

Sustainably Successful Together

2018 Progress Report



Rabobank

*Growing a
better world
together*



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Introduction

[The Sustainably Successful Together memo](#) outlines Rabobank's ambitions for sustainable development through to 2020. This memo explains how sustainability is integrated into the relevant policy processes, products and services, and how we help clients achieve their ambitions in and for a sustainable society.

[The Sustainability Policy Framework](#) provides a benchmark for all our sustainability policies. It describes our own efforts in addition to what we expect from our clients and business relationships. Simultaneously, it forms the basis of our sustainability standards for business relationships and for providing financial products and services.

Rabobank measures its sustainability ambitions using 14 key performance indicators (KPIs), divided into five thematic areas:

1. Vital communities
2. Sustainable agriculture and food supply
3. Corporate clients
4. Retail customers
5. Our efforts



In this progress report¹, we report our progress on these 14 KPIs. We also report on the highlights per thematic area by Rabobank and our subsidiary DLL. DLL is a global partner for specialized asset-based financial solutions. Further, we included additional sustainability information on leading guidelines and covenants in [appendix C](#).

¹ Please note that this report is not under subject of assurance. And as such not all of the reported figures are under subject of assurance. Some figures are also included in the Annual Report 2018, which is under subject of assurance. For more information, please refer to the Rabobank Annual Report 2018 on www.rabobank.com.

Rabobank and the UN Sustainable Development Goals

In 2015, the United Nations set 17 Sustainable Development Goals (SDGs) with the private sector, civil society and other stakeholders. The SDGs represent a clear benchmark for tackling the biggest challenges our world is facing. The SDGs were drawn up to fight poverty, protect the planet and ensure prosperity for everyone. This new global Agenda for Sustainable Development is to be achieved by 2030.

As a socially engaged cooperative bank, Rabobank feels a responsibility to make a meaningful contribution to achieving the 17 SDGs, which is why we have embedded our contribution to the SDGs in our strategic ambitions. Our commitment to the SDGs fits with Rabobank's mission: Growing a better world together. Through our 'Banking for Food' and 'Banking for the Netherlands' strategies, combined with our 'Sustainably Stronger Together' programme, we are working towards achieving the SDGs by providing financial support, sharing knowledge and connecting people.

Our efforts are designed to maximise our positive impact on the SDGs. We are also pro-actively committed to reducing our negative impact, as demonstrated, for instance, by our exclusion of certain activities. For instance, it is our policy not to finance the exploration and production of shale oil or other unconventional mineral resources (tar sand oil, oil shale and coal gas).

We believe that the United Nations' goals can only be achieved through cooperation between companies, NGOs, non-profit organisations and government. Rabobank already works closely with several organisations, including UN Environment, World Business Council on Sustainable Development (WBCSD), the World Wildlife Fund (WWF), the Food and Agriculture Organization of the United Nations (FAO) and many other customers and organisations.

We publish an annual SDG report that outlines Rabobank's contribution to the UN SDGs. See the 2018 SDG report [here](#).



Sustainability Ratings

Our sustainability performance is monitored each year by different independent ratings agencies. Rabobank enjoys an excellent position in the sustainability ratings. While we are proud of our good scores, we still have every intention of continuing to set ambitious sustainability objectives for ourselves and our

clients. We aim for continual improvement in our sustainability efforts and of our sustainability performance ratings. The table below shows the 2018 scores awarded Rabobank by the key rating agencies.

Sustainalytics

	2018	2017	2016	2015
Relative position diversified banks	2 out of 341	7 out of 342	2 out of 396	11 out of 422
Overall ESG-score	89 (industry leader)	86 (industry leader)	85 (industry leader)	80 (industry leader)
Environment	91	91	92	84
Social	88	87	86	81
Government	88	80	78	76

Sustainalytics ESG Risk Rating

	2018	2017	2016	2015
Relative position diversified banks	1 out of 294	n/a	n/a	n/a
ESG risk rating	9.5/100 (Negligible)	n/a	n/a	n/a

RobecoSAM

	2018	2017	2016	2015
Position	25	11	7	5
Overall score	79	89	91	87
Economic dimension	75	90	94	88
Environmental dimension	85	88	93	90
Social dimension	80	88	87	85

CDP

	2018	2017	2016	2015
Score	B	A-	n/a	n/a

OEKOM

	2018	2017	2016	2015
Score	Prime status	Prime status	n/a	n/a

VBDO – Tax Transparency Benchmark

	2018	2017	2016	2015
Position	5-7 out of 76	3 out of 76	20 out of 68	18 out of 64
Overall score	21	24	20	18

IMUG

	2018	2017	2016	2015
Position	1 out of 16	3 out of 29	n/a	n/a
Score	46.19%	37.71%	17.11%	21.33%
Performance	Positive (BB)	Positive (B)	n/a	n/a

2018 Sustainably Successful Together KPI Performance

1. Vital Communities

Investing in vital communities is a significant part of our identity. We do this not only with money, but also through our knowledge and networks.

- A total of 2.4% of the net profit was allocated to social initiatives. In 2018, local Rabobanks allocated a cooperative dividend of EUR 48.8 (2017: 45) million from its net profit to investments in local communities.
- Rabobank Foundation and local Rabobanks in the Netherlands supported a total of 24,231 social initiatives, including 122 new local cooperatives in the realm of renewable energy, local partnerships in healthcare and fibre optic internet.
- We supported 277 social initiatives outside the Netherlands.
- Rabobank Foundation supported 3.7 million smallholder farmers in developing countries in Africa, South America and

Asia, and 590,495 vulnerable people in the Netherlands (2017 data).

