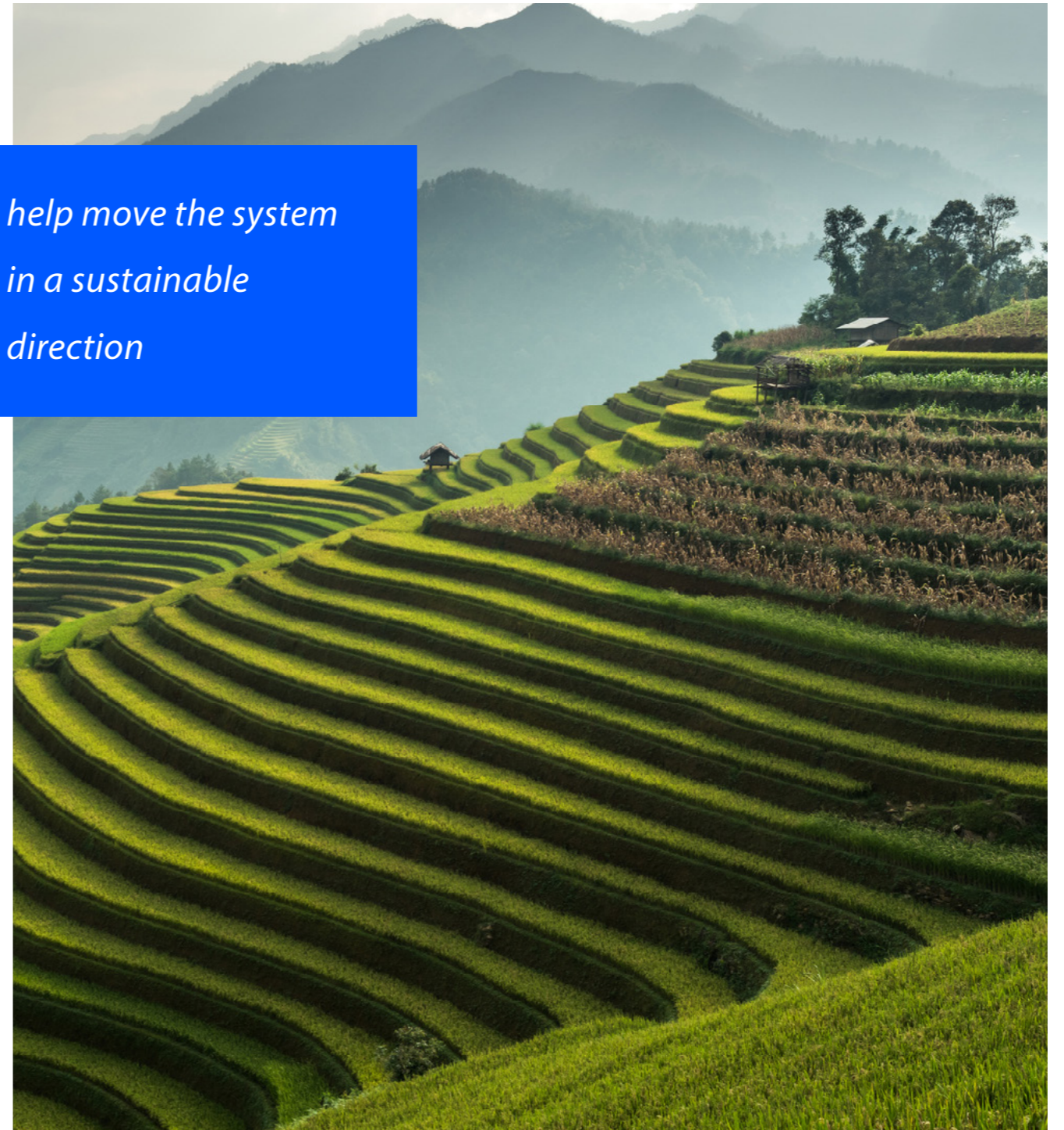
Rabobank's nature approach

In 2023 we established a dedicated 'Nature team', within the Group Sustainability department. In close cooperation and alignment with the 'climate' and 'people' teams and firmly based on the outcomes of the materiality- and impact & dependency analysis, we are running a bank-wide, multi-domain Nature Program and approach consisting of three basic steps:

1. **Measurement:** assessing impacts & dependencies, identifying metrics, collecting data and understanding external benchmark pathways
2. **Take action:** integrating nature in governance, strategy & target setting, risk management and business opportunities & delivery
3. **Awareness & disclosure:** creating transparency, building awareness and sharing knowledge



*help move the system
in a sustainable
direction*



Where are we today?

