



THE BUILDERS FUND

# 2019 Impact Report

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Private Equity with Purpose

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## 01 | Executive Summary

When Builders Fund launched, our vision was to make meaningful investments of capital into responsibly-run businesses which improved the world; and via our success, help to shift the landscape of the financial services sector toward one which is more sustainable, systems-aware, and responsible to the full spectrum of related stakeholders, not just shareholder profit. Four years into our journey, that vision continues to guide us. We are grateful for this opportunity to reflect back on the work we have supported thus far, and excited to share these highlights from our portfolio companies and their social and environmental impact.

We also remain as convinced as ever by our original theses – that purpose driven brands are winning in the marketplace due to shifting demographics and increased transparency; that the alignment of values, culture and an activist brand can be harnessed to create competitive advantages in the marketplace; that operationally-oriented private equity funds outperform their peers; and that “systems responsibility” will increasingly be a source of competitive advantage for companies in the context of rising awareness of climate change and finite global resources. We see evidence of that in the data, the market, the deal pipeline and in our portfolio.

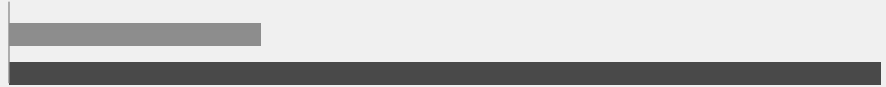
# The Numbers

## Impact Area: Workers

### Jobs Created

2018 | 216

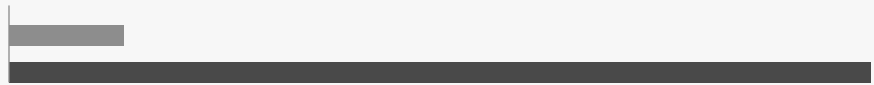
Since Investment | 994



### LMI Jobs Created

2018 | 17

Since Investment | 258



### % Worker Living Wage

2018 | 100%



## Impact Area: Sustainable & Regenerative Sourcing

### Lbs of Organic, Fair Trade, and Ethical Herbs & Produce Purchased

2018 | 10,302,014

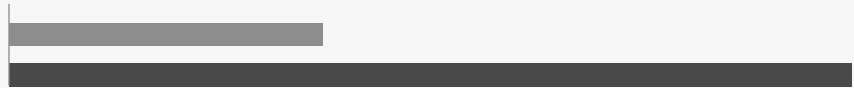
Since Investment | 18,293,457



### Purchases from Improved Trade Practices

2018 | \$9,129,605

Since Investment | \$16,972,885



### Tons CO<sup>2</sup> Inset or Averted

2018 | 24,078

Since Investment | 140,007



## Impact Area: Sustainable Operations

### Kwh Renewable Energy

2018 | 1,037,554

Since Investment | 3,203,373



### Tons of Material Diversion from Landfill

2018 | 1,968

Since Investment | 3,447



# The Numbers

## Impact Area: Social Investment

### Social Impact Dollars Invested & Charitable Donations



## Impact Area: Health Impact

### Organic & Healthy Meals Served

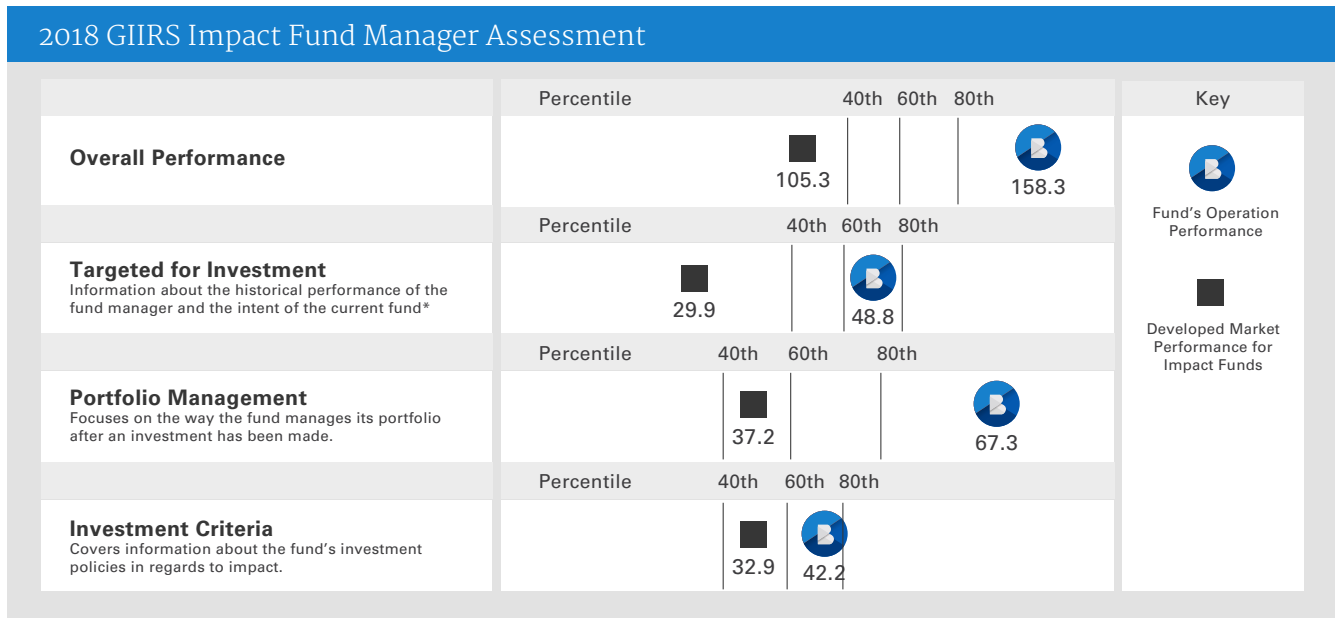


## Impact Area: Human Elevation

### Lives Impacted in Underserved Communities



## In 2018, Builders Fund scored near the top of all assessed impact fund managers of the GIIRS Impact Fund Manager Assessment.



Our fund is **deeply engaged with B Corp certification and tracking processes** as a means to amplify ESG-related impact.

### 2018 Portfolio Companies Overall Fund Rating

Portfolio Company	IBM Rating	Overall B Score	B Corp Status	Year of Certification
Traditional Medicinals	<b>PLATINUM</b>	127	Certified	2010
MPOWERD Inc.	<b>GOLD</b>	104	Certified	2014
Urban Remedy	<b>GOLD</b>	84	Certified	2018
MIXT Greens	<b>SILVER</b>	88	Certified	2018
The Bar Method	<b>BRONZE</b>	62	In Process	Pending

### 2018 Builders Fund Overall Fund Rating

B Impact Report			IBM Rating	Operations Rating
Certified Since: March 2015				
<b>Summary:</b>	<b>Company Score</b>	<b>Median Score*</b>	<b>Overall B Score</b>	<b>GOLD</b>
Environment	16.1	7	Governance	<b>PLATINUM</b>
Customers	68.3	18	Workers	★ ★ ★ ★ ★
Community	27.1	17	Community	<b>PLATINUM</b>
Governance	17.3	6	Environment	<b>PLATINUM</b>
<b>Overall B Score</b>	<b>128.8</b>	<b>50.9</b>	Customers	<b>BRONZE</b>

80 out of 200 eligible for certification  
 \*Of all businesses that have completed the B Impact Assessment  
 \*Median scores will not add up to overall

\*The Overall Impact Business Model and Overall Operations Ratings are derived from a weighted average of each portfolio companies' scores on the B Impact Assessment (BIA), based on the amount invested.



## Stories from the Field

Beyond the numbers, we saw meaningful positive impact on people's lives across each of our portfolio companies in 2018.



**Traditional Medicinals** and its foundation staff worked with 600 individuals in farming communities in Paraguay to develop a project where participants sustainably source and harvest honey. After just one harvest, these households experienced a 3% increase in their annual household incomes.



**Urban Remedy** helped launch a pilot program with Peres Elementary School in Richmond, CA and Conscious Kitchen, a nonprofit dedicated to addressing food equity and access in schools through the provision of local, organic, seasonal, and non-GMO lunches. The program is exploring the feasibility of providing healthy lunches to students on a regular basis at scale and serving healthy meals to the 550 students at the school.



**MPOWERD** partnered with the Papua New Guinea Tribal Foundation on Light Up PNG, a project that works with women entrepreneurs who have experienced marginalization, ostracization, or physical harm in their communities. In addition to providing safe housing and basic needs to women in acute need, the program provides entrepreneurial training and support for women to start their own microenterprise selling Luci in their community. To date, the program has benefited hundreds of women and their families.



