

# Second-Party Opinion

## Rabobank Sustainable Funding Framework



### Evaluation Summary

Sustainalytics is of the opinion that the Rabobank Sustainable Funding Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021. This assessment is based on the following:



**USE OF PROCEEDS** The eligible categories for the use of proceeds – Renewable Energy and Green Buildings – are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that the eligible categories will support the global transition to a low-carbon economy and advance the UN Sustainable Development Goals, specifically SDGs 7 and 11.



**PROJECT EVALUATION AND SELECTION** Rabobank’s Sustainable Funding Committee will be responsible for the evaluation and selection of assets and projects in line with the eligibility criteria. Rabobank will undertake environmental and social risk assessments that adhere to its internal policies, the Equator Principles and applicable laws and regulations for all allocation decisions. Sustainalytics considers the risk management systems to be adequate and the project evaluation and selection process to be in line with market practice.



**MANAGEMENT OF PROCEEDS** Rabobank’s Group Treasury department will be responsible for the management of proceeds on a portfolio basis and track the allocation of proceeds using its internal information management systems. Rabobank intends to allocate all the proceeds within 36 months of issuance. Pending full allocation, proceeds will be temporarily held in Rabobank’s treasury liquidity portfolio in cash or other short term liquid instruments. Sustainalytics considers this process to be in line with market practice.



**REPORTING** Rabobank commits to report on the allocation of proceeds and corresponding impact on its website on an annual basis until full allocation. Allocation reporting will include, on a best-effort basis, the amount of proceeds allocated to eligible green assets, the number of eligible green assets, the balance of unallocated proceeds, the amount or share of financing and refinancing, the geographic location of eligible green assets and the alignment of eligible green assets with the EU Taxonomy. Sustainalytics considers Rabobank’s allocation and impact reporting commitments to be aligned with market practice.

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### Report Sections

Introduction.....	2
Sustainalytics’ Opinion .....	3
Appendices .....	15

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### EU Taxonomy

Sustainalytics has assessed the Rabobank Sustainable Funding Framework for alignment with the technical screening criteria for substantial contribution (SC) to the environmental objectives of the EU Taxonomy. The criteria defined in the Framework’s use of proceeds categories map to seven activities in the EU Taxonomy. Sustainalytics is of the opinion that all the use of proceeds categories align with the applicable SC criteria. Sustainalytics is also of the opinion that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy’s Minimum Safeguards. The Framework was not assessed in this report for alignment with the do no significant harm (DNSH) criteria of the EU Taxonomy.

## Introduction

Coöperatieve Rabobank U.A. (“Rabobank” or the “Bank”) is a multinational banking and financial services provider headquartered in Utrecht, Netherlands. As of December 2022, the Bank has 46,959 full-time employees (FTEs) globally, with loan portfolios equivalent to EUR 432.1 million and customer deposits of EUR 396.5 million.<sup>1</sup>

Rabobank has developed the Rabobank Sustainable Funding Framework (the “Framework”), under which it intends to issue green bonds, covered bonds,<sup>2</sup> senior preferred and non-preferred bonds, tier 2 instruments,<sup>3</sup> certificates of deposit,<sup>4</sup> commercial papers and wholesale deposits, and use the proceeds to finance or refinance, in whole or in part, existing and future projects aimed at promoting the transition to a low-carbon economy. The Framework defines eligibility criteria in two green categories:

1. Renewable Energy
2. Green Buildings

Rabobank engaged Sustainalytics to review the Rabobank Sustainable Funding Framework, dated May 2023, and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).<sup>5</sup> The Framework will be published in a separate document.<sup>6</sup>

### Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>7</sup> opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of this Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds;
- The use of proceeds criteria alignment with the technical screening criteria for substantial contribution to the environmental objectives of the EU Taxonomy and the Minimum Safeguards of the EU Taxonomy;
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.13.3, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Rabobank’s management team to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. Rabobank representatives have confirmed that: (1) they understand it is the sole responsibility of Rabobank to ensure that the information provided is complete, accurate and up to date; (2) they have provided Sustainalytics with all relevant information; and (3) any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

<sup>1</sup> Rabobank, “Annual Report 2022”, at: <https://media.rabobank.com/m/467790ff0c0d80c6/original/Annual-Report-2022-EN.pdf>

<sup>2</sup> Rabobank has confirmed with Sustainalytics that net proceeds from covered bonds will be directed toward eligible green assets, as per the Framework, even if the eligible covered pool of assets is less than the bond proceeds.

<sup>3</sup> This may include callable and bullet bonds. Regarding callable bonds, the Bank has confirmed that the call option will be exercised only after the full allocation of the bond proceeds.

<sup>4</sup> The Bank has confirmed with Sustainalytics that the certificates of deposits will be limited to wholesale deposits.

<sup>5</sup> The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-100621.pdf>

<sup>6</sup> The Rabobank Sustainable Funding Framework is available on Rabobank’s website at: <https://www.rabobank.com/nl/investors/funding/greenandsustainabilitybond/index.html>.

<sup>7</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last, but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity; another is transparency.

Any update of this Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Rabobank.

Sustainalytics' Second-Party Opinion reflects on the alignment of the Framework with market standards but provides no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects, but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework are the responsibility of the Framework owner. Upon 24 months following the evaluation date set stated herein, Rabobank is encouraged to update the Framework, if necessary, and seek an update to the Second-Party Opinion to ensure ongoing alignment of the Framework with market standards and expectations.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds, but does not guarantee the realized allocation of the proceeds towards eligible activities.

No information provided by Sustainalytics in this Second-Party Opinion shall be considered as being a statement, representation, warrant or argument in favour or against the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Rabobank has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the Rabobank Sustainable Funding Framework

Sustainalytics is of the opinion that the Rabobank Sustainable Funding Framework is credible and impactful, and aligns with the four core components of the Green Bond Principle (GBP). Sustainalytics highlights the following elements of Rabobank's Sustainable Funding Framework:

- Use of Proceeds:
  - The eligible categories, Renewable Energy and Green Buildings, are aligned with those recognized by the GBP.
  - Rabobank has confirmed to Sustainalytics that refinancing will be limited to capital expenditures.
  - Under the Renewable Energy category, Rabobank may finance or refinance the construction and operation of renewable energy generation facilities according to the following criteria:
    - Electricity or heating and cooling using solar photovoltaic technology.
    - Electricity generation using concentrated solar power (CSP) technology where at least 85% of the electricity is generated from solar energy sources.
    - Electricity generation using wind power.
    - Sustainalytics considers investments under this category to be aligned with market practice.
  - Under the Green Buildings category, Rabobank may finance or refinance the acquisition, construction and renovation of residential buildings and non-residential buildings, such as offices, retail buildings and leisure buildings,<sup>8</sup> according to the following criteria:
    - Acquisition and purchase of:
      - Buildings constructed before 31 December 2020 that: i) have an energy performance certificate (EPC) of level A or above; or ii) belong to the top 15% of the national or regional building stock, based on primary energy demand (PED).
      - Buildings constructed after 31 December 2020 with a PED that is at least 10% lower than the nearly zero-energy building (NZEB) requirements.<sup>9</sup> In addition, for buildings larger than 5,000 m<sup>2</sup>, upon completion, the building should undergo testing for airtightness and thermal integrity, and calculation of life-

<sup>8</sup> A leisure building is a large public building containing various facilities for leisure activities, such as a sports hall, swimming pool, and rooms for meetings.

