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Our Impact in 2021



About This Report

"Our Impact in 2021" explains who we are, how we facilitate transitions, and how we strive for positive, sustainable impact on society. This year, it also gives a preview of "Our Road to Paris" report, which is our approach to Paris Alignment, and will be available in the second half of 2022.

Our Reporting Approach

Next to our Impact Report, we will publish our Annual Report 2021 on March 10, 2022. It contains the Management Report; the Financial Statements; the Remuneration Report and the Report of the Supervisory Board. The Annual Report takes an integrated approach that highlights our contribution to society, stakeholders, and our clients specifically, by providing both financial and non-financial information. Throughout the report, we provide detailed performance data.



Disclaimer

The production of this Impact Report was overseen by a steering committee with representatives of Communications & Corporate Affairs, Finance (Group Reporting) and Group Sustainability. The report was submitted to internal experts for review. Our external auditor has not performed an audit on this report. We report on the basis of the best available data and the most suitable methodologies and methodological choices for our portfolios.

The transition to a sustainable economy is a long-term transition. In the current stage of the transition, we are confronted with the limited availability of climate-related data. It is inevitable to use estimates and models until improved data will become available. Our expectations on the increase of data quality are based on reporting obligations as currently developed. New regulations on reporting will likely become effective in the coming years. Harmonized standards and calculation methods are expected to be developed and will also improve data quality. Any updates as a result of methodological changes or new information that lead to materially different outcomes than previously reported will be addressed in following reports.

We have measured the carbon footprint of our assets in accordance with the standards we discuss in Annex 1.

Published by

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Cover photo

The cover photo was taken at the Upcycle Workshop of [Stichting Stunt](#), a partner of Rabobank. Stichting Stunt employs people to enter the labor market which contributes to creating a more diverse and inclusive society.

Foreword

Backed by strong economic rebound, Rabobank posts net result of EUR 3,692 million in 2021.

The economic rebound relative to 2020 created a tailwind for Rabobank. Although Covid-19 continued to impact society in 2021, government support measures cushioned its hold on the economy, which grew significantly. Improved market conditions led to a net release of loan impairment charges and positive asset revaluations. Rabobank's business performance was sound, as reflected by the resilient and growing Food & Agri portfolio and dominant position in the Dutch residential mortgage market. In this environment, Rabobank posted a net result of EUR 3,692 million.

Last year was unquestionably marked by the unpredictable character of the Covid-19 pandemic, including the emergence of new variants of the virus and the resulting restrictive measures. Worldwide supply chain challenges, including labor shortages, and increasing inflation were also part of the economic uncertainty. However, despite these challenges, we saw economies worldwide recover quickly and better than expected. We also see this recovery reflected in the performance of the majority of our clients and the bank. 2021 was also marked by severe climate-related events and the IPCC report reiterating the urgency of combating climate change. In addition to tackling today's challenges, the Food & Agri sector also has a major role to play in solving the systemic puzzles that lie ahead. In these transitions Rabobank aspires to be a partner. Together with our clients and other stakeholders, we are committed to supporting a sustainable and profitable global food system, as we emphasized at last year's UN Food Systems Summit. To back this up, we launched the Rabo Carbon Bank which has led to the first transaction of carbon reduction units from smallholder farmers purchased by a large corporate.

We also made progress in other strategic areas. With Rabo SmartBuilds we announced our target of building 12,000 modular, climate-neutral, affordable rental homes over the next ten years in the Netherlands. With 20 municipalities we are exploring concrete opportunities and we expect to start building this

year. In 2021 we also scaled up multiple fintech innovations such as SurePay and TreasurUp. SurePay, an original Rabobank "Moonshot", that makes online payments more personal and safer with the 'IBAN Name Check', is proving its scalability with business expansions into the UK and France. Also, more than 420,000 people engaged with us via our "Talking About Money" campaign, helping them to get insights on money matters. Our members, again, were fully engaged with the bank, as 500,000 of them voted for their favorite local club or association, and made possible that we distributed EUR 13 million to 30,000 clubs and associations this year. We continued to optimize our operating model in our global franchise and our Dutch banking infrastructure in 2021. Our employees showed dedication and resilience in the face of the ongoing effects of the Covid-19 pandemic, and guided our clients in the challenges they faced. I would like to express my gratitude for their commitment in yet another extraordinary year.

Update KYC

In our role as gatekeeper to the financial sector we feel an obligation to protect our customers, members and society from financial crime. It is our strong belief that in a better world there is no place for criminal money obtained from activities such as child labor or the trafficking of drugs, humans or weapons." From 2016-2021 Rabobank has invested a total amount of EUR 1,600 million in its KYC organization. And the number of employees has grown from around 1,700 in 2016 to currently 4,900 employees. KYC has been and is still one of Rabobank's top priorities. On 15 November 2021 Rabobank announced that a draft instruction (voorgenomen aanwijzing) was received from the Dutch Central Bank (DNB) on 12 October 2021. Subsequently, Rabobank received the instruction (aanwijzing) on 23 December 2021. In this instruction, DNB determines that Rabobank does not meet the requirements of the Dutch Anti-Money Laundering and Anti-Terrorist Financing Act (Wet ter voorkoming van witwassen en financiering van terrorisme, Wwft) and orders Rabobank to remedy deficiencies regarding its Dutch retail division's compliance with the Wwft by 15 December 2023 at the latest.



Rabobank also announced on 15 November 2021 that DNB informed the bank that a separate punitive enforcement procedure would commence, the outcome of which is not yet known. While we have made improvements, we acknowledge that we have not yet remedied the deficiencies in order to adequately meet the requirements of the Wwft. We are set to continue and increase our efforts to build a robust and future-proof Know Your Customer (KYC) organization. To reinforce this, we will create a new position within the Managing Board with a specific focus on KYC compliance.

Outlook

Our clients remain confronted by disruptions to supply chains, rising energy prices, and increasing inflation, while also working to meet our shared climate goals. Geopolitical unrest is undiminished and trade wars are reshaping the global economy. These impactful developments have not halted. Additionally, Covid-19 remains among us, and each new wave or variant of the virus – and the corresponding governmental, restrictive measures – affects our clients and the credit quality of our loan portfolio. We also have to assume further impact from the persisting low interest rate environment. Overall, we remain cautious with respect to the operating environment in 2022 and the years to come. In this operating environment, our focus as a cooperative bank remains more than ever on the transitions in food, climate and energy, and working towards a more inclusive society. As such, we recover and regenerate – we are “Growing a better world together” – for both current and future generations. We look forward to a cooperative future!

[Wiebe Draijer, Chair of Rabobank's Managing Board](#)

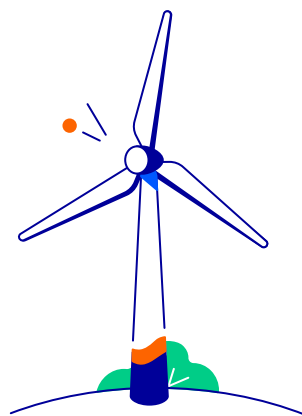




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Our Contribution to the Transitions



Climate and Energy Transition

17

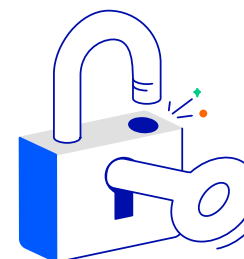
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Food Transition

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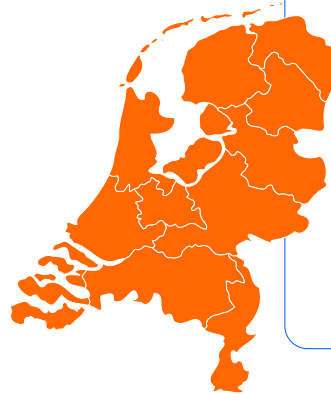
Rabobank at a Glance

Mission

Growing a better world together

The Netherlands

84 Local Rabobanks



Domestic Retail Banking

146
offices

2.1
million
members

8.1
million private
customers

0.8
million corporate
customers

What We Offer in the Netherlands

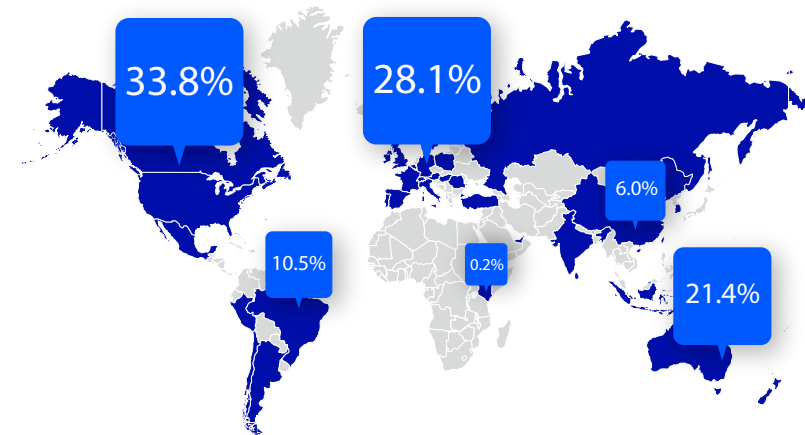
(amounts in EUR billions)

- 195.4** Dutch Private Mortgages
- 35.7** Lending to Food & Agri¹
- 74.5** Lending to Trade, Industry and Services¹
- 1.7** Billion point-of-sale terminal transactions
- 144.1** Savings
- 62.5** Assets Under Management
- 1.4** Leasing
- 8,903** BPD transactions

International

36 Countries

Geographical split of our international private sector loan portfolio



What We Offer Internationally

(amounts in EUR billions)

- 67.2** Private sector lending to Food & Agri
- 34.7** Private sector lending to Trade, Industry, and Services
- 33.1** Leasing

¹ W&R the Netherlands & domestic DLL portfolio included

About Us

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 stockholders but members working together on structural solutions to the challenges they faced, while giving back to society. 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 now the cooperative Rabobank. Today we work with more than 43,000 employees (FTE) in 37 countries. Our international focus is on the Food and Agriculture sector. In the Netherlands, we also offer private customers and commercial clients a wide variety of financial products and services. Rabobank Group also includes BPD, Obvion, and DLL which, respectively, provide real estate, mortgage, and leasing solutions.

Rabobank plays an active role in society

Given the strong local presence of the cooperative, Rabobank plays an active role in society. Local Rabobanks continue to help build strong, livable communities in municipalities and regions. And internationally, Rabobank helps rural clients continue to innovate and become more sustainable. This is how we turn our mission into reality: Growing a better world together.

Rabo Foundation

We allocate part of our net profit in the Rabo Foundation. Rabo Foundation was established in 1974 as Rabobank's social fund. As an independent foundation its mission is to invest in people's self-reliance. In the Netherlands, the Rabo Foundation works with local Rabobanks, to focus on social entrepreneurship, employability and financial reliance. Internationally it supports smallholder farmers and their cooperatives.

Our Cooperative Governance

We are a cooperative with members rather than shareholders. Customers can demonstrate their involvement in the bank by becoming members. More than two million customers are currently members of Rabobank. They approve the bank's course.

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)¹.

This fundamental governance change was intended to strengthen both the cooperative and the bank, as well as the unity between the two. The disciplining member say and influence are firmly anchored in the governance locally, regionally and centrally. The tasks and responsibilities of the governance bodies are formalized in the Articles of Association and regulations. These are discussed in general terms in the chapter "Corporate Governance" in the [Annual Report](#).

Our Cooperative Mindset

We believe that we can make each other better and create more opportunities through collaboration. This is what the cooperative mindset is all about. We can only tackle the urgent societal, economic and ecological challenges in food, climate and energy, and inclusivity if we work together.

The future is cooperative

Our Values and Behaviors

Defining our cooperative mindset and creating a context in which people can trust us as an organization means defining our shared values and behaviors in a way that others can rely on, like a compass.

Our [Rabobank Compass](#) defines our values and behaviors which we describe below.

