

# Modern Slavery Statement 2021



**Rabobank**



# CEO Introduction

At Rabobank our mission, vision, strategy, values and behaviours are the fundamentals of the way we operate.

Our mission is: *Growing a better world together*. This is what we stand for and what we aim to achieve through being client driven, action-oriented, purposeful, courageous, professional and considerate and by bringing out the best in each other while continually learning.

Our mission includes our belief that human rights are universal, to be enjoyed by all people, no matter who they are or where they live. There are human rights dimensions to everything we do: from the treatment of our own employees to how our customers treat their employees and how they address land conflicts and labour abuses deep within their supply chains.

We expect our customers and suppliers to respect and promote human rights, as described in the *UN Guiding Principles on Business and Human Rights (UNGP)*, in their business decisions, and expect them to influence their suppliers to do the same. If violations come to our attention, we engage with our customers and suppliers to help them improve.

Each year, we enhance and improve our processes and empower our employees to collaborate with our stakeholders to address human rights in how we do business.

We look forward to continuing to learn and progressing our plans to play our part towards addressing and eradicating modern slavery.

**Peter Knoblanche**  
CEO Rabobank Australia &  
Director, Rabobank Australia Limited

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# Overview

This Modern Slavery Statement (“**Statement**”) is made pursuant to the *Modern Slavery Act 2018 (Cth)* (the “**Act**”) by:

- 1) **the Australia Branch of Coöperatieve Rabobank U.A.** (ABN 70 003 917 655) (“**Rabobank Australia Branch**”); and
- 2) **Rabobank Australia Limited** (ABN 50 001 621 129);

which are each reporting entities under the Act in their own right.

This Statement sets out the actions taken by Rabobank Australia Branch, Rabobank Australia Limited and the Rabobank Australia Group as a whole (described below), to identify, assess and address modern slavery risks across the group’s operations and supply chains in its financial year of 1 January to 31 December 2021.

This Statement addresses each of the seven mandatory criteria for modern slavery statements, set out in section 16 of the Act.

# About Rabobank Australia Group

## Our Structure

Coöperatieve Rabobank U.A. is a cooperative (coöperatie) formed under the laws of the Netherlands with its statutory seat in Amsterdam, the Netherlands. Coöperatieve Rabobank U.A. is the head entity of the international Rabobank Group, which is a financial services organisation with operations in 38 countries, including Australia.

Coöperatieve Rabobank U.A. operates as a branch in Australia and is registered as a Foreign Company under Australian Registered Body Number (ARBN) 003 917 655 ("Rabobank Australia Branch"). Rabobank Australia Branch is part of the Rabobank Australia group ("Rabobank Australia Group" or "the Group"), which consists of Rabobank Australia Branch and the following Australian incorporated companies, of which Coöperatieve Rabobank U.A. is the ultimate parent entity:

<b>Rabobank Australia Limited</b>
<b>Rabo Australia Limited</b>
<b>Rabo Equipment Finance Limited</b>
<b>Graincorp Pools Pty Limited</b>
<b>Soft Commodity Trading Pty Limited</b>

Of these entities, Rabobank Australia Branch and Rabobank Australia Limited are the only reporting entities under the Act. All of the Rabobank Australia Group entities have common management, staff and premises in Australia. They are also subject to similar, if not identical, policies and procedures. In some instances, the policies are entity-specific and in other cases they apply to all entities within the Rabobank Australia Group.

On a day to day basis, Rabobank Australia Branch, Rabobank Australia Limited and the other entities within the Rabobank Australia Group are operated and managed locally by the Chief Executive Officer, Rabobank Australia (CEO), and an executive team which reports to him. The Senior Officer Outside Australia (SOOA) also has responsibilities in relation to the conduct of Rabobank Australia Branch. The SOOA is appointed by the Managing Board of Coöperatieve Rabobank U.A. and has delegated authority to fulfil his role. Rabobank Australia Limited has a board consisting of 4 independent directors, 3 non-executive, non-independent directors, and one executive director. The CEO has delegated authority from the Managing Board of Coöperatieve Rabobank U.A. and from the Board of Rabobank Australia Limited to fulfil his roles and responsibilities.



## Our Operations

Rabobank Australia Group is one of the leading agricultural lenders and a significant provider of business and corporate banking and financial services to Australia's food and agribusiness sector, trading principally through the Rabobank Australia Branch and Rabobank Australia Limited entities, which are each respectively, authorised deposit-taking institutions under the Banking Act 1959 (Cth).

Rabobank Australia Group serves approximately 180,000 clients across three main target markets:

-  Rural (farming and agribusiness)
-  Wholesale (corporate)
-  Rabobank Online Savings (retail)

Through its Rural Banking and Online Savings divisions, Rabobank Australia Group's banking and financial services activities include deposit taking, loans, bank guarantees, equipment finance and providing access to transactional banking services, while its Wholesale Division provides debt products (including underwriting and related services), inventory finance, receivables & payables finance and a range of hedging and risk management products.