All 120 of the **Bar Method** franchised studios are women-owned. The model for women-owned businesses and what they can accomplish is exemplified by two individuals. Kat and Alysia are both based in Los Angeles and decided to become franchisees early on in Bar Method's development, opening the 3rd and 4th studios, respectively. Kat has since opened three Bar Method studios and is has mentored other entrepreneurs, such as Alysia, to do the same. She describes how her motivation comes from her personal experience, saying, "the impact we have on people's lives starts with the impact Bar Method had on my life." In 2018, the Bar Method supported 13 other entrepreneurs like Kat and Alysia to open their own franchises and the company has supported this process for 43 entrepreneurs since the initial Builders Fund investment.



**Mixt** works to foster a strong connection between community, employees, and healthy eating in each of its stores. Through holistic practices that focus on the whole person, Mixt is supporting customers and employees alike in achieving a healthy lifestyle. In 2018, Mixt served more than 1.8 million healthy meals to customers nationwide in addition to providing over 100,000 free shift meals to every employee each time they worked. In Mixt's Oakland, CA location, customers connected through a shared experience of nourishing themselves and caring about what they put into their bodies. The Mixt model encourages customers and staff to be themselves and provides an opportunity for them to get to know their bodies through healthy eating. One Oakland customer said, "Fresh, healthy, minimize plastic, and yet you get a wide range of choices. Uptown's restaurant scene needs a place for people to meet where they don't have to regret what they ate the next day in order to see their friends."



## 02 | Who we Are

**Our vision is to improve the world through the profitable deployment of capital into more conscious businesses.**

Builders Fund is a growth and small cap buyout stage private equity fund private equity fund seeking to help catalyze a shift in capitalism toward social and environmental systems responsibility. We launched in 2015 and subsequently raised an initial \$50+ million pool of capital from a group of founders, operators, foundations, endowments and fund of funds with a vision of leveraging our collective expertise to generate financial returns exclusively through investments into purpose-driven businesses that improve the world. We focus on investing in and building companies whose products, services and supply chains intrinsically deliver positive social and environmental benefit and seek to build total systems responsibility across their corporate ecosystems. We see these companies winning in the marketplace by

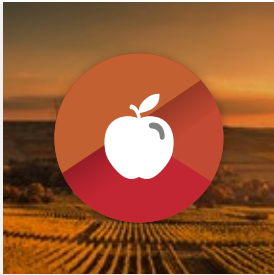
leveraging values alignment to win the talent wars, increase employee and consumer engagement, drive customer loyalty, and lower the cost of customer acquisition.

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 more holistic stakeholder approach. The Builders Fund was formed to celebrate and support the entrepreneurs, leaders and builders that are crafting a better future.

## How we Invest

Thematically, we seek to invest in entrepreneurial companies which are led by values-driven management teams working to improve the world by building activist brands and authentic cultures around purpose greater than the profit motive alone. The fund typically makes \$5-\$15m structured equity investments into established, high-growth

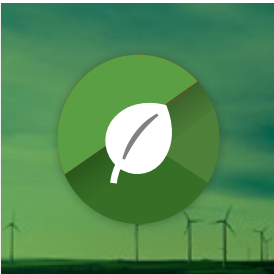
North American businesses which are consumption driven and have revenues between \$10-100m and positive cash flow. Our four current investment themes are based on the combination of our expertise, the macro environment and the opportunity for disruptive, purpose-driven businesses to win at the emerging growth stages of the lifecycle:



### Sustainable Food & Ag

*Fixing a broken industrialized food system via:*

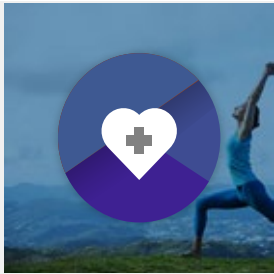
- Organic / healthy food & beverages
- Natural grocery
- Organic / healthy restaurants & cafes
- Regenerative agriculture
- Sustainable fishing & aquaculture
- Greenhouse / vertical farming



### Resource Efficiency

*More efficient use of limited resources on a finite planet and climate change mitigation via:*

- Clean energy products
- Recycling / circular economy
- Sustainable consumer products
- Green building materials
- Renewables / Solar



### Health & Wellness

*Addressing the obesity and chronic disease crisis via:*

- Preventative health & human services
- Fitness clubs
- Outdoor & active lifestyle products/services
- Mind / body health
- Events



### Human Elevation

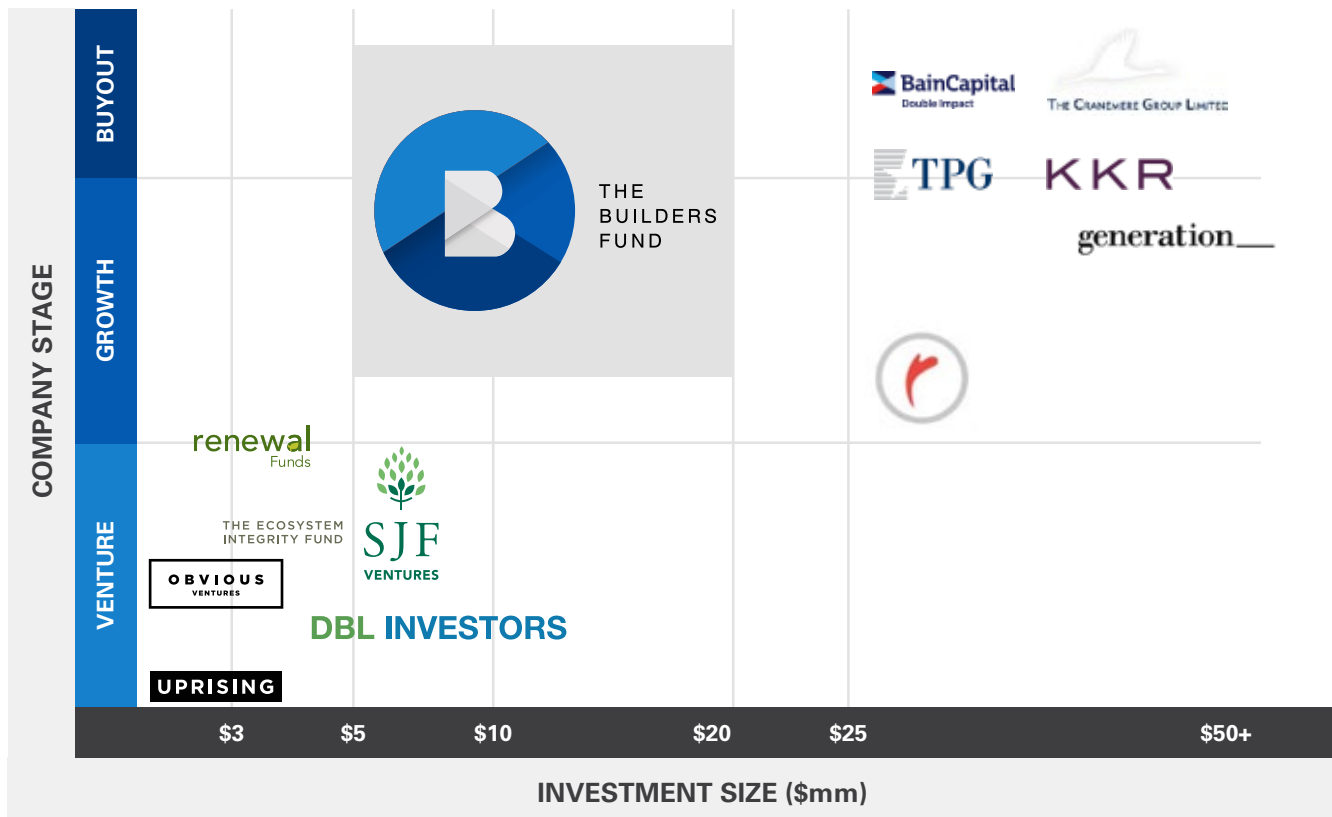
*Social justice, job creation, equality, human rights via:*

- Regional job creation (LMI communities)
- Job training & education
- Fair trade
- Conscious supply chains

## 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 emerging markets, real assets and venture capital, almost none targeted small cap buyouts and growth stage companies in North America with a private equity portfolio approach. 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 opportunity for real impact in that domain.

We subsequently have brought an ability to customize investment structures 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”, enables our portfolio companies to scale sustainably and create shared value across their corporate ecosystem, all while protecting their mission and purpose.