- Client-driven and action-oriented:
"I go the extra mile for my clients."
- Purposeful and courageous:
"I dare to make a difference in the world."
- Professional and considerate:
"I am doing the right thing exceptionally well."
- Bring out the best in each other and keep learning:
"I make you better."

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

Our Fundamentals

Mission

Our mission is:

Growing a better world together

This is what we stand for and what we aim to achieve by being client-driven, action-oriented, purposeful, courageous, professional, and considerate, as well as by trying to bring out the best in each other while continually learning.

Vision

We are committed to making a difference as a cooperative, client-driven, all-finance bank. We want to make a substantial contribution to feeding the world sustainably and to fostering well-being and prosperity in the communities in which we are active. We aim to be a responsible bank, championing issues that have a major impact on society, the environment, and on our clients. This is why we actively engage in facilitating transitions which matter to us and stakeholders now and in the future:

Food, Climate and Energy, and a more Inclusive Society

Food Transition

Enough affordable, nutritious food for all, within planetary boundaries

Moving towards a more sustainable way to feed the growing world population (also known as the Food Transition) is a crucial transition, encompassing many of the UN Sustainable Development Goals (SDGs). As a cooperative that works with clients and partners all over the world and throughout the entire food system, Rabobank is in the right place. Leveraging our financial expertise, sector knowledge and global F&A networks, we work together on sustainable food solutions. This includes offering new financial tools, like sustainability-linked loans and blended finance solutions.

Our global team of RaboResearch food and agribusiness analysts provides sector-specific insights to help clients improve their businesses. We work with trusted partners — from business, government, civil society and throughout the value chain — to jointly transition to a food system that provides enough affordable, nutritious food for all, within planetary boundaries.

Climate and Energy Transition

Climate change and the transition towards a more sustainable energy supply and consumption

Climate change is one of the biggest threats to the planet and to the way we live. Therefore, the energy transition is a fundamental transition that is needed in most sectors, including the F&A sector. Moreover, it is an instrument with great potential to create a more inclusive society if the benefits of the transition are distributed equitably. To tackle this shared challenge we as society at large need to change how we produce and consume energy. We must also advance to a circular economy, meaning more sustainable use – and regeneration – of resources.

We support cooperative solutions and sustainable entrepreneurship

Together with clients and partners, we are speeding up these essential transitions: from facilitating sustainable entrepreneurship via green loans, impact loans and innovation loans to advising companies that want to switch to renewable energy sources; from accelerating carbon farming to advising customers on energy reduction in their homes and businesses. With our industry knowledge and financial tools, we support cooperative solutions that are good for people, for businesses and for the planet.

Transition to a More Inclusive Society

Everyone deserves a fair and equal chance to pursue their ambitions

Whether that means finding a comfortable home, performing meaningful work, or investing in a business. As a cooperative bank that finances farmers around the world and retail customers in the Netherlands, we promote financial well-being and security for our customers and their communities. That includes removing barriers to financial products and services, and increasing access to the labor market and affordable, sustainable housing. Through these efforts, we aim for more diversity and inclusion in society at large, because we believe that is key in our mission.

It's all connected

All these transitions and themes are intertwined. For example, climate change can also drive more people into poverty and reduces inclusion. In the Netherlands there are more than 550,000 households where people are living in energy poverty, meaning that their energy bills are relatively high and they either have no money to invest in sustainable solutions that would reduce monthly costs, and/or they are not allowed to because of a rental agreement. This creates inequality and

therefore negatively impacts the transition to a more inclusive society.

Furthermore, the climate and energy transition also enables the Food and Agriculture sector to reduce its emissions and invest in more sustainable farming practices. In turn this poses challenges for their current business model.

We believe we can have a positive impact if we focus on all three transitions of Food, Climate and Energy and Inclusive Society. By defining these transitions in this way we are not seeking to oversimplify the complexity of our societal, economic and ecological context. Rather we are looking for ways to facilitate sustainable business models and to focus on adding value in a systemic way.

Our Road to Paris

Climate change is quickly becoming an integral feature of the financial world. Rabobank published its first climate change disclosure "[Rabobank and Climate Change](#)" in 2020. In this section, we explain which steps are being taken to become aligned with the Paris Agreement.

This preview highlights our Paris Alignment approach. The full report describing "Our Road to Paris" plan will be available in the second half of 2022.

In 2015, world leaders signed the Paris Climate Agreement. The Agreement had a single, simple but vital goal: keep the warming of the earth's temperature to "well under 2° Celsius". If we fail to keep the temperature rise under that threshold, the resulting changes to our planet could be so disruptive that our lives may become unrecognizable. It could even threaten the survival of our species. Following the release of the first Assessment Report (AR6) in 2021, by scientists of the IPCC (Intergovernmental Panel on Climate Change), it has become clear that the risks of letting the global mean temperature rise above 1.5°C are greater than estimated.

According to the IPCC AR6 report, cumulative CO₂e (equivalent) emissions are kept within a budget by reducing global annual CO₂e emissions to net-

zero. This assessment suggests a remaining budget for the world population of about 420 gigaton (420,000 megaton) of CO₂e for a two-thirds chance to keep the rise of global temperatures below 1.5°C, and of about 580 gigaton CO₂e for an even chance. Meanwhile, global CO₂e emissions are about 57 gigaton per year.

World leaders gathering at the COP26 summit in Glasgow in November 2021 agreed to focus their efforts on achieving the 1.5°C Paris Alignment target. In October 2021, Rabobank joined the Net-Zero Banking Alliance (NZBA), thereby committing ourselves to this more ambitious temperature target and to reach net-zero financed emissions in our portfolio by 2050.

Carbon emissions are typically split up in scope 1, 2, and 3 emissions following the Greenhouse Gas Protocol of the World Resources Institute. Scope 1 emissions are emissions that we emit directly (via our operations) and scope 2 are the emissions we emit indirectly, e.g., the

electricity produced on our behalf. Scope 3 emissions are all emissions we indirectly emit in our upstream and downstream supply chain, which include the emissions of the clients we finance (i.e., financed emissions).

Rabobank's own operations have been climate neutral (scope 1 and 2) since 2007. Through the NZBA we are committed to reducing our scope 3 emissions by helping our clients reach carbon neutrality by 2050.

Paris Alignment (PA) is a vital effort for survival

Paris Alignment is a vital effort to develop the tools and approach we need to make sure that all our activities, no matter how necessary or harmless they seem, do not (inadvertently) threaten our future survival. From a business perspective, it is about defining the boundaries within which we can deploy our energy, ingenuity, and ambition to succeed, safe in the knowledge that our efforts are, at a minimum, not harming our future, and hopefully helping to improve it.

UN Guidance for Target-setting for Banks

Rabobank's Paris Alignment strategy follows the NZBA guidelines drawn up by the United Nations under the Collective Commitment to Climate

Action. The guidelines outline a number of principles, covering the time frame in which targets should be set, requirements for review and the use of widely accepted sources, among others. They also specify which carbon-intensive sectors are to be prioritized: agriculture, aluminum, cement, coal, commercial and residential real estate, iron and steel, oil and gas, power generation, and transport.

To align our loan and investment portfolio with the Paris Climate Agreement targets, we need to determine the greenhouse gas (GHG) emissions (or CO₂e) associated with the economic activities we finance, compare these emissions to science-based benchmarks and then set time-bound emissions-reduction targets to bring the emissions profile of our portfolio in line with the benchmarks. In the following paragraphs, we will examine each of these steps in more detail.

A Four-step Approach

Step 1. Carbon Footprinting

A carbon footprint is a general term used to describe the GHG emissions profile of a given economic activity, for example a kilowatt hour of electricity or a kilogram of milk. There are different scopes of emissions covering different parts of the value chain for a given economic process, as outlined in the GHG

Protocols. There are also different ways of measuring these emissions.

To estimate financed emissions, Rabobank uses the PCAF (Partnership for Carbon Accounting Financials) methodology for most of its portfolio. Where possible, we aim to work with our clients' verified self-reported emissions. However, currently most clients do not provide such reports. Therefore, the majority of carbon footprint measurements rely on estimates calculated using different types of estimates and proxy indicators.

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" using the current information and data we have at hand. To help the reader interpret these numbers, we have provided an overview of the calculation methods we have used per sector as well as a PCAF data-quality score. While we cannot guarantee the complete accuracy of the metrics, we can be transparent about how we have arrived at them and their limitations. Financed emissions are also an essential component of climate risk management, as they provide important input for identifying transition risks.

Step 2. Benchmarking

Benchmark decarbonization pathways are accepted reference points for judging the degree of Paris Alignment of a given economic activity.

Benchmarks can be set for different types of economic activity (sectors/ industries), different geographies (regions/countries) and different timelines (e.g. 5, 10, 30 years). Sector decarbonization pathways for CO₂e emissions most often use the International Energy Agency scenarios for replacing fossil fuel energy with renewable energy sources (e.g. SDS scenario, 2DS scenario).

GHG emissions for agricultural activities are primarily methane and nitrous oxide, and do not currently have a universal decarbonization pathway. At the beginning of 2020, Rabobank, together with the World Business Council for Sustainable Development (WBCSD), the PCAF, and the United Nations Environment Programme Finance Initiative (UNEP FI) helped launch the Banking for Impact on Climate in Agriculture (B4ICA) initiative to address this limitation.

In general, benchmark decarbonization pathways are based on carbon budgets, or the amount of GHG emissions that are acceptable over a given period of time. Signatory countries are required to set their Paris Agreement emission

reduction targets in Nationally Determined Contributions (NDC), which are evaluated every five years. In many countries, the national reduction targets have been translated into sector or industry targets. These sector benchmarks are the result of political/ economic decision-making processes. There may be differences between national (NDC) target pathways and international sector pathways.

Rabobank is assessing the different benchmark options for sectors. In doing so, we will conform to NZBA guidelines and use both intensity and absolute benchmarks where possible. We recognize the importance of benchmarks derived from NDCs and their impact on local market conditions and regulations. However, we also see and applaud the growing number of industry benchmarks which go beyond NDCs in their ambition. Finally, regulatory changes, new scientific insights, and other factors might influence and alter the benchmarks over time.

With the above in mind, we will regularly review our approach and amendments based on new insights. Although benchmarking is listed as the second step in the process, in reality the benchmarking process runs in parallel to the carbon footprinting process. The choice of benchmarks can also impact

the manner in which the carbon footprint is calculated. In such cases, it is a pre-cursor to carbon footprinting.

Step 3. Target-Setting

Once we have measured the carbon footprints and determined the appropriate benchmark, we will set decarbonization targets for their respective portfolios.

There are two aspects to target-setting:

1. Portfolio optimization (Emissions reduction targets):
Portfolio optimization is a top-down process involving strategic choices about which (target) assets should be included/excluded from a given (sub)portfolio;
2. Client engagement (Client engagement targets):
Client engagement is a bottom-up process through which we encourage clients to take measures to reduce the GHG emissions generated through their economic activities.

Step 4. Implementation in Business

In addition to the above three steps, there is an overarching process that forms a core part of the Paris Alignment approach: embedding these steps in our business. Getting aligned is becoming and will remain a core business process for the foreseeable future.

Paris alignment is a core business process for the foreseeable future

For each business line we develop a Theory of Change (ToC); an explanation of how we believe a given Paris Alignment goal can be achieved (e.g., 6 Mt (Megaton) CO₂e reduction in agriculture emissions in the Netherlands). This theory serves as the bridge between a stated Paris-aligned goal and Rabobank's portfolio/client engagement activities to achieve that goal.



Road to Paris

2021

In 2021, we took significant steps towards calculating the carbon footprint of our loan portfolio. Our 2020 Climate Report gave a first rough estimate of our financed emissions for a portion of our Dutch portfolio using the PCAF methodology. In this Impact Report, we have expanded the scope to include a significant portion of our international business. Furthermore, we have refined the data sources and the calculation methodologies. More information on our approach can be found in [Annex 1](#).