- Through Rabo Partnerships, we have minority interests in ten strategic partner banks in East Africa and Latin America; combined, they serve 7.7 million clients with a credit portfolio worth more than EUR 16.8 billion (2017 data). We also have a 25% stake in ARISE Invest, a partnership which, with EUR 743 million in assets, operates in more than 20 African countries.
- DLL's various volunteering and fund raising activities have a meaningful impact on society. In 2018, 40% of DLL's global employee base volunteered their time and expertise to community projects, among which pro-bono advisory services to develop micro leasing services (in cooperation with Rabobank Foundation) in emerging African markets to the benefit of small enterprises.

KPI 1: Investments in Social Initiatives on a Not-for-Profit Basis

	2018	2017	2016	2015	Goal 2020
Percentage of profit invested in society on a not-for-profit basis	2.4%	2.4%	2.9%	2.8%	3%

KPI 2: New Local Collective Social Initiatives

	2018	2017	2016	2015	Goal 2020
Number of initiatives supported by local Rabobanks in the Netherlands (cumulative)	297	175	103	n/a	500
Number of initiatives supported by Rabobank abroad (through Rabobank Foundation)	277	260	270	230	500

2. Sustainable Agriculture and Food Supply

We are committed to making agricultural value chains sustainable on a global scale. In addition, we work with innovative clients and public-sector partners to realize ambitious sustainability projects in agricultural value chains that can also serve to inspire players throughout the chain to become more sustainable.

- We actively participate in nine roundtables to accelerate the process of making these agricultural value chains more sustainable (beef, bio-materials, coffee, milk, forestry, palm oil, fish, soybeans and sugarcane) and have published two value chain visions (palm oil and coffee). We strive to publish a substantial number of visions in the years to come.
- We organized 63 events, aimed at improving the sustainability of agricultural value chains.

- The partnership with UN Environment to make a facility of USD 1 billion available to help farmers switch to more sustainable and forests farming methods is named AGRI3 Fund. The ambition of the AGRI3 Fund is to function as a role model for banks, other financial institutions and agribusinesses by developing business models that include acceleration of forest protection and reforestation and implementation of innovative agricultural solutions, whilst improving the living standards of local farmers. Link for [brochure](#).
- Since 2017, Rabobank is part of the World Business Council on Sustainable Development (WBCSD) and became co-chairman of WBCSD's Climate Smart Agriculture Working Group.
- In 2018, we continued to build on our strong partnership with the World Wildlife Fund. Building on our successes in Chile (farmed salmon), Brazil (soy), India (sugarcane) and the Netherlands (dairy), in 2018 we started defining our new

strategy for the coming years. Our shared ambition is to create sustainable supply chains in cooperation with our clients.

- In 2018, the amount of events/platforms aimed at improving agricultural value chain sustainability in the Netherlands

organized by Rabobank increased intensely. This is due to more attention to Circular Economy Challenges and Sustainable Food & Agri events.

KPI 3: Our Vision for Agricultural Value Chains

	2018	2017	2016	2015	Goal 2020
Total position papers published on value chains (cumulative)	2	2	2	0	10
Total roundtables or comparable initiatives in which we participate	9	9	9	8	10

KPI 4: Improving the Sustainability of Agricultural Value Chains

	2018	2017	2016	2015	Goal 2020
Total events/platforms aimed at improving agricultural value chain sustainability in the Netherlands organized by Rabobank	21	6	4	n/a	-
Total events/platforms aimed at improving agricultural value chain sustainability outside the Netherlands organized by Rabobank	40	30	20	n/a	-

3. Corporate Clients

Sustainability is essential to long-term business success. That's why we encourage and support all our corporate clients to gradually improve sustainability in their companies. We also connect our clients to each other so that they can share their knowledge on sustainability and use it to create shared commercial opportunities. Furthermore, we provide customized financial solutions so that they can make the most of these opportunities.

- In 2018, we issued a total of EUR 46.3 billion (2017: EUR 18.6 billion) in sustainable financing, EUR 4.7 billion (2017: EUR 4 billion) in clients' sustainable assets under management and assets in custody, EUR 3.9 billion (2017: EUR 3.5 billion) in sustainable funding and EUR 7.1 billion (2017: EUR 6.2 billion) in financial transactions supervised by Rabobank (e.g. Green Bonds).
- We record the sustainability performance of our (large) corporate customers (with exposures up to > EUR 1 million) in a Client Photo in the Netherlands, in the rural domains in Brazil and Chile and in the wholesale domain. In North America, Australia and New Zealand significant progress was made to realize the client photo for all customers by year end 2018.
- The EUR 500 million generated from the Rabobank Green Bond will be invested in 12 sustainable solar and wind power projects.
- EUR 200 million Rabo Impact Loan for SMEs designated as sustainable frontrunners, EUR 100 million Rabo Impact Loan for Healthcare and Education. In 2018, we extended our Impact Loan for SMEs with a fourth tranche, EUR 250 million Rabo Impact Loan.

- Rabobank is financing EUR 5.0 billion in power generation, of which 81%, or EUR 4.0 billion, is dedicated to sustainable energy.
- Our ambition regarding commercial real estate is that 75% has an A label by 2030. All commercial real estate must comply with minimum energy label C by the end of 2022. In terms of timing and scope, Rabobank runs ahead of current legislation.
- In the context of sustainable reuse of materials, Rabobank has the ambition to realize at least 20,000 homes by 2023 from the transformation of empty buildings. In addition, we have the ambition to locate 60% of all Rabobank's commercial real estate outside the four large Dutch cities.
- We help companies transform their ideas about circularity into business opportunities in different ways, for example, with the Circular Enterprise Performance Indicator, by funding circular business activities, and programs like Circular Economy Challenges and Regional Circular Economy scans. Over 140 Dutch companies participated in the Rabobank Circular Economy Challenge, an initiative geared towards helping entrepreneurs conduct circular enterprise. We also opened the 'Rabo Circulaire Ondernemen Desk' to help entrepreneurs issues about circularity, concerning, among others, business models, financing and networking.
- In 2018, DLL continued its financing for Clean Tech projects which promote energy efficiency, the use of alternative energy and the preservation of our natural resources, to a total portfolio of EUR 379 million. DLL's Clean Technology scope includes energy efficiency, renewable energy products and also other areas such as combined heat and power, recycling and energy storage (click [here](#) for more information).
- DLL also offers usage and service-based solutions for the full life cycle of assets, closing raw material cycles to create a circular economy. As part of this program, the final 2018 Used Equipment Finance (UEF) NBV results were EUR 14.9 million

which is 7.4% of total NBV. Furthermore, in 2018, DLL and the European Investment Bank (EIB) signed an agreement establishing more support for Dutch and Belgian SME and mid-cap companies from DLL's Life Cycle Asset Management

