

THE BUILDERS FUND

2023 Impact Report







Table of Contents

01 | EXECUTIVE SUMMARY 2

02 | WHO WE ARE 9

How We Invest
Our Home in the Investment Landscape
How We Build

03 | OUR APPROACH 15

Investment Strategy
Why Measure Impact?
How do we do it?
B Corporations: Going Beyond Business as Usual
Alignment with the United Nations SDGs and IRIS+
Impact Management Norms
An Evolving IMM Process
Limitations

04 | OUR IMPACT 26

Across the Portfolio
ESG in Practice

05 | OUR PORTFOLIO COMPANIES 37

Acelero
PosiGen
Traditional Medicinals
MPOWERD
Urban Remedy
MIXT



01 | Executive Summary

WE INVEST TO BUILD A BETTER WORLD

The Builders Fund partners with growing companies whose business models address environmental and social challenges and where purpose can be harnessed for competitive advantage. With a rigorous approach to scaling impact, we aim to advance a more sustainable and systemically responsible form of stakeholder capitalism.

When The Builders Fund launched in 2015, our vision was to make meaningful investments into responsibly-run businesses which improved the world and to help shift the landscape of the investment industry toward one which is more sustainable, systems-aware, and responsible to all stakeholders. Eight years into our journey, and as we prepare our fifth annual impact report, that vision continues to guide us. We are well into our second flagship Fund, are proud to have partnered with seven inspiring impact-driven companies across our portfolio, and grateful for the deep network of collaborators, investors, and operators that share our vision of regenerative business. Reflecting on the past year, I'm proud to highlight some of the impactful work of our Fund II investments:

- Acelero, an early childhood education company that focuses on closing the achievement gap, brings a depth of experience in impact strategy and measurement, having worked with third party researchers to test their assumptions about children's growth in school readiness outcomes during the pandemic.
- PosiGen, a residential solar company focused on providing affordable solar to homeowners via renewable energy incentives, net metering, and energy efficiency improvements has saved their customers more than \$40 million dollars on utility bills since Builders' investment.
- Traditional Medicinals, a leading herbal wellness brand and longtime certified B Corp, continues to support the development of new socially and environmentally responsible standards, launching the first fully compostable overwrap and completing recertification of TRUE Zero Waste Silver for its factory. The company also continues a steadfast commitment to people, engaging farming communities throughout its supply chain in development projects.

While this report provides an opportunity to reflect upon the incredible work we were a part of in 2022, we must also reflect on the state of the world we work to protect and the systems we work to improve. The intersecting climate and

social justice crises continue to affect our entire portfolio and corporate responsibility has become increasingly politicized. Amidst these ongoing challenges, we remain committed to our vision of a better world. This commitment is the reason we've invested in values-aligned companies from the beginning and why we became a certified B Corp in 2015 during our early stages of development. It's why we first published a public impact report in 2017 while we were still investing in our Impact Management and Measurement (IMM) process. And it's why we continue to prioritize measuring, managing, and communicating our impact, year after year.

Our approach to IMM continues to evolve as we do. As investors, we're intentional about adding value, not just demonstrating it, and moving beyond measurement to embed impact strategy into each phase of the investment lifecycle. Financial, social, and environmental responsibility begins at the top of the deal process, with a focus on impact prioritization and impact thesis development pre-close. It continues with an onboarding process to select metrics and set goals related to an impact thesis. Early on, much of the data we collected reflected environmental and social *outputs*. Over the years, we have expanded our focus to include metrics intended to measure *outcomes*, or changes in the lived experience and physical state of the stakeholders involved. Post-investment, regular check-ins mean that impact strategy iterates over time, allowing us to leverage the data we collect to drive responsible decision making and strategy.

Openness and a learning mindset continue to drive meaningful impact for Builders and our partners. Looking ahead to the coming year, we're guided by our recent learnings that impact is a full-team effort which is best embedded into operations rather than kept separate. We believe that listening is crucial, since when it comes to impact, we all have something to learn as well as something to teach.

Amelia Ahl, Director of Impact





INTRODUCTION

This report provides an overview of Builders’ impact practice and insight into the environmental and social impact of our portfolio companies. We share who we are, how we view our roles in the landscape of impact investing, how we think about impact management and measurement, how we view our contributions as investors, and the impact achieved across our portfolio. We hope you enjoy reading and we welcome your comments and feedback.

We remain convinced by our original theses — that purpose can be harnessed to competitive advantage through the alignment of values with employees and customers through an authentic culture and an activist brand; that “systems responsibility” will increasingly be a source of competitive advantage for companies in the context of rising awareness of climate change, finite global resources, the evolving global health landscape and movements for racial justice; and that partnering with mission-driven founders and operators leads to investment outperformance. We see evidence of that in the very interconnectedness of the challenges we face, and in the available research, the marketplace, the deal pipeline, and our portfolio.

YEAR IN REVIEW

The Numbers: Impact Across Our Portfolio

487

Net Jobs Created

515K

Tons CO² Inset,
Avoided, or Reduced

136

LMI Jobs Created

105M

GWh Renewable
Energy Generated

1.4M

Number of Lives
Positively Impacted*

1,091

Tons of Material
Diversion from Landfill

6.8M

Organic and Healthy
Meals and Snacks Served

\$19.7M

Customer Cost
Savings (PosiGen)

7.6M

LBS Organic and Fair Trade
Material Purchased

4.13

Average 3 Month Student
Literacy Point Gains**

**This metric is intended to measure "Who" in the five dimensions of impact¹ and specifically focuses on underserved communities and individuals benefiting from the work of our portfolio companies. It represents different stakeholders at each company: for Acelero, Inc it reflects the number of students and families served; for PosiGen, it measured the number of solar systems installed in LMI communities; for MPOWERD, it measures the number of people, including family members, that benefit from donations of Luci lights; and at Traditional Medicinals, it measures supply chain community members that benefit from company engagement efforts.*

*** This metric is an average of the mean 3-month standard score gains in print knowledge and phonological awareness.*



FUND II IMPACT MANAGEMENT & MEASUREMENT STRATEGY:

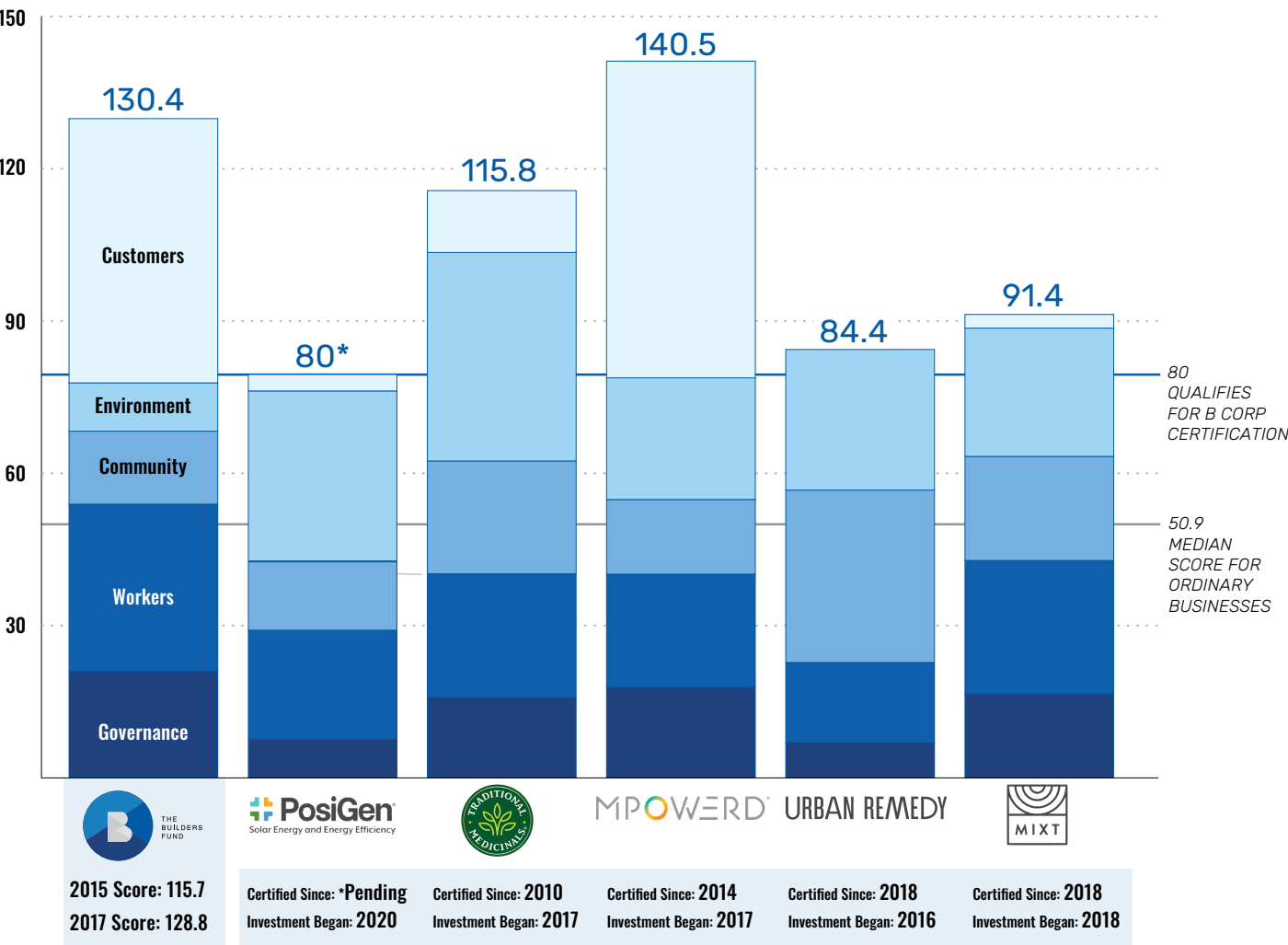
B Corp Certification

Builders Fund is deeply engaged with B Corp certification as a means to amplify impact across our portfolio and support continuous improvement on ESG factors to drive impact and financial performance. We work with each of our portfolio companies to determine the specific value-add of B Corp status, develop a strategy for certification, and support each phase of the process. Currently, 83% of our portfolio is certified or pending certification. We are proud to be a certified B Corp since 2015. The Fund was honored as one of the “Best for the World” B Corps of 2022 for our efforts in Governance and Customers. To receive this honor, B Corps must achieve assessment scores in the top 5% of global Certified B Corporations. As all B Corps are already businesses that meet high standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose, we are proud of this recognition.



2022 Overall B Impact Scores

80 QUALIFIES FOR B CORP CERTIFICATION
50.9 MEDIAN SCORE FOR ORDINARY BUSINESSES



IMPACT PARTNERS

Impact Capital Managers (ICM)

ICM is a network of private capital fund managers that invest for superior returns and meaningful impact. In addition to being a member of the broader network, Builders joined the Impact Frontiers cohort hosted by ICM in 2021-2022, which supports investors to fully integrate impact into their investment frameworks, processes, and systems. Throughout the year-long program, we participated in networking and skill sharing sessions, technical trainings, and other support for end-to-end impact management and measurement practices.



Impact Management Project (IMP)

The Builders Fund and its Limited Partners supported the prototype development of the Impact Management Project (IMP), which resulted in a set of norms and tools to guide disclosure and improvement of positive and negative impacts. Following the IMPs' conclusion in 2021, these resources migrated to Impact Frontiers². Builders continues to use these tools to map impact for Funds I and II.



Proof

Builders partners with Proof, an impact data service provider, to advance internal work on integrated impact/financial return and ESG value creation. Proof provides end-to-end impact data collection, verification, and analysis for portfolio companies and the fund.



ALIGNMENT WITH UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (SDGs) offer a roadmap to a sustainable future for people and the planet³. The SDGs serve as guiding principles for The Builders Fund as we seek to have a positive impact through our investments and develop indicators to monitor and evaluate our portfolio companies. Through our two investment focus areas of Sustainable Systems and Human Elevation, our portfolio is currently supporting the achievement of 15 SDGs.

Sustainable Systems



Human Elevation



02 | Who We Are

INTENTIONAL GROWTH & UNCOMPROMISING IMPACT

The Builders Fund is a growth equity and small cap buyout private equity fund investing to build a better world. The fund launched in 2015 and has subsequently invested ~\$180 million of capital from a group of founders, operators, foundations, endowments, families, and fund of funds with a vision of leveraging our collective expertise to generate attractive financial returns by partnering to build purpose-driven businesses that improve the world.

Significant social and environmental challenges are creating historic disruption with impacts that touch every aspect of our lives and every industry on the planet. As a society we are in the early stages of a generational transition. We must decarbonize our economy. We need to think differently about the systems of our communities, businesses, natural resources, and built environment to exist within the bounds of a finite planet. We must address rising inequality. Builders sees these dislocations as an incredible opportunity for systemically-responsible and purpose-built companies positioned to help solve those challenges.

As such, we focus on investing in and building companies whose business models fundamentally address environmental and social challenges and where purpose can be harnessed for competitive advantage. We believe these companies can outperform their peers by leveraging their mission and values to attract and retain talent, increase employee and consumer engagement, earn media, drive customer loyalty, and lower their costs of customer acquisition.

