

Rabobank's Sustainability Ambitions 2020 – 2024

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Growing
a better world
together.

Rabobank



Preface



Five years ago, Rabobank introduced Sustainably Successful Together (SST). This programme, the first of its kind, set concrete corporate targets for bringing together our business strategy and our sustainability ambitions. It was successfully executed. This booklet sets out the sustainability ambitions of our corporate strategy up to 2024, and the transition of responsibility for sustainability from a single department to all line management. By 2024, sustainability will be fully integrated with our corporate strategy, and as a direct consequence, with our service to our clients globally. I invite you to join us in Growing A Better World Together!

Berry Martin

Member of the Managing Board

Rapidly changing environment

Climate change is higher than ever on the global agenda. Within a year, plastic waste has become a high-profile issue worldwide. Limits to the sustainable growth of our agricultural production are now apparent both in the Netherlands and several of our rural markets. Public awareness of sustainability is increasing rapidly, and our competitors are rushing to integrate sustainability into their businesses.

Sustainability ambitions

Rabobank intends to stay a frontrunner in responsible banking. This booklet sets out the sustainability ambitions of our corporate strategy up until 2024. We aim to incorporate the goals and activities of the Climate Action Plan and the transition banking agenda of Banking for Food to create synergy. A material change from the old way of working during the last five years is the fact that the ambitions are set by the business itself, using five corporate themes (or sustainability building blocks) as defined by the Managing Board and proposed by the Sustainability department.

Incorporating sustainability

Partly in response to the rapidly changing external environment, we launched Growing A Better World Together as our mission. As a result, our ambition to integrate sustainability into our core business rapidly became more apparent. In addition, the Managing Board expressed the need to speed up this integration while setting significantly higher ambitions. The new, ambitious commitments of the Managing Board are integrated in the medium-term plan (MTP) for 2020 – 2024. In addition, an ambitious Climate Action Plan was introduced this year as a company-wide response to this urgent and important topic.

Transparency

External bodies increasingly demand to be transparent about non-financial issues. In doing so, they act as a sanity check for our own strategy and policy. The three main credit rating agencies have recently published information on how they include environmental, social and corporate governance issues in their assessment methodologies. These developments sharply increase the requirement to professionalise our expanding sustainability efforts and reporting – from civil society, supervisory authorities, and therefore also our external accountant.

Over the past decades, Rabobank has committed to a multitude of initiatives, standards and collaborations that include Environment, Social and Governance (ESG) components. Some of these come with a reporting requirement, which enables us to explain and improve our impacts on a wide range of sustainability issues.



Setting higher ambitions

The following steps were taken to develop the new sustainability ambitions and integrate them in the performance management cycle:



Full integration in Growing a Better World Together

Another difference in our way of working today is the fact that we will not publish a sectoral sustainability-focused ambition statement externally. Instead, it will be merged with the agenda of the other directly related strategic programmes: Banking for Food, Banking for The Netherlands, Cooperative Renewal and the Climate Action Plan.



Sustainability Ambitions for 2024

In preparation for the sustainability ambitions of the next medium-term plan, the Managing Board has approved five themes as focal points for our efforts to integrate sustainability into the core business of the bank. These are described below, along with our corporate ambitions for each of them. For clarity, the division of responsibilities between each business unit and Group Sustainability is stated as well.

1 From trend analysis to vision development

The bank has a reputation for outstanding research, often based on market trends and signals. Although helpful to clients and consumers in the short term, this provides little guidance on desired future developments and rarely includes a long-term sustainability vision for each sector. A vision for each sector is necessary to provide insight and guidance for customers. At the same time, the visions can give an indication of Rabobank's position on the topic, as well as the impact they will have on the Sustainable Development Goals in the public domain. These visions will build a foundation for our sector policy. As such, sustainability will become an integral factor in deciding in which sectors we will reduce, maintain or expand our presence.

Within the Banking for Food domain, this means visions based on the transition to sustainable agriculture and

food supply in the supply chains in which we play a meaningful role globally. This involves a climate-friendly agricultural practice, and one which protects land and water, including biodiversity.

In the Netherlands, that would include positioning on sustainability issues in core markets including housing, commercial real estate and local issues, e.g. gas drilling in Groningen province. Active, continuous corporate communication on these topics will strengthen this positioning.

Responsibilities:

- *The development of visions in F&A will be carried out by the Food & Agri Strategy and Policy (FASP) team within the Banking for Food Inspiration Centre*
- *A sustainable real-estate vision will be maintained by Tribes Sustainable Living and Commercial Real Estate, supported by RaboResearch*
- *Besides monitoring progress, Group Sustainability will provide specialised input to these teams on request.*

2 From Client Photo to e-rating

The introduction of the Client Photo, a sustainability assessment tool for corporate clients, has been a successful outcome of the Sustainably Successful Together programme. It has allowed us to obtain an indication of the sustainability performance of clients along the full corporate spectrum, from SMEs to Wholesale relations. It has also given us a basic insight into relative sustainability performance and made it possible to benchmark and identify frontrunners in a sector. This has proven to be valuable input for strategic discussions with clients. It is also a robust check on whether clients are compliant with Rabobank policies.

In parallel, the energy label for homes has been included in the client servicing for our Dutch mortgage clients.