Measurement

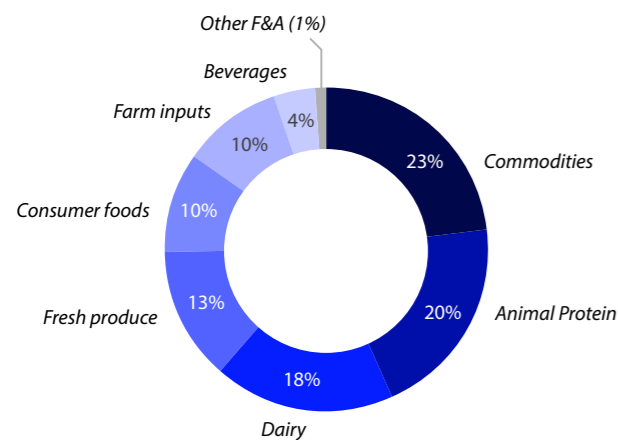
In order to prioritize and focus our efforts we take several elements into account.

Finding out where we have the most impact and dependency on nature, starts with analyzing our portfolio. In our Dutch domestic market, next to having a large market share in the residential mortgage market, we are a big lender to food and agriculture customers.

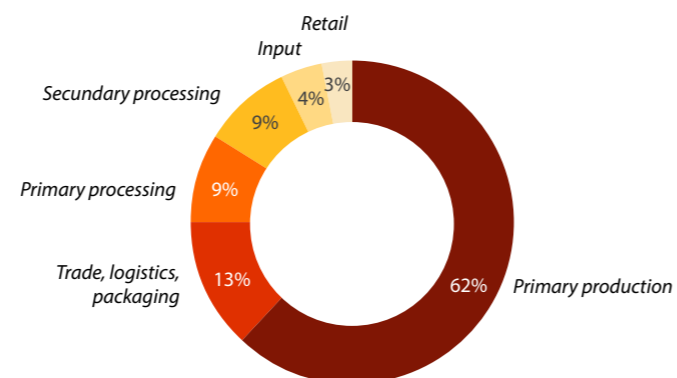
Internationally, the bulk of our activities is focused on food and agricultural sectors. Regionally, the lion's share of our activities is concentrated in North & South America, Europe and Oceania.

On a food and agriculture sector level, commodities, animal protein, dairy and fresh produce are most prominently represented in our F&A portfolio (domestic and international portfolio combined). And finally, if we take an F&A value chain perspective, primary production represents over 60% of our F&A portfolio. Therefore, our Nature Vision & Approach logically focuses on our activities and customers in food and agricultural sectors.

Relative share of (sub) agricultural sectors in our entire F&A portfolio



Relative share of value chain activity in our entire F&A portfolio



After having established the characteristics of our portfolio, a next step revolves around making an inventory of relevant topics that we are most dependent on and that we impact most; so called 'material' topics. This process of stocktaking, starts with a range of analyses of internal and external sources. It includes engagement with a multitude of stakeholders (customers, NGOs, regulators, supervisors, knowledge centers), conducting Impact and Dependency analyses, and identifying Risks and Opportunities to list material topics.

Impacts

The impact of our own operations (Scope 1 and 2) is limited compared to our financed activities (Scope 3). Therefore our main focus is on our financed activities, the impact of our customers. We performed a top-down, modelled nature footprint analysis for the majority of Rabobank's private sector loan portfolio of December 2022, which represents 63% of Rabobank's total assets. We applied the BioScope biodiversity impact tool, which uses Exiobase, a multi-regional input-output model, combined with ReCiPe, which converts various drivers such as resource exploitation and emissions into biodiversity footprints. BioScope is an internally recognized and widely used tool to identify the most important impacts on biodiversity associated with businesses and financial products.