We believe that capitalism must be part of the solution if we are to fix the significant and intractable social and environmental challenges we face today. For that to occur, we must get back to investing in and building scalable and purpose-driven businesses which improve the world instead of simply extracting wealth over the short-term for shareholders. We believe that long-term shareholder value is optimized when companies take a holistic, systems-based approach, seeking to create shared value across their corporate “ecosystems” with all stakeholders. The Builders Fund was formed to celebrate and support the entrepreneurs, leaders, and “Builders” that are crafting a better future.

We are always impressed by the variety of industries and business models Builders engages with — they are proving that positively impactful investment opportunities are everywhere if we look closely enough, and that we don't have to sacrifice on diversification or financial returns to do so.

HOLLY RUXIN, CEO, MONTCALM TCR



HOW WE INVEST

We invest in entrepreneurial companies led by values-driven management teams that work to improve the world by building activist brands and authentic cultures. The fund typically makes \$5-\$30 million structured equity investments into established, high-growth North American businesses which are consumption-driven and have revenues between \$15-150 million and positive cash flow. Our investments fall into two themes that are based on the combination of our expertise, the macro environment, and the opportunity for disruptive, purpose-driven businesses to win at the growth stages of their life cycle. Specifically, these are also arenas where big social and environmental problems are creating disruption to the status quo.



Sustainable Systems

CLIMATE SOLUTIONS

- Renewable, distributed energy
- Decarbonized transportation
- Sustainable building materials
- Circular consumer products

REGENERATIVE FOOD SYSTEMS

- Regenerative agriculture
- Sustainable aquaculture
- Organic food and beverage
- Local, sustainable restaurants
- Compost, food waste solutions



Human Elevation

EQUITY & SOCIAL JUSTICE

- Access and affordability
- Education
- Workforce Development
- Ethical supply chains, FairTrade

HEALTH & WELLNESS

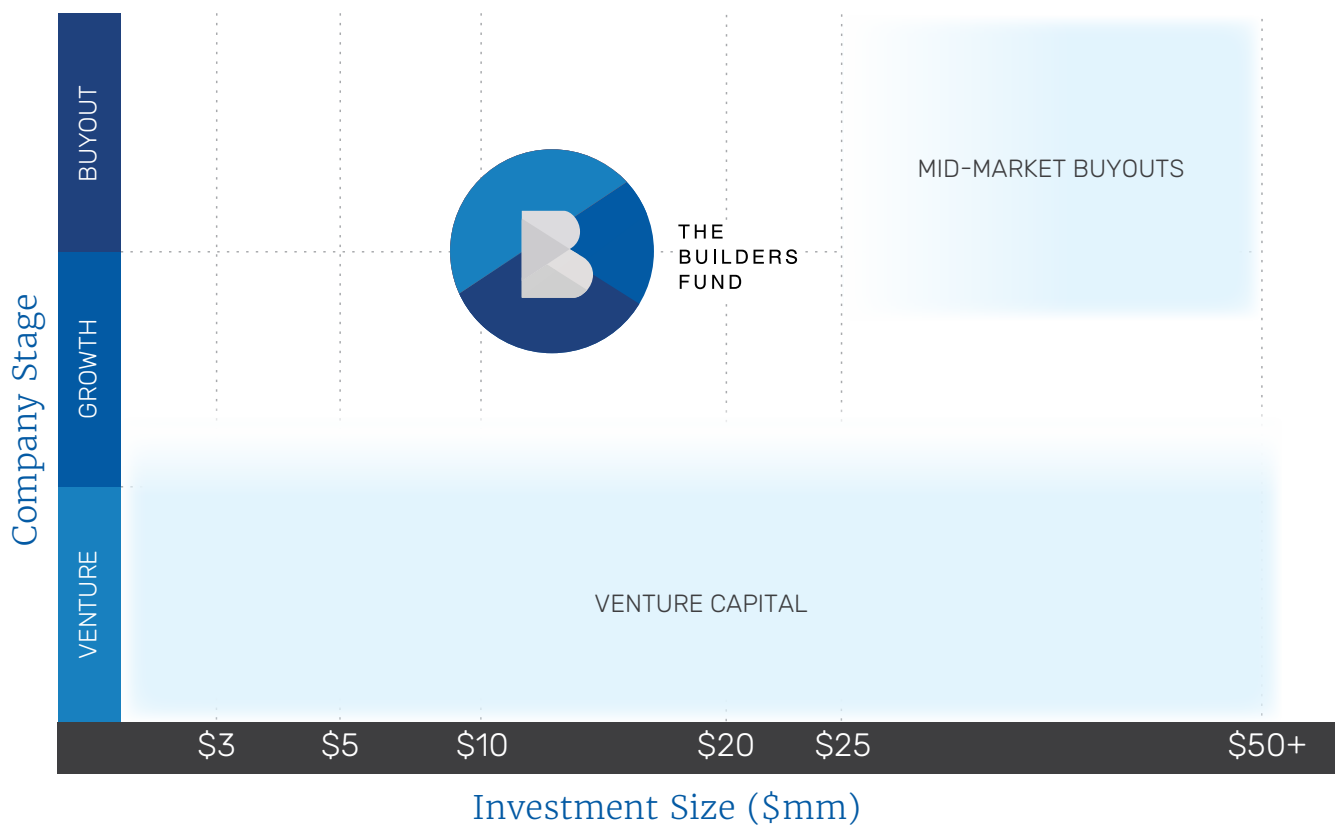
- Solutions to chronic disease and mental health crises
- Preventative health and human services
- Nutrition, food as medicine



OUR HOME IN THE INVESTMENT LANDSCAPE

The Builders Fund launched to fill an underrepresented niche in the investment landscape. While early impact capital flowed to venture capital, emerging markets, and real assets, few if any small cap buyout and growth stage investors with a private equity portfolio approach exist in North America. With the belief that all industries must be reinvented to create a sustainable form of capitalism on a finite planet, we continue to see meaningful opportunities for real impact in that domain.

We are structured to customize investments to best fit the circumstances and needs of values-driven companies seeking capital which are generally outside the arena of typical venture capital or mainstream private equity funds. These infusions of financial capital, supported by meaningful intellectual capital from our team and our unique group of “operator-investors,” enable our portfolio companies to scale sustainably and create shared value across their corporate ecosystem, all while protecting their mission and purpose.



HOW WE BUILD

We partner with accomplished, entrepreneurial management teams to build companies with authentic, mission-driven cultures where people want to work and values-driven brands that consumers want to associate with.

The Builders Fund employs a hands-on approach with each company in our portfolio. We partner closely with our management teams, who we ultimately hope will join our group of “Builders” in order to help scale our impact more broadly. We believe that by investing and helping to build purpose-driven and systems-responsible businesses we can also scale their broader social and environmental impact, and building exceptional businesses with a long-term perspective inherently generates exceptional financial returns.

Justice, equity, diversity and inclusion (JEDI) are core values that guide our approach, from the selection of new partners to the customized support we provide the leadership at each portfolio company. We believe that equitable and inclusive practices are not only better for businesses and people alike, but also demonstrably improve performance. Recent studies show that there are ample financial and strategic benefits to companies

engaging seriously in the fight for racial equity⁴. Diversity in governance and in the workplace can be tied to financial outperformance⁵. Gen Z workers increasingly believe that JEDI initiatives are crucial in the workplace, and the majority are meaningfully engaged in those initiatives at their places of work⁶. Other reports indicate that diverse companies are not only able to outperform their peers, but they are also better equipped to innovate and problem solve⁷.

Armed with the data - and driven by both a recognition of the entrenched systemic prejudice underlying United States history and a belief that we must contribute to a just and equitable future - we continue to seek out businesses with founders or managers that are women and/or Black, Indigenous, and People of Color (BIPOC) and that are committed to building diverse teams. Following our investments, we seek to improve diversity across our boards, management teams, and employee bases.



In the nearly six months we've partnered with Builders, our new board members have visited three of our four delegates, approved key investments to impact both our social and financial bottom lines, and presented to our network partners interested in learning more about social impact investments. They've created our first ever program impact office hours, a scheduled monthly meeting where our team can take problems of practice and receive thought partnership and trusted advice on ways to maximize our double bottom line. This is the most involved and informed board we've ever had the pleasure of working with.

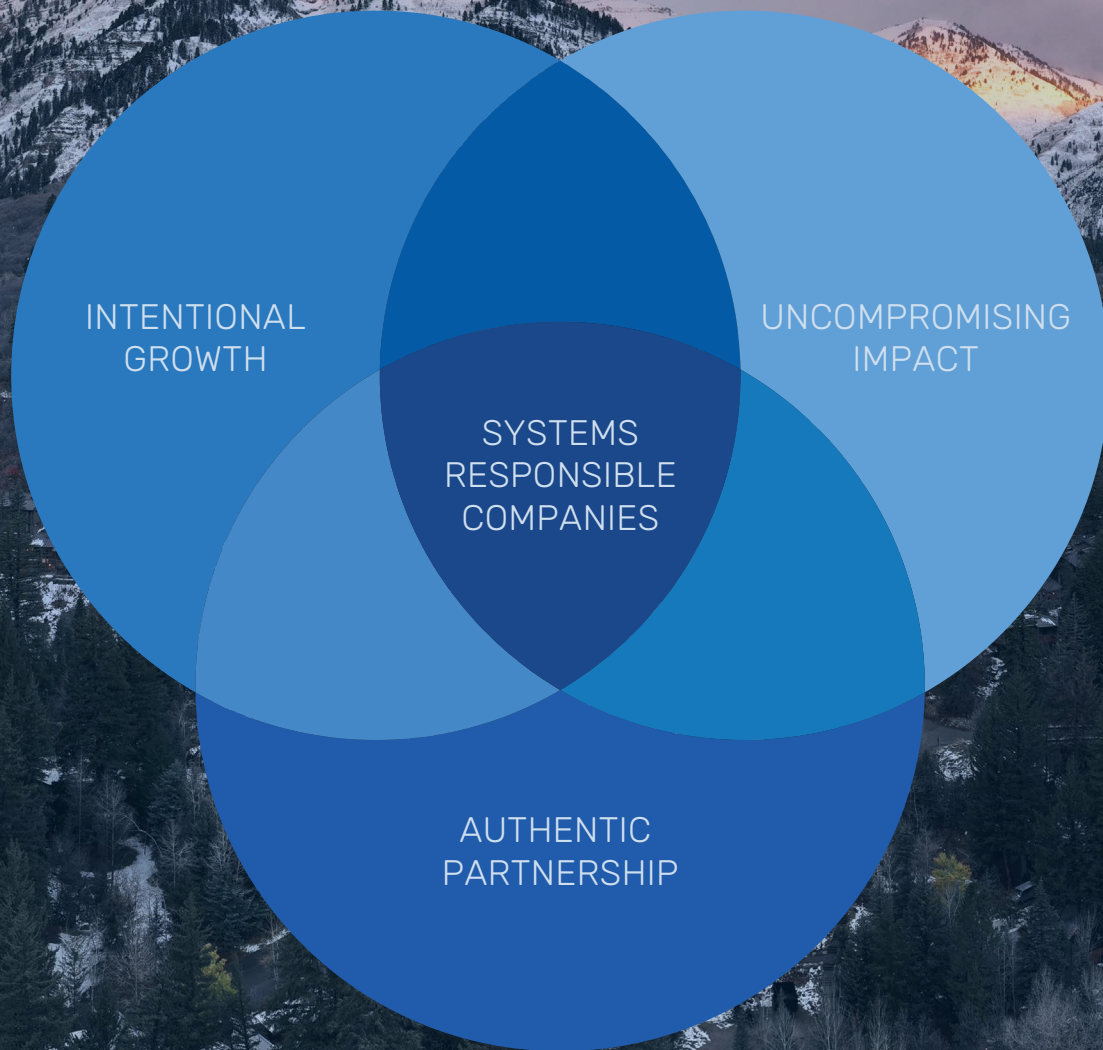
LYDIA CARLIS, PHD, ACELERO, INC.

When we succeed, we create extraordinary financial, social and environmental value for our companies, their employees, investors, and the communities and customers they touch.

The Builders Fund seeks to catalyze change within capitalism and financial services broadly speaking, and within private equity more specifically, by demonstrating a systems-responsible approach to company building through our investments in high-growth purpose-driven companies. We take a holistic view, acknowledging that there is no universal definition of impact and the objective of this report is to reflect on progress at a micro and macro level. Our goal is to transparently examine and share our work using the tools available to us, with the belief that intent matters greatly, and that we are on a journey from what has been (unsustainable, extractive, short-term) to what we must become (regenerative, responsible, shared value-generating, long-term).



03 | Our Approach



INVESTMENT STRATEGY

Authentic Partnership

We believe that great investments are built on the foundation of authentic partnerships, and that we can help drive outstanding returns for all stakeholders by working hand-in-hand to scale the platforms that will lead the future.

Intentional Growth

We maintain a strong preference for returns driven through growth and earnings improvement versus financial leverage, and we focus on long-term value creation versus short-term extraction. In each investment, we allocate capital and hands-on support to execute key alpha generating strategies.

Uncompromising Impact

We translate purpose into competitive advantage that creates impact through the business model, not just alongside it. With rigorous internal and third-party standards, we ensure that all our investments lift up people and contribute to sustainable systems.

Systems Responsible Companies

We seek partners with values-aligned practices that generate shared value across their corporate ecosystems. This includes a purpose-driven management team committed to building a transformational business; the ability to engage employees through an authentic culture and customers through an activist brand; an inherently profitable business model purpose-built to solve social and environmental challenges; and the potential to scale as a platform in a key thematic area.