The goal now is to develop the concept of the Client Photo further to include the most important sustainability topics of today in an 'e-rating'. We will also include this sustainability assessment in client-acceptance processes. The profile will include a client score on sustainability and other strategic topics including climate change, and will measure the client's impact on the SDGs.

Responsibilities:

- Group Sustainability is responsible for the coordination of the development of the e-rating for Rural clients, the optimisation of the Wholesale assessment in GAIA and overall coordination
- Tribes Sustainable Living and Commercial Real Estate are responsible for the use of the energy label for mortgages, and the possible improvement of energy-efficiency measurement of houses and offices. Group Sustainability will provide specialised input
- The business is responsible for the implementation of the e-rating, internal system GAIA and energy labels
- CLR will provide input for the development of the e-rating, the optimisation of the GAIA assessment, the optimal use of these assessments and the energy label.



3 From performance optimisation per client to transition banking

Currently, our commercial divisions focus on optimisation of the sustainability performance of each client. They do so without explicitly taking the sustainable development contribution of a (sub)sector as a whole, or a particular region within a sector, into account. It is our ambition to score the sustainability performance and SDG impact of a client on both its relative position (frontrunner, average performer, underperformer), and on its (sub) sector performance, thereby supporting clients who operate in a promising sustainable (sub)industry or outstanding performing region. This should act as an additional tool for capital allocation, in combination with an assessment of whether or not the client and/or (sub)sector meet the bank's desired return on invested capital (ROIC). The aim of this analysis and scoring methodology is to select, maintain and increase the number of clients who have a positive SDG

impact and financial performance, and persuade and support clients to make the transition to a sustainable way of doing business.

The implementation of transition banking in F&A forms an essential part of our Banking for Food strategy. It requires sector visions as a starting point. Given the early stage of development of F&A sector visions, this theme will be addressed in F&A as they become available starting this year.

Responsibilities:

- The Banking for Food Inspiration Centre is responsible for the implementation of transition banking in Food & Agriculture
- Group Sustainability will provide input and support upon request
- The commercial mortgage and business banking teams, supported by Group Sustainability on request, contribute to the transition of the built environment in the Netherlands. This requires a portfolio approach to ensure, amongst others, meeting the Dutch Climate Agreement targets for our portfolio within the built environment in 2024.

4 Distinctive products and services

We aim to develop further our suite of distinctive products that contribute to the Banking for Food and Banking for the Netherlands strategies, as well as helping to reduce our (indirect) CO₂ footprint. The e-rating will provide a basis for diversified interest rates of all corporate clients. Product introductions will allow us to realize our clients' sustainability ambitions within a sector. These may include sustainability bonds, blended finance propositions, impact loans in new sectors and financing based on sustainability ratings or milestones. A Sustainable Finance Framework to set the standard for this sustainable business development will be provided by Group Sustainability in 2020.

Bouwfonds Property Development (BPD) will focus on the energy and material efficiency of housing development. We will furthermore develop a circular financing model enabling the transition to a circular economy and emphasizing our thought leadership in this field. In the retail market, we will focus on the housing sector. Examples include price differentiation based on a home or office's energy label.

Responsibilities:

- The responsibility for product development lies with the commercial teams
- Group Sustainability will provide the Sustainable Finance Framework and support the development of a limited number of the most innovative products with a relatively long payback period and a high social impact
- The integration of sustainability in Risk is a joint responsibility of CLR, the business teams and Group Sustainability, for which final responsibility lies with CLR.

5

Integration in performance management

To take the final step in integrating sustainability fully into the business and commercial aspects of our organisation, sustainability needs to become an integrated part of our recruitment, training and performance management practices. Sustainability is ultimately a crucial element of our license to operate. As such it should be visible in our daily activities as well as our steering mechanisms. The recruitment of staff with a proven interest in sustainable and cooperative banking is already underway. When hired, commercial colleagues will be supported to develop themselves professionally in sustainability as an integrated part of our training and professional development tools. On top of this, relevant courses will be developed where necessary. Finally, we will introduce a target for improving e-ratings, GAI assessments or energy labels as part of clients' annual plans and performance management over time.

Responsibilities:

- The commercial business lines are responsible for training employees in sustainability
- HR facilitates the logistics for the development and implementation of sustainability trainings as requested by the business
- Group Sustainability will provide input for the development of specialised training and the integration in existing programs and tools

- Group Sustainability is responsible for monitoring the ongoing integration in recruitment, training and performance management.

