



GROWING RURAL AMERICA

2022 SUSTAINABILITY REPORT





“Our objective is to partner with our customers as they chart their own journeys to a sustainable future.”



Tom Halverson

TOM HALVERSON
President & CEO

Kevin A. Still

KEVIN STILL
Board Chair



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LETTER FROM OUR BOARD CHAIR AND CEO

TO OUR CUSTOMERS AND STAKEHOLDERS

On behalf of our board of directors and management, we are delighted to share with you CoBank's 2022 Sustainability Report. We've renamed and reconfigured the report to better reflect our focus on the impact we have on people, communities and the environment. We have expanded its contents to not only include our citizenship and social efforts, but also to provide insight into our environmental and governance practices.

Establishing and executing robust sustainability strategies has become a priority for many businesses, including financial institutions. The marketplace continues to evolve, as do the expectations of customers, investors, employees, policymakers and community partners. Climate change and other environmental issues in particular are a heightened priority for many stakeholders. Meanwhile, CoBank's core mission remains unchanged — providing dependable credit to industries that form the backbone of the U.S. rural economy. We believe we need to be more transparent than ever about what we are doing in our business and how we are doing it. This report is an important step forward in that regard.

In many ways, CoBank has been on this journey for some time. We have longstanding corporate philanthropy programs focused on partnering with customers that deliver millions of dollars in financial support to the nation's rural communities. For many years, we have been one of the nation's leading financiers of renewable energy. Diversity, equity and

inclusion are important pillars of our Human Resource programs. In 2022, we enhanced this work in several ways, including the establishment of a sustainability function at the bank with appropriate board oversight; completion of a formal sustainability materiality assessment; and our data collection and analysis efforts.

Many financial institutions around the world have established formal targets and timelines through which they intend to intentionally reduce the carbon emissions in their loan portfolios. Under the guidance of our board and executive team, CoBank is deliberately choosing a different path. Many of the industries we finance, including agriculture and energy, are carbon-intensive in nature. We have an explicit mandate to reliably fulfill their need for debt capital. Our objective is to partner with our customers as they chart their own journeys to a sustainable future. We think this approach is the best way for CoBank to fulfill our mission of service as a customer-owned financial cooperative and as a member of the Farm Credit System.

We are grateful and honored for the trust placed in us by our customers and associates. We are privileged to partner with so many to support the U.S. rural economy and to give back to the rural communities whose strength and vitality are the ultimate measure of our own success.

REPORT OVERVIEW

ABOUT THIS REPORT

The 2022 CoBank Sustainability Report includes information representing our sustainability efforts and achievements from January 1, 2022 to December 31, 2022. As an evolution of last year's Corporate Social Responsibility Report, this report enhances transparency about our social, economic and environmental impact, and provides greater insight into our sustainability programs and processes. The focus areas in this report follow our historical emphasis on reporting social impact, with additional reporting on areas of environmental impact and governance matters identified as significant by our management team. Consistent with evolving best practices, we have aligned our reporting with the United Nations Sustainable Development Goals.

Further information about CoBank can be found in our companion **2022 Annual Report**.

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ABOUT COBANK

CoBank is a cooperative bank serving vital industries across rural America. We provide loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states. We also offer wholesale loans and other financial services to affiliated Farm Credit associations serving more than 76,000 farmers, ranchers and other rural borrowers in 23 states around the country. CoBank is a member of the Farm Credit System, a nationwide network of banks and retail lending associations chartered to support the borrowing needs of U.S. agriculture, rural infrastructure and rural communities. Headquartered outside Denver, Colorado, CoBank serves customers from regional banking centers across the U.S. and also maintains an international representative office in Singapore.

OUR MISSION

As an integral member of the Farm Credit System, our mission is to serve as a relevant and dependable provider of credit and other value-added financial services and support to agriculture, rural infrastructure and other similar businesses for the benefit of rural America.

OUR CORE VALUES

CoBank associates and board members are committed to core values that are essential to achieving our mission and vital to delivering our value proposition.

- Integrity
- Diversity, Equity and Inclusion
- Personal Excellence/Accountability
- Teamwork
- Mission Enrichment

OUR COOPERATIVE FOUNDATION

CoBank is a cooperatively organized financial institution owned by our borrower-members.

We are part of a long cooperative heritage in rural America, where co-ops have been an important part of the fabric of economic life for many decades. That includes farmer-owned cooperatives in the agricultural sector, electric cooperatives that deliver affordable power to rural communities, and cooperative service providers in the communications and water industries. It also includes the cooperatively structured Farm Credit System, of which CoBank is a proud member.

Co-ops create economic opportunity and support the resiliency of the communities to which they belong. We work with local, regional and national organizations that promote the public policy interests of cooperatives and the industry sectors served by the bank. We believe these efforts are an important part of our broader mission in rural America. Learn more about the [Cooperative Principles](#).



KEY STRATEGIC PRIORITIES

Our strategic priorities are the foundation that supports every business decision and every action taken by our board, our management and our associates. We fulfill our mission through the strong and consistent execution of these strategies.



Be Financially Strong



Prudently Identify and Manage Risks



Deliver Superior Customer Service and Build Strong Relationships



Achieve Operational Excellence Through Digital Transformation



Continue To Be a Trusted Partner for Affiliated Associations and the Entire Farm Credit System



Invest in Our People and Culture



Demonstrate Our Concern for Community



SUSTAINABILITY AT A GLANCE

The Sustainable Development Goals of the United Nations are a voluntary framework of 17 global goals and targets designed to accelerate progress toward a more sustainable world. They have become a common touchstone in tracking sustainability progress since their publication in 2015. We have highlighted examples of our work in these areas throughout this report, as signified by the relevant SDG icon.

COBANK'S FOCUS AREAS AND IMPACT

STRENGTHENING OUR COMMUNITIES



CORPORATE GIVING

As a mission-based cooperative lender and member of the Farm Credit System, CoBank is committed to being a good corporate citizen. We support causes and programs that make life better for our associates, our customer-owners and rural communities.

SUPPORT FOR AGRICULTURE

CoBank plays a vital role supporting the U.S. farm economy. We are one of the nation's largest private providers of credit to agriculture, supporting agribusiness borrowers in all 50 states and in virtually every ag sector.

DIVERSITY, EQUITY AND INCLUSION IN THE COMMUNITY

Through corporate philanthropy, CoBank is an active supporter of programs that promote access and inclusion, including college scholarships and programs helping minority producers.

FOOD ACCESS AND HUNGER RELIEF

CoBank believes, in a nation with the most productive agricultural system in the world, everyone should have access to fresh, healthy food. We support programs that provide food to hungry people and those that seek to address the underlying issues that lead to food insecurity.

RESEARCH AND HIGHER EDUCATION

We believe research and education play a vital role in the future of rural America. We support land-grant universities and other institutions that are developing the next generation of American farmers, ranchers and rural business leaders.

RURAL COMMUNITY DEVELOPMENT

CoBank provides billions of dollars in credit to rural infrastructure industries that drive economic development in rural communities, including power, broadband communications and clean water. We also make equity investments in rural businesses providing jobs and economic growth in rural communities.

RURAL DISASTER RELIEF

Each year, natural disasters disrupt lives and livelihoods across rural America. CoBank's support for rural disaster relief helps impacted communities as they work to recover and rebuild.

COOPERATIVE ADVOCACY AND INDUSTRY SUPPORT

Cooperatives create economic opportunity and help to build resilient communities. Our advocacy efforts are aimed at promoting the benefits of the cooperative business model and gaining support for the industries we serve.



SUPPORTING OUR PEOPLE



OUR CULTURE

CoBank is committed to building a culture in which open, candid communication is encouraged, individual contributions are rewarded and all associates are allowed to maximize their potential.

DIVERSITY, EQUITY AND INCLUSION

CoBank believes understanding, appreciating and embracing the unique characteristics and strengths of our people makes us a better organization and helps us serve our customer-owners.

RECRUITMENT

CoBank strives to recruit and retain high-quality, diverse and committed professionals dedicated to serving our customers and fulfilling our mission.

RETENTION, PROMOTION AND DEVELOPMENT

CoBank is committed to building individual capabilities and maximizing the strengths of every associate. We invest heavily in professional development programs and believe growing our people is vital to the growth of our business.

ASSOCIATE ENGAGEMENT

CoBank is committed to proactively measuring and improving associate engagement — a critical component of our continued success and performance.

HEALTH AND WELL-BEING

CoBank strives to support our associates in a holistic manner, offering benefits that help to create balance and achieve personal wholeness.



COBANK'S FOCUS AREAS AND IMPACT

STEWARDSHIP OF THE ENVIRONMENT



REDUCING OUR IMPACT

CoBank recognizes all people and organizations play a role in creating a more resilient and sustainable future. We are committed to playing our part in that effort through programs that reduce the footprint of our business.

FINANCING RENEWABLE ENERGY

CoBank supports our customers as they work to increase clean and renewable energy sources in their businesses. We are proud to be one of the largest financiers of renewable energy projects in the United States.

SUPPORTING SUSTAINABILITY-FOCUSED PROGRAMS

CoBank supports initiatives that promote sustainability and responsible stewardship of environmental resources. In this way, we are working to make life better now in the communities where our employees and customers live and work, while also helping to ensure a better, healthier future.

SERVING WITH INTEGRITY



ETHICS AND COMPLIANCE

As a regulated financial institution, CoBank has robust ethics and compliance programs. We strive to continuously improve and enhance these efforts in order to ensure the highest levels of stakeholder confidence. It is the policy of CoBank that high ethical standards of industry, duty, loyalty, honesty, integrity, impartiality and conduct are to be maintained at all times by associates and board directors.

DATA PRIVACY AND CYBERSECURITY

CoBank recognizes the importance of maintaining the confidentiality of customer data. Information security is an essential part of our service and is vital to the fulfillment of our mission.





CORPORATE GIVING

\$14.5 million

in total 2022 charitable contributions

>\$76 million

in joint Sharing Success contributions since program inception in 2012

1% of budgeted net income on average

committed annually to charitable giving



COOPERATIVE ADVOCACY AND INDUSTRY SUPPORT

\$3.12 million

in loans, leases and grants to 29 startup companies and five cooperative development centers through Co-op Start



RURAL COMMUNITY DEVELOPMENT

\$239.5 million

committed to 14 equity funds that enhance the flow of capital to rural businesses



DIVERSITY, EQUITY AND INCLUSION

\$1.3 million

in 2022 charitable contributions supporting diversity, equity and inclusion

8 Associate Resource Groups

help us to build a workplace where all associates feel a sense of belonging

53% **28%**
female **minorities**

among externally hired associates



SUSTAINABILITY AND THE ENVIRONMENT

\$2.5 billion

renewable energy portfolio

100%

of Scope 1 and Scope 2 emissions offset by purchase of carbon removal units

54%

of our electricity was attributable to renewable wind energy purchased through renewable energy credits



RURAL DISASTER RELIEF

>\$4 million

in disaster relief contributions in the past five years



RESEARCH AND HIGHER EDUCATION

>60 land-grant and other universities and colleges supported in the past five years

10 COBANK'S APPROACH TO SUSTAINABILITY

CoBank will center our approach to sustainability around mission service to agriculture, rural infrastructure and the needs of our customers. We will provide capital and other forms of support to customers as they chart their own journey toward a more sustainable future. CoBank will also continue to adopt practices internally as a socially responsible cooperative.