Creating something new and impactful in an archaic sector like Energy isn't for the faint of heart—it takes grit, willpower, and plain old hard work. We look for investors who embrace that. The Builders team knows how to roll up their sleeves and dive into the deep end with us. From energy policy to financial reporting, Tripp and the team are always there with useful insight and actionable help.

TOM NEYHART, CHIEF EXECUTIVE OFFICER, POSIGEN



WHY MEASURE IMPACT?

- To take stock of our accomplishments and check our assumptions.
- To hold ourselves accountable.
- To motivate ourselves and our partners to advance the field.
- To learn and improve upon our practices over time in order to be better investors.

HOW DO WE DO IT?

The impact measurement in this report is based on inputs from third party verification network B Lab, the widely supported framework of IRIS+ metrics and the United Nations SDGs, Impact Management Norms established by a Impact Frontiers, and an internal process that gathers and tracks quarterly updates from portfolio companies through the Proof impact dashboard.

Our close collaboration and partnership with our portfolio companies provides us with rich quantitative and qualitative information. We believe that human experiences are as compelling as numbers when telling a story. In preparing this report, we used inputs from these qualitative and quantitative sources to illustrate the impact we see from each of our portfolio companies and from the fund itself.



B CORPORATIONS: GOING BEYOND BUSINESS AS USUAL

The Builders Fund is proud to be a Certified B Corporation since 2015 and part of a community of people using business as a force for good⁸. Certified B Corporations meet the highest standards of verified social and environmental performance, public transparency, and legal accountability, and aspire to use the power of markets to solve social and environmental problems. The certification and auditing process are overseen by B Corp’s nonprofit partner, B Lab, which allows companies to establish and maintain socially and environmentally sustainable practices over time⁹. We believe in B Corporation certification because it supports companies that seek to integrate purpose and profit and make decisions for the benefit of all stakeholders.

We envision a sustainable financial system which values financial, human, and natural capital in balance. To achieve this vision at scale, we aid each of our investment companies in achieving the same standard. Our partnership with B Corporation is an integral part of our approach to investing: for engaging with management teams on Environmental, Social, and Corporate Governance (ESG) topics as we build the partnership, and for setting baseline standards, visibility and accountability around key metrics related to our investments’ impact. B Lab helps set baselines to measure against for additionality and allows us to track progress towards goals and aggregate our impact across all of our investments. Our portfolio companies are deeply engaged in the B Corp certification and tracking process, often outperforming their peers.

In 2021, Builders Fund received our recertification, earning an improved B Impact Score of 130.4 even as the certification process has become more rigorous over time. Each year, B Lab releases lists honoring the top-performing Certified B Corporations overall as well as within each Impact Area. After receiving several of these designations in the past, in 2022 we were honored to be recognized as Best for the World: Customers and Governance.



Certified

Corporation

This company meets the highest standards of social and environmental impact



- Best for The World:
- CUSTOMERS | 2022, 2021, 2019, 2018, 2017, 2016
 - GOVERNANCE | 2022
 - CHANGEMAKERS | 2019, 2018, 2017
 - OVERALL | 2019, 2018



130.4

B Impact Score
 CERTIFIED SINCE 2015

- GOVERNANCE | 20.9
- WORKERS | 32.9
- COMMUNITY | 14.4
- ENVIRONMENT | 9.5
- CUSTOMERS | 52.1

US B CORPS

83.3

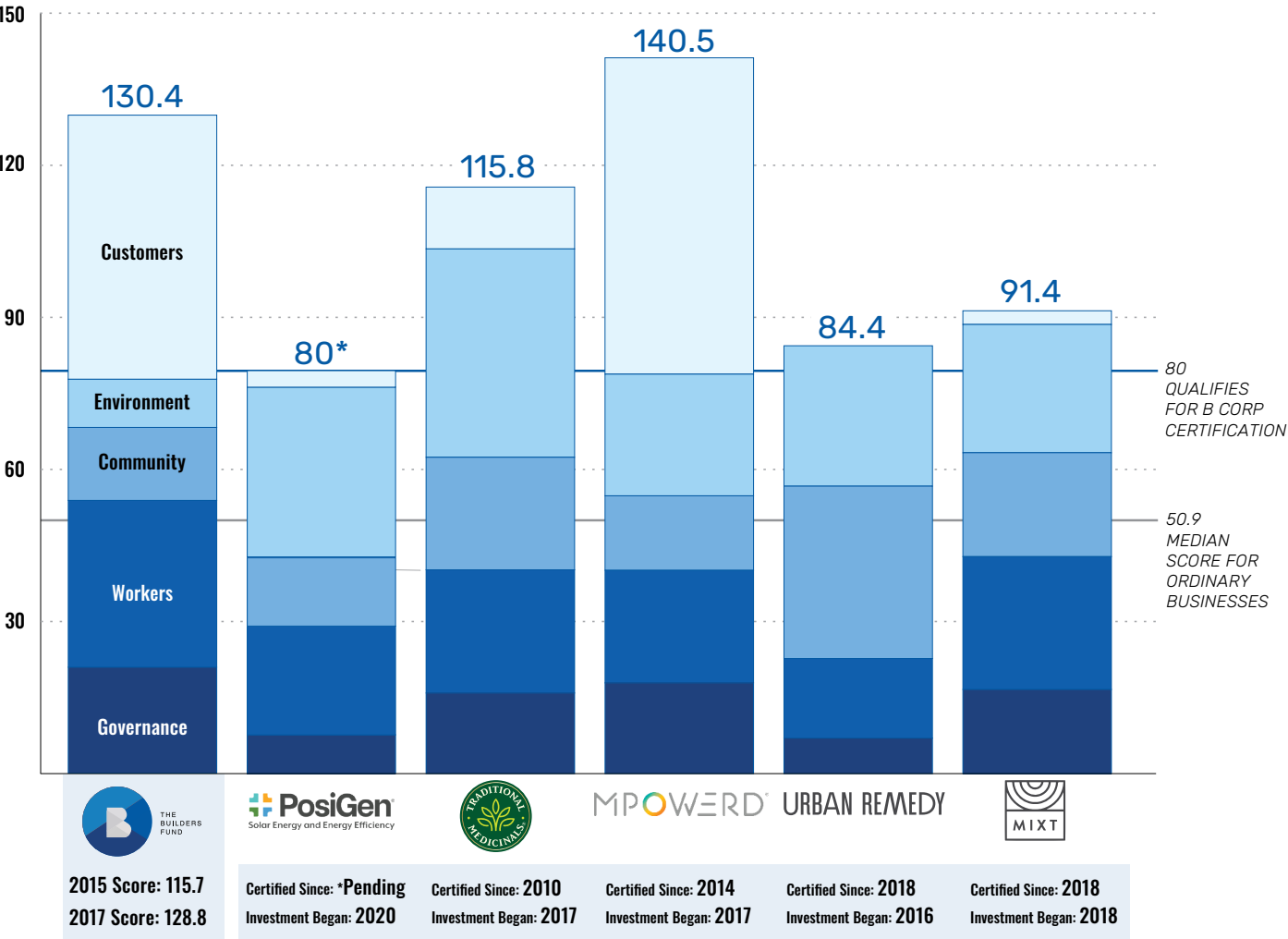
B Impact Score

- 9.5
- 22.1
- 17.0
- 4.3
- 25.6

Our portfolio companies are deeply engaged in the B Corp certification and tracking process, often outperforming their peers.

2022 Overall B Impact Scores

80 QUALIFIES FOR B CORP CERTIFICATION
50.9 MEDIAN SCORE FOR ORDINARY BUSINESSES





SUSTAINABLE DEVELOPMENT GOALS

Through our two investment focus areas, our portfolio is currently supporting the achievement of 15 SDGs.



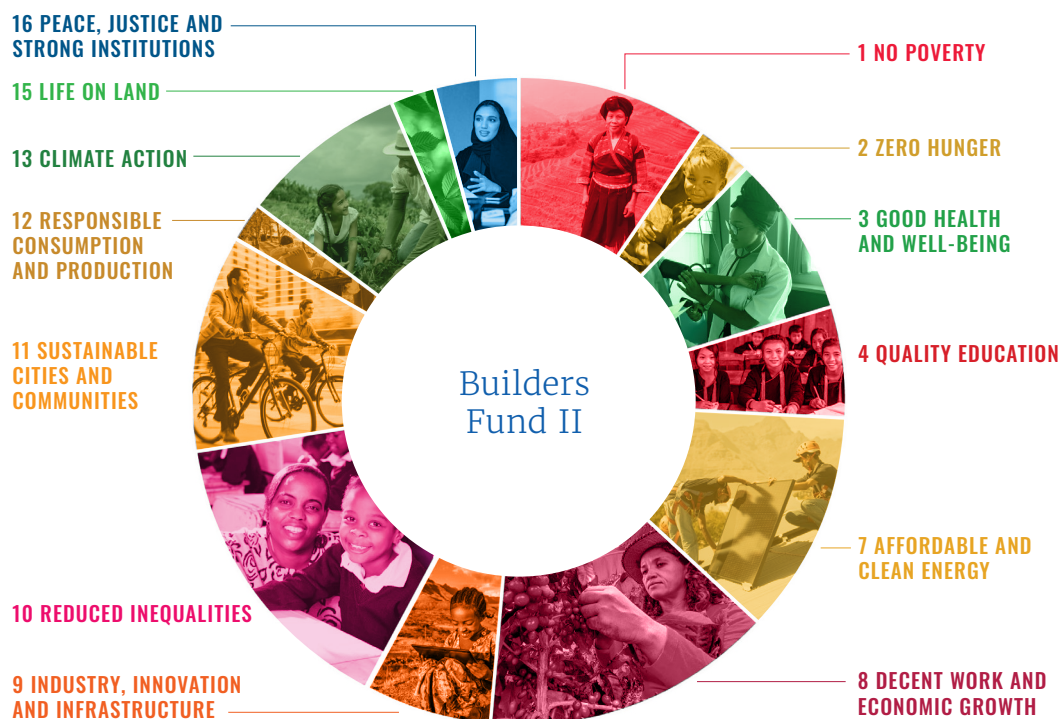
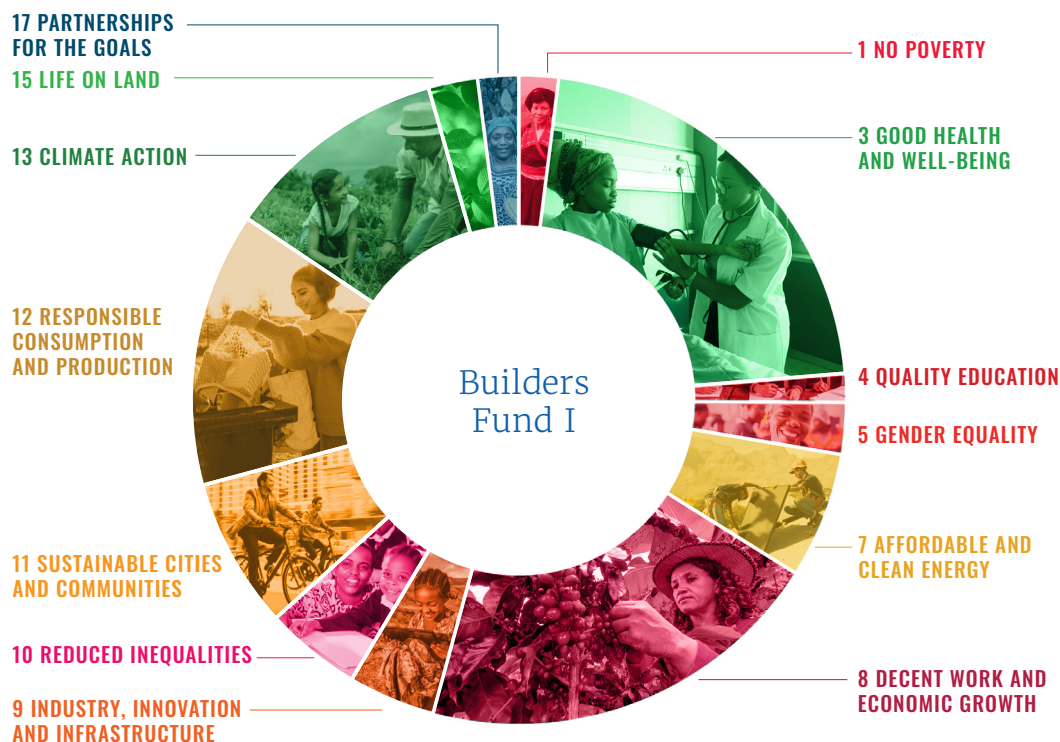
ALIGNMENT WITH THE UNITED NATIONS SDGS AND IRIS+

The United Nations Sustainable Development Goals (SDGs) offer a roadmap to a sustainable future for people and the planet¹⁰. The goals were developed and adopted by all United Nations member states the year Builders was established, in 2015, to address the most pressing global environmental and social issues. These 17 goals represent urgent calls to action that are steeped in the principles of global partnership and equity. They have since become increasingly accepted as a universal measure of impact alignment for nations, companies, and organizations. The SDGs serve as guiding principles for The Builders Fund as we seek to have positive impact through our investments and develop indicators to monitor and evaluate our portfolio companies. Through our two investment focus areas, our portfolio is currently supporting the achievement of 15 SDGs. SDG alignment was determined through an exercise examining portfolio company business models, products and services, and community engagement.