Program. The credit facility includes EUR 100 million and enables Dutch and Belgian companies committed to sustainable and circular business to benefit from a lower interest rate.

KPI 5: Sustainable Frontrunners

Amounts in EUR millions	2018	2017	2016	2015	Goal 2020
<i>Please refer to appendix A for a more detailed overview of our Sustainable Finances</i>					
Total sustainable finance	46,607	17,377	n/a	n/a	Doubling of services (base year 2013)
Total assets under management and assets in custody for customers	4,726	4,030	3,835	2,843	Annual growth
Total sustainable funding	3,941	3,436	2,985	2,122	Annual growth
Volume of financial transactions supervised by Rabobank	7,140	6,236	5,750	6,322	Annual growth

KPI 6: Rabobank as a Good Sparring Partner on Sustainable Enterprise

% of clients that answered 'totally agree' or 'agree'	2018	2017	2016	2015	Goal 2020
Companies with less than EUR 1 million in turnover (n 2017=313)	n/a	40%	n/a	n/a	Annual growth
Companies with more than EUR 1 million in turnover (n 2017=348)	n/a	33%	n/a	n/a	Annual growth

KPI 7: Customers with a Sustainability Client Photo

	2018	2017	2016	2015	Goal 2020
Clients of local Rabobanks (exposure > EUR 1 million)	99%	98%	99%	n/a	100%
Large corporate clients (exposure > EUR 1 million)	87%	72.5%	85%	n/a	100%
Other clients	n/a	n/a	n/a	n/a	100%

Client Photo Categories 2018

	Total	A	B	C	D+	D
Clients of local Rabobanks (exposure > EUR 1 million)	13,013	699	11,976	321	9	8
Large corporate clients (exposure > EUR 1 million)	1,258	296	863	89	7	3
Total (number)	14,271	995	12,839	410	16	11
Total (in %)	100%	7%	90%	3%	0%	0%

4. Retail Customers

We help our retail and private banking clients achieve their ambitions with professional financial advice. We also do our best to guarantee access to suitable financial services for vulnerable groups. For clients with specific interests, we offer a distinctive package of products and services for sustainable investment and sustainable housing. In this way, we combine optimum financial advice with a positive contribution to sustainable development.

- We enhance the sustainability of existing homes with the 'Green Mortgage', 'Slim Verbouwen' (Smart Renovation) events, workshops and our partnership with GreenHome and VandeBron.
- Our Banking Together program helps vulnerable clients in the Netherlands gain access to banking services: through Seniorweb senior citizens can participate in internet and internet banking workshops; young customers are protected against risky financial outings by the pocket money app 'PinPin'; and we provide (financial) solutions for the elderly and unpaid carers through the IkWoonLeefZorg.nl platform.

KPI 8: Satisfied Retail and Private Banking Clients

Number of clients in % who are 'quite satisfied' and 'relatively satisfied' is (n= 1,005)	2018	2017	2016	2015	Goal 2020
Rabobank gives me good advice about how to arrange my financial affairs for the best fit with my sustainability ambitions	22.5%	17.7%	n/a	n/a	Annual growth
The products Rabobank that recommends are a good fit for my personal sustainability ambitions	20.9%	18.5%	n/a	n/a	Annual growth

KPI 9: Satisfied Clients from Vulnerable Groups

Number of clients in % who are 'quite satisfied' or 'relatively satisfied' is (n=1,008)	2018	2017	2016	2015	Goal 2020
Client satisfaction regarding simplicity and ease of arranging banking business at Rabobank	74%	73%	72%	73%	80% satisfied primary clients in 2020

KPI 10: Satisfied Retail and Private Banking Clients Sustainability Interview

Number of clients in % who answered 'yes' (n=439)	2018	2017	2016	2015	Goal 2020
The subject sustainability was discussed in the past year during an advisory interview with a client.	7.1%	4.6%	4%	5%	Annual growth
Number of clients in % who said that sustainability was discussed and reported being 'quite satisfied' or 'relatively satisfied' is (n=28)					
How satisfied are customers about the way this subject was discussed with them?	75.2%	72.9%	89%	88%	Annual growth

5. Our Efforts

We integrate sustainability in our internal business operations and communicate transparently about our vision and activities. We remain publicly accountable and participate in the public debate about sustainable development. Every year, Rabobank works hard to improve its own efforts in the field of sustainability.

- In 2018, we reduced our CO₂ emissions by 15.6 % to 147,091 tonnes of CO₂. This reduction is partly due to an improved calculation methodology.
- Our objective is to reduce our use of energy as much as possible. In 2018, Rabobank announced its ambition to bring all its own properties up to the standard of energy label A in 2027. The interim objective is to bring all the bank's own properties to the standard of energy label C in 2020, thereby achieving the minimum legal requirement two years ahead of time.
- We provide sustainability training to staff and managers at local Rabobanks, at our corporate division and to retail banking advisors. Sustainability is also incorporated as a theme in eleven other standard training programs. We developed a training program on sustainability for our employees in our Wholesale domain that will be operated in 2019.