COBANK'S FOUR PILLARS OF SUSTAINABILITY

- **Strengthening Our Communities**
- **Supporting Our People**
- **Stewardship of the Environment**
- **Serving with Integrity**

Changing stakeholder priorities have necessitated that we, and the Farm Credit System, deepen our understanding of, and commitment to, our sustainability impacts. In 2022, CoBank engaged a third-party expert to help us thoroughly understand and evaluate the expectations of our customer-owners and other stakeholders concerning sustainability matters. Together, we are evaluating and enhancing our strategies and approach to sustainability.

Although this evaluation is ongoing we have already put in place key changes as an evolutionary step in our sustainability approach:



Established a sustainability function at the bank under the leadership of a Chief Sustainability Officer



Established management governance structure and formalized board oversight



Measured and offset Scope 1 and 2 carbon emissions



Collaborated with customers to support their sustainability goals



Transitioned Corporate Social Responsibility report to a new Sustainability Report with enhanced transparency



Completed a formal sustainability materiality assessment

In addition to our own efforts, CoBank is also an active participant in a working group established by the Farm Credit System to consider approaches to sustainability at the System level.

MATERIALITY ASSESSMENT

In 2022, CoBank, in collaboration with the Farm Credit System, conducted a formal sustainability materiality assessment. Our approach to materiality was guided by Farm Credit's mission to support rural communities and agriculture with reliable, consistent credit and financial services. We communicated directly with key internal and external stakeholders and leveraged peer benchmarking, sustainability research and global frameworks and standards to understand the universe of topics that represent CoBank's most significant perceived impacts on the economy, environment and people, as well as the sustainability-related topics that are perceived to be most impactful to CoBank's business. Stakeholder feedback was compiled and applied to matrices that ranked topics based on overall impact. Our stakeholders included

current employees, customers, our board of directors, investors, rating agencies, government and regulatory agencies and our affiliated Farm Credit Associations.

The results of this assessment provided CoBank's board of directors and management with valuable information that informed our sustainability strategy and resulted in the identification of priority focus areas. These focus areas will form the basis of initiatives designed to advance our sustainability approach going forward.

We continue to evaluate the results of the materiality assessment to better understand the perceptions among and within stakeholder groups and develop engagement strategies. CoBank will update our materiality assessment periodically to guide future sustainability reporting and to ensure transparency on sustainability topics of greatest importance.

COBANK'S SUSTAINABILITY STRATEGY

In early 2023, following extensive review and evaluation of our impacts, CoBank identified strategic themes to support our sustainability strategy across multiple aspects of our business.

	CUSTOMERS AND PRODUCTS	ECOSYSTEM ENGAGEMENT	INTERNAL OPERATIONS
STRATEGIC THEMES	Sustainable Products & Services	Promote Rural Development	Reduce Climate Impact
	Support Customer Journey	Collaborate with FCS to Advance ESG Capabilities	Empower Employees
			Promote Responsible Governance
			Operationalize Sustainability at CoBank

SUSTAINABILITY GOVERNANCE

Our thorough approach to sustainability governance includes:

 <p>Executive-level responsibility</p>	 <p>Board oversight of sustainability topics</p>	 <p>Risk management, including identifying and assessing climate-related risks from a credit-risk perspective and conducting stress tests</p>	 <p>Integration of sustainability matters into business decision-making and strategic planning</p>
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COBANK'S SUSTAINABILITY GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

Our board of directors' Executive Committee oversees development and implementation of CoBank's sustainability policies, strategies and initiatives.

SUSTAINABILITY ADVISORY GROUP

Chaired by CoBank's Chief Sustainability Officer, the Sustainability Advisory Group provides support, guidance and oversight of our sustainability framework and related initiatives.

SUSTAINABILITY TEAM

The Sustainability team is the primary owner of strategy formulation, supporting all business functions in the implementation of initiatives falling within our sustainability framework.

SUSTAINABILITY INTEGRATION ACROSS ALL FUNCTIONS



14 STRENGTHENING OUR COMMUNITIES

As a mission-based cooperative lender and member of the Farm Credit System, CoBank is committed to serving as a good corporate citizen. We engage in a variety of corporate social responsibility programs primarily focused on rural America and the vitality of rural communities and industries.



CORPORATE GIVING

CoBank is an active supporter of causes and programs that support people and communities in need, as well as the industries we serve across rural America. In 2022, we donated \$14.5 million in charitable contributions, including commitments for future years. Our Corporate Giving programs include:

BOARD-DIRECTED GIVING

CoBank’s board of directors plays an important role in our efforts to deepen our commitment to the communities we serve. Each year, board members designate \$25,000 each in contributions to nonprofit organizations that are consistent with our business and charitable philosophies. Contributions have supported hunger relief, healthcare, education, and social and economic development programs in rural communities. In 2022, CoBank’s board-directed giving totaled \$430,000.

COBANK CARES

The CoBank Cares program provides opportunities for our associates to be a force for good in the communities where they live and work. Every associate can direct an annual donation of \$500 from CoBank to a charity of their choice. In 2022, these contributions totaled nearly \$590,000 and supported more than 800 charitable and civic organizations. The breadth of the organizations supported reflects the wide array of interests and enthusiasms of our associates.

In addition, associates can designate a portion of each paycheck to the United Way, a national nonprofit focusing on education, health and financial stability. In 2022, associates donated more than \$200,000 through our workplace giving program.

Every CoBank associate is granted a paid day off to volunteer in their community. Whether they choose to volunteer individually or as part of a CoBank team, our associates are out

in the community contributing their time, energy and expertise to improve the quality of life for everyone. CoBank actively promotes and recognizes these efforts through our Community Impact Awards, a new program that allows associates to recognize each other for their volunteerism and amplify their efforts through additional financial contributions. In 2023, up to 15 associates will receive the Community Impact Award, receiving public recognition as well as an additional \$1,000 donation from CoBank to the charity they support.

SPECIAL CONTRIBUTIONS

Each year, CoBank considers contributions based on requests from customers and other stakeholders, or in response to external events. In 2022, CoBank made a special contribution to the Foundation for Rural Service, a nonprofit organization started by NTCA–The Rural Broadband Association. FRS plays a unique role within the telecommunications industry by supporting rural telecom companies, consumers and policymakers with educational information, products and programming. CoBank’s contribution supports the Sarah Tyree Good Neighbor Scholarship. Named in honor of Sarah Tyree, a 15-year CoBank veteran who passed away in 2021 after a lengthy illness, the scholarship is awarded to students who demonstrate what it means to be a “good neighbor” through humanitarianism, inclusion and kindness to others. Well-known in the rural broadband industry, Sarah Tyree was a valued member of the CoBank team and a tremendous advocate for FRS and the rural communities it supports.

\$10.2 million

total 2022 charitable contributions through CoBank’s Sharing Success program

Average of

1% of budgeted net income

committed annually to charitable giving

>\$76 million

joint Sharing Success contributions since program inception in 2012

\$430,000

in 2022 board-directed contributions (100% participation)

Nearly

\$590,000

2022 associate-directed contributions (100% participation)

OUR SHARING SUCCESS PROGRAM

Since its inception in 2012, CoBank's Sharing Success program has provided more than \$76 million in combined contributions to our rural communities.



CoBank's signature Sharing Success program doubles the impact of our customer-owners by matching their charitable contributions. In 2022, nearly 690 CoBank customers contributed more than \$5.1 million — which CoBank matched, for a total impact of \$10.2 million. One of those customers is Agri-Valley Communications, Inc., a family-owned business headquartered in Pigeon, Michigan, a rural community in a region of Michigan's lower peninsula known as The Thumb.

AVCI provides telephone, cellular voice and data service, as well as internet connectivity to approximately 40,000 customers and has been a CoBank customer for more than

20 years. AVCI's CEO Edwin Eichler has a longstanding commitment to the communities served by the communications company and works closely with his leadership team to direct AVCI's charitable giving.

"AVCI cares about our customers and the communities they live in," said Ray Leppien, AVCI's chief financial officer. "We are all one family here in the Thumb of Michigan and we look after each other. We've used CoBank's Sharing Success program many times to double our impact, but our 2022 contribution was a bit different. The Friends of Grindstone, a civic organization that takes on community



“When a disaster strikes, every minute counts and having a warning system will give the residents of Grindstone City some much-needed peace of mind. AVCI is proud to help make this a reality for the community and we’re grateful to CoBank for matching our contribution through Sharing Success.”

Edwin Eichler, AVCI CEO

improvement projects in historic Grindstone City, approached us seeking help with a project that would not only improve the community, but could also save lives.”

Three different tornadoes have impacted the Grindstone City area in the past two years, including an EF-2 category event that hit in 2021 with winds of up to 120 mph. It left a path of destruction seven miles long, destroying six houses and damaging a number of other structures. Luckily, there were no fatalities.

Ray Boswell, a member of Friends of Grindstone, remembers the experience vividly.

“I was at a picnic at Grindstone Harbor with a couple hundred people. The tornado came out of nowhere and we had no warning at all. In a matter of minutes, people were running everywhere. It was chaos. The tornado went down the lakeshore right in front of us, but we were lucky. If the path had been just a bit different, a lot of people could have lost their lives.”

Following that experience, a local fire department updated its emergency warning, but its location was still too distant to benefit the Grindstone City community.

“I thought maybe we could take their old siren and install it in Grindstone,” said Boswell. “AVCI was already installing a new

cell tower in our community and I asked them if we could put a siren on that tower. They said yes, but when we looked into it, the old equipment simply wasn’t usable and a new system would cost us \$26,000. At that point, I thought we were done. I called AVCI to tell them thank you, but we wouldn’t be able to move forward with the project. AVCI could easily have said ‘sorry about your luck’ and gone about their day. Instead, they went to work to see how they could help. A couple of weeks later, they called us back and offered to pay for the whole thing!”

“We knew this was an opportunity we couldn’t pass up,” said Edwin Eichler, AVCI’s CEO. “When a disaster strikes, every minute counts and having a warning system will give the residents of Grindstone City some much needed peace of mind. AVCI is proud to help make this a reality for the community and we’re grateful to CoBank for matching our contribution through Sharing Success.”

Although it took some time to procure the equipment, the project is now expected to be completed within the next few months.

Since its inception in 2012, CoBank’s Sharing Success program has provided more than \$76 million in combined contributions to our rural communities. The 2023 program opens on April 1 and runs through September 30.



SUPPORT FOR AGRICULTURE

As one of the nation's largest agricultural lenders, CoBank plays a vital role supporting the U.S. farm economy. CoBank provides farmer-owned cooperatives and other agribusinesses with loans, lines of credit, export financing and other financial services. Our customers are a key part of the value chain in every agricultural sector, as are CoBank's affiliated Farm Credit Associations, which serve 76,000 farmers, ranchers and other rural borrowers in 23 states around the country.

CoBank's support of agriculture goes beyond traditional financial services to include investments in agricultural education and leadership training, Young, Beginning and Small farming programs, and local and urban food systems.

AGRICULTURAL EDUCATION AND LEADERSHIP

CoBank is proud to partner with the National FFA organization to support the next generation of American agriculture. In the past 10 years, we have contributed more than \$2.7 million to FFA at local, state and national levels. Recent support includes sponsorship of the Living to Serve Platform, which provides FFA chapters with funding for a variety of service-learning projects through a competitive grant application process.