The IRIS+ system, supported by the Global Impact Investing Network (GIIN), provides a framework¹¹ to align impact metrics with the SDGs and support harmonization of the impact investing sector. To support this field building initiative, Builders maps impact metrics to SDG targets as well as the IRIS+ catalog of metrics.

INVESTING FOR THE SDGS: FUND I & II





These illustrations are intended to provide a visual representation of the overall alignment of Fund I and II to the SDGs through the work of portfolio companies. They are not intended to demonstrate a direct relationship between dollars spent on specific activities related to the goals. The percentages have been weighted based on invested capital and an equal distribution of goals associated with each portfolio company's activities.



IMPACT MANAGEMENT NORMS

Impact Capital Managers (ICM) is a network of private capital fund managers that invest for superior returns and meaningful impact. In addition to being a member of the broader network, Builders joined the Impact Frontiers cohort hosted by ICM in 2021-2022, which supports investors to fully integrate impact into their investment frameworks, processes, and systems. Throughout the year-long program, we participated in networking and skill sharing sessions, technical trainings, and other support for end-to-end impact management and measurement practices.

As a result of participating in the cohort, Builders more rigorously incorporates the five dimensions of impact¹² into investment decision-making (What, Who, How Much, Contribution, and Risk), assesses the ABCs¹³ of impact across our portfolio (Act to Avoid Harm, Benefit stakeholders, and Contribute to solutions) and integrates impact and financial criteria into our diligence process. Our IMM approach was highlighted in ICM's IMM Roadmap¹⁴, a series of case studies developed as an open-access resource for impact investors in 2022. We continue to participate in Impact Frontiers alumni convenings and in the Impact Capital Managers IMM working group to share and develop new tools with other practitioners.

AN EVOLVING IMM PROCESS

In the five years since we published our first annual impact report, Builders continues to explore new partnerships, tools, and practices with the aim of refining our IMM strategy and strengthening the sector. In 2022, the IMM priorities we identified included:

- Full integration from sourcing to investment, rate impact potential across thematic focus areas, and develop company specific impact theses.
- Streamline data collection and management, integrate KPI development with company impact thesis, introduce impact performance benchmarking, portfolio-level sharing of best practices.
- Design portfolio-level impact objectives, articulate financial return of impact and ESG value creation, define outcomes of building systems-responsible B Corps.

We made progress in all of these priority areas in 2022. Highlights include implementing a prioritization and screening tool to assess the impact potential of companies during diligence across environmental, social, and governance criteria. Builders also began a partnership with Proof, an impact data service provider, and advanced internal work on integrated impact/financial return and ESG value creation.



Through the support of impact management frameworks and industry partners, The Builders Fund has developed and refined a rigorous internal process to track social and environmental impact across our portfolio.



LIMITATIONS

Broadly speaking, The Builders Fund has chosen to build companies that scale their positive environmental and social impact through sustainable growth. In some instances, we choose to prioritize driving overall growth and improvement of portfolio companies instead of focusing on individual benchmarks, so this report may not contain a complete list of all factors that could be measured to demonstrate impact. Data collection methodologies and infrastructure generally varies among portfolio companies, and we have attempted to account for this throughout the report. The annual reporting process enables us to further refine the development of a standard reporting process for The Builders Fund, provides context and learning for forthcoming iterations, and serves as an opportunity for further growth and alignment around portfolio company data collection in the future.



04 | Our Impact

ACROSS THE PORTFOLIO

The work of our portfolio companies supports the scaling of impact across our investment themes: Sustainable Systems and Human Elevation. By engaging each portfolio company in the development and tracking of key impact performance indicators as well as the regular review process associated with B Corp certification, we collaborate with management teams around the holistic social and environmental impacts each company creates.

Quick Stats

46

Total Key Performance Indicators Across Funds I and II

4

B Corp Certified Companies in our Portfolio



MPOWERD

URBAN REMEDY

In 2022

487

Net Jobs Created (1231 Cumulative)

136

LMI Jobs Created (476 Cumulative)

1.4M

Number of Lives Positively Impacted (4.8M Cumulative)

6.8M

Organic and Healthy Meals and Snacks Served (35.8M Cumulative)

7.6M

LBS Organic and Fair Trade Material Purchased (55.5M Cumulative)

515K

Tons CO² Inset, Avoided, or Reduced (3M Cumulative)

105M

GWh Renewable Energy Generated (292M Cumulative)

1,091

Tons of Material Diversion from Landfill (11K Cumulative)

\$19.7M

Customer Cost Savings (PosiGen) (\$40.8M Cumulative)

4.13

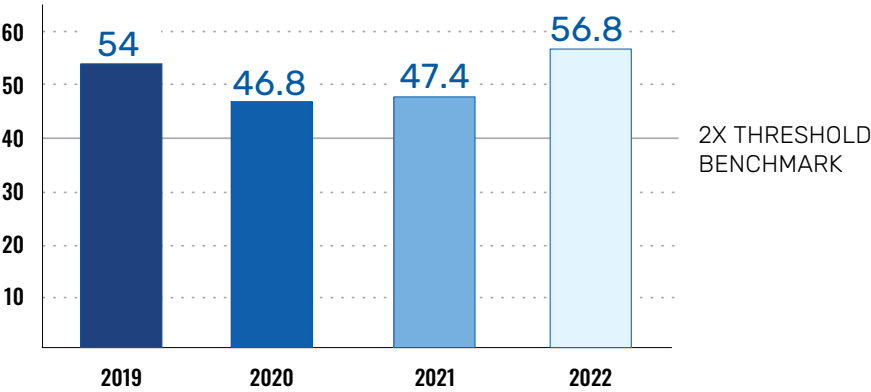
Average 3 Month Student Literacy Point Gains*

* This metric is an average of the mean 3-month standard score gains in print knowledge and phonological awareness.



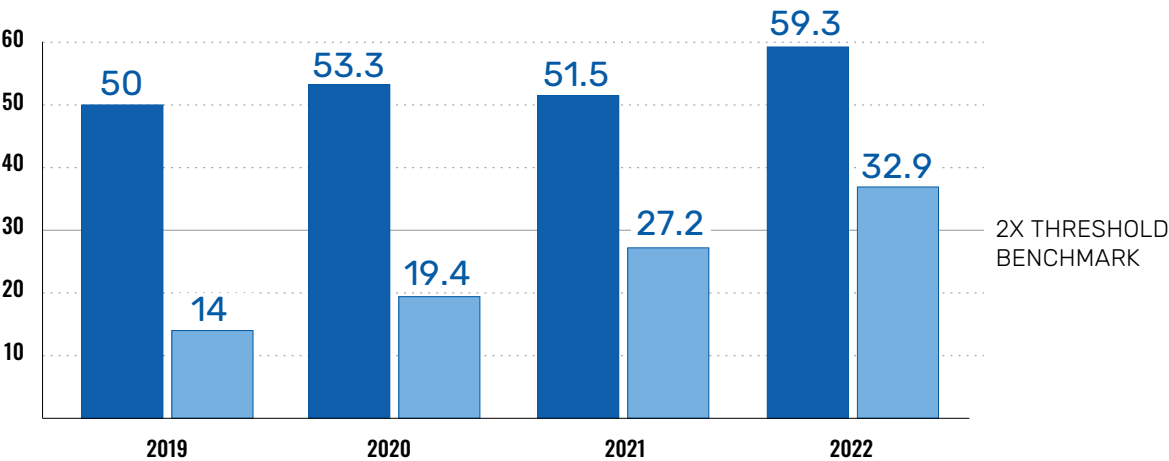
Since we began tracking demographic information across our portfolio, we have seen increases in the representation of women at the leadership and board levels. As of 2022, our entire portfolio meets the 2X Challenge criteria¹⁵ for leadership and employment.

Percent Female Employees



AVERAGE % OF FEMALE EMPLOYEES ACROSS THE BUILDERS FUND PORTFOLIO

Percent Female Leaders and Board Members



■ AVERAGE % OF FEMALE LEADERS ACROSS THE BUILDERS FUND PORTFOLIO
■ AVERAGE % OF FEMALE BOARD MEMBERS ACROSS THE BUILDERS FUND PORTFOLIO

ESG IN PRACTICE

Considering Environmental, Social, and Governance (ESG) criteria remains an important part of the Builders Fund approach to investing. While ESG has become increasingly politicized, we believe the data is clear and compelling: a corporation managed toward mutually beneficial long-term relationships with stakeholders, employees, partners and community drives better long term performance and resilience. Numerous studies have demonstrably linked ESG to financial outperformance, profitability, and lower cost of capital, and research shows that improved environmental sustainability along with employee and board diversity is linked to financial performance and risk mitigation. We believe incorporating better operating practices while considering ESG risk factors simply makes us better fiduciaries of our investors' money and that improvements on these dimensions drive better decision making and, ultimately, better returns.

Impact is most commonly measured through business models, products, and services, while the impacts of a company's operating practices are frequently overlooked. To that end, The Builders Fund also believes in creating structural alignment to generate positive impact through our own operations. We know that continuous attention to responsible operating practices makes us better partners, which improves outcomes for the companies we invest in, and ultimately creates an important building block to improving risk-adjusted financial returns.

Fund Terms: Taking a long-term view

We have a 14-year time horizon from inception, which supports more exit flexibility than is typical in private equity. We believe that our fund horizon is approximately 40% longer than a typical private equity fund. As such, while most of our peers seek 3-5-year hold times focused on quick value creation and exit, we can make ongoing determinations of what is best for both value creation and the long-term health of the company.



Market Dynamics: Focusing on an underserved market for values-driven companies

By providing targeted investments of \$5-\$30 million paired with meaningful intellectual capital and operating expertise, we are able to meet growth stage companies where they are and enable them to scale sustainably and protect their culture, purpose and mission.



Justice, Equity, Diversity & Inclusion: A holistic approach

The Builders Fund acknowledges that racism and sexism are by nature structural and institutional and that they are embedded into our culture, economy, and society. We stand in opposition to the injustice and inequalities perpetuated by both, and we are committed to doing our part, now and into the future, to dismantle all systems of oppression and support anti-racist action via our core focus on reforming capitalism and finance.

Recognizing that social and environmental justice are fundamentally connected and mutually dependent, we are committed to expanding and strengthening our Justice, Equity, Diversity & Inclusion (JEDI) processes, both internally and amongst our portfolio companies as a driver of performance. While we acknowledge that policies and intentions alone will not guarantee a more just and equitable world, we believe naming and iterating our commitments is a critical part of the process of accountability and transformation.

JEDI is a framework that supports organizations of all sizes in the process of engaging in this work. For us, JEDI means:

- [Doing our part to dismantle systems of oppression through the deployment of capital into companies with a holistic, regenerative approach to business.](#)
- [Thinking critically about the impact of our work and that of our portfolio companies and sharing successes and challenges publicly.](#)
- [Making internal changes based on what we learn from listening to voices that are systematically marginalized and oppressed, specifically those of Black, Indigenous and People of Color \(BIPOC\) and women.](#)

Through this work, we are committed to examining our own biases and privileges and to practice centering female and BIPOC voices and businesses. To address these goals systemically, we focus our efforts internally, throughout our pipeline and portfolio, and across our industry.

We know that equitable and inclusive practices are not only better for businesses and people alike, but also demonstrably improve performance. Employees who care about their work¹⁶ and feel they are contributing to a higher purpose are more engaged, productive, and likely to stay in their jobs¹⁷. They give higher quality service experiences, which in turn drives customer satisfaction and loyalty¹⁸. Values alignment with customers increases the probability of repeat purchases, increasing net promoter scores, which in turn lowers the cost of customer acquisition and improves margins¹⁹.

Our commitment to racial and social justice starts with our internal policies and practices. The Builders Fund provides a living wage for all employees, pay equity, paid sick leave, anti-racist personnel policies, and full healthcare coverage for all employees. Our hiring process ensures that a representative cross section of the population is interviewed for any open position. For the past three years Builders has participated as a host fund in the Impact Capital Managers Mosaic Fellowship, which provides summer internships and mentoring to high-performing first-year graduate students from underrepresented backgrounds. In order to take a holistic and iterative approach to our learning, we host quarterly JEDI learning and discussion sessions for our entire team, each with an emphasis on self, team, and industry.

In addition to establishing and maintaining these practices internally, we are also committed to working with our entire portfolio as they build upon their existing commitments to social and racial justice. Across Fund I and II, Builders has been successful in finding and supporting businesses that are owned and managed by women. Each company in our portfolio currently has someone who identifies as female as its founder, CEO, or in other C-Suite level positions.

Within our portfolio, all companies are actively monitoring and supporting the diversity of their employees. Since we began tracking demographic information across our portfolio, we have seen increases in the representation of women at the leadership and board levels. As of 2022, our entire portfolio meets the 2X Challenge criteria²⁰ for leadership and employment, meaning women are well-represented in those areas.

We are also working to improve diversity and support inclusive practices at all levels of our portfolio companies. In 2022, Acelero, Inc hosted its first ever DEIB (Diversity,



Equity, Inclusion, and Belonging) retreat for leaders across Acelero, Inc and Shine Early Learning, which focused on expanding conversations around DEIB topics among leaders to implement a more inclusive workplace among their teams, while also holding Acelero, Inc leadership accountable to its stated anti-bias mission, vision, and values. In 2022, female employees represented 93% of all staff, 88% of all leadership, and 80% of the board of directors. Additionally, 79% of early childhood education staff identify as BIPOC.

