

 <p>Rabobank</p>	Banco Rabobank International Brasil S.A.		
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	CSR Policy		<i>Version 7.0</i>
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Rabobank Brazil CSR Policy

Rabobank plays a global leadership role in financing activities related to the agribusiness chain and aims to contribute to the economic, environmental and social progress in order to achieve development and help our clients realize their ambitions in a sustainable way. Aware of its responsibility in financing operations, Rabobank Brazil has developed a Social and Environmental Policy, applicable to all Rural and Corporate customers who have loans activities¹ with the bank in the country, suppliers of products and services to the Bank and also applicable to the internal community organization. For other banking products and services, this Policy is a way to encourage the adoption of Good Socioenvironmental Practices.

Objective

The objective of this Policy is to assure the provision of financial services in consistence with Rabobank core values: respect, integrity, professionalism and sustainability², in addition to manager and minimize the legal, credit and reputational risks. Rabobank set the target to support its clients to reach their ambitions, to contribute to a sustainable society and also to prioritize financial services to the leaders in sustainability.

Implementation

The Policy defines social and environmental aspects considered as unacceptable to the Bank, which are defined as exclusion criteria, and also the Good Practices that Rabobank believes can contribute and encourage clients' adoption.

To ensure the application of the Policy and the commitment with Sustainability, Rabobank, considering the principles of relevance and proportionality, carries out the Socio-Environmental Risk Management in order to:

- Identify, encourage and promote the adoption of Social Environmental Good Practices and;
- Identify and treat the existence of exclusion criteria.

Such identification can be done on an active or on a passive way, and differently for Rural Banking and Corporate clients. Rabobank Brazil analyzes its clients, suppliers and employees based on public information, interviews, document analysis and field visits for Rural Bank clients.

It's considered "active identification" the ones which the bank has formalized procedures of identification and treatment for nonconformities. The "passive identification" are the ones which does not exist a formal procedure but, once identified, are treated on an active way.

¹ Products that require specific approval levels for credit facilities.

² The way Rabobank Group see its role on the world is determined largely determined by four basic values expressed in our Mission Statement:

- a. Respect: Rabobank Group Works based in respect, appreciation and commitment.
- b. Integrity – Rabobank Group believes that all its activities must be conducted with honesty, sincerity, care and reliability.
- c. Professionalism – Rabobank Group provides high-quality services to its clients. The bank is compromised to maintain this quality, to anticipate the client's future necessities, when possible and to offer efficient services.
- d. Sustainability –Rabobank Group is committed to contribute to sustainable development of the society, on a financial, social and ecologic way.

Field visits help the institution identify improvement points where the Bank can work together with the customer in the implementation of good practices. As a result of the visits, is obtained the customer's Socioenvironmental score, which is one of the aspects considered in the suggestion of the maximum interest rate to be applied to the loans provided by the bank.

Rabobank Brazil believes that this Policy is only one of the first steps towards sustainability of its activities and its customers. Therefore, to ensure its development, the Policy is reviewed every two years, through a process of internal reflection and, in case of significant changes, discussion with others stakeholders.

Good Practices

Rabobank believes that Agribusiness has potential to contribute to jobs generation, natural resources maintenance and the country's progress. To help its clients to work this potential, Rabobank encourages the adoption of Good Practices in sustainability, such as:

1. Adoption of good Food Safety Practices;
2. Adoption of good agricultural practices and environmental management, with contribution to the conservation of biodiversity and soil as well as water and air quality maintenance;
3. Adoption of best practices to reduce water and energy consumption and greenhouse gases emissions;
4. Adoption of waste management practices;
5. Adoption of socio-environmental policies, including for service providers and origination of raw materials, with implementation mechanisms;
6. Presence of mechanisms to deal with customer and community complaints;
7. Adoption of environmental contingencies programs;

The Bank supports customers in a way to be fully in compliance with the Regulatory Norm 31. The complete noncompliance with some of the Norm requirements is considered exclusion criteria for the Bank, as described in chapter "Exclusion Criteria".

Sustainable Value Chains

The agribusiness-related activities have considerable impact on social, economic and environmental spheres. Therefore, Rabobank believes that agribusiness companies, whether producers, trading companies, industries, retailers, and farmers have a key role in the sustainable development of value chains. Rabobank encourages companies to act sustainably throughout their chain (from the origination of the raw material to the final commercialization of the product or service). Public commitments, participation on initiatives (local and global ones), the implementation of certifications, are examples of actions that demonstrate the client's commitment to sustainability.

Exclusion Criteria

Rabobank Brazil does not provide credit to companies or people in which is verified one of the following events:

1. Violation of the Core Policies of Rabobank Group and, where applicable, Theme and Sector Policies.³

³ To see Rabobank Global Policies, please visit: <http://www.rabobank.com>

2. To prevent the freedom of collective association, not to recognize the right to collective bargaining, to practice forced labor, child labor, discrimination at work or other actions that violate current labor standards;
3. To be included in the "Transparency List on Contemporary Slave Labor" periodically published by the Ministry of Labor and Employment;
4. Lack of registration of employees, directly hired workers or outsourced workers, who work for the company on a temporary or regular basis within or outside their dependencies;
5. Full noncompliance of the following items of the Regulatory Norm 31, where applicable : item 31.8- Pesticides, adjuvants and other products (registration, handling, training, security, storage); item 31.16- Transportation of employees (vehicles and security); item 31.20 – Individual protection measures (equipments supply, training and use exigency) and item 31.23- Common areas (toilets, lodging, housing and restaurants);
6. Overlapping of productive areas with Indigenous Territories (with the status of "Declared", "Homologated", "Regulated" or "Interdicted" according to FUNAI), Quilombola Areas and Conservation Units classified as Integral Protection, according to definition SNUC (National System of Conservation Units);
7. Trading species listed in Appendices I, II and III of CITES–Convention on International Trade in Endangered Species of Wild Flora and Fauna (www.cites.org);
8. Production, trade or use of prohibited pesticides in accordance with the performance standard of IFC (International Finance Corporation) (www.ifc.org)⁵;
9. Production or commercialization of products deemed illegal in Brazil;
10. Existence of land tenure irregularities⁶;
11. Involvement with unauthorized deforestation⁷ after January 2005⁸;
12. Processing or commercializing wood from planted forests without certification, that are not under a certification process or that do not have a sustainable management system, nationally approved.
13. Processing or trading wood from native forests without the applicable licenses and permits;
14. Absence of environmental licenses applicable to the client's core activities, or other documents proving environmental regularity, including the CAR (Rural Environmental Registry);
15. Existence of criminal activities (e.g. corruption, documents falsification, etc.);

⁵ The client will not purchase, store, use, manufacture or commercialize products classified in WHO Recommended Classification of Pesticides by Hazard Class I a (extremely hazardous) or I b (highly hazardous). The client will not purchase, store, use, manufacture or commercialize Class II (moderately hazardous) pesticides, unless the project has appropriate controls on manufacture, procurement or distribution and/or use of these chemicals. These chemicals should not be accessible to personnel without proper training, equipment and facilities to handle, store, apply, and dispose of these products properly." (IFC Performance Standard 3, 2012);

⁶ It's understood by "Irregular Situation Lands" the existence of areas where property dispute by minority groups or areas without any title that legitimizes the possession and/or property;

⁷ For this Policy, deforestation is understood as the total suppression of native vegetation of some area for alternative use of the soil. Is considered Native Vegetation all original vegetation, residual or regenerated, characterized by forests and other Brazilian types of vegetation such as "Capoeiras", "Cerradões", "Campos", "Campos Limpos", undergrowth vegetation, and others.

⁸ Date when Rabobank started working directly with rural producers in Brazil.

16. Restrictions to finance or take as collateral areas in the Amazon Biome which forest has been suppressed in the last 5 years ("Biome Moratorium")

Client Engagement

By believing in the engagement with the client and in the seek for continuous improvement of its business, Rabobank Brazil analyzes case by case, and may eventually make an exception and start a relationship with a client identified in one of the exclusion criteria described in this Policy, as long as the client proves the implementation of corrective measures, when applicable.

Clients identified as presenting a high social and environmental risk for the bank must commit to improve their processes through an action plan to be drawn up by CSR.

A lack of interest or commitment of a client with improvements within a period that Rabobank considers reasonable may result in termination of the relationship with this client

Collaterals

For transactions occurred after June 1st 2006, the absence of legal reserve (as demanded by the Forest Code is considered environmental liability). For that purpose, all collaterals are analyzed and if liability exists, it's discounted the proportional area.

Suppliers

Rabobank Brazil does not work with service providers where the following situations are verified:

1. Prevent the collective association freedom, not recognizing the right to collective negotiation, practice of forced labor, child labor, discrimination at work or other actions that violate the current labor standards as well as being included in the "Transparency List of Contemporary Slave Labor" published periodically by the Ministry of Labor and Social Security.
2. Lack of registration of employees, directly hired workers or outsourced workers, who work for the company on a temporary or regular basis within or outside their dependencies;
3. No environmental licenses to provide the service, where applicable;
4. Existence of criminal activities (e.g. corruption, documents falsification, etc.);

Employees

Rabobank encourages its employees to act in accordance with the Bank's values and Policies.

Commitment

Rabobank International Brazil clients declare that any resources arising from any credit operation taken on Rabobank group will not be used for any activities and / or projects that may be classified as an exclusion criteria of this Policy. For this purpose, Rabobank's clients sign a statement claiming to have knowledge of this Policy.

Transparency

To ensure transparency on the performance of its Policies, Rabobank Group produces an annual environment report that contains the analysis of actions performed, ensuring the confidentiality applicable to the activities of the bank. The validation of the information is done by internal audit.

Communication

Rabobank has a communication channel, which can be used for complaints or suggestions related to its CSR Policy. Any suggestions must be sent to the “Social and Environmental Sustainability Department”, through:

E-mail: socioambiental@rabobank.com

Mail: Av. das Nações Unidas 12.995 7th floor – 04578-000 – São Paulo, SP

Ombudsman

There is an official service responsible for representing the interests of the public by investigating and addressing complaints reported by customers. The service is available from Monday to Friday, from 10 am to 5 pm, by telephone number 0800 703 7016 (free call) or by email: ouvidoria@rabobank.com.

Approval

According to Bacen Resolution number 4.327 of April 25, 2014, this Policy was approved by Rabobank Brazil's higher management, assuring its adequate integration to all the bank's policies.