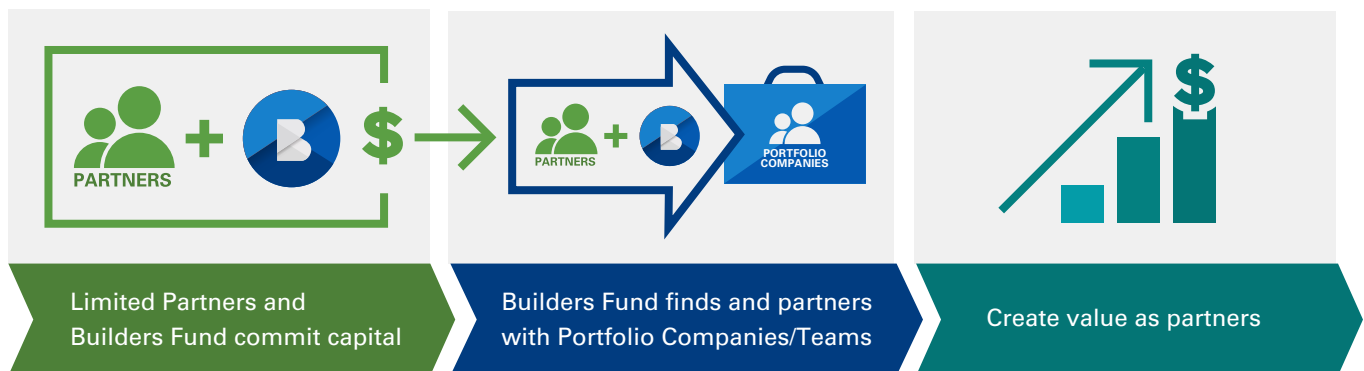


## How we Build

**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 customized and hands-on approach with each company in our portfolio. We partner closely with our management teams, who we ultimately hope can join our group of Builders to help scale our impact more broadly. We also believe that by

investing and helping to scale purpose-driven and systems-responsible businesses we can scale their broader social and environmental impact, and that by building great businesses with a long-term perspective, financial returns take care of themselves. Diversity and inclusion are core values that guide our approach, from the selection of new partners to the customized support we provide the leadership at each company. We know that equitable and inclusive practices are better for business and people alike.



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

## Alignment with the United Nations SDGs

The United Nations Sustainable Development Goals (SDGs) offer a roadmap to a sustainable future for people and the planet<sup>1</sup>. The goals were developed and adopted by all United Nations member states in 2015 to address the most pressing environmental and social issues we face today. These 17 goals represent urgent calls to action that are steeped in the principles of global partnership and equity. They have also become increasingly accepted

as a universal measure of impact alignment for nations, companies, and organizations. The SDGs serve as guiding principles for Builders Fund as we seek to make an impact through our investments and to develop indicators to monitor and evaluate impact of our portfolio companies. Through our investment focus areas, Builders Fund is supporting the achievement of 13 SDGs.

### SUSTAINABLE DEVELOPMENT GOALS



Sustainable Food & Ag



Resource Efficiency



Health & Wellness



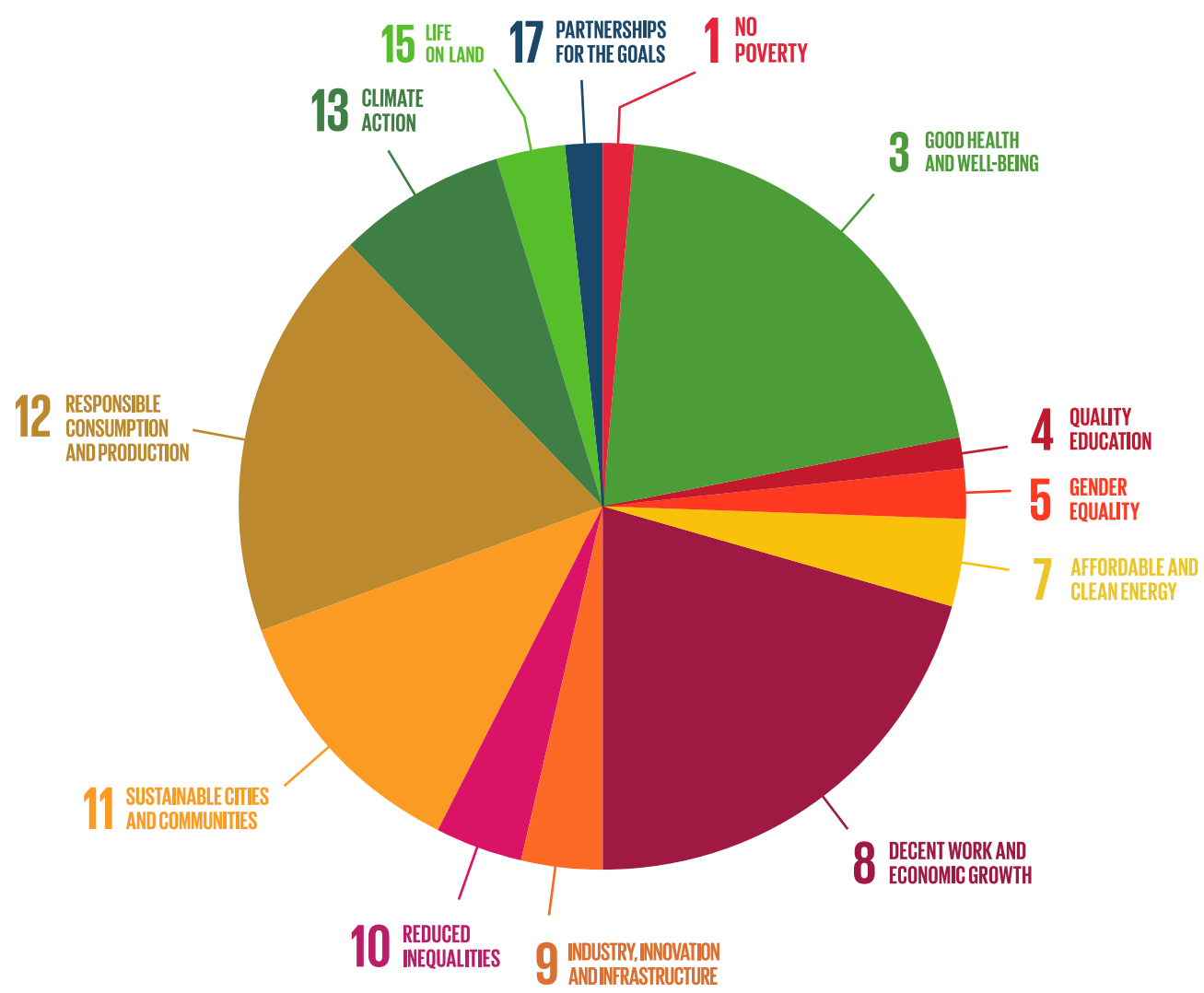
Human Elevation



<sup>1</sup> <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>



Through our portfolio company investments, Builders Fund is supporting the achievement of 13 SDGs.<sup>ii</sup>



<sup>ii</sup>This illustration is intended to be a visual representation of the fund's overall alignment to the SDGs through the work of Builders Fund portfolio companies. It is not intended to demonstrate a direct relationship between dollars spent on specific activities related to the goals. The percentages have been weighted based on equal distribution of goals associated with each portfolio company.

## B-lieving in B Corporations

The future of capitalism is a more integrated, systemically-aware approach to investing and company building. We envision a sustainable financial system which values financial, human, and natural capital in balance. To support this vision, The Builders Fund became a Certified B Corporation ourselves in 2015, our first year of operations. “Certified B Corporations are a new kind of business that balances purpose and profit. They are legally empowered to consider the impact of their decisions on their workers, customers, suppliers, community, and the environment. This is a community of leaders, driving a global movement of people using business as a force for good.<sup>iii</sup>”

### What makes us a better company?

#### B Impact Report

Certified Since: March 2015

Summary:	Company Score	Median Score*
Environment	16.1	7
Customers	68.3	18
Community	27.1	17
Governance	17.3	6
<b>Overall B Score</b>	<b>128.8</b>	<b>50.9</b>

80 out of 200 eligible for certification

\*Of all businesses that have completed the B Impact Assessment

\*Median scores will not add up to overall



We see Certified B Corporations as an integral part of our approach to investing: for setting baseline standards, visibility and accountability around key metrics related to our investments’ impact. 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. Builders Fund is proud to be a Certified B Corporation and we aid each of our investment companies in achieving the same standard. The certification process is overseen by B Corp’s nonprofit partner, B Lab, and allows companies to establish and maintain socially and environmentally sustainable practices over time.<sup>iv</sup>