Our ambition is to determine the climate impact of all climate-material core activities, but our immediate focus will be on the highest emitting portions of

our portfolio where we have the most influence and responsibility, and where there are accepted target-setting methodologies (and data) available. At this time, we consider 70% of our assets to be climate-material, and have made a best estimate of our financed emissions for 85% of these carbon-intensive assets. Over time we expect our estimates to become more precise.

Regarding our Dutch Retail Banking activities, we have estimated the carbon footprint associated to our mortgage portfolio (2.1 Mt CO₂e), and the emissions associated with F&A (11.2 Mt CO₂e) and non-F&A SME (3.1 Mt CO₂e) lending activities. We have also estimated the emissions regarding commercial real estate (0.3 Mt CO₂e). For our international activities, we have estimated the emissions associated to the top four countries of our Rural portfolio (18.6 Mt CO₂e), our Wholesale clients (7.7 Mt CO₂e) and the majority of our leased tractors via DLL (3.4 Mt CO₂e).

On the next page we provide an overview of the outcomes. In the chapters [Food Transition](#), and [Climate and Energy Transition](#), we provide in-depth information on a number of large client groups (Dairy NL, Mortgages, and Power Generation).



Road to Paris

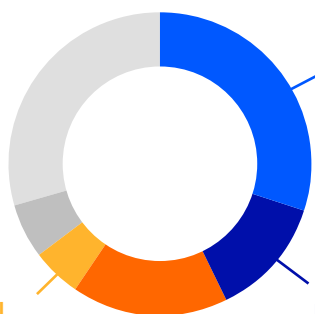
Emissions from loans (Scope 3)

Total assets
EUR 632 billion

Of which **70%** climate material* assets
- of which **85%** covered** by financed emission estimations

Leasing International

23% Portfolio covered
Tractor assets 3.4 Mt CO₂e



Loans to private individuals

99% Portfolio covered
Residential real estate 2.1 Mt CO₂e

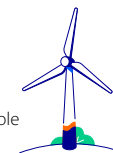
Dutch business clients

95% Portfolio covered
Food & Agriculture 11.2 Mt CO₂e
Trade, industry & Services 3.1 Mt CO₂e
Commercial Real Estate 0.3 Mt CO₂e

Wholesale & Rural

75% Portfolio covered
Wholesale corporate clients 7.7 Mt CO₂e
Rural Clients 18.6 Mt CO₂e

Avoided emissions via renewable energy portfolio: **5.6 Mt CO₂e**



On-balance exposure in billions of euros (base year 2020)

Loans to private individuals	191
Dutch business clients	81
Wholesale & Rural	106
Leasing International	32
Other partially climate material assets	37
- Financial assets	
- Other assets	
Other non-climate material assets	186
- Cash and cash equivalents	
- Government clients	
- Reverse repurchase transactions and securities borrowing	
- Interest rate hedges	
- Loans and advances to banks	
- Derivatives	

Total 632

Results

Rabobank has reduced the operational carbon footprint by 10% per FTE since 2013

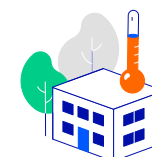
Publication of first climate report and financed emission estimate

First TCFD disclosure (for FY 2019)

Launch of Project Acorn

Agri3 fund launched

2020



2021 Launch Carbon Bank and Rabo Smartbuilds houses

2022 Report on Paris Alignment with portfolio targets

BPD delivers 15,000 sustainable homes

2029

Rabobank portfolio to be net zero aligned

2050

2030 The emissions in the EU economy have to be more than halved compared to 1990 levels.

Process

1995 Foundation of Rabo Groen Bank

1998 Rabobank publishes first sustainability report

2007 Rabobank operations carbon neutral for the first time



2015 Join Partnership Carbon Accounting Financials (PCAF)

2013 Rabobank starts rating own clients on sustainability

2018 First PCAF disclosure

2020 Sign Paris Proof Commitment for our Dutch real estate financing activities

2019

Start Climate Program and establish SDG Banking Committee

Sign Physical Risk & Resilience statement

Sign Financial Sector Commitment to the Dutch Climate Agreement

* About Climate Materiality:

We prioritize certain sectors following the UN Guidelines for Climate Target Setting for Banks.

In 2020, we published an overview of which assets are considered to be climate-material: [Rabobank Climate Commitment Disclosure of Progress](#)

** Financed emissions coverage figures are calculated on gross exposure figures.

For details on the estimation assumptions and methodologies, refer to the financed emissions methodology in the [Annex](#) section.

Our Contribution to the Food Transition

Ensuring together that there is enough healthy food for everyone.
Food that is produced within the planetary boundaries.



Carbon bank

Sustainably feeding the world requires us to rethink our food system. Together with our clients we accelerate sustainable food production with initiatives that reduce and remove carbon emissions from the atmosphere.

Ambitions for 2030

- Number of farmers actively applying regenerative farm practices: 50,000.
- Amount of CO2 equivalent captured: 1 gigaton.

Acorn

Unlock new and additional smallholder farmer income through carbon removal and agroforestry yields.

Result 2021

- Microsoft is launching customer.
- Standard Chartered acquires 16,000 Carbon Removal Units.

FoodBytes!

by Rabobank

With Foodbytes!, we offer startups across the globe a platform to pitch their sustainable food concepts and business models.

Result 2021

- Facilitated 1,122 connections and helped raise USD 1.4 billion.

Rabo Foundation

We offer organizations that work with smallholder farmers all over the world access to money, knowledge and our network. In the Netherlands we strengthen social enterprises so that everyone can participate in society.

Goals

Target

Results 2021

Increase volume sustainable finance		27%
Average growth in our clients' sustainability assessment scores via the client photo *	1% average growth in our clients' sustainability assessment scores Wholesale	1,8%
	5% average growth in our clients' sustainability assessment scores Retail NL	1,9%

* Please refer to our [Methodology & definitions of Non-Financial Key Figures](#) for explanation on client photo.

Sustainability Linked Loans

Rewarding companies with lower interest rates if they meet sustainability linked targets.

Result 2021

- First SDG 12.3 loan closed.

Biodiversity Monitor

Helps to assess improvements in a.o. soil quality and biodiversity and to reward farmers with for example, attractive interest rates.

Rabo Partnerships

Helps build more effective financial systems in developing and emerging regions to improve smallholder farmers' access to finance.

Rabo Investments

Supports clients globally (F&A focus) through capital solutions. Portfolio companies include both start- & scale-ups and established companies.

Rabo Groenbank

Private investors can invest in sustainable business through Rabo Groen Bank. This is the largest green bank in the Netherlands issuing green loans.

Result 2021

- Increase volume green loans EUR 394 million

Food Transition

We work with clients and partners on a food system that produces enough affordable, nutritious food to feed the world, while respecting producers' livelihoods and the planet.

The Future of Food and Agriculture

Natural resources — soil and water — are being depleted. GHG emissions are rising. Climate change poses an irrefutable threat to the planet and all of our lives. It is clear that we need to do things differently. But can we live our daily lives, do our jobs, consume, and produce while also respecting the limits of the planet? Can we meet the increasing need for enough nutritious and affordable food for a growing world population in ways that are both ecologically and economically sustainable?

We think we can. This conviction is based on long-term experience. Rabobank was set up 125 years ago by a collective of inventive farmers in the Netherlands who faced problems they could not solve individually. They discovered they could achieve their goals by working together. Our heritage of collective problem-solving, and entrepreneurship still drives us today.

Yesterday... as a cooperative, we helped our members and their communities overcome the challenges they faced. By leveraging our financial products and services, our knowledge and networks.

Today... we aim to help many thousands of Food and Agricultural businesses all over the world with the biggest challenge of our time. How to produce enough food for a growing global population in an economically viable way, while combating climate change, biodiversity loss, degradation of soils, ecosystem decline, and air and water pollution. We are committed to these challenges. And we are once again leveraging our financial products, knowledge, and networks.

As a bank, we believe that the greatest contribution we can deliver is to finance, facilitate, and stimulate responsible food production and processing, responsible consumption, and responsible supply chains.

Responsible Food Production and Processing

Food systems should produce food within planetary boundaries in terms of land, water, air, and biodiversity. At the same time, these systems must offer food producers an economically viable way of doing so.

Rabo Carbon Bank

In 2020, we started to develop carbon credit-generating projects through our Carbon Bank, which we launched in 2021. Rabo Carbon Bank is developing propositions that help farmers in developed countries become carbon champions by shifting to regenerative agricultural practices. We connect them to net-zero committed businesses and organizations that are looking for a reliable way to compensate their own unavoidable emissions. These projects are aimed at regenerating ecosystems, generating additional revenues for farmers, and driving reduction and compensation programs for businesses.

Help farmers become carbon champions

In the U.S., a group of farmers in three states have completed the initial benchmarking phase of Rabo Carbon Bank's first carbon sequestration and soil health pilot program. Participating farmers will receive compensation for implementing regenerative agricultural

practices that enrich their fields' soils, while capturing carbon from the air.

By 2030 Rabo Carbon Bank aims to have helped 50,000 farmers apply regenerative farming practices and to have removed and reduced 1 gigaton of CO₂e.

Similarly, smallholder farmers in developing and emerging regions can generate Carbon Removal Units via our Acorn project (Agroforestry Carbon Removal Units for the Organic Restoration of Nature). The Acorn program is designed to unlock new and additional smallholder-farmer income through agroforestry. Agroforestry can generate new revenue streams through carbon removal and agroforestry yields (e.g., fruit and nuts) and can help improve soil quality, biodiversity, and the micro-climate around the farm itself. Acorn aims to enable hundreds of thousands – if not millions – of smallholder farmers to transition to agroforestry. Early 2021, Microsoft purchased the very first Carbon Removal Units and more recently, Standard Chartered acquired 16,000 Carbon Removal Units.

In the Netherlands, Rabobank and the World Wide Fund for Nature (WWF) have teamed up with dairy company FrieslandCampina, farmers, and other stakeholders in the dairy industry to

develop the Biodiversity Monitor. This monitor allows us to assess improvements in soil quality and herb-rich grasslands that enhance biodiversity, and reward farmers with, for example, attractive interest rates. In turn, companies like FrieslandCampina can reward farmers with premium prices, etc. Combined, these incentives make it worthwhile for farmers to invest in nature-inclusive practices.

In 2021, together with the Nederlandse Waterschapsbank (NWB Bank), we participated in a EUR 70 million fund which focuses on, among others, the conservation of biodiversity and reduction of methane and nitrogen emissions, and which has a specific target of reducing 2 megaton of CO₂e. Dutch farmers face multiple challenges related to climate, water-usage, nitrogen emissions and circularity. We also developed the concept of the Re-allocation Fund (Herallocatiefonds). This fund will help farmers to re-allocate or intensify their operations, make way for nature and offer them a business-perspective to deal with these challenges. The fund concept was offered to the Dutch Ministry of Agriculture, Nature and Food Quality (LNV) and is currently under preparation.

We have partnered with the UN Environment Programme, the Dutch Development Bank (FMO), the Sustainable Trade Initiative (IDH), and the Dutch government to set up the AGRI3Fund. The fund's goal is to offer de-risking arrangements to commercial banks to finance high-risk investments in sustainable agriculture, forest protection, and improved rural livelihoods.

Responsible Supply Chains

We have been contributing for decades to the optimization of transparent agricultural supply chains, including rural development. Rabo Partnerships helps build more effective financial systems in developing and emerging regions to improve smallholder farmers' access to finance. Rabo Foundation helps smallholder farmers to farm more efficiently and use more sustainable production methods.

In the Corporate and Wholesale business segments, we see, meet and stimulate an increasing appetite for sustainable finance. Overall there are two types of sustainable finance. The green loan, created exclusively to (re)finance eligible green projects. And the sustainability linked loan, which rewards a company with lower interest rates if it meets sustainability linked targets. These targets are often aimed at reducing emissions, reducing food

waste and food loss, promoting more efficient use of energy and increased transparency throughout a company's own supply chain.

