



Accelerating impact in a changing environment

*Overview strategy
2020-2025*



Challenges

The world around us is changing fast and external trends are impacting the work we do. To stay relevant for the people we serve, we must evolve and adapt.



What we stand for



We believe in a world where everyone deserves a perspective for a better and more sustainable future. We support entrepreneurs, that are, financially underserved, to realise productive, viable and sustainable business. And contribute to social inclusion, sustainable local economies and food security.



Accelerating on four priorities

To adapt to the changing environment, Rabo Foundation has to accelerate impact towards 2025. Our strategy in the coming five years will center on four priorities.



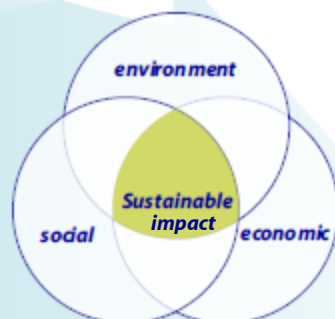
Five building blocks

To realise our strategy we set five fundamental building blocks.



How we work

We, as an impact financier, want to add value by providing access to knowledge, network, financing and innovation.



Create impact³

Our return on investments is the difference we make on an economical, social and environmental level. As well as our contribution to the United Nations Sustainable Development Goals.



*'The world is
changing
fast'*

We must continuously
evolve and adapt, to
stay relevant.

Challenges

W *We see that the world around us is changing fast and external trends have an impact on the work we do. To remain relevant for the people we service, we must continuously evolve and adapt. So we, as Rabo Foundation, can maximise our impact where it is needed most. That's how we contribute to 'Growing a better world together.' These are the challenges of our clients, both internationally and in the Netherlands.*



The food & agricultural transition

Farmers need to produce enough healthy food in 2050 to feed 10 billion mouths, but with respect for the environment. In order to ensure the availability of adequate, sustainable and healthy food in a healthy environment, adjustments are necessary in the F&A system. Therefore we have to shift to sustainable, but also economically viable agricultural businesses. Bridging this gap means need of access to finance in the whole value chain, which includes the financially underserved farmers and organisations, who now lack access of finance. At the same time we see a huge increase in digitization.



Social inclusion

The economy is flourishing. But at the same time, 1.4 million Dutch households live in debt. And there are 1.3 million people who want to work, but who have difficulty finding a job. In addition, there is a staffing shortage in a large number of sectors in the Netherlands that will increase in the coming years as a result of the aging population. And there is an increasing number of companies that are taking social responsibility; this includes an inclusive workforce.



*'Striving for
a sustainable
future'*

Guiding organisations
so that they can face
their challenges.

What we stand for

W *We believe in the power of motivated people. By investing in their potential, we support them to build a better future and contribute to social inclusion, sustainable local economies and food security.*

Our vision

We believe in a world where everyone deserves a perspective for a better and more sustainable future. Where people are empowered to invest in their own potential so they can cope with the challenges.

Our mission

Rabo Foundation supports entrepreneurs, that are financially underserved, to realise productive, viable and sustainable businesses. We provide access to finance, expertise, networks and innovative solutions.

How we stand out

As an impact financier we guide people through the challenges they face, by bridging the gap to self-reliance.

The following attitude we take in action:

1. We take higher risks to create higher impact
2. We leverage our network to create an optimal enabling environment
3. We stimulate innovation and support our clients with data and technology solutions
4. We learn from others and share lessons



Adding value to farmer organizations

We invest in financial institutions, co-operatives, fintech intermediaries, platforms and SMEs or similar, that provide added value for smallholder and/or emerging farmers.



Adding value to social enterprises and societal organizations

We invest in start-up and scale-up social entrepreneurs and societal organisations that are front runners in addressing and solving societal issues.



Target groups

To accelerate our impact, we have to broaden our perspective to the ecosystem of the target groups we focus on.