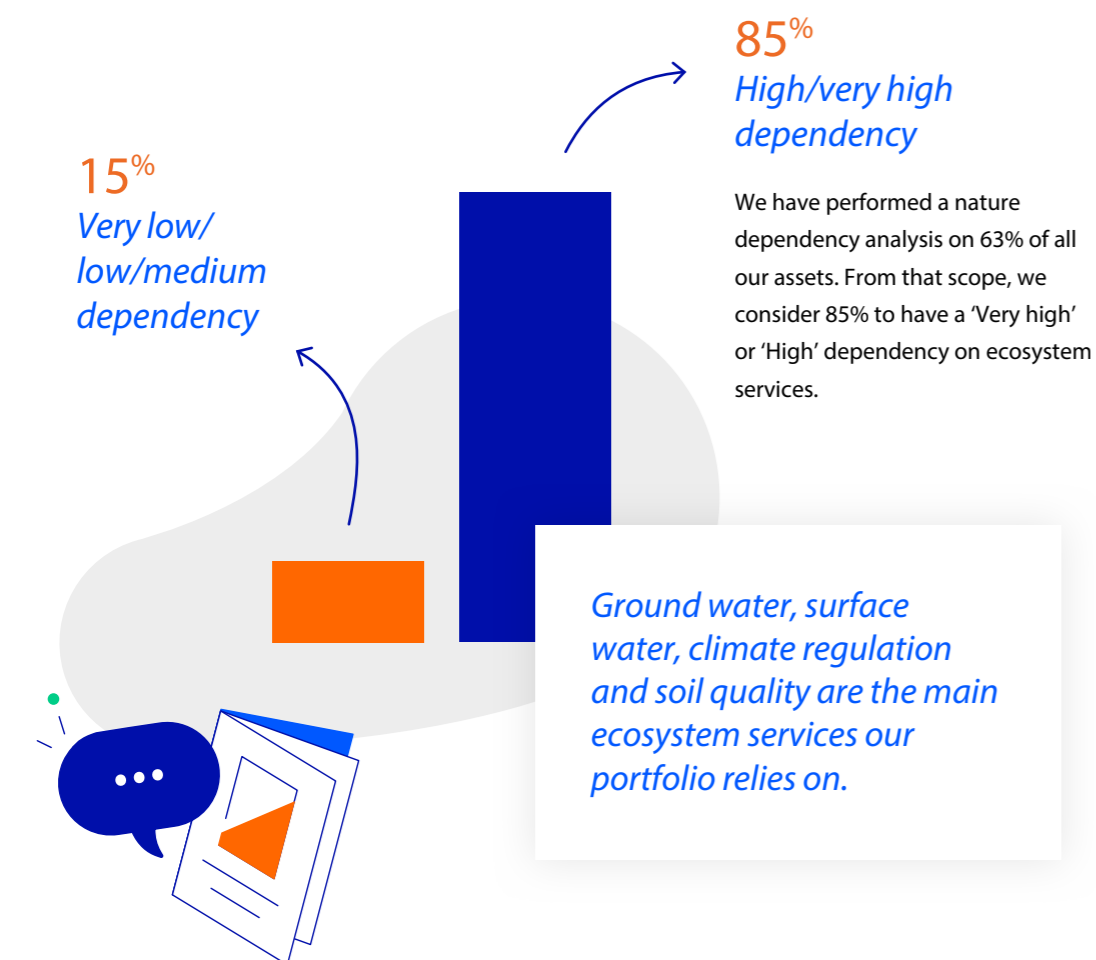
Outcomes show that most of the impact of our private loan portfolio on nature is due to the effect of land use. The analysis also indicated that most of Rabobank's clients' impact on nature occurs at farm level in the animal protein, grains & oilseeds and dairy sectors. In these sectors, Rabobank has large exposures in the Netherlands, Australia, United States, New Zealand and Brazil.



Dependencies

On the other side of the coin, our portfolio is very much dependent on nature. In 2023, we updated our dependency analyses (based on 2022 figures), which also cover 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. Water availability, 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 own and our customers' long term business model at risk.

Rabobank portfolio dependency on ecosystem services



The nature data challenge

In 2023, we conducted our first nature footprint analysis using top-down, modelled data. We are seeking to improve the quality, specificity and granularity of data for client benchmarking, portfolio steering and reporting purposes.

This is by no means an easy process: where the climate theme mainly revolves around global warming caused by GHG emissions, the nature theme encompasses various subtopics, including land use, water and pollution. Within each of these subtopics, we strive to define the right metrics and collect more granular, bottom-up data—for instance, water usage at the client level.

However, gathering high-quality, bottom-up data presents challenges. We rely on accepted measurement methods, our customers and innovations to obtain this information. Currently, we're actively addressing this data challenge through in-house innovations, such as our [geodata solutions](#), as well as partnerships and direct collaboration with our customers.

Another example of how we are cooperating in the value chain to get more data is the Biodiversity Monitor and Open Soil Index in the Netherlands, which we developed together with stakeholders (please refer to [page 12](#)) and explicitly includes an integral approach. The Biodiversity Monitor and Open Soil Index measure, monitor and reward biodiversity performance of our customers. Key to the concept is a set of farm level KPIs that revolves around increasing positive impacts and decreasing negative impacts on nature.

For example, the Biodiversity Monitor for dairy farming is about the following:

Increasing positive impact

1. Farmland used for protein production
2. Permanent grasslands
3. Nature and landscape management

Decreasing the negative impact

1. Greenhouse gas emissions
2. Nitrogen soil balance
3. Ammonia emissions



Take action

Governance

With growing expectations, regulations and complexity, good governance of our sustainable practices is crucial. In our governance design our Supervisory Board is responsible for oversight, including oversight of sustainability matters. Rabobank's sustainability ambition, including the group's sustainability strategy and roadmap are set by our Managing Board. In addition, committees are in place to, among others, include ESG risks in our risk management framework (Risk Management Committee) and to ensure the implementation of sustainability decisions across the bank. The reference table in the annex of this document provides a link to more detailed information.