Rabobank Australia Group's other operational activities include food and agribusiness market research and analysis and food and agribusiness education and events.

Rabobank Australia Group employs over 1,200 people and has 62 branches throughout Australia, most of which are located in regional and rural areas, contributing to the Australian economy as a regional employer and as an active promoter of food, agribusiness and regional affairs.



## Our Supply Chains

Rabobank Australia Group's supply chain consists of arrangements from one-off purchases with non-contracted suppliers through to multi-year, large value partnerships. Approximately 97% of our 1,400 suppliers are based in Australia with the remaining 3% based offshore, mostly in the EU, USA, and UK. Rabobank Head Office, based in the Netherlands, is also a major supplier of services to Rabobank Australia Group.

The main categories of suppliers to the Group (in terms of numbers) include:

-  Information technology and telecommunications
-  Property and facilities management
-  Professional services
-  Human resources services
-  Marketing services



# Modern Slavery Risks in our Operations and Supply Chains

In identifying our modern slavery risks, we recognise, in accordance with the UNGPs, that companies may cause, contribute or be directly linked to adverse human rights impacts through their activities and business relationships, including in their operations and supply chain.

## Risks of involvement in modern slavery

- A company may **cause** modern slavery if its own activities result in a modern slavery impact.
- A company may **contribute** to modern slavery if its activities significantly contribute to modern slavery caused by another party, including acts or omissions that may facilitate or incentivise modern slavery.
- A company may be **directly linked** to modern slavery if the impact is directly linked to its operations, products or services by its business relationships. Direct linkage may occur even where there is no direct contractual relationship.

## Risks in our Operations

As an Australian based financial services provider with a professional workforce, Rabobank Australia Group considers the risk of modern slavery within its own direct operations to be low.

Through our core business of providing banking and finance services to the food and agribusiness sector, we could be indirectly involved in modern slavery if our customers use our products or services for activities that involve modern slavery. We recognise that this risk may be higher where we are involved in activities or countries that are high-risk for modern slavery.

## Risks in our Supply Chain

Rabobank Australia Group considers that the risk of modern slavery within its direct supply chain to be low as a large proportion of our suppliers are based in Australia with a minimal need to procure physical goods, or to use manual labour within our operations.


Looking at recognised rankings of high-risk sectors, such as Walk Free's Global Slavery Index (GSI)<sup>1</sup> and the Commonwealth Modern Slavery Act Guidance<sup>2</sup>, Rabobank Group's areas of exposure largely relates to the following sectors: laptops, computers and mobile phones; cleaning services and, to a lesser extent; our uniform supplier.

Approximately 3% of Rabobank Australia Group's direct suppliers are based outside of Australia and, from our due diligence to date, we have not detected any exposures within our supply chains to high-risk countries (as defined by GSI). Notwithstanding this, we will continue to develop our risk assessment methodology to ensure that these geographic risks are appropriately identified and considered on an ongoing basis.

We continue to engage in discussions with other financial sector participants to identify opportunities to improve our Modern Slavery Response Framework in our operations, supply chain and client portfolios. Through the Australian Banking Association's (ABA) Modern Slavery Working Group, we share insights and experiences to the development of best practice approaches to monitoring modern slavery risks, including exploration of common industry-wide modern slavery red flags and typologies in the banking sector.

<sup>1</sup> Highlights | Global Slavery Index

<sup>2</sup> Commonwealth Modern Slavery Act 2018 - Guidance for reporting entities (homeaffairs.gov.au)



# Mitigating Actions and Effectiveness Assessment

Rabobank Australia Group is bound by the international Rabobank group's Global Sustainability Policy. The Group's commitment to uphold human rights dictates that we do not allow or enable modern slavery practices to occur in connection with our organisation. This overarching obligation flows through to a range of Group policies and practices described below, which help to reduce the risk of modern slavery within our operations and supply chains.

During 2021 Rabobank Australia Group undertook a review of the Global Sustainability Policy to identify whether localisation was required to address any modern slavery risks specific to our Australian supply chain, operations and clients. We have retained the Global Sustainability Policy as the review confirmed that the key drivers, such as the risks to Human Rights and Labour Rights for Modern Slavery Risk globally, still apply locally.

## Our Employees

### Modern Slavery training

Throughout 2021, we continued to uplift the capability of our staff in supplier-facing and customer facing roles to proactively identify and manage modern slavery risks. We conducted training with Rural Banking client facing staff and our supplier relationship managers on sustainability topics with specific focus on modern slavery high risk industries and countries to build our employees' awareness on identifying, mitigating, managing and reporting on modern slavery risks in their roles.