- Our DARE leadership events focus on innovation and digitization. DARE has four ambitions: 100% digital, digital DNA, innovation partner, and new revenue models. Digitalization and innovation are key drivers for achieving our mission, Growing a Better World Together.
- Awareness of our mission, Growing a Better World Together, is key. To facilitate this level of awareness or mind-set the Rabo Impact Agency has been set up and executed two interventions in 2018, the Horizon Track and Farmer for a Day in order to inspire our employees to fully contribute to our mission. We continued efforts to integrate cooperative and sustainability topics into our recruitment and selection processes.
- DLL is committed to reduce its environmental footprint, and measure DLL's impact on the environment and climate change. Looking at the global Rabobank CO₂ reduction DLL is well on track. Compared to 2017 DLL saw a decrease of 2.84 thousand tons per FTE, which is a 7.3% decrease per FTE.
- In 2018, the amount of workshops Sustainable Banking increased extremely. This contributes to KPI 13, workshops dedicated to sustainability - Corporate division of local Rabobank.

KPI 11: Climate Footprint

in tonnes of CO ₂	2018	2017	2016	2015	Goal 2020
Total CO ₂ emissions	147,091	174,374	181,465	182,067	-
CO ₂ emissions per FTE	3.4	4.0	3.8	3.5	3.2

KPI 12: Appreciation of our Efforts by Dutch Public¹

In % of the Dutch public (n=611)	2018	2017	2016	2015	Goal 2020
% of Dutch population who have positive associations between Rabobank and sustainability	49%	43%	44%	42%	80%
% of Dutch populations that considers the statement 'Rabobank contributes to sustainable development in the Netherlands' (highly) appropriate	70% Appropriate	70% Appropriate	75% Appropriate	72% Appropriate	Annual growth
% of Dutch populations that considers the statement 'Rabobank contributes to sustainable development in the Netherlands' (highly) recognizable	49% Recognizable	43% Recognizable	44% Recognizable	42% Recognizable	
% of Dutch population that considers at least one of the four stated goals ¹ for sustainable agriculture and food supply and/or vitality of communities (highly) appropriate	87% Appropriate	83% Appropriate	88% Appropriate	85% Appropriate	Annual growth
% of Dutch population that considers at least one of the four stated goals ¹ for sustainable agriculture and food supply and/or vitality of communities (highly) recognizable	73% Recognizable	65% Recognizable	70% Recognizable	67% Recognizable	

1 Four sub goals related to 'sustainable agriculture and food supply' and 'vital communities':

- Stimulating the sustainability of agriculture and food supply in the world;
- Helping food & agri companies that are customers of Rabobank be economically successful;
- Supporting local and social initiatives with manpower, knowledge and money;
- Supporting farmers and small businesses in developing countries.

KPI 13: Sustainability in Recruitment and Selection Process

	2018	2017	2016	2015	Goal 2020
Total workshops in which sustainability was a topic	15	11	n/a	n/a	Annual growth
Workshops dedicated to sustainability – Retail and Private banking advisers of local Rabobanks	3	3	2	n/a	Annual growth
Workshops dedicated to sustainability - Corporate division of local Rabobank	25	4	2	n/a	Annual growth
Workshops dedicated to sustainability - Local Rabobank management	0	2	1	n/a	Annual growth

KPI 14: Results of Engagement Scan Rabobank

	2018	2017	2016	2015	Goal 2020
On behalf of Rabobank, I make a meaningful contribution to the development of the community	52.5%	67.6%	n/a	n/a	Annual growth
The direction of Rabobank inspires me	49.5%	50.9%	n/a	n/a	Annual growth
At Rabobank, we provide our customers with high-quality products and services	70.5%	71.9%	n/a	n/a	Annual growth
Rabobank knows what drives our customers and acts accordingly	53.7%	53.4%	n/a	n/a	Annual growth
Rabobank responds quickly and adequately to the changing environment	36.0%	33.1%	n/a	n/a	Annual growth
It is clear to me how my team and I can contribute to the vision and strategy of Rabobank	71.7%	70.5%	n/a	n/a	Annual growth

Appendix A Sustainable Finance Overview

Sustainable financing- Products and services that besides a positive economic impact, foster a positive or mitigate a negative social and/or environmental impact/outcome.

Topic		2018	2017
Total sustainable financing	Sustainable financing relates to products and services that finance of sustainable sectors, asset classes or certified companies that have a net positive impact.	€ 46,607	€ 17,377¹
Green loans	Green loans are loans, provided by the Rabo Groenbank that meet the "green" criteria of the RVO (Rijksdienst voor Ondernemend Nederland). On a project basis (loan basis) Rabobank submits the project documentation and subsequently the RVO determines whether a loan meets the criteria. If this is the case, a certificate is issued by the RVO (with a duration - usually 10 years) and the loan qualifies as a "green" loan for the duration of the certificate.	€ 1,486	€ 1,424
Sustainable project finance (excluding green loans)	Sustainable project finance relate to all renewable energy projects financed in the domain of wind and solar. Moreover, closing the loop projects, like installations using bio-waste streams as an energy resource are included too.	€ 3,667	€ 3,408
DLL Clean tech financing	Clean tech financing concern loans to companies that seek financing on solutions that make a positive environmental impact. Examples are; smart grid, water efficient irrigation solutions and waste water regeneration systems.	€ 379	€ 383
Sustainable loans	Sustainable loans are loans that are completely or partially (bilateral or syndicated loans) financed by Rabobank, in which companies receive financing because of a certain rating by a rating agency (OEKOM, Vigeo or Sustainalytics), performance on sustainability KPIs (selected by the participating banks and assured by a third party assurance provider or attesting through signed statement by board), or assets with a specific sustainability objective or impact.	€ 636	€ 313
Sustainable mortgages	Mortgages financed by Rabobank with an energy efficiency label A or better.	€ 29,161	€ 0 ²
Financing for sustainable technology and energy companies	This type of financing is based on the SBI-code. The Dutch chamber of commerce gives every registered company one or more SBI-codes based on their activities. Rabobank has clustered a number of SBI-codes based on their sector or industry.	€ 155	€ 317
Financing for environmental and recycling companies	"	€ 564	€ 607
Financing for businesses in the education sector and research and development	"	€ 495	€ 568
Financing for social and ethical organisations	"	€ 625	€ 511
Financing for cultural organisations	"	€ 126	€ 85
Financing for organisations caring for vulnerable groups and sheltered employment	"	€ 1,803	€ 1,846
Financing for companies with a sustainability label	Financing for companies that have a sustainable label. A committee within Rabobank determines on annual base which labels are deemed impactful enough to be added to Rabobank's "sustainability label list". Labels are evaluated on the following six criteria; 1) the label should be more stringent than legislation, 2) label should cover substantial part of the core business, 3) sufficient recognition with in the sector, 4) independent and preferably accredited, 5) no network or lobby initiative, and 6) label is capped at 25% market penetration (ergo; once the label has recognized more than 25% of the market, it loses its place on the Rabobank list since it is no longer considered a sustainability leader (pushing frontiers)).	€ 7,510	€ 7,915