Strategy and target setting

Nature is one of the pillars of our overall mission Growing a Better World Together and substantiated by our [nature vision 2050 and 2030](#). Hence, nature-related aspects are currently being integrated into the business strategies and plans for prioritized sectors and regions.

Nature is not a new theme for Rabobank. Overall, the food and agriculture sector is well aware of its dependency and impact on nature, and has been for many years. And, as a food and agriculture business bank, so are we. We have been including nature-related topics in our policy development for many years. Our Environment Policy for example is among our Core Policies, aimed at establishing a preventive approach toward assessing our environmental challenges, and those of our customers and business partners. It is intended to provide a basis that can for instance help protect bottom lines, facilitate improvements and encourage best practices where possible. Please refer to our [Sustainability Policy Framework](#) for more information. It is also worth mentioning that we already use various tools to measure our clients' performance on sustainability as well as specific nature-related topics.

For more information on our first steps toward nature-related targets, please refer to [page 14](#).

Risk management

The consequences (physical risk) of climate and nature change (such as rising average temperatures, extreme weather events and biodiversity loss) and the risks related to a shift toward a nature-inclusive and climate-neutral economy (e.g. transition risk) are high on Rabobank's agenda. We adopt a full end-

to-end approach to ESG risks embedded across every aspect of the bank. An environmental risk roadmap and ESG risk model vision have been developed.

The focus is on

1. ESG risk assessment, through environmental risk heatmaps, maturity assessment, scenario analysis and client risk scoring
2. Sector strategy, including vulnerable sector assessment
3. Credit risk assessment, including provisioning modelling and stress testing
4. Portfolio strategy, including pricing

The environmental risk heatmaps and scenario analysis we use, help us to identify and quantify various risk events. The environmental risk heatmaps currently include the most relevant nature related risk, water scarcity, with a 5-30 year time-horizon.

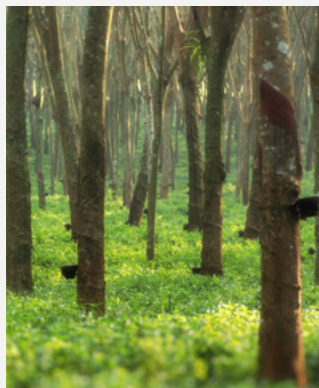
Business opportunities & delivery

We act on three levers: firstly, we work toward **helping customers in their transition to a sustainable future** and toward valuing and using natural resources efficiently. For example, 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 work with private and public partners, for example, 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** toward activities that efficiently use natural resources and by focusing on the nature investment potential.

Embedding nature-related topics in our commercial propositions, revolves around helping customers transition to a sustainable future, among others by helping rural customers assess and improve the quality of their soils and pasture lands, which is part of our focus on the food system transition. This, in turn can increase their eligibility for government subsidies and/or favorable financing conditions such as lower interest rates from Rabobank. More examples are available on the next page, our [Impact Report](#), and definitely worthwhile reading is our [Agrofoodvision 2040](#), showing how we envision the Dutch F&A sector producing food within the available environmental space. With true-value-based business models contributing most to this transition, making a substantial contribution to broad prosperity and good revenue models for farmers.

Current nature-related business solutions and initiatives

Below, we present a selection of nature-related business solutions and initiatives that demonstrate how we act on nature in collaboration with others.



[AGRI3 Fund](#)

We founded the AGRI3 Fund in cooperation with United Nations Environment Programme ('UNEP') to support deforestation free sustainable agriculture and improve rural livelihoods. A blended finance fund that offers de-risking arrangements (e.g. first loss guarantees) to commercial banks to finance high-risk investments in more sustainable agriculture, forest protection and improved rural livelihoods.

[Renova Pasto initiative](#)

The Renova Pasto initiative, delivered through a partnership between AGRI3, Rabobank and IDH, aims to scale up financing for the restoration of degraded pasturelands and to accelerate the protection and restoration of critical forest ecosystems. Renova Pasto is a unique initiative offering a standardized package of long-term loans and Technical Assistance to cattle producers in the Cerrado (Brazil) and Amazon regions.

[Biodiversity Monitors](#)

In the Netherlands we developed, together with stakeholders, the Biodiversity Monitor for Dairy Farming and for Arable Farming. The monitors provide insight into the actions that farmers can take to improve biodiversity on their farms and beyond. Additionally, they can provide insights in new farmer revenue models. Diversified revenue models could help convince and motivate farmers to manage their farms by protecting and enhancing natural capital, including biodiversity. The development of the dairy focused monitor started with Rabobank, WWF-NL, Louis Bolk Institute and FrieslandCampina in 2016.