As we continue to deepen and iterate our approach to JEDI each year, we revisit the principles that guide this work and consider their applications. With a focus on our interactions in our pipeline, across our portfolio, and in the wider sector, we know there is always more we can do to shift towards a more inclusive and equitable system. This means a focus on generating and considering more diverse companies in our pipeline, supporting deeper JEDI practices in our portfolio companies, and engaging in more advocacy, learning, and listening in our field.

Equity Incentives: Shared economic value creation

In each of our investments, we work to create options or long-term incentive programs to share equity value creation with our management teams and employees. These profit pools create and maintain economic value for those who are most integral to the success of the company and add value on top of living wages, health care coverage, paid parental leave and other bonuses and benefits. In aggregate, we have granted an average of 14.7% of each company to employees across the portfolio.

Protecting Mission: Maintaining the ethos of our companies

We work to strengthen and sustain the social missions across our portfolio through B Corp certification and maintenance, allowing companies to better measure their social and environmental impacts and providing a framework for The Builders Fund to provide oversight, support, and feedback. Thereafter, it becomes an important driver of mission-protection at exit.

In the early childhood industry, Black and brown women being undervalued and underpaid is a public policy issue that is inextricable from this vocation's roots in enslavement. As a Black female early learning professional, I am most proud that our board has demonstrated that they are just as committed to our management goal of ensuring living wages for all staff as we are.

LYDIA CARLIS, PHD, CHIEF PROGRAM & PEOPLE OFFICE, ACELERO, INC





We believe in the power of impact investing and partnering with managers who share our commitment and intentionality. The Builders Fund exemplifies striving for doing well and doing good. We are encouraged by their stewardship and the progress made by their portfolio of companies.

CASEY DILLOWAY,
NEW SUMMIT INVESTMENTS

Risk Management: Safety is key

The health and well-being of employees at our portfolio companies is of the utmost importance, which is why we support our brands in strengthening their risk management and health and safety practices. Via the B Corp certification process, companies are assessed for their health, wellness, and worker safety practices. Throughout 2022, PosiGen updated safety goals and processes across the company with a focus on safe driving, safety training and inspections, injury prevention, and priority support areas during product installation.

Partnership: Building lasting relationships

Our model is set up to add real value after investment. Approximately 50% of our investors are former C-Suite executives and founders who are committed to investing both financial and intellectual capital. This bench of “Builders” is a uniquely well-resourced group of operating partners for us and our portfolio companies that serve as executive chairs, as board members, and as advisors.

Across the seven platform companies in Funds I and II, we have held thirteen board seats. We work beyond that level of engagement, in partnership with each portfolio company, to meet their specific needs, from advisory support on projects such as a brand strategy (Urban Remedy, Traditional Medicinals) to leading day long sessions at companies to align their cultures, brands and operating behaviors around clarified missions, vision, and values (MIXT).

In 2022, Builders collaborated with Acelero, Inc to implement a 100-Day Plan post-close, including supporting the growth of the sales and marketing team with a Senior Director of Business Development. Builders also led the acquisition of an education publishing company, which will allow the company to profitably enter the early assessment market and expand their offerings. At PosiGen, the Builders team supported the development of a monthly strategic working group, improved the company’s financial operations and budgeting processes, and supported the hire of a new Chief Compliance and Policy Officer focused on engaging with relevant legislation to drive value for the company. Across the portfolio, the Builders team actively engages with each leadership team as they navigate the various and evolving challenges emerging from the pandemic, navigating supply chain disruptions, and an inflationary environment.



Building Activist Brands: Walking the Walk

To truly engage a company's stakeholders and align with a company's "reason for being", we work closely with portfolio companies to clearly articulate their purpose, vision and values and to fully align their brands and culture. Acelero, Inc designs and delivers inclusive, anti-bias, and rigorous approaches to close the Achievement Gap and improve the quality of early childhood education nationwide. PosiGen's solar lease offering makes renewable energy affordable for low-income homeowners, effectively ending solar "redlining." Traditional Medicinals is an industry pioneer educating the public not only on the power of plants to heal, but also to change lives via their work in production communities and sustainable agriculture. MPOWERD exists to provide clean energy products to millions of people globally who lack consistent access to a grid. Urban Remedy is a vocal thought leader in the food industry for sustainable food production and healthier diets. MIXT exists to reimagine the fast casual restaurant industry as one responsible to not only their customers and the environment, but also their frontline employees. Our brands speak authentically to these issues and their cultures attract team members who believe in the importance of that work.

The Builders Fund and each of our portfolio companies prioritize partnering with community-based organizations and nonprofits that share aligned values. These contributions not only support the work of these organizations, they also help build the strength and character of companies as active, engaged members of their communities. In 2022, our team made contributions to organizations focused on a variety of issues, including youth development to climate advocacy, homelessness, and LGBTQ support.

Acelero, Inc operates 55 early learning centers and partners with community organizations nationwide via Shine Early Learning. Shine serves state agencies, childcare centers, home-based providers, and private and public pre-K programs impacting more than 150,000 children nationally, transcending diverse settings across 28 states and territories. In November 2022, the company convened 34 of these partners in its Shine Leadership Academy, a three day gathering with over 200 participants focused on field-building and disseminating best practices. Sessions included responsive data monitoring, preparing for Federal Monitoring Reviews, funding facilities improvements, building coaching capacity, mental health support for

families, and centering DEIB. In addition to its work with Shine Partners, Acelero, Inc is also engaged in a research-practice partnership with MDRC, a leading nonprofit education and social policy research organization, to strengthen Head Start programming across the country. MDRC is working with Acelero, Inc to document learning gains for Head Start students, examine how the pandemic affected these students' learning and development, identify programmatic and implementation conditions that predict gains in child outcomes, and understand how family engagement practices explain children's development across time.

Last year, PosiGen gave back to local communities by donating to a charitable organization in each of the states they serve through their Shine Bright Program. In one example, the company partnered with Connecticut Habitat for Humanity and employees helped build four energy efficient homes for underserved community members. Each of the homes will be equipped with a PosiGen solar system to help families save on their energy costs. Other examples include donating solar systems and energy-efficient appliances for two Hero Homes recipients in New Orleans and working with Sustainable Jersey to partner with schools and municipalities across the state to increase the adoption of clean energy and energy efficiency.

Traditional Medicinals partners with several Sonoma County-based nonprofit organizations: Botanical Bus, Ceres Community Project, LandPaths, and Redwood Empire Food Bank. Each partner presents unique opportunities for volunteering, including group, individual, and skills-based. In addition to financial support, the company has also provided product donations to each organization. In 2022, Traditional Medicinals and Botanical Bus launched the Healing Harvest Program, funding the purchase of land shares at Green Valley Mill + Farm where more than 100



varieties of medicinal herbs are grown, and an on-site herb dryer. Exclusive access is given to Botanical Bus Promotoras, or Community Health Care Workers, the Indigenous and Latinx women who give their time and herbal wisdom to the community. The shares provide a source of herbs for personal practice and distribution at farmworker clinics, a space for learning and sharing plant wisdom and sustainability practice, and fund part time employment for a Promotora.

MPOWERD works closely with nonprofit partners to have a positive impact on over 3.8 million lives around the world to date. These partners have made it possible for children to study at night, for entrepreneurs to keep their businesses open longer, and for communities to be resilient after disaster strikes. In 2022, MPOWERD distributed more than 23,000 lights in Hurricane Relief Response to the Fiona and Ian storms in partnership with Amazon Disaster Relief, United Methodist Church, Slice of Good Corp, and HASER. The company continued its emergency preparedness partnerships with Save the Children and Catholic Charities and supported Hike to Help, a new initiative from Backpacker Magazine to help Nepal recover from the economic slump that affected tourism and trekking caused by COVID. The initiative organized multiple hiking treks in Nepal to bring supplies, like Luci lights, to areas without access to electricity.

In 2022, Urban Remedy provided in-kind donations to White Pony Express, an organization that works to eliminate hunger and poverty in California, and FoodCycle LA, a nonprofit that works to connect excess food with people in need. For the second year in a row, Urban Remedy continued to partner with MeWater Foundation, an organization that connects at-risk youth with the ocean.

MIXT supported Slow Food Phoenix's Blue Watermelon Project, a grassroots group of chefs, restaurateurs, farmers, and community food advocates that believe in good food, equal and fair access to it, and that food systems change starts from the ground up. The program is designed to connect farmers and chefs with students and to promote healthy eating. The company also partnered with Agricultural Institute of Marin, which champions farmers, food access, and education, for the opening of their Mill Valley location and environmental advocacy group Heal the Bay in Los Angeles.



Participation in Field Building: Thought leadership in action

We are active members of Impact Capital Managers, a network of private capital fund managers in the US and Canada investing for financial returns and impact, and in 2022 we completed the Impact Frontiers cohort, which promotes cohesive impact management and financial integration. The Builders Fund collaborates closely with our sister organization, Gratitude Railroad, which works to foster a strong community of impact investors, through supporting the annual conference and dinner series. We're also a signatory to the UN Principles for Responsible Investment²¹ in order to publicly demonstrate our commitment to responsible investment and our support for a more sustainable financial system. We regularly attend industry conferences to share and learn from our partners and peers in the impact investment community.



ImpactAssets 50 2023

Builders Fund was selected this year as one of the ImpactAssets 50, an annual showcase of impact-focused fund managers. The IA 50 is the first publicly available database that provides a gateway into the world of impact investing for donors and/or investors and their financial advisors, offering an easy way to identify experienced impact investment firms and explore the landscape of potential investment opportunities.



Clean and reliable energy should be accessible to everyone, regardless of income level or zip code. From our financial underwriting to our community partnership programs, PosiGen takes an inclusive approach to solar by working with individuals and local nonprofit organizations to drive adoption in low-to-moderate income communities. We also prioritize diversity and inclusion internally, to ensure our workforce matches the diverse communities we serve.

BEN HEALEY, CHIEF COMMERCIAL OFFICER, POSIGEN



TYPE OF BUSINESS	Early Childhood Education
YEAR OF INVESTMENT	2022
IMPACT THEMES	Human Elevation
SDGS	1, 2, 3, 4, 8, 10, 11, 16

Acelero, Inc. has been transforming early learning since 2001. They have a proven track record of producing breakthrough learning gains for children, regardless of income, through their unique outcomes-focused approach to providing Head Start services. The company was founded in 2001 by Henry Wilde, a Children’s Defense Fund staffer, and Aaron Lieberman, a former Head Start teacher. Acelero’s mission is to design and deliver inclusive, anti-bias, and rigorous approaches to eliminate the gaps between young children’s inherent potential and their achievement in school and life.

Acelero works respectfully with families, delivering innovative and data-backed education services to children from all backgrounds. They apply a two-generation approach to their work, engaging whole families, not just their youngest members. Acelero’s school community builds upon the learning that children experience in their families and communities and sets the highest educational standards to continue to propel their growth and development.

With their partners, they accelerate child and family outcomes that honor the aspirations and cultures of the communities they serve. Acelero, Inc currently serves more than 5,000 children and families in Head Start centers in four states: Pennsylvania, Nevada, New Jersey, and Wisconsin. Their Shine Early Learning division helps disseminate these innovative practices to other early learning programs throughout the country through products, ongoing training, and technical assistance partnerships, with more than 50 clients nationwide.

Acelero employs a data-driven approach to their education, family services, and program design and management. This approach is explained in detail on their website²² with the results of the latest academic year of operations included in their annual impact report²³.



Research shows that by the time children begin kindergarten, significant differences in early math and literacy skills already exist between children from low-income families and their peers from middle and high-income families resulting in the “Achievement Gap.”

Acelero, Inc believes that well-informed, well-supported parents and families are essential partners in the work to close this gap between children’s infinite promise and their achievement in school and life. In partnership with families, they work to ensure that each child who completes their program is well-prepared to succeed in school and life. Acelero, Inc focuses on regular engagement with families, including strengths assessments and goal setting. In 2022, the company hosted the third season of “Together We Shine”, a webinar series that takes an in-depth, meaningful look at equitable family engagement in early childhood education. The series featured Acelero, Inc parent leaders, early learning providers, pediatricians, and education innovators in conversation on what early learning programs are doing well and what more can be done to fully include family voice in home-to-school partnerships.