1 restated amount.

2 zero amount Sustainable Mortgages due to unavailability of provisional energy labels.

Total sustainable assets under management and assets held in custody- Sustainable assets under management and assets held in custody that meet our sustainability investment criteria.

Topic		2018	2017
Total sustainable assets under management and assets held in custody		€ 4,726	€ 4,030
Private Banking	Sustainable assets under management are assets in funds that meet Rabobank's sustainability criteria. Funds are selected based on (at least one of) three criteria; 1) The use of multiple additional exclusion criteria compared to the exclusions list 2) Best-in-class companies or countries from a sustainability perspective, and 3) Sustainable theme. Based on the applied criteria approximately 70 funds are considered "sustainable" funds; all 70 funds appear on Morningstar's "socially conscious"- or "ESG"- list.	€ 4,726	€ 4,030

Sustainable funding- Sustainable funding includes funding products with a sustainability earmark. This includes green savings, sustainable deposits and sustainable bonds issued by Rabobank and subsidiaries

Topic		2018	2017
Sustainable funding		€ 3,941	€ 3,436
Rabobank Green, Social and Sustainability Bonds	Green, Social or Sustainability bonds that are issued, these bonds are ringfenced and of which the framework is issued under the GBP and associated guiding principles.	€ 500	€ 500
Obvion Green, Social and Sustainability Bonds	Green, Social or Sustainability bonds that are issued, these bonds are ringfenced and of which the framework is issued under the GBP and associated guiding principles.	€ 1,489	€ 985*
Rabo Green Savings	Savings that are used solely to finance (in the form of loans) to projects that have a "sustainability label" issued by the RVO.	€ 1,720	€ 1,791
Rabo Green Deposits	Deposits that are used solely to finance (in the form of loans) to projects that have a "sustainability label" issued by the RVO.	€ 131	€ 60
Rabo Socially Responsible Deposits	Funding that solely is allocated to sustainable financing	€ 100	€ 100

Total financial transactions supervised by Rabobank - These are financial transactions supervised by Rabobank and include Green bonds and syndicated sustainable financing solutions. Transaction supervised like IPOs and M&A activity are not in scope of this definition for the year 2018.

Topic		2018	2017
Financial transactions supervised by Rabobank (Including Green Bonds, IPOs and M&A transactions)	These are financial transactions supervised by Rabobank and include Green bonds. Transaction supervised like IPOs and M&A activity are not in scope of this definition for the year 2018.	€ 7,140	€ 6,236

Appendix B Management Approach, Definitions, Methodology and Terminology KPIs Sustainably Successful Together

Rabobank is constantly striving to improve its sustainability performance. Every year we measure progress on the 14 sustainability KPIs and report on these inside and outside the bank. Here we report on the progress we made in implementing the 14 KPIs in 2018. The Sustainability department at Rabobank supervises implementation of the sustainability KPIs and is responsible for reporting and for stakeholder management relating to sustainability

Through the 14 KPIs we have fully embedded Rabobank's sustainability ambitions in our strategy. They form an integral part of the management cycle. In this way every part of the business, including local Rabobanks, is responsible for implementation of Sustainably Successful Together and sets its own objectives. Final responsibility for sustainability policy lies with the Managing Board. The table below shows the definitions, methodology and terminology which we use to measure and report progress on the SDS-KPIs.

Vitality of communities	
KPI 1	We invest the equivalent of 3% of our annual profit in social initiatives on a not-for-profit basis through the Rabobank Group and the Rabobank Foundation. The Rabobank Foundation is a separate entity.
<i>Methodology</i>	We measure and report the granted financial donations by Rabobank Group and on the granted donation and loans by Rabobank Foundation (this includes the re-use of past contributions by Rabobank Group). The Foundation is mostly active abroad. The total of our financial investments is reported as a percentage of net profit on group level. The main component of the total amount is the amount of donations by our local banks. Manpower and knowledge invested in local communities are measured and monitored as well, but not included in the KPI report.
<i>Terminology</i>	Cooperative dividend – the part of the profit that is reinvested back into the community. Investments consists of both granted donations as well as granted loans. Community funds are created by Rabobank Group for funding activities that create a positive social contribution to society.
KPI 2	By 2020, we will be supporting 500 new local collective community-based initiatives (cumulative). And 500 small-scale farmer organisations in developing countries in the year.
<i>Methodology</i>	Currently we measure and report the number of new collective local community initiatives that have been supported by financing, time investment or knowledge by local Rabobanks in the Netherlands and through the independent Rabobank Foundation during the year. The data is reported on an annual basis, evaluated and aggregated to group level.
<i>Terminology</i>	<p>In the Netherlands, collective local community initiatives are measured and reported based on five criteria:</p> <ul style="list-style-type: none"> the initiative is supported by Rabobank with networking knowledge or financial solutions the initiative is founded by citizens and/or companies to achieve a local impact the initiative is dedicated to achieving a positive social and/or environmental impact the initiative has a solid economic base e) the initiative is founded on a formal legal structure (or is in its start-up phase), such as (but not restricted to) a cooperative structure. <p>Small-scale farmer organisations are supported through at least 1 of the following 5 instruments:</p> <ol style="list-style-type: none"> 1. Micro loan 2. Trade financing short term 3. Guarantee for loan 4. Donations (for training) 5. Technical assistance