Sustainability linked loans may be regarded as a concept that marries the needs of environmentalism with the needs of capitalism. Which explains why demand has risen in recent years. In 2021 we were involved in many sustainable finance-transactions (sustainability linked loans or sustainability bonds) with among others Oatly, Coles, Louis Dreyfus, Vitterra, and Land NRW.

Responsible Consumption

At Rabobank, we believe food systems should produce sufficient safe, affordable, nutritious food to provide the global population with a balanced diet, with minimum waste. Through Rabo Food Forward, we form coalitions to work in partnership on sustainable food solutions. For instance, we focus on how to create shorter food value chains. Rabo Food Forward already yielded multiple concrete ideas and concepts in 2021.

In partnership with the Food Waste Foundation, we encouraged the hospitality sector to participate in the Food Waste Challenge as part of a joint approach to tackling food waste. The latest Food Waste Challenge targeted hotels in the Dutch city of The Hague.

The hotels achieved a 45% reduction in food waste. That's almost 10,000 kg of food, representing a reduction of over 18,000 kg in CO2e emissions.

Meanwhile, our sustainability linked loan specifically designed for SDG 12.3 (Global Food Loss and Waste) provides a financial incentive to companies that commit to KPIs and meet targets related to food loss- and food waste-reduction. Dutch organic supermarket chain Ekoplaza is the first client to receive this new type of sustainability linked loan. Ekoplaza is going to work with us to see how it can monitor its food waste even better. If it achieves the agreed reduction in food waste levels, it will be rewarded with lower interest rates.

Knowledge and Innovation

We believe in the innovative power of our clients to produce more with less ecological impact. That's why we set up FoodBytes!: a global network designed to identify startups that are innovating and disrupting the food value chain with groundbreaking ideas in food, agribusiness, and technology. Through FoodBytes!, we match innovators with investors and clients. It also provides a platform to help turn today's new ideas and technologies into tomorrow's solutions that create meaningful and purposeful change. In 2021 alone, FoodBytes! offered a platform for 45 new commercially validated startups from 15

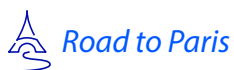
different countries, and welcomed 40 corporate/investor members to the program while continuing to support the growth of more than 350 previously selected startups. In 2021 FoodBytes! facilitated 1,122 connections and helped raise USD 1.4 billion in funding. Rabo Investments aims to scale-up innovation in F&A by supporting clients globally through capital solutions. Portfolio companies include both start-and scale-ups and established companies.

The transition to a future-proof food system is immensely complex. And there is no commonly accepted definition of what exactly such a food system entails. Given this complexity, cooperation and knowledge sharing are crucial. Through RaboResearch we provide sector-specific insights covering everything from farm inputs to consumer foods.

In 2021 we played an active role in the United Nations Food Systems Summit and all of its pre-summits, calling world leaders for rules and regulations to facilitate and speed up food system transformation. Next to that we joined several other leading national and global initiatives on climate and sustainability. Recent steps include becoming a signatory to the Net-Zero Banking Alliance (NZBA), the Taskforce on Nature-related Financial Disclosures (TNFD) and we were the first financial institution to sign the "Pathways to Dairy

Net-Zero" initiative. The NZBA is led by the United Nations Environment Programme. The TNFD is an initiative of the UNEP-FI, WWF and Global Canopy, seeking to create a framework to identify nature related risks and opportunities as well as impacts and dependencies. The "Dairy Net-Zero" initiative was set-up by the Global Dairy Platform.

One thing is clear – we need to work together to create a food system that meets the rising demand for affordable, nutritious food and that respects producers' livelihoods and the planet. We must all play our part. With clients and partners at every link in the food value chain from farm to fork, we are ideally positioned to play our part. Together, we are working toward a sustainable and resilient food system that will feed the world for generations to come.



Dairy NL

We have a strong presence in the Dutch dairy sector. In terms of total sector debt our market share is estimated to be roughly 75% (range 68-78%). Other debt suppliers are competing banks and non-banking loans (e.g. family loans).

The primary dairy sector accounted for approximately 13.0 Mt CO₂e (2019), over 5% of national Green House Gas (GHG) emissions, or more than 40% from Dutch agriculture (excluding land use and land-use change).¹

Most agricultural GHG emissions come from biological processes

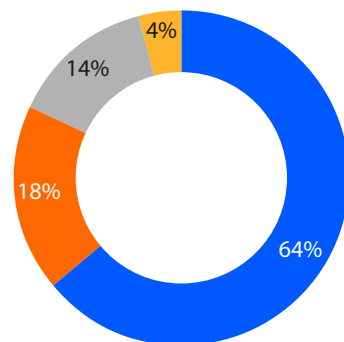
Step 1: Carbon Footprint

Calculating GHG emissions from burning fossil fuels is relatively straight forward, as conversion factors of fossil fuel to CO₂ in combustion engines and heaters are well known. The main sources of primary dairy GHG emissions come from biological processes, mainly in the form of methane and nitrous oxide. This makes carbon footprint calculations far more complex as emissions vary according to the circumstances under

which these biological processes take place. For example, the farming system and breeds of cows eating different feeds.

We have calculated our financed emissions in the dairy sector using farm-level emissions, in line with the agreements made under the Dutch Climate Agreement. These GHG emissions all occur at the farm level. Upstream emissions from farm inputs — such as from the production of purchased feed (concentrates) and fertilizers — and downstream emissions beyond the farm gate — for example, those related to the processing of milk — are not included since these emissions do not occur at farm level. Subsequently, allocations between milk and meat are also not applicable at this level. We have followed the standard PCAF methodology (score 5, see also [Annex 1](#)) for calculating financed emissions based on our share in absolute dairy farming sector emissions. We have relied on top-down proxy indicators based on production values, as bottom-up farm level data is still largely unavailable. For 2020, the estimated absolute carbon emissions of our primary dairy portfolio were 4.1 Mt CO₂e.

% of direct on farm GHG emissions



■ CO₂ - energy and fuel
■ N₂O - manure and soil
■ Methane - manure
■ Methane - enteric fermentation

Source: Wageningen Economic Research, Rabobank

At farm level, methane emissions from enteric fermentation and manure generally account for more than 82% of all direct GHG emissions. Nitrous oxide emissions account for about 14% of on-farm emissions and are mainly related to storage and application of manure and management of the soil. CO₂e emissions account for the remaining 4% of all on-farm emissions.

Step 2: Benchmark

As there are currently no standard decarbonization pathways for the

agricultural sector, we have taken the reference path and targets set by the Dutch Climate Agreement and the Sustainable Dairy Chain initiative (*Duurzame Zuivelketen (DZK)*) as the basis for our Paris Alignment benchmarks for our primary dairy portfolio in the Netherlands.

Dairy-specific targets

As the largest source of direct agricultural GHG emissions in the Netherlands, the Dutch dairy sector is committed to reducing its GHG emissions to bring them in line with the Paris Climate Agreement goals. In the Dutch Climate Agreement (2019), based on the ambitions of

Klimaatverantwoorde Zuivelsector (2018), the dairy sector set a target to reduce methane emissions by an additional 0.8 Mt CO₂e by 2030 at farm level.²

Ambitions not specifically related to on-farm emissions

The DZK initiative also includes additional ambitions for soil and crops (0.2 Mt), energy efficiency and the production of sustainable energy (0.6 Mt) and reducing imports of (protein-rich) feed concentrates (1 Mt).

Contributions but not specific to dairy: peatlands

Under the "land and land use" section of the Dutch Climate Agreement, the signatories set a target to reduce GHG emissions from peatlands by an additional 1 Mt by 2030. As the largest land user in these areas, the primary dairy sector, in close cooperation with other parties, will play a key role in achieving this target.

Step 3: Target-Setting

We will follow the absolute emissions reduction targets for our dairy portfolio as described in the above-mentioned benchmark decarbonization pathway for the Dutch dairy sector.

For client engagement we also look at GHG emissions intensity: kg CO₂e per kg of milk. We assume that the average carbon footprint of our dairy farmer clients is similar to the overall Dutch dairy farming average. Focusing only on direct farm emissions, the average emissions intensity of primary dairy farmers in the Netherlands is estimated at 0.9 kg CO₂e per kg of produced raw milk.³ Compared to 2011, this implies a reduction of nearly 10%. This improvement is the outcome of efficiency gains in the field of feed and

¹ For the purposes of calculating our financed emissions the "dairy sector" refers to dairy production, or dairy farming. This covers all on-farm GHG emissions excluding (fossil) energy, land-change use and purchased inputs. We have chosen this scope in order to align our benchmarking and target-setting process with the goals of the Dutch Climate Agreement.

² The term 'additional' refers to the fact that the 0.8 Mt emission reduction is additional to the Dutch agriculture emissions reduction expected already at the time of setting the new targets (i.e. additional to a reference path including reduction impact of ongoing policies and improvements)

³ This differs from the 1.23 kg CO₂e/kg milk in the DZK report, as we have translated this number into a Scope 1 calculation whereas the DZK report is a Scope 3 metric.



genetics (contributing to higher yields per cow and lower replacement rates), combined with improvements in manure and soil management and other farm practices.

into opportunities that strengthen farm income, such as carbon farming.

As time and knowledge progresses these efficiency gains and improvements will likely also contribute to future reductions in GHG emissions intensity. Working together with the sector we will develop intensity targets in- line with our net-zero climate commitments.

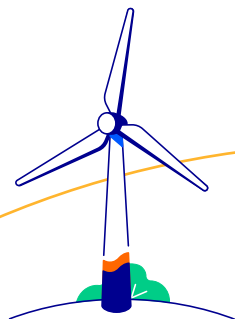
Rabobank is one of many players in the dairy value chain. Meeting the reduction targets described above will require a unified effort from all these players. Our primary role is to provide financing to support the transition to more sustainable practices. Moreover, we support our clients via our knowledge and networks to meet dairy specific targets and ambitions regarding other emissions (e.g. peatlands and energy transition).

We see that developments in the fields of feed (feed additives and adjustments), manure management, and soil practices show potential to help further reduce the GHG emissions. However, many of these developments require significant operational or capital expenditures that are hard to fit in current business models. Therefore, we are also looking



Our Contribution to the Climate and Energy Transition

Reducing our climate impact by helping our customers become more sustainable, investing in renewable energy sources and by jointly working on a circular economy.



Sustainable Living

We recognize that improving the energy efficiency of houses and office buildings is imperative to reach net zero in 2050. This has to be accomplished around the globe, but as a Dutch bank, we clearly have the best opportunities to contribute to this goal in our home market, where we also aim for reducing housing shortages.

Renewable Energy

Since the energy sector has such a vital role to play in the transition to a climate neutral society, we have set an ambitious agenda for our energy sector portfolio. We invest in innovative technologies such as hydro-power and geothermal energy, and we finance multiple renewable energy projects.

Sustainable entrepreneurship and Innovation

Small and Medium-sized Enterprises(SMEs) are essential for a futureproof economy. With our partners, we assist SMEs with the financial aspects of drawing up sustainability plans. We also measure the impact of our clients on the climate so that we know where to focus our efforts and seek improvements. Via our Start- and Scale up bankers and Rabo Innovation Loan we help innovative, sustainable and fast-growing companies on their road to success.

Leasing and E-mobility

Leasing has the potential to make a substantial contribution to the climate transition since some companies do not have the resources to invest in low-carbon technologies, or because financial leasing is a more attractive proposition to them. Rabobank supports its clients and partners in the transition to a new and sustainable fleet.

Goals

Target

Results 2021

Average label C in our mortgage portfolio

average label C

average label C

Increase volume sustainable finance

27%

Supporting customers in transition toward sustainable entrepreneurship via the client photo *

1% average growth in our clients' sustainability assessment scores Wholesale

1,8%

5% average growth in our clients' sustainability assessment scores Retail NL

1,9%

We will expand our sustainable energy portfolio

20-30% ** exposure growth

40%

* Please refer to our [Methodology & definitions of Non-Financial Key Figures](#) for explanation on client photo.

** Gross grow ambition in the renewable energy portfolio as a percentage of the total portfolio renewable energy (baseline 2019).