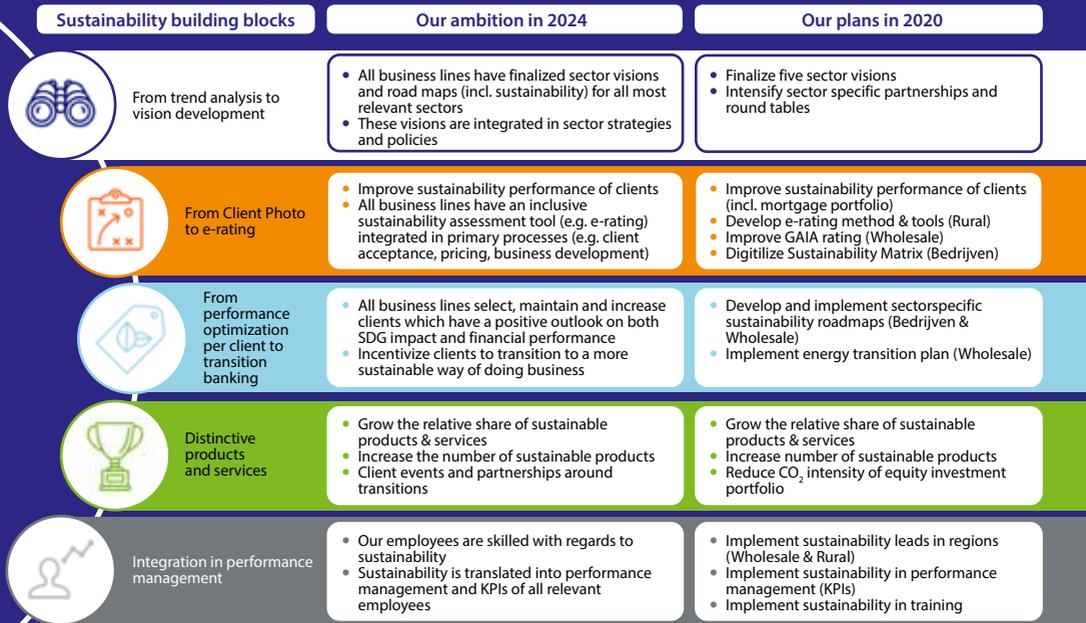
Ambitions of our staff departments

Besides the focus on integrating sustainability into our core business, staff departments also formulated their sustainability ambitions to reinforce the Growing A Better World Together mission. The most essential elements of these ambitions include:

- Further integrating sustainability in the performance management cycle and reporting in line with the Task Force on Climate-related Financial Disclosures – TCFD (CFO domain)
- Embedding sustainability in the CLR domain – a clear division of role, scope and responsibility is still under preparation (CRO domain)
- A reduction of our own CO₂ footprint and increased sustainability performance in our working environment (CIOO domain)
- Developing a sustainable mobility policy, integrating sustainability in the Collective Labour Agreement and initiating a cultural intervention for all our employees based on sustainability (HR domain)
- Increase public perception of Rabobank as a frontrunner in sustainable banking (CEO domain).



Sustainability plans 2020 and ambitions 2024



Realising Sustainability Ambitions 2020 - 2024

With our stated ambition to make sustainability part of our daily work and activities, it is important that commercial and staff departments take this topic on board. Rabobank will develop from being a bank where sustainability is run by a department, to being an impactful organization that incorporates the strategic theme universally.

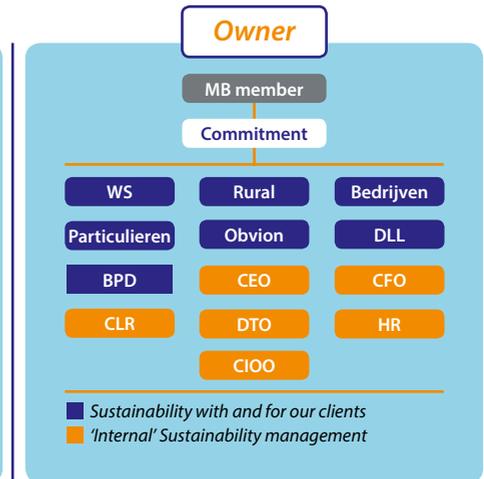
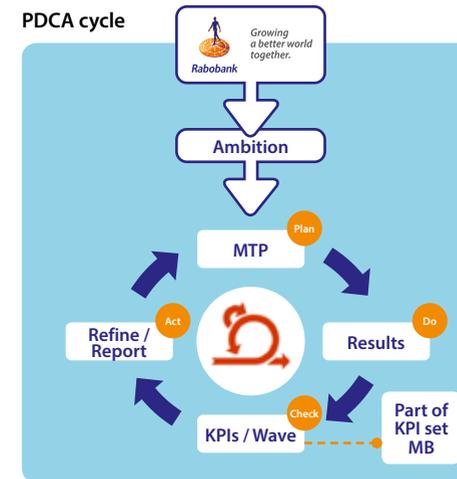
The basis for integrating sustainability into our organization is our Growing A Better World Together mission. 'Measuring our mission' is key to deliver on it to all stakeholders and become the leading bank in sustainability reporting. By measuring our mission, we strive for:

- Publishing clear, transparent and consistent external reports on sustainability which respond to current stakeholder expectations and comply with the latest assurance requirements.
- Creating meaningful transparency on the progress of Rabobank's Growing A Better World Together mission, with clear and efficiently delivered sustainability KPIs that allow for tracking the progress of the bank in sustainability and non-financial performance
- Integrating sustainability in Rabobank's performance management cycle through clear goals, meaningful KPIs and efficient reporting

Our mission is shaped by the sustainability ambitions of the commercial and staff departments, as well as those of our subsidiaries. Their ambitions were input for the MTP 2020 - 2024, which is the starting point for the PDCA cycle of the bank. The ambitions and plans are being monitored in two ways:

1. Quarterly via KPIs at Managing Board level and further cascading
2. Sustainability plans monitored quarterly through Wave which will summarize the aggregated progress as reported in the CSR Base tool.

Rabobank's PDCA cycle





Roles and responsibilities

Fully integrating sustainability into our organisation means a shift in the roles and responsibilities of all involved. To support this shift, we propose a process that will facilitate:

- A shift of responsibility from Group Sustainability to the business
- Supervision and coordination across commercial domains by the Sustainable Banking Committee
- CFO domain fully involved in order to safeguard complete and efficient data processing quality
- CLR domain fully involved in order to integrate the topic into the primary compliance and risk related processes of the bank
- Quarterly strategic discussions about the sustainability ambitions set by Managing Board members
- An environment in which synergies are created and we can learn from each other.