[Open Soil Index](#)

The Open Soil Index (Open Bodem Index) is a tool we developed together with a.o. Wageningen University, a.s.r. and Vitens to help 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.

[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.

[McCain – regenerative agriculture](#)

Our client 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 toward regenerative agriculture.



Our Impact in 2023

Read our Impact Report

Impact Report 2023

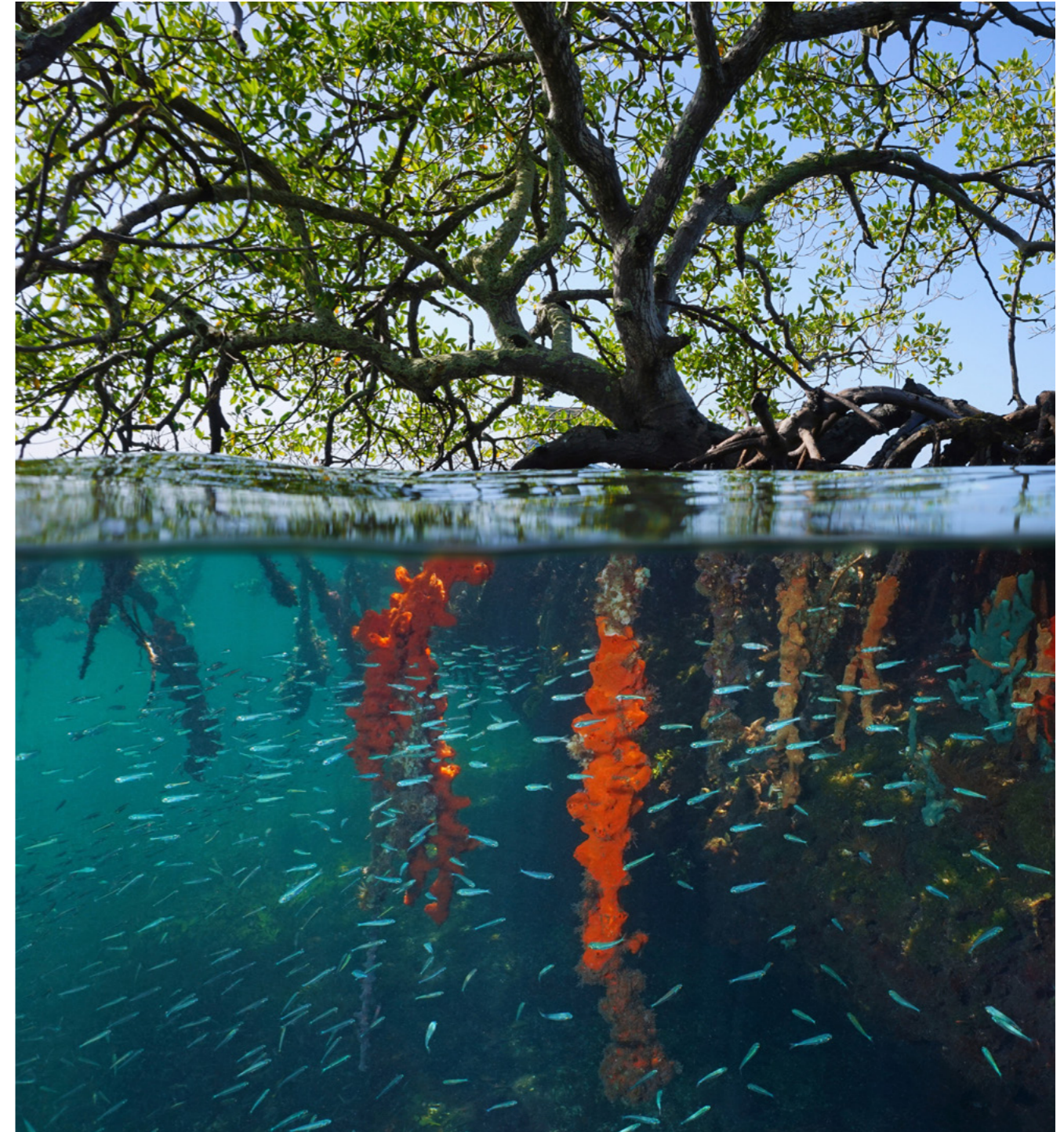
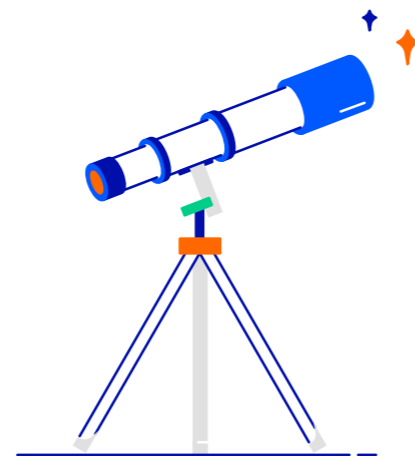
The cooperative Rabobank

Awareness & disclosure

In our 2023 Annual Report we made a first step toward an integrated TNFD & TCFD section. While these types of disclosures can be quite technical, we expanded upon that disclosure in a more accessible and understandable manner in our 2023 Impact Report. Moving forward we will of course report and disclose in alignment with ESRS and CSRD. TNFD recommendations and mandatory reporting directives like CSRD fit well with our aim to be transparent and open about our progress in Valuing Nature.