Sustainable agriculture and food supply

KPI 3	We define our vision of how to improve the sustainability of the agricultural value chain for soy, palm oil, sugarcane, forestry, beef, dairy, fish, coffee, cocoa and bio-materials. We share our vision and actively participate in roundtables or similar initiatives to accelerate the process of making these agricultural value chains more sustainable and work together with our customers to integrate the outcomes of these dialogues into their business operations and achieve commercial success at the same time.
<i>Methodology</i>	We measure and report the number of supply chain visions for each selected value chain. We publish these papers on our corporate website and share this knowledge with our customers.
<i>Terminology</i>	Our visions on agricultural chains which we define contain Rabobank's forward looking perspectives and criteria, how to improve and accelerate sustainability with clear steps on the most important sustainability themes in a specific value chain. Further it contains how Rabobank seeks to contribute to these ambitions. Visions are being developed since 2016 as part of our Sustainably Successful Together. Previously Rabobank had published positioning papers on agricultural supply chains. These positioning papers contain our policies and expectations on specific value chains. These have been incorporated in our Sustainability Policy Framework, available on rabobank.com .
KPI 4	We actively contribute to improving agricultural value chains due to sustainability being an integral part of our philosophy about sectors. We share this knowledge in dialogue with our customers.
<i>Methodology</i>	As of 2016 we report the number of events/podiums organised by Rabobank worldwide aimed at improving sustainability in agricultural value chains.
<i>Terminology</i>	Agricultural value chains are referring to well-functioning and sustainable food chains starting with farmers and aimed at providing sufficient and highquality food for everyone. More detail on this topic can be found in our Banking for Food policy. See: https://www.rabobank.com/en/about-rabobank/food-agribusiness/vision-banking-for-food/index.html

Corporate Customers

KPI 5	Rabobank gives priority to sustainability leaders in financing and will double the volume of the services provided to them.
<i>Methodology</i>	We measure and report the total of sustainable finance, sustainable assets under management and assets held in custody, sustainable funding and financial transactions supervised. Giving priority to sustainable leaders is a rule of conduct which is not measured in a reporting value. We aim to double the volume of sustainable financing between 2013 and 2020..
<i>Terminology</i>	Sustainable products and services include products and services that besides a positive economic impact, foster a positive or mitigate a negative social and/or environmental impact/outcome. We do report on 4 different sustainable products and services figures: - Sustainable financing relates to products and services that finance sustainable sectors, asset classes or certified companies that have a net positive impact. The reported figure is the maximum outstanding balance that the bank has towards its clients based on all financial facilities that can be withdrawn by the client. As of 2018 we included sustainable syndicated loans and sustainable mortgages. The sustainable mortgages are a substantial part of the total of sustainable financing. This figure consists of the outstanding balances of all residential properties with a provisional or final energy label A. - Sustainable assets under management and assets held in custody relate to assets that meet our sustainability investment criteria. - Sustainable funding includes funding products with a sustainability earmark. This includes green savings, sustainable deposits and sustainable bonds issued by Rabobank and subsidiaries. - Financial transactions related to financial transactions supervised by Rabobank (mostly in combination with other banks) and include Green bonds and syndicated sustainable financing solutions. The transactions supervised also comprise transactions that are included in sustainable finance and sustainable funding.
KPI 6	The percentage of corporate customers indicating they were satisfied with how sustainability was discussed in customer meetings increases annually.
<i>Methodology</i>	We measure and report the progress of this KPI based on internal annual customer satisfactory surveys. This year only customers in the Trade Industry received a survey. This survey is designed to collect information about the services provided by Rabobank and the perception and appreciation by the customer. The survey includes a variety of different aspects, sustainability is one of these aspects. The percentage is based on the number of customers who are 'quite satisfied' and 'reasonable satisfied'.
<i>Terminology</i>	Sustainability in customer meetings means that we enter into active dialogue with customers about making their business processes and living and working environment more sustainable.
KPI 7	By 2020, all our corporate customers will have maximum access to the sustainability expertise they require, and the sustainability performance of all our larger corporate customers will be recorded in a client photo.
<i>Methodology</i>	We first implemented the client photo in 2015 in the Netherlands and expanded the client photo to our international wholesale clients in 2016. We monitor clients with an exposure > EUR 1 million. In the Annual Report we include a table that shows the number of client photos in the Netherlands and with an exposure (> EUR 1 million) for each client photo category per sector, the table regarding the wholesale offices also includes client photos of subsidiaries (but only if the exposure on group level is >EUR 1 million). This is a change in methodology from previous years. Only clients with a client photo <3 years are included. In the Netherlands clients that are subject to Financial Restructuring & Recovery are excluded, currently these client do not receive a Client Photo. In the Netherlands we assess clients always on group level, at our wholesale offices it is also possible that clients are assessed on a subsidiary level when due to local regulation or specific local circumstances.
<i>Terminology</i>	The client photo measures the sustainability performance of our clients. We have defined 5 performance level categories (A, B, C, D+, and D). A definition of the categories is included in the legend following the detailed figures in client photo.