In 2022, FFA National President Cole Baerlocher visited CoBank Center and met with CoBank CEO Tom Halverson and other members of the executive team. Halverson noted, "CoBank and FFA share a strong commitment to service and support for our nation's rural communities. Living to Serve is a tangible demonstration of that support. Through our sponsorship of this national program, we hope to enable more FFA members to live that commitment every day and to make a difference in the places they call home."



YOUNG, BEGINNING AND SMALL FARMING PROGRAMS

A recent contribution of \$50,000 from CoBank to the American Farm Bureau Federation will create a new fellowship program for young farmers and ranchers who are members of Minorities in Agriculture, Natural Resources, and Related Sciences. Each year, AFBF holds a national conference that provides opportunities for young farmers and ranchers to experience dynamic keynote speakers, breakout sessions, farm tours and networking opportunities with farmers and ranchers from across the country. In 2023, 15 collegiate-level MANRRS members will receive scholarships to attend the conference that will cover registration costs, defray travel expenses and provide one-year Farm Bureau memberships in their home state.

LOCAL AND URBAN FOOD SYSTEMS

CoBank is proud to continue our long-time partnership with D.C. Central Kitchen a nonprofit “social enterprise” in Washington, D.C., that uses food as a tool to develop and operate social ventures that break the cycle of hunger and poverty. DCCK helps adults who are experiencing high barriers to employment to prepare for culinary careers and creates good, living-wage jobs for its program graduates. DCCK also prepares healthy school meals for low-income schoolchildren, sourcing fresh produce from local farmers in the area. DCCK’s 2022 spend with small/local farms totaled more than \$600,000, and its purchases of local produce since its partnership with CoBank began have totaled more than \$6 million. A recent \$2 million contribution from CoBank will support DCCK’s ongoing capital campaign, helping the organization to fund its first new facility in 25 years.

FARMSTART

Since its inception, CoBank's FarmStart partnership with Farm Credit East has invested more than \$17 million in beginning agricultural businesses in the Northeastern U.S.



FarmStart, a partnership between Farm Credit East and CoBank, supports individuals looking to launch businesses in farming, fishing and forestry in the Northeastern U.S. This mission-related investment program helps Young, Beginning and Small farmers overcome some of their challenges and barriers to entry. Chris Laughton, director of Knowledge Exchange for Farm Credit East, manages the FarmStart program. Laughton refers to program participants as “starters” to ensure inclusivity of those seeking careers in forestry and fishing, as well as agriculture.

“Starters come from all walks of life,” said Laughton. “Some are the next generation of a family business looking to strike out on their own. Others are career changers with no real background in the industry — just a creative business idea and a passion for the work.”

“When FarmStart was developed, we saw a lot of new farmers putting operating expenses on credit cards, or maxing out family borrowing to an unhealthy extent,” continued Laughton. “Not a lot of Northeast lenders specialize in agriculture and those who do are looking for solid capital, collateral and credit history — something most YBS farmers and fishermen don’t have. We wanted to offer an affordable solution to fill that gap.”

“In many respects, the unique business ideas are the best,” said Laughton. “FarmStart loans are limited to \$75,000 so they’re not suitable for buying land or investing in large-scale, commodity agriculture. But they can make a real difference for those who need help with operating expenses for specialty and niche markets.”



Once advisers believe an applicant has a viable business plan, FarmStart requests are sent to an investment committee that includes representatives from Farm Credit East and CoBank. Will Baildon, regional vice president at CoBank, has been a part of FarmStart since its beginning.

“One of the pieces I enjoy most is seeing the creativity of our FarmStart applicants,” said Baildon. “We have some conventional row crops and dairy operations, but we also have specialty mushroom farmers, custom forestry businesses, hard cider producers, bee keepers and lobstermen. These are some really unique business models that would have a hard time getting funding from anybody else, but FarmStart supports them.”

FarmStart participants are assigned an experienced adviser who meets with them at least twice a year to review progress and adjust their businesses as needed.

“The interaction between starters and advisers is one of the coolest parts of the program,” said Brenda Frank, CoBank’s executive vice president of Farm Credit Banking. “It’s a high-

touch relationship with the borrower learning from the adviser and the adviser learning from the borrower. The relationship managers who work on this program are personally invested in the success of the farmers and the program overall.”

Since its inception, FarmStart has invested more than \$17 million in the region’s beginning agricultural businesses. More than 100 starters have graduated to become regular Farm Credit East customers and generated nearly \$30 million in peak loan commitments. In 2022, the program made 23 new investments.

“We call this an investment rather than a loan program because we believe in the future of Northeast farming, fishing and forest product producers,” said Laughton. “We know there are challenges, and it’s not always easy, but we continue to be amazed by the creativity, innovation and remarkable fortitude of the region’s agricultural entrepreneurs. Ultimately, FarmStart is all about helping beginning producers achieve their own goals, whether that’s a small, niche business, or something more ambitious.”

DIVERSITY, EQUITY AND INCLUSION IN THE COMMUNITY

As a member of the Farm Credit System, CoBank supports programs that promote access and inclusion in agriculture and the other vital industries we serve. As a socially responsible business, we provide financial contributions to organizations and programs that are committed to creating opportunity for the underserved and ending discrimination.

In 2022, CoBank made nearly \$1.3 million in charitable contributions that support our diversity, equity and inclusion efforts. We gave to a wide range of deserving and relevant organizations last year, some of which we highlight below.

CoBank's Associate Resource Groups directed more than \$100,000 in charitable contributions to organizations that reflect the goals of the ARGs and CoBank's mission of service. ARGs are a critical component of our diversity, equity and inclusion efforts, which we discuss in the Supporting Our People—Diversity, Equity and Inclusion section of this report.

Last year's recipients included:

- Asian Pacific Development Center.
- Black Women's Health Imperative.
- Girls, Inc.
- National Coalition for Homeless Veterans.
- Out & Equal.
- Project Voyce.
- Southern Poverty Law Center.

A \$40,000 contribution expanded our successful pilot program with The Arc of the United States, a nonprofit organization that advocates for and with people with intellectual and developmental disabilities and conditions such as autism, Down syndrome and fetal alcohol spectrum disorder. In 2022, CoBank funded a series of webinars focusing on future planning for families and caregivers in rural communities in California and Wisconsin. More than 200 people registered and participated in the workshops, which provided valuable information and resources, allowing those caring for a loved one with disabilities to develop long-term financial plans to help ensure their continued quality of life. In 2023, The Arc hopes to expand these workshops to serve families in Georgia, Kentucky, North Carolina, Tennessee, South Carolina, Mississippi and Louisiana.

A \$200,000 contribution to the National Migrant Scholars Internship Initiative is providing paid internship opportunities for children of migrant farm workers who are first-generation college students. The program provides participants with financial support, experiential learning and professional development that will prepare them for future careers.

In 2022, the program supported:

- 26 paid internships for NMSI students.
- Partnerships with 56 university College Assistance Migrant Programs nationwide.
- 18 employers in fields including agriculture, communications, government, law, nonprofit management and more.

A \$150,000 contribution to the Thurgood Marshall College Fund provided support for the annual CoBank Agriculture Scholarship that is open to juniors and seniors studying agriculture and related majors at any TMCF partner school. TMCF partners with 47 member schools, including Historically Black Colleges and Universities and Predominantly Black Institutions.

CoBank is committed to continually growing and developing our diversity, equity and inclusion programs, building upon our legacy of stewardship and continuing to promote change for the common good.



8 students received >\$15,000 CoBank scholarships

These students represented five different HBCUs

Areas of study ranged from Accounting to Veterinary Science



MULTICULTURAL SCHOLARS IN AGRICULTURE

CoBank is a sponsor of the Farm Credit Multicultural Ambassador Program, which raises awareness among underrepresented students in California's Central Valley and Central Coast of opportunities in the field of agriculture.

CoBank is proud to be part of an industry team that is reaching out to high school and college students from underrepresented communities to promote opportunities available in the field of agriculture. The Farm Credit Multicultural Ambassador program was established in 2013 by four members of the Farm Credit System — AgWest Farm Credit, American AgCredit, CoBank and Fresno Madera Farm Credit — in partnership with the Jordan College of Agricultural Science and Technology at California State University, Fresno (Fresno State).

The program provides recruitment activities, career fairs, farm tours and educational days to raise awareness among underrepresented students about careers in agriculture. In addition, undergraduate students majoring in agriculture serve as ambassadors, visiting high schools and community colleges in California's Central Valley and Central Coast to advise prospective students about opportunities at Fresno State and to serve as mentors. In the 2021-22 school year, the program organized 50 outreach events throughout the region that reached 620 high school and community college students.

The Central Valley of California is the largest producer of agricultural commodities in the nation, and agriculture is by far the largest segment of the region's economy. But as Dr. Sharon Freeman, an assistant professor at Fresno State puts it, the state's changing demographics mean agriculture has to change as well.

"To remain competitive, we need to encourage Latinos and other underrepresented students to continue their education through our hands-on learning programs and to become future leaders for the agricultural industry in California," she said.

Keith Hesterberg, president and CEO of Fresno Madera Farm Credit, said that supporting diversity and equity in agriculture is a must.

"Fresno State's Jordan College provides agricultural programs that are preparing the next generation of agriculturalists,"

Hesterberg said. "Ensuring these programs are accessible to all students who want to attend college and better prepare themselves for employment in the agriculture industry is crucial to the future of California agriculture."

Current Fresno State students say participating in the program's activities while still in high school made a profound impact on them.

"It was eye-opening," recalled Abelino Garza II, a freshman from Bakersfield majoring in biochemistry. "We'd take the tours of the farm laboratories and animal units, and then have time to walk around the campus to see what it had to offer. I could see this was an agricultural college and there was an opportunity to pursue a career in many ways."

Mark Littlefield, president and CEO of AgWest Farm Credit, is pleased to see the program's continued growth and outreach to underrepresented students.

"Farming feeds the world, but unfortunately there are many people who aren't aware of all the careers available in agriculture — in animal and plant science, engineering and technology, along with developing better ways to grow the food the nation and the world depend on," Littlefield said. "The Ambassadors Program has provided thousands of students with that information over the years, and Farm Credit looks forward to working with Fresno State to grow this great program even more."

Since its inception, CoBank and other Farm Credit institutions have donated more than \$700,000 to support the program. "It's a significant investment for CoBank and our association partners," said Brendan Ronayne, vice president Farm Credit Banking. "We've seen the power this program has to capture the imagination of students and open their eyes to all that a career in agricultural has to offer. We're looking forward to the many important roles they will play in the future of the industry."



FOOD ACCESS AND HUNGER RELIEF

Through corporate giving, Sharing Success and associate-directed giving programs, CoBank has contributed nearly \$5 million over the past five years to food access and hunger relief programs across the country.

The U.S. has one of the most productive agricultural systems in the world, exporting more food than any other country. Yet our communities are not immune from hunger. According to the United States Department of Agriculture, more than 34 million people, including 9 million children, in the United States are food-insecure. As a result of the COVID-19 pandemic, families with children and communities of color faced increased rates of food insecurity — rates that have not yet returned to normal. Ironically, those who live in the ‘bread baskets of America,’ the rural communities that grow our nation’s food supply, are often disproportionately affected by hunger due to economic challenges, infrastructure, transportation and other issues.

Food access and hunger relief have long been a significant part of CoBank’s charitable giving programs. In rural and urban communities alike, our customers and associates actively support programs that provide food to hungry people and those that seek to address the multiple and complex issues that lead to food insecurity.

