

*100% focused
on our farming future*



Rabobank New Zealand Sustainability Progress Report



About this report

Sustainability is an integral part of our global mission: Growing a better world together. We want to make a positive contribution to the communities in which we work and live. It is important to us as New Zealanders and as global citizens.

As New Zealand's only specialist food and agribusiness bank, Rabobank is also mindful that the farmers and growers we work with are significantly impacted by challenges such as climate change – arguably more so than your average Kiwi. Ensuring we do our bit for sustainability to grow a better New Zealand together is a key part of how we can support them locally.

Our intention in creating this document is to provide an overview of Rabobank New Zealand's sustainability strategy, our local and global ambitions and progress towards meeting our goals.

We are proud to be part of the global Rabobank cooperative. For that reason, we have tried to illustrate our connection back to our international network and detail our contribution to Rabobank's global sustainability commitments.

This Sustainability Progress Report is written for anyone who has a high-level interest in our approach to sustainability. If your interest goes beyond that, our global impact report [Our Impact in 2022](#) provides

more details and data on our contribution to the Food System Transition, the Energy Transition and the Transition to a More Inclusive Society.

Additionally, [Our Road to Paris](#), published in late 2022, focuses on our global approach to climate change and our initial greenhouse gas emissions reduction targets.

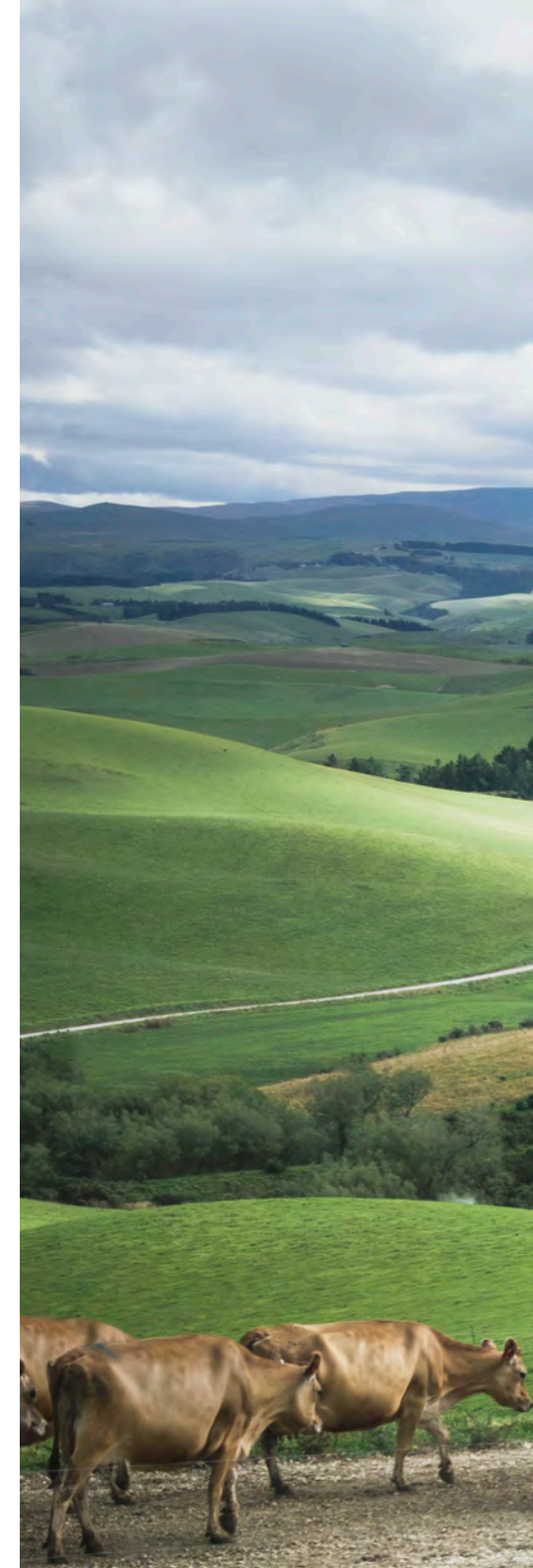
Rabobank New Zealand is on a pathway towards more formal sustainability reporting, and we anticipate having a localised sustainability report in the near future. For now, this Sustainability Progress Report is based on our data from 2022 and is broadly based on the fundamental Global Reporting Initiative (GRI) principles but does not follow the standards precisely.

Our latest New Zealand-specific emissions data within the report has been submitted to Toitū Envirocare for independent auditing. The 2022 data included within this report has already been independently audited by Toitū Envirocare.

This report is not designed to meet our future obligations under the Task Force on Climate-related Financial Disclosures (TCFD). Our formal TCFD reporting will be available annually from 2024.

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Chief Executive

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Rabobank New Zealand Sustainability Progress Report

CEO introduction



Kia ora

On behalf of the team at Rabobank New Zealand, we are excited to deliver this Sustainability Progress Report, the first step towards more formal sustainability reporting from 2024.

Within this document, we aim to demonstrate how the work we do here in Aotearoa New Zealand supports Rabobank's global commitments to meet the needs and expectations of our customers, our team and our local communities. It is also an opportunity to celebrate the progress being made across the country.

“New Zealand earns its living through food and agri, and we are proud of the work we do alongside our New Zealand customers. We are extremely optimistic about the contribution food and agri will continue to make to New Zealand.”

However, there is more hard work to do together as we grapple with the twin global challenges of increasing food production to feed a growing world population while lowering greenhouse gas emissions and the other environmental impacts associated with food production systems.

Climate change in particular is complex. With food and agri sector participants at different stages of the transition towards acceptance and response, bold actions are required to ensure the sector stays on track to meet its commitments.

As efficient food and fibre producers, Kiwi farmers and growers need to continue moving forward on both fronts – increasing food and fibre production to feed the world and reducing our environmental impact as responsible kaitiaki (guardians) of Aotearoa's productive land. We are confident that, with the right tools and information, we can make the necessary Food System Transition, Energy Transition and Transition to a More Inclusive Society. The result will be a thriving food and agri sector and more sustainable outcomes for New Zealand.

Recognising the importance of sustainability to our New Zealand business, we have recently appointed a Chief Sustainability Officer, reporting directly to me as CEO. This is the next significant step in us integrating sustainability right across our way of working and organising ourselves so it is embedded in our organisation.

Our New Zealand customers can trust that Rabobank is 100% focused on our farming future. We are on the transition ourselves – since 2019, we have reduced our total operating emissions within our New Zealand business by 29% as we progress towards our 50% absolute reductions target by 2030.

Food and agri are in our DNA. Rabobank's cooperative roots go back to 1898 when a group of Dutch farmers set up a banking cooperative to help farmers and growers support each other and make sure their rural communities were treated fairly. We are now applying that cooperative approach to sustainability where we are committed to playing a leadership role.

This cooperative heritage is at the heart of our local mission: Growing a better New Zealand together. That's why we have reinvested 100% of our local profits to date back into growing our business and supporting New Zealand food and agribusinesses.

We also believe that our cooperative mindset – working alongside customers, partners and other stakeholders over the long haul – is the best way to tackle the urgent societal, economic and ecological challenges we face. Our 500+ strong New Zealand team is ready to play its part.

I hope you find the information within the report useful. If you have any questions about our strategy or our work towards a more sustainable future, please get in touch with the team.

Ngā mihi nui



Todd Charteris
CEO Rabobank New Zealand.

Rabobank New Zealand at a glance

New Zealand's only specialist food and agribusiness bank

Mission: Growing a better New Zealand together

Employees: 514 as at December 2022

Head office: Hamilton

Offices: 28 offices from Whangarei to Invercargill

Customers: 4,200 rural lending customers, 25 wholesale customers

Online Savings customers: Approximately 50,000

Balance sheet: \$14.85 billion

Market share: 21% of rural lending

Rabobank sustainability strategy

Strategic pillars



Foundations



Cooperative by design

Our cooperative mindset is central to everything we do - building thriving rural communities and empowering long-term success for our customers and the wider sector.

We put integrity, fairness and doing the right thing first. To us, that's just good business.



Commitment to the food and agri sector

We are and always have been committed wholeheartedly to the rural sector, through thick and through thin, through stability and change. It's what we do best.

Now is no different. You can trust that we'll be with you on this journey every step of the way. Together, we'll build a bright future for the food and agriculture sector.



Unrivalled knowledge networks

Our global and local networks of world-leading farmers, researchers, agronomists and partners gives us insight - and foresight - like no other financial partner.

We can bring the right knowledge and expertise - our own and that of the people and organisations we partner with - to the table when it really matters.



Walking hand in hand with our customers

The relationships we build with our clients through our 220+ rural specialists allows us to work in true collaboration with our clients.

Through alignment in vision and values, and our innovative client photo, we can make sure that we have all the data we need to generate positive impact together.

Sustainability at a glance

Our planet



- **Over 3,000 hours** sustainability training across 250 frontline employees
- **Founding shareholder** in the Centre for Climate Action Joint Venture
- **Year 2030** developing our decarbonisation pathway

Our customers



- Assessed the non-financial performance of customers with **lending limits above \$1.5m** through our Client Photo tool
- **70%** of customers assessed have a farm environment plan
- **400** attendees at 22 customer carbon workshops

Our sector



- **9** Government policy submissions made since 2019
- **10** 'Growing our Future' podcast episodes
- **Issued** 'Steering into the Food Transition' research paper

Our community



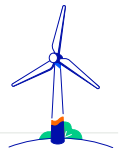
- **2865 hours** paid community leave completed by 382 employees
- **27** financial skills workshops hosted for 475 farmers and growers
- **40+** community projects in 2022 supported by Rabo Community Fund

Our people



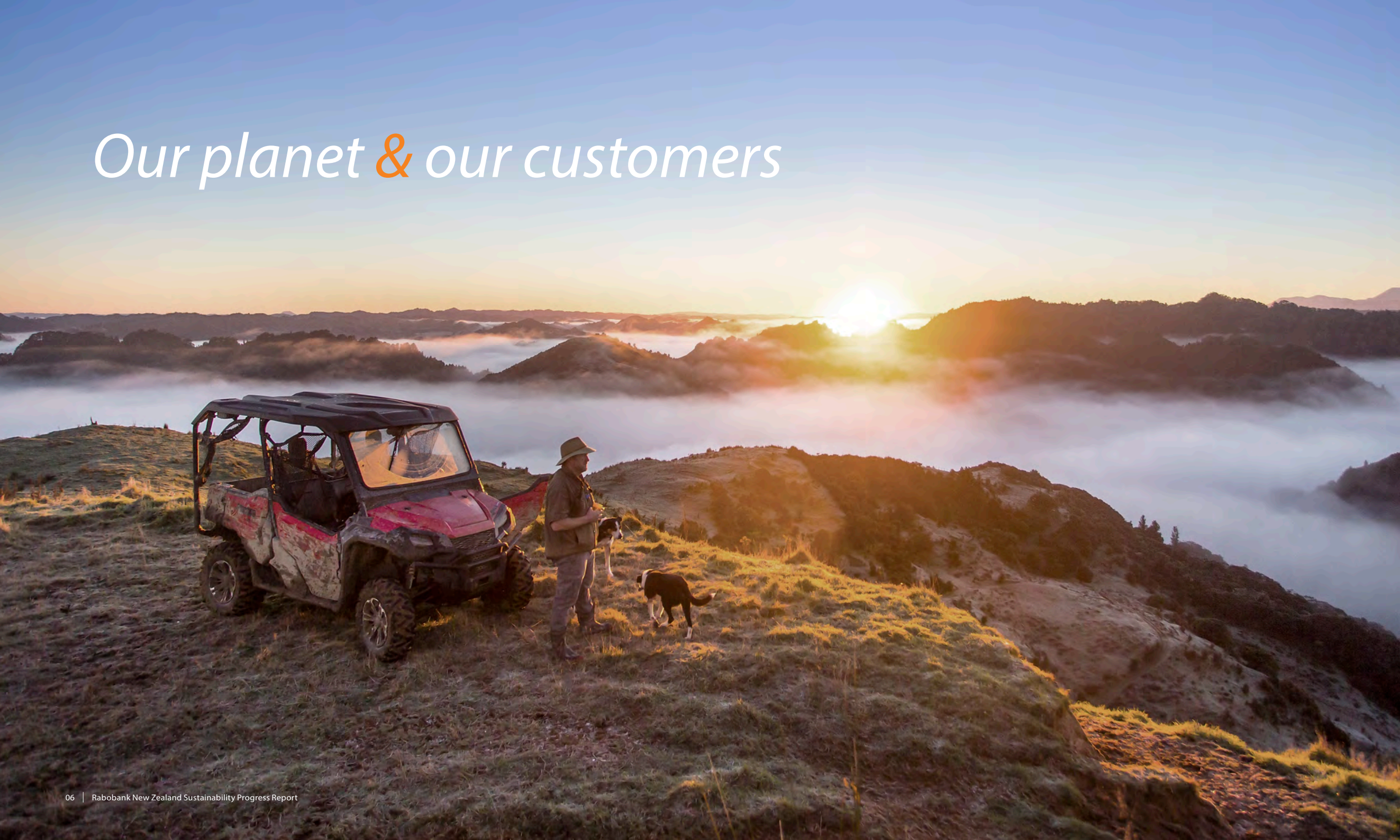
- **86.8%** employee engagement score in December 2022
- **40.5%** women in senior leadership
- **Rainbow Tick certified**

Our business



- **29%** reduction in total operational emissions achieved since 2019
- **50%** reduction in employee flight emissions between 2019 and 2022
- **100%** of our energy contracts certified as renewable energy

Our planet & our customers



Our planet

Our ambition: Supporting a transition to a resilient future by reducing our own emissions while working alongside our customers to profitably transition to lower-carbon and more sustainable production systems.

As a global specialist in food and agri banking, we are well placed to bring our knowledge to the double-headed challenge of reducing emissions and increasing food production. Over the past year, we have contributed to the debate over the way forward and in capability building for the transition to a lower-carbon, higher-production future. We look at climate change through the lens of double materiality, as the wider Rabobank Group also does.

On the one hand, we see that the aggregate greenhouse gas emissions linked to our own operations and those of our customers impact the climate. We are adjusting our own operations to reduce emissions and helping customers to reduce theirs. This is all about aligning outcomes with the Paris Agreement – the global accord on climate change that New Zealand has committed to, which came into effect in 2020.

On the other hand, climate change also increases the risk of financial and economic instability for many of our customers. Extreme weather events, for example, can have catastrophic impacts on crops and pasture, as we have seen from Cyclone Gabrielle and other events. We are integrating these risks into our risk management models and processes. This is effectively climate risk management.

New Zealand farmers and growers are in a strong position to set the standard for the rest of the world. Part of Rabobank's role is to help our customers to profitably transition to lower-carbon and more sustainable food systems. We will do this by providing customers with knowledge, insights and tools to support decarbonisation, financial products to support transition and financing for new innovations that will accelerate sustainability.



“Part of Rabobank’s role is to help our customers to profitably transition to lower-carbon and more sustainable food systems.”

“We set 2030 intermediate greenhouse gas emission reduction targets for 12 high-emitting sectors/regions around the world.”

2007
Rabobank's
own operations are
climate neutral

2013
Start ESG rating of
own clients

2015
Paris Climate
Agreement

2018
First PCAF
disclosure

2021
Rabobank's
global Impact Report
Rabobank joined the
Net Zero Banking
Alliance

2022
Rabobank's Road to
Paris Report

Our Road to Paris

Being transparent about our direct and indirect carbon footprint is an important first step towards alignment with the Paris Agreement.

In November 2022, Rabobank Group in the Netherlands published *Our Road to Paris*, a comprehensive global report disclosing the latest information on our approach to climate change both from an impact perspective as well as a risk perspective. We reported the latest results on global carbon emissions related to our own operations, our goals to further reduce them and the updated criteria for offsetting residual emissions.

We also defined decarbonisation pathways and set 2030 intermediate greenhouse gas emission intensity-reduction targets for 12 high-emitting sectors/regions around the world accounting for the majority of our reported financed emissions.

Furthermore, as part of Rabobank's commitments to the Dutch Climate Agreement and the United Nations-convened Net-Zero Banking Alliance, each year, we disclose our financed emissions and our updated climate-related targets in our Impact Report.

Rabobank New Zealand will contribute to this global framework through its own reporting and management of emissions reductions in this country and broaden our impact across the whole food and agri sector.



2050
Rabobank
portfolio to be net
zero aligned

Our customers

Our ambition: Building on our unwavering commitment to the sector by empowering and appropriately backing on-farm solutions that generate positive financial, social and environmental impact.

Rabobank serves around 4,200 New Zealand farmers and food producing customers through rural lending.

We are proud to be New Zealand's only specialist bank for food and agri. In line with this, in 2021, we moved our head office from Wellington to Hamilton so that our corporate team is closer to the rural communities of our farming customers. The Waikato is a dynamic agricultural region with a rich dairying heritage and a strong sheep and beef hinterland close to the vibrant horticulture markets of South Auckland and the Bay of Plenty.

Over recent years, Rabobank has maintained its commitment to the New Zealand food and agri sector. Our total lending has increased to \$14.85 billion as we have grown to be New Zealand's third-largest lender to the sector.

We closely track the health of our relationships with customers through a measure known as the Rural Client Net Promoter Score – a widely used industry measure to track the willingness of customers to recommend Rabobank to a family member, friend or colleague.

We stand side by side with farmers and growers to manage increasing environmental, societal and market risk and support them in seizing opportunities to create inter-generational, resilient farming businesses.

As part of our focus on sustainability, we have developed the Client Photo tool. This is a new approach to help farmers and growers build a detailed snapshot of the non-financial performance of their businesses – where they're doing well and where there is room to improve. This includes how our rural customers are faring with their agronomic, environmental, social and workplace performance.

We have already taken these snapshots for rural customers with lending above \$1.5 million in New Zealand. This non-financial data gives us the opportunity to identify where there might be gaps and opportunities.

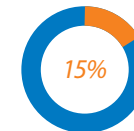
We are also upskilling our staff to ensure meaningful discussions on farm to support our customers in developing strategies to future-proof their businesses and thrive in a transitioned world.



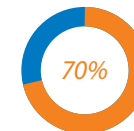
Total rural lending has increased to **\$14.85 billion**



100% assessed the non-financial performance of customers with lending limits above \$1.5m through our Client Photo tool



15% of our customers' total greenhouse gas numbers recorded



70% of assessed customers have completed farm environment plans



1,500 farmers and growers attended Surfing for Farmers events



Client Councils

Client Councils bring the voice of our customers into the bank and help build a stronger food and agri sector.

Aligned to our cooperative roots, Rabobank's Client Councils are a point of difference and strength for our bank. Around 50 New Zealand Client Councillors provide valuable feedback and input on our direction and activities through our four regional Client Councils: two in the North Island and two in the South Island. Deploying funding from the Rabo Community Fund and providing support for others' projects delivers practical programmes to help build a strong food and agri sector.

Our Rabobank Client Councils align their efforts and the Rabo Community Fund under five core themes:

- long-term industry capacity and agricultural education
- environmental sustainability
- the rural / urban divide
- rural health
- adaption / disruption.

In 2022, Client Council initiatives included hosting 22 customer carbon workshops, reaching over 400 participants with an overview of the Emissions Trading Scheme, helping our rural customers to understand the fundamentals of tree planting and learn about the opportunities and risks associated with adopting a carbon strategy for their business.

Rabobank Client Councils also rolled out 27 financial skills workshops for farmers and growers and hosted over 1,500 farmers growers at Surfing for Farmers events around the country – aimed at giving farmers and growers time away from the farm in the company of others to assist with their health and wellbeing.

Other Client Council highlights in 2022 include:

- The Rabo Community Fund received over 70 funding applications from community projects, of which 50% were approved. With a further five significant national and regional initiatives, the Rabo Community Fund's financial support in 2022 amounted to more than \$650,000. This has enabled our people to drive and support a number of exciting community initiatives across the country
- The Grow food and agri board game for schools was launched at National Fielddays in 2022 to give young New Zealanders a better understanding of farming
- With the support of Client Councils, Rabobank confirmed a new principal partnership with national food education charity Garden to Table. Last year, more than 26,000 children and over 250 New Zealand schools took part in Garden to Table. Participants prepared over 1 million fresh seasonal meals as part of the programme, giving children experience in how to grow, harvest, prepare and share great food. With Rabobank on board, the programme now aims to double the number of participating children and schools by 2027.

A man in a green sweater and a young girl are kneeling in a field, planting a small tree. The man is wearing a red smartwatch and has his hands on the soil around the tree's base. The girl is wearing blue gloves and is also focused on the tree. The background is filled with green grass and some taller plants.

Our sector & our community

Our sector

Our ambition: Supporting the food and agri sector to transition to a low-carbon and more sustainable future through advocacy, insight and capability building.

The New Zealand food and agri sector is on a pathway to transition towards a sustainable future. At Rabobank New Zealand, we play an active role in helping to lead this transition through our advocacy, global and local insights and our cross-skilled capabilities within this sector and beyond.

We are committed to supporting the transition by engaging with and connecting stakeholders across the value chain and society more broadly to move towards a low-carbon future. True to our cooperative mentality, we work with our customers and partners to meet shared climate goals, to support clean, energy-efficient consumption and to promote the circular use of resources.

We are uniquely positioned to bridge the gap between the food and agri sector, Government and societal climate expectations in a realistic and contextual way. In part, we do this by advocating on policy and regulatory changes through our Government relations programme and making submissions on policies and proposals affecting our customers. We have made nine policy submissions since mid-2019 and regularly hold briefing sessions for MPs from across the political spectrum.

In broadly supporting the Government's commitment to achieving New Zealand's greenhouse gas emissions reduction targets, we have highlighted the unique challenges faced by the food and agri sector,

advocating for ways to better support the sector during this transition while still meeting our international commitments.

We contribute to industry thought leadership regarding challenges and solutions for the sector, create podcasts to help equip New Zealand's farmers and growers with the knowledge to support resilient farming systems for the future and sponsor the annual Primary Industries New Zealand Summit. Rabobank also helps farmers and growers develop their skills through our Executive Development Programme and Farm Managers Programme and brings together the next generation of farmers and growers from around the world in the Rabobank Global Farmers Masterclass. These are all focused on connecting people locally and globally.

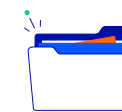
This commitment to developing strategic relationships across the value chain is key towards growing our leadership position in the farming and agriculture sector and supporting the transition to a low-carbon and more sustainable future.



A founding shareholder in the *Centre for Climate Action Joint Venture*



Release of *Steering into the food transition* research paper



Nine Government policy submissions made since 2019 – Policy Submissions | Rabobank NZ



Launched *Growing our future* sustainability podcasts



Centre for Climate Action Joint Venture

Rabobank joins Centre for Climate Action Joint Venture as a founding shareholder.

As a next step in helping customers and the wider food and agri sector meet challenges around climate change and sustainable food production, Rabobank New Zealand is a founding shareholder in the Centre for Climate Action Joint Venture – now in the market as AgriZeroNZ.

The joint venture between the Government and an initial six agribusiness partners will focus on reducing greenhouse emissions through accelerating research, development and commercialisation of tools and technology for the food and agri sector.

The Centre for Climate Action will also:

- unite efforts to accelerate research and development
- get new tools, technology and practices to lower on-farm emissions to farmers faster
- complement the work being done through He Waka Eke Noa partnership
- include mātauranga Māori-based approaches to support whenua Māori owners with climate change mitigation.

The joint venture is a long-term partnership with industry partners investing up to \$50 million a year over time, which will be matched by the Government.

In the meantime, the current partners have made an indicative funding commitment that will rise to around \$35 million a year by 2025, matched by the Government. This will see around \$170 million invested over the first 4 years, and that is expected to grow as new partners come on board.

“Rabobank’s investment as a founding joint venture shareholder is part of its commitment to work alongside customers to help them meet climate-related challenges.”

Our community

Our ambition: Strengthening New Zealand’s rural communities by promoting principles of kaitiakitanga (custodianship) and manaakitanga (care and respect).

It is in our cooperative nature to lend our support to those who work hard to grow and strengthen rural businesses and communities. We undertake a wide range of community-based initiatives to look after and bolster the resilience of those communities – giving back to people who quite literally put food on our tables and clothes on our backs.

By promoting principles of kaitiakitanga and manaakitanga, we help to ensure that all of New Zealand grows together towards a better future.

Working closely with farming communities across New Zealand, we provide education pathways to develop the rural farming leaders of the future through our Farm Managers Programme and Executive Development Programme. They provide opportunities for participants to learn from business professionals and network with leading farmers and growers from across New Zealand and Australia.

As part of our Client Councils’ support for attracting young people into farming careers, the Growing Future Farmers programme was set up in 2017 and has grown to become one of New Zealand’s largest on-farm training programmes for the sheep, beef and deer sectors. Growing Future Farmers partners with employers, industry and educational

institutions to deliver work-ready graduates to the sheep, beef and deer sectors. It provides opportunities for young people interested in farming to learn on the job, delivering structured on-farm and off-farm training over 2 years, with 40 students from across New Zealand expected to graduate this year.

Within these rural communities, we understand the pressure and sometimes neglected challenges that come with farming.

Targeting rural health is one of our top priorities. We also highlight the need to encourage conversations around rural health and wellbeing with targeted activities such as the Stay Well project, which aims to improve the health and wellbeing of rural communities by undertaking mini health checks at rural events around New Zealand.

Within the broader community, we provide support and funding through our Good Deeds initiative and the Rabo Community Fund to lend a helping hand to community projects. We also work in partnership with KiwiHarvest to tackle some of the country’s challenges regarding food waste and directing rescued food to our most vulnerable communities.



1.8 tonnes
of rescued food by our partner
KiwiHarvest in 2022

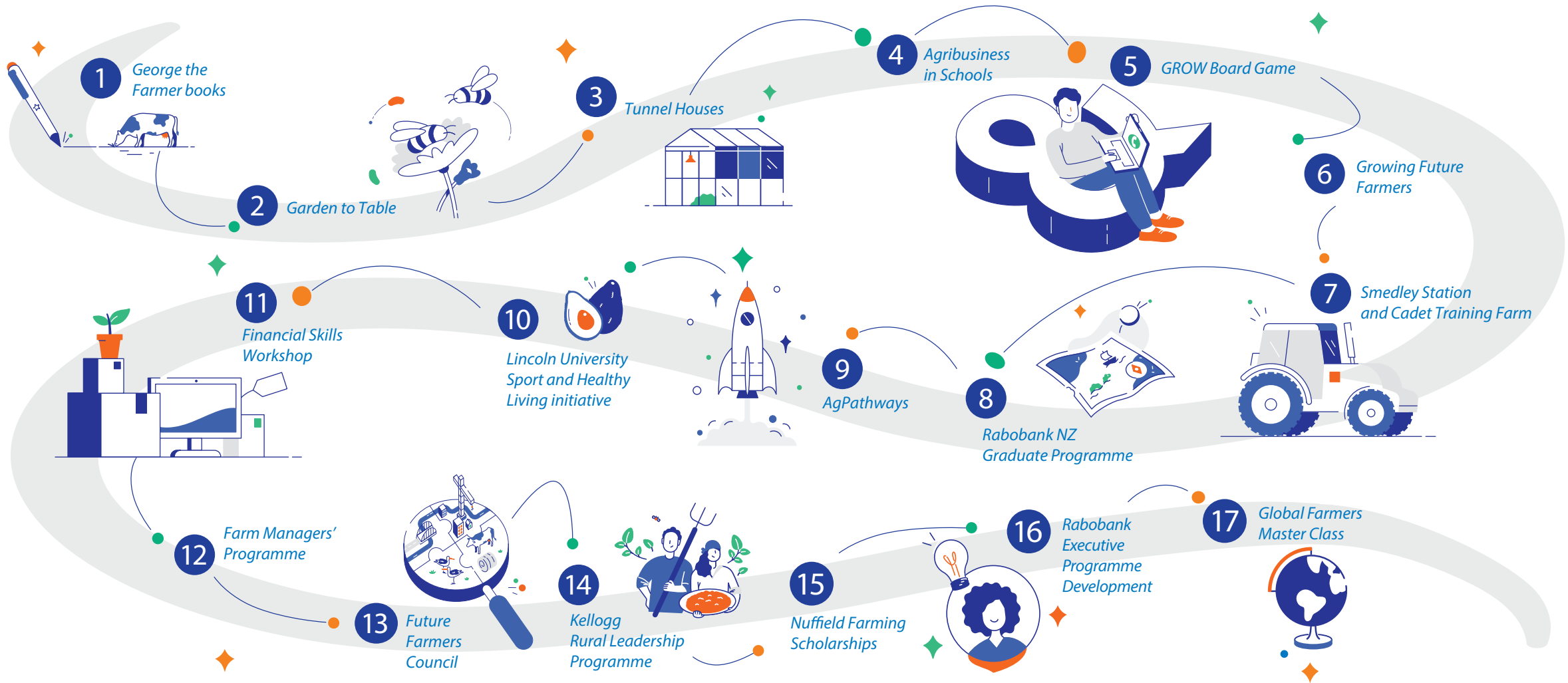


Over 40
community projects supported by
the Rabo Community Fund in 2022



2,865 hours
paid community leave completed
by 382 employees

Our education partner roadmap



Rabobank Education Partnerships

Partnering with education groups across the age groups from primary to tertiary and career levels through a wide range of partnerships aimed at promoting the food and agri sector to young people.

Tunnel houses at schools

With food production being a significant part of the wider New Zealand economy, we want to promote interest in the industry by bringing it right into schools. Rabobank's Southland teams helped to install tunnel houses across primary schools in Heddon Bush, Takitimu, Balfour, Riverton, Heriot, Mossburn, Waikaka and Lochiel.

Each school has a different use for the tunnel houses, from growing produce to donate locally to planting native seedlings. Most importantly, all schools witnessed their students experience greater excitement, interest and engagement with growing food and learning about sustainability.

GROW board game

Alongside promoting hands-on interest in the agriculture industries, in a joint initiative with Te Whare Wānaka o Aoraki Lincoln University and the Agribusiness in Schools Programme, we have launched Grow – a new board game.

The game will be used as a study tool by secondary school students across New Zealand in 2023 with the aim of helping to build better knowledge and understanding of the food production process as well as encouraging more young people to consider a career in the primary industries.

Rabobank business management programmes

For over 20 years, Rabobank has delivered leading education and development programmes for New Zealand and Australian primary producers to help them achieve long-term success.

Our Executive Development Programme was launched in 1999 for progressive farmers and growers looking to develop their business skills. This was followed by our Farm Managers Programme, which was created in 2006 for the next generation of farm and business owners.

Both programmes are focused on being very practical, equipping participants with the tools and frameworks to evolve their business and personal capabilities.

Over the years, more than 1,300 participants from New Zealand and Australia have graduated from the two programmes, which are recognised among the agriculture sectors leading business education offerings.

“Over the years, more than 1,300 participants from New Zealand and Australia have graduated from the two programmes, which are recognised among the agriculture sectors leading business education offerings.”

Our people & our business



Our people

Our ambition: Fostering a culture where every person engages in and benefits from inclusion, equity and belonging throughout their time at Rabobank.

Sustainable employment at Rabobank New Zealand is about inclusion, equity and belonging – ensuring that we have a diverse workforce and can attract and retain talent that reflects the communities we support.

Our people are at the heart of everything we do. We aim to foster an internal culture focused on growing each other. We arm our employees with the skills, knowledge and tools they need while providing them with the right support to have the greatest impact in ‘Growing a better New Zealand together.’

We are continuing to build on being a learning and results-driven organisation with a future-ready workforce that makes Rabobank a winning bank for our customers.

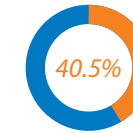
Rabobank New Zealand’s priorities under our Inclusion, Equity and Belonging Strategy:

1. accelerate gender equity through targeted initiatives to increase female senior leadership representation, pay parity and gender-inclusive policy and practice
2. strengthen LGBTIQ+ inclusion through the establishment of an employee action group and external benchmarking and accreditation
3. increasing our employee’s awareness around disability issues, and their access to information
4. champion new ideas and delivery in support of First Nations and Māori targeted initiatives
5. grow inclusive leadership capability to improve team effectiveness and group dynamic.

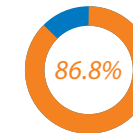
We aim to achieve 45–55% representation of women in senior roles by 2025, and we are delivering annual pay equity reviews and actions across our business.

We are supporting our people through a number of other initiatives. These include internal skills and development opportunities, leadership pathways, workplace flexibility, aiding personal health and wellbeing through our wellbeing programme, paid employee community leave, increased paid parental leave and promoting a healthy work-life balance through our wellbeing webinars and bonus leave.

We are constantly working on building a workplace that resonates with the world we live in today to contribute to a more inclusive society. We are proud to have gained the Rainbow Tick in 2022, with support from our Rainbow Employee Action Group.



women in senior roles at Dec 2022 (target 45-55% by 2025)



New Zealand employee engagement score at Dec 2022, up from 83.2% in December 2021



Rainbow Tick
accreditation achieved in 2022



26 weeks
paid Parental Leave increased on full pay for primary carer



20 employees
appointed as Culture Coaches



Graduate Programme

We're committed to providing people with the best possible opportunities to forge a career pathway in the food and agribusiness sector. We know that to meet our goals, both today and in the future, we will need to continue developing our teams of well-rounded bankers – this generation and the next.

After a successful pilot programme in 2019 and two subsequent intakes, our Rabobank New Zealand Graduate Programme has returned in 2023. This is part of our wider focus on attracting and retaining excellent young talent across the bank.

Over the past 4 years, 31 graduates with a wide range of backgrounds from across New Zealand have been selected to join our team through the 18-month programme.

This offers university graduates with an interest in agriculture the opportunity to begin their careers with the global specialist agribusiness bank.

Graduates are placed on rotation in different areas of the business all around the country and given an opportunity to gain first-hand experience of a variety of roles ranging from back-office to customer-facing roles.

All six participants from the original pilot programme continue to work within the bank and make significant contributions across New Zealand.

Our business

Our ambition: Embedding environmental and social factors into our decision making to limit risk to the bank, our customers and the community.

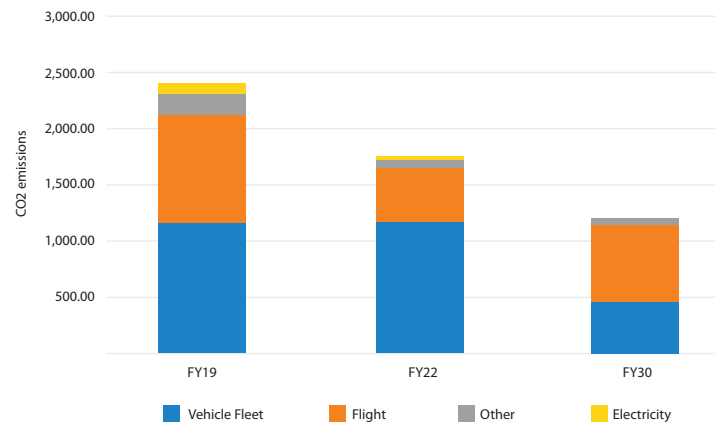
Our operating environment is changing and evolving rapidly, with a heightened focus on sustainability and creating a positive impact on society. We are committed to our local mission of ‘Growing a better New Zealand together’ and together and understand the need to help transform our economies and societies to a more sustainable way of living.

The way we get there is by factoring environmental and social risks into our decision making to limit risk to the bank, our customers and the community. We are translating relevant policies and commitments into our day-to-day actions proactively, including climate expectations.

Rabobank New Zealand has set a target of reducing absolute operational emissions from our business by 50% by 2030 compared with our 2019 baseline year.

As of December 2022, our total preliminary emissions had fallen by 29% to 1,745.26 tonnes of carbon dioxide equivalent from 2,398.54 tonnes in 2019. We are pleased with this progress but remain firmly focused on making further reductions as we work towards our 2030 target. As part of our commitment to decarbonise, Rabobank New Zealand has become a certified member of the Toitū carbon reduce programme, which means we can measure our emissions, have them independently audited and set targets to reduce our impact on the environment. Toitū Envirocare audits us annually to ensure that we are aligned with our Paris Agreement targets ahead of our mandatory New Zealand emissions reporting, which takes effect in 2024.

Rabobank New Zealand operating emissions reduction progress and targets



Our global Paris Agreement process is focused on delivering on our commitment to transition all operational and attributable greenhouse gas emissions from our lending and investment portfolios to align with 1.5°C pathways by mid-century or sooner. This includes carbon dioxide emissions reaching net zero by 2050 at the latest and is consistent with a maximum global temperature rise of 1.5°C above pre-industrial levels by 2100.



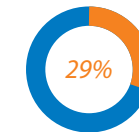
We aim to have our portfolio net zero aligned with a clear decarbonisation pathway to mitigate climate risks. Within this commitment, we have identified three opportunities where we know our business can have the greatest impact, including the Food System Transition, Energy Transition and Transition to a More Inclusive Society.

True to our cooperative heritage, we are committed to helping mitigate societal risks. All Rabobank New Zealand profits to date have been retained in New Zealand, with a percentage directed into our Rabo Community Fund.

The Rabo Community Fund was set up to improve the resilience of the rural communities where our people and customers live and work. It supports the vitality of communities based on our Client Councils’ five key themes of long-term industry capacity and agricultural education, environmental sustainability, the rural/urban divide, rural health and adaptation/disruption.



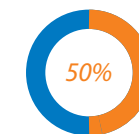
“Rabobank New Zealand has set a target of reducing absolute operational emissions from our business by 50% by 2030 compared with our 2019 baseline year.”



reduction in our New Zealand operational emissions between 2019 and 2022



of our energy contracts are certified as renewable energy, helping to reduce electricity emissions by 78% between 2019 and 2022



reduction in employee flight emissions between 2019 and 2022

Rabo Community Fund

Embedded into our business strategy is our commitment to support the communities we serve in a meaningful way that will build a resilient, sustainable rural sector.

For 45 years, Rabobank in the Netherlands has organised the International Rabo Foundation, a cooperative social fund supporting farmers' and growers' self-sufficiency across the countries in which the Rabo Foundation operates. In the same spirit, the Rabo Community Fund was launched locally in 2021 with an annual contribution of around \$900,000 a year available from the profits of our New Zealand business.