Sustainable Living

- 67,790 customers used the House Scan
- 25% invested in making their homes more sustainable
- Launch of Rabo SmartBuilds

Renewable Energy

- Launch of 'Realisatiefonds', fund for local energy cooperatives
- 5.6 Mt CO2e avoided via our financing activities
- Committed EUR 1.7 billion for 50 new renewable energy projects

Sustainable entrepreneurship and Innovation

- Rabo Impact Loan EUR 104 million
- Social Impact Loan EUR 32 million
- Rabo Innovation Loan EUR 68 million
- Rabo Groen Bank Green loan Renewable Energy EUR 1,336 million

Leasing

- Launch of Rabo Electric

Climate and Energy Transition

True to our cooperative mentality, we work with our clients and partners to meet shared climate goals, support clean, energy-efficient consumption, and promote the circular use of resources.

Our Climate Ambitions

It is essential that we fight climate change and reverse the trend of ecosystem decline. But let's not forget this is also a chance for our economies to grow in a more sustainable way.

We believe that the greatest contribution we can deliver in this transition is to finance and foster more sustainable production and consumption by our clients. To accelerate and support this transition, we incorporate financial incentives in our products, and we make sustainable and green choices simple and attractive. We encourage front-runners to continue to innovate. And we engage with the late majority to help them take the next step towards a more sustainable business.

COP26 and the IPCC report reiterate the urgency on combating climate change

In relation to Climate, COP26 and the alarming IPCC report ("AR6") which was published in 2021, we participated in COP26. In anticipation we offered the following recommendations via a

[position paper](#) for international regulators and policymakers:

- Make sectoral transition road maps and set legally binding restrictions on emissions;
- Price greenhouse gases and strengthen the European Emissions Trading System;
- Foster international convergence on taxonomy, data requirements, disclosure standards, requirements for use of climate scenarios;
- Safeguard a just and inclusive transition;
- Provide ready access to public ESG data; and
- Re-calibrate capital requirements where needed, on a risk basis.

Below, we discuss our role and contribution to the climate and energy transition and how we aim to reduce emissions. In the chapter [Our Road to Paris](#) we describe our Paris Alignment approach and disclose the carbon footprint of our assets.

Reducing Emissions by 55%

We must substantially reduce our own and our financed emissions to meet the climate objectives set by the United Nations Net-Zero Banking Alliance and the Paris Agreement.

For the Netherlands and the rest of the EU, that means reducing our greenhouse gas emissions by at least 55% by 2030 (compared to 1990 levels). Everyone, Rabobank included, must make a massive effort to achieve this target. We take the energy transition very seriously and, supported by a newly established dedicated Energy Transition Research team, are working hard with our clients and partners to make it happen.

We continue to make our own business operations greener. We also map our climate risks and include them in our climate strategy. Moreover, we make our biggest contribution by supporting our clients to achieve their sustainability goals.

Our Food and Agriculture, Industry and Real Estate portfolios have the greatest potential climate impact. That's why we focus on these sectors first when mapping our clients' climate footprints. We analyze public data (e.g., energy ratings for homes) and make our own assessment through our Client Photo, as part of onboarding and monitoring our clients.

The Rabo Carbon Bank is a means for us to work with one set of clients (e.g. farmers) seeking a sustainable business model to find solutions for another set of clients (e.g., corporates) seeking to offset their carbon emissions. For instance, smallholder farmers plant trees for our wholesale clients and receive carbon credits in return. The Wholesale clients pay for the credits, which allows the smallholder farmers to improve, grow, or diversify their businesses as described in the [Food Transition](#) section.

Sustainable Living

To reach net-zero in 2050 energy efficiency improvements of houses and office buildings are imperative. This has to be accomplished around the globe, but as a Dutch bank, we clearly have the best opportunities to contribute to this goal in our home market.

That's why we provide financial incentives to our Dutch mortgage clients who want to invest in emission reduction. We also help them to overcome some of the practical hurdles. For example, in our House Scan customers and our mortgage advisors can easily enter data into a module that is fully integrated in our mortgage application processes and also offered in our banking app. We developed the Rabobank House Scan with our partner HomeQGo. Customers can immediately see in what way their houses can be

made more sustainable (e.g. insulation, solar panels, heat pump), at what cost, and at what associated charge. A unique feature of the House Scan is that customers can get direct online quotations from a selected group of suppliers. In this way, our customers experience a seamless customer journey. In 2021, 67,790 of House Scans were done.

25% of our new mortgage clients invested in making their homes more sustainable in 2021

In addition Obvion and energy provider Eneco developed the Conversion Plan tool. This tool offers the same functionality as the House Scan but is specifically designed for the intermediary channel. This tool includes an automatic link to Eneco so that it can immediately issue a quotation for the execution of the works.

We also offer customers a Green Mortgage facility (at a lower interest rate), and the Rabo Groen Depot (a green construction deposit account) which helps customers reserve money for energy-saving measures such as solar panels, insulation, and/or a heat pump.

Through the combination of these measures, and the proactive advice of our advisors, 25% of our new mortgage clients invested in making their homes

more sustainable in 2021, with an average investment of about EUR 14,500. In total approximately EUR 269 million was invested in this way.

Housing Shortages

At Rabobank, we want to help to reduce the housing shortage in the Netherlands. That is why, in 2021, we announced that we are going to build 12,000 affordable, highly energy efficient, and temporary, modular homes in the Netherlands through Rabo SmartBuilds. Because the homes are temporary, lengthy bureaucratic procedures are unnecessary. The homes can be (de)constructed quickly and moved to a new location after 15 years. Municipalities are an important partner to facilitate SmartBuilds by making land available. By the end of 2021, we were exploring concrete opportunities with 20 municipalities and we expect to start building in 2022.

In the housing market in the Netherlands, there are not enough affordable and sustainable rental homes available for middle-income households. Together with our subsidiary BPD (Bouwfonds Property Development), we want to contribute to a solution for this problem through the BPD Woningfonds (established at the end of 2019), by building and renting these sustainable homes to this target group. By the end of 2021, through BPD

Woningfonds, we have 766 mid-rent homes under lease and nearly 2,700 in portfolio (under construction and in acquisition). Our goal is to have delivered 15,000 new affordable and sustainable rental homes by 2029.



Road to Paris

Mortgages

The energy we use in homes is a major source of GHG emissions. In the Netherlands, it is responsible for approximately 9% of all GHG emissions, 14.8 Mt CO₂e (2020). The Dutch Climate Agreement has set a target of reducing GHG emissions for the built environment in the Netherlands to a total of 15.3 Mt CO₂e in 2030 (currently about 21.6 Mt CO₂e). During this period, approximately 1.5 million homes will have to be made more sustainable and GHG emissions from existing homes will have to be reduced by 1 Mt CO₂e.

Since 1990, GHG emissions from homes in the Netherlands have been reduced by almost 30%. However, according to the latest estimates of the Dutch Bureau for Environmental Statistics (PBL) we are still not on track to meet the emissions reduction goals in the Dutch Climate Agreement. More needs to be done.

Rabobank is the largest mortgage provider in the Netherlands. Together,

Rabobank and our subsidiary mortgage providers Obvion and Vista finance more than 1 million homes in the Netherlands. GHG emissions linked to homes come from two main sources. The first is natural gas, used to keep our houses warm, to heat water, and to cook. The second is electricity, which we primarily use to light homes, and to power and charge appliances and gadgets. Increasingly, we also use electricity to heat and cool homes, and to charge electric vehicles.

When it comes to reducing GHG emissions linked to electricity usage, there are two obvious approaches. First, we can reduce the amount of energy used in homes. This is mainly being done by enhancing the energy efficiency of houses through insulation, and through increasingly strict European energy-efficiency standards for appliances and electronic devices. Second, we can "green the electricity supply" by switching from fossil fuels to renewable energy sources like wind and solar power.

The transition to a renewable energy grid is an important step in reducing our dependency on fossil fuels. However, homeowners can also play a role by installing heat pumps in their homes or solar panels on their roofs. PBL estimates that in 2030 up to 34% of household

electricity could be generated by home-installed solar panels.

By far the largest GHG emissions reduction potential for homes comes from reducing the amount of natural gas we use. This means changing the way we heat homes and water, and, also how we cook.

The largest GHG emissions reduction potential for homes comes from reducing the amount of natural gas we use

Step 1: Carbon Footprint

In 2021, the carbon emissions of our mortgage portfolio were 2.1 Mt CO₂e (estimated following the PCAF Methodology for Real Estate). This corresponds with an average energy intensity of 125kWh per m². Furthermore the average energy label of our portfolio is label C.

Step 2: Benchmark

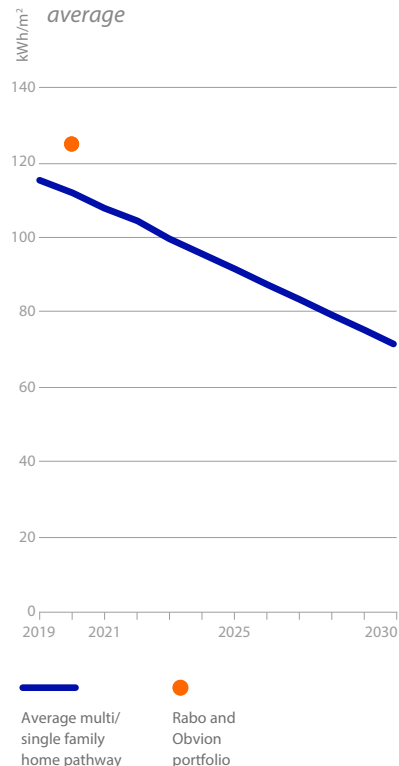
Having signed the Financial Institutions Commitment to support the Dutch Climate Agreement, Rabobank uses the national GHG emissions reductions targets for the built environment as its benchmark for progress. The benchmarking process for mortgages is dynamic, and the national targets can be translated in different ways, such as in home energy-label distribution, or GHG

emissions-intensity metrics (e.g., kg CO₂e/m²).

We have been publishing energy label distributions in our annual reports over the past years. This allows for comparisons on the basis of these energy labels. While energy labels give a rough indication about the house and its expected energy consumption their accuracy is limited as they are based on different methodologies.

The figure below shows an example decarbonization pathway provided by the Carbon Risk Real Estate Monitor (CRREM) for the Netherlands. It provides a stylized indication of the rate at which the average energy use per m² of Dutch homes (a mix of single and multi-family homes) needs to decrease in order to keep total emissions aligned with a 1.5°C temperature target. More effort to decrease emissions is needed, but also more precise measurement methods are required. Since there is no obligation for homeowners to update their EPC label and/or make related data available, every approach is currently lagging behind reality. For this reason, we have been working towards measuring our mortgage portfolio's performance in terms of energy intensity rather than energy labels, and will set intensity targets accordingly.

Example science-based benchmark for Dutch residential real estate in kWh/m² and Rabobank client's average



Science-based benchmark for Dutch residential real-estate measured in KWh/m² and 1.5°C target.

Step 3: Target-Setting

The Dutch Climate Agreement has set the target of having all homes off the gas net by 2050. Today, the general rule is that new homes may no longer be

connected to the gas net and by 2030 1.5 million existing homes and buildings must be ready to be taken off the gas net. The planning and implementation of this transition is being done by municipalities on a neighborhood-by-neighborhood basis. In its most recent report, PBL has reported delays in the roll-out of these plans, jeopardizing the achievement of the government's 2030 emissions reduction targets for the built environment. This, naturally, also impacts the extent to which Rabobank can reach its climate targets for our mortgage portfolio. Our original ambitions of achieving an average label B in 2024 and label A in 2030 will probably not be feasible due to the aforementioned delays.

We are developing a more accurate target pathway based on the CO₂e-intensity of our portfolio. This target pathway will use more accurate data sources to quantify the impact that Rabobank aims to have on reducing GHG emissions in the housing sector, while also taking into account the expected effectiveness of the interventions planned by the government and other stakeholders (such as energy companies and installation companies driving the transformation capacity).