Awards

COMPARABLY: BEST
COMPANY FOR WORK-
LIFE BALANCE | 2022



ANNENBERG BROWN
UNIVERSITY: School readiness
outcomes validated externally
through Annenberg Institute at
Brown University | 2021



ANNENBERG
BROWN UNIVERSITY

HEAD START EXEMPLAR:
Recognized as a head start exemplar
in a nationally-recognized report
based on demonstrated positive
impacts on children’s learning | 2019



B Bellwether

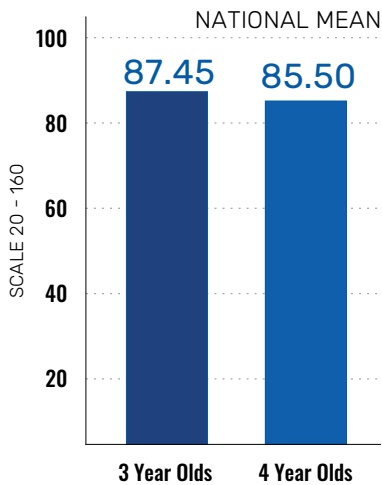
EXCHANGE MAGAZINE: Featured
on the cover of Exchange Magazine,
the leading child care publication, as
a model HS operator | 2019



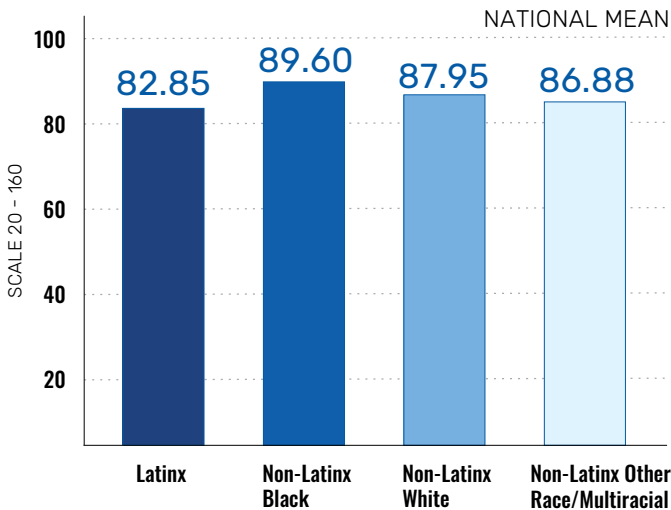
Through our partnership with Acelero Inc, Builders identified several impact pathways through which we expect the company to deliver outcomes over the course of our investment:

CLOSING THE ACHIEVEMENT GAP FOR CHILDREN THROUGH SCALED PROVISION OF QUALITY ECE

Early Language Peabody Picture Vocabulary Test by Age

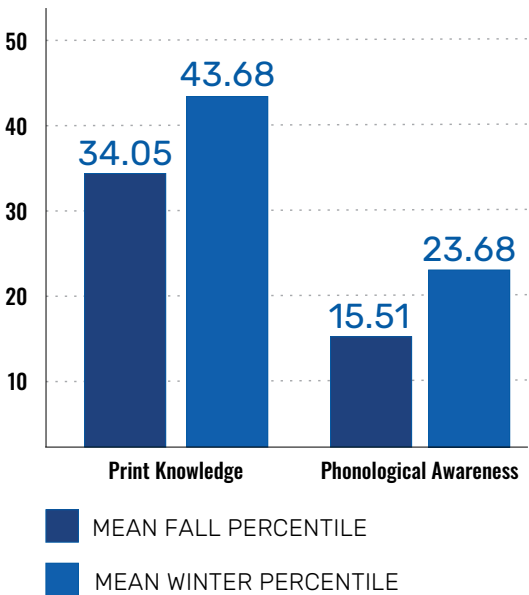


Early Language Peabody Picture Vocabulary Test by Race

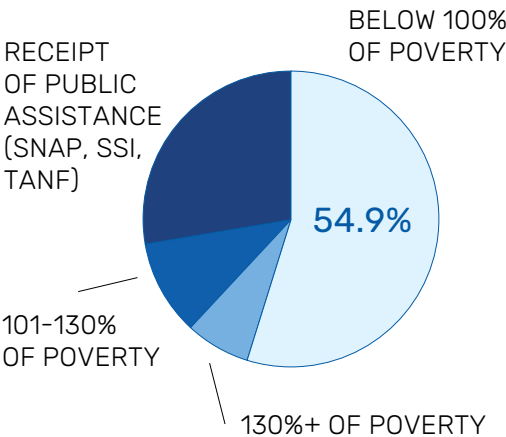


Test of Preschool Early Literacy (TOPEL) 3 Month Gains

AVERAGE 3 MONTH STUDENT LITERACY GAINS = 4.13



Student Socio-Economic Profile



75%

Infant/Toddler Teachers Meet
Foundational Teaching Practices

76%

Preschool Teachers Meeting
Foundational Teaching Practices

93.4%

Students Identify as BIPOC

54.9%

Students Below the Poverty Line



BOLSTERED STUDENT OUTCOMES THROUGH FAMILY ENGAGEMENT

5,049

Number of Students Served

4,545

Number of Families Served

5

Average Number of
Family Interactions

96%

Children who have
Dental Homes

99%

Children who have
Medical Homes

1,456

Total Number of Employees

ENABLING ECONOMIC MOBILITY AND WORK- FORCE DEVELOPMENT FOR BIPOC WORKERS

61

Net Jobs Created

93%

Female Employees

88%

Female Leaders

80%

Female Board Directors

79%

ECE Staff Identify as BIPOC

69

Number of Teachers Enrolled in
Professional Development

75

Number of Teachers Completing
Professional Development





TYPE OF BUSINESS	LMI Solar & Energy Efficiency
YEAR OF INVESTMENT	2020
IMPACT THEMES	Sustainable Systems, Human Elevation
SDGS	1, 7, 8, 9, 10, 11, 13

Headquartered in New Orleans, PosiGen is the nation’s leading residential solar and energy efficiency provider for low-to-moderate income (LMI) families. PosiGen’s mission is to close the clean energy affordability gap for LMI homeowners by delivering lower cost utility bills along with the environmental benefits of clean energy through rooftop solar and energy efficiency upgrades. PosiGen has more than 22,000 residential customers and over 500 employees in Connecticut, DC/Maryland, Louisiana, Massachusetts, Pennsylvania, New Jersey, New York and Mississippi.

The company makes a positive impact in underserved communities, offering annual household savings upwards of 20% on energy bills. They provide good job opportunities in communities where they operate, with more than 65% of their staff identifying as women and/or Black, Indigenous, and People of Color (BIPOC). These social benefits are intrinsically linked to the company’s positive environmental impact, with access to clean, reliable energy expanding to new homes and communities, helping reduce and avoid GHG emissions.

PosiGen is in its final stages of the process of B Corp certification. At the time of this publication, the company has completed the B Impact Assessment with a score of 80 that is pending verification. Due to the intrinsic social and environmental justice focus of their business model, the company is well-positioned to be certified and become an inspiration in the B Corp community.



Overall B
Impact Score

80*

* Pending Verification

Awards

COMPARABLY: BEST
COMPANY OUTLOOK | 2022



COMPARABLY: BEST
CAREER GROWTH | 2022



BRONZE WINNER, THE
CLEANIE AWARDS | 2022



2022 Impact at a Glance

555

Total Employees

4,507

Number of Solar
Systems Installed
(10,413 Since Investment)

88

Net Jobs Created
(355 Since Investment)

69%

Clients from
Underserved Communities

30

LMI Jobs Created
(100 Since Investment)

113.1K

Tons of CO² Inset,
Avoided, or Reduced
(301.5K Since Investment)

99%

Worker Living Wage

104.7

GWh of Total Renewable
Energy Generated
(283.6 Since Investment)

33%

Female Employees

\$73K

Charitable Donations
((\$119K Since Investment)

46%

Female Leaders

22%

Female Board Directors

22.5K

Total Clients

\$19.7M

Customer Cost Savings
((\$40.8M Since Investment)

50K

Number of Lives Impacted
(55K Since Investment)

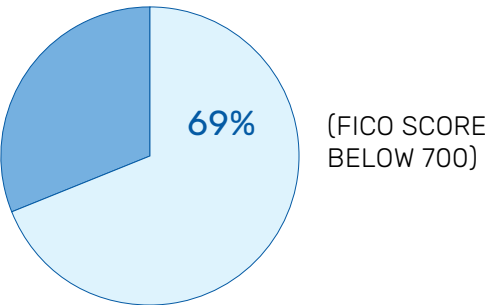


PosiGen works with city governments to build public-private partnership deals that accelerate the deployment of residential solar across the District for LMI residents around the country.

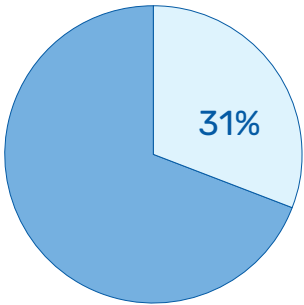
PosiGen actively works to combat this solar “redlining” by providing rooftop solar and energy efficiency improvement to LMI customers through its innovative lease financing model that requires no minimum customer credit score. The company also expands access to solar by working with regional partners to implement “Solar For All,” a program that incentivizes solar in LMI communities and to increase public support for solar providers to enter into new residential markets.

CLEAN, RELIABLE ENERGY FOR ALL

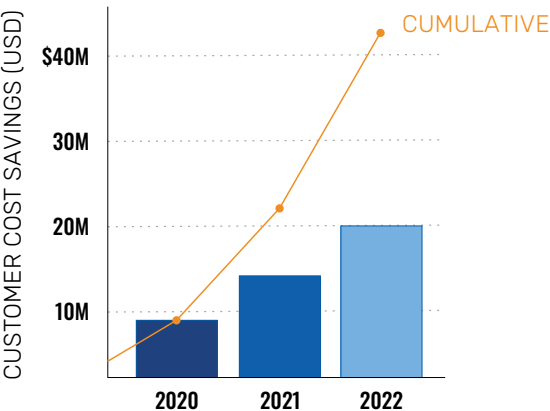
Clients From Underserved Communities



Percent LMI Employees



Annual Customer Cost Savings



\$19.7M

2022 Customer Cost Savings
(\$40.8M Since Investment)



MEANINGFUL COMMUNITY PARTNERSHIPS

PosiGen's partnerships strategy recognizes that only authentic, deeply seeded partnerships with trusted community organizations will translate into gaining the trust of potential LMI customers and communities, given a history of exploitation of this market by for profit entities.

PosiGen has a three step partnership strategy:

1. Establish trust and demonstrate value through community organizations
2. Extend reach through city governments
3. Deepen impact through workforce development organizations

In 2022, PosiGen partnered with DC Green Bank to enter the DC solar market and deliver more than 300 solar installations for LMI residents. The installations support hundreds of clean energy jobs in the area and are anticipated to avoid more than 2,500 tons of CO2 each year. The partnership also plans to expand into other areas such as energy efficiency upgrades for LMI homeowners. At the same time, PosiGen launched a partnership with Generac Grid Services to expand access to solar batteries for LMI customers in Connecticut, increasing effective energy storage in the area.





TYPE OF BUSINESS	CPG, Food & Beverages, Manufacturing
YEAR OF INVESTMENT	2017
IMPACT THEMES	Sustainable Systems, Human Elevation
SDGS	3, 7, 8, 9, 10, 12, 13, 15

Traditional Medicinals, Inc., a Certified B Corporation and California Certified Green Business, is a pioneer of the wellness tea category in the U.S. and Canada. It was started in 1974 with a dual purpose: to educate consumers about the benefits of traditional herbal medicine and to re-invent the industry of plant-based medicine. The company has a long-standing commitment to positive social and environmental impact through sustainable production practices, and engagement with the often impoverished and indigenous herb sourcing communities in its supply chain.

Traditional Medicinals is a leading seller of both Organic and Fair Trade Certified™ herbal teas in the U.S. and Canada. The company is passionate about connecting people to plants and sharing centuries-old wisdom of how to use them. Their more than 50 high quality wellness teas are formulated by herbalists using pharmacopeial grade herbs. In 2022, the company completed recertification of TRUE Zero Waste Silver through the Green Business Certification Inc. for its Sebastopol factory, maintaining a 90% diversion rate. They also purchased 1,900MT of carbon offsets, fully offsetting emissions generated in their production process (Scopes 1 and 2) and partially offsetting those generated through our upstream and downstream supply chain (Scope 3).



Awards

REAL LEADERS IMPACT
 AWARD | 2022

RealLeaders®

BEST PLACE TO WORK BY
 THE NORTH BAY BUSINESS
 JOURNAL | 2019, 2020, 2021, 2022



2022 Impact at a Glance

218

Total Employees

46

Net Jobs Created
 (114 Since Investment)

9

LMI Jobs Created
 (9 Since Investment)

63%

Female Employees
 (57% in 2022)

1.1K

Number of Lives Impacted
 (26K Since Investment)

3M

LBS of Organic/Fair Trade
 Material Purchased
 (18.9M Since Investment)

1.9K

Tons of CO² Inset,
 Avoided, or Reduced
 (6.8K Since Investment)

670

Tons of Material Diverted
 from Landfill
 (3,722 Since Investment)

17%

Female Board Members

0.5

GWh of Total Renewable
 Energy Generated
 (8.4 Since Investment)

100%

Local Renewable
 Electricity Used at Office

641M

Bags of Tea
 Units/Volume Sold

\$106K

Charitable Donations
 (\$1.8M Since Investment)

99.5%

Organic Herb
 Purchases

Certifications



PROTECTING THE PLANTS AND MAKING PRODUCTS WITH INTEGRITY

Traditional Medicinals is committed to protecting the abundance of medicinal herbs, creating products with the highest ethical standards, and partnering with values aligned sources.