Additional efforts to increase transparency, build awareness and share knowledge include:

- A mandatory training for all staff on Sustainability, addressing the themes of climate, nature and people, made available in 2024
- Targeted e-learning, deep diving into the themes of climate, nature and people for engaged and involved staff, made available in 2024 and 2025
- Permanent education sessions on a range of topics, including sustainability, for our Supervisory and Managing Board members
- Leveraging and stimulating staff engagement e.g. through our internal online Sustainability Community
- Ongoing presentations, both internally and externally on our sustainability related themes
- Active participation in relevant COPs
- External partnerships such as with WWF
- Active participation in and membership of e.g. TNFD, Finance for Biodiversity Pledge, and PBAF



Next steps




In defining next steps, we have first taken a long term view on where we want to be in 2050. Working our way back, via our 2030 aspiration, to the steps we can already take today. Of course, we are well aware of continuously evolving scientific methodologies and insights and allow ourselves to include these on this not-straightforward journey ahead. It is a journey that requires ongoing learning and collaboration in order to increase positive impact on nature.

In taking these next steps, we need to acknowledge that even though we as a bank **want to help customers to take steps in a more sustainable direction**, with financial solutions (e.g. Sustainability Linked Loans), as well as by knowledge-sharing, opening up our networks and trying to **help move the system in a more sustainable direction**, we cannot determine the outcomes of our customer engagements. However, we will continue to increase our efforts to embed nature in our organization and core banking processes.

Our effort targets

Today, 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 UNPRB's Nature Target Setting Guidance and the guidance of the Finance for Biodiversity Foundation). 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 continuously gathering information. When more granular client data is available and externally recognized benchmark pathways are established (i.e. the National Biodiversity Strategies and Action Plans (NBSAPs)), we can further benchmark clients, **steer our portfolio** (inspiration for this could for instance be found in our [Agrofoodvision 2040](#)) and work toward outcome-oriented targets. Based on current external guidance, we defined the following effort targets.

Nature-related effort targets

 Measurement	 Take action	 Awareness & disclosure
Nature in scope of double materiality analysis by the end of 2024	Implement a clear nature governance and senior management accountability by the end of 2024	Nature included in bank-wide mandatory training curriculum by the end of 2024
Portfolio assessed on nature impacts (top down) for significant majority of our nature material portfolio by the end of 2024	A nature vision developed and integrated in sustainability strategy by the end of 2024	Nature in permanent education and regular nature sessions with senior management, managing board and supervisory board by the end of 2024
Collateral polygon data for significant majority of our rural clients by the end of 2024	Further update and develop nature-related policies by the end of 2025	
The sustainability score of our Dutch dairy clients is based on data of the Biodiversity Monitor and Open Soil Index by the end of 2025	Further integrate nature in business strategies and plans for the prioritized sectors and regions by the end of 2024	
	Work toward setting impact targets on material topics in prioritized sectors and regions by the end of 2025	
	Further incorporate nature sensitive portfolio in the risk management approach	
	Finance the sustainability transition of our Dutch F&A clients with EUR 3 billion in 2023 -2030	
	Client transition conversations with our Dutch F&A clients by the end of 2024	