CoBank and our partners are providing monetary donations to food banks, schools, shelters and other local charities to:

- Increase the amount of shelf-stable food available for distribution.
- Purchase fresh fruit and vegetables and other farmer-grown products to provide greater variety and nutrition for those who depend on food assistance programs.
- Purchase freezers and refrigerators that allow organizations to accept increased donations of frozen and perishable foods.
- Create mobile food pantries that bring good food directly to communities in need.
- Fund backpack programs that provide food to at-risk children over the weekends and during summer breaks.
- Pay off student lunch accounts so no child goes hungry at school.

- Support Meals on Wheels programs for the elderly and home bound.
- Provide hot meals at senior centers and homeless shelters.

In addition, we support a variety of programs developing school and community gardens that allow people to grow their own healthy food, increase their understanding of nutrition, and create a sense of community and well-being.

In 2022, CoBank’s food access and hunger relief contributions included:

- A \$250,000 contribution to Food Bank of the Rockies, the largest hunger-relief organization in the Rocky Mountain region, to support a new capital campaign to increase its services to accommodate the growing number of Colorado and Wyoming households facing hunger.
- A \$50,000 contribution to match the donations of California’s Farm Credit Associations to food banks in their communities.
- Nearly \$50,000 in direct and matching contributions to Farm and Forest Families of Tennessee to support Shooting Hunger, an annual fundraiser started in 2015 by the Tennessee Farm Bureau and Farm Credit Mid-America to feed the hungry.
- A \$25,000 contribution (completing a multi-year, \$75,000 commitment) to the Farm to School Network allowing the organization to provide comprehensive evaluation of the impact of the D.C. Healthy Tots Act, a bill promoting increased participation in the Child and Adult Care Food Program and offering increased reimbursement for purchasing local foods in early care and education settings.



WE DON'T WASTE: HUNGER RELIEF

We Don't Waste believes that "nutritious food should go to people, not landfills." It's a relatively simple concept, but one that's not always easy to put into practice. According to the USDA, over one-third of all available food in the U.S. goes uneaten through loss or waste. That's an alarming statistic, especially when the number of food-insecure people continues to rise. We Don't Waste is on a mission to reduce hunger and food waste, and CoBank is a proud supporter of the organization and its mission.

After retiring from a career in law, Arlan Preblud began volunteering with his wife, serving meals at Denver nonprofits that help the homeless. A self-described "foodie," one of the first things he noticed was the lack of fresh food offered. He began asking chefs and managers at his favorite local restaurants what happened to excess food at the end of the night. More often than not, he was told, it was thrown away. Preblud began researching ways to "rescue" this food and put it to work feeding those in need and, in 2009, he launched We Don't Waste.

Today, We Don't Waste is one of the largest food recovery organizations in Colorado collecting safe, consumable and unused foods from food producers, restaurants, hotels and other organizations. Donated foods include fresh fruit, greens, vegetables, meats, dairy, baked goods, desserts, prepared foods, frozen foods, snacks, beverages, bottled water and vegan products. The organization prioritizes perishable items that not only have a shorter shelf life, but whose production also has the greatest impact on the environment.

"Most of the food that goes uneaten in the United States ends up in a landfill," said Preblud. "When it decomposes, it releases methane — a greenhouse gas between 24 and 87 times more potent than CO₂. This makes reducing food

waste a priority not only to help feed those in need, but to provide a more sustainable future for everyone."

We Don't Waste distributes food through more than 100 community-based hunger relief organizations. By supplementing the food assistance provided by partner nonprofits, We Don't Waste helps these organizations to control their operating costs, allowing them to spend more of their financial resources on other programming. Thanks to We Don't Waste, partner agencies report they are able to save an average of \$27,000 per organization each year on food.

In addition, We Don't Waste operates eight mobile food markets each month in local food deserts. Residents of these neighborhoods often rely on fast food and convenience stores, putting them at risk for a variety of medical conditions brought on or aggravated by poor nutrition. We Don't Waste's mobile markets reach into these communities, offering healthy, nutritious food to everyone, regardless of their financial circumstances.

Since its inception, We Don't Waste has distributed over 3.7 million servings of wholesome, nutritious and delicious food to Denver's underserved populations. It's important work that CoBank has helped make possible through its contributions.

"CoBank has been a tremendous resource for We Don't Waste," said Preblud. "Its donations have helped us to purchase a new refrigerated truck, provided funding for our mobile markets and supported our fundraising events. CoBank associates have volunteered to help distribute food and even serve on our board. When we announced last year that we had outgrown our current facility, CoBank was one of the first to step up with a \$250,000 donation to help fund our capital campaign. We simply couldn't ask for a better partner."



RESEARCH AND HIGHER EDUCATION

At CoBank, we believe research and education play a vital role in the future of rural America. We support land-grant universities and other institutions that are developing the next generation of American farmers, ranchers and rural business leaders. The programs we fund foster knowledge and innovation that benefit rural industries — from agriculture, to energy, to international trade in commodities. In addition, we work with university partners conducting research on the social and economic issues impacting rural communities.

Through a multimillion-dollar, donor-advised fund established with the Cooperative Development Foundation, CoBank supports grants to universities and colleges whose programs are consistent with our corporate citizenship programs and objectives. CoBank is proud to partner with CDF to support its commitment to higher education.

CoBank’s direct contributions and grants made through the CDF CoBank Advised Fund support:

- Scholarships that enable promising students to study agribusiness, finance, business administration and related disciplines.
- Endowments of professorships to support research and instruction in fields such as commodities and agricultural economics.

- Financial support for university centers focused on the study and advancement of cooperatives.
- Support for vocational training programs at community or technical colleges to help produce the technicians and other skilled service people who are vital to rural industries and communities.

We also support programs promoting the advancement of minority students in agriculture. For example, we provide funding for the National Migrant Scholars Internship Initiative, managed by Michigan State University, which provides internship opportunities to the children of migrant farm workers who are first-generation college students.

IN THE PAST FIVE YEARS, COBANK HAS SUPPORTED MORE THAN 60 UNIVERSITIES AND COLLEGES, INCLUDING BUT NOT LIMITED TO THE FOLLOWING:

California Polytechnic University	North Dakota State University	University of Georgia
California State University	New Mexico State University	University of Illinois
Colorado State University	North Carolina State University	University of Idaho
Georgia State University	Ohio State University	University of Kentucky
Illinois State University	Oklahoma State University	University of Michigan
Indiana University	Oregon State University	University of Minnesota
Iowa State University	Purdue University	University of Missouri
Kansas State University	South Dakota State University	University of Nebraska
Langston University	Texas A&M University	University of Tennessee
Michigan State University	Texas Tech University	University of Wisconsin
Minnesota State University	University of Alaska	Utah State University
Montana State University	University of California	Washington State University
Morehouse College	University of Colorado	



LANGSTON UNIVERSITY



Founded in 1897, Langston University is one of the 1890 land-grant universities established to teach agriculture and the mechanical arts and to make higher education more accessible to the average U.S. citizen. It is also one of the nation's more than 100 Historically Black Colleges and Universities—educational institutions founded prior to 1964, whose principal mission was, and is, the education of Black Americans. While most HBCUs are found in the southern and eastern regions of the U.S., Langston is the nation's western-most HBCU. Its main campus is located outside of Guthrie, Oklahoma with satellite campuses in Oklahoma City and Tulsa.

Continuing the agricultural mission of land-grant universities, Langston University is home to the world-renowned E. Kika de la Garza American Institute for Goat Research as well as a robust cooperative extension program through its Sherman Lewis School of Agriculture and Applied Sciences. However, today's Langston offers a total of 36 degree programs in a wide range of fields, including biology, chemistry, nursing, urban education, international studies, physical therapy and biotechnology. The university draws students from across the U.S. and globally.

In 2020, the Farm Credit System joined Congress' HBCU Partnership Challenge with a goal of elevating its HBCU relationships and finding new opportunities to develop the next generation of diverse leaders in agriculture. As part of this effort, CoBank began exploring ways to engage with Langston University, the only HBCU within its wholesale district. That exploration culminated in 2022 with CoBank's commitment of \$500,000 to a multi-year pilot program developed in partnership with Langston University leadership.

Dubbed the "Langston University CoBank Scholars" the effort is a multi-faceted approach to education and engagement that will introduce Langston students to CoBank and the Farm Credit System and create connections for those pursuing educational and career opportunities in banking and financial services.

"Like many employers, CoBank strives to hire the best and most qualified talent," said Faye Tate, vice president of Diversity, Equity & Inclusion at CoBank. "To achieve that goal, we need to reach the broadest possible pool of candidates, including those from diverse communities. We know that HBCUs are a tremendous source of talent, but many HBCU

students simply are not aware of the vast range of rewarding career opportunities offered by CoBank and the Farm Credit System. Our hope is that our partnership with Langston University will help us to change that.”

“We are so excited about the opportunities our partnership with CoBank will bring to Langston University students,” said Theresa Powell, vice president for Operations at Langston.

“As an agricultural and mechanical college situated in a rural setting, we share many values including a focus on transforming small communities and supporting the rural economy. We believe that we are poised to build an excellent program wherein CoBank will bring expertise directly to our

students in Langston and beyond, leading our graduates to demonstrate those shared values of collaborative community development as professionals.”

The Langston University CoBank Scholars pilot will launch in 2023. The program will include scholarships, coaching and mentoring, an on-site immersion experience at CoBank’s Colorado headquarters, and internship opportunities.

“Our students have already benefited from experience gained through internships with CoBank which have led to career opportunities,” said Powell. “I am excited to see our partnership grow and to expand those opportunities to even more Langston University students.”



RURAL COMMUNITY DEVELOPMENT

CoBank supports rural community development by acting as a dependable source of credit for our customers and the vital industries they serve. We are also working to support the rural economy by investing in equity funds that enhance the flow of capital to rural businesses. We make these investments in partnership with our customers, fellow Farm Credit institutions, and commercial and community banks.

The USDA licenses many of the funds CoBank supports as Rural Business Investment Companies. RBICs invest in organizations that create growth and job opportunities in rural areas.

“At CoBank, we understand the well-being and prosperity of our farmers, ranchers, agribusinesses and utility service providers is integrally tied to that of our rural communities as a whole,” said Dave Dornbirer, vice president, Public/Private Partnerships. “Together with our Farm Credit partners and other investors, we are helping to ensure rural America has the financial capacity to meet the changing demands of

business and community — allowing them not only to grow, but to thrive.”

In addition, CoBank and our partners support bond investments in community facilities with a primary focus on rural healthcare. Since 2012, CoBank and partner Farm Credit organizations have facilitated over \$400 million of community facilities bond investments and the bank has more than \$100 million in potential investments in the pipeline. These investments provide vital debt capital to projects that likely would not receive private funds without Farm Credit participation.