Retail Customers	
KPI 8	The percentage of retail and private banking customers indicating that they are satisfied about how they can match their finances to their sustainable ambitions with the appropriate products increases annually.
<i>Methodology</i>	We measure and report the progress of this KPI based on external annual customer satisfactory surveys. These surveys are designed to collect information about the services provided by Rabobank and the perception and appreciation by the customer in the Netherlands. The survey includes a variety of different aspects, sustainability is one of these aspects. The percentage is based on the number of customers who are 'quite satisfied' and 'reasonable satisfied'.
<i>Terminology</i>	Matching the customer's finance to their sustainability ambitions means that Rabobank gives the customer advice on how financial affairs can be best suited the wishes of the customer and the products Rabobank advises fit these personal wishes.
KPI 9	By 2020, more than 80% of customers from vulnerable populations will find that Rabobank does a good job managing their banking business.
<i>Methodology</i>	We measure and report the progress of this KPI based on external annual customer satisfactory surveys for the group of vulnerable people. These surveys are designed to collect information about the services provided by Rabobank and the perception and appreciation by the customer in the Netherlands. The survey includes a variety of different aspects, sustainability is one of these aspects.
<i>Terminology</i>	A large group of vulnerable people – senior citizens, people with low levels of literacy and those with learning difficulties – are finding it increasingly difficult to do their banking independently. The fact that banking services are becoming more and more digitalised is leaving some people behind. Rabobank is keen to remedy this situation because it's important to us that all our customers can continue to use our services. Doing a good job is based on the number of customers who are 'quite satisfied' and 'reasonable satisfied'.
KPI 10	The percentage of retail customers reporting that they were satisfied with how sustainability was discussed in the customer meeting increases annually.
<i>Methodology</i>	We measure and report the progress of this KPI based on external annual customer satisfactory surveys. These surveys are designed to collect information about the services provided by Rabobank and the perception and appreciation by the customer. The survey includes a variety of different aspects, sustainability is one of these aspects.
<i>Terminology</i>	Satisfied customers are represented by the percentage of customers who are 'quite satisfied' and 'reasonable satisfied'.
Our Commitment	
KPI 11	By increasing energy efficiency and by reducing and making mobility and other services more sustainable, we aim to further reduce carbon emissions per FTE per year by 2020 by 10% from 2013.
<i>Methodology</i>	The climate footprint is calculated according to the most recent directives of the Greenhouse Gas Protocol (GHG) and the associated CO ₂ conversion factors originate from, amongst others, DEFRA and the IEA. The operating information for the climate footprint report is based on the period from 1 October 2017 to 30 September 2018.
<i>Terminology</i>	Increasing energy efficiency means that we are committed to reduce our energy consumption as much as possible, for example by facilitating teleworking in order to reduce employee travel time. Rabobank is also as sustainable as possible in its purchasing policies, attempting to use renewable raw materials and contracts based on circular economic principles wherever we can.
KPI 12	By 2020, 80% of the Dutch public should associate Rabobank with sustainability in a positive way, along with at least one of the following topics: sustainable agriculture and a sustainable food supply; and vital communities.
<i>Methodology</i>	We measure the perception of the Dutch public in close cooperation with external research organisations, among others, the Social Image Monitor – an initiative of the Hope & Glory agency which performs the research in cooperation with Motivaction.
<i>Terminology</i>	We defined four subgoals related to 'sustainable agriculture and food supply' and 'vital communities': <ul style="list-style-type: none"> 1 stimulating the sustainability of agriculture and food supply in the world; 2 helping food & agri companies that are customers of Rabobank be economically successful; 3 supporting local and social initiatives with manpower, knowledge and money; and 4 supporting farmers and small businesses in developing countries.
KPI 13	Cooperative and sustainable banking forms an integral part of recruitment and selection and the training programmes for all employees.
<i>Methodology</i>	The number of specific sustainability trainings available (non-mandatory) and the number of trainings in which sustainability is incorporated, is reported. This represents the trainings coordinated by the central sustainability department. There is no data available yet related to sustainability in the recruitment and selection processes.
<i>Terminology</i>	To integrate sustainability into the heart of the organisation we are committed to explicitly address the topic of sustainability in our recruitment, selection as well training processes.
KPI 14	We aim to increase our organisation's score on the topics 'work experience' and 'organization' in the engagement scan each year.
<i>Methodology</i>	We measure and report the perception of employees using an annual engagement scan. The survey includes a list of statements. These are in alignment with the Sustainability Programme SST, Sustainably Successful Together. The score is based on the % of employees who 'agree' or 'strongly agree'.
<i>Terminology</i>	Work experience and organization aspects <ul style="list-style-type: none"> • On behalf of Rabobank, I make a meaningful contribution to the development of the community • The direction of Rabobank inspires me • At Rabobank, we provide our customers with high-quality products and services • Rabobank knows what drives our customers and acts accordingly • Rabobank responds quickly and adequately to the changing environment • It is clear to me how my team and I can contribute to the vision and strategy of Rabobank

Appendix C Additional Sustainability Reporting

Soft Commodities Compact

Rabobank is an adopting bank of the Soft Commodities Compact ("[SCC](#)"), a voluntary initiative led by the Consumer Goods Forum and the Banking Environment Initiative ([weblink](#)). The SCC mobilises the banking industry as a whole to promoting sustainable soft commodity supply chains of soy, palm oil and PP&T (pare, pulp and timber) by helping clients, being Consumer Goods' Forum members, achieve zero net deforestation by 2020. Rabobank supports the SCC through implementation of its Sustainability Policy Framework, outlining commitments and expectations we have regarding all our clients and business partners related to sustainable development and supporting our business decision making at all levels. The specific sector policies of Soy, Palm Oil and Forestry support the SCC objectives and form the basis of our sustainability standards for business

relationships, and for providing financial services and products. To further accelerate financing of the needed transition, we announced an ambitious partnership with UN Environment for forest protection, sustainable land use and agriculture. The partnership resulted amongst others in the Agri3 Fund as its first product ([weblink](#)).