<sup>9</sup> European Commission, "Nearly zero-energy buildings", at: [https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficientbuildings/nearly-zeroenergy-buildings\\_en](https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficientbuildings/nearly-zeroenergy-buildings_en)

- cycle global warming potential (GWP) for each stage in the building's life cycle.
- In addition to the above criteria, where the building is a large non-residential building,<sup>10</sup> it should be efficiently operated through energy performance monitoring and assessments.
  - Sustainalytics considers these expenditures to be aligned with market practice.
- Construction of new buildings with a PED that is at least 10% lower than the NZEB requirements. In addition, for buildings larger than 5,000 m<sup>2</sup>, upon completion, the building should undergo testing for airtightness and thermal integrity, and the calculation of life-cycle global warming potential (GWP) for such buildings for each stage in their life cycle. Sustainalytics considers these expenditures to be aligned with market practice.
  - Renovation of buildings where the renovation: i) results in at least a 30% reduction in PED compared to pre-renovation levels; or ii) complies with the applicable requirements for major renovations.<sup>11</sup> Sustainalytics notes that the EU Taxonomy<sup>12</sup> requires the buildings to meet the relevant cost-optimal minimum energy performance requirements in accordance with the Energy Performance of Buildings Directive, which varies among EU member states. Therefore, Sustainalytics encourages Rabobank to report on the actual improvement in PED performance or energy savings achieved, in comparison with the existing building stock in the area or region. In addition, Sustainalytics notes that Rabobank will limit financing to renovation costs under the Framework. Sustainalytics considers these expenditures to be aligned with market practice.
- Project Evaluation and Selection:
    - Rabobank's Sustainable Funding Committee (SFC) will be responsible for evaluating and selecting eligible projects in line with the Framework's eligibility criteria. The SFC comprises representatives from Rabobank's various departments, including Group Treasury, Group Sustainability, Sustainable Capital Markets, Portfolio Management, Investor Relations, Compliance, Legal and Risk.
    - Rabobank has in place regular credit processes and has implemented a sustainability assessment tool to identify and manage social and environmental risks associated with the projects and assets that may be financed under the Framework. In addition, as an Equator Principles Financial Institution, the Bank assesses projects' compliance with applicable IFC Performance Standards on Environmental and Social Sustainability and the World Bank Group's Environmental, Health and Safety Guidelines. The Bank also assesses projects' compliance with applicable laws and regulation. These measures are applicable to all allocation decisions made under the Framework. Sustainalytics considers Rabobank's environmental and social risk management systems to be adequate and aligned with market expectation. For additional detail, see Section 2.
    - Based on the establishment of SFC and the presence of risk management systems, Sustainalytics considers Rabobank's project evaluation and selection process to be in line with market practice.
  - Management of Proceeds:
    - Rabobank's Group Treasury department will be responsible for the management of proceeds on a portfolio basis and will track the allocation of proceeds using its internal information management systems.
    - Rabobank intends to allocate all proceeds to eligible assets within three years of issuance. Pending full allocation, proceeds will be temporarily held in Rabobank's treasury liquidity portfolio in cash or other short-term liquid instruments.

<sup>10</sup> Larger non-residential buildings are those with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW.

<sup>11</sup> As required by applicable national and regional building regulations for "major renovations" implementing Directive 2010/31/EU. The energy performance of the building or the renovated part that is upgraded must meet the cost-optimal minimum energy performance requirements of the respective national law or regulation.

<sup>12</sup> European Commission, "Annex to the Commission Delegated Regulation (EU)", at: [https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1\\_en.pdf](https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf)

- Based on the presence of a tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - Rabobank intends to report on the allocation and impact of proceeds in a green bond report, which will be published on its website<sup>13</sup> on an annual basis until full allocation.
  - Allocation reporting will include the size of the eligible green asset portfolio by category, the amount of proceeds allocated to eligible green assets, the number of eligible green assets, the balance of unallocated proceeds, the amount or share of financing and refinancing, the geographic location of eligible green assets by country and the alignment of eligible green assets with the EU Taxonomy.
  - Where feasible, Rabobank may align its impact reporting with the ICMA Harmonised Framework for Impact Reporting Handbook.<sup>14</sup> This may include key performance indicators, such as estimated emissions avoided (in tCO<sub>2</sub>e), installed renewable energy capacity (in MW or GW), expected annual renewable energy generated (in MWh or GWh) and estimated annual energy consumption (in kWh/m<sup>2</sup>) or energy savings (in MWh).
  - Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

### Alignment with Green Bond Principles 2021

Sustainalytics has determined that the Rabobank Sustainable Funding Framework aligns with the four core components of the GBP. For detailed information, please refer to Appendix 3: Green Bond/Green Bond Programme External Review Form.

### Alignment with the EU Taxonomy

Sustainalytics has assessed each of the Framework's eligible green use of proceeds criteria against the relevant technical screening criteria in the EU Taxonomy to determine their alignment with two of the EU Taxonomy's three sets of requirements. The results of this assessment are as follows:

1. Substantial Contribution (SC) to an Environmental Objective of the EU Taxonomy
  - The criteria defined in the two categories of the Framework were mapped to seven EU Taxonomy activities and all were assessed as aligned with the applicable SC criteria of the EU Taxonomy.
2. Minimum Safeguards<sup>15</sup>
  - Considering the policies and management systems applicable to the Framework criteria, as well as the regulatory context in which financing will occur, Sustainalytics is of the opinion that the EU Taxonomy's Minimum Safeguards requirements will be met.
  - For Sustainalytics' assessment of the Framework's alignment with the EU Taxonomy's Minimum Safeguards, see Section 2 below.

Table 1 provides an overview of the alignment of the criteria in the Framework with the applicable technical screening criteria for the environmental objectives in the EU Taxonomy.

<sup>13</sup> Rabobank, "Rabobank Sustainable Funding", at: <https://www.rabobank.com/nl/investors/funding/greenandsustainabilitybond/index.html>

<sup>14</sup> ICMA, "Harmonised Framework for Impact Reporting", (2022), at: [https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds\\_June-2022v2-020822.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022v2-020822.pdf)

<sup>15</sup> Sustainalytics notes that the opinion on Rabobank's alignment with the Minimum Safeguards under the EU Taxonomy is based on its assessment of the Bank's internal policies and due diligence procedures during the loan review phase.

**Table 1: Summary of Alignment of Framework Criteria with the EU Taxonomy**

EU Taxonomy Activities Corresponding to Framework Criteria	Alignment with the SC criteria per Environmental Objective* of the EU Taxonomy
	Mitigation
Electricity generation using solar photovoltaic technology	■
Cogeneration of heat/cool and power from solar energy	■
Electricity generation using CSP technology	■
Electricity generation from wind power	■
Acquisition and ownership of buildings	■
Construction of new buildings	■
Renovation of existing buildings	■

Legend	
Aligned	■
Partially aligned	□
Not aligned	⊗
Grey shading indicates the primary EU Environmental Objective	

\* The EU Taxonomy has not yet defined technical screening criteria for environmental objectives other than Climate Mitigation and Climate Adaptation.

## Section 2: Rabobank’s Sustainability Strategy

### Contribution to Rabobank’s sustainability strategy

Sustainalytics is of the opinion that Rabobank demonstrates a commitment to sustainability through its focus on providing sustainable financing products and services and aligning its portfolio with the Paris Agreement decarbonization pathways. In 2019, Rabobank signed the Financial Institutions Commitment and pledged to support the Netherlands’s achievement of its Dutch Climate Agreement. In 2021, the Bank joined the Net-Zero Banking Alliance and committed to following the Paris Agreement’s 1.5°C pathways and reaching net zero financed emissions by 2050.<sup>16</sup> In 2022, the Bank published its Our Road to Paris plan and established emissions reduction targets for 12 high-emitting sectors within its portfolio, including the energy and real estate sectors.<sup>17</sup>

Regarding its portfolio in the energy sector, Rabobank has set a 30% emission reduction target by 2030 compared to a 1990 baseline.<sup>18</sup> By 2022, the Bank had scoped 48 energy transition projects with energy transition-related financing amounting to EUR 30 billion.<sup>19</sup> Currently, Rabobank focuses on providing financing solutions for energy co-operatives and energy asset loans (loans provided to renewable energy installation companies). The Bank’s two main strategic programmes are Banking4Energy and Banking4Energy Accelerated 2.0, which target the energy transition of its Dutch and international clients.<sup>20</sup> Rabobank also has a renewable power generation portfolio of EUR 3.4 billion, which generated 4.9 GW of green electricity and contributed 4.8 Mt of avoided CO<sub>2</sub> emissions in 2021.<sup>21</sup> In its 2022 Our Road to Paris report, the Bank stated

<sup>16</sup> Rabobank, “Our Road to Paris”, at: <https://media.rabobank.com/m/216515dcb3b01439/original/Our-Road-to-Paris-2022-EN.pdf>

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

<sup>19</sup> Rabobank, “Our Road to Paris”, at: <https://media.rabobank.com/m/216515dcb3b01439/original/Our-Road-to-Paris-2022-EN.pdf>

<sup>20</sup> Ibid.

<sup>21</sup> Rabobank, “Our Impact in 2022”, at: <https://media.rabobank.com/m/4a9e775d00db23e7/original/Our-Impact-in-2022.pdf>

that it aims to increase its energy transition financing by EUR 50 billion by 2030, and an add EUR 10 billion to finance renewable energy generation projects, including solar panels and wind parks.<sup>22</sup>

Rabobank has committed to reduce emissions from its residential real estate portfolio by 30% and commercial real estate portfolio by 27% by 2030.<sup>23</sup> In 2021, 25% of the Bank's new mortgage contracts contained financing for energy-saving measures, an average of EUR 14,500 for each contract. Rabobank aims to increase the share of such contracts with energy-saving measures to 35% by 2023 and 60% by 2030.<sup>24</sup> In addition, the Bank has developed a tool – Rabo House Scan – for home and commercial real estate owners to identify measures they can take to improve the energy efficiency of their properties, following which Rabobank offers financing solutions with favourable interest rates for such improvements.<sup>25</sup> The discounted interest rate also applies to: i) customers who finance a home with energy label A++ or whose property complies with the Netherlands Enterprise Agency's sustainability requirements; and ii) commercial clients that aim to get higher energy labels or finance programmes to install solar panels on roofs.<sup>26</sup>

Based on the above, Sustainalytics is of the opinion that the Framework is aligned with Rabobank's overall sustainability strategy and initiatives and will further the Bank's action on its key environmental priorities.

### Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have a positive environmental impact. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues involving emissions, effluents and waste generated during construction; land use and biodiversity issues associated with large-scale infrastructure development; occupational health and safety; business ethics and responsible lending. Sustainalytics notes that Rabobank plays a limited role in the development of projects and the assets being financed, but it remains exposed to risks associated with projects it may finance by offering lending and financial services.

Sustainalytics is of the opinion that Rabobank is able to manage and mitigate potential risks by implementing the following:

- Rabobank has developed an Environment Policy, which applies to its own operations and those of its clients. Under the Environmental Policy, the Bank will identify its clients' potential exposure to material adverse social and environmental impacts during the credit assessment, and will periodically monitor the performance of its clients. For clients whose activities are identified to have potential significant adverse impact, Rabobank will ensure that they: i) have an environmental policy, management systems and risk control measures in place; ii) apply pollution prevention principles and techniques to avoid, minimize and control the release of pollutants; iii) have mechanisms to report serious accidents and emergencies; and iv) implement management practices following globally, nationally or regionally recognized credible standards.<sup>27</sup>
- Regarding land use and biodiversity issues, the Bank has a Biodiversity Policy in place that requires Rabobank's clients and business partners to identify and manage the biodiversity-related risks associated with their operations and value chains. Additionally, any Bank clients that have real estate development plans that could impact ecosystems (such as freshwater, carbon storage and soil formation) or lands with high conservation values, are also required to obtain the free, prior and informed consent of impacted communities.<sup>28</sup>
- Regarding occupational health and safety (OHS), Rabobank will follow local health and safety laws and regulations across its global operations. For its operations in the EU, it follows the 1989 OSH Framework Directive. The Directive introduced general principles to be applied by EU member states regarding the safety and health of workers. It also requires employers to: i) conduct periodic risk assessments of safety and health at work; ii) take protective measures and use protective equipment when necessary; iii) keep a list of occupational accidents; and iv) report on such accidents to the responsible authorities.<sup>29</sup> In the Netherlands, the legal framework governing OHS risks includes the

<sup>22</sup> Rabobank, "Our Road to Paris", at: <https://media.rabobank.com/m/216515dcb3b01439/original/Our-Road-to-Paris-2022-EN.pdf>

<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

<sup>25</sup> Rabobank, "Our Road to Paris", at: <https://media.rabobank.com/m/216515dcb3b01439/original/Our-Road-to-Paris-2022-EN.pdf>

<sup>26</sup> Ibid.

<sup>27</sup> Rabobank, "Global Standard on Sustainable Development", at: <https://www.rabobank.com/en/images/sustainability-policy-framework.pdf>

<sup>28</sup> Ibid.

<sup>29</sup> European Agency for Safety and Health at Work, "Directive 89/391/EEC - OSH Framework Directive", (1989), at: <https://osha.europa.eu/en/legislation/directives/the-osh-framework-directive/1>

Working Conditions Act,<sup>30</sup> the Working Conditions Decree,<sup>31</sup> the Working Conditions Regulation,<sup>32</sup> the Major Accident Risks Decree,<sup>33</sup> and the Major Accident Risks Scheme.<sup>34</sup>

- To ensure ethical and responsible lending practices, Rabobank has established a Code of Conduct<sup>35</sup> and a general sustainability policy framework, which details the guidelines and requirements for addressing human rights and labour rights, enhancing ethical behaviour and preventing corruption and money laundering.<sup>36</sup> The Bank has also developed a Global Policy on Whistleblowing, based on the Dutch Whistleblowing Act, European Governance Codes and laws and regulations in each country where it operates. The whistleblowing policy provides a channel for employees to report on unlawful activity, misconduct and violation of the Bank's Code of Conduct.<sup>37</sup>

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Rabobank has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

### Alignment with the EU Taxonomy's Minimum Safeguards

The EU Taxonomy recommends that companies have policies in place that are aligned with international and regional guidelines and regulations pertaining to human rights, labour rights, and combating bribery and corruption. Specifically, activities should be carried out in alignment with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Additionally, companies should comply with the International Labour Organization's declaration on Fundamental Rights and Principles at Work.

### Human Rights

Rabobank has implemented the following policies and procedures regarding human rights:

- Rabobank's Human Rights Policy is one of the core policies included under the Bank's Sustainability Policy Framework.<sup>38</sup> The policy outlines the Bank's responsibility to support human rights, as defined under the Universal Declaration of Human Rights,<sup>39</sup> the International Covenant on Civil and Political Rights,<sup>40</sup> the International Covenant on Economic, Social and Cultural Rights,<sup>41</sup> the Convention on Elimination of All Forms of Discrimination Against Women,<sup>42</sup> the Convention on the Rights of the Child,<sup>43</sup> the UN Declaration on the Rights of Indigenous Peoples,<sup>44</sup> and the ILO conventions.<sup>45,46</sup> The policy also describes Rabobank's due diligence process and third-party expectations and applies to the Bank's own operations as well as to all clients and business partners.<sup>47</sup>

<sup>30</sup> Government of the Netherlands, "Arbeidsomstandighedenwet", at: <https://wetten.overheid.nl/BWBR0010346/2022-05-20>

<sup>31</sup> Government of the Netherlands, "Arbeidsomstandighedenbesluit", at: <https://wetten.overheid.nl/BWBR0008498/2023-01-01>

<sup>32</sup> Government of the Netherlands, "Arbeidsomstandighedenregeling", at: <https://wetten.overheid.nl/BWBR0008587/2023-01-01>

<sup>33</sup> Government of the Netherlands, "Besluit risico's zware ongevallen", (2015), at: <https://wetten.overheid.nl/BWBR0036791/2015-07-08>

<sup>34</sup> Government of the Netherlands, "Regeling risico's zware ongevallen", at: <https://wetten.overheid.nl/BWBR0037692/2016-03-04>

<sup>35</sup> Rabobank, "Code of Conduct", at: <https://media.rabobank.com/m/110678d42555f567/original/Rabobank-Compass-EN.pdf>

<sup>36</sup> Rabobank, "Global Standard on Sustainable Development", at: <https://www.rabobank.com/en/images/sustainability-policy-framework.pdf>

<sup>37</sup> Rabobank, "Global Policy on Whistleblowing", at: <https://media.rabobank.com/m/1a90505d87e5421d/original/Whistleblower-policy-EN.pdf>

<sup>38</sup> Rabobank, "Global Standard on Sustainable Development – Rabobank Group", at: <https://www.rabobank.com/en/images/sustainability-policy-framework.pdf>

<sup>39</sup> UN, "Universal Declaration of Human Rights", (1948) at: <https://www.un.org/en/about-us/universal-declaration-of-human-rights>

<sup>40</sup> UN Human Rights Office of the High Commissioner, "International Covenant on Civil and Political Rights", (1966), at: <https://www.ohchr.org/en/instruments-mechanisms/instruments/international-covenant-civil-and-political-rights>

<sup>41</sup> UN Office of the High Commissioner for Human Rights, "International Covenant on Economic, Social and Cultural Rights", (1966), at: <https://www.ohchr.org/en/instruments-mechanisms/instruments/international-covenant-economic-social-and-cultural-rights>

<sup>42</sup> UN Office of the High Commissioner for Human Rights, "Convention on the Elimination of All Forms of Discrimination against Women", (1979), at: <https://www.ohchr.org/en/instruments-mechanisms/instruments/convention-elimination-all-forms-discrimination-against-women>

<sup>43</sup> UN Office of the High Commissioner for Human Rights, "Convention on the Rights of the Child", (1989), at: <https://www.ohchr.org/en/instruments-mechanisms/instruments/convention-rights-child>

<sup>44</sup> UN, "UN Declaration on the Rights of Indigenous Peoples", (2007): [https://www.un.org/development/desa/indigenouseoples/wp-content/uploads/sites/19/2018/11/UNDRIP\\_E\\_web.pdf](https://www.un.org/development/desa/indigenouseoples/wp-content/uploads/sites/19/2018/11/UNDRIP_E_web.pdf)

<sup>45</sup> International Labour Organization, "ILO Conventions", at: [https://www.ilo.org/moscow/areas-of-work/gender-equality/WCMS\\_249143/lang-en/index.htm#:~:text=The%20ILO%20Conventions%20cover%20a,issues%20have%20a%20long%20history](https://www.ilo.org/moscow/areas-of-work/gender-equality/WCMS_249143/lang-en/index.htm#:~:text=The%20ILO%20Conventions%20cover%20a,issues%20have%20a%20long%20history)

<sup>46</sup> Rabobank, "Global Standard on Sustainable Development – Rabobank Group", at: <https://www.rabobank.com/en/images/sustainability-policy-framework.pdf>

<sup>47</sup> Ibid.