<sup>iii</sup> [https://bcorporation.net/?gclid=CjwKCAjwlujnBRBIEiwAuWx4LZVsejCAPP-PU\\_KEpTK2hrbHDRuV5Mq2clDbDBZYkXRC7O8juAajzhoCINwQAvD\\_BwE](https://bcorporation.net/?gclid=CjwKCAjwlujnBRBIEiwAuWx4LZVsejCAPP-PU_KEpTK2hrbHDRuV5Mq2clDbDBZYkXRC7O8juAajzhoCINwQAvD_BwE)

<sup>iv</sup> <https://bcorporation.net/about-b-lab>

# B-lieving in B Corporations

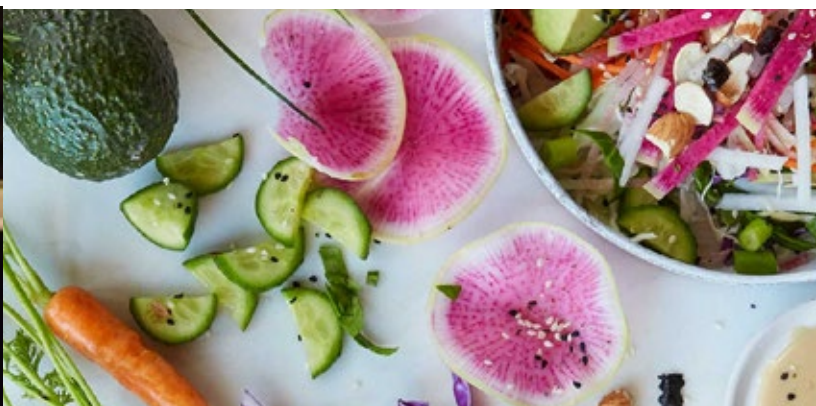
Our portfolio companies are **deeply engaged in the B Corp certification and tracking process**, often outperforming

02 | Who we Are

2018 The Builders Fund Overall Fund Rating		
	IBM Rating	Operations Rating
<b>Overall B Score</b>	<b>GOLD</b>	★★★★☆
Governance	<b>PLATINUM</b>	★★★★★
Workers		★☆☆☆☆
Community	<b>PLATINUM</b>	★★★★★
Environment	<b>PLATINUM</b>	★★★★★★
Customers	<b>BRONZE</b>	

\*The Overall Impact Business Model and Overall Operations Ratings are derived from a weighted average of each portfolio companies' scores on the B Impact Assessment (BIA), based on the amount invested.

2018 Portfolio Companies Overall Fund Rating					
Portfolio Company	IBM Rating	Operations Rating	Overall B Score	B Corp Status	Year of Certification
Traditional Medicinals	<b>PLATINUM</b>	★★★★★	127	Certified	2010
MPOWERD Inc.	<b>GOLD</b>	★★★★☆	104	Certified	2014
Urban Remedy	<b>GOLD</b>	<b>RATED</b>	84	Certified	2018
MIXT Greens	<b>SILVER</b>	★★★★☆	88	Certified	2018
The Bar Method	<b>BRONZE</b>	<b>RATED</b>	62	In Process	Pending





## 03 | Measuring Impact

**We seek aligned management teams, activist cultures and scalable, profitable business models**

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 “companies that matter”. We take a holistic view of our impact, acknowledging that there is not a universally agreed upon definition of impact and that the objective of this report is to reflect on the work and progress that has been accomplished at a micro and macro level. This report will not address debates surrounding academic definitions or methodologies for impact assessment and will not attempt to

rank or pit the impact of one company against any others. Our goal is to transparently examine and share the work we have been doing using the tools that are 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).

## Our Investment Approach

### Theme based Investments

We make investments around well-researched market themes where platform companies can be built and we can add value.

### Conscious companies

Key criteria for selecting targets are evaluated systematically including a driven management team committed to building a transformational business, aspirational culture, and an inherently profitable model with the potential to scale as a platform in a key thematic area.

### Partnership Philosophy

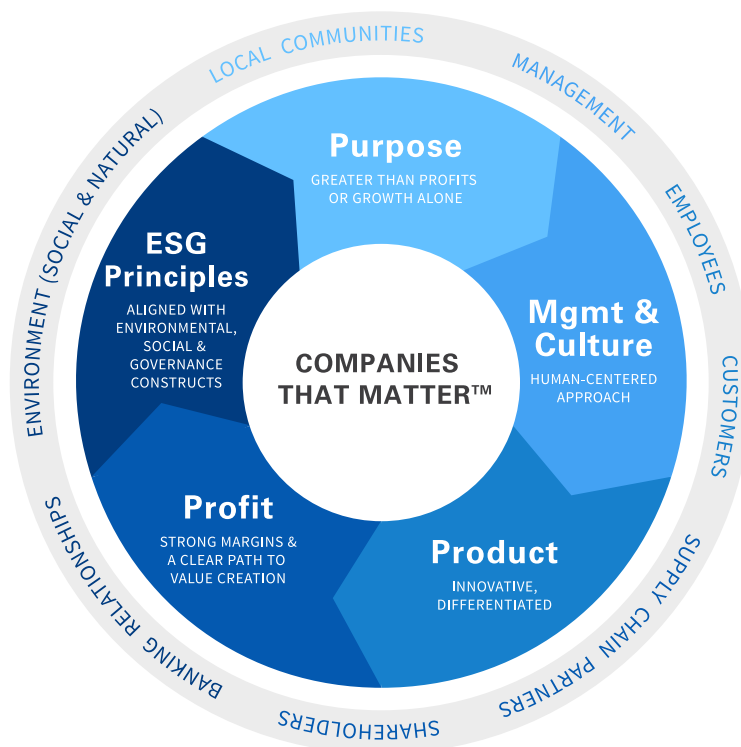
We believe that great investments are built on great partnerships and value is created by investing in, and working hand-in-hand with, great management teams.

### Fundamental Value Creation

We believe that success in private equity is driven by creating value at companies versus capital markets transactions. In each investment, we allocate capital to execute approximately 3-4 key alpha generating strategies and take a hands-on approach.

### Respect for the Business

We maintain a strong preference for returns driven through earnings improvement versus financial leverage and a focus on long term value creation.



## Why Measure Impact?

- To take stock of where we are and what we have accomplished.
- To learn and improve upon our practices over time.
- To engage our portfolio companies in similar improvement.
- To motivate ourselves and others to continue pushing this agenda forward.

## Value Creation

In addition to third party verification through B Lab and GIIRS, The Builders Fund uses rigorous internal processes to track social and environmental impact.



## How do we do it?

The impact measurement in this report is based on inputs from third party verifications such as B Lab and GIIRS, an internal process we have developed to gather and track information with our portfolio companies, and the widely supported framework of the United Nations SDGs.

GIIRS and B Lab help set baselines to measure against for additionality and they allow us to track progress towards goals and aggregate our

impact across all of our investments. Our close collaboration and partnership with our portfolio companies has also provided 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 firm itself.



## Limitations

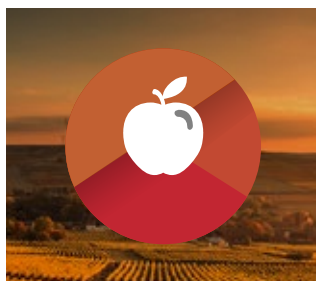
Broadly speaking, The Builders Fund has chosen to build companies that can scale their positive impact naturally through sustainable growth. In some instances, we choose to prioritize driving overall growth and improvement of portfolio companies instead of focusing on individual benchmarks, so this report 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. This report is intended to be the first in a series of impact reports. As such, it will support the development of a standard reporting process for The Builders Fund, provide context and learning for forthcoming iterations, and serve as an opportunity for further growth and alignment around portfolio company data collection in the future.

## 04 | Fund Impact

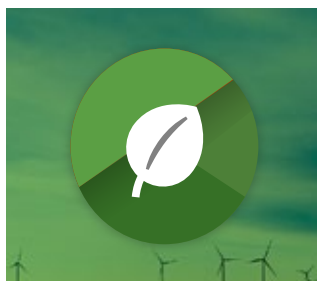
### Investment Themes

The work in which Builders Fund portfolio companies are engaged supports the scaling of impact across our investment themes: sustainable food & agriculture; health & wellness; resource efficiency; and human elevation. We believe that by engaging each portfolio company in the development and tracking of key impact performance indicators as well as the annual review process associated with B Corp certification, we are able to engage our management teams in an iterative dialogue around the holistic social and environmental impacts each company creates.