Dialogue with Social Welfare Organizations

This table provides a list of examples of dialogues that the sustainability department of Rabobank is engaged in with environmental organizations, and/or social welfare organizations. For each organization, the topics covered and the outcomes are given. As indicated in the table below, we have regular meetings to address and discuss environmental issues with stakeholders.

Organization	Topic	Summary/Action
Environmental Paper Network	Forest fires / peat lands	Providing information about Rabobank's policy as a result of a letter with concerns about forest fires and plantations on peat lands in Indonesia.
Fair Labour Association/ Consumer Goods Forum	Child labour	Contributions to workshops about child labour in agriculture and food chains.
Greenpeace	Climate	Dialogue about Rabobank's role in the Dutch Agriculture and contribution in the Dutch Climate Agreement-sector table for agriculture.
IUCN	Partner banks	Conversations about the Sustainability policy of Rabobank's partner banks and suggestions of IUCN for strengthening of the policy.
Land dialogue	Support land rights	Member of the organizing committee, internal evaluation of land dialogue, action agenda with priorities for the next period.
Friends of the Earth (Milieudefensie) (and supporters)	Deforestation, palm oil and climate	Evaluation meeting with the National Contact Point OECD concerning last year's statement regarding the complaint of Friends of the Earth (Milieudefensie) against Rabobank about palm oil. Rabobank's position explained in various media platforms. Information provided concerning Rabobank's palm oil policy to Milieudefensie supporters during a telephone action. Follow up dialogue with Moluccan colleagues and clients about Friends of the Earth's raised concerns.
Rainforest Action Network	Palm oil	Provided information for analyses of palm oil policies of banks. Rabobank's policy is assessed most sustainable of the compared banks (http://forestsandfinance.org/)
Rainforest Action Network	Palm oil	Dialogue about possible involvement of clients in issues in the palm oil industry.
Somo/Friends of the Earth	Palm oil	Provided data and cooperation in research to investments in palm oil companies.
Tobacco Free Pledge	Tobacco	Conversations about Rabobank's participation in 'Tobacco Free Pledge'. Rabobank belongs to the group of first signer of the in September 2018 launched pledge to work towards tobacco-free finance policies. (https://www.tfa2020.org/en/publication/roadmap-financing-deforestation-free-commodities/)
Tropical Forest Alliance 2020/ Global Canopy/Price Waterhouse Coopers	Deforestation	Provided expertise to TFA publication on the role of financial risk management in achieving deforestation-free commodities. https://www.tfa2020.org/en/publication/roadmap-financing-deforestation-free-commodities/
2degree lending network/ Democracy Collaborative	Climate	Contributions to symposium for investors/ CSOs/ banks. Subject: climate goals/ guidelines for banks, impact financing.
Dutch Association of Investors for Sustainable Development (VBDO)	Tax transparency	Provided information for annual tax transparency benchmark. Dialogue about Rabobank's fiscal policy statement and renewed methodology of the benchmark.
World Animal Protection (WAP)	Case study report 'Eerlijke Bankwijzer' (Fair Finance Guide) about investments in livestock breeding and signature action (petition)	Received petition and information provided of Rabobank's sustainability policy. Dialogues about gather concerns concerning animal welfare in the meat industry with the purpose to highlight them in client engagement.
WWF/ IUCN-NL/ VBDO	Engagement among banks and non-governmental organizations (NGOs)	Participation in discussion with a broad group of NGOs about sustainable financing and bank perspective about engagement with NGOs.

IMVO Human Rights Covenant (“Dutch Banking Agreement on International Responsible Business Conduct”)

Rabobank actively participated in the Dutch Banking Sector Agreement on International Responsible Business Conduct regarding Human Rights (DBA) in 2018 ([weblink](#)).

In order to meet the deliverables placed in the DBA, a number of multi-stakeholder working groups were formed. Banks together with the Dutch government, NGOs and labour unions have been piloting approaches in salience analyses of value chains, increasing leverage, transparency, and enabling remediation. Through constructive dialogue, Rabobank along with Oxfam lead the palm oil sector analysis. In 2019 this will result in recommended actions to address the most salient human rights impacts, e.g. on the protection of human rights defenders, labour issues and land-related human rights.

The agreement also committed the banks to individual deliverables and sector-wide sharing of best practices. Pursuant

to its obligations laid out in the DBA, Rabobank has continued to improve its human rights policy by incorporating the UNGPs and updated their complaints mechanism to allow third parties to report grievances. Learning on both human rights issues as well as due diligence processes remains an ongoing process. Rabobank has expanded its knowledge base and demonstrated its commitment to the DBA by sharing its findings on other platforms, including the OECD expert sessions (on enabling remedy), and the Forum on Sustainable Palm oil, October 18th in Germany (on value chain and salience analyses).

Through this engagement, Rabobank has obtained a deeper awareness and appreciation regarding our responsibility to respect and promote human rights. The influence on the bank's clients is aimed at positive impact. The dialogues table on page 83-85 of the Annual Report summarises issue types, as well as regions and industry sectors in which Rabobank has been engaging clients on human and labour rights issues in 2018 – a total of 17 human rights and 23 labour rights issues – and tracks their status for the 4th year in a row.

DLL

DLL has a 3 pillar sustainability approach which is focusing on (1) offering sustainable business solutions, (2) having a meaningful societal impact, and (3) assuring customers they can count on us having responsible business operations. With this approach DLL contributes to Sustainably Successful Together. In this report, the DLL highlights are included in the 2018 Sustainably Successful Together KPI performance chapter. More information on DLL's Sustainability results in 2018 can be found on <https://www.dllgroup.co/en/annualreport>.