- Rabobank requires its clients to respect and adhere to the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights,<sup>48</sup> and to identify, prevent, mitigate, and account adverse human rights impacts related to their operations.<sup>49</sup> The Bank excludes the financing of any activity that knowingly violates human rights and any transaction that may be in conflict with human rights sanctions imposed by the United Nations, the European Union or applicable to the countries where the Bank operates.<sup>50</sup>
- Rabobank assesses its clients' compliance with the aforementioned expectations during the initial credit assessment and every year through its sustainability assessment for corporate clients with a credit exposure above EUR 1 million.<sup>51,52</sup> Rabobank's due diligence process aims to identify and assess the impacts that a client may have, integrate and take action across relevant processes, track the effectiveness of measures and communicate how the identified human rights impacts are addressed.<sup>53</sup>
- Rabobank has in place a supplier Code of Conduct,<sup>54</sup> which highlights how human rights are integrated into the selection process of suppliers. Rabobank uses a sustainability rating that includes human rights as one of the four scored components.<sup>55</sup> Before entering into a business relationship, Rabobank requires potential suppliers to sign its Sustainability Statement,<sup>56</sup> through which suppliers commit to support and act in accordance with Rabobank's Human Rights Policy under its Sustainability Policy Framework.<sup>57</sup>
- Rabobank, as an Equator Principles Financial Institutions since 2003,<sup>58</sup> reports annually on the implementation of the principles related to human rights. Rabobank's reports include key risks such as dangerous working conditions, engagements with stakeholders, including clients, and remediation actions in case of any transgression of the principles.<sup>59</sup> Rabobank is also a member of the UN Global Compact since 2002 and adheres to its principles related to human rights.<sup>60</sup>

Sustainalytics has, based on the work of its research services and its ESG Risk Rating assessment, evaluated Rabobank's performance in the area of human rights. Sustainalytics has not detected involvement in any relevant controversies that would suggest that the above policies are not adequate in addressing key risks.

Sustainalytics is of the opinion that these measures appropriately safeguard minimum standards on human rights in relation to the activities of the Framework.

### Labour Rights

Rabobank has implemented the following policies and procedures regarding labour rights:

- Rabobank's Labour Rights Policy is one of the core policies included under the Bank's Sustainability Policy Framework.<sup>61</sup> The policy highlights the Bank's adherence to the core conventions of the ILO, the UN Convention on the Rights of the Child,<sup>62</sup> the ILO's Declaration on Fundamental Principles and Rights at Work,<sup>63</sup> the ILO's Tripartite Declaration Concerning Multinational Corporations and Social Policy,<sup>64</sup> and the Organization for Economic Cooperation

<sup>48</sup> UN Human Rights Office of the High Commissioner, "United Nations Guiding Principles on Business and Human Rights", (2011), at: [https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinessshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinessshr_en.pdf)

<sup>49</sup> Rabobank, "Global Standard on Sustainable Development – Rabobank Group", at: <https://www.rabobank.com/en/images/sustainability-policy-framework.pdf>

<sup>50</sup> Ibid.

<sup>51</sup> Ibid.

<sup>52</sup> Rabobank, "Annual Report 2022", (2023), at: <https://media.rabobank.com/m/467790ff0c0d80c6/original/Annual-Report-2022-EN.pdf>

<sup>53</sup> Rabobank, "Global Standard on Sustainable Development – Rabobank Group", at: <https://www.rabobank.com/en/images/sustainability-policy-framework.pdf>

<sup>54</sup> Rabobank, "Supplier Code of Conduct", at: <https://media.rabobank.com/m/767d60280057066/original/Code-of-Conduct.pdf>

<sup>55</sup> Ibid.

<sup>56</sup> Rabobank, "Sustainability Statement", at: <https://media.rabobank.com/m/1480695df426a23a/original/Sustainability-Statement.pdf>

<sup>57</sup> Rabobank, "Supplier Code of Conduct", at: <https://media.rabobank.com/m/767d60280057066/original/Code-of-Conduct.pdf>

<sup>58</sup> Equator Principles, "Coöperatieve Rabobank U.A. (2021)", (2021), at: <https://equator-principles.com/report/cooperatieve-rabobank-u-a-2021/>

<sup>59</sup> Rabobank, "ESG Facts & Figures 2021", at: <https://media.rabobank.com/m/43dd3d744e53220d/original/ESG-Facts-Figures-2021-EN.pdf>

<sup>60</sup> UN Global Compact, "Rabobank Group", at: <https://unglobalcompact.org/what-is-gc/participants/7837-Rabobank-Group>

<sup>61</sup> Rabobank, "Global Standard on Sustainable Development – Rabobank Group", at: <https://www.rabobank.com/en/images/sustainability-policy-framework.pdf>

<sup>62</sup> UN Human Rights Office of the High Commissioner, "Convention on the Rights of the Child", (1989), at: <https://www.ohchr.org/en/instruments-mechanisms/instruments/convention-rights-child>

<sup>63</sup> ILO, "ILO Declaration on Fundamental Principles and Rights at Work", (2022), at: <https://www.ilo.org/declaration/lang-en/index.htm>

<sup>64</sup> ILO, "Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy", (2017), at: <https://www.ilo.org/empent/areas/mne-declaration/lang-en/index.htm#:~:text=MNE%20Declaration-,Tripartite%20Declaration%20of%20Principles%20concerning%20Multinational%20Enterprises%20and%20Social%20Policy,responsible%20and%20sustainable%20workplace%20practices>

and Development (OECD) Guidelines for Multinational Enterprises.<sup>65,66</sup> Through the policy, Rabobank also recognizes labour rights, such as freedom of association and collective bargaining, elimination of forced and compulsory labour, the abolition of child labour, the elimination of discrimination in the workplace, and the provision of a safe and healthy work environment.<sup>67</sup> The policy applies to the Bank's own operations as well as to all clients and business partners, including their value chains.<sup>68</sup>

- Rabobank expects its clients to: i) respect all labour rights as described in the ILO Declaration on Fundamental Principles and Rights at Work;<sup>69</sup> ii) identify, prevent, mitigate and account for any actual or potential violation of labour rights; iii) communicate the risks of potential violations and management; and iv) engage stakeholders and implement an operational-level grievance mechanism for any violation of labour rights.<sup>70</sup> Similar to the human rights assessment process detailed above, Rabobank assesses clients' compliance with the aforementioned expectations during the initial credit assessment and every year through its sustainability assessment for corporate clients with a credit exposure above EUR 1 million.<sup>71,72</sup>
- In 2018, Rabobank established its Modern Slavery Act Statement,<sup>73</sup> in accordance with the requirements of the United Kingdom Modern Slavery Act 2015.<sup>74</sup> Through this statement, Rabobank publicly supports the elimination of all forms of human trafficking, slavery, forced and child labour, namely modern slavery.<sup>75</sup> The statement applies to employees, suppliers and clients. Rabobank has also been a member of the UN Global Compact since 2002 and adheres to its principles related to labour rights.<sup>76</sup>
- Under Rabobank's Supplier Code of Conduct,<sup>77</sup> the Bank highlights how labour rights are integrated into the selection process of its suppliers. Similar to the process described for human rights, the sustainability rating includes labour rights as one of the four scored components.<sup>78</sup> Before entering into a relationship, Rabobank requires the potential suppliers to sign its Sustainability Statement,<sup>79</sup> through which suppliers commit to support and act in accordance with Rabobank's Labour Rights Policy under its Sustainability Policy Framework.<sup>80</sup>

Sustainalytics has evaluated Rabobank's performance in the area of labour rights based on its research services and its ESG Risk Rating assessment. Sustainalytics has not detected involvement in any relevant controversies that would suggest that the above policies are not adequate in addressing key risks. Sustainalytics is of the opinion that these measures appropriately safeguard minimum standards on labour rights in relation to the activities of the Framework.