Pending the development of our target pathway, for 2022 we have raised our target percentage of customers that

finance sustainability measures in their mortgage application to 30%. In addition, we continue to stimulate our existing client base to implement energy saving measures (now or in the future) via our House Scan tool, aiming at a total of 143,000 scans in 2022.

With these activities Rabobank can make a significant contribution to realizing the goals set in the Dutch Climate Agreement. However, it is important to realize that the necessary reduction of carbon emission will not be feasible without the collective effort of all parties involved, first and foremost the government. The new "Coalition Agreement" introduces a higher level of ambition and an additional set of measures. For instance the National Insulation Program, with measures to reduce the shortage of qualified workers in the energy sector, and measures to solve the lack of capacity of the Dutch electricity network. We believe that the success of these measures is vital, not only for the goals set by Rabobank, but, more importantly, to limit global warming.

More Investments in Renewable Energy

Since the energy sector has such a vital role to play in the transition to a climate neutral society, we have set an ambitious agenda for our energy sector portfolio. We invest in innovative technologies such as battery storage and geothermal energy, and we finance multiple renewable energy projects. We believe that we can help grow this market further. Through our involvement in 253 projects and exposure of EUR 3,400 million, we are one of the top-ten global lenders in renewable energy. By investing in renewables and by decreasing our already very small share of fossil energy in our portfolio, we can — and must — make the shift towards the net-zero economy.

We are financing one of the UK's biggest offshore wind farms to date: Project Seagreen in the UK. In 2021 we also participated in the construction of The Arcadis Ost1 257 MW offshore wind farm that is being developed in the German territorial waters of the Baltic Sea.

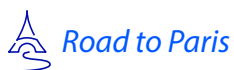
2021 also marked the financing of our first battery storage project in Europe: GIGA Storage. Energy storage is a necessity to ensure that demand for electricity can be met at all times, as the increasing role of renewable energy is causing a more volatile supply pattern.

As a leading agricultural lender, we are involved in geothermal heat projects in the Netherlands, primarily in the horticulture sector in the Westland region. We also co-finance energy cooperatives. We launched the "Realisatiefonds" with Energie Samen, SVn, Triodos, and ASN. Local energy cooperatives can take out loans from this new national fund to finance collective solar projects.

We also made strides in developing a new "Energy as a Service" proposition which provides a solution to fund various companies that offer sustainable assets (solar panels, heat pumps, etc.) as a service to third parties. This rapidly growing business model ensures that the energy transition becomes more accessible for companies and individuals.

Our financing activities helped provide 44 GW of green electricity thus avoiding 5.6 Mt CO₂e

Together, our financing activities helped provide 44 GW of green electricity thus avoiding 5.6 Mt CO₂e that would have occurred had this amount of electricity been generated with conventional fossil fuel sources in the respective markets. In the coming years we plan to significantly expand our renewable energy portfolio while maintaining alignment with the Paris Agreement.



Power Generation

The energy sector value chain consists of upstream, midstream and downstream activities. From an emissions perspective, the upstream activities (energy exploration, extraction, and power generation) are considered to be the drivers of emissions and are therefore key in steering the transition to a low-carbon society. As our upstream oil and gas exposure is not material (see the Loan Portfolio Overview in [ESG Facts & Figures](#) for disclosure on our exposure), we will focus on power generation, in which our financial exposure is the most substantial. Our business in the upstream power generation sector is primarily via project finance and large corporate clients. Our activities in the distribution of energy streams through our trade and commodity financing (TCF) are also key in helping to navigate the energy transition.

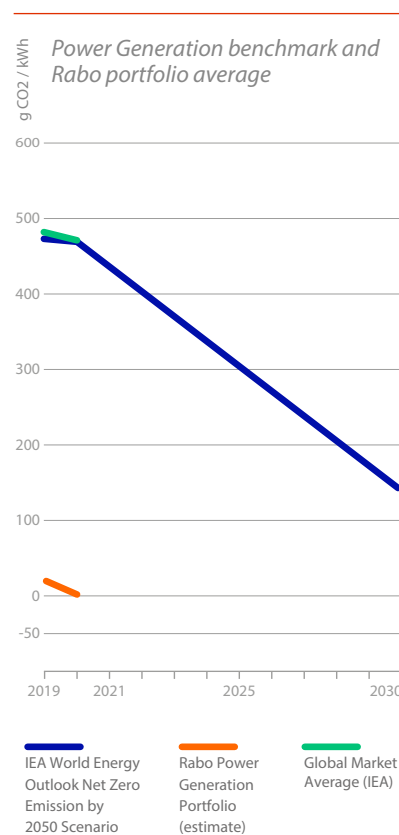
Step 1: Carbon Footprint

In carbon-intensive sectors such as power generation, various tools allow measurement against and alignment with climate scenarios and decarbonization pathways. We have assessed our global power generation portfolio using the PACTA (Paris Agreement Capital Transition

Assessment) tool for banks, comparing our portfolio to the market.

Step 2: Benchmark

There are multiple ways in which the carbon emissions of our power generation portfolio may be benchmarked to a transition path towards a Paris-aligned goal. In 2020, we published a PACTA analysis of our portfolio. This analysis demonstrated how our portfolio's mix of power-generation technologies used compared to the International Energy Agency's (IEA) benchmark and to the 2040 IEA Paris-aligned scenario benchmark. It showed that, even with the overstatements built into the methodology at that time, our portfolio was already ahead of the IEA projected mix for 2040. Additionally, we performed an analysis of the carbon emissions per unit of electricity produced (carbon intensity) and compared this to the Science Based Targets initiative (SBTi) Beyond 2°C Scenario (B2DS), which also demonstrated that our portfolio was already aligned with the 2040 convergence target for carbon intensity.



Step 3: Target-Setting

As the use of fossil sources of energy is still a reality and a necessity in most economies and households, Rabobank is dedicated to accelerating the energy transition and reducing emissions. We made multiple commitments in this regard, which include the goals of the Paris Climate Agreement, the EU Green Deal's intermediate target of at least 55%

GHG emission reduction by 2030 compared to 1990 levels, and the SDGs, of which SDG 13 specifically states that urgent action to combat climate change and its impacts is required.

Renewable energy projects form the core of our power generation activities. Overall, we have an ambitious growth strategy to increase Rabobank's impact in the energy transition. More specifically, we have set the following portfolio development targets for our project finance, trade and commodity finance and large corporate clients:

Project finance

We aim to further grow our renewable energy portfolio and maintain our position as a global top ten player as Lead Arranger in Clean Energy, as calculated by Bloomberg (#7 in 2021). Our ambition is to grow new business in the renewables sector by 20 – 30% annually for the next 2 years (40% 2021).

Large corporates

As the energy system in Europe is increasingly interconnected, we want to support clients throughout the value chain to build a low-carbon energy system. This includes investing in and scaling up proven technologies such as gas (an energy transition fuel), wind, and solar, but also new clean technologies such as hydrogen, storage and network solutions, e-mobility, and recycling.

Trade and commodity finance clients

We will increase the share of natural gas (an energy transition fuel) to about 25% of the TCF energy portfolio by 2025. We will ensure that the global portfolio of energy trade finance activities develops in line or outperforms the IEA Sustainable Development Scenario (SDS) trend line.

Sustainable Entrepreneurship

Small and Medium-sized Enterprises (SMEs) are essential for a future-proof economy. With our partners, we assist SMEs with the financial aspects of drawing up sustainability plans. We also measure the impact of our clients on the climate so that we know where to focus our efforts and seek improvements. We are developing new products to facilitate this process while making it economically attractive for clients to take the necessary steps. We are also working with our clients and partners to find systemic solutions to larger challenges, which should enable us to bring about sustainable growth, digitization, innovation, and the circular economy or circular economy solutions. Overall, our sustainable financing amounted to EUR 63.1 billion in 2021, which represents 15% of our total loan portfolio.

Small and Medium-sized Enterprises (SMEs) are essential for a future-proof economy

Entrepreneurs can contact our Circular Economy Desk for help to finance circular business models (EUR 264 million in 2021). We make doing business more sustainable and accessible by offering concrete financing solutions such as the Rabo Impact Loan (EUR 104 million exposure

in 2021). We also allocated EUR 32 million of the Social Impact Loan in 2021. In the six years since the inception of the impact loans, they have provided a total of EUR 1,082 million in financing.

Moreover we lend for sustainability through the Rabo Innovation loan (EUR 68 million exposure in 2021). We help to bring more sustainable ways of doing business within reach with our sustainability discounts.

Through our website www.raboduurzaamvastgoed.nl, we gave 11,336 SME clients advice on solar panels to support them in making their properties more sustainable. Just over 500 business clients made use of our special offer of a fact sheet including roof scan and conversation with solar panel specialist. Together with "Energieke Regio," municipalities and entrepreneurs we worked on making business parks more sustainable. As a partner of "Schooldakrevolutie" we strive for a society in which all children learn about solar energy from their own school roof. Rabobank supports "Schooldakrevolutie" by making our people and network available for them. We also released a proposition with Univé and Greenchoice to replace harmful asbestos roofs on farms with new roofs topped with solar panels. Univé members pay a fair price for the

green electricity from these roofs, and part of the proceeds goes to new solar roofs. In this way, we stimulate further growth and sustainability.

In 2021 we became involved in the "Uitvoeringsprogramma Circulaire Maakindustrie" which is a partnership of business, government and knowledge institutions that is committed to the circular transition of Dutch manufacturing industry. Together we conduct research, develop knowledge and tools, explore opportunities with companies and chains and set up innovation projects. Moreover we developed the "Circular Opportunities Map" which contains a top-10 opportunities overview per sector for entrepreneurs who want to do business more circularly. Maps have been developed for food, industry, health care, and the construction sector. We used the "CE (Circular Entrepreneur) in 1 Day" regionally to help entrepreneurs develop towards circular entrepreneurship. The aim of the "CE in 1 Day" is to bring together about twenty companies from a specific sector per region and to provide circular opportunities for their companies. We organized three "CE in 1 Day's" for the health and construction sector.

Sustainable Investments and Leasing

Leasing has the potential to make a substantial contribution to the climate transition since some companies do not have the resources to invest in low-carbon technologies, or because financial leasing is a more attractive proposition to them. We support our clients and partners in the transition to a new and sustainable fleet. With Rabo Electric we help entrepreneurs with financial and practical insight into the electrification of their vehicles. In addition, we offer a financial lease for all these vehicles so that customers can choose the dealer and are the full owner of their electric car or van. Under the umbrella of our newly launched e-mobility proposition we are also working on new business models with Rabo Lease and our subsidiary DLL to see how Electric Light Commercial Vehicles (e-LCV) can be financed or leased. We work with business partners to make it possible to offer charging infrastructure, solar panels, maintenance, roadside assistance, and insurance. DLL also offers financial solutions which cover the total product life cycle alongside clean tech products to realize innovative developments in sustainability.

Wealth Management

The assets that have been invested sustainably rose from EUR 16 billion to more than EUR 33 billion in 2021. At Rabobank, we aim not only for an attractive financial return for our clients in our discretionary investment portfolios (RBB: Rabo Beheerd Beleggen), but also for a responsible return. This means that we invest in a sustainable way by considering factors in the area of environmental, social, and good governance (ESG) in our investment choices. For this, we also follow the ten principles of the UN Global Compact Convention for human rights, working conditions, the environment and anti-corruption. Exclusions and restrictions also apply to investments, including for controversial weapons and tobacco producers. We invest in sustainable themes that are important for the energy transition, use or re-use(raw) materials responsibly, well-being. These are investments in the themes of sustainable energy, circular economy, electric vehicles, robotization and innovation, and in a healthy lifestyle.

The equity portfolio consists of funds that have a carbon footprint that is at least 30% lower than the benchmark, the global stock market index. In addition, we enter into discussions with companies to move them towards clean and sustainable business models with the engagement theme "Acceleration to

Paris.” Together with our partner for active ownership we motivate companies in our investment portfolios to come up with a climate strategy that reduces the carbon footprint in order to achieve the Paris climate goals. These are a few important examples of how we invest responsibly for our clients. These initiatives were positively assessed by the independent provider of sustainability ratings Sustainalytics, where we were ranked second most sustainable diversified bank worldwide.