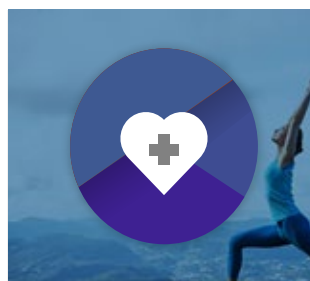
#### Sustainable Food & Agriculture

*Fixing a broken industrialized food system*



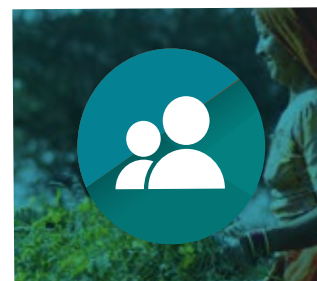
#### Resource Efficiency

*Focus on efficient use of resources and climate change mitigation*



#### Health & Wellness

*Addressing the obesity and chronic disease crisis*



#### Human Elevation

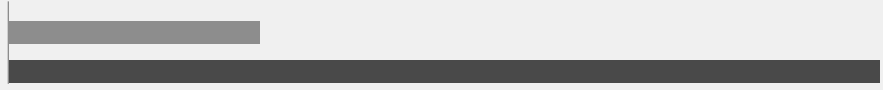
*Social justice, job creation, equality, and human rights*

## Impact Area: Workers

## Jobs Created

2018 | 216

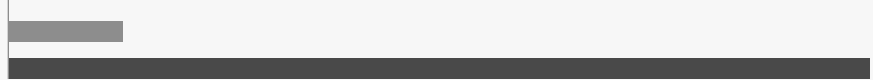
Since Investment | 994



## LMI Jobs Created

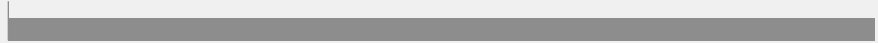
2018 | 17

Since Investment | 258



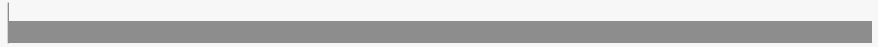
## Total Employees

2018 | 2,751



## % Worker Living Wage

2018 | 100%



## Women-Owned Business Franchises Started

2018 | 11

Since Investment | 43



## Impact Area: Social Investment

## Social Impact Dollars Invested

2018 | \$1,041,070

Since Investment | \$3,728,719



## Charitable Donations

2018 | \$128,742

Since Investment | \$1,825,227

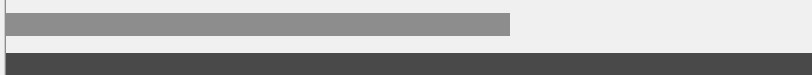


## Impact Area: Health Impact

## Organic &amp; Healthy Meals Served

2018 | 5,903,174

Since Investment | 9,413,174



## Total Workouts

2018 | 3,109,613

Since Investment | 9,028,925



## Impact Area: Sustainable &amp; Regenerative Sourcing

## Lbs of Organic, Fair Trade, and Ethical Herbs &amp; Produce Purchased

2018 | 10,302,014

Since Investment | 18,293,457



## Purchases from Improved Trade Practices

2018 | \$9,129,605

Since Investment | \$16,972,885



## Tons CO2 Inset or Averted

2018 | 24,078

Since Investment | 140,007



## Fair/Ethical Premium Dollars

2018 | \$184,844

Since Investment | \$298,275



## Impact Area: Sustainable Operations

## Kwh Renewable Energy

2018 | 1,037,554

Since Investment | 2,134,689



## Tons of Material Diversion from Landfill

2018 | 1,968

Since Investment | 3,447



## Tons of Mixed Plastic and Cardboard Recycling

2018 | 185

Since Investment | 378



## Impact Area: Human Elevation

## Lives Impacted in Underserved Communities

2018 | 468,021

Since Investment | 1,881,401



## Quick Stats

4

B Corp Certified  
Companies in Portfolio

41

Total Key Performance  
Indicators



### 2018 B Corp Award Winners of:

Best for the World: Overall Award

Best for the World: Customers Award

Best for the World: Changemakers Award

## GIIRS Ratings

In 2018, the overall performance of The Builders Fund was rated in the top quartile of GIIRS-rated private equity funds based on the annual Fund Manager Assessment for GIIRS Impact Rating. This assessment evaluates how impact has been built into the structure of the fund. The Fund Manager Assessment is designed to capture the impact intent of the fund and covers topics regarding a fund's policies and practices in deploying and managing capital. Funds receive a percentile rating based on their relative performance of over 125 funds that have completed the Fund Manager Assessment and had their data validated by B Lab .

### 2018 GIIRS Impact Fund Manager Assessment

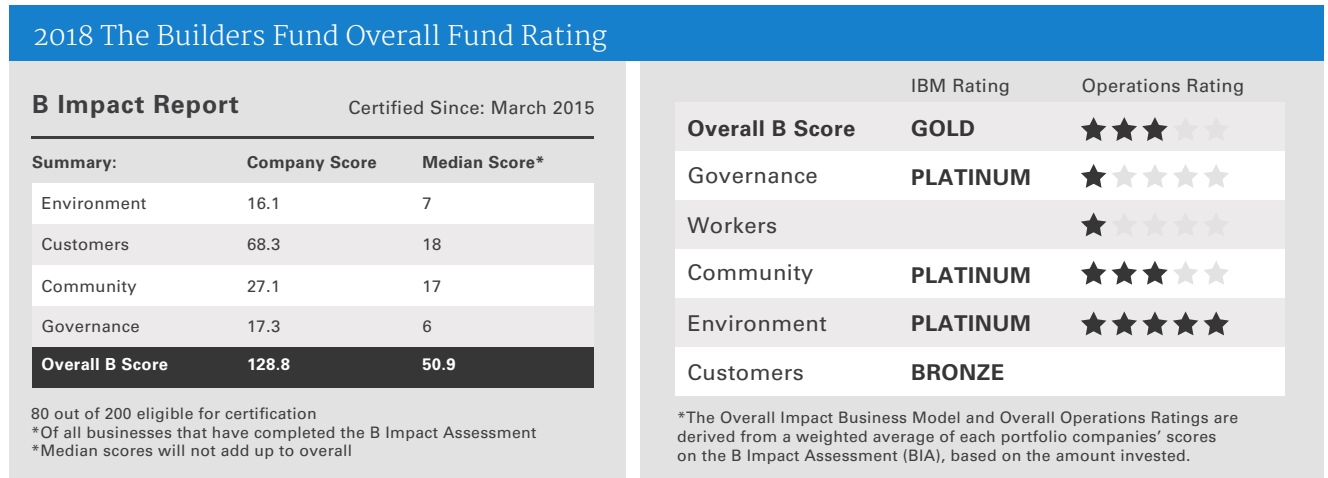
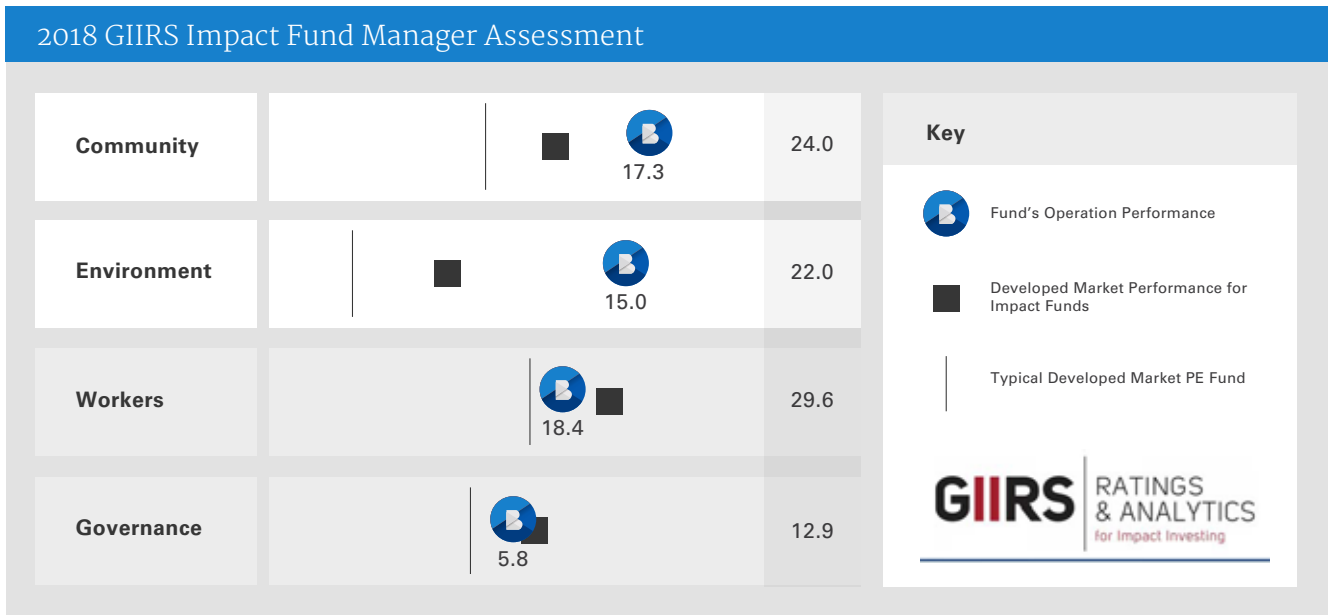
	Percentile	40th	60th	80th	Key
<b>Overall Performance</b>	105.3			158.3	Fund's Operation Performance  Developed Market Performance for Impact Funds
<b>Targeted for Investment</b> Information about the historical performance of the fund manager and the intent of the current fund*	29.9		48.8		
<b>Portfolio Management</b> Focuses on the way the fund manages its portfolio after an investment has been made.	37.2			67.3	
<b>Investment Criteria</b> Covers information about the fund's investment policies in regards to impact.	32.9	42.2			





# GIIRS Ratings

In 2018, Builders Fund outperformed other impact funds who also undergo the GIIRS impact rating process in the categories of community and environment and outperformed typical developed market private equity funds in all categories: Governance, Workers, Community, and Environment. We are focused on continuing to make improvements in the categories of Governance and Workers.