#### Anti-bribery and anti-corruption

Rabobank has implemented the following policies and procedures related to anti-bribery and anti-corruption:

- Rabobank's Anti-Corruption Policy is one of the core policies under the Bank's Sustainability Policy Framework,<sup>81</sup> and is applicable to all its operations and activities, and to all clients and business partners.<sup>82</sup> As per the policy, the Bank upholds the UK Bribery Act 2010<sup>83</sup> and the US

<sup>65</sup> OECD, "OECD Guidelines for Multinational Enterprises", (2011), at: <https://www.oecd.org/corporate/mne/>

<sup>66</sup> Rabobank, "Global Standard on Sustainable Development – Rabobank Group", at: <https://www.rabobank.com/en/images/sustainability-policy-framework.pdf>

<sup>67</sup> Ibid.

<sup>68</sup> Ibid.

<sup>69</sup> ILO, "ILO Declaration on Fundamental Principles and Rights at Work", (2022), at: <https://www.ilo.org/declaration/lang-en/index.htm>

<sup>70</sup> Rabobank, "Global Standard on Sustainable Development – Rabobank Group", at: <https://www.rabobank.com/en/images/sustainability-policy-framework.pdf>

<sup>71</sup> Ibid.

<sup>72</sup> Rabobank, "Annual Report 2022", (2023), at: <https://media.rabobank.com/m/467790ff0c0d80c6/original/Annual-Report-2022-EN.pdf>

<sup>73</sup> Rabobank, "Modern Slavery Act Statement 2018", (2018), at: <https://www.rabobank.com/en/images/modern-slavery-act.pdf>

<sup>74</sup> Parliament of the UK, "Modern Slavery Act 2015", (2015), at: <https://www.legislation.gov.uk/ukpga/2015/30/contents/enacted>

<sup>75</sup> Rabobank, "Modern Slavery Act Statement 2018", (2018), at: <https://www.rabobank.com/en/images/modern-slavery-act.pdf>

<sup>76</sup> UN Global Compact, "Rabobank Group", at: <https://unglobalcompact.org/what-is-gc/participants/7837-Rabobank-Group>

<sup>77</sup> Rabobank, "Supplier Code of Conduct", at: <https://media.rabobank.com/m/767d60280057066/original/Code-of-Conduct.pdf>

<sup>78</sup> Ibid.

<sup>79</sup> Rabobank, "Sustainability Statement", at: <https://media.rabobank.com/m/1480695df426a23a/original/Sustainability-Statement.pdf>

<sup>80</sup> Rabobank, "Supplier Code of Conduct", at: <https://media.rabobank.com/m/767d60280057066/original/Code-of-Conduct.pdf>

<sup>81</sup> Rabobank, "Global Standard on Sustainable Development – Rabobank Group", at: <https://www.rabobank.com/en/images/sustainability-policy-framework.pdf>

<sup>82</sup> Ibid.

<sup>83</sup> Parliament of the UK, "Bribery Act 2010", (2010), at: <https://www.legislation.gov.uk/ukpga/2010/23/contents>

Foreign Corrupt Practices Act,<sup>84</sup> and commits to anti-money laundering and counter-terrorist financing.<sup>85</sup>

- In 2013, Rabobank established its Anti-Corruption Statement, through which the Bank is committed to preventing bribery and corruption in all its forms, and to not tolerating them in any of its business relationships.<sup>86</sup> Moreover, Rabobank requires its clients and other business partners to commit to avoiding bribery and corruption and mitigating and managing associated risks.<sup>87</sup> Similar to the policies described above, before entering into a relationship, Rabobank requires the potential suppliers to sign its Sustainability Statement,<sup>88</sup> through which suppliers commit to supporting and acting in accordance with the bank's Anti-Corruption Policy.<sup>89</sup>
- Rabobank has established a Conflict of Interest Statement,<sup>90</sup> which underscores the Bank's processes for identifying, managing and disclosing conflicts of interest related to gifts, events or hospitality, among others. Under the statement, Rabobank requires its employees to constantly assess their conduct and provide compliance training to prevent conflicts of interest. If a conflict of interest arises, the Bank has organizational, procedural and administrative measures to manage relevant risks and it will disclose the identified conflict of interest to the clients and business partners impacted.<sup>91</sup> The Bank also has a whistleblowing policy that provides an anonymous line, available to all employees, to protect whistleblowers from any retaliation.<sup>92</sup>
- In 2022, Rabobank published its Anti-Money Laundering Declaration.<sup>93</sup> It describes the Bank's customer due diligence process, which applies to all international activities for identification and verification purposes to prevent money laundering and terrorist financing.<sup>94</sup> In 2023, the Bank published its Financial Economic Crime Statement,<sup>95</sup> through which the Bank ratifies its commitment to combat financial economic crime, including money laundering, tax evasion, fraud, corruption and terrorism financing.<sup>96</sup> Through the Wolfsberg Questionnaire 2023,<sup>97</sup> Rabobank declares that it complies with or intends to comply with the Wolfsberg Correspondent Banking Principles<sup>98</sup> and the Wolfsberg Trade Finance Principles<sup>99</sup> to combat financial crime.<sup>100</sup> Rabobank has also been a member of the UN Global Compact since 2002 and adheres to its principles related to anti-corruption.<sup>101</sup>

Sustainalytics has evaluated Rabobank's performance in the area of anti-bribery and anti-corruption based on its research services and its ESG Risk Rating assessment. Sustainalytics has not detected involvement in any relevant controversies that would suggest that the above policies are not adequate in addressing key risks. Sustainalytics is of the opinion that these measures appropriately safeguard anti-bribery and anti-corruption in relation to the activities of the Framework.

<sup>84</sup> US Department of Justice, "US Foreign Corrupt Practices Act", (1977), at: <https://www.justice.gov/criminal-fraud/foreign-corrupt-practices-act>

<sup>85</sup> Rabobank, "Global Standard on Sustainable Development – Rabobank Group", at:

<https://www.rabobank.com/en/images/sustainability-policy-framework.pdf>

<sup>86</sup> Rabobank, "Anti-Corruption Statement", (2013), at: [https://www.rabobank.com/en/images/Anti\\_corruption\\_statement\\_Rabobank.pdf](https://www.rabobank.com/en/images/Anti_corruption_statement_Rabobank.pdf)

<sup>87</sup> Ibid.

<sup>88</sup> Rabobank, "Sustainability Statement", at: <https://media.rabobank.com/m/1480695df426a23a/original/Sustainability-Statement.pdf>

<sup>89</sup> Rabobank, "Supplier Code of Conduct", at: <https://media.rabobank.com/m/767d60280057066/original/Code-of-Conduct.pdf>

<sup>90</sup> Rabobank, "Conflict of Interest Statement", at: <https://www.rabobank.com/en/images/conflict-of-interest-statement-corporate-website.pdf>

<sup>91</sup> Ibid.

<sup>92</sup> Rabobank, "Global Standard on Sustainable Development – Rabobank Group", at:

<https://www.rabobank.com/en/images/sustainability-policy-framework.pdf>

<sup>93</sup> Rabobank, "Anti-Money Laundering Declaration" (2022), at: <https://www.rabobank.com/en/images/AML-declaration-rabobank-2022.pdf>

<sup>94</sup> Ibid.

<sup>95</sup> Rabobank, "Financial Economic Crime Statement (2023)", at: <https://www.rabobank.com/en/images/rabobank-fec-statement-2023.pdf>

<sup>96</sup> Ibid.

<sup>97</sup> Rabobank, "Wolfsberg Group Correspondent Banking Due Diligence Questionnaire" (2023), at:

<https://www.rabobank.com/en/images/abobank-wolfsberg-2023.pdf>

<sup>98</sup> The Wolfsberg Group, "Wolfsberg Financial Crime Principles for Correspondent Banking" (2022), at:

<https://www.wolfsberg-principles.com/sites/default/files/wb/Wolfsberg%20Correspondent%20Banking%20Principles%202022.pdf>

<sup>99</sup> The Wolfsberg Group, "The Wolfsberg Group, ICC and BAFT Trade Finance Principles" (2019), at:

<https://www.wolfsberg-principles.com/sites/default/files/wb/Trade%20Finance%20Principles%202019.pdf>

<sup>100</sup> Rabobank, "Wolfsberg Group Correspondent Banking Due Diligence Questionnaire" (2023), at:

<https://www.rabobank.com/en/images/abobank-wolfsberg-2023.pdf>

<sup>101</sup> UN Global Compact, "Rabobank Group", at: <https://unglobalcompact.org/what-is-gc/participants/7837-Rabobank-Group>

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Rabobank's policies, guidelines and commitments are sufficient to demonstrate that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards.<sup>102</sup>

### Section 3: Impact of Use of Proceeds

The two use of proceeds categories are aligned with those recognized by the GBP and are relevant in the local context.

