

FINANCING YOUR GROWTH - SUSTAINABLE FOOD

Africa / Latin America / Asia



Our vision is to catalyse sustainable growth within the food & agriculture sector. We achieve that by providing debt financing to companies across the value chain and supporting their sustainability initiatives through targeted technical assistance facilities.

Suhasini Singh
Head Sustainable Food Debt Financing

SOLUTIONS FOR COMPANIES ALONG THE ENTIRE VALUE CHAIN

Faced with changing market requirements reflecting increasing food demand, shifts in diets and more stringent product standards, actors along the food and agricultural value chain need flexible financing suited to their specific needs.

We offer financing solutions with different maturities, innovative and flexible collateral structures, currency hedging and transparent terms and pricing structures tailored to your needs.

We grow with our clients. Where required, we also offer Technical Assistance and advisory services, for example to improve yields and support farmer livelihoods, enhance ESG metrics, or support market development.

OFFERING



- Short-term debt to finance inventory, receivables, domestic value chain, pre-export and export activities
- Medium-term debt to finance the purchase and / or construction of property, plant and equipment
- Subordinated debt for capital growth

ELIGIBILITY CRITERIA



- Financially sustainable business model within agricultural value chains
- Contribution to the economic development of low-income rural populations, sustainable agriculture, and market development
- Strong management of environmental and social risks
- Annual financial reports audited by a reputable company (last 3 years)
- Ability to provide annual financial projections

CLIENT BENEFITS



Tailor-made solutions adapted to your business model

Ability to increase **financing** with the growth of the business

Ability to provide **medium-term** solutions for capital expenditures

A **dedicated team** of experts focused on understanding business needs and structuring solutions in a timely manner

TERMS AND CONDITIONS

| | WORKING CAPITAL | MEDIUM TERM FINANCING |
|---------------|---|--|
| Purpose | Financing of inventory, receivables, advances to suppliers | Construction or acquisition of land, property, equipment |
| Amounts | Minimum USD 1 million | Minimum USD 1 million |
| Tenor | Up to 12 months | Up to 5 years |
| Currency | USD, EUR | USD, EUR |
| Interest Rate | Market Rates | Market Rates |
| Collateral | <ul style="list-style-type: none"> • Sales contract assignment • Floating charge on assets • Collateral management agreement • Guarantee mechanisms | <ul style="list-style-type: none"> • Pledge on fixed assets • Pledge on loan portfolio |

DRIVING DEVELOPMENT IMPACT

Our financing aims to raise sustainable food production to respond to the growing global demand while mitigating against environmental, social and governance risks. We employ Technical Assistance and advisory services to support the impact objectives and mitigate the ESG risks below:

IMPROVE FARMERS' LIVELIHOODS:

While smallholder farmers produce more than three-quarters of the world's food, many of them remain in subsistence farming. By financing businesses that work with these smallholders and **help them to improve productivity and quality our financing aims to improve their livelihood.**

PROMOTE SUSTAINABLE FOOD AND AGRICULTURE:

In a world where the pressure on limited natural resources such as land and freshwater is increasing and where yields are reduced by climate change, sustainable food and agricultural practices are essential. **We aim to finance companies committed to sustainable practices, e. g. by being certified as organic or Fair Trade, or offering technical trainings to their smallholder suppliers to ensure that their raw materials are produced in a sustainable way.**

STRENGTHEN MARKET LINKAGES:

In emerging markets, market linkages are often fragmented and inefficient. Through our financing, we **support the development of structured and tight value chains** that provide farmers with a reliable access to high-paying markets as well as to improved inputs, financing, training and innovation.

In the process, downstream buyers such as processors or traders benefit from traceability and increased product quality and safety.

ESG RISK MANAGEMENT

Environmental, social and governance (ESG) risks depend on the value chain, the geography and the scale of operators. We have developed specific processes and tools to assess ESG risks for all actors operating along agricultural value chains.

Our risk assessment looks at various ESG risks related to human rights, labour rights, health and safety as well as natural resources.

The results of the risk assessment are taken into account in our investment decision and we include any potential ESG risk mitigation action in our final proposal.



YOUR PARTNER ON THE GROUND

responsAbility is a leading impact asset manager targeting sustainable food in developing economies. Through our managed funds we offer tailored debt financing covering the diverse needs of businesses along agricultural value chains, thereby providing livelihoods in rural areas.

responsAbility-managed funds invest in companies active along the entire agricultural value chain that increase agricultural productivity and promote sustainable practices by providing fair wages and working conditions and avoiding any environmental degradation. Our strong relationships with upstream and downstream partners give us detailed insight into our clients' operations and ongoing market developments.

REGIONS OF FOCUS

| | |
|---------------|---|
| AFRICA | <p>responsAbility has been operating in Africa since 2012 and has provided funding to agribusinesses in 11 countries involved in more than 19 commodities. Thanks to our commodity researchers and our dedicated, experienced investment professionals on the ground we have a comprehensive understanding of agricultural commodities and their cycles. Our investment geography includes the entire African continent as well as value-adding sustainable agricultural distributors in Europe that source from emerging markets.</p> <p>Contact us based on your region of focus: agri.africa@responsAbility.com</p> |
| ASIA | <p>responsAbility has been operating in Asia since 2012 and has facilitated financing for companies in 10 countries involved in more than 16 commodities. We manage investments in businesses active in all segments of the agricultural value chain. Our geographical coverage includes Asia (South, South East and Central Asia) and the Middle East, including Asia Minor.</p> <p>Contact us based on your region of focus: agri.asia@responsAbility.com</p> |
| LATIN AMERICA | <p>responsAbility has been operating in Latin America since 2011, providing financing to companies in 12 countries involved in more than 15 different commodities. Our local team has extensive experience in and strong knowledge of Latin American markets with a special focus on the Andean countries and the coffee, cocoa and fresh fruits markets.</p> <p>Contact us based on your region of focus: agri.latam@responsAbility.com</p> |

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