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# POLICY PLAN

2021 – 2025

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# Stichting GARCIA Foundation

*'Join Our Goals - for a better World'*

## **I. Strategy of the GARCIA Foundation (SGF)**

The GARCIA Foundation (SGF) got its new name at the end of 2020. In its choice of name, the foundation refers to the Jeans/clothing brand Garcia, part of the JOG Group B.V. in the Netherlands, from which the foundation receives its primary income through dividend payments.

The GARCIA Foundation builds on what has been built up in recent years by the Clouds Foundation (SCF). With the establishment of the GARCIA Foundation, the Clouds Foundation is continued as a Named Fund, under the umbrella of the GARCIA Foundation. The support of the charities that was guaranteed by the Clouds Foundation in the past years will be continued via the new Named Fund 'Clouds Foundation' via the GARCIA Foundation.

This policy plan gives direction to the goals that the foundation has set for the period 2021-2025 and the way in which it intends to achieve this.

In the Netherlands, the Garcia Foundation has the ANBI recognition: ANBI number 852115313.

- **Statutory objective**

The aim of the GARCIA Foundation (SGF) is to provide support – in the form of a subsidy or otherwise – to organizations that aim *to permanently improve the well-being of children who are in disadvantaged positions.*

SGF's support is primarily aimed at organizations that are active in the Netherlands, South Africa and the countries where JOG Group B.V. has its products manufactured. Due to the Italian origin of the GARCIA brand of jog group B.V., support can also be given to organizations that are active in Italy.

- **Core principles of the SGF**

The GARCIA Foundation *does not* carry out any projects itself. It provides financial resources for projects carried out by *other organizations* active in the field of charities that are in line with the objective of the GARCIA Foundation. The starting point is that these projects are carried out by *renowned, recognized institutions* that aim at public benefit and operate nationally or internationally for the charity in question.

For the SGF *improving the well-being of children* means that underprivileged children are supported and facilitated in their development through education, sports and/or good nutrition. In order to give underprivileged children the opportunity to develop themselves, the SGF chooses as a starting point that good education and responsible basic nutrition are essential. Training/education forms the basis for all other activities that focus on lasting well-being improvement. The sooner the support of underprivileged children is started, the greater the chance of lasting success. That is why SGF mainly chooses projects that support children at the earliest possible age.

Good education is essential to help children move forward. Without education, many children have no fair chance to build a future. SGF therefore chooses to support organizations that facilitate and help facilitate education for underprivileged children and help reduce child labor.

Nutrition + Education = basis for well-being improvement. SGF believes in the importance of combining good nutrition and education for underprivileged children. In this way, they actively contribute to their development. They learn to build their own independent future . This increases the chances for them to escape from the underprivileged situations.

- **Named Fund under the umbrella of GARCIA Foundation**

As part of the GARCIA Foundation, one or more Named Funds (FON) may be active. Through the relevant Named Fund, a donation is made by the GARCIA Foundation with a specific purpose for the use of this donation. The purpose of the relevant Named Fund must at all times fit within the objective of the GARCIA Foundation.

The donor of the Named Fund determines the name of that fund and how much of the money available in that fund is spent on the charity in question. If desired, these choices can also be left to the board of the GARCIA Foundation, but the board approves a possible new named Fund in advance.

The board of the SGF is responsible for the spending of the money that is spent in the Named Fund for the specific purpose and takes care of the administrative handling. In this way, the Named Fund can benefit from the knowledge and experience available at the GARCIA Foundation, without the FON being burdened with organizational and administrative issues.

In principle, the SGF will bear all costs of setting up a Named Fund. These costs may include, for example, the notary fees.

For each Named Fund that operates under the umbrella of the GARCIA Foundation, a minimum initial capital is used. This amounts to at least € 10,000.

- **Non-profit making**

The GARCIA Foundation is non-profit making. Dividend payments and interest income, generated from the capital position of the GARCIA Foundation, or donations received, are used to financially support selected projects. By carefully handling its capital position, the SGF is expected to be able to contribute long-term and structurally to supporting projects of organizations that work to improve the position of disadvantaged children.

- **Destination of liquidation balance**

If in any given year there is more revenue than expenditure, the surplus balance of that year is added to the assets of the SGF. By making long-term plans, SGF plans that its revenues will eventually correspond to the expenditure. SGF does not strive to build wealth.

Upon possible termination of the GARCIA Foundation, the surplus of the foundation will be fully used for a final contribution to selected projects, whereby the principles of this policy plan will be applied in full.

## **II. Policy of the GARCIA Foundation**

- **Activities of the Foundation**

As mentioned in the core principles of the GARCIA Foundation, the SGF applies the basic principle of not carrying out projects itself. This principle is also used for the Named Funds active under the umbrella of the SGF.

Base for the actions of the SGF is the provision of (in particular) financial resources for projects carried out by *other organizations* that are active in charities that are in line with the objective of the GARCIA Foundation.

The SGF only enters into partnerships with renowned, recognized aid organizations. This organization is expected to be demonstrably sound, transparent and verifiable. Organizations to which support is granted must meet requirements such as ANBI status or similar recognitions in other countries. The SGF will periodically check (or have checked) whether the organizations to which it provides support deal lawfully and efficiently with the subsidies provided.