## Creating Impact Alignment Internally

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, Builders believes in creating structural alignment to generate positive impact through our own operations.

### Fund Terms

*Taking a long-term view*

We believe fundamental problems with the current financial system have been major drivers of the intractable social and environmental challenges we face today, namely the focus on 1) the primacy of the shareholder over other stakeholders, 2) extracting value for those shareholders vs. creating systems of perpetual value creation for the broader stakeholder set and 3) operating with a short term perspective. In order to align our structure to better counter these issues, we created a 14-year time horizon from our inception, thereby supporting more exit flexibility than is typical in private equity. We believe, in fact, 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. This allows us to stay with successful companies longer, creating more

value for our limited partners instead of just returning capital over short periods, creating taxable events and renewed capital risk. This also means there is less pressure for companies to focus on short term capital events, which often create perverse incentives, and are instead able to partner to build long term value, regenerative corporate practices, and companies that are “built to last” vs. “built to flip.”

### Market Dynamics

*Focusing on an underserved market for values-driven companies.*

Traditional fund economics, which drive general partners “up-market” toward larger pools of capital and larger management fees, means that investments the size that The Builders Fund offers (\$5-\$15m at entry) are not widely available for growth stage companies. We believe we can play an important role in the capital landscape for mission-driven founders and families that need capital for liquidity or growth initiatives. By providing these size investments paired with meaningful intellectual capital and operating expertise, Builders is able to meet growth stage companies where they are, enabling them to scale sustainably and protect their culture, purpose and missions. In so doing we are also building an ecosystem of investable purpose-driven companies, which will build scale in the impact investment ecosystem.



## Diversity and Inclusion

*Equitable practices come first*

Businesses and boards alike outperform when they are more diverse and inclusive. Studies show that companies that are gender diverse are 15% more likely to outperform others, while those that are ethnically diverse are 35% more like to. Furthermore, companies that have more women in the C-Suite are more profitable in general and female CEOs tend to perform 63% better than their male counterparts. Armed with this knowledge, we have sought out women-owned and women-managed businesses and following our investment seeks to improve diversity within our boards, management teams and employee bases. Each company in our portfolio currently has someone who identifies as female as its founder or CEO, in addition to other C-Suite level positions:

### **Traditional Medicinals:**

- female co-founder
- female CFO

### **MPOWERD:**

- female CEO

### **Urban Remedy:**

- female founder

### **MIXT:**

- female co-founder and CEO

### **Bar Method:**

- female founder
- female COO/CFO

Across our portfolio, we are working on improving the diversity at all levels of the companies. At Traditional Medicinals, an independent female board member was added in 2018 and the company recently launched an improved framework for hiring and HR practices that are steeped in diversity, equity, and inclusion practices, such as interviewing a representative cross-section of the local population in any formal interview process for new positions at its portfolio companies. We study and share such practices with all portfolio companies in order to advocate for a diverse and inclusive hiring process that is competitive and selective.

## Equity Incentives

*Shared economic value creation*

In each of our investments, we work to create options to share equity incentives with our management teams and employees. This pool serves to create the fully diluted shares of the company and serves to create and maintain economic value for those who are integral to the success of the company.

## Protecting Mission

*Maintaining the ethos of our companies.*

While our focus and approach to diligence generally ensures that each portfolio company has a strong purpose and mission, we acknowledge that maintaining these values throughout a growth stage is integral to the

<sup>xii</sup><https://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>

long-term success of any business that seeks to benefit all stakeholders. Accordingly, we work to strengthen and sustain the social missions of our portfolio companies through B Corp certification and maintenance. This framework also allows companies to better measure their social and environmental impacts and provides a framework for Builders to provide oversight, support, and feedback. Thereafter, it becomes an important driver of mission-protection at exit.

## Partnership

*Building lasting relationships.*

Our model is set up to add real value after investment. Approximately 75% of our investors are former C-Suite executives and founders who are committed to investing not just financial capital, but also intellectual capital in pursuit of our shared vision for a better form of capitalism. This bench of “builders” serves ultimately as a uniquely well-resourced group of operating partners to us as a partnership and in the service of making our portfolio companies successful. They are serving as Executive Chairmen, as board members, and as advisors in meaningful ways. Our methodology is to work in partnership with each portfolio company to meet their specific needs, anything from advisory support on projects such as a strategic rebrand, to leading day long sessions at companies to align their teams to the mission, vision, and values. The Builders Fund has spent countless hours working in close

partnership at the company level. For example, in 2016, we facilitated a group session at the Bar Method, working with company leadership and employees to highlight the purpose of the company, align that with its long-term vision. This led to a full brand refresh that further aligned the company’s mission, vision, and values to its culture and the external manifestation of their brand. We have supported similar strategic discussions and brand refreshes at Urban Remedy, Traditional Medicinals, and MIXT.

## Building Activist Brands

*Walking the walk*

To truly engage a company’s stakeholders, from employees to consumers to the communities in which a business exists in an authentic way which aligns with a company’s “reason for being”, we encourage portfolio companies to stand for something. For example, Urban Remedy is a vocal thought leader in the food industry for sustainable food production and healthier diets. 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 via sustainable agriculture. Bar Method exists to empower women. MPOWERD exists to provide clean energy products to the millions of people globally who lack consistent access to a grid. Their brands authentically speak to these issues and their cultures attract team members who believe in the importance of that work.



Our portfolio companies also make regular donations to nonprofits that are similarly aligned with those values. These structured contributions not only support the work of community-run organizations, they also help build the strength and character of companies as active, engaged leaders in their fields.

Builders also encourages companies to offer their employees paid leave to volunteer at nonprofits.

Traditional Medicinals funds its aforementioned aligned nonprofit, **Traditional Medicinals Foundation**, which designs and oversees community development initiatives in the company’s supply chain communities. Traditional Medicinals also donates to **WomenServe**, an organization dedicated to promoting the empowerment of women and girls through education and income generation initiatives.



In 2018, MPOWERD partnered with **Hope for Haiti Foundation** to provide Luci Lights to a number of initiatives that build and support strong community structures in Haiti. In total, 2,000 Luci lights were deployed to projects that focus on emergency response, education, entrepreneurship, and public health. The provision of these lights was made possible by MPOWERD’s scaled model. This is one of many examples of MPOWERD’s charitable activism within the nonprofit sector.

Urban Remedy donates food that would otherwise be purged to local food banks and nonprofits on a daily basis. They work with local non-profits Urban Tilth and Conscious Kitchen to help provide to help provide local, organic lunches to the students of Richmond public schools. 2018 activities have included volunteering during breakfast and lunch, bi-monthly Urban Remedy sponsored “Teach and Teach” sessions with Peres Elementary students and an Earth Day Peres School Garden rebuild. During the summer, members of Urban Remedy made weekly trips to the garden for upkeep. The team has also been focused on increasing the upcycling / waste diversion activities including use of pulp in crackers, veggie burgers and the new UpBeet vegan cheeseburger wrap.

## Participation in Field Building

*Thought leadership in action.*

We believe that there is strength in numbers, and we are actively working to grow our community of likeminded investors and businesses. As such, 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.



The Builders Fund works closely with our sister organization, **Gratitude Railroad**, which works to foster a strong community of impact investors. We attend and speak at the annual Gratitude Railroad conference, an actionable and participative event curated to connect the brightest investors and thought leaders and ecosystem partners to discuss, debate, and act on investment opportunities that matter. We also help to organize the Gratitude Railroad Dinner series, which brings in high net worth investors, family offices or foundations, and business leaders to explore the philosophy of impact investing and conscious capitalism.