#### Importance of financing green buildings in the Netherlands

Building operation and construction accounted for approximately 33% of global energy-related CO<sub>2</sub> emissions and approximately 30% of global final energy consumption in 2021.<sup>103</sup> A similar trend can be observed in the EU, where buildings were responsible for approximately 40% of energy consumption and 36% of energy-related GHG emissions in 2020.<sup>104</sup> Under the Climate Target Plan 2030, the EU aims to reduce its GHG emissions by 55% by 2030, relative to 1990 levels, and achieve climate neutrality by 2050.<sup>105</sup> To achieve its 2030 target, the EU must reduce buildings' GHG emissions by 60%, final energy consumption by 14% and energy consumption for heating and cooling by 18% relative to 2015 levels.<sup>106</sup> Given that more than 85% of the EU's building stock was constructed before 2001, the renovation of buildings to improve their energy efficiency is expected to play a major role in decarbonizing the sector.<sup>107</sup> The renovation of existing buildings has the potential to reduce total energy consumption in the EU by an estimated 5-6% and lower total GHG emissions by 5%.<sup>108</sup>

The built environment accounted for 13% of GHG emissions in the Netherlands in 2020.<sup>109</sup> Dutch law requires all new buildings to meet the country's BENG (Bijna Energieneutrale Gebouwen) requirements,<sup>110</sup> the national NZEB standard under the EU's Energy Performance Buildings Directive.<sup>111, 112</sup> The Netherlands has set targets to reduce national GHG emissions by 49% and 95% by 2030 and 2050, respectively, compared to 1990 levels.<sup>113</sup> To achieve its targets, the Netherlands has established sector-specific emissions reduction commitments under its National Climate Agreement. Regarding the building sector, the agreement aims to enable the transition of 8 million homes and buildings from natural gas heating to renewable heating by 2050.<sup>114</sup> The emissions reduction target is largely expected to be driven by the government's commitment to make all buildings natural gas-free by 2050, relative to the 95% of buildings that were heated by natural gas in 2022.<sup>115</sup> The Dutch government has also introduced legislation to help make buildings more energy efficient and has established a national goal of improving EPC labels for existing and new office buildings so that they can obtain EPC A by 2030.<sup>116</sup>

Based on the above, Sustainalytics is of the opinion that Rabobank's financing of green buildings in the Netherlands is expected to reduce the environmental footprint of the building sector and will support the country in achieving its GHG emissions reduction targets.

<sup>102</sup> Sustainalytics notes that the eligibility criteria under the Framework does not take into consideration the Minimum Safeguards. Nevertheless, based on its assessment of the Bank's policies and commitment to international standards, Sustainalytics considers activities under the Framework to be aligned with the Minimum Safeguards.

<sup>103</sup> International Energy Agency, "Buildings: Tracking report – September 2022" (2022), at: <https://www.iea.org/reports/buildings>

<sup>104</sup> European Commission, "Energy performance of buildings directive", at: [https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive\\_en](https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en)

<sup>105</sup> European Commission, "2030 Climate Target Plan", at: [https://ec.europa.eu/clima/eu-action/european-green-deal/2030-climate-target-plan\\_en](https://ec.europa.eu/clima/eu-action/european-green-deal/2030-climate-target-plan_en)

<sup>106</sup> European Commission, "A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives" (2020), at: [https://eur-lex.europa.eu/resource.html?uri=cellar:0638aa1d-0f02-11eb-bc07-01aa75ed71a1.0003.02/DOC\\_1&format=PDF](https://eur-lex.europa.eu/resource.html?uri=cellar:0638aa1d-0f02-11eb-bc07-01aa75ed71a1.0003.02/DOC_1&format=PDF)

<sup>107</sup> Ibid.

<sup>108</sup> European Commission, "Comprehensive study of building energy renovation activities and the uptake of nearly zero-energy buildings in the EU" (2019), at: [https://ec.europa.eu/energy/sites/ener/files/documents/1\\_final\\_report.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/1_final_report.pdf)

<sup>109</sup> DeNedelandscheBank, "Real estate and climate transition risk A financial stability perspective" (2022), at:

[https://www.dnb.nl/media/cniottiu/web\\_134119\\_os\\_real-estate\\_and\\_climate.pdf](https://www.dnb.nl/media/cniottiu/web_134119_os_real-estate_and_climate.pdf)

<sup>110</sup> Lexology, "Every New Building in the Netherlands Must Be (Almost) Energy Neutral Starting Jan. 1, 2021" (2021), at:

<https://www.lexology.com/library/detail.aspx?g=66cedb18-f619-4e44-ad5b-c38c4f7642c8>

<sup>111</sup> European Commission, "Nearly zero-energy buildings", at: [https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/nearly-zero-energy-buildings\\_en#:~:text=Nearly%20zero%2Demission%20building%20\(NZEB,produced%20on%2Dsite%20or%20nearby.](https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/nearly-zero-energy-buildings_en#:~:text=Nearly%20zero%2Demission%20building%20(NZEB,produced%20on%2Dsite%20or%20nearby.)

<sup>112</sup> European Commission, "Energy performance of buildings directive", at: [https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive\\_en](https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en)

<sup>113</sup> IEA, "The Netherlands", at: <https://www.iea.org/countries/the-netherlands>

<sup>114</sup> Klimaatakkoord, "National Climate Agreement - The Netherlands", at: <https://www.klimaatakkoord.nl/documenten/publicaties/2019/06/28/national-climate-agreement-the-netherlands>

<sup>115</sup> DeNedelandscheBank, "Real estate and climate transition risk A financial stability perspective" (2022), at: [https://www.dnb.nl/media/cniottiu/web\\_134119\\_os\\_real-estate\\_and\\_climate.pdf](https://www.dnb.nl/media/cniottiu/web_134119_os_real-estate_and_climate.pdf)

<sup>116</sup> Ibid.

### Importance of financing renewable energy generation globally

Global CO<sub>2</sub> emissions from the electricity and heat generation sectors increased by more than 900 tonnes in 2021 compared to 2020, representing a nearly 46% increase.<sup>117</sup> The energy sector was responsible for more than two-thirds of total GHG emissions globally in 2021<sup>118</sup> and global energy consumption is expected to more than double between 2020 and 2050, with electricity use accounting for the largest absolute rise.<sup>119</sup> Although renewable energy capacity grew to reach almost 28% of global electricity generation in 2020,<sup>120</sup> in 2021, oil, natural gas and coal accounted for approximately 80% of total energy supply worldwide, highlighting the need to foster renewable energy initiatives and to reduce reliance on fossil fuels.<sup>121</sup>

The energy sector needs to reduce coal use by 90%, oil by 75% and natural gas by 55% by 2050, compared to 2020 levels, to meet the 1.5°C pathway under the Paris Agreement.<sup>122,123</sup> The share of renewable energy in power generation also needs to increase from 29% in 2020 to more than 60% by 2030 and to nearly 90% in 2050, with wind power and solar power together accounting for nearly 70%.<sup>124</sup> To achieve this goal, the global annual investment in the energy sector needs to expand to approximately USD 5 trillion by 2030 from USD 2 trillion in 2021,<sup>125</sup> emphasizing the crucial role of financial institutions in bringing private investment to support and invest in clean energy technologies.<sup>126</sup>

Based on the above, Sustainalytics is of the opinion that Rabobank’s provision of financing to renewable energy projects is expected to contribute to reducing GHG emissions globally and support the climate change mitigation targets of various countries.

### Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Rabobank Sustainable Funding Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
		7.3 By 2030, double the global rate of improvement in energy efficiency
Green Buildings	11. Sustainable Cities and Communities	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

### Conclusion

Rabobank has developed the Rabobank Sustainable Funding Framework, under which it intends to issue green bonds, covered bonds, senior preferred and non-preferred bonds, tier 2 instruments, certificates of deposit, commercial papers and deposits, and use the proceeds to finance renewable energy and green buildings

<sup>117</sup> IEA, “Global Energy Review: CO<sub>2</sub> Emissions in 2021” (2022), at: <https://www.iea.org/reports/global-energy-review-co2-emissions-in-2021-2>

<sup>118</sup> IEA, “Greenhouse Gas Emissions from Energy Data Explorer” (2021), at: <https://www.iea.org/data-and-statistics/data-tools/greenhouse-gas-emissions-from-energy-data-explorer>

<sup>119</sup> IEA, “Net Zero by 2050 A Roadmap for the Global Energy Sector” (2021), at: [https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector\\_CORR.pdf](https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf)

<sup>120</sup> IEA, “Global Energy Review 2020 – Renewables”, at: <https://www.iea.org/reports/global-energy-review-2020/renewables>

<sup>121</sup> IEA, “World Energy Outlook” (2022), at: <https://iea.blob.core.windows.net/assets/830fe099-5530-48f2-a7c1-11f35d510983/WorldEnergyOutlook2022.pdf>

<sup>122</sup> IEA, “Net Zero Emissions by 2050 Scenario (NZE)”, at: <https://www.iea.org/reports/global-energy-and-climate-model/net-zero-emissions-by-2050-scenario-nze>

<sup>123</sup> IEA, “Net Zero by 2050 - A Roadmap for the Global Energy Sector”, at: [https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector\\_CORR.pdf](https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf)

<sup>124</sup> Ibid.