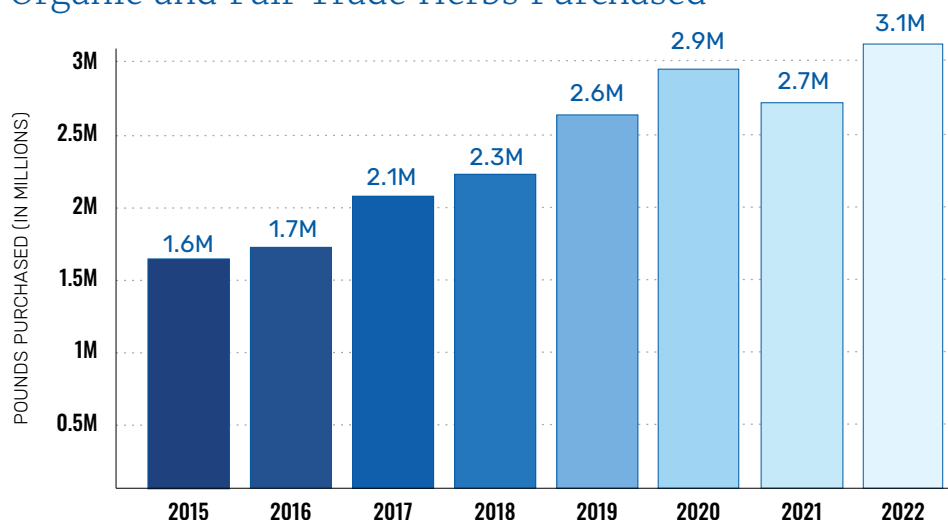
In 2022, Traditional Medicinals supported farmers in India, Georgia, Egypt, Madagascar, and Zimbabwe and conducted a community needs assessment in Paraguay. The company continues to support farmers via Fair Trade certification and purchased a total of 236,000kg of certified herbs while reinvesting \$144,800 in premiums back into Fair Trade communities.

The company also supported over 650 households, or more than 3,000 people, on the eastern coast of Madagascar in the district of Brickaville through agricultural trainings focused on growing turmeric, ginger and cinnamon. In Georgia, they supported COVID relief efforts to over 2,500 farmers and provided funding toward the purchase and distribution of essential food, nutritional supplements, and hygiene products. With a focus on equity and capacity building, the team held recurring economic empowerment workshops for over 300 women in the Company's Egyptian Chamomile supplier communities focused on themes of literacy, entrepreneurship, and access to credit through the implementation of Village Savings and Loan Associations.



In Zimbabwe, in partnership with Organic Africa and USAID, they launched a project to drill five boreholes and install community wells for local access to safe drinking water. Water committees will be formed for maintenance and observation, and 1,400 individuals from Hibiscus growing communities in the Binga region of Northern Zimbabwe will benefit from this project.

Organic and Fair Trade Herbs Purchased



27%

Herbs Purchased are Fair Certified

99.5%

Herbs Purchased are Organic Certified

\$157K

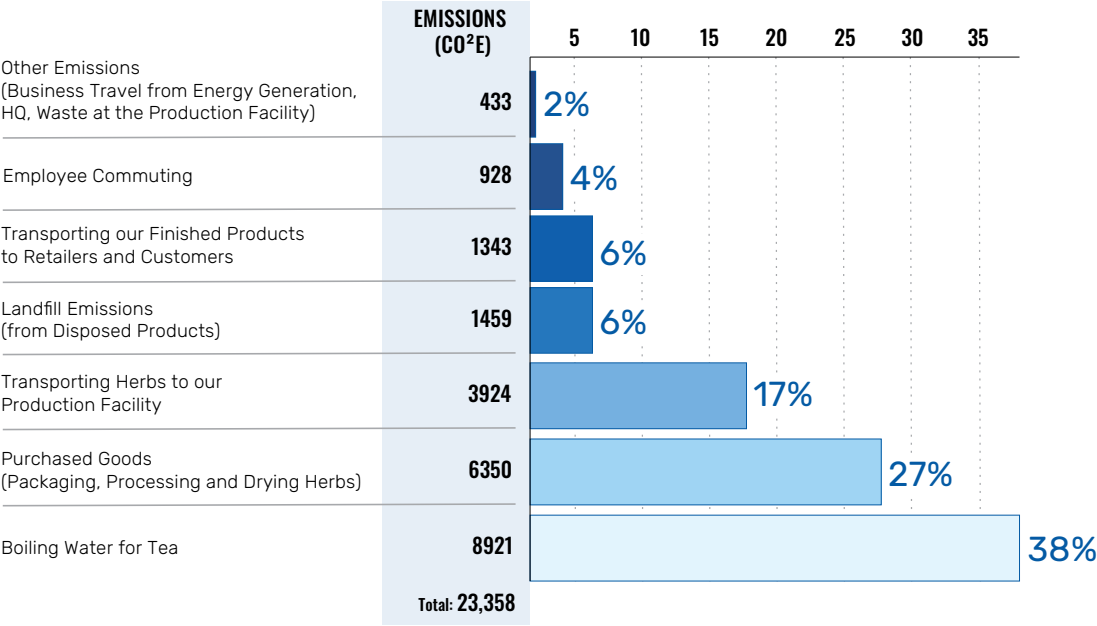
Fair Premium Paid to Farmers in 2022



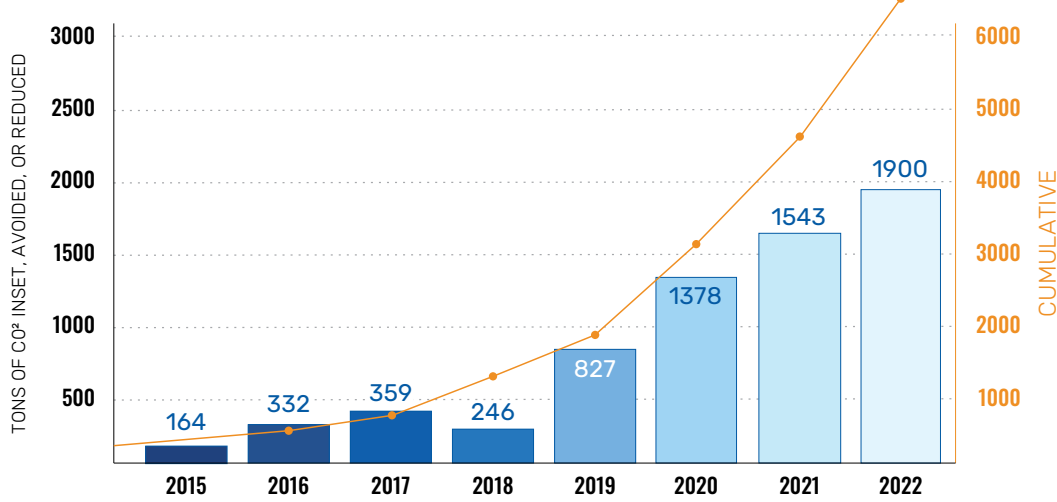
PROTECTING THE PLANET AND NURTURING INTERCONNECTION

Traditional Medicinals committed to reducing Scope 1 and 2 emissions 42% by 2030 and 100% by 2050. They developed reduction targets through data collection, expert consultation, and calculations guided by SBTi's SME criteria. In 2022, the company reduced Scope 1 emissions by 19% and continued their comprehensive approach to measuring Scope 3 emissions. Traditional Medicinals is actively collaborating with industry partners to approach emissions reductions strategies together and is on track to meet their SBTi 2030 goals.

Scope 3 Emissions Categories by Percent of Share of Emissions



Metric Tons of Carbon Offsets





TYPE OF BUSINESS	CPG, Clean Energy Products
YEAR OF INVESTMENT	2017
IMPACT THEMES	Sustainable Systems, Human Elevation
SDGS	3, 4, 5, 7, 8, 9, 10, 13, 17

MPOWERD® is a Certified B Corporation committed to creating simple, innovative, clean energy products that help to provide easily accessible light to the nearly 3 billion people still living with intermittent or no access to the electricity grid. An award-winning category creator via their Luci® line of solar lanterns and leader in the personal clean energy product space, MPOWERD has expanded their global presence to over 90 countries in the outdoor, lifestyle, impact and education verticals and is led by Founder/Chief Business Development Officer John Salzinger and CEO Seungah Jeong.

The company developed a scaled model that employs a hyper-local pricing structure to make their product accessible to as many communities as possible. They partner with over 700 NGOs and nonprofits to provide clean energy to those who need it most. Through this model, profit margins in the developed market allow for more lights to be sold at reasonable prices in developing markets and expands clean energy options that provide a more economical and environmentally friendly approach to everyday tasks. Since investment, MPOWERD has deployed hundreds of thousands of Luci lights around the world.

2022 Impact at a Glance

17
Total Employees

4
Net Jobs Created
(12 Since Investment)

4.8M
Number of Lives Impacted
(8.3M Since Investment)

332K
Tons of CO² Inset, Avoided,
or Reduced
(990K Since Investment)

Awards

REAL LEADERS ECO
INNOVATION AWARDS | 2022

RealLeaders®

OUTDOOR RETAILER INSPIRATION
AWARD FINALIST | 2022



MO 100 TOP 100 IMPACT
CEOS | 2022





CLEAN, RELIABLE ENERGY FOR ALL

MPOWERD's vision is to provide clean, reliable energy for all. To achieve this, the company prioritizes partnerships with NGOs that expand access to emergency relief for communities affected by displacement, natural disasters, and limited access to basic needs like electricity.

As a result of Russia's invasion, attacks on Ukraine's energy grid and other vital supplies left millions of people without power and other essential supplies. Within days of the first attack in 2022, MPOWERD and its partners mobilized and began working on deploying their solar power banks and lanterns to refugees affected by the conflict. Over 80,000 Luci solar lanterns and mobile chargers have been delivered to Ukraine and the surrounding countries since the conflict began, supporting 550,000 internally displaced persons in Ukraine. The company worked with Numi Foundation, Waves for Water, and Good360 to launch Together for H2OPE: Ukraine Project and with Church World Services to support Jamestown Ukraine Relief Project. Through partnerships with organizations and individuals to hand-deliver lanterns, MPOWERD has been able to provide aid directly to individuals and families. Their solar power banks and lanterns have allowed people to remain connected to loved ones and provided light during long journeys or blackouts.

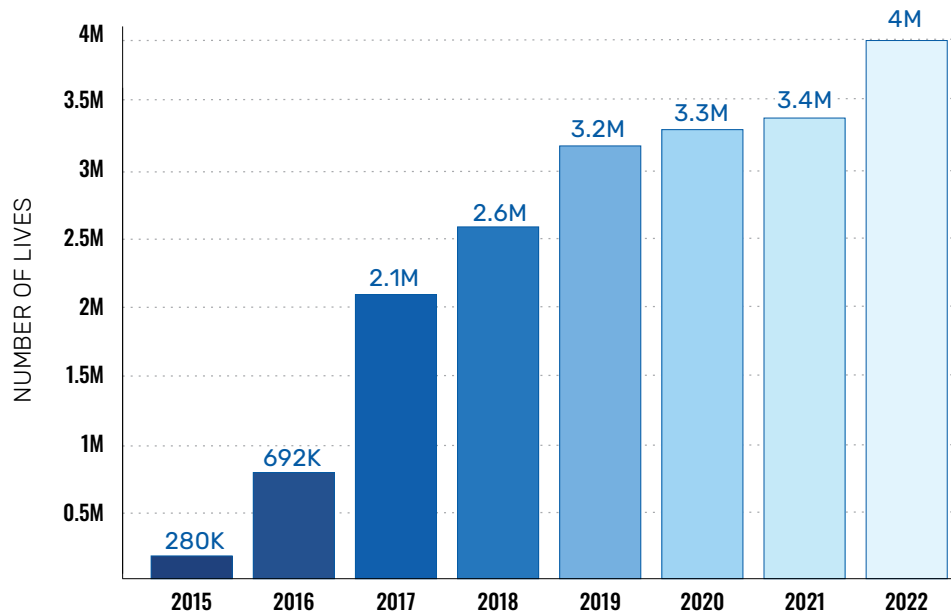
MPOWERD partners with the Oliveseed Foundation to support their vision of improved literacy in Kenya. The foundation is focused on bringing clean water, solar lights, power, and opportunity to the Maasai Mara community in Kenya via a sustainability center pilot project, the first of its kind, and a women's center for making local textiles, beadwork, jewelry, and other handcrafts for sale to the growing eco-tourist trade. In 2022, the Foundation opened a library in a Maasai village. Within the first few days of its

opening, the library was full of children reading into the evenings, using Luci Core lights to illuminate their books.