We regularly attend industry conferences to share and learn from our partners and peers in the impact investment community, including:





## 06 | Conclusion

Consciousness, in the sense of awareness of and access to information, is emerging on a global scale, and with it, for the first time in history, the ability to harness global human resources and capital of all kinds: to create some semblance of shared purpose. As this report outlines, there is a complex value chain comprised of many individuals, organizations,

and systems that work together to support this shared purpose and the impact that Builders Fund and its portfolio companies have on people and the planet. Through our work, we hope to be a positive influence toward the emergence of a systems-responsible form of capitalism on a global scale.

Comprehensive impact assessment remains an evolving field and we will continue to refine our methodologies and share lessons learned with our partners, peers, and the public. This is the first impact report produced by Builders Fund and will be followed by subsequent reports that will reflect an iterative learning process. We are not perfect and neither are our companies. We are learning, evolving our thinking, and are not letting perfection be the enemy of good.

We are unwavering in our commitment to creating both economic, social, and environmental value through our work, and to supporting outcomes that incorporate more than just short-term wealth creation. We will continue to pursue our vision to improve the world through the profitable deployment of capital into conscious businesses and we will continue to share our progress, challenges, and learnings along the way.

We are proud to be a part of this emergent sector working to bring more capital to purpose-driven businesses. We hope our work, and the work of our colleagues in the impact community, will help us all to better comprehend the world around us as a complex, regenerative, and dynamically interdependent system with finite resources. If we can collectively shift the dominant social paradigm to that worldview, the prospect of flourishing on this planet in its truest sense can become a real possibility.



A night sky filled with stars, transitioning from a deep teal at the top to a warm orange and yellow glow near the horizon. The sun is setting on the right side, partially obscured by a mountain range silhouette. The foreground shows the dark, jagged peaks of a mountain range.

# Appendix



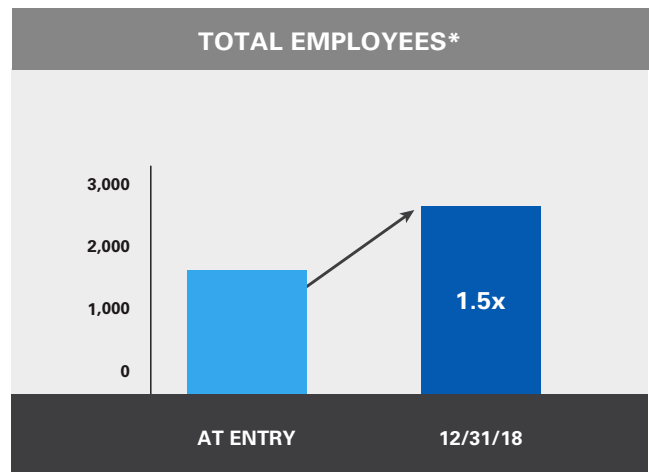
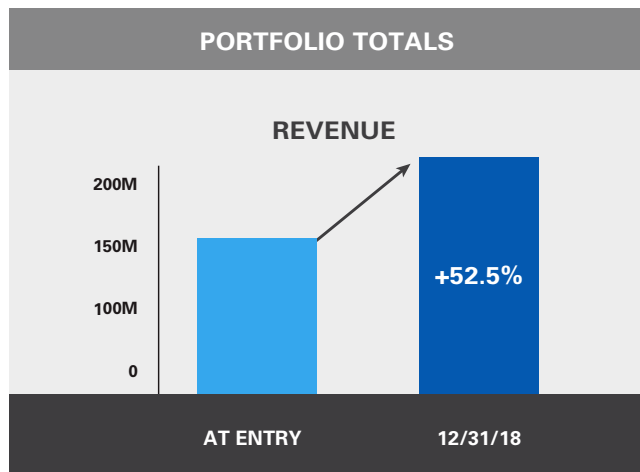
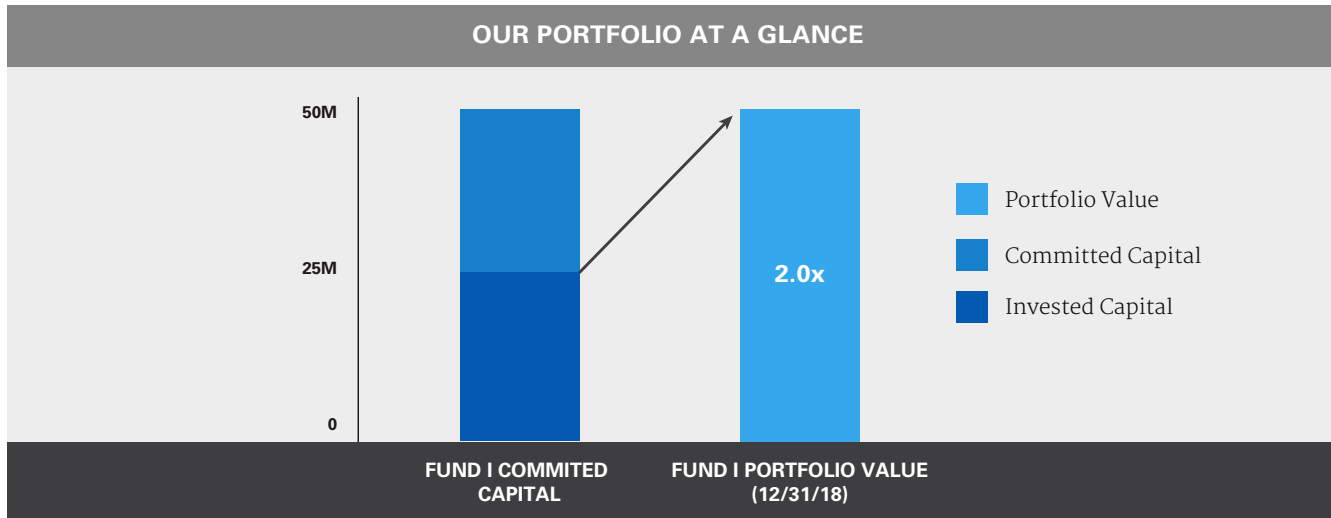
## 06 | Our Portfolio

The Builders Fund ‘1’ was launched in late 2015 and closed fundraising in early 2017. We have invested in five platform companies to date, and we work closely with the leadership at each company to measure and track progress in key areas. The following sections reflect the impact we have tracked at each portfolio company through four lenses:

1. Products/services
2. Operations
3. Special projects
4. Community engagement with staff, industry partners, and clients



# Portfolio at a Glance



\*These number reflects total number of employees in all portfolio companies at entry (though entry occurred in different years for each company) vs at the end of 2018

## 2018 Portfolio Companies



### Traditional Medicinals

Type of Business | CPG / Food & Beverages / Manufacturing

Year of Initial Investment | 2017

Impact Lenses:



### MPOWERD

Type of Business | CPG / Clean Energy Products

Year of Initial Investment | 2017

Impact Lenses:



### Urban Remedy

Type of Business | Food & Beverage Wholesale/Retail/Production

Year of Initial Investment | 2015

Impact Lenses:



### Mixt

Type of Business | Retail: Fast Casual Restaurants

Year of Initial Investment | 2018

Impact Lenses:



### Bar Method

Type of Business | Consumer Services: Fitness Clubs

Year of Initial Investment | 2015

Impact Lenses:





## Traditional Medicinals

Type of Business | CPG / Food & Beverages / Manufacturing

Year of Initial Investment | 2017

Impact Lenses |  

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 through its associated nonprofit, Traditional Medicinals Foundation.

Traditional Medicinals is a leading seller of both organic teas 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 pharmacopoeial grade herbs. This is one of the defining qualities that differentiates Traditional Medicinals from other tea brands.

# Impact at a Glance

Builders Fund has been invested in Traditional Medicinals since 2017

The impact measurement in this report is based on inputs from third party verifications such as B Lab and GIIRS, an internal process we have developed to gather and track information with our portfolio companies, and the widely supported framework of the United Nations SDGs.