Annex

TNFD Recommended disclosures		Document reference	External reference	Elaborations on disclosures	
Governance	A	Describe the Board's oversight of nature-related risks and opportunities	Take action, page 11 Next steps, page 14	2023 Annual Report , pages 73-74	
	B	Describe management's role in assessing and managing nature-related risks and opportunities	Take action, page 11 Next steps, page 14	2023 Annual Report , pages 73-74	
	C	Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to indigenous Peoples, Local Communities, and other stakeholders, in the organization's assessment of, and response to, nature-related dependencies, impacts, risks, and opportunities.		Sustainability Policy Framework page 10-14 Rabobank's position on human rights Land governance Statement 2023 Annual Report , page 22, 23 Additional Sustainability and Tax Information , page 10, 21: Addendum to Annual Report	We will continue to build on our aspiration to integrate the 'people' topic in our way of working in the bank.
Strategy	A	Describe the nature-related dependencies, impacts, risks and opportunities the organization has identified over the short, medium and long term.	Our vision, page 6 Impacts, page 9 Dependencies, page 10 Risk management, page 11 Business solutions, page 12 Next steps, page 14	2023 Annual Report , pages 34, 65, 76-79 2023 Impact Report pages 40-42	
	B	Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organization's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	Take action, page 11 Next steps, page 14	2023 Annual Report , pages 13, 33, 24-25, 74-75	We are increasingly including nature-related IDRO in our business processes. We will continue to further develop our insights into the effects on i.e. our business model and value chain.
	C	Describe the resilience of the organization's strategy to nature-related risks and opportunities, taking into consideration different scenarios.		2023 Annual Report , pages 18, 76-79	Our stress tests provide insights into our resilience to some nature-related risks. We will continue to further detail and develop our insights.
	D	Disclose the locations of assets and/or activities in the organization's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	Scope, page 5 Impacts, page 9 Dependencies, page 10	2023 Annual Report , page 34	We will continue to further develop and detail our insights into priority sectors and regions.

Annex

	<i>TNFD Recommended disclosures</i>	<i>Document reference</i>	<i>External reference</i>	<i>Elaborations on disclosures</i>
Risk and impact management	A(I) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.	Scope, page 5	2023 Annual Report , page 34	We know our own operations have limited impact and dependency on nature. Therefore our current main focus is on our financed activities.
	A(II) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	Our vision, page 6 Impacts, page 9 Dependencies, page 10 Risk management, page 11 Business solutions, page 12	2023 Annual Report , pages 34, 76-79 2023 Impact Report , pages 40-42	
	B Describe the organisation's processes for monitoring nature-related dependencies, impacts, risks and opportunities.	Impacts, page 9 Dependencies, page 10	2023 Annual Report , pages 76-79	We will continue to further develop and detail monitoring nature-related IDRO's.
	C Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.	Take action, page 11	2023 Annual Report , pages 76-79	
Metrics and targets	A Disclose the metrics used by the organization to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.			Not disclosed
	B Disclose the metrics used by the organization to assess and manage dependencies and impacts on nature.	Impacts, page 9 Dependencies, page 10 The Nature data challenge, page 10	2023 Annual Report , page 34 2023 Impact Report pages 38, 39	
	C Describe the targets and goals used by the organization to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	Next steps, page 14	2023 Annual Report , page 81 2023 Impact Report , page 39	

GBF targets

We aim to progressively adapt our portfolio and policies toward alignment with the Kunming-Montreal Global Biodiversity Framework (GBF), in line with the best practices and leveraging the best available science to guide our actions. The main GBF targets and elements of them we aim to address are:

GBF target	Elements of target we aim to address	Examples of our first steps
1 & 11	Halting deforestation and land conversion	<ul style="list-style-type: none"> Development of a dedicated D&LC policy Collecting polygons of clients to enable satellite monitoring for client engagement processes. Agri3 Fund (page 12) Renova Pasto project (page 12)
2	Restoring degraded ecosystems	<ul style="list-style-type: none"> The Renova Pasto project Agri3 fund Acorn (page 12)
3	Avoiding impacts in protected and key biodiversity areas	<ul style="list-style-type: none"> Development of a dedicated D&LC policy Collecting polygons of clients to enable satellite monitoring for client engagement processes
4 & 7	Minimizing pollution and impacts on threatened species	<ul style="list-style-type: none"> Our Environmental and Agrochemical policies address pollution Our Biodiversity policy addresses threatened species
10	Steering on good agricultural practices, reduction of food loss & waste and protein diversification	<ul style="list-style-type: none"> Development of the Biodiversity Monitor for Dairy and Arable farming, the Open Soil Index and the McCain client case in the Netherlands (page 12) Regarding food loss & waste Rabobank a.o. has the foodwastechallenge
14	Integrating nature into our core banking processes and governance.	<ul style="list-style-type: none"> Nature is embedded in Rabobank's corporate strategy, alongside Climate and People (page 4)
15	Monitor, assess, and disclose risks, dependencies and impacts on nature	<ul style="list-style-type: none"> Working on the first CSRD and TNFD disclosures for 2024 disclosures (page 15, 16)
19	Contributing to closing the financing gap by scaling up green financing.	<ul style="list-style-type: none"> Sustainability Linked Loans Agri3 fund
21	Capacity building and education to effectively address nature-related challenges.	<ul style="list-style-type: none"> Developed and launched internal Sustainability Academy for e-learning including Nature