FUND	FUND SIZE (\$ in millions)	ESTABLISHED	INVESTMENT FOCUS	TARGET GEOGRAPHY
Midwest Growth Partners I	41.2	2013	Diversified Industries	Upper Midwest
Advantage Capital Agribusiness Partners	154.5	2014	Agribusiness	National
Innova Ag Innovation Fund	31.3	2016	Venture Capital AgTech	National
Open Prairie Rural Opportunities Fund	81	2017	Agribusiness	National
Midwest Growth Partners II	113.5	2018	Agribusiness	National
Blue Highway Growth Capital Fund	41.8	2019	Diversified Industries	Northeast/Mid-Atlantic
Pharos Capital Partners IV-A	204.3	2019	Rural Healthcare	National
Lewis & Clark RBIC Fund II	88	2019	Agribusiness	National
Rural American Fund RBIC III	41.8	2020	Agribusiness	National
Azalea Capital RBIC Fund*	84.5	2020	Diversified Industries	Southeast
AGR Partners RBIC Fund	63.2	2022	Agribusiness	National
RuralWorks Impact Partners 1*	43.4	2022	Diversified Industries	Northeast/Upper Midwest
Midwest Growth Partners III*	152.2	2022	Agribusiness	National
Generation Food Rural Partners I*	38.5	2022	Venture Capital AgTech	National
TOTAL	\$1,179,055,817			

*Fundraising



HUDSON
FISHING
PLANTING &
ARTS & CRAFTS DESIGN
218 N. Main St.
Lower Level

Little
ed Wagon

LLAGE INSURANCE
GROUP

230
NORTH

A woman in a blue shirt and black pants walking a small white dog on a leash down a sidewalk.



PHAROS CAPITAL GROUP

Pharos Capital Group is a minority-owned, physician-founded private equity firm that invests in growing healthcare companies that improve patient outcomes, increase access to care and lower the cost of healthcare. The group is based in Dallas, Texas, and Nashville, Tennessee, two U.S. healthcare capitals, offering them significant networking opportunities and access to healthcare entrepreneurs. The group focuses on investments in underserved areas with small and complex populations. While rural communities were not an initial focus, Pharos now has a significant portfolio of rural-based businesses.

“Pharos takes a ‘somewhat contrarian stance’ against the legacy healthcare system which has rewarded volume as opposed to quality, access or outcomes,” said Joel Goldberg, a partner at Pharos Capital Group. “We didn’t want to do what everyone else was doing. We really wanted to work on taking some of the costs out of the system and bringing greater access to care in a decentralized way. While that approach has grown more popular among healthcare investors, we believe we were really at the forefront of that thinking.”

In 2018, Pharos began pursuing a Rural Business Investment Company license with the USDA. At the same time, the organization proactively identified CoBank as a potential investment partner.

“We had a strong network of community banks, but we really wanted to develop a relationship with Farm Credit,” said Goldberg. “CoBank immediately understood what we were trying to accomplish, how it benefitted rural communities and aligned with their own goals. They helped us to build a coalition of committed Farm Credit partners. CoBank’s advocacy and early adoption enabled us to build traction and we’re now the largest licensed RBIC, so that’s a great success story. Without CoBank’s partnership, I don’t know if this fund would exist.”

One of Pharos’ recent investments is in Renal Care 360°, a comprehensive nephrology and chronic care management company that has developed a unique model centered on early detection of unidentified chronic conditions using proprietary data analytics.

“Utilizing technology and high engagement with care advocates, Renal Care 360° partners with providers and healthcare systems to detect disease early, empower patients, delay disease progression and reduce cost of care,” said Shannon Perry, chief operating officer. “By analyzing electronic health data, we can identify people with kidney disease before they even know they have it. Early identification helps get patients involved in proactive care through education, comprehensive customized care plans and medication adherence. If the disease has already progressed, we get them treatment that can help keep the disease from advancing further. Ultimately, we hope to prevent the majority of patients from ever going on dialysis.”

Jim Kerrigan is a vice president at Pharos and serves on the board of directors for Renal Care 360°.

“Our introduction to Renal Care 360° exemplifies the importance of having a good reputation in the investment space,” said Kerrigan. “They were looking for a partner to help expand their business and Pharos was one of the first names they heard. For us, they really ticked all the boxes. By helping to identify chronic disease earlier in the process, they are lowering costs, increasing access to care and improving outcomes.”

“The Pharos RBIC is a great example of how the program can diversify into sectors outside agriculture for the benefit of rural America,” said Dave Dornbirer, vice president, Public/Private Partnerships at CoBank. “Bringing capital and jobs to these communities, as well as vital services like those supplied by Renal Care 360°, offers exactly the kind of outcomes you want from a collaboration like this. We’re proud of the role that CoBank and Farm Credit are playing in these important efforts.”



RURAL DISASTER RELIEF

In the past five years, CoBank has provided more than \$4 million in disaster relief to rural communities and more than \$2 million to support the disaster relief efforts of the American Red Cross.



Extreme weather is a fact of life in rural America. Hurricanes, fires, floods, tornados and blizzards impact rural communities every year, putting lives and livelihoods at risk.

That's why rural disaster relief has become such an important part of CoBank's corporate citizenship efforts. CoBank partners with customers, Farm Credit associations and nonprofit organizations to support the people and businesses of rural America left reeling from the effects of natural disasters.

One of CoBank's strategic charitable partners is the American Red Cross, a nonprofit organization established nearly 140 years ago. The mission of the Red Cross is to prevent and alleviate human suffering in the face of emergencies. Thanks to a wide network of volunteers, employees and donors, they are often first on the ground after a disaster, providing shelter, food, water, relief supplies and comfort. Since 2017, CoBank has contributed more than \$2 million to support the disaster relief efforts of the American Red Cross.

We also rely on our customers to help identify local organizations working to support rural communities facing difficult circumstances. CoBank customers are members of the communities they serve. When disasters strike, they offer unique insight into the most urgent needs and help direct us to organizations providing the most critical and immediate services.

Local disaster relief contributions have included funding for:

- Government disaster-response programs at the city, county and state levels.
- Industry-specific relief funds.
- State Farm Bureau foundations.
- Community foundations.
- Local chapters of human services organizations, such as the Salvation Army and United Way.
- Local churches.
- Civic organizations, such as the Lions and Rotary Clubs.

"Rural America is the focus of our mission," said Tom Halverson, CoBank's president and CEO. "When rural communities face hardship, we are fortunate to have the financial resources and relationships that allow us to respond promptly and effectively to alleviate suffering. CoBank is proud to have provided more than \$4 million in disaster relief contributions in the past five years. These efforts not only provide for immediate needs, such as food and shelter, they also support long-term social and economic efforts to promote recovery and to revitalize impacted communities."



KENTUCKY FLOOD RELIEF

In late July 2022, multiple thunderstorms generated heavy rain over a five-day period in eastern Kentucky and central Appalachia. At times, these storms brought rainfall rates in excess of 4 inches per hour, causing severe flash flooding. The intense rainfall led to significant rises in water levels on many eastern Kentucky rivers. The resulting river flooding created a secondary disaster that impacted an even greater number of communities—even those not severely impacted by the initial rainfall. Roads and bridges washed out, communities lost power and homes were ripped from their foundations. In total, 39 people lost their lives.

While the impact to the state's agriculture industry was not severe, the region's rural communities were devastated. In response, the Kentucky Farm Bureau and the Kentucky Department of Agriculture began seeking contributions for the Kentucky Relief Fund to provide support to families and communities in the affected areas. CoBank and Farm Credit Mid-America responded with a joint contribution of \$50,000 to aid recovery efforts.

"Our hearts go out to everyone who was impacted by this devastating weather event," said Mark Barker, senior vice president of Agricultural Lending in Kentucky for Farm Credit Mid-America. "The impact to our neighbors was immense, and we wanted to do our part to contribute to relief efforts in the immediate aftermath and in the future."

"CoBank and Farm Credit Mid-America are cooperative organizations, so when disasters strike, we naturally want to collaborate with others to aid impacted communities," said Wes Millard, regional vice president, CoBank. "CoBank has partnered with Farm Credit Mid-America many times to support disaster relief projects as well as other charitable

causes aimed at improving quality of life in the region. We're proud of the work we do together to help ease suffering and to aid communities as they work to recover and rebuild following a disaster."

Their commitment to agriculture made it natural for CoBank and Farm Credit Mid-America to join the efforts of the Kentucky Department of Agriculture and the Kentucky Farm Bureau. In turn, the KFB for Kentucky Relief Fund distributed donated funds to partners including the Christian Appalachian Project, Mountain Cattlemen's Association, and God's Pantry. One hundred percent of the money raised by the fund were passed along to organizations providing relief services in affected areas and each recipient organization has been integral in helping communities and residents to rebuild.

In addition to its contribution with Farm Credit Mid-America, CoBank gave an additional \$10,000 to the Kentucky Rural Electric Disaster Fund. The statewide association for rural electric cooperatives created the fund to assist co-op employees and their families impacted by disaster. Following the 2022 flooding, the fund provided immediate assistance to co-op employees in need and also helped with collection and distribution of cleaning supplies, clothing, food and other essentials to help residents of flood-ravaged communities.

"Rural electric cooperatives are deeply invested in the communities they serve," said Bill LaDuca, CoBank's senior vice president, Electric Distribution Banking Group. "Their employees are members of these communities too, and the Kentucky Rural Electric Disaster Fund helps to ensure the immediate needs of these vital service providers are met, which allows them to get back to doing what they do best—keeping the lights on in rural America."



COOPERATIVE ADVOCACY AND INDUSTRY SUPPORT

CoBank is a vital financial resource for our nation's agricultural and other rural cooperatives. We work with local, regional and national organizations that promote the public policy interests of cooperatives and the industry sectors we serve. We are also proud to support a wide array of cooperative education and advocacy organizations, as we believe co-ops create economic opportunity and help to build resilient communities—efforts that are an important part of our broader mission in rural America.

Organizations that receive CoBank support include:

- Association of Cooperative Educators.
- Cooperation Works.
- Cooperative Communicators Association.
- Cooperative Development Foundation.
- Farm Credit Council.
- International Co-operative Alliance.
- National Cable Television Cooperative.
- National Cooperative Business Association CLUSA.
- National Council of Farmer Cooperatives.
- National Renewables Cooperative Organization.
- National Rural Electric Cooperative Association.
- National Society of Accountants for Cooperatives.
- NTCA – The Rural Broadband Association.
- Touchstone Energy Cooperatives.
- U.S.A. Cooperative Youth Council.

A full list of our cooperative advocacy partners can be found at [CoBank.com](https://www.cobank.com).

CO-OP START

Co-op Start is a CoBank program that helps emerging and existing small agricultural cooperatives through innovative financing, business mentorship and training. In addition to the loans and leases offered through Co-op Start, we established a grant program that invests in startup

organizations with the potential to provide significant economic benefits to producers and rural communities. Through the Co-op Start Equity Match program, startup organizations that have raised up to \$50,000 in equity and are sponsored by a Cooperative Development Center may apply for a grant to assist with activities such as feasibility studies, technical services and marketing. Preference for this competitive grant program is given to farmer-owned cooperatives, but the program is open to other businesses that demonstrate a positive impact on rural America. In 2022, grantees received a total of \$225,000 through the program. Since its inception, Co-op Start has provided approximately \$3.12 million in loans, leases and grants to 29 startup companies and five cooperative development centers.

COOPERATIVE EDUCATION

In addition to our support of university centers focused on the study and advancement of cooperatives, CoBank provides funding for workshops, seminars and other educational opportunities that allow cooperative professionals to enhance their understanding of the cooperative business model and to develop their leadership skills.

For example, we have partnered with the Cooperative Development Foundation to aid its initiative to support caregivers forming worker co-ops. The annual National Home Care Cooperative Conference has grown in size and importance as the number of home care cooperatives has also grown. There are now 16 operational home care cooperatives with 17 more in development, exploratory or conceptual stages in California, Nebraska, Washington, Puerto Rico, Wisconsin, South Carolina, Massachusetts, North Dakota, North Carolina, Colorado, Minnesota and Washington, D.C. Over the last six years, CoBank's sponsorship of Cooperative Development Foundation initiatives has also supported professional development and technical assistance to hundreds of women and Black, Indigenous and people-of-color caregivers.



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SUPPORTING OUR PEOPLE

CoBank's success depends on our people, and we continuously seek new and meaningful ways to support our associates. We are building strong diverse teams, fostering an inclusive and equitable work environment, increasing career development opportunities, and enhancing health and well-being benefits.



OUR CULTURE

CoBank is committed to building an inclusive culture where all associates feel respected, valued, heard and included.

We value engagement with our team members and ensure associates' thoughts and perspectives are considered in our goal-setting, strategy creation and decision-making processes. We know that we can accomplish far more as a team than as individuals.

Our Human Capital Plan — a framework we created to guide our efforts to attract, retain and develop the best talent — includes our Talent Philosophy and Talent Management Model.

Our philosophy is focused on:

- **Performance:** setting high expectations and standards.
- **Core Values:** demonstrating our values through our interactions.
- **Differentiation:** developing and recognizing the contributions of all associates.
- **Accountability:** ensuring responsibility for building and supporting successful diverse teams.
- **Transparency:** increasing clarity of expectations and feedback.



OUR TALENT MANAGEMENT MODEL PROMOTES DIVERSITY IN OUR WORKFORCE, EQUITABLE OUTCOMES AND INCLUSION IN THE WORKPLACE

Talent Acquisition

- Sourcing
- Employer brand enhancement
- Recruiting with a diversity focus
- Assessment

Learning and Development

- Onboarding
- Leadership capabilities, professional and technical training
- Content development & delivery

Performance Management

- Expectation setting
- Self and manager assessment
- Calibration
- 360 feedback
- Development planning
- Early career and talent development

Total Rewards

- Live Well
- Compensation structure and market positioning
- Pay Equity Analysis
- Incentive plans

Talent Strategy and Planning

- Succession planning
- Talent reviews
- Executive assessment
- Development
- Mentoring

Workplace Transformation

- Hybrid and flexible work arrangements
- Active listening
- Analytics and reporting

DIVERSITY, EQUITY AND INCLUSION

CoBank is a stronger organization when we bring together individuals and teams — with different skills, backgrounds, perspectives and experiences — to solve complex problems and better serve our customers. As of December 31, 2022, we had 1,140 associates employed at our headquarters near Denver, Colorado and in our regional banking centers across the country. Our workforce was approximately 55% male, 45% female and 21% minorities (defined as ethnically or racially diverse) based on employee self-reporting. We are implementing several new principles and practices to further the diversity and equity of our workforce and ensure a workplace where all associates feel a sense of belonging.

These include offering associate self-identification based upon sexual orientation and gender identity, expanding recruitment efforts to underrepresented communities, and providing more training and mentoring opportunities. All associates are required to complete “Disrupting Everyday Bias” training and we offer several additional courses on topics such as inclusive leadership, cultural competency, and understanding and appreciating differences.

CoBank’s Associate Resource Groups are a critical component of our diversity, equity and inclusion efforts, allowing associates to connect based on common interests, identities and goals, and to share educational and allyship opportunities with their colleagues throughout CoBank. ARGs also strengthen associate engagement and feedback, as well as our recruitment, retention and community relations efforts.

Our eight ARGs include:

- Asian ARG.
- Ally ARG.
- Hispanic ARG.
- Pan African ARG.
- PRIDE (LGBTQ+) ARG.
- Veterans ARG.
- Women ARG.
- Young Professionals ARG.

Throughout the year, our ARGs host a variety of events and celebrations that are culturally significant to their membership. Participation is open to CoBank’s entire employee population to promote allyship and inclusion.

Examples of ARG-hosted events include:

- Asian ARG: Diwali Festival in November.
- Hispanic ARG: Hispanic Heritage Month.
- Pan African ARG: African American Heritage Rodeo of Champions.
- PRIDE (LGBTQ+) ARG: Cultivating Change Foundation Summit.
- Veterans ARG: Place at the Table Display.
- Women ARG: Women’s Foundation of Colorado luncheon.
- Young Professionals ARG: Habitat for Humanity build.

COBANK'S GENDER, ETHNICITY AND GENERATION DEMOGRAPHICS

All Employees

45
years old
average age of employees

190
Baby Boomers



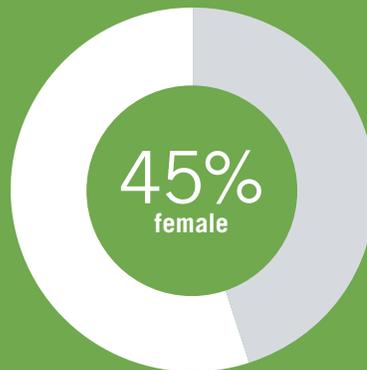
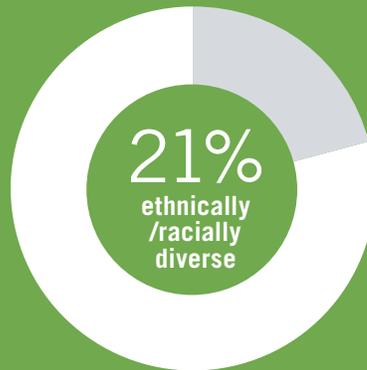
409
Millennials



500
Gen Xers



41
Gen Zers



TRAINING AND DEVELOPMENT

More than
13,000 hrs

Total training hours
completed by CoBank
associates in 2022

100%

participation in
associate giving
programs

84%

participation in
annual associate
engagement survey



RECRUITMENT

CoBank strives to hire the most qualified, best and diverse talent to achieve our mission of service to rural America. The bank focuses on providing hiring managers with diverse pools of candidates for open positions. To ensure we attract the broadest pool of candidates, we are expanding our outreach to diverse communities through partnerships with HBCUs and Hispanic-serving institutions, as well as minority-focused nonprofit and civic organizations. Our ARGs are facilitating new relationships and helping CoBank further connect with underrepresented populations.

As we plan for the future, CoBank is expanding efforts to attract, develop, retain and grow early-career talent — promising young professionals who are the future leaders of our business. Creating a pipeline for new talent not only prepares us for impending retirements but also supports our focus on career advancement for our mid-to senior-level associates. One of the ways we accomplish this is through the Credit Advancement Program, which develops well-rounded, consistently trained credit analysts through hands-on experience and training at individual banking groups. Associates who have recently completed undergraduate and graduate degrees are assigned an 18-to-24-month rotational schedule, committing a number of months to several credit support or banking group roles, before graduating into a credit analyst position or similar role within the organization. This program has been a very strong provider of diverse talent to CoBank, and we are capitalizing on this success by expanding rotational opportunities throughout our organization. Additionally, our internship programs have expanded to include more participants and are more focused on converting internships into full-time roles.

INCREASING DIVERSITY THROUGH STRATEGIC RECRUITMENT (2022)

53%
of externally hired associates are female.

28%
externally hired associates were minorities.

>81%
of recruiting slates (groups of candidates interviewed by hiring managers) were diverse.

RETENTION, PROMOTION AND DEVELOPMENT

To develop and retain talent across the organization, we celebrate our associates and our shared successes, offer numerous career advancement opportunities, and evaluate market competitiveness of compensation on a regular basis. Our Tuition Reimbursement program assists associates earning undergraduate and advanced degrees. CoBank University offers more than 200 live courses per year, and associates have access to hundreds of online courses as well. Associates are also able to access outside training programs, seminars and conferences relevant to their areas of discipline. In 2022, associates completed more than 13,000 hours of training. In addition, we offer in-depth leadership excellence programs focused on helping associates reach their full potential.

CoBank's mentorship program plays a key role in our development efforts. More than 400 associates have participated in the program to date, and we currently have more than 100 active mentor/mentee pairs. In keeping with our commitment to diversity, equity and inclusion, we have placed increased emphasis on forging mentorship connections between female and minority professionals and senior leaders in the organization.

ASSOCIATE ENGAGEMENT

Associate engagement has been a major focus at CoBank for nearly 20 years and is a critical measurement of our success. To gain a better understanding of associates' perspectives, as well as their feedback, we conduct an annual engagement survey through Gallup to ensure our team members feel valued and heard. In 2022, 84% of CoBank associates took part in the CoBank Associate Engagement Survey.

CoBank strives for continuous improvement in employee engagement, and our 2022 survey results showed overall improvement in satisfaction levels. CoBank employees noted marked improvement in the areas of understanding the bank's mission and purpose and demonstrating to all associates that their opinions count. For 2023, we will focus on opportunities to manage workload, keep associates informed of business changes and how those changes will impact them, increase emphasis on associate development and growth, and tailor

approaches to hybrid work to ensure all associates feel connected to the team and tied to our mission.

CoBank works to foster consistent and meaningful communication between our leadership and associates. We conduct Town Hall meetings quarterly to provide our associates with significant business updates. Senior leadership regularly meets with their teams to discuss division priorities, expectations and results. In addition, we facilitate small-group and individual meetings and communications between executive leaders and associates to further enhance connection and engagement.

2022

4.15 → 4.20
increase in engagement score
mean from surveys (1-5 scale)

HEALTH AND WELL-BEING

CoBank frequently evaluates our benefits offerings to ensure we are competitive and continue to be an employer of choice. As part of our Total Rewards program, last year CoBank launched Live Well, a multi-faceted program that focuses on creating balance and achieving personal wholeness, in order to offer a more holistic and purpose-driven benefits program. Live Well promotes resources to support mental and physical health, financial well-being and career development. Our comprehensive Total Rewards program also provides traditional benefits such as medical, dental, vision, life insurance, short- and long-term disability coverage, a retirement program and an Employee Assistance Program. In addition, CoBank provides access to the Calm app to support all associates on their personal journey to health and well-being. We continue to assess hybrid and flexible work arrangements, and evaluate every role to determine whether it could be performed in hybrid capacity. More than 96% of our roles remain hybrid. Additionally, to support work-life balance, CoBank formally launched part-time work arrangements.

CoBank is 6% above market in benefits offerings, as benchmarked to peers in our industry, and shows strengths in retirement income, active healthcare and welfare benefits areas, according to Aon, a third-party expert commissioned by CoBank and other Farm Credit System institutions.

50 STEWARDSHIP OF THE ENVIRONMENT

Our mission to grow rural America is achieved by supporting healthy, resilient communities by supporting the people who live there as well as their physical environment. CoBank has long championed environmental sustainability efforts in the community, through our customers and our own operations, and we continued our strong support in 2022.