Rabo Groen Bank

Private investors can invest in sustainable business through Rabo Groen Bank. This is the largest green bank in the Netherlands with a current volume of close to EUR 2.5 billion of sustainable and climate transition loans. Since private investors with a green savings account may be eligible for a tax reduction, Rabo Groen Bank benefits from lower funding costs. In 2021 we opened 11,844 new savings accounts totaling EUR 828,5 million. It transfers this benefit in the form of an interest discount on green loans to companies with sustainable investments. In 2021, Rabo Groen Bank issued EUR 626,4 million in green loans. The largest growth came from the installation of solar panels with EUR 327,8 million in green loans.

Helping Clients Achieve Their Sustainability Goals

We firmly believe that we can achieve more together. We also realize that the climate change objectives and the transition needed to reach them are a mammoth task. All the more reason to stay alert to how we as Rabobank can make sustainability affordable and accessible to everyone. The only way to reach the ambitious climate targets is through true collaboration between central government, municipalities, banks, companies, clients, and other market actors. Thanks to our cooperative mindset, Rabobank is at the forefront of initiatives to make things happen. We have a tremendous drive to realize these plans with and for our clients and society. The sooner the better.

We therefore introduced a Startup & Scale-up Team in the Netherlands, which consists of dedicated specialists who help innovative, sustainable and fast-growing companies on their road to success. Startups and scale-ups make an important contribution to solving societal challenges and are one of the most important growth enablers for the economy and employment.

We are committed to contributing through new ideas and practical actions. For instance, we have started to track the CO₂e emissions in our loan portfolio. If clients do not reach the standards we set

for sustainability, we start a dialogue with them to discuss their intentions for improvement. Should the improvements fail to materialize, we may have to reconsider our relationship with that client. And we aim to take into account instruments that define how to measure sustainable practices, such as the Taskforce on Climate-Related Financial Disclosure (TCFD) and the EU Taxonomy, as soon as possible and/or required.

Our Own Performance

If you want to make the world a better place, you need to start by taking a critical look at yourself. We are improving our energy efficiency (reducing travel, using green energy). In the Netherlands 94% of our buildings already qualify for a C label energy rating or higher, so we are on schedule to meet government targets.

Our Contribution to A More Inclusive Society

Ensuring that people have access to what is important to them and they can make choices that are right for them.



Supporting Communities

An inclusive society is about connection, belonging, and being able to participate. That's why we are committed to strengthening social cohesion and providing opportunities for everyone to participate.

Diversity and Inclusion

We believe it is important that our workforce reflects the society in which we live and work. This conviction stems from the fact that, as a cooperative, we are deeply rooted in local communities.

Financial Well-being

Everyone can take a step towards a financially healthier life. That's important today, but also tomorrow. We believe we have an institutional role to play in this area, especially in the Netherlands.

Rabobank Foundation

We offer organizations that work with smallholder farmers all over the world access to money, knowledge and our network. In the Netherlands we strengthen social enterprises so that everyone can participate in society.

Goal

Supporting households to take a step toward a Financially healthier life and capital building.



Target

250,000 customers used the online financial tool "WegWijzer"

Result 2021

424,409 customers used the online financial tool "WegWijzer"

Supporting Communities

- EUR 27.6 million cooperative dividend
- EUR 13 million Rabo Clubs support for 30,000 clubs/associations in the Netherlands

Financial Well-being

- Help with Money Worries: 26,588 referrals to Geldfit.nl
- More than 2.4 million users every month to gain better insights into their finance
- 757,452 people visited the road map: 'how to start achieving financial health'

Diversity and Inclusion

- Offered 60 asylum seekers a job
- 50% women in Managing Board
- 28 inclusion agents held more than 50 open dialogs with colleagues
- LinkedIn Talent award: Diversity champion

Transition to a More Inclusive Society

True to our cooperative mindset we support an inclusive society with fair social and economic opportunities for everyone to pursue what matters most to them.

Towards a More Inclusive Society

Everyone deserves fair and equal opportunities to pursue their ambitions, whether it is finding a comfortable home, doing meaningful work, or investing in their business. As a cooperative bank serving retail and corporate clients in the Netherlands and focusing on entrepreneurs in the Food and Agriculture sector worldwide, we promote the financial well-being and security of our customers and their communities. This includes removing barriers to financial products and services, and increasing access to employment and affordable, sustainable housing. With our networks, knowledge, and innovative financing solutions, we support a more inclusive society with equal opportunities for all.

If the challenge becomes too big for us to tackle alone, or we can achieve more by working together, then we will join forces to change systems. Because we believe in the connection between government, society, and business. We initiate and participate in partnerships in which each party contributes based on their background and expertise. That is

how we build a more inclusive society with equal opportunities and choices for everyone. Living together by working together!

An inclusive society is about connection, belonging, and being able to participate

Supporting Communities

An inclusive society is about connection, belonging, and being able to participate. That's why we are committed to strengthening social cohesion and providing opportunities for everyone to participate. For example, allocating our cooperative dividend to support clubs and associations in the Netherlands through ClubSupport. After all, a club or association is the place where people meet each other, strengthen each other, and can be themselves. In 2021, 500,000 Rabobank members voted for their favorite local club, we distributed EUR 13 million to clubs and associations and 30,000 clubs/associations received support. The Hockey Foundation is a social initiative of the "Koninklijke Nederlandse Hockeybond" (Royal Dutch Hockey Association, or KNHB) and Rabobank to make field hockey even

more accessible, for everyone. Therefore, the clubs are established in districts with a traditionally lower sports participation. With the Hockey Foundation, in the past year we have established three clubs that are now active in the KNHB competition. Three other clubs are now in formation and hope to start competition in 2022.

We invested a total of EUR 27,6 million from our cooperative dividend in social projects, and the Rabo Foundation supports around 400 projects to increase the self-reliance of vulnerable groups in the Netherlands and beyond. Like supporting social entrepreneurs that create job opportunities for people with a distance to the labor market and to strengthen farmers' cooperatives that work with smallholder farmers.

Rabo Community Fund

Our role in local communities applies internationally. For example, Rabobank Australia and New Zealand established the Rabo Community Fund. Its purpose is to invest in the vitality of the rural communities in which our clients and staff live. We do this by activating meaningful initiatives focused on issues identified by our Client Councils. With the establishment of the Rabo Community Fund, we have a dedicated financial pool to increase our impact in rural communities.

Financial Well-being

Financial well-being is under pressure from factors such as inflation, energy poverty, and income inequality. We believe we have an institutional role to play in this area, especially in the Netherlands.

Everyone can take a step towards a financially healthier life. That is important today, but also tomorrow. People need to put money aside, for example to have a large enough reserve fund to cover unexpected expenses, to buy a house, or to retire early.

Society demands more and more financial flexibility and independence from individuals. At the same time, we are seeing increasing financial vulnerability. For example, 25% of Dutch people have insufficient savings to get by for two months without an income. People will soon need even more of their own money to pay for the important phases of their lives. That is because the government is withdrawing more and more, and giving individuals more personal responsibility.

Help with Money Worries

In 2021 we continued to refer private customers and entrepreneurs to Geldfit.nl through our own channels and staff. In all, we referred over 26,588 people to Geldfit.nl to take the anonymous financial test.

To better serve customers with growing concerns about their finance, Rabobank launched a team "Hulp bij Geldzorgen" (Help with Money Worries) pilot in December 2020. This team is set up for proactive preventive management as well as listening, it offers help that is available through the Nederlandse Schuld hulproute (Debt Assistance Route) and/or a solution from Rabobank. Over 3,800 customers had contact with the "Hulp bij Geldzorgen" Team. We have contacted a part of these customers ourselves for proactive preventive management, and part of them initiated contact themselves. More than 75% of the customers who have asked Rabobank for help become more financially healthy by asking help. Thanks to the success of the 2021 pilot, the team of 15 employees will become a structural part of Rabobank in 2022.

Together with social organization "Moedige Dialoog" (Courageous Dialogue) we joined forces in regional public-private networks. The focus was on helping employers be a proactive partner for their employees in offering help in case of money worries. Together with the Dutch Schuld hulproute (Debt Assistance Route) we set up a blueprint to continue working together on a regional basis.

Many people still consider talking about money as a taboo. Our "Praten Over Geld" (Talking About Money) campaign encourages people to start these conversations. The campaign links to an online tool ("WegWijzer") for more insights into money matters. Through this simple tool, we have already helped 424,409 people determine how to start achieving financial health. By the end of 2021, 757,452 people had clicked on the guide and almost 60% filled it in.

Thanks to new features in the Rabo App, every month more than 2.4 million customers now use the app to gain better insights into their finances.

[Making \(Digital\) Financial Services More Accessible](#)

We are constantly improving our mobile banking app to meet our customers' needs for a 100% digital service. For example, we have improved readability and general accessibility for our customers, including the elderly and the disabled.

Rabobank helps seniors with online banking with explanations, courses, and help at home. The aim is to enable senior citizens to manage their own banking transactions for as long as possible and to protect them against financial abuse. Rabobank also assists people who want to live independently for as long as

possible. We provide information on financial and non-financial solutions.

To improve the accessibility of our financial services, Rabobank introduced the Mobile Banking Service. This is especially designed for customers who are unable to manage their banking via the regular channels. The service entails that Retail Banking employees visit customers in their homes to help them with their basic banking services, for example with the opening of an account.

To arm seniors against financial abuse, we provide education on how to stop and recognize financial abuse. We do this through presentations, webinars and by joining local alliances. On the platform "IkWoonLeefZorg" (Living/Life/Care platform) we also give older people and their caregivers information about living independently for longer, and information about financial abuse. In the newsletter, which is sent every two weeks to more than 100,000 subscribers, we inform and inspire readers about living, care and finances.

[Diversity and Inclusion](#)

We believe it is important that our workforce reflects the society in which we live and work. This conviction stems from the fact that, as a cooperative, we are deeply rooted in local communities.

Rabobank wants to be an attractive employer for everyone and a high-performing organization. Having a diverse workforce allows Rabobank to foster diversity of thought. It makes us stronger, and more innovative, agile, and creative. In this way, we not only do the right thing for society, we also improve our results and serve our clients better.

We believe that an organization works better when it is diverse and inclusive. At Rabobank, this is reflected in the number of women on the Managing Board. Women made up 44% of the Board in 2020. This increased to 50% in 2021 because the overall number of people on the Board fell. Meanwhile, 35% of the first layer of management below the Managing Board was female in 2021.

To increase the cultural diversity of Rabobank's top management, Rabobank has set up a new talent program. During the 1.5-year program, culturally diverse talents have the opportunity to develop their skills while working on strategically important and impactful projects. To strengthen cultural diversity in the organization even more, Rabobank has entered into several partnerships with WROKKO (platform to empower bicultural talent), Vrije Universiteit (VU) Amsterdam, and others. Rabobank works with WROKKO

to drive the influx of diverse young talent. The partnership with VU Amsterdam focuses on increasing diversity at the top and awareness within the organization.

After having reported on pay equality of employees that fall under the Collective Labor Agreement for the first time in 2020, we conducted similar research in 2021. Again, we examined (i) the unadjusted pay gap, in which only the difference in part-time and full-time contracts is taken into account, and (ii) the adjusted pay gap, that allows for a like-for-like comparison between employees with, for instance, the same job profile. Based on this research, it was determined that there is a 23.9% unadjusted pay gap and an adjusted pay gap of 1.8%. Since the same method was applied, we compared the results to last year and determined a decrease in the unadjusted pay gap (-0.8%), but an increase for the adjusted pay gap (+0.2%). In 2021, an in-depth analysis was made to identify root causes for the adjusted pay gap, to increase our awareness of the gap and enable us to take actions to address it.