1. Sustainable Banking Committee

- The committee is composed of the CFO Domain, CLR Domain, Group Sustainability, the end responsible people for sustainability within each commercial business line and within the most relevant staff departments and subsidiaries – the last two by invitation
- The chairman of the committee is the responsible Managing Board member for Sustainability
- We are working towards a growth scenario in which the Climate Coordination Committee (or 'klimaat regiegroep') will be integrated in the Sustainable Banking Committee.
- Responsibilities of the committee:
 - Safeguard timelines and quality of quarterly reports
 - Support and monitor overview, synergies and dependencies
 - Discuss progress of sustainability ambitions, both via the MB sustainability KPIs and sustainability plans and reports in CSR Base
 - Steer on actions needed to achieve our ambitions
 - Provide an opinion on the progress by the Sustainability department in Wave
 - Escalate to MB if and when desired progress is not met.

Measuring our mission is the key to delivering on it

2. Commercial and staff departments and subsidiaries

- The commercial and staff departments and subsidiaries are owners of their sustainability plan and responsible for putting its content into action
- The business lines and staff departments are responsible for reporting each quarter on the progress of the sustainability ambitions (incl. data collection and quality) via:
 - MB sustainability KPIs
 - Sustainability plans in CSR Base. A selection of staff departments will alternatively report progress directly into their own Wave card
- The subsidiaries are responsible for reporting quarterly on the progress of the sustainability ambitions via their regular management reports.

3. Group Sustainability

- Is the agent of change on sustainability-related matters. Focuses on the realisation, acceleration and embedding of sustainability ambitions
- Contributes to Strategy & Reporting, Policy, Risk and Business Development activities
- Monitors and helps optimise the data quality
- Coordinates and prepares the quarterly Sustainable Banking Committee.

4. CFO domain

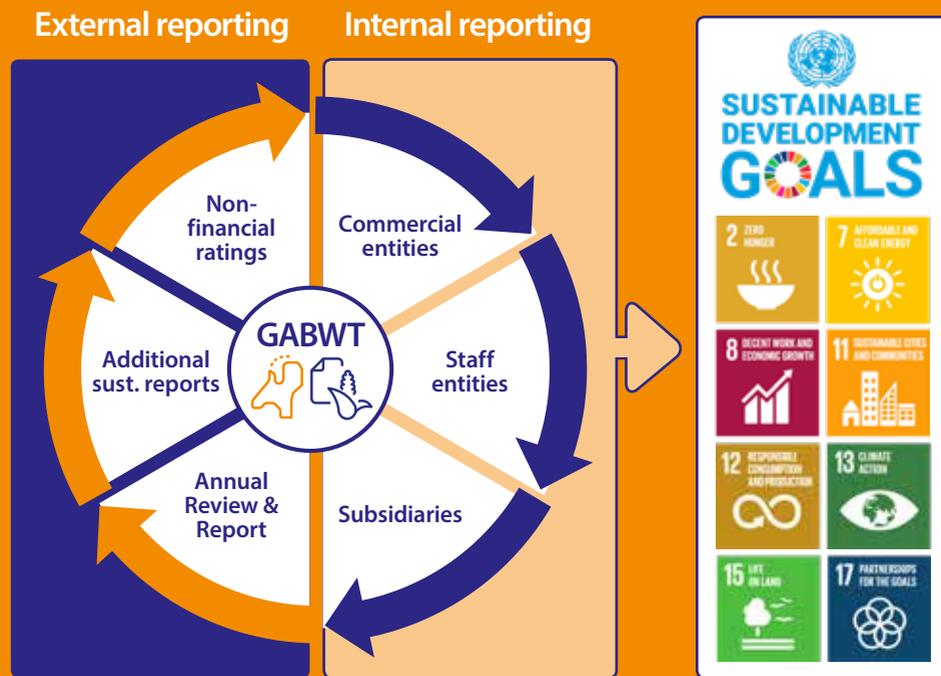
- Is responsible for full integration of sustainability in the performance management cycle, including reporting on KPIs and reporting in the CSR Base application
- Supports the sustainability data collecting process for the commercial and staff entities.

5. CLR domain

- Is responsible for the full integration of sustainability and climate in the CLR domain as far as responsibilities lie within CLR:
 - Customer Due Diligence processes for all clients
 - Models, stress testing and capital allocation simulations
 - Credit approval processes for all clients
 - Portfolio steering through the Risk Appetite Statement
 - Implementation of Climate Action Plan
 - Timely identification of and compliance with climate and sustainability related laws and regulations
 - Legal client documentation for all clients.

Sustainability reporting

Our mission Growing A Better World Together is the starting point for both our internal and external sustainability reporting, focusing on our impact on the UN Sustainable Development Goals (SDGs).



Internal Reporting

Commercial and staff departments report on MB sustainability KPIs and sustainability plans. A summary of both elements is reported during the quarterly Compass meeting of the Managing Board. Before sending it to the Managing Board, the Sustainable Banking Committee discusses progress and provides an opinion in Wave

DLL, BPD and Obvion report progress in their regular quarterly management reports, which now include a sustainability section. The responsible Managing Board member for DLL, BPD and Obvion receives this report. The management report including sustainability progress is also input for the Sustainable Banking Committee and will be included in the Wave report.