\$2.5 billion
renewable energy portfolio

100%
of Scope 1 and Scope 2 emissions
offset through the purchase of carbon
removal units

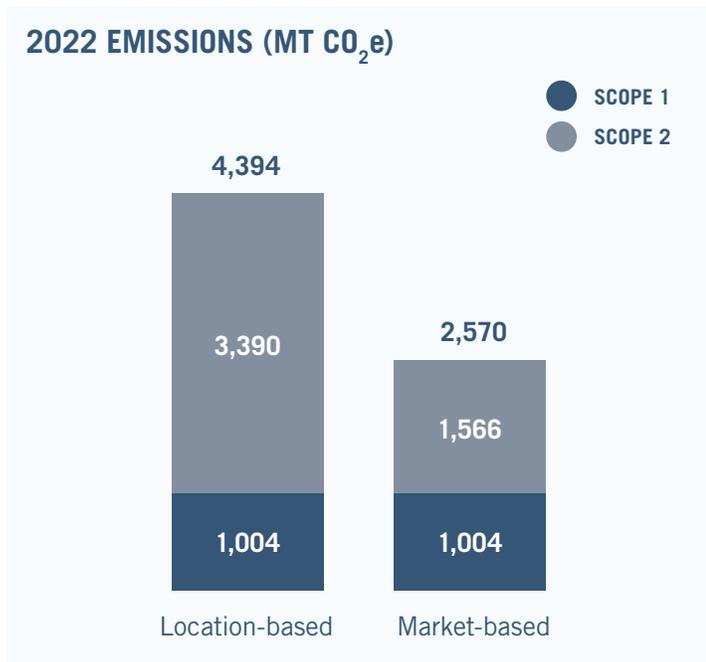
54%
of our electricity was attributable to
renewable wind energy purchased
through renewable energy credits

OUR STEWARDSHIP APPROACH

Our approach to environmental responsibility and sustainability continues to evolve. We recognize decarbonization and stewardship of the environment are part of the business decisions of all participants throughout our value chain. In 2022, CoBank intensified our focus on environmental stewardship by dedicating resources to understanding and managing environmental risk and opportunities, and measuring our carbon footprint.

Our mandate is to provide financial support to our rural infrastructure, agribusiness and cooperative customers in a wide variety of industries, each with its own environmental impact and goals. In the coming years, CoBank will be working even more closely with customers to develop innovative financing solutions that support their efforts to promote a healthy environment and enable resilience against the impacts of decarbonization and climate change.

We have also set the groundwork for understanding our direct and indirect emissions impact. In time, we intend to greatly enhance our data intelligence capabilities, which will allow us to more effectively measure our environmental impact and provide greater transparency to our stakeholders.



¹ See: Appendix 1 - GHG Inventory Methodology for information about how emissions were calculated.

REDUCING OUR IMPACT

Like many other enterprises, we want to do our part to reduce the environmental impact of our own operations. To that end, in 2022, we undertook a comprehensive analysis of the greenhouse gas emissions associated with our own business operations. This action included conducting an inventory of our Scope 1 and Scope 2 CO₂e emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. The inventory established 2022 emissions baselines that will help us identify areas where we can improve. CoBank is looking at our carbon intensity by location and source to evaluate carbon reduction options, and examining our data collection processes for ways to improve and enhance our data quality and analysis.

CoBank 2022 CO₂e emissions¹

SCOPE 1 Direct emissions from natural gas heating for office spaces, diesel fuel for generators, refrigerants, corporate fleet vehicle emissions, and leased jet emissions	1004 MT CO₂e
SCOPE 2 Indirect emissions from purchased energy, primarily electricity for office spaces	3390 MT CO₂e (location-based)
	1566 MT CO₂e (market-based)
Emissions reduced through purchased carbon offsets	2570 CO₂e
NET SCOPE 1 AND SCOPE 2 EMISSIONS	0 MT CO₂e

For more than 10 years, a large portion of our purchased electricity has been from zero-emission renewable energy, which we obtain indirectly using unbundled renewable energy credits. In 2022, our market-based Scope 2 emissions were 54% lower than location-based emissions through our purchase of RECs for electricity generated by clean wind power. We are especially proud of our work with Truterra, the leading farmer-driven sustainability program in the United States, with whom we partnered to purchase carbon offsets based on carbon sequestration resulting from soil-based regenerative agriculture management practices. By purchasing these offsets, we were able to reduce our 2022 Scope 1 and market-based Scope 2 emissions to zero while supporting the resilience and health of partner farms.

COBANK'S ENVIRONMENTAL IMPACT ECOSYSTEM





1 CARBON SEQUESTRATION BY FARMERS/TRUTERRA

Carbon offsets purchased by CoBank represent carbon permanently removed from the atmosphere, resulting in improved soil health and agricultural resilience.

2 GRANT FOR SUSTAINABLE AGRICULTURE (OR OTHER ENVIRONMENTAL) PRACTICES

Many CoBank-supported universities and colleges are contributing to the advancement of sustainable agriculture practices.

3 CONTRIBUTION TO RURAL COMMUNITY DEVELOPMENT

Many of the civic and charitable organizations CoBank supports are integrating sustainability into their efforts to improve the quality of life in rural America.

4 PRESERVATION

CoBank customers have used the Sharing Success program to support sustainability efforts such as wildlife habitat preservation.

5 RENEWABLE ENERGY CREDITS

A portion of CoBank's purchased electricity comes from zero-emission wind power through RECs.

6 COBANK'S LEED-CERTIFIED BUILDING

CoBank's LEED-certified headquarters includes best-in-class environmentally-friendly and energy-efficient features.

7 RENEWABLE POWER FINANCING

CoBank is one of the largest U.S. providers of renewable energy financing.

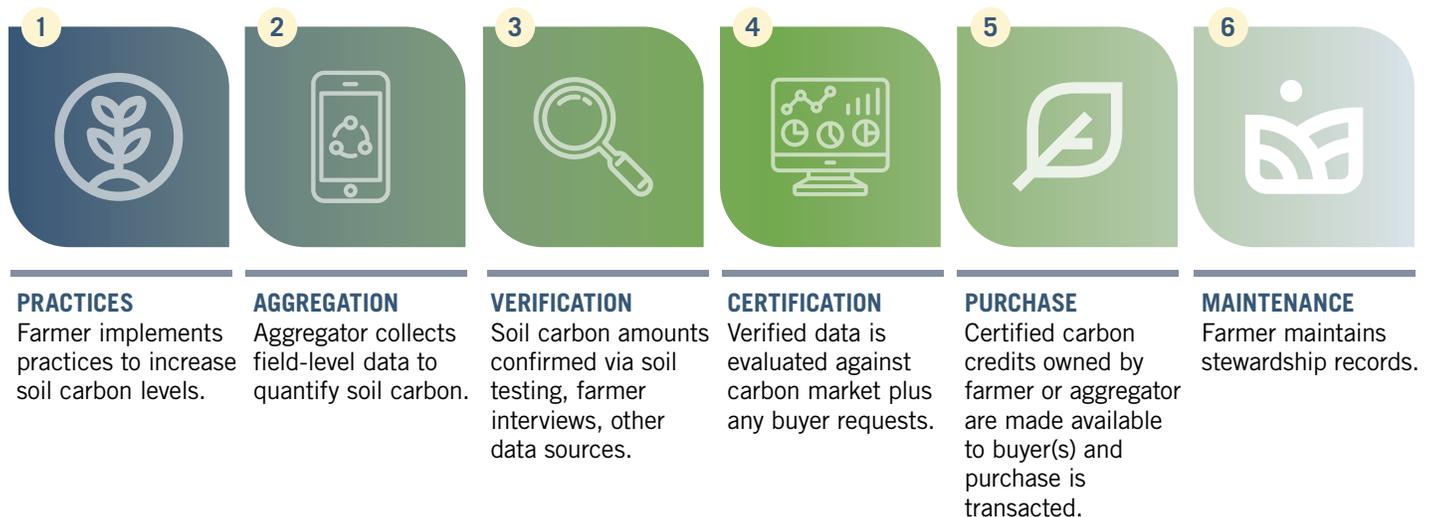
REDUCING OUR CARBON FOOTPRINT THROUGH FARMER-DRIVEN SUSTAINABILITY

Carbon offset purchases continue to be an accepted best practice to address those emissions that remain after a company has taken other steps to reduce its carbon footprint. In 2022, CoBank partnered with Truterra, the leading farmer-driven sustainability program in the U.S., to purchase carbon offsets created through soil-based regenerative agriculture management practices within the Truterra network. As a result, CoBank was able to offset our Scope 1 and 2 emissions by 2570 MT CO₂e, which represents carbon permanently removed from the atmosphere.

Truterra was launched in 2016 by Land O'Lakes, Inc. — a CoBank customer and member-owned cooperative that spans the spectrum from agricultural production to consumer foods — to help farmers protect and improve their soil health while also creating new on-farm revenue opportunities in ecosystem services markets, such as carbon offsets.

Truterra's carbon offset program is based on carbon sequestration in agriculture, which involves storage of carbon in biomass, such as the roots of cover crops or commercial crops in a no-till system. These regenerative practices not only remove carbon from the atmosphere but improve soil health as well. For CoBank, purchasing the carbon offsets allows us to both reduce our carbon footprint and directly contribute to greater productivity and resilience within the food, fuel, feed and fiber system. Selling carbon offsets created through regenerative practices not only benefits farmers financially, but also provides them with increased soil health and co-benefits ranging from enhanced water and nutrient cycling capabilities to improved air and water quality outcomes. Supporting the transition to these more regenerative agriculture management practices thus becomes an investment in the future of healthy soil, healthy farm balance sheets and vibrant rural communities.

THE PROCESS OF TRANSFORMING ON-FARM STEWARDSHIP INTO FARM-GENERATED CARBON CREDITS





BUILDING ENVIRONMENTALLY FRIENDLY PRACTICES INTO HOW WE WORK

When we built our 11-story headquarters building in 2015, we were proud to receive LEED Silver certification in recognition of its best-in-class building strategies and practices. Other ways CoBank is adopting and encouraging environmentally friendly practices in our work include:

- Operating a bank-wide recycling program.
- Purchasing hybrid vehicles for our business fleet.
- Providing EcoPasses to our Denver associates so they can commute to work using city buses and light rail.

CoBank's complete carbon footprint also includes Scope 3 emissions, which are indirect emissions resulting from our operations, from sources that we don't own or control. CoBank will continue to evaluate these indirect emissions and consider them as we continue on our sustainability journey.

Many of our customers are also seeking to reduce their own environmental impacts and looking to CoBank for support in financing that transition. We are evaluating how sustainability-linked loans can help our customers achieve their goals. In close collaboration with business partners across CoBank, we conducted a readiness assessment that will help us understand the needs of our customers and define key product features and benefits required to meet those needs.

FINANCING RENEWABLE ENERGY

CoBank is a proud partner of rural power providers across America, and we have seen how concerns about climate change are prompting an increase in decarbonized, renewable power in our customers' energy portfolios. In 2022, we provided financing to support renewable energy and decarbonization projects ranging from the leasing of electric vehicle charging stations to the refinancing of one of the largest geothermal sites in the world. While our mission is served by financing rural power provided through diverse energy sources, our financial products and services play a vital role in helping the rural economy achieve its environmental sustainability goals.

Today, CoBank's energy portfolio includes \$2.5 billion in outstanding loans and leases for renewable energy projects. That makes us one of the largest underwriters of renewable energy in the country — a leadership position we're committed to maintaining in the future.

Moving forward, we will collaborate more deliberately with businesses serving rural America to finance their sustainability goals. CoBank is committed to providing innovative financial solutions to meet our customers' needs and developing sustainability-focused financing options that reward environmentally friendly business practices.