- **Project choice and resources**

With the available resources, *several projects* are financially supported *annually* if possible. The board can set a maximum percentage of the total budget available for that year for each project. This aims at a good distribution over several projects on an annual basis.

In principle, project grants are provided for 1 year. A project can be supported for several years in a row.

Selected projects are submitted to the full board. After agreement on the allocation of support to the project concerned and after the allocation of the allocated funds, proof of the efficient use by the organization to which the sponsorship has been granted is required. In this way, a transparent allocation of sponsorship and accountability becomes transparent.

The GARCIA Foundation is constantly orienting itself on opportunities for new projects that fall within the bandwidth of the foundation objective and may therefore be eligible for sponsorship.

For the choice of new projects, in line with the objective of the Foundation, the board can be advised by the Executive Board and the Corporate Social Responsibility Manager of JOG Group B.V. in the Netherlands.

When orienting towards new projects to be supported in countries where the SGF is not yet active, the board will use business partners of JOG Group B.V. in the country in question to check what are relevant, reliable goals in that country.

Before new project support is started in countries where the SGF is not yet active, a test will be carried out on the reliability and return of the organization and the project in question. The SGF can be supported in this by specialized organizations.

An appendix will be added annually to this policy plan with an overview of the project(s) to be supported by the GARCIA Foundation for the coming year. This overview, as well as the policy plan of the SGF, will always be published on the internet site of the foundation.

- **Fundraising**

The foundation receives its income from dividends, donations and the proceeds of the liquid assets. The donations are not fixed.

The GARCIA Foundation received a shareholding at the end of 2020. Dividends to be paid from this shareholding will benefit the foundation.

The Foundation is open to receive donations from various companies and individuals. However, active external fundraising is not a policy starting point for the SCF.

### **III. Management of the GARCIA Foundation**

- **Capital and cost structure of the institution**

The expenses of the foundation consist on the one hand of the donations that the foundation provides to various projects. In addition, the foundation must also make expenditure for the management of the funds. Donations are made annually to various projects. It is expected that the number of projects will be expanded in the coming years, this is included in the following.

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Donations:</b>	€ 1.000.000	€	€	€	€
<b>Banker's costs:</b>	(estimate) approximately:		€ 1,000 per year		
<b>General costs:</b>	(estimated) approximately:		€ 5,000 per year		

- **Asset management**

The board of the foundation is responsible for the management of the assets. None of the directors can dispose of the capital as if it were his or her own capital. Cash is held in checking and/or savings accounts with the ING bank in the Netherlands.

The shares acquired by donation are held, taking into account the obligations imposed at the time of the donation, and the dividends received on these shares are spent on the objective of the foundation.

#### **IV. Board of the GARCIA Foundation**

The board of the "GARCIA Foundation" (SGF) consists of 4 board members. All board positions are unpaid. Board members cannot claim any form of expense reimbursement.

The board consists of the following persons:

- P.E.C. (Paul) Burema                      -Chairman
- M. (Marco) Du Pre                        -Treasurer
- C.J. (Corrie) van Haperen              -Secretary
- R.H.J. (Rob) Burema                    -Board member

The board of the SGF meets at least 2 times per calendar year.

In all cases, no travel or organizational costs will be charged to the foundation. Exceptions to this are:

1. any costs to be incurred for the hiring of specialized support for administrative work;
2. hiring specialized support in the assessment of reliability and return on new projects to be selected from organizations with which the SCF does not yet cooperate.

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## APPENDIX 1

### ▪ **Named Fund 'Clouds Foundation'**

Under the umbrella of the GARCIA Foundation (SGF), the Named Fund 'Clouds Foundation' is active. The board of the SGF is responsible for the spending of the project funds of the Clouds Foundation and the administrative handling. J.C. van Haperen has been appointed by the board of the Stichting GARCIA Foundation as Manager of the Clouds Foundation.

For 2021, the following projects are supported by the Clouds Foundation; these projects have been supported for several years by the Clouds Foundation in recent years:

- Pebbles Project (South Africa);

*This project is a so-called Nutrition Program and has been supported by the Clouds Foundation for many years. At the beginning of 2019, Thanks to initiatives and support from the SCF, The Pebbles Project realized its own kitchen. This kitchen is now running at full speed and has produced more than 1 million meals for young children since its inception.*

- Project Isabelo: *sharing is caring*, part of The Kusasa Project (South Africa);;

*This project provides daily breakfast for the children of various crèches and schools in Franschoek (South Africa) and surroundings.*

- Early Learning Center, part of Kusasa Project (South Africa);

*The project is also part of The Kusasa Project and is aimed at the (early) education of children. Part of this project is the provision of meals in education. The SGF sponsors meals.*

- Sponsorship of school fees for children whose parents do not have the means to do so;

*The board examines on a case-by-case basis and assesses whether and to what extent support is granted. Since the start of the SGF, an average of 3-4 children have been supported individually.*

For 2021, the FON Clouds Foundation is also supporting a new project:

- Sponsoring expansion primary school and care teenage mothers Lofdal (South Africa);

*This project is carried out by Lofdal Community Projects and supported by the Stichting Goede Mensen in Eindhoven in eindhoven i.s.m. Wilde Ganzen Nederland. With its contribution, the Clouds Foundation has completed the total amount required for this project.*