<sup>125</sup> Ibid.

<sup>126</sup> Ibid.

projects. Sustainalytics considers that the projects funded are expected to support the transition to a low-carbon economy in the countries where they are implemented.

The Rabobank Sustainable Funding Framework outlines a process for tracking, allocating and managing proceeds and makes commitments to report on their allocation and impact. Sustainalytics believes that the Rabobank Sustainable Funding Framework is aligned with the overall sustainability strategy of the Bank and that the green use of proceeds categories will contribute to the advancement of UN Sustainable Development Goals 7 and 11. Additionally, Sustainalytics is of the opinion that Rabobank has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Sustainalytics has assessed the Rabobank Sustainable Funding Framework for alignment with the technical screening criteria for substantial contribution (SC) to the environmental objectives of the EU Taxonomy. The Framework's two use of proceeds criteria map to seven activities in the EU Taxonomy, and all were assessed as aligned with the applicable SC criteria. Sustainalytics is also of the opinion that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards.

Based on the above, Sustainalytics is confident that Rabobank is well positioned to issue green bonds, covered bonds, senior preferred and non-preferred bonds, tier 2 instruments, certificates of deposit, commercial papers and deposits, and that the Rabobank Sustainable Funding Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021.

# Appendices

## Appendix 1: Approach to Assessing Alignment with the EU Taxonomy’s Technical Screening Criteria

Sustainalytics has assessed the criteria in the Framework against the technical screening criteria for substantial contribution to an environmental objective of the EU Taxonomy that apply to each corresponding activity in the EU Taxonomy.<sup>127</sup> This appendix describes Sustainalytics’ process and presents the outcome of its assessment on the alignment of the criteria in the Framework with the EU Taxonomy’s applicable technical screening criteria. Sustainalytics’ assessment involves two steps:

### 1. Mapping Framework Criteria to Activities in the EU Taxonomy

The initial step in Sustainalytics’ assessment process involves mapping each criterion in the Framework to a relevant and applicable activity in the EU Taxonomy. Note that each Framework criterion may be relevant and applicable to more than one activity in the EU Taxonomy and vice versa. Sustainalytics recognizes that some Framework criteria relate to projects that do not map well to a specific activity in the EU Taxonomy. In such cases, Sustainalytics has mapped to the activity that is most relevant to the primary environmental objective established in the EU Taxonomy.

In some cases, the Framework criteria cannot be mapped to an activity in the EU Taxonomy because some economic activities are not yet covered by the EU Taxonomy. In other cases, categories of activities which are traditionally included in green bonds may not be associated with a specific EU Taxonomy activity. While recognizing that financing projects in these areas may still have environmental benefits, Sustainalytics has not assessed these criteria in this report.

Table 2 below displays Sustainalytics’ mapping process for this report.

### 2. Determining Alignment with the EU Taxonomy Technical Screening Criteria

The second step in Sustainalytics’ process is to determine the alignment of each criterion in the Framework with the relevant technical screening criteria for substantial contribution to an environmental objective for the corresponding activity in the EU Taxonomy. Alignment with the SC criteria is usually based on the specific criteria defined in the Framework, and may in many cases also be based on management systems, processes or regulatory compliance. To assess alignment with the EU Taxonomy’s Minimum Safeguards, Sustainalytics has assessed policies, management systems and processes applicable to the use of proceeds criteria, including the regulatory context in the geographical location of activities and projects. (See Section 2 above.)

The EU Taxonomy only provides SC criteria for activities intended to contribute to the environmental objectives of climate mitigation and climate adaptation.

Sustainalytics’ detailed assessment of alignment is provided in Appendix 2.

Table 2: Framework mapping table

Framework Category	Framework Criterion (Eligible Use of Proceeds)	EU Taxonomy Activity	Corresponding NACE Code	EU Environmental Objective	Refer to Table
Renewable Energy	Solar energy	4.1 Electricity generation using solar photovoltaic technology	D35.11 F42.22	Mitigation	Table 3
	Solar energy	4.17 Cogeneration of heat/cool and power from solar energy	D35.11 F42.22	Mitigation	Table 4
	Solar energy	4.2. Electricity generation using concentrated solar power (CSP) technology	D35.11 F42.22	Mitigation	Table 5
	Wind energy	4.3. Electricity generation from wind power	D35.11 F42.22	Mitigation	Table 6
Green Buildings	Acquisition and ownership of buildings	7.7. Acquisition and ownership of buildings	L68	Mitigation	Table 7
	Construction of new buildings	7.1. Construction of new buildings	F41.1 F41.2	Mitigation	Table 8

<sup>127</sup> The EU Taxonomy establishes a list of “environmentally sustainable economic activities” which, where possible, follows the classification of economic activities laid down in the NACE system of economic activities (established by Regulation EC 1893/2006).

			F43		
	Renovation of existing buildings	7.2. Renovation of existing buildings	F41 F43	Mitigation	Table 9

## Appendix 2: Comprehensive EU Taxonomy Alignment Assessment

The tables below provide a detailed assessment of the alignment of the Framework criteria with the technical screening criteria for substantial contribution (SC) to an environmental objective for each relevant EU Taxonomy activity.

Table 3

<b>Framework Activity assessed</b>		Electricity generation using solar photovoltaic technology	
<b>EU Taxonomy Activity</b>		4.1 Electricity generation using solar photovoltaic technology	
<b>Corresponding NACE Code</b>		D35.11 and F42.22	
<b>SC Criteria of the EU Taxonomy</b>		<b>Alignment</b>	
Mitigation	The activity generates electricity using solar PV technology.	The eligibility criteria defined in the Framework is aligned with the criteria under the EU Taxonomy.	Aligned

Table 4

<b>Framework Activity assessed</b>		Cogeneration of heat/cool and power from solar energy	
<b>EU Taxonomy Activity</b>		4.17 Cogeneration of heat/cool and power from solar energy	
<b>Corresponding NACE Code</b>		D35.11 and F42.22	
<b>SC Criteria of the EU Taxonomy</b>		<b>Alignment</b>	
Mitigation	The activity consists in the cogeneration <sup>128</sup> of electricity and heat/cool from solar energy.	The eligibility criteria defined in the Framework is aligned with the criteria under the EU Taxonomy.	Aligned

Table 5

<b>Framework Activity assessed</b>		Electricity generation using CSP technology	
<b>EU Taxonomy Activity</b>		4.2. Electricity generation using CSP technology	
<b>Corresponding NACE Code</b>		D35.11 and F42.22	
<b>SC Criteria of the EU Taxonomy</b>		<b>Alignment</b>	
Mitigation	The activity generates electricity using CSP technology.	The eligibility criteria defined in the Framework is aligned with the criteria under the EU Taxonomy.	Aligned

Table 6

<b>Framework Activity assessed</b>		Electricity generation from wind power	
<b>EU Taxonomy Activity</b>		4.3. Electricity generation from wind power	
<b>Corresponding NACE Code</b>		D35.11 and F42.22	
<b>SC Criteria of the EU Taxonomy</b>		<b>Alignment</b>	
Mitigation	The activity generates electricity from wind power.	The eligibility criteria defined in the Framework is aligned with the criteria under the EU Taxonomy.	Aligned

<sup>128</sup> Cogeneration is defined in Article 2 point 30 of Directive 2012/27/EU.

Table 7

<b>Framework Activity assessed</b>		Acquisition and ownership of buildings	
<b>EU Taxonomy Activity</b>		7.7. Acquisition and ownership of buildings	
<b>Corresponding NACE Code</b>		L68	
<b><i>SC Criteria of the EU Taxonomy</i></b>		<b><i>Alignment</i></b>	
Mitigation	<p>1. For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings.</p> <p>2. For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1 - Construction of new buildings.</p> <p>3. Where the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW) it is efficiently operated through energy performance monitoring and assessment.<sup>129</sup></p>	The eligibility criteria defined in the Framework is aligned with the criteria under the EU Taxonomy.	Aligned

Table 8

<b>Framework Activity assessed</b>		Construction of new buildings	
<b>EU Taxonomy Activity</b>		7.1. Construction of new buildings	
<b>Corresponding NACE Code</b>		F41.1, F41.2 and F43	
<b><i>SC Criteria of the EU Taxonomy</i></b>		<b><i>Alignment</i></b>	
Mitigation	<p>Constructions of new buildings for which:</p> <p>1. The Primary Energy Demand (PED),<sup>130</sup> defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council.<sup>131</sup> The energy performance is certified using an as built Energy Performance Certificate (EPC).</p> <p>2. For buildings larger than 5000 m<sup>2</sup>,<sup>132</sup> upon completion, the building resulting from the construction undergoes</p>	The eligibility criteria defined in the Framework is aligned with the criteria under the EU Taxonomy.	Aligned

<sup>129</sup> This can be demonstrated, for example, through the presence of an Energy Performance Contract or a building automation and control system in accordance with Article 14 (4) and Article 15 (4), of Directive 2010/31/EU.