### Whistle-blowing policy

Rabobank Australia Group is committed to maintaining a high standard of business ethics and safety within its organisation. We promote a strong culture of transparency and integrity, and we are committed to detecting and addressing misconduct and ensuring that those who become aware of misconduct can report it without being concerned that it will negatively affect them or their positions.

To support this commitment, our whistle-blowing policy protects individuals and groups of individuals that 'speak up' about misconduct and sets out how Rabobank will respond to reports of misconduct.

Our whistle-blowing policy covers anyone who works (or has worked) for Rabobank, in any role, location, or contract term, as well as anyone who has or had another type of business relationship with Rabobank (e.g., suppliers), and family members of current or past employees of Rabobank.

### Banking, Finance and Insurance Award

All employees on our payroll are covered by the Banking, Finance and Insurance Award. Employment contracts are updated as and when new Award changes are introduced to ensure we adhere to the new requirements.

## Assessment of effectiveness

Our primary goal, throughout the COVID-19 pandemic, has been to protect the health and safety of our people, clients and the community.

We introduced a new hybrid way of working which combines the advantages of working remotely with the benefits of working from a Rabobank office, Rabo@Anywhere. Our business is built on a culture of fostered relationships and Rabo@Anywhere enables us to work together in a flexible and safe environment.

We continued to provide new resources to support employees' health and wellbeing throughout FY21 through our virtual Wellbeing Series. Topics covered in these Wellbeing series include sessions for parents and carers focused on finding fun and balance for you and your children during the break, mentally healthy workplaces in the face of ongoing lockdowns and a feeling of languishing.

## Our Clients

Our client portfolio includes providing financial services to agriculture primary producers and businesses downstream in the agricultural supply chain, which indirectly exposes Rabobank Australia Group to modern slavery risks. The horticultural industry remains a higher-risk area for Rabobank due to the seasonal nature of the workforce requirements as these businesses often rely on transient, short-term contract manual labour to manage their peak harvest periods. We have a range of policies, procedures and tools covering our client base to help identify, quantify and report on such risks.

We continue to improve our policies, procedures and tools and awareness of modern slavery risks and we have introduced tangible measures to educate our business on the potential modern slavery risks in our clients' operations and supply chains.

Where poor labour practices are identified amongst our client base, our Global Sustainability Policy Framework requires us to address these concerns directly with the relevant clients.

## Client screening

Like other criminal conduct, modern slavery is often associated with the risk of money laundering.

We have policies and mandatory procedures in place to conduct due diligence on our customers at the time of onboarding and on an ongoing basis during their banking relationship with us. We collect "Know Your Customer" (KYC) information from our customers and ensure that we verify their identities. We risk assess each client based on the information provided by them, and based on other information sources available to us.

We screen customers and their related parties on a daily basis to identify and mitigate money laundering and terrorism financing (ML/TF) and government sanctions risks. Customers that pose a higher ML/TF risk are subjected to enhanced due

diligence measures and are monitored according to their level of risk. Our systems are designed to alert us when detecting an unusual transaction and our staff are trained to identify and report red flags and suspicious customer behaviour.

## Client Photo

In 2021, we enhanced the Rural Client Photo process, a broad sustainability questionnaire, designed to gain a snapshot of the environmental, agronomic and social facets of each of our rural clients' businesses.

Potential modern slavery risks in those businesses, are collected from data on:

- Tenure of workforce (Casual vs. Full Time Employees)
- Occupational Health & Safety compliance
- Induction programs for staff
- Accidents and fatalities; and
- Serious staffing incidents (e.g. unfair dismissal, negligence or assault)

The Client Photo data collection in 2021 shows that horticulture represents 6% of our Rural portfolio. Approximately 89% of our horticulture clients employ staff outside of family members. 72% of employees are employed for more than 3 years with our clients. The data also indicates that 99% of our horticulture clients have an occupational health and safety manual or Safety Guidelines on farm. With this knowledge, we look to expanding the assessment process to capture more information and develop an appropriate response framework to guide our front line Account Managers on identifying any possible Modern Slavery Risks in FY22.

## GAIA

'GAIA' is the name of our Global Corporate Social Responsibility (CSR) questionnaire for our Wholesale clients (typically large corporations). The questionnaire covers all topics under the CSR umbrella including particular reference to the way corporations report on and govern the CSR impact of their operations and supply chains.

In FY22, we intend to leverage the results of the questionnaire to deliver appropriate support to front line Account Managers and our customers on identifying any possible Modern Slavery Risks in their operations and supply chain.

## Assessment of effectiveness

Throughout the COVID-19 pandemic, our teams continue to work hard to support primary producers customers, middle-market food and agribusiness enterprises, large corporations in the food and agribusiness sector and the communities in which we operate. Our primary focus remained with supporting our clients through our COVID-19 Relief Measures. As such, we reviewed readily available data to assist with determining the appropriate approach needed in identifying and mitigating risks with a particular focus on labour hire practices in the horticulture industry. We aim to have constructive dialogue to contribute and to share our knowledge and networks with our clients to motivate them to deal responsibly with their issues.



