

# Press Release

Month date, year



## ***Rabobank Launches First Ever ESG leader Commercial Paper and Certificate of Deposit Programme***

**Rabobank is the first bank to launch an “ESG Leader” Commercial Paper and Certificate of Deposit Programme in the money market (the “ESG Leader Programme”). The ESG Leader Programme offers short term investments in Rabobank as a leader in environmental, social and governance (ESG) which may be labelled as ESG investments. This innovative ESG Programme is in line with Rabobank’s ongoing efforts in being at the forefront for a stronger and sustainable future. The ESG Leader Programme provides investors with more diversified investment opportunities and contributes to capital being channelled to more sustainably operating companies.**

**Rabobank is the first company to launch such an ESG-labelled Programme as an ESG leader. The first launch that amounted to EUR 1 billion was highly successful in view of immediate acceptance by the buy-side market parties. The size of the program is EUR 5 billion maximum. Rabobank may issue ESG Leader paper as long as it maintains its ESG Leader status as assessed by Sustainalytics.**

### **Why has Rabobank launched this programme?**

Robert Ruisch, head of Rabobank’s Commercial Paper and Certificates of Deposit Trading Desk, says: “We noticed that money markets did not yet offer products to responsible investors, which limits investors seeking both diversification of their investments and higher positive impacts of their investments. Our new programme opens the opportunities to do so for investors.” Frank Beset, head of Rabobank’s Treasury Liquidity Management: “The programme offers us the opportunity to diversify our funding instruments and cater specifically to the needs of responsible investors. Moreover, we want to be a first mover in responsible finance and investing products, just as we have been part of the launch of Green Bonds, Social Bonds, and Green Loans from their very start.”

### **What is an ESG Leader?**

The ESG Leader classification of Rabobank is based on an independent assessment of our environmental, social and governance performance by Sustainalytics, a leading global provider of environmental, social and corporate governance (ESG) research and ratings. Sustainalytics provides research and ratings on 11,000 companies in terms of their ESG performance, and then ranks these companies relative to industry peers. Sustainalytics rates a company’s ESG performance on a 0 to 100 point scale. Companies who rank among the top 5% of their industry peers are classified as ESG Leaders within Sustainalytics’ coverage universe. Rabobank has a top 5% position in its industry.

**What is the difference with other ESG-labelled financial market instruments?**

In capital markets, where investments have a longer time horizon, bonds are deemed sustainable when they comply with market standards like the Green Bond Principles or Social Bond Principles, of which Rabobank is a founding member. A prime characteristic of the sustainable bond market is the focus on a sustainable use of proceeds: bond issuers are transparent about the projects and assets which are financed by the bond, and they disclose environmental or social benefits and impacts of those projects. This approach, however, is not fit for commercial papers and certificates of deposit, due to their short term nature: loans are redeemed by the issuer within a year and deposits are returned to the depositor within a year. Portfoliomanagement and reporting efforts would overburden these instruments. Loans may have already been redeemed or deposits have been returned to the depositor when the reports would become available. "Hence, we sought other ways to qualify these money market instruments in a robust way that provides trust to the investors that their money is invested with a company that is recognized as a leader for its environmental, social and governance performance, through independent, rigorous and systematic research by Sustainalytics", says Olaf Brugman, head of Rabobank's Sustainable Markets Desk.

**Financial Innovation**

This first of its kind application of ESG research and ratings to money market instruments is made possible by the innovative power of Rabobank and the respected independence of Sustainalytics. Applying its ESG Leader classification, Rabobank is able to offer ESG-qualified short term money market investment opportunities to investors, in addition to offering access to longer term capital investments like green bonds, for example.

**For more information:**

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