<sup>130</sup> The calculated amount of energy needed to meet the energy demand associated with the typical uses of a building expressed by a numeric indicator of total primary energy use in kWh/m<sup>2</sup> per year and based on the relevant national calculation methodology and as displayed on the Energy Performance Certificate (EPC).

<sup>131</sup> Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

<sup>132</sup> For residential buildings, the testing is made for a representative set of dwelling/apartment types.

	<p>testing for air-tightness and thermal integrity,<sup>133</sup> and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients. As an alternative; where robust and traceable quality control processes are in place during the construction process this is acceptable as an alternative to thermal integrity testing.</p> <p>3. For buildings larger than 5000 m<sup>2</sup>,<sup>134</sup> the life-cycle Global Warming Potential (GWP)<sup>135</sup> of the building resulting from the construction has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand.</p>		
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Table 9

<b>Framework Activity assessed</b>	Renovation of existing buildings		
<b>EU Taxonomy Activity</b>	7.2. Renovation of existing buildings		
<b>Corresponding NACE Code</b>	F41 and F43		
<b>SC Criteria of the EU Taxonomy</b>		<b>Alignment</b>	
Mitigation	<p>The building renovation complies with the applicable requirements for major renovations.<sup>136</sup></p> <p>Alternatively, it leads to a reduction of primary energy demand (PED) of at least 30%.<sup>137</sup></p>	The eligibility criteria defined in the Framework is aligned with the criteria under the EU Taxonomy.	Aligned

<sup>133</sup> The testing is carried out in accordance with EN13187 (Thermal Performance of Buildings – Qualitative Detection of Thermal Irregularities in Building Envelopes - Infrared Method) and EN 13829 (Thermal performance of buildings. Determination of air permeability of buildings. Fan pressurisation method) or equivalent standards accepted by the respective building control body where the building is located.

<sup>134</sup> For residential buildings, the calculation and disclosure are made for a representative set of dwelling/apartment types.

<sup>135</sup> The GWP is communicated as a numeric indicator for each life cycle stage expressed as kgCO<sub>2</sub>e/m<sup>2</sup> (of useful internal floor area) averaged for one year of a reference study period of 50 years. The data selection, scenario definition and calculations are carried out in accordance with EN 15978 (BS EN 15978:2011. Sustainability of construction works. Assessment of environmental performance of buildings. Calculation method). The scope of building elements and technical equipment is as defined in the Level(s) common EU framework for indicator 1.2. Where a national calculation tool exists, or is required for making disclosures or for obtaining building permits, the respective tool may be used to provide the required disclosure. Other calculation tools may be used if they fulfil the minimum criteria laid down by the Level(s) common EU framework (version of [adoption date]: <https://susproc.jrc.ec.europa.eu/product-bureau/product-groups/412/documents>), see indicator 1.2 user manual.

<sup>136</sup> As set in the applicable national and regional building regulations for 'major renovation' implementing Directive 2010/31/EU. The energy performance of the building or the renovated part that is upgraded meets cost-optimal minimum energy performance requirements in accordance with the respective directive.

<sup>137</sup> The initial primary energy demand and the estimated improvement is based on a detailed building survey, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method and validated through an Energy Performance Certificate. The 30% improvement results from an actual reduction in primary energy demand (where the reductions in net primary energy demand through renewable energy sources are not taken into account), and can be achieved through a succession of measures within a maximum of three years.

## Appendix 3: Green Bond / Green Bond Programme - External Review Form

### Section 1. Basic Information

Issuer name:	Rabobank
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Rabobank Sustainable Funding Framework
Review provider's name:	Sustainalytics
Completion date of this form:	May 9, 2023
Publication date of review publication:	

### Section 2. Review overview

#### SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarize the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

#### ROLE(S) OF REVIEW PROVIDER

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification   | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other ( <i>please specify</i> ):                       |  |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

#### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

### Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

## 1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligible categories for the use of proceeds – Renewable Energy and Green Buildings – are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that the eligible categories will support the global transition to a low-carbon economy and advance the UN Sustainable Development Goals, specifically SDGs 7 and 11.

### Use of proceeds categories as per GBP:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy  | <input type="checkbox"/> Energy efficiency   |
| <input type="checkbox"/> Pollution prevention and control   | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation  | <input type="checkbox"/> Clean transportation  |
| <input type="checkbox"/> Sustainable water and wastewater management  | <input type="checkbox"/> Climate change adaptation   |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes                            | <input checked="" type="checkbox"/> Green buildings  |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other <i>(please specify)</i> :   |

If applicable please specify the environmental taxonomy, if other than GBP:

## 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Rabobank's Sustainable Funding Committee will be responsible for the evaluation and selection of assets and projects in line with the eligibility criteria. Rabobank will undertake environmental and social risk assessments that adhere to its internal policies, the Equator Principles and applicable laws and regulations for all allocation decisions. Sustainalytics considers the risk management systems to be adequate and the project evaluation and selection process to be in line with market practice.

### Evaluation and selection

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives            | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories               |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available       | <input type="checkbox"/> Other <i>(please specify)</i> :  |

### Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification
- In-house assessment
- Other (please specify):

### 3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

Rabobank's Group Treasury department will be responsible for the management of proceeds on a portfolio basis through and track the allocation of proceeds using its internal information management systems. Rabobank intends to allocate all the proceeds within 36 months of issuance. Pending full allocation, proceeds will be temporarily held in Rabobank's treasury liquidity portfolio in cash or other short term liquid instruments. Sustainalytics considers this process to be in line with market practice.

#### Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (please specify):

#### Additional disclosure:

- Allocations to future investments only
- Allocations to both existing and future investments
- Allocation to individual disbursements
- Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds
- Other (please specify):

### 4. REPORTING

Overall comment on section (if applicable):

Rabobank commits to report on the allocation of proceeds and corresponding impact on its website on an annual basis until full allocation. Allocation reporting will include, on a best-effort basis, the amount of proceeds allocated to eligible green assets, the number of eligible green assets, the balance of unallocated proceeds, the amount or share of financing and refinancing, the geographic location of eligible green assets and the alignment of eligible green assets with the EU Taxonomy. Sustainalytics considers Rabobank's allocation and impact reporting commitments to be aligned with market practice.

#### Use of proceeds reporting:

- Project-by-project
- On a project portfolio basis
- Linkage to individual bond(s)
- Other (please specify):

**Information reported:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Allocated amounts  | <input type="checkbox"/> Green Bond financed share of total investment |
| <input checked="" type="checkbox"/> Other ( <i>please specify</i> ): Balance of unallocated amount, amount or share of financing versus refinancing, the number and geographic location of eligible green assets and alignment of eligible green assets with the EU Taxonomy |  |

**Frequency:**

- |   |                                      |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual                | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other ( <i>please specify</i> ): |                                      |

**Impact reporting:**

- |  |  |
|--|--|
| <input type="checkbox"/> Project-by-project            | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other ( <i>please specify</i> ):        |

**Information reported (expected or ex-post):**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings   |
| <input type="checkbox"/> Decrease in water use              | <input checked="" type="checkbox"/> Other ESG indicators ( <i>please specify</i> ): Renewable energy capacity installed, annual renewable energy generated or expected, estimated energy consumption |

**Frequency**

- |   |                                      |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual                | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other ( <i>please specify</i> ): |                                      |

**Means of Disclosure**

- |   |   |
|---|---|
| <input type="checkbox"/> Information published in financial report  | <input type="checkbox"/> Information published in sustainability report   |
| <input type="checkbox"/> Information published in ad hoc documents  | <input checked="" type="checkbox"/> Other ( <i>please specify</i> ): Information published in a green bond report |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): |   |

Where appropriate, please specify name and date of publication in the useful links section.

**USEFUL LINKS** (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

**Type(s) of Review provided:**

- |  |  |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit                        | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other ( <i>please specify</i> ):            |  |

**Review provider(s):**

**Date of publication:**

**ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP**

- i. Second-Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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