Our Target Group | International

Our traditional smallholder farmer profile:

"Farmers with a limited piece of land and low land & labour productivity. They produce different crops on their land - food crops (uncertain income) and cash crops (more certain income). The capital productivity is high (a spade will increase yield tremendously). These farmers have limited access to finance and are risk-averse due to the uncertainty in income."

Is moving to:

"Emerging farmers", who contribute to economic development in their rural community, but are financially underserved. They have the potential to increase their land and labour productivity in a sustainable way, in combination with the opportunity to use equipment and tools. In some cases they can employ hired labour that provides the local community with good standards of employment in regions where job opportunities are limited. They (sometimes) have gained knowledge about (data driven) innovative tools and are able to adapt this in their business in order to increase yield sustainably. These farmers can be organized in co-operatives, groups, engaged in contract farming or could also be large independent farmers employing workforce at better than average conditions.



Our Target Group | The Netherlands

In our society:

There are 1.3 million people in the Netherlands who are barely able to find a job on their own. Staff shortages exist in a large number of sectors in NL and these will increase in the coming years as a result of the aging population. In addition, an increasing number of companies are taking social responsibility; this includes an inclusive workforce.

Therefore we aim at:

The group of people that already have problematic debts and those that are at risk of problematic debts (1.4 million households). This number is increasing, partly due to a more complex society. Often people with debt problems have no or limited access to work, which makes the problems worse. The social costs of unemployment and debt problems are high. Companies, government and civil society organizations are increasingly working together to solve these problems. As Rabo Foundation we play an important role in this ecosystem. Our support provides people access to work and a grip on their financial situation.



*‘We bridge
the gap’*

So entrepreneurs can
adapt to the changing
environment.

Accelerate on four priorities

T To adapt to the changing environment we accelerate towards 2025 with four strategic priorities. Focusing on these themes is key to maximize our impact.

Our strategic statement

We accelerate our *sustainable impact* in a changing environment. We *bridge the gap* to sustainable self-sufficiency. We therefore need to *leverage more effectively on knowledge and network* in the coming years, to empower an optimal enabling environment for our clients and their value chains. To be most effective in our foreign activities we are *strategically merging RF international and RRF* into one point of departure. At the same time our world is digitizing rapidly thanks to new technological developments. As a frontrunner in innovation we now also need to *integrate innovation in our daily business*.

Our cooperative alignment

Rabo Foundation has a clear mission, vision and target group, giving us a clear direction in which we maximize our impact. But we believe that we can only realise our maximum impact if we also align with Rabobank, providing us with an unique value proposition. With our value proposition and resources we strive for maximum impact at our target groups: therefore we always analyse (new) Rabobank themes for a fit with our ability to have impact.

Cooperation

Cooperative alignment also means working together with Rabobank and its departments to improve our knowledge and products and to accelerate our impact. Therefore we need to strengthen cooperation with Rabo Partnerships, Sustainability, R&R, TCF, etc. We aim to position ourselves at the heart of the organisation, but act as the accelerator of social issues.

Four priorities

Improved financial services

We will optimize the mix of financial instruments that fits with the current challenges.



Alternative business models

We grow with our target group and move up the chain and find new models where necessary.



Optimizing enabling environment

We go beyond our client and will always opt for an integrated value chain approach.



Focus on ‘impact hotspots’

We make clear choices in where we as Rabo Foundation can be most additional, with a close eye on our negative (environmental) effects as well.



Strategic business priorities



Improved financial services

Because we want to bridge the gap to financial inclusion and to sustainable yield growth by:

- Expanding and improving our financial instruments (financing the right equipment, resilient seeds, training, leasing (DLL),
- Blended finance, platforms, fintech,
- RF-RRF empowerment,
- Reinforcing the financial journey (exit strategy)

Because we want to address the need to move towards organisational resilience, by:

- New forms of finance and financial co-operation (e.g. equity)

Alternative business models

Because we want to stimulate rural development, knowing that new business models (e.g. data-driven) are emerging and the profile of a smallholder farmer is changing, by:

- Validating alternative models to reach farmers and/or create rural jobs
- Combine services more often (like climate data, financing, equipment and markets)
- Support Ag / Fintech companies
- Qualitative scaling

Because we are aiming at solving debt issues by making solutions an integrated part of financial advice, by:

- Developing solutions for the social issue of debt and debt prevention in co-operation with the business and possible integration within financial advice.