06 | Our Portfolio

## Traditional Medicinals Alignment to the



# Impact at a Glance

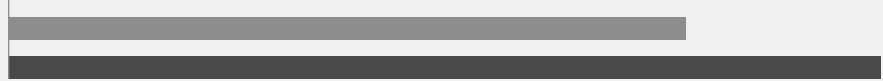
Builders Fund has been invested in Traditional Medicinals since 2017

## Impact Area: Workers

### Jobs Created

2018 | 20

Since Investment | 26



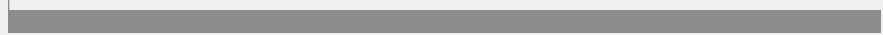
### Total Employees

2018 | 186



### % Worker Living Wage

2018 | 100%



## Impact Area: Sustainable & Regenerative Sourcing

### Lbs. of Organic Herbs Purchased

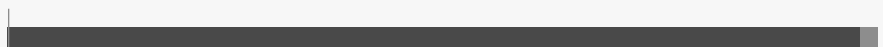
2018 | 2,232,234

Since Investment | 4,244,418



### % of Organic Herb Purchases

2018 | 99.1%



### Lbs. Fair Trade Herbs Purchased

2018 | 616,884

Since Investment | 1,164,518



### Lbs. Organic & Fair/Ethical Herbs Purchased

2018 | 629,816

Since Investment | 1,381,441



### Purchases from Improved Trade Practices

2018 | \$9,129,605

Since Investment | \$16,972,885



### Fair/Ethical Premium Dollars

2018 | \$184,844

Since Investment | \$298,275



# Impact at a Glance

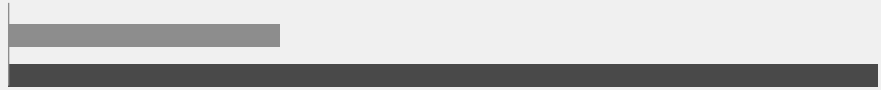
Builders Fund has been invested in Traditional Medicinals since 2017

## Impact Area: Sustainable Operations

### Kwh Renewable Energy

2018 | 1,037,554

Since Investment | 2,134,689



### Material Diversion Tons from Landfill

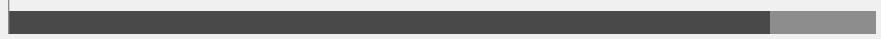
2018 | 403

Since Investment | 712



### % of Waste Diverted from Landfills

2018 | 82%



### Tons of Mixed Plastic and Cardboard Recycling

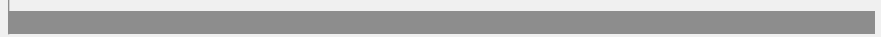
2018 | 185

Since Investment | 378



### Local Renewable Electricity used at Office

2018 | 100%



## Impact Area: Social Investment

### Social Impact Dollars Invested

2018 | \$1,041,070

Since Investment | \$2,285,367



### Charitable Donations

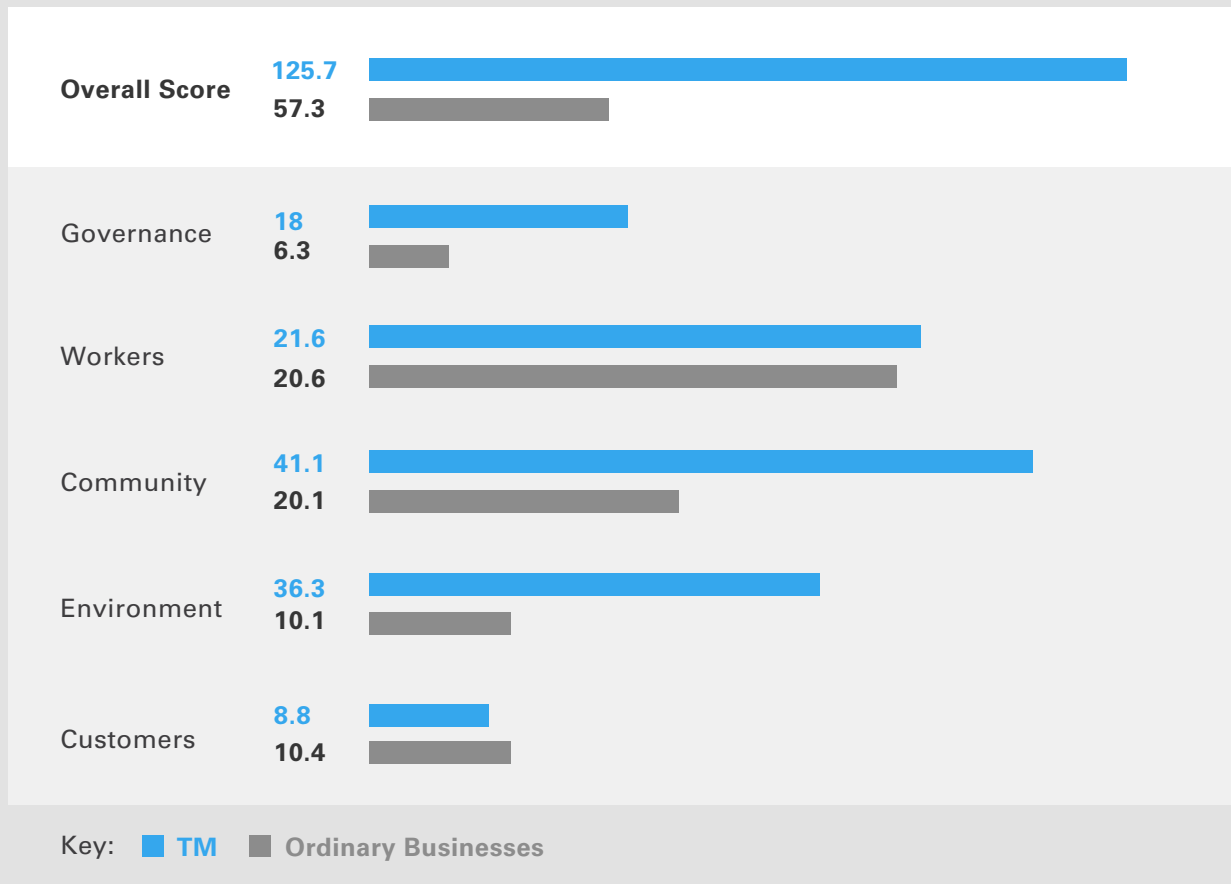
2018 | \$128,742

Since Investment | \$1,509,322





## B Impact Report: Traditional Medicinals Impact Area Scores 2018



B Corp Certified Since 2010 and winner of B Corp Best Changemakers Award in 2017

*Traditional Medicinals was one of first natural products companies to receive this award*



### GIIRS Impact Ratings 2018<sup>v</sup>

Impact Business Models Rating

**PLATINUM**

Operations Rating



<sup>v</sup><https://b-analytics.net/content/giirs-fund-rating-methodology>

## Impact in Detail

Traditional Medicinals believes that healthy, thriving source communities are integral to its supply chain. To support the agricultural communities that grow and collect medicinal plants for tea, the company funds Traditional Medicinals Foundation (TMF), which is tasked with designing and overseeing community development initiatives in Traditional Medicinals supply chain communities. Additional impact is created through Traditional Medicinals' commitment to buying organic and fair (Fair Trade and Fair Wild) herbs, and through their commitment to procuring 100% local renewable power. Since our investment, Traditional Medicinals has contributed more than \$3.7 million to social and sustainability projects.

The Foundation's commitment to ensuring right livelihood for its farmers and collectors has manifested in meaningful initiatives. In 2009, Traditional Medicinals and its partners launched the Revive! Project®, a large social development program in its organic senna herb sourcing community in Rajasthan, India. To date, the project's initiatives have benefitted six rural communities with some 12,000 residents. They have desilted and expanded six large community ponds, dug and rebuilt 145 agricultural rainwater catchment systems and constructed 365 underground rainwater catchments, called taankas, for families in need. With access to water, entire communities are transforming, and women are

the program's greatest beneficiaries. Free of the burden of transporting water and free of the anxiety of providing water for their families, they are becoming empowered village leaders, and their girls are now attending school.



In another innovative supply chain engagement, Traditional Medicinals partnered with the 152-year-old paper manufacturer, Glatfelter, who manufactures 100% compostable, Non-GMO Project Verified tea bags exclusively for TM. Made from sustainably farmed abaca leaves (*Musa textilis*) from the Philippines, these bags offer more than a high-quality, eco-friendly product—they also provide a reliable source of income and social benefits for the small-scale family farmers who grow abaca.

The Philippines produces 85% of the world’s supply of abaca, and the island of Catanduanes accounts for 30% of the country’s entire production. In Catanduanes’ verdant and unspoiled mountains, Glatfelter has worked with local farmers for over 20 years, gathering and training a network of 135 Rainforest Alliance Certified™ family farmers. Harvesting and processing abaca can be labor-intensive in this jungle environment, which inspired Glatfelter to organize their farmers into regional groups under the Catanduanes Abaca Sustainability Initiative (CASI) to offer village trainings and social benefits to abaca farming families. With another 130 farmers already transitioning towards Rainforest Alliance certification, CASI is on track to reach their goal of having 500 abaca farