

Methodology & Definitions of Non-Financial Key Figures 2020

December 31, 2020

Our Commitment

The table below shows a number of Non-Financial Key Figures. Progress on these key figures is measured with information

obtained from both inside and outside the organization. A number of key figures have an absolute target. Others, especially the outcomes of client and employee surveys, are relative targets. The key figures include Rabobank data excluding DLL, BPD and Obvion unless mentioned otherwise.

<i>NPS</i>	<i>The Net Promotor Score indicates the level of client satisfaction</i>
Methodology/ Terminology	The NPS score is the outcome of an online client satisfaction survey that clients in the Netherlands, with a net revenue under EUR 30 million, receive after an advisory service with local Rabobank offices. We measure and report NPS by the widely used methodology in which scores from 0 to 6 are classified as "detractor" scores, 7 or 8 are classified as "passive" and only scores 9 or 10 are classified as "promoters". The result is calculated by the percentage of promoters minus the percentage of detractors, which gives us the NPS.
<i>% Online Active</i>	<i>Percentage of customers that logged into the Rabobank Banking App or online banking at least once in the last three months</i>
Methodology/ Terminology	The unit of measurement comprises all individual customers and for Commercial banking all commercial groups that have logged into the Rabobank Banking App or online banking at least once in the last three months. Customers logging into the Rabobank Banking App using TIN code, Touch ID and Face ID are included.
<i>RepTrak</i>	<i>RepTrak measures the overall reputation across seven key dimensions, based on customers' perception of esteem, admiration, trust, and overall feeling</i>
Methodology/ Terminology	We measure and report reputation by using the RepTrak monitor, which is a tool from the Reputation Institute. In the reporting period Rabobank participated in the RepTrak Reputation study. This study tracked 23 reputation attributes assigned to seven reputation dimensions that the Reputation Institute has found to be the most effective in getting stakeholders to support a company. Our reputation is measured quarterly through an online survey taken among a representative sample of the general public in the Netherlands. The reported score entails the 12 month rolling average as of the reporting date. RepTrak is the gold standard for reputation measurement. RepTrak's rankings are based on each company's Pulse i.e., the emotional connection consumers have to a brand.
<i>Member Engagement Score</i>	<i>The percentage of members classified as proactive, active and informed in relation to the total number of members surveyed</i>
Methodology/ Terminology	Members answer an online survey and are allocated to five categories according to their answers: <ol style="list-style-type: none"> 1. Proactive members: Members who take part in (or have taken part in) a member council or market team. 2. Active members: Members who occasionally attend a substantive member event or have at some time alerted us to a problem relating to livability in the community 3. Informed members: Members who have a good/reasonable idea of our mission and are aware of the opportunities to undertake activities with our support on social themes in their community. 4. Aware members: Members who are aware of their membership 5. Non-aware members: Members who are not aware of their membership. <p>A specialized external data survey agency has been commissioned to work together in developing the score. The outcome of the survey is weighted in such way that every local Rabobank contributes to the total in a representative way, based on the number of members of the local Rabobank in relation to the total number of members.</p> <p>The methodology of the calculation of the Member Engagement Score has changed in 2020. The score is now based on a rolling average of the two most recent measurements. The reason for changing the methodology is to present a stable member engagement score which is corrected for quarterly fluctuations. The comparative figures have also been adjusted to this new methodology.</p>
<i>Employee Engagement Scan</i>	<i>Our Managing Board requires management information on how the organization is developing and how employees are feeling and realizing their goals. Monitoring work perception on a regular basis allows us to effectively manage and make adjustments in a timely manner. We have developed the Engagement Scan for this purpose.</i>
Methodology/ Terminology	We measure and report employee engagement through the Engagement Scan. HR has commissioned a specialized external data survey agency to collaborate on developing the scan. The survey consists of 23 questions/statements, supplemented by three optional closed-ended questions provided by employees themselves. The way in which employees respond to these questions describes the extent to which they feel engaged in their work at that particular point in time. We based the score given in this report on the Q4 results. We have not compared the Engagement Scan to external benchmarks.

Gender Diversity	<i>Diversity is a vital and integral part of our strategic objectives. To enhance career opportunities for women, we offer several internal and external activities. These include sponsorship of talented women by senior executives, cross-mentoring and coaching programs. Our Diversity Board meets each quarter to monitor policy compliance and progress on our targets.</i>
Methodology/ Terminology	We report and measure the number of males and females based upon the headcount as reported from our human resource information management system at the end of the year. With "Gender diversity" we refer to the percentage of women that is present in the Managing Board, in the first level below the Managing Board, that has a Managing Board Member as a manager or is a manager (excluding Business Managers), and the percentage of women employed across the organization in the Netherlands for internal employees only.
Availability of Mobile/ Internet Banking	<i>We measure the availability of the Internet and Mobile banking services by dividing the net availability during prime-time by the total minutes in prime-time for the reporting period.</i>
Methodology/ Terminology	By availability we mean that users are able to log on during primetime (daily between 06.00h and 01.00h), they can access information on their balance and on their payment transactions, and that they are able to make payments. We used IT incident reports to measure the system availability of the internet and mobile banking services. We measure availability on all relevant incidents based on the actual number of minutes registered in the monitoring systems. The system availability statistics include all incidents involving a downtime of >3 minutes during prime-time. We determine if the service was fully (100%) or partially (50%) unavailable. This results in the net-unavailability of an incident expressed in minutes. The availability is reported as an average percentage for the whole year.
Availability of iDEAL	<i>We measure the availability of the iDEAL services by dividing the net availability during prime-time by the total minutes in prime-time for the reporting period.</i>
Methodology/ Terminology	Brand owner Currence has set specific availability standards for iDEAL. DNB has included these standards in the agreements it makes with banks on the availability of iDEAL. These agreements distinguish between primetime availability (06:30h-01:00h) and non-primetime availability (01:00h - 06:30h). The primetime availability standard is 99.88%, the non-primetime availability standard is 98.50%. The latter standard is lower since this period is regarded as a maintenance window. Banks are allowed to conduct necessary maintenance during non-primetime in order to safeguard service to customers and in order to comply with changing regulations. We used IT incident reports to measure system availability of the iDEAL services. We have included all availability incidents where Rabobank is the issuing bank lasting >1 minutes in the availability statistics. In measuring the unavailability we used the standard formulas set by the DNB, the availability is reported as an average percentage for the whole year.
Sustainable products and services	<i>We measure and report the total of sustainable finance, sustainable assets under management and assets held in custody, sustainable funding and supervised financial transactions.</i>
Methodology/ Terminology	<p>Sustainable financing ; We have assessed our total portfolios for the various sustainable finance categories. Because of a lack of data, this is not yet possible for wholesale sustainable loans. We have therefore removed this category from our sustainable finance portfolio. We have also taken the figures from the position at year-end 2019, which was 1,417 million. Sustainable finance exists out of the following categories:</p> <ul style="list-style-type: none"> • <i>Mortgages:</i> This figure consists of the outstanding balances of all residential properties with a provisional or final energy label A or better based on the definition of Calcasa. • <i>Green loans:</i> Green loans are loans, provided by the Rabo Groen Bank B.V. that meet the "green" criteria of the RVO (Netherlands Enterprise Agency). On a project basis (loan basis) Rabobank submits the project documentation and the RVO subsequently determines whether a loan meets the criteria. If this is the case, the RVO issues a certificate (with a duration - usually 10 years) and the loan qualifies as a "green" loan for the duration of the certificate. • <i>Project finance:</i> Sustainable project finance relate to all renewable energy projects financed in the domain of wind and solar. Closing the-loop projects, like installations using bio-waste streams as an energy resource, are included too. • <i>Corporate loans NL:</i> Financing for companies that have a sustainable client photo label A (for more details about client photo see definition client photo). • <i>DLL Clean tech financing:</i> Clean tech financing concerns loans to companies that seek financing for solutions that make a positive environmental impact. Examples are: smart grid, water efficient irrigation solutions and wastewater regeneration systems. <p>Sustainable assets under management and assets held in custody: Relate to assets that meet our sustainability investment criteria and are classified by Morningstar as "sustainable investment overall". Funds are selected based on (at least one of) three criteria;</p> <ol style="list-style-type: none"> 1. The use of multiple additional exclusion criteria compared to the exclusions list 2. Best-in-class companies or countries from a sustainability perspective, and 3. Sustainable theme. <p>Sustainable funding includes funding products with a sustainability earmark:</p> <ul style="list-style-type: none"> • <i>Rabobank Green, Social and Sustainability Bonds:</i> Green, Social or Sustainability bonds that are issued, and ringfenced and of which the framework is issued under the GBP and associated guiding principles. • <i>Obvion Green, Social and Sustainability Bonds:</i> Obvion Green, Social or Sustainability bonds that are issued, and ringfenced and of which the framework is issued under the GBP and associated guiding principles. • <i>Rabo Green Savings (Rabo Groen Bank B.V.):</i> Savings that are used solely to finance (in the form of loans) projects that have a "sustainability label" issued by the RVO. • <i>Rabo Green Deposits (Rabo Groen Bank B.V.):</i> Deposits that are used solely to finance (in the form of loans) projects that have a "sustainability label" issued by the RVO. • <i>Rabo Socially Responsible Deposits:</i> Funding that solely is allocated to sustainable financing
Transactions Supervised by Rabobank	<i>These are financial transactions supervised by Rabobank and include Green bonds and syndicated sustainable financing solutions.</i>
Methodology/ Terminology	These are financial transactions supervised by Rabobank and include Green bonds. For 2020 the syndicated loans and bonds are included into the figures.

<i>Client Photo</i>	<i>The client photo measures the sustainability performance of our clients. We have defined 5 performance level categories (A, B, C, D+, and D). A definition of the categories is included in the legend following the detailed figures in client photo.</i>
<i>Methodology/ Terminology</i>	<p>We monitor clients with an exposure > EUR 1 million. We include a table in the Annual Report that shows the number of client photos in the Netherlands and with an exposure (> EUR 1 million) for each client photo category per sector. The table regarding the wholesale offices also includes client photos of subsidiaries (but only if the exposure on group level is >EUR 1 million). In the Netherlands we always assess clients on group level. At our wholesale offices, clients may also be assessed on a subsidiary level when required by local regulation or specific local circumstances.</p> <p>The reported figures on client exposures from local Rabobanks only include the exposure of parent companies, even in those situations where the client photo is applicable for the whole group. The exposure of clients of Wholesale offices include both the exposure of parent companies and subsidiaries. The scope of the reported exposure is the nominal exposure measured by the available facility of loans, overdraft facilities and guarantees to be withdrawn.</p>
<i>Absenteeism</i>	<i>Absenteeism is measured in a 12-month rolling period.</i>
<i>Methodology/ Terminology</i>	Absenteeism is measured based on the number of calendar days employees called in sick during a 12-month rolling period, divided by the total number of calendar days employees are employed during that same period taking into account a part-time or full-time employment contract. This concerns all persons who are actively employed in the Netherlands.
<i>CO₂ reduction</i>	<i>By increasing energy efficiency and by reducing and making mobility and other services more sustainable, we aim to further reduce carbon emissions per FTE per year by 2020 by 10% from 2013</i>
<i>Methodology/ Terminology</i>	<p>The climate footprint is calculated according to the most recent directives of the Greenhouse Gas Protocol (GHG) and the associated CO₂ conversion factors, originating from, amongst others, DEFRA and the IEA. The operating information for the climate footprint report is based on the period from October 1, 2019 to September 30, 2020. When we say we want to increase energy efficiency, we mean that we are committed to reduce our energy consumption as much as possible, for example by facilitating teleworking in order to reduce employee travel time. Moreover, we are as sustainable as possible in our purchasing policies: we attempt to use renewable raw materials and work with contracts based on circular economic principles wherever we can.</p> <p>The data regarding our internal business operations is mostly based on our automated central management information system and on invoices from our providers. In preparing the footprint, we made estimations, assumptions and extrapolations whenever data was unavailable or incomplete. Although we made these estimates and assumptions, based on the most careful assessment of current circumstances, activities, and available consumption data, the actual results may deviate from these estimates.</p> <p>Our climate footprint consists of CO₂ emissions and does not include other emissions (e.g., CH₄, N₂O and other gasses).</p>
<i>Community funds and donations</i>	<i>We invest part of our annual profit in social initiatives on a not-for-profit basis throughout the Rabobank Group.</i>
<i>Methodology/ Terminology</i>	<p>We measure and report this key figure by calculating the financial donations made by Rabobank Group during the reporting period. The main component of the total amount is the amount of donations made by our local Rabobanks to local initiatives. We measure and monitor manpower and knowledge invested in local communities as well, but these are not included in the KPI report.</p> <p>Terminology: Cooperative dividend - the part of the profit reinvested back into the community whereby investments consist of granted donations.</p>
<i>Gender Pay Gap</i>	<i>Pay equality is measured as the difference in average compensation for men and women corrected for a number of characteristics</i>
<i>Methodology/ Terminology</i>	<p>Pay equality is measured based on the adjusted and the unadjusted pay gap. The adjusted pay gap is defined as the difference between average compensation between men and women, divided by the average compensation of men. Where compensation of both groups is corrected for contract hours, job profile, salary scale, (sub)domain, age, months in service, months in salary scale, (in)direct span, performance and perspective rating using the Oaxaca Blinder Decomposition. The unadjusted pay gap is defined similarly, where compensation is only corrected for contract hours. This concerns employees in the Netherlands who are part of the CLA population excluding Obvion, DLL, BPD expats and employees in scales 1-3. Variable pay is not taken into account as part of the compensation. The reported figures represent November 2020.</p>
<i>Training expenses</i>	<i>The training expenses per FTE</i>
<i>Methodology/ Terminology</i>	The training expenses are based on the financial figures in the trial balance divided by the average FTE for the reporting year.

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