External Reporting

Rabobank Group publishes an **Integrated Annual Report & Review** and Interim Report, including separate downloadables on the website. CCA is responsible for the process. Group Sustainability coordinates and delivers the sustainability related input

Rabobank Group publishes **additional sustainability related reports**, such as our **SDG and Climate report**. CCA and Group Sustainability are responsible for reporting on the SDGs, whereas the CFO domain together with Group Sustainability are responsible for Climate reporting

Rabobank strives for high scores on the relevant **non-financial ratings**, such as Sustainalytics, MSCI, Oekom and Carbon Disclosure Project. Group Sustainability is responsible for coordinating the non-financial rating processes and is dependent on the commercial and staff departments for progress on content and performance.

Progress on our sustainability ambitions will be reported quarterly in the Managing Board meeting and will be discussed by the Supervisory Board if and when appropriate. The Sustainable Banking Committee meeting takes place shortly before the Compass meeting and the planning will be aligned with the Climate Coordination Committee.

Participants of the Sustainable Banking Committee at its inception:

- Chair (*Berry Marttin*)
- Bedrijven (*Alain Cracau*)
- Wholesale (*Matthijs Mondria*)
- Rural (*Thomas Ferguson*)
- Particulieren (*Housing Huib de Mulder*)
- Particulieren (*Private Banking Bart Horsten*)
- CFO domain (*Geert Embrechts*)
- CRO domain (*Marieke Bonekamp*)
- Group Sustainability (*Bas Rüter*)
- Group Sustainability
(*Marie-Claire Franzen-Aerts*)

Standing invitation, joining if and when desired by the Chair or themselves:

- CCA (*Luke Disney*)
- CIOO (*Arjanne Creemers*)
- HR (*Ezra de Korte*)
- DLL (*Marije Rhebergen*)
- BPD (*Patrick Joosen*)
- Obvion (*Etiënne Spits*)
- Audit Rabobank (*Tamar van Doesburg*)



Let's start today!

At Rabobank, we are committed to putting sustainability at the heart of our daily work and activities, in every department and function of the bank. The new sustainability ambitions, with new tools and new ways of working, will help us to achieve this goal. Building on our strong track record and ambitious Growing a Better World Together mission, we each have an important role to play in ensuring that Rabobank remains a trailblazer in cooperative sustainable banking.



Appendix

No.	Collective Managing Board KPIs 2020*
1	Improve average sustainability performance of our clients by 5% annually
2	Grow the relative share of sustainable products and services by 5% annually
3	Reduce CO ₂ emissions by 8,107 tons CO ₂ , which will lead to 3.1 tonnes per FTE
4	Sustainalytics rating - maintain top 5 position of best performing banks (of appr. 340)

Rabo domain	Individual Managing Board members' KPIs 2020*
CEO	a. Grow the relative share of sustainable products and services by 5% annually b. Grow retrack score on: Rabobank has a positive influence on society annually c. Grow retrack score on: Rabobank is environmentally responsible annually
CFO	TCFD implementation to be tracked in Wave
CRO	Embedding climate change and sustainability in CLR to be tracked in Future Fit programme & Wave
Particulieren	a. Improve average sustainability performance of our clients by 5% annually b. Grow the relative share of sustainable products and services by 1%-point
Bedrijven	a. Improve average sustainability performance of our clients by 5% annually b. Grow the relative share of sustainable products and services by 10% annually
Wholesale	a. Improve average sustainability performance of our clients by 5% annually b. Grow the relative share of sustainable products and services by 5% annually
Rural	a. Improve average sustainability performance of our clients by 1% b. Grow the relative share of sustainable products and services by 5% annually
Berry	a. Sustainalytics rating - maintain top 5 position of best performing banks (approx. 340)
CIOO	a. Reduce CO ₂ emissions by 8,107 tonnes CO ₂ (which will lead to 3.1 tonnes per FTE) <i>Broader facilities and IT sustainability ambitions to be tracked in Wave</i>
DTO	NA
CHRO	a. Make mobility policy more sustainable ("MOVE") b. Integrate sustainability in training and education <i>Broader HR sustainability ambitions to be tracked in Wave</i>

*The targets for these KPIs from 2021 onwards, will be determined annually.

Sustainability ambitions - Staff entities

Rabo domain	Sustainability plans
CEO	<ul style="list-style-type: none"> Grow relative share of sustainable products and services Increase public perception that 'Rabobank has a positive influence on society' and 'Rabobank is environmentally responsible'
CFO	<ul style="list-style-type: none"> Report conform TCFD Integrate sustainability in performance management cycle Support in sustainability reporting & data (focus on sustainable products & services and e-rating)
CRO	<p>Integrate climate change and sustainability in the CLR domain as far as responsibilities lie within CLR. A clear division of role, scope and responsibility is under preparation for:</p> <ul style="list-style-type: none"> Customer Due Diligence processes for all clients Models, stress testing and capital allocation simulations Credit approval processes for all clients Portfolio steering through the Risk Appetite Statement Implementation of Climate Action Plan Timely identification of and compliance with climate- and sustainability related laws and regulations Legal client documentation for all clients <p>Focus in 2020:</p> <ul style="list-style-type: none"> Follow up next steps of TCF pilot: deepening for TCF and broadening to other entities if and when appropriate Embed climate-change and sustainability risk in risk management and potentially credit modelling Ensure connection and/or integration between CLR, business, Group Sustainability and reporting regarding climate change and sustainability

CIOO	7 focal points for the sustainability performance of the working environment: <ul style="list-style-type: none"> Greening our energy use Sustainable real estate Sustainable IT Sustainable procurement Sustainable behaviour Sustainable client servicing Integrated approach on impact steering
DTO	NA
CHRO	Integrate sustainability in: <ul style="list-style-type: none"> Mobility policy Collective Labour Agreement Cultural awareness Training and education Recruitment & selection Onboarding & reboarding Grow

Main sustainability ambitions - Subsidiaries

Subsidiaries	Sustainability ambitions
DLL	<p>DLL Sustainability pillars:</p> <ul style="list-style-type: none"> Offering sustainable business solutions Delivering meaningful societal impact Running responsible business operations <p>Management KPIs:</p> <ol style="list-style-type: none"> Improve sustainability assessment of global vendor partners Increase sustainable (climate and circular) business Integrate sustainability in performance management (sustainable business) 100% of employees participated in sustainability learning
BPD	<p>BPD sustainability pillars</p> <ul style="list-style-type: none"> Energy transition Climate adaption Circular Economy Healthy housing and living <p>Management KPIs - Average projects of BPD:</p> <ol style="list-style-type: none"> Very energy efficient houses (EPC ≤ 0,26) Environmental taxes on materials (building environmental performance index, MPG ≤ 0,80) Rainwater drainage detached from the sewer (≥ 80%)
Obvion	<p>Management KPIs:</p> <ul style="list-style-type: none"> Realization of sustainability discount specific for new construction (implementation per Q1 2020) Introduction of 'sustainability bucket' in mortgage (implementation in 2020) Realization of a 'Green-STORM' transaction in 2020 Increase sustainable deployment of employees Integrate sustainability in vitality and teambuilding

Sustainability plans Bedrijven

What is the goal?		How to monitor this goal?			What are the (cumulative) targets for this goal?					
Sustainability Building block	No.	Goal	KPI on MB level (in Compass meeting)	CSRbase (as part of sustainability plan)	Baseline 2019	Target 2020	Target 2021	Target 2022	Target 2023	Target 2024
1. From trend analysis to sector visions & sector policies	1	Develop sector visions (for F&A in close coordination with FASP)		# of sector visions - 33 sector visions (12 with high sustainability impact)	4	8	12	12	12	12
	2	Intensify partnerships (to achieve SDG's)		# of (sectorspecific) partnerships	x	4	8	12	12	12
	3	Update sustainability matrix as part of our sector visions, policies and portfolio growth approach		# updated matrices	40	40	40	40	40	40
	4	Continue to develop sustainability matrix (check rating online, etc.)		To complete: Largely automatically updated and customers can check sustainability rating online	No	No	Yes	Yes	Yes	Yes
2. From Client Photo to an Integrated Profile	5	Improve average client photo of our clients	Improve average sustainability performance of our clients by 5% annually	Improve average sustainability performance of our clients by 5% annually	46,10%	48,40%	minimum 5% to 10% max improvement of sustainability performance (0-100 score)	minimum 5% to 10% max improvement of sustainability performance (0-100 score)	minimum 5% to 10% max improvement of sustainability performance (0-100 score)	minimum 5% to 10% max improvement of sustainability performance (0-100 score)
	6	Develop and implement Digital Data plan		To complete: Rabo Sustainability matrix largely automatically updated, available online, climate and circular metrics are included and is widely known for all our financing clients	No	Yes (developed)	Yes (developed & implemented)			
	7	Rabo Sustainability benchmark to be used by SMEs		% of SMEs use the Rabo Sustainability Rating (which is part of risk/pricing model) as benchmark for green growth	x	x	x	5%	10%	15%
3. From client optimization to transition banking	8	Improve sustainability of our sector portfolio through transition banking		Completed (based on no. 1,2,3 and 5)	No	No	Yes	Yes	Yes	Yes
	9	Develop and implement sustainability roadmap (circular economy, energy transition, F&A)		To complete: Roadmaps for CE, Energy transition and Circular and climate friendly F&A are developed and implemented	Yes (developed)	Yes (developed and implemented)	Yes (continuous review)	Yes (continuous review)	Yes (continuous review)	Yes (continuous review)
	10	Match our portfolio with Overall Green Funding Scheme		To complete: Portfolio is matched with the overall green funding scheme	No	No	Yes (developed)	Yes (developed & implemented)	Yes (developed & implemented)	Yes (developed & implemented)
4. Distinctive products and services	11	Grow the relative share of sustainable products and services	Grow the relative share of sustainable products and services by 10% annually	Grow the relative share of sustainable products and services by 10% annually	€7,6 bln	+10%	tbd	tbd	tbd	tbd
	12	Develop green loans for all clients		We offer all our customers a green loan to grow their business sustainably	Yes (projectplan)	Yes (developed & implemented)	Yes (developed & implemented)	Yes (review)	Yes (review)	Yes (review)
	13	Supported clients in their sustainable transition towards 2030		# of clients supported in sustainable transition						100.000
	14	Supported clients in their sustainable transition towards 2030		€ of assets with which we supported clients in sustainable transition						€ 10 bln
	15	Implement dedicated sustainability business developers in each region		Number of regions with dedicated sustainability business developers	x	5	10	14	14	14
	16	Support transitions through public private collaboration / funds		Total # of MVSPs developed on public/private collaboration funds	No	Yes (projectplan)	2	4	6	8
	17	Increase number of MVSPs		Total # of MVSPs launched of innovative and sustainable service models for SMEs	No	1	3	5	7	9
5. Sustainability in performance management	18	Implement sustainability training programme for all employees		% of employees attended sustainability training	No	develop training program	25%	50%	75%	100%
	19	Implement sustainability in performance management cycle		% of employees for which sustainability is implemented as a KPI	No	No	50%	75%	100%	100%
	20	Rabo Green Certified Clients		KPI implemented on # Rabo Green Certified Clients	No	No	No	No	Yes	Yes