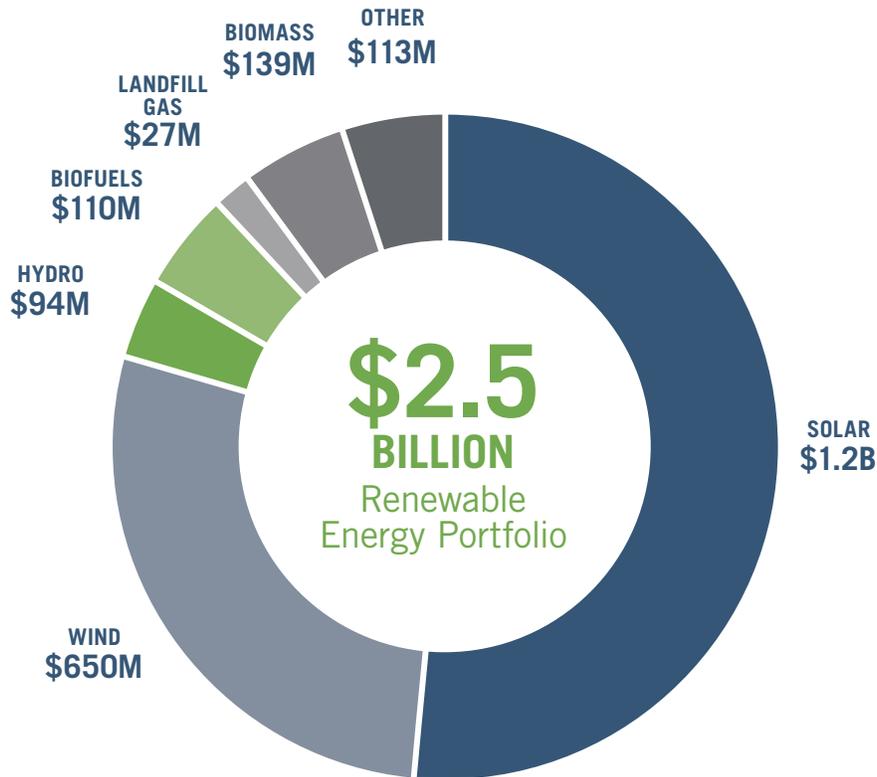
SUPPORTING SUSTAINABILITY-FOCUSED PROGRAMS

At CoBank, we believe a commitment to sustainability and the environment is an integral part of good corporate citizenship – to make life better now in the communities where our employees and customers live and work, and to help ensure a better, healthier future.

In 2022, CoBank contributed \$100,000 to the Beneficial Electrification League to support its efforts to develop education and outreach programs for utilities and school districts, encouraging participation in a federally funded electric school bus rebate program. Access to electric school bus fleets can help rural school systems create more sustainable communities and lower operating costs. CoBank's donation will amplify the joint efforts of BEL and electric cooperatives to educate rural school systems on how to access these resources for the benefit of their communities.

Through our Sharing Success program, CoBank regularly partners with our customers to fund organizations and projects that promote sustainability and responsible stewardship of environmental resources.

COBANK'S RENEWABLE ENERGY PORTFOLIO



Recent Sharing Success matches include:

- A contribution to the Bass Lakes Area Environmental Partnership in Irons, Michigan, to help control and prevent the spread of invasive aquatic species. By promoting public awareness and forging partnerships among citizens, scientists and professionals, the partnership aims to protect the lakes' ecosystems and preserve them for generations to come.
- A contribution to the Karen Beasley Sea Turtle Rescue in Surf City, North Carolina, helps to further the conservation and protection of all species of marine turtles both in the water and on the beach. The organization rescues, rehabilitates and releases sick and injured sea turtles, and provides experiential learning for students of biology, wildlife-conservation and veterinary medicine.
- A contribution to the Ringgold County Conservation Board in Mount Ayr, Iowa, will help the Dragoon Trace Nature Center fulfill its mission of encouraging visitors to make a personal connection with nature and promote the appreciation and understanding of rural Iowa's native lands. Funds will enable the center to improve its existing interpretive trail so that it is accessible to all.



58 SERVING WITH INTEGRITY

Good governance is essential in achieving our key strategic priorities. As we continue our journey to incorporate sustainability standards into our business strategy and operations, we are committed to maintaining a culture of integrity, promoting transparency and holding ourselves accountable.



ETHICS AND COMPLIANCE

CoBank has a robust, long-standing Ethics and Standards of Conduct program, which is overseen by our board of directors. CoBank's ESOC Officer reports to the board of directors on all aspects of the ESOC program on an annual basis, with quarterly reporting by Internal Audit to the board of director's Audit Committee regarding Ethics Hotline activity.

The board recently enhanced the program through the creation of a new Code of Ethics for all associates, which is consistent with new Farm Credit Administration regulations. Our ESOC program follows the requirements established by FCA, and our written policies and procedures promote high ethical standards among our team members.

The Code of Ethics for Directors and Associates, adopted on January 1, 2023, defines values and expectations for ethical conduct in business activities, including expectations for appropriate professional conduct and how to identify, handle and report conflicts of interest and violations consistent with regulatory requirements. It incorporates several core principles, such as the responsibility to maintain high ethical standards of care, honesty, integrity and fairness. It supplements other related policies, including the Associate Responsibilities and Conduct policy, which communicates CoBank's high standards of personal and professional conduct. All new associates receive ethics training, and all associates receive regular training throughout the year. Looking ahead, CoBank intends to adopt policies regarding the ethical behavior of service providers.

CoBank's Speaking Up policy establishes multiple, alternative channels of communication through which our associates may report issues or concerns anonymously, including a confidential Ethics Hotline and a website maintained by third-party provider EthicsPoint. To ensure associates and the public are aware of how to report possible violations, we post the hotline number and reporting website in our Code of Ethics for Directors and Associates, Speaking Up policy.

We seek to continuously enhance our ethics and compliance programs and culture.

DATA PRIVACY AND CYBERSECURITY

CoBank is committed to maintaining the confidentiality of the information entrusted to us by our customers, partners, and others who use our services or visit our systems. We utilize a defense-in-depth approach to security and privacy, employing multiple layers of security to protect information. We also employ standards from the International Standards Organization and the National Institute of Standards and Technology Cybersecurity Framework, as well as guidance from the Federal Financial Institutions Examination Council.

CoBank's security and privacy programs are overseen by the board of director's Risk and Audit committees and a Security Steering Committee made up of senior members of CoBank's leadership, and managed by our Corporate Security Officer. CoBank's privacy program is managed by our Privacy Officer. Our regulator, the Farm Credit Administration, monitors our compliance with applicable regulations, and our Internal Audit department maintains a robust audit program to periodically evaluate the adequacy of our control environment.

CoBank's security environment consists of layers of intrusion detection, intrusion prevention, anti-malware, threat monitoring, behavioral analysis, vulnerability detection and remediation, configuration management and event monitoring. These controls are designed to minimize the potential for system or data compromise, and maximize the potential to identify attempts to exploit our systems. CoBank's Security Incident Response process responds to any negative events rapidly to minimize any impact to the bank or our customers.

CoBank operates a robust Business Continuity program that responds rapidly to business interruptions regardless of their scope or origin. Our five key objectives for business continuity and recovery are: ensure the safety and well-being of associates; protect critical information loss; minimize interruption of service to customers; minimize the financial impact from a disruption; and ensure proactive, ongoing and transparent communication to all stakeholders during a business disruption.

LEARN MORE ABOUT COBANK'S POLICIES AND PROGRAMS:

[Standards of Conduct Program](#)

[Code of Ethics for Directors and Associates](#)

[Privacy Policy](#)

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CONTINUING OUR SUSTAINABILITY JOURNEY

This Sustainability Report is a first evolution from our historical Corporate Social Responsibility reporting. As a mission-based lender and member of the Farm Credit System, we recognize the impact of our business on the environment and within the communities we serve and operate. As such, our board of directors and management will continue to invest in our sustainability program and related capabilities as we continue serving our mission.



LOOKING AHEAD

We look forward to sharing our sustainability journey with you in the years to come.

IMPACT	<ul style="list-style-type: none">• Continue to engage with key stakeholders to ensure sustainability-related material topics are appropriately addressed.• Actively seek out internal and external partnership opportunities to learn best practices that will ultimately deliver impactful and necessary outcomes.
STRATEGY	<ul style="list-style-type: none">• Refine and execute our Sustainability Strategy that prioritizes our focus areas and guides development of our execute initiatives.
GOVERNANCE	<ul style="list-style-type: none">• Clarify and formalize sustainability governance and management responsibilities.• Assess effectiveness our governance structure.
ACCOUNTABILITY	<ul style="list-style-type: none">• Assess and enhance data quality, processes and technology.
TRANSPARENCY	<ul style="list-style-type: none">• Mature our sustainability reporting as appropriate to align with evolving globally recognized standards.• Evaluate obtaining third-party assurance on future disclosures.
RISK MANAGEMENT	<ul style="list-style-type: none">• Enhance our climate-risk-management process to ensure the safety and soundness of our organization.
INTEGRATION	<ul style="list-style-type: none">• Further integrate sustainability into our business strategy and initiatives.• Continue supporting our customers as they move toward a more resilient, sustainable and equitable future.

**OUR MISSION IS AT THE CENTER
OF EVERY STEP OF OUR SUSTAINABILITY JOURNEY**

APPENDIX

CoBank Scope 1 and 2 GHG Inventory 2022 Methodology

CoBank compiled a greenhouse gas emission inventory for January 2022 through September 2022. The GHG inventory aggregates comprehensive Scope 1 and 2 emissions from CoBank facilities in:

1. Greenwood Village, Colorado (Headquarters).
2. Atlanta, Georgia.
3. Enfield, Connecticut.
4. Fargo, North Dakota.
5. Louisville, Kentucky.
6. Lubbock, Texas.
7. Minneapolis, Minnesota.
8. Omaha, Nebraska (two facilities).
9. Rocklin (Sacramento), California.
10. Spokane, Washington.
11. St. Louis, Missouri.
12. Washington, District of Columbia.
13. Wichita, Kansas.
14. Singapore.

The GHG inventory prepared for CoBank is in alignment with the World Resource Institutes' Greenhouse Gas Protocol Corporate Accounting and Reporting Standard 1 (the "GHG Protocol"). Scope 1 and Scope 2 emissions are included in this inventory, but Scope 3 are excluded. Scope 2 emissions for CoBank's operations result from purchase of third-party electricity. As CoBank purchased Renewable Energy Certificates in 2022 (through September), Scope 2 emissions were calculated using the location-based and market-based approaches as outlined in the GHG Protocol.

Per the GHG Protocol, an emissions base-year recalculation shall be triggered by certain changed circumstances. CoBank shall recalculate its emissions base year if the cumulative effect of any of these changes meets or exceeds a significance threshold of 5% of base year emissions. CoBank may also choose to recalculate its base year for other reasons at its discretion, which will be documented in the Inventory Management Plan.

Estimations

2022 Scope 1 estimations were based on actual data from January 2022 through September 2022 combined with best estimates in accordance with the GHG Protocol:

- 85% of Scope 1 data was based on estimations.
- Fourth quarter (October-December) and full year values were estimated based on an average of first quarter through third quarter data.
- Diesel utilized in generators was a hybrid estimation using actual spend and generator run-times correlated with the specific generator models' consumptions.
- All vehicle emissions were calculated from actual vehicle model types with estimated distance traveled and the combined fuel economy of the vehicle models.
- Refrigerant recharge rates were estimated based on actual provided equipment type and their respective capacity.
- One site had estimated natural gas usage based on spend.

2022 Scope 2 estimations utilized estimation methodologies stemming from actual data from January 2022 to September 2022 for proxies and in accordance with GHG Protocol standards:

- For January-September 2022, 6% of location-based and 25% of market-based emissions were estimated.
- For 2022 full year values, fourth quarter was estimated based on an average of first quarter through third quarter data.
- Two thirds (10 out of 15) of CoBank's leased office spaces could not provide actual electricity data so proxy usage was assumed based on US EIA Commercial Building survey data (average data method).



GROWING RURAL AMERICA
2022 SUSTAINABILITY REPORT