Optimizing enabling environment

Because we want to strengthen the position of the farmer in the value chain and support with sustainable and viable farming, by:

- Identify systemic changes needed (through research)
- Bring together the value chain around specific issues
- Leverage networks (internal/external)
- Focus on digitalization & data; (find (data driven) solutions)
- Establish (relevant) strategic partnerships

Because we aspire a society where labor participation for our target groups is 'business as usual' within all companies and organizations (not just social entrepreneurs), by:

- Optimal co-operation with local Rabobank's
- Accelerating on sharing knowledge,
- A network approach: connecting social entrepreneurs to corporates,
- Proving finance-ability of impact first.
- Improve co-operation in the field of debt prevention

Focus through "impact hotspots"

Because we want to have maximum impact and have the right portfolio strategy, by:

- Choosing clear impact hotspots: intersection of problem areas (income/yield/value chain), our additionally (product range) and organization. These can be different per region.
- Choosing "impact sectors"; Where do the problems play an important role, or which sectors are already impactful within themselves (e.g. through sustainability).
- Looking at scalable concepts as a form of impact.
- Leveraging on impact hotspots, which needs a research/knowledge platform with budget.

Because we need to be additional with our unique proposition with knowledge and networks to the frontrunners in the field of social entrepreneurs, by:

- Building on existing inflow, to retain environmental impact as a conditional criteria.



‘Five blocks’

The fundament for
realising our strategy.

Building blocks

T To realise our strategy, we set five fundamental building blocks.

Managing impact

We strive for maximising our impact with our resources.



Leading through innovation

Innovation is a key driver for realising impact.



Strong internal organisation

We build a stronger organisation to facilitate our business and development.



Creating value with engagement

International engagement is part of our alignment with the Rabobank mission and part of our unique selling proposition.



Positioning as impact financier

Continuously showing our impact and our courage regarding the issues we address with our vision and mission.



Building blocks

Managing impact

We strive for maximising our impact with our resources:

1. Impact management is an **integral part** of our way of work (strategy, implementation, monitoring, evaluation and learning);
2. Setting realistic goals based on a clear strategy, measuring the impact achieved, and then **mapping** out the areas for improvement and addressing them.

The key success factors to implement **Managing Impact** are:

- Keep it lean & mean
- Step by step implementation within way of work
- Ownership
- Evidence Based Working (also means doing impact research, based on learning questions)
- Mind shift towards learning from impact data (DNA)
- Impact dashboard
- Collect a dataset that fits the objectives

Leading through innovation

Innovation is a key driver for realising impact:

1. Being on top of latest tech developments and **front runner** in applying technology (with partners)
2. **High risk appetite** for Innovation portfolio and experimental mind-set combined with strong willingness to learn and share insights
3. **Recognised knowledge and strategic partner** internal and external
4. **Unique offering** based on Rabo network, knowledge and 45 years of experience.

The key success factors to be **leading through innovation** are:

- Improve existing partners operations
- Incubate new business models to reach unbanked
- Connect fin/agtech companies to partners
- Leverage on Rabobank Group network
- Further internal coordination RF International: Integrated in the RF-way we work

Strong internal organisation

We build a stronger organisation to facilitate our business and development:

1. Integrated dashboard for continuous impact monitoring and decision making (i.e. credit process, workflow, reporting, portfolio).
2. Organisational structure and platforms that fit our strategy, strategic priorities and business framework. Key elements are:
 - Research/Knowledge/Network organisation/ platform
 - Redefined organisation model with roles and tasks
 - Cooperation RF – RRF – NL
 - Defined workflow/processes
 - Optimal system landscape