Sustainability plans Particulieren

What is the goal?		How to monitor this goal?			What are the (cumulative) targets for this goal?					
Sustainability Building block	No.	Goal	KPI on MB level (in Compass meeting)	CSRbase (as part of sustainability plan)	Baseline 2019	Target 2020	Target 2021	Target 2022	Target 2023	Target 2024
1. From trend analysis to sector visions & sector policies	1	Develop sector vision		update on vision	vision in place	update	update	update	update	update
2. From Client Photo to an Integrated Profile	2	Improve average sustainability assessment (currently: energy label) of our clients	Improve average sustainability performance (energy label) of our clients by 5% annually	Improve average sustainability performance (energy label) of our clients by 5% annually	Average weighed energy label (based of definitive labels) 63.18	Average weighed label of 66.34	Average weighed label of 71.5	Average weighed label of 75.5	Average weighed label of 79.5	Average energy label B (weighed average of 83.5)
	3	Make our mortgage portfolio more sustainable		# houses improved 2 or more energy labels	6000 houses improved	12000 houses improved	24000 houses improved	36000 houses improved	54000 houses improved	125,000 houses
	4	Implement system to provide sustainability discount based on energy-labels		To complete: system in place to provide sustainability discount	System not available	System developed	System implemented	System implemented	System implemented	System implemented
3. From client optimisation to transition banking										
4. Distinctive products and services	5	Grow the relative share of sustainable products and services	Grow the relative share of sustainable products and services by y% annually - sustainable AUM	Grow the relative share of sustainable products and services by y% annually - sustainable AUM	EUR 4.7 billion (ultimo 2018)	EUR 5.5 billion	EUR 6.5 billion	EUR 7.5 billion	EUR 8.5 billion	EUR 10 billion
	6	Grow the relative share of sustainable products and services	Grow the relative share of sustainable products and services by y% annually - sustainable mortgages	Grow the relative share of sustainable products and services by y% annually - sustainable mortgages	Measurement in progress	Measurement in progress	Measurement in progress	Measurement in progress	Measurement in progress	Measurement in progress
	7	Increase mortgage loans in which energy saving measures are financed		% of mortgage loans in which energy saving measures are financed	10%	20%	25%	30%	35%	40%
	8	Reduce the CO ₂ of our equity investment portfolios		% reduction CO ₂	MSCI ACWI index 213.4	CO ₂ <30% compared with baseline	CO ₂ <35% compared with baseline	CO ₂ <40% compared with baseline	CO ₂ <45% compared with baseline	CO ₂ <50% compared with baseline
	9	Implement a uniform voting and engagement policy		actions to implementation	current situation: no policy	select partner voor voting & engagement	create policy for voting & engagement	implement policy	work with new policy	report first results to clients
5. Sustainability in performance management	10	Implement sustainability training programme for all employees (sustainable living)		% of financial advisors that completed sustainability training	80%	100%	100%	100%	100%	100%
	11	Implement sustainability in performance management cycle (sustainable living)		% of employees for which sustainability is implemented as an individual KPI (e.g. % of mortgage loans in which energy saving measures are financed)	n.a.	develop	tbd	tbd	tbd	tbd
	12	Implement sustainable investing education program		% of investment and financial specialist (including private bankers and assistants of TribeVermogensopbouw) that completed education programme	zero	20%	40%	60%	80%	95%