Employing people of different genders, ethnic backgrounds, and cultures makes us better.

Enabling everyone to participate also means giving people with a labor market disadvantage and newcomers a chance to join the organization. In 2021, we achieved the target we set ourselves in 2019, of offering 60 asylum seekers with residence permits a job at Rabobank. Nearly all of them are still working within the Rabobank organization. We will continue to offer job opportunities to asylum seekers in the Netherlands now that this target has been reached.

In order to further streamline the hiring of talent with a distance to the labor market, Rabobank set up a matching tool in 2021. This pilot project makes it easier to link talent to vacancies and recruiters.

We are constantly looking at how to improve the employability of our people. We invest in training and education. Wherever possible, we guide redundant employees with retraining, coaching, and other support.

By 2021, 89% of employees who became redundant found a job within six months. Meanwhile, 90% of redundant employees who wanted to start their own business succeeded.



[The Inclusive Support Desk](#)

Our Inclusive Support Desk provides support to employees with disabilities in the workplace. It relieves managers of the challenges around the intake of these employees. In addition, the desk provides accessibility to buildings, workstations, and IT systems, for example by adapting elevators /or entrance gates.

[Our Inclusion Agents](#)

Besides these steps, spreading awareness about Diversity and Inclusion within the Rabobank organization remains important. We are now shifting the focus beyond simple awareness to "What can I do?" One of the ways we encourage this is through our 28 inclusion agents. These colleagues have already looked closely at Diversity and Inclusion through more than 50 open dialogues with colleagues. We now want to expand our community of inclusion agents to increase their reach within the organization.

[LinkedIn Talent Award](#)

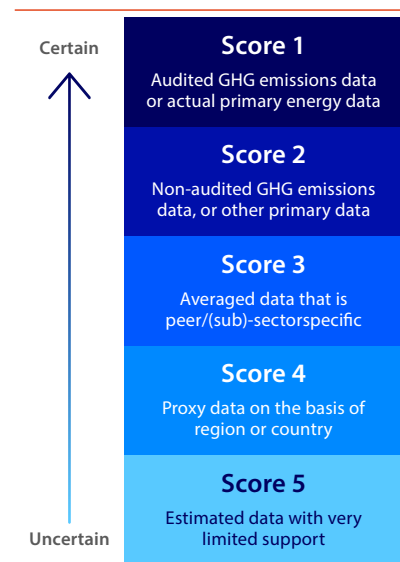
Over the past year, we have regularly posted content related to Diversity & Inclusion on social media. This did not go unnoticed and even led to us winning a LinkedIn Talent Award in the Diversity Champion category. To win it, a company and its employees must be actively involved in Diversity and Inclusion, post about the topic frequently, and react to others' posts about it. In other words, this is truly an award that we won together. And it's part of our mission: Growing a better world together.

Annex 1

In this annex we discuss the methodology that we used to estimate financed emissions as shown in the infographic:

'Carbon Footprint of Our Assets'

There are different ways of measuring emissions. We use the PCAF methodology for most of our calculations. We also use PCAF's Data Quality Score table (score 1-5) to qualify the level of precision of the estimates reported, per asset class broken out in the PCAF Global GHG Standard.



Data quality scores are specific to each asset class, with the highest scores representing the highest data quality, as in company-level reported emissions

data, followed by physical activity-based emissions, and the lowest scores are given for an economic activity-based emissions approach. The scores refer to three different options to estimate emissions. Option 1 being the preferred option: reported emissions, followed by options 2 and 3, which relate to physical and economic activity-based emissions respectively.

To determine the financed emissions of our portfolio, we used a combination of internal and external information that is spread over multiple sources, and categorized and reported in a variety of formats. In the absence of comprehensive and reliable GHG emissions data at the asset level (unavailable for an estimated 90% of our portfolio at this stage) we have used so-called "top-down" proxy indicators in line with PCAF recommendations. In the following paragraphs, we outline which proxies we have used and the data sources for the parts of our portfolio that we have calculated in this report.

Data and methodologies are continuously improving. For this report our estimates are based on the best

available data and most suitable methodologies and choices for our portfolio at this time. Improved estimates, revised calculations or corrections of calculation errors may result in materially different outcomes.

As we improve our calculations and methodologies, we will address changes in outcomes in future reports. Except for leasing, all estimates cover our clients' scope 1 and 2 emissions. *All emissions (scope 1 and 2) described in this chapter refer to the emissions (scopes) of our clients.*

Dutch Business Clients

Food & Agriculture

PCAF score: 5, estimated financed emissions (AR5): 11.2 Mt CO₂e.

To calculate the Dutch F&A portfolio financed emissions we used a PCAF-based methodology developed by Rabo Research. We determine an emission factor per Euro of assets based on publicly available data from the Statistics Netherlands (CBS) for agricultural sectors. Emissions source data comes from the National Institute for Public Health and the Environment (RIVM) (RIVM Emissieregistratie), Agrimatie (energy use), and CBS (herd size, and land-use data). Scope 2 emissions were calculated based on (gross) electricity consumption sector statistics provided by CBS, disaggregated to sub-sectors using data from Agrimatie. In line with the GHG protocol, we use the gross

electricity consumption, excluding energy production in a sector and sold back to the grid, for instance from solar panels or Combined Heat and Power (CHP) generators.

Trade, Industry and Services (TIS)

PCAF score: 5, estimated financed emissions: 3.1 Mt CO₂e.

In accordance with PCAF recommendations for business loans and unlisted equity, we used economic activity as a proxy for emissions. We determined an emission factor per euro of assets based on publicly available data from the CBS for non-agricultural sectors. Scope 2 emissions were determined based on (gross) electricity consumption per sector, excluding produced electricity sold back to the grid. Note that the listed figure is likely an overstatement as it includes some double counting, because the Scope 1 emissions for the electricity, gas, steam and air conditioning supply sector overlap with the Scope 2 emissions for the other sectors in the Dutch economy.

Commercial real estate (CRE)

PCAF score: 3, estimated financed emissions: 0.3 Mt CO₂e.

The calculation of financed emissions for companies with activities in Dutch commercial real estate was performed in line with the calculations done for residential real estate (estimates of energy consumption from CFP Green

Buildings and PBL (Startanalyse aardgasvrije buurten). In case of unmatched data, extrapolations have been made based on average emissions per Euro exposure.

Loans to Private Individuals

Residential Real Estate (Including Obvion, Excluding Vista)

PCAF score: 3 (97%) / 4 (3%), estimated financed emissions: 2.1 Mt CO₂e.

We calculated our Dutch residential real estate portfolio emissions using the PCAF standard for mortgages. We used the (most recently recorded) current property value and outstanding amounts to determine the attribution of emissions. Estimated energy consumption at the building level was sourced from PBL (Startanalyse aardgasvrije buurten), Calcasa, Kadaster and CBS datasets with building characteristics such as energy labels, floor areas and construction years.

Our previous disclosure on financed emissions of the mortgage portfolio in [Rabobank and Climate Change](#) did not take loan-to-value into account and attributed all asset emissions to Rabobank, leading to an overstatement of our financed emissions. Only on-balance mortgage exposures were taken into account. In case of unmatched data, extrapolations were made based on building characteristics using Kadaster

and CBS data. This has been corrected in this report.

Uncertainties remain concerning district heating emissions as well as challenges in linking the external datasets with our own internal data.

Wholesale & Rural

Wholesale Corporate Clients

PCAF score: 1/2 (20%) / 4 (80%), estimated financed emissions: 7.7 Mt CO₂e.

We calculated the financed emissions of our Wholesale portfolio using the PCAF standard for listed equity and business loans. We used estimates of client revenue and total asset value data for the attribution of financed emissions. Client emissions data comes from the external rating agency and data provider ISS-ESG, which collects self-reported emissions from large companies. For companies where self-reported data was not

available, ISS-ESG made estimates based on company characteristics such as sector, total revenue, and total assets. For Wholesale CRE clients, we used a similar approach as for Dutch CRE.

Rural Clients

PCAF score: 4, estimated financed emissions (AR5): 18.6 Mt CO₂e.

We calculated the financed emissions for our global rural portfolio using the PCAF standard for business loans and unlisted equity. Our calculation covers our operations in Australia, Brazil, New Zealand and the United States, which represents the vast majority of our Rural exposure. Attribution is based on client revenue and asset data.

The table below lists the sources used for sector emissions and revenue data for Scope 1 emissions calculations. Agriculture-related emissions were

allocated to agricultural sub-sectors using country-specific logic (based on NIR methodology descriptions and country-specific background data, or directly from SEEG in the case of Brazil). We obtained fossil fuel combustion emissions in agriculture from the National Inventory Reports or, for Brazil, from the International Energy Agency (IEA), and allocated to sectors using Global Trade Analysis Project (GTAP) fossil fuel combustion data. Our calculations for scope 2 emissions are based on IEA data on electricity use in agriculture. These were allocated to sectors according to GTAP energy consumption tables.

Where financial information from clients was missing, we made in-sector extrapolations based on euros invested.

Limitations to this analysis include the custom mapping from IPCC process based emissions to sectoral/commodity level emissions. For comparability, another limitation is that different methodologies were used per country to determine emissions (e.g. Countries can choose a Tier 1,2, or 3 approach for each sub-sector) and sources for revenue data. We did not include emissions from land-use change related to agricultural production in our analysis, as those emissions are reported under the IPCC/ UNFCCC's LULUCF category.

Power Generation

Part of Wholesale estimations, highlighted for avoided emissions.

Emissions of power generation clients are included in the Wholesale corporate clients calculation. In carbon intensive sectors like power generation, various tools allow measurement against and alignment with climate scenarios and decarbonization pathways. We have also compared the carbon intensity of our portfolio (loan-weighted) against the global decarbonization pathway for power generation and the IEA 1.5 degrees pathway, in line with the NZBA requirements.

Avoided emissions have been calculated using the Renewable Energy GHG Accounting Approach from the International Finance Institutions Technical Working Group on Greenhouse Gas Accounting. Grid factor emissions were calculated using the IFI Harmonized Grid Emission factor dataset version 3 (published December 2021).

Leasing International Tractor Assets

PCAF score: 3 (33%) and 4 (67%), estimated financed emissions: 3.4 Mt CO₂e.

The carbon intensity of these assets varies significantly, and is driven primarily by asset type and asset use, irrespective of the sector the lessee is active in. These assets therefore require case-by case examination on carbon

intensity. We have focused on a prevalent asset type, being tractors. The calculation follows the PCAF Motor Vehicle Loans methodology. Determining the financed emissions requires a significant degree of judgment, based on the estimation by management of expected emissions and expected utilization.

For most of the exposure to leases and loans of tractors (76%), the calculation was made based on asset values derived from secondary sources (Tractor test lab) and exposures. For a significant portion of this part of the portfolio (covering 33% of the total tractor exposures), calculations were specific to the brand and model of the asset. The remaining 24% of the tractor portfolio was calculated based on extrapolation.

At this point in time, actual utilization information has not been included in this calculation. Yearly average utilization rates for this asset type can range from 300 to 1,000 hours in different settings. Therefore, an average utilization rate of 500 hours per tractor, with a load factor of 0.5, has been assumed, in line with other data sources. For finance leases and loans, attribution has been applied based on the amount outstanding compared to the amount at origination of the finance lease / -loan.

Financed Emissions data

Country	Data source emissions (IPCC agriculture)	Data source sector revenues	Summary of approach
Australia	AU National Inventory report	Production value (Agricultural Commodities Statistics - ABARES)	Country-specific mapping from process-based emissions into agricultural sectors
Brazil	SEEG	Production value (Ministry of Agriculture)	SEEG has emissions allocated to agricultural sectors, used tailor-made sector allocation for other agriculture-relevant emissions
New Zealand	NZ National Inventory report	Agricultural sector revenues (StatsNZ)	Country-specific mapping from process-based emissions into agricultural sectors
United States	US National Inventory report	Cash receipts data (USDA)	Country-specific mapping from process-based emissions into agricultural sectors