3. Culture and leadership

- Ownership
- Responsibility
- Agility

4. In control:

- Defined finance policy
- Laws and regulations
- Compliance and risk control
- Alignment on CDD policies and sector policies will be by a case by case approach

Creating value with engagement

International engagement is part of our alignment with the Rabobank mission and part of our unique selling proposition. In all of our engagement activities we strive for global, digitalized solutions:

1. **Funding:** We source from a structural contribution from Rabobank, increase co-funding from strategic and project partnerships and value customer and employee contributions as the third pillar of our funding.
2. **Client engagement:**
 - Rabo business clients are value drivers for our value chain approach
 - We are connected to Rabo private banking clients with

the need for sustainable impact with their

3. **Employee engagement**

- Expert challenges will become key in mutual knowledge sharing between RF, Rabobank (employees, departments) and partners.
- We keep on facilitating payroll-giving by employees, as a vehicle for cooperative engagement, without fundraising campaigning
- Resourcing employees to clients will be part of our value proposition with strict preconditions regarding effectivity and efficiency

Positioning as impact financier

Our positioning is based on two pillars:

1. Continuous focus on showing our impact.
2. Showing our courage regarding the issues we address with our vision and mission.

We focus on:

- Being seen as frontrunner putting forward our unique way of work, knowledge and impact on the issues we address
- Sharp (inter)national positioning as an impact financier.
- In the heart of Rabobank we take a two way stand: we encourage purpose as standard and we use corporate resources to the fullest to have optimal impact for our target group
- In our positioning, the Rabo Foundation role is clear, also in perspective to Rabobank.



‘Adding value through the way we work’

Business Frameworks as guideline for realizing our goals.

How we work

W We are an impact financier that adds value by giving entrepreneurs access to finance, knowledge, networks and innovative solutions. To realise the goals we pursue we can build on our business frameworks.



Our goal is:

Bringing our clients (smallholder farmers) to self-reliance

We want to support opportunities for smallholder farmers and sme's in food & agri to realise productive, viable and sustainable businesses. In this way we contribute to a sustainable local economy and to food security.

Our commitments are:

Economic impact

Increase the income of smallholder farmers

Environmental impact

Empower smallholder farmers with environmental sustainable businesses

Social impact

Improve inclusiveness of smallholder farmers and their communities

Which are largely dependent on:

Price

Quantity

Costs

Land use

Weather

Water use

Therefore our objectives are to:

Increase yield and quality sustainably

Reduce post-harvest losses

Reinforce the (food) value chain

Improve climate change adaption

Through access to our products:

Knowledge

Network

Financing

Innovation



Our goal is:

Bringing people, with no access to labour and people with (potential) financial debt, towards self-reliance

We want to support opportunities for people with no access to labour and people with (potential) financial debt to be part of the society again. We thereby contribute to a more inclusive society.

Our commitments are:

Economic impact

Increase grip on (better) financial position for more people

Improve access to labor skills and income for more people

Social impact

Improve inclusiveness for more people with in disadvantaged positions

Pre-conditional

Environmental impact

Which are largely dependent on:

Awareness and insight

Employment

Self-confidence and recognition

Therefore our objectives are to:

Improve prevention and early warning

Facilitate financial education and guiding

Boost social entrepreneurship as the norm

Making the social entrepreneur a stronger entrepreneur

Through access to our products:

Knowledge

Network

Financing

Innovation



*'Impact'³
=
sustainable
impact'*

We strive for
economical, social and
environmental impact.

Creating Impact³



Our return on investment is the difference we make on economical, social and environmental level, as well as our contribution to the United Nations Sustainable Development Goals.

Sustainable impact is our starting point

We are always looking at our impact on three axes: economic, social and environmental. To achieve sustainability we need to balance these three factors. Therefore projects must have a

least a perspective (or already show impact) on all three axes. We do not necessarily have to do intervention on all three ourselves.

Impact³ model as guide line

This model of the FAO (Food and Agriculture Organisation of the United Nations) is our guideline for creating sustainable impact.



Focus on six SDGs

With our solutions we want to contribute to the following SDGs.