Since its establishment, the Rabo Community Fund has supported a range of initiatives to benefit rural communities across New Zealand and Australia. Our Client Councils – a volunteer-led network of customers with strong ties to their local communities – have helped us direct funding to address local and industry issues where it is needed most. The Rabo Community Fund is also accessible to anyone online, with each application considered by the Client Councils directly.

An early Rabo Community Fund initiative was sponsoring a series of Rabobank Financial Skills workshops. These are practical hands-on events that build the financial capacity of the next generation of producers and farmers, providing them with financial skills essential to managing agricultural enterprises.

They are free for participants and are not exclusively for Rabobank's customers. Since the first pilot in mid-2021 in Taupō, over 40 successful workshops have been run throughout New Zealand. The goal is to have 5,000 New Zealand and Australian primary producers attend these workshops by 2025.

Beyond career development and education opportunities, the Rabo Community Fund also supports initiatives improving the health and wellbeing of farmers and growers. For example, Surfing for Farmers is a summer programme that takes farmers and growers off farm and into the surf weekly to relax and make new connections with like-minded people. Since starting, the initiative has expanded to 27 meeting points up and down the country.

“The Rabo Community Fund also supports initiatives improving the health and wellbeing of the farmers.”



Our next steps – the year ahead

Rabobank is ambitious for our customers and New Zealand's wider food and agribusiness sector, which has demonstrated over many decades that it is the mainstay of our national economy. This ambition is supported by our business growth strategy, with sustainability – encompassing economic, social and environmental aspects – being a key priority for us in 2023 and beyond.

We still have a fair way to go before achieving our 2030 ambition, but we are committing to the targets laid out in this report as a demonstration that we are 100% focused on our farming future.

Our people are the key to our business – to meet our goals, we will need to continue developing our teams of well-rounded bankers.

We understand that reducing our own and the sector's impact on the environment will be a challenge across scope 1, 2 and 3 emissions. We are prepared and need to take on this challenge to support the industry through this change so New Zealand farmers and growers can fulfil their potential as premium and sustainable food producers to the world.

This report paints a picture of our progress to date as we move towards more formal sustainability reporting under the Task Force on Climate-related Financial Disclosures (TCFD) framework from next year.

With that in mind, we are pleased to share our key commitments till the end of 2023 which will be updated in our formal reporting in the first quarter of 2024.

Our planet



We are committed to transitioning all operational and attributable greenhouse gas emissions from our lending and investment portfolios. As we say in Our Road to Paris, we rapidly need to reduce our climate impact to get it in line with pathways limiting global warming to 1.5°C by mid-century or sooner.

Here in New Zealand, we will further progress our decarbonisation pathway and continue to train all staff in sustainability, rather than just those on the frontline. To aid in this initiative, we have appointed a Chief Sustainability Officer to join our leadership team, reporting directly to the CEO.

Our customers



Our goal is to help customers profitably transition to low-carbon and more sustainable production systems.

To do this, we plan to evolve our Client Photo tool to support all customers with non-financial aspects of their business. This will help us to provide our customers with knowledge, insights, tools and financial products to support their decarbonisation efforts and their broader growth and sustainability ambitions.

Our sector



We can be a bridge between the public and private sector on food and agri issues. We will continue to use our voice and advocate for the industry by making Government policy submissions on the issues that really matter to our customers and their sectors.

There are continuing conversations between industry and Government regarding He Waka Eka Noa or agriculture's inclusion in the Emissions Trading Scheme, which is the default outcome if He Waka Eka Noa cannot be agreed. Either outcome will have a significant financial and practical impact on the industry – we are committed to supporting our customers through this.

Our community



Globally, Rabobank has developed a vision around the Food and Land Use Coalition framework. We have selected five areas in which we expect to have the most impact:

1. productive and regenerative agriculture
2. protecting and restoring nature
3. promoting healthy and sustainable diets
4. reducing food loss and waste
5. stronger rural livelihoods.

In addition to our existing community initiatives, we will focus on these five areas to support our communities and the food system transition to ensure that there is enough food to feed the world's growing population.

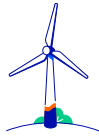


Our people

As we embark on training all our staff in sustainability, we plan to create an internal sustainability knowledge hub so that our people have access to resources to support their understanding in environmental concepts and bring this into sound banking conversations every day.

Alongside this knowledge hub, we will develop a sustainability toolkit for our people to support customers on farm. By empowering our staff with the right tools, resources and insights on sustainability concepts, they will be able to pass on their knowledge and help lead all our customers towards a more sustainable future.

From a diversity perspective, we plan to implement a Māori Capability Plan and make further progress towards a target of 45–55% women in senior leadership roles.



Our business

We will continue to make progress towards our target of 50% absolute reduction in operational emissions by 2030 from a 2019 baseline year.

We plan to achieve this target by:

- increasing use of hybrid and electric vehicles in our vehicle fleet
- developing a more ambitious travel emissions reduction strategy
- moving to online digital tokens for customers to access accounts
- introducing recyclable customer debit cards
- expanding our Internal Sustainability Community made up of 15 Rabobank employees from across the country
- increasing the sustainability of our offices during refurbishment (such as more use of wool carpets and LED lighting in our offices).

To hold ourselves accountable, we will continue to undergo annual auditing by Toitū Envirocare through its carbon reduction programme. In 2023, we will have our third Toitū Envirocare audit and share progress in our next Sustainability Progress Report, which will be TCFD aligned.

We have appointed a Chief Sustainability Officer, reporting directly to the CEO, to lead this important area of our New Zealand business.

Appendix



Rabobank report
Our Impact in 2022



Rabobank approach
Our Road to Paris