Sustainability plans Wholesale

What is the goal?		How to monitor this goal?			What are the (cumulative) targets for this goal?					
Sustainability Building block	No.	Goal	KPI on MB level (in Compass meeting)	CSRbase (as part of sustainability plan)	Baseline 2019	Target 2020	Target 2021	Target 2022	Target 2023	Target 2024
1. From trend analysis to sector visions & sector policies	1	Co-develop sector visions (FASP is in the lead)		Wholesale will deliver appropriate support to FASP for FASP-lead production of sector visions (4/year)	0	5	8	12	12	12
	2	Improve capital-weighted average e-rating of our clients	Improve average sustainability performance of our clients by 5% annually	Improve average sustainability performance of our clients by 5% annually	will be based on 2019 Q3 figures	+ 5%	tbd	tbd	tbd	tbd
2. From Client Photo to an Integrated Profile	3	Have a numerical e-rating in place for all wholesale clients		% coverage of wholesale clients with numerical e-rating	90%	95%	95%	95%	95%	95%
	4	Develop sustainability plans in RDP for selected GCC/TCF clients		% of clients from defined target group with a sustainability plan	0%	25%	50%	95%	95%	95%
3. From client optimisation to transition banking	5	Implement sustainability leads in all regions and TCF		# of regions in which a dedicated Wholesale sustainability lead is appointed	0	6	6	6	6	6
	6	Implement energy transition plan		Complete deliverables in plan	no	yes	yes	yes	yes	yes
	7	Develop a banking strategy around waste management and recycling		Deliver a strategy in 2020. Key implementation steps can be tracked thereafter	no	Develop strategy	Deliverables tbd	Deliverables tbd	Deliverables tbd	Deliverables tbd
4. Distinctive products and services	8	Grow the relative share of sustainable products and services	Grow the relative share of sustainable products and services by 5% annually	Grow the relative share of sustainable products and services by 5% annually	will be based on 2019 Q3 figures	+5%	tbd	tbd	tbd	tbd
	9	Appoint sustainability leads in all GCC/GWPC products		# of product groups appointing a sustainability lead for product development and engagement support	2	10	10	10	10	10
	10	Increase sustainable pipeline pitches		# of sustainable pipeline pitches entered into Clientlink (per product group)	x	Baseline and score to be established	tbd	tbd	tbd	tbd
	11	Distinguishing client events around transitions		Each region delivers an event	NA	6	6	6	6	6
	12	Develop and continuously improve integral supply chain solution proposition (align with Rural and Innovation)		tbd	tbd	tbd	tbd	tbd	tbd	tbd
5. Sustainability in performance management	13	Implement sustainability masterclass training		# of wholesale people trained		8 programs	tbd	tbd	tbd	tbd
	14	Implement sustainability in performance management cycle		% relationship bankers and management with sustainability in Grow targets and discussion with their managers.	0%	50%	95%	95%	95%	95%

Sustainability plans Rural

What is the goal?		How to monitor this goal?				What are the targets for this goal?					
Sustainability Building block	No.	Goal	KPI on MB level (in Compass meeting)	KPI on MB-1 level (in MT)	CSRbase (as part of sustainability plan)	Baseline 2019	Target 2020	Target 2021	Target 2022	Target 2023	Target 2024
1. From trend analysis to sector visions & sector policies	1	Develop sector visions	N/A	N/A	# of quick scan sector visions developed by FASP For Rural: support development of sector visions, a.o. by contributing fte capacity to sprint teams						
	2	Develop sector visions (analytical and future-oriented sector strategies)	N/A	N/A	# of deepdive sector visions developed by FASP For Rural: support development of sector visions, a.o. by contributing fte capacity to sprint teams	0	5	8	12	12	12
2. From Client Photo to an E-Rating	3	Improve average e-rating of our clients	Improve average sustainability performance of our clients by 1% annually	Improve average sustainability performance of our clients by 1% annually		NA	1%	5%	5%	5%	5%
	4	Have a (numerical) e-rating in place for all rural clients	N/A	N/A	% of rural clients with numerical e-rating		Develop e-rating method and tools	start implementing	tbd	tbd	all rural clients have e-rating
	5	Measure and report GHG footprint of balance sheet	N/A	N/A	% of balance sheet for which GHG footprint is measured and reported	0%	0%	25%	50%	75%	100%
	6	Integrate e-rating in pricing	N/A	N/A	% integration of e-rating in pricing	<5% (Brazil)	0%	25%	50%	75%	100%
3. From client optimisation to transition banking	7	Improve sustainability of our sector portfolio through transition banking	N/A	N/A							
	8	Launch European Rural bank in 2020, focussed on supporting farmers in transitions	N/A	N/A		Sprint 1	Assuming positive business case and approval, Start of bank, in at minimum 1 country	2 countries	3 countries	4 countries	4 countries
4. Distinctive products and services	9	Grow the relative share of sustainable products and services	Grow the relative share of sustainable products and services by 5% annually	Grow the relative share of sustainable products and services by 5% annually	NA	NA	A rating + 5%	A rating + 5%	A rating + 5%	A rating + 5%	A rating + 5%
	10	Incentivising existing clean energy products	N/A	N/A							
	11	Increase number of MVSPs / develop new products & services on transitions	N/A	N/A	total # of MVSPs developed	0	2	4	6	8	10
	12	Intensify partnerships and increase participation round tables	N/A	N/A	# of round tables in which Rabobank participates		10	at minimum 10	at minimum 10	at minimum 10	at minimum same number
5. Sustainability in performance management	13	Implement sustainability in rural performance management cycle	N/A	N/A	% of relationship managers for which e-rating improvement is implemented as a KPI	x	50%	95%	95%	95%	95%
	14	Implement global head of sustainability	N/A	N/A	Implement global head of sustainability	no	yes	yes	yes	yes	yes
	15	Implement sustainability experts and global champion	N/A	N/A	# of regions in which a sustainability expert / global champion is appointed	Currently designing proposed structure for the team	6 regions	6 regions	6 regions	6 regions	6 regions
	16	Implement sustainability training programme	N/A	N/A	% of employees attended sustainability training	x	Develop route to have all staff trained by 2024; 8 programmes	8 programmes	8 programmes	8 programmes	100%

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This booklet is published by Rabobank's Sustainability Department. If you have any questions please contact Marie-Claire Franzen-Aerts. **Concept and realization** MPG., Amstelveen. **Print coordination** MPG., Amstelveen.



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a better world
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