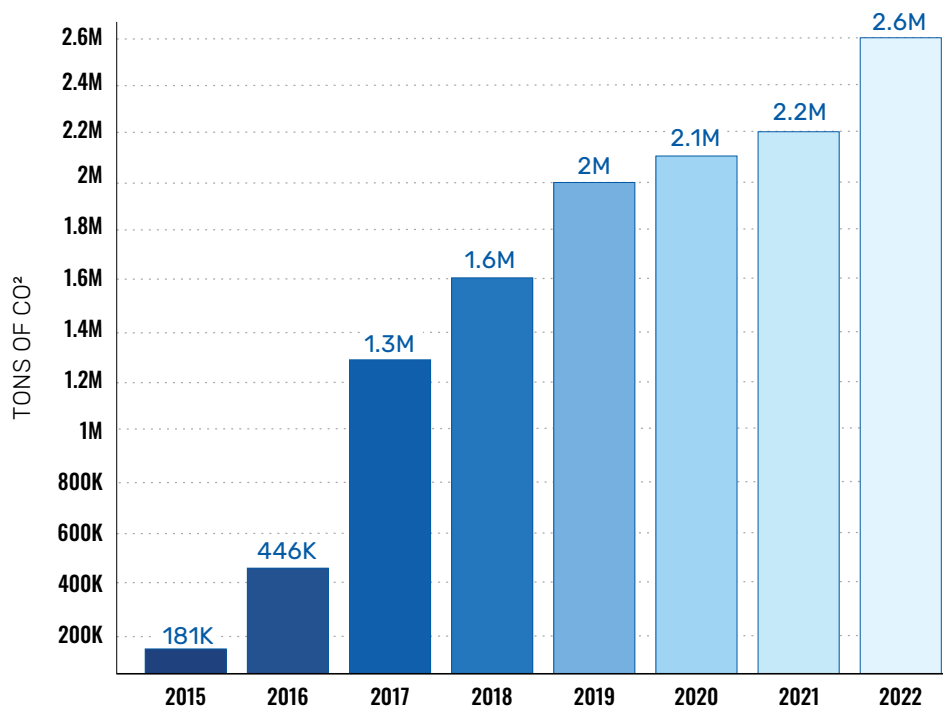
Since the COVID pandemic hit three years ago, few were spared of its impact, and for the people of Nepal this is especially true. The trekking industry was huge for Nepal and the surrounding areas, and once COVID hit, it came grinding to a halt. In 2022, Backpacker decided to support Nepal's recovery by bringing two groups to the Himalayas to hike beautiful terrain, while giving back to the local communities along the way. As part of an ongoing project, Backpacker is partnering with a Nepal-based nonprofit building health clinics, and with Wildland Trekking that allows volunteers to embark on a journey of a lifetime. Combining volunteer work at a rural clinic and making a once-in-a-lifetime trek across the Himalayas, the groups get to experience the natural beauty of the Nepalese landscape, and also experience famously hospitable Nepalese communities. After the volunteers worked in the clinic, the group embarked on a nine-day trek in a remote region of the Himalayas. With limited resources, Nepal often lacks critical infrastructure that we take for granted. In rural Nepal, that means hundreds of families have to travel to Kathmandu for medical services, and have little or no access to electricity. As part of the project, MPOWERD's Luci lights were used by the trekkers and distributed to the local communities, allowing them to safely and reliably keep the light on after dark.



Cumulative Number of Lives Impacted



Cumulative Tons of CO₂ Inset, Avoided, or Reduced





URBAN REMEDY

TYPE OF BUSINESS	Food & Beverage, Wholesale, Retail, Production
YEAR OF INVESTMENT	2015
IMPACT THEMES	Sustainable Systems
SDGS	3, 8, 12, 13

Urban Remedy, a certified B Corporation since 2018, is a plant-based organic food company that embodies the belief that “Food is Healing” for people and the planet. Their ready-to-eat meals, snacks and cold-pressed juices are certified organic, non-GMO Project Verified, gluten free, and low glycemic. Founder Neka Pasquale, a Licensed Acupuncturist & Herbalist, utilizes the wisdom of Chinese medicine to craft healing plant-based meals, juices and snacks that nourish the body to naturally lower inflammation. Urban Remedy is a leader in the food industry in the US, which is dominated by an industrialized system that Pasquale refers to as “Big Food.”

The centralization and efficiency prized for so long by the western industrialized food system is proving rapidly antiquated and is visibly killing people and the planet. Soil degradation, obesity, inflammatory diseases, food deserts, and water shortages are just some of the spreading symptoms. “Big Food” is largely focused on lengthening shelf life, but when shelf-life increases, it often comes at the detriment of nutritional value and the environment. Urban Remedy is fighting back against these norms with vertical integration, organic sourcing, and an omni-channel presence. They have created their own food production hub that allows their customers to access fresh products from local farms without sacrificing quality, food safety, or profit.



Overall B
Impact Score

84.4

2022 Impact at a Glance

217

Total Employees

8

Jobs Created
(393 Since Investment)

2

LMI Jobs Created
(298 Since Investment)

5.2M

Organic, Meals, Snacks and
Beverages Served
(26.8M Since Investment)

3.7M

LBS of Organic/Fair Trade
Material purchased
(32.6M Since Investment)

651

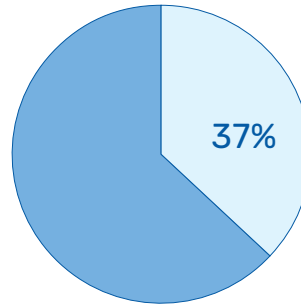
Tons of Material Diverted from
Landfill (7.4K Since Investment)



ECONOMIC MOBILITY AND WORKFORCE DEVELOPMENT

Urban Remedy is based in Richmond, California, which was designated as an Opportunity Zone via the Tax Cuts and Jobs Act of 2017, and employs individuals from the local community as a part of its socially sustainable model, creating retail and production jobs for low-to-moderate income (LMI) individuals. In addition to supplying their customers with healthy food, Urban Remedy is committed to nourishing their local community. They have forged partnerships with a number of hyper local schools and organizations, all within a couple miles of their headquarters with the goal of educating young people in the community about healthy food and nutrition.

Percent LMI Jobs



HEALTHY LOCAL FOOD SYSTEMS

Urban Remedy produces organic, locally sourced meals and diverts much of its organic waste from the landfill in support of this vision of a healthy food system. Each year, the company offers paid team member volunteer hours and employees regularly volunteer at schools and organizations local to their headquarters in Richmond, CA with an emphasis on promoting healthy eating habits. In 2022, Urban Remedy continued a several year partnership with Conscious Kitchen, an organization working with schools and communities to break the cycle of conventional, packaged, overly processed food, transitioning to meals based on five foundational attributes: fresh, local, organic, seasonal, nutritious.

Urban Remedy also supported local Betty Soskin Middle School to launch "Project Salad" during National School Lunch Week. The healthy food initiative is designed to provide locally sourced salads to students and connect them with farmers and chefs.

1600

LBS of Organic Pulp Turned
into Urban Remedy Products in 2022

250

Hours of Team Member Volunteer
Service to Fight Hunger

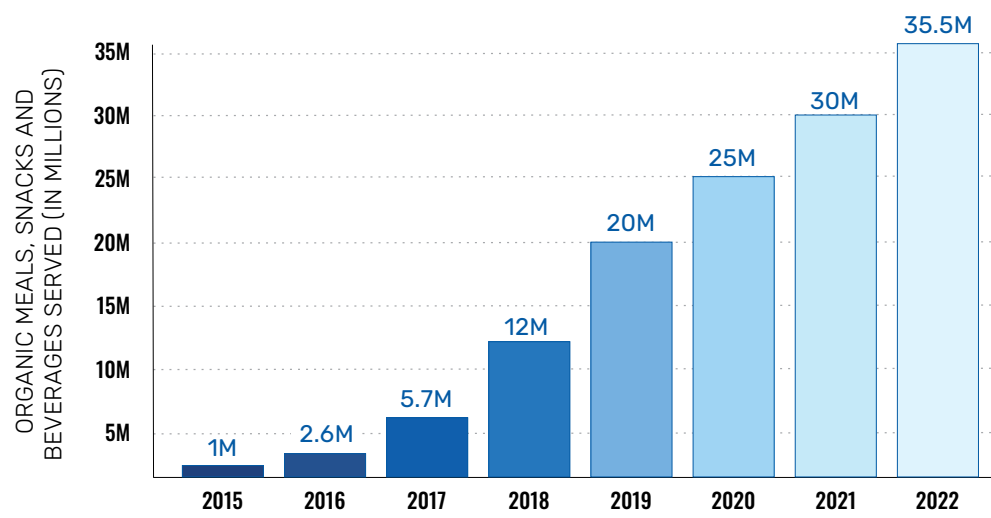
13K

Plus Items Donated to Fight Hunger





Cumulative Organic Meals, Snacks and Beverages Served





TYPE OF BUSINESS	Fast Casual Restaurants
YEAR OF INVESTMENT	2018
IMPACT THEMES	Sustainable Systems
SDGS	3, 8, 11, 12

MIXT's mission is to bring better eating to everyone and has 18 locations throughout the San Francisco Bay Area, Los Angeles, Dallas, Texas, and Scottsdale, Arizona. MIXT's chef-created selection of salads, grain bowls, and sandwiches make plant-based cuisine as craveable as it is nutritious. The healthy, fast-casual restaurant distinguishes itself by sourcing the highest-quality, sustainable ingredients, and preparing everything from scratch at each restaurant. MIXT actively supports healthy lifestyles, environmental sustainability, and a people-first approach to company culture.

The food industry in the U.S. today is dominated by the production of cheap, fast, streamlined food products. Fast-casual dining is generally characterized as unsustainable, low nutrient, and cheap. Employees are paid minimally, treated poorly, and offered few opportunities for career advancement and growth. Since 2005, MIXT has been actively working to change this industry paradigm by offering fresh, locally sourced food and fostering a sense of community in their restaurants. Across its 18 stores, two-thirds of managers are promoted from within the organization. In 2022, 35 individuals were promoted to leadership positions, including general managers, managers in training, and store leaders. This represents a 50% increase in internal promotions compared to the previous year. These opportunities for advancement recognize the value of responsible growth and a commitment to caring for the entire MIXT team. The company wants their employees to find purpose in their work, so they promote from within and nurture team members to grow professionally.

MIXT also has a sister restaurant called Split, which is an American Kitchen that serves breakfast, lunch, and dinner with two locations in San Francisco.

2022 Impact at a Glance

258
Total Employees

83
Net Jobs Created

83%
Leaders Promoted
from Within

1.6M
Organic and Healthy Meals
and Snacks Served
(9M Since Investment)

800K
LBS of Organic/Fair Trade
Material Purchased
(3.9M Since Investment)

Awards

NATION'S RESTAURANT NEWS
THE POWER LIST, LESLIE
SILVERGLIDE | 2022



ECONOMIC MOBILITY AND WORKFORCE DEVELOPMENT

Professional development is a consistent focus for the company, with programs in place to nurture team members to grow as leaders. Across its 19 stores, two-thirds of managers are promoted from within the organization. In 2022, 35 individuals were promoted to leadership positions, including general managers, managers in training, and store leaders. This represents a 50% increase in internal promotions compared to the previous year. These opportunities for advancement recognize the value of responsible growth and a commitment to caring for the entire MIXT team.

2/3

Leaders Promoted
From Within

3

Years of Average Employment

HEALTHY LOCAL FOOD SYSTEMS

In order to support a thriving local food system, MIXT sources hundreds of local and organic ingredients. Butter lettuce comes from Local Bounti farm. The farm uses 90% less water and 90% less land than traditional agriculture and has two facilities in Carpinteria and Oxnard, CA, designated Opportunity Zones. Over 70% of Local Bounti employees are from the community and the company focuses on training and promoting from within to build good local jobs.

MIXT also partners with Hollister, CA farm, Jayleaf to source organic MIXT greens, arugula, and baby kale. The certified organic farm is also home to a 100% solar-powered processing plant. Jayleaf employs regenerative agriculture practices such as cover crops, crop rotations, minimal till, and retrofitted sprinkler heads. These methods not only promote soil fertility and biodiversity but also help to conserve water. Their sustainability efforts extend from the fields and into their facilities, with recycled wash water, a green waste compost program, reduced corrugated packaging footprint, and eco-friendly plastic liner alternatives.



99%

Waste Diverted from Landfills

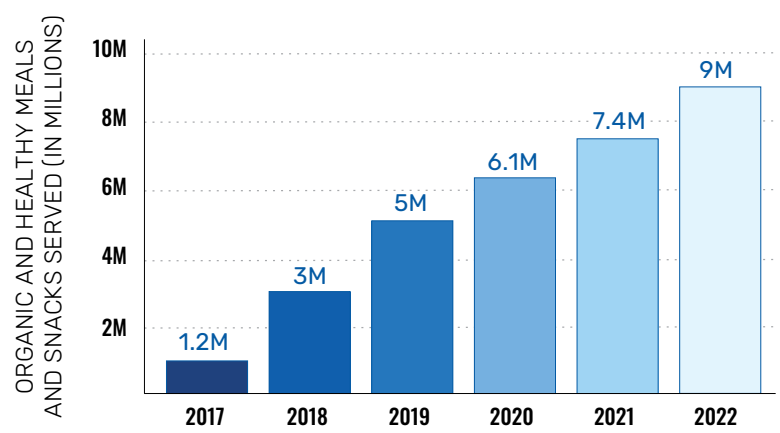
102

Farm Fresh Ingredients Sourced





Cumulative Organic and Healthy Meals and Snacks Served



Endnotes

- ¹ <https://impactfrontiers.org/norms/five-dimensions-of-impact/>
- ² <https://impactfrontiers.org/norms/>
- ³ <https://www.globalgoals.org/>
- ⁴ fsg.org/resource/competitive-advantage-racial-equity
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- ⁸ bcorporation.net
- ⁹ bcorporation.net/about-b-lab
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- ¹⁹ <https://www.forbes.com/sites/jefffromm/2019/07/26/gen-z-and-the-three-elements-of-purpose-brands/?sh=1840430e37e3>
- ²⁰ 2xchallenge.org/criteria
- ²¹ unpri.org/signatories
- ²² acelero.net/approach
- ²³ acelero.net/results

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THE BUILDERS FUND

Thank you for taking the time to read our report. We welcome your questions and feedback. You can get in touch with us at:

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