Abbreviations and definitions

Term	Definition, source or link
Agrofoodvision 2040	Rabobank 2040 vision on Agrofood in the Netherlands
Biodiversity	The variability among living organisms from all sources including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part.
Biodiversity Monitor	Biodiversity Monitor for Dairy Farming Biodiversity Monitor for Arable Farming
Business for Nature	About Business for Nature
(Global) Biodiversity Framework (GBF) targets	2030 Targets (with Guidance Notes) cbd.int
(National) Biodiversity Strategies and Action Plans	National Biodiversity Strategies and Action Plans (NBSAPs) cbd.int
COP	Conference of Parties
CSRD	Corporate Sustainability Reporting Directive
Dependencies	Dependencies are aspects of environmental assets and ecosystem services that a person or an organization relies on to function (TNFD, 2023).
Ecosystem services	The benefits that nature provides to society and the economy, e.g. food, pollination, climate regulation. Explainer: What Are Ecosystem Services? Earth.Org
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards

Abbreviations and definitions

Term	Definition, source or link
Exiobase	Exiobase
Finance for Biodiversity	Finance for Biodiversity Foundation
IDH	IDH - the Sustainable Trade Initiative
Impact	Impacts are a change in the state (quality or quantity) of nature caused by a business activity. They can be positive or negative (TNFD, 2023). The five main human induced drivers of negative impacts to nature, or pressures, as defined by the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES, 2019) are changes in land or sea use, direct use of natural resources, climate change, pollution, and introduction and spread of invasive species.
Impact Report	Our Impact in 2023 Rabobank.com
IPBES	Global Assessment Report on Biodiversity and Ecosystem Services IPBES secretariat In essence the framework of the Intergovernmental Platform on Biodiversity and Ecosystem Services <ol style="list-style-type: none"> 1. defines 'nature', refers to how we as a society benefit from nature (e.g. food, clean water, etc) 2. identifies drivers that affect nature and biodiversity (e.g. pollution, the way we use land) 3. helps to assess the condition of nature and biodiversity and 4. offers strategies to address challenges (e.g. how to decrease the impact of drivers that negatively impact to extent in which we can benefit from nature)
Mitigation Hierarchy	First Things First: Avoid, Reduce... and only after that—Compensate WWF (panda.org)
Nature	The natural world (living and non-living), with an emphasis on the diversity of living organisms and their interactions among themselves and with their environment. A distinction is made between the naturally evolved species and those created by human intervention.
Nature-finance gap	A New Deal for the Nature Finance Gap The Nature Conservancy

Term	Definition, source or link
PBAF	The PBAF Standard enables financial institutions to assess and disclose impact and dependencies on biodiversity of loans and investments PBAF - Partnership for Biodiversity Accounting Financials pbafglobal.com
Planetary boundaries	According to the Stockholm Resilience Center, planetary boundaries is a conceptual framework that defines a safe operating space for humanity for the international community, including the private sector, as a precondition for sustainable development, based on scientific evidence that human actions since the Industrial Revolution have become the main driver of global environmental change. https://www.stockholmresilience.org/research/planetary-boundaries.html
Regenerative Agriculture	For more insights in regenerative agriculture as one of the solutions for more sustainable farming, visit Farming for the future - Financial Times - Partner Content by Rabobank ft.com
Sustainability Policy Framework	Sustainability-Policy-Framework.pdf Rabobank.com
TNFD	The Taskforce on Nature-related Financial Disclosures tnfd.global
UNEP Finance Initiative	United Nations Environment – Finance Initiative – Partnership between United Nations Environment and the global financial sector to promote sustainable finance unepfi.org
UNEP PRB	Principles for Responsible Banking – United Nations Environment – Finance Initiative unepfi.org
UNPRB Nature target setting guidance	PRB Nature Target Setting Guidance – United Nations Environment – Finance Initiative unepfi.org
WBCSD	World Business Council for Sustainable Development

Considerations

Limitations

As previewed in our Impact Report, this publication about our progress of our nature vision and approach gives a snapshot of where our work now stands in terms of what we currently know, what we think we need to know, and how and when we can close the gap between the two. The nature-related data, methodologies and tools available for financial institutions like Rabobank are in various stages of development. Similarly, disclosure and reporting standards are continuously evolving.

Data availability & quality

The availability, specificity and accuracy of the data we use to make the calculations presented in this report varies widely per sector. In most cases, our clients do not yet report their own nature dependencies, impacts, risks and opportunities. Therefore, the overview presented in this report should be interpreted as our estimates on a best effort basis using the current information and data.

Geographic differences

Government legislation and regulations play a key, if not leading, role in reducing nature risks and impact in the real economy. National and regional financial regulators have a similar level of influence over the nature risk and impact actions of banks and other financial institutions. Rabobank is headquartered in the Netherlands and operates in 36 different countries. Our international presence requires us to take into account many different forms of legislation and regulation when setting our approach to nature impacts, dependencies, risks and opportunities at the local level. Where applicable, we indicate the influence of local/ regional guidelines on our approach.