## Our Suppliers

All third party suppliers for the Rabobank Australia Group are subject to due diligence at the time of on-boarding. All suppliers are also subject to a sanctions, adverse media and politically exposed persons screening process. This screening process is repeated periodically according to the risk rating of the supplier. This supplier screening and the overall due diligence process helps us to identify and mitigate modern slavery risks related to our suppliers.

## Assessment of effectiveness

The Rabobank Australia Group continues to enhance the management of modern slavery risks focussing on strengthening the due diligence process, increasing supplier engagement and launching targeted training and awareness for our employees.

Our vendor screening process maintained its rigour throughout FY21 as we acknowledge that the vulnerabilities of workers may have increased as a result of the pandemic in our supply chain due to the rapid demands on supplies such as medical supplies and personal protective equipment (PPE).



# 2022 Initiatives

The Rabobank Modern Slavery Working Group assesses, monitors and reports on the risks of modern slavery within Rabobank Australia Group. This working group has also helped continuously improve and develop Rabobank Australia Group's processes to detect and address modern slavery risks, including assessing the effectiveness of the measures we have implemented during the initial (and subsequent) reporting periods under the Act.

Below is an outline of the measures that we will seek to implement in FY22 to continue to build on the foundations of the work we have conducted in recent years:

Role	Objective	Measures of effectiveness
<b>Financial Service provider</b>	Continuous improvement in our approach to identifying and addressing modern slavery risk	Reporting of suspicion or disclosure of modern slavery issues received through the Sustainability team  Number of suspicions or disclosures of modern slavery issues internally resolved and/or reported to appropriate authorities
<b>Purchaser of Goods and Services</b>	Develop a collaborative relationship to improve residual modern slavery risk of suppliers	Review of the process for onboarding and retention of high-risk category suppliers to align our processes with industry standards
<b>Employer</b>	Build role specific awareness and capability to identify, mitigate, manage and report modern slavery risk including for employees working in new country contexts and provide appropriate support.  Further develop on a culture of accountability recognising 'risk is everyone's business'	Implement the Procedures and Response Framework  Implement the Compliance Guide  Percentage of front line Account Managers (Rural and Wholesale) that participate in modern slavery training and awareness sessions



# Consultation process

Rabobank Australia Branch and Rabobank Australia Limited, together with the other entities within the Rabobank Australia Group, share similar if not identical, operations, supply chains, management, staff and policies. Accordingly, the actions taken by the Rabobank Australia Group to identify, assess and address modern slavery risks, have been taken at a single consolidated level.

This Statement has been considered and supported or approved by the following management and governing bodies:

1. CEO and Executive Team of Rabobank Australia Group;
2. Board of Rabobank Australia Limited;
3. Management Team of Rabobank's global Wholesale & Rural division; and
4. Managing Board of Coöperatieve Rabobank U.A., based in the Netherlands.

To identify and manage modern slavery risk, we work collaboratively within Rabobank sharing information and tools. The Group's Modern Slavery Working Group, consisting of representatives from key business and support units, meets regularly to discuss the modern slavery work progress, industry and regulatory updates and the preparation of this Statement.

This Statement is focussed on the operations and supply chains of the Rabobank Australia Group. We continue to work closely with our Netherlands and United Kingdom counterparts to share learnings and best practices reporting for addressing modern slavery reporting where similar legalisation exists.

This Statement, reviewed and updated annually, has been approved by the Board of Rabobank Australia Limited and the Managing Board of Coöperatieve Rabobank U.A.

**Peter Knoblanche**  
CEO Rabobank Australia &  
Director, Rabobank Australia Limited

**Berry Martin**  
Member, Managing Board of  
Coöperatieve Rabobank U.A.



# Appendix 1

## Mandatory Reporting Criteria

This Rabobank 2021 Modern Slavery Statement has been prepared in accordance with the mandatory criteria set out in the Australian Modern Slavery Act 2018 (Cth). The following table references the content in this Statement which complies with Section 16 of the Australian legislation.

Australian Modern Slavery Act 2018 (Cth) Mandatory Criteria	AMS Statement 2021 Page Reference
<b>Identify the reporting entity</b>	Page 3
<b>Describe the structure, operations and supply chains of the reporting entity</b>	Pages 4 to 5
<b>Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls</b>	Page 6
<b>Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes</b>	Pages 7 to 9
<b>Describe how the reporting entity assesses the effectiveness of such actions</b>	Pages 7 to 9
<b>Describe the process of consultation with any entities that the reporting entity owns or controls</b>	Page 11
<b>Include any other information that the reporting entity, or the entity giving the statement, considers relevant</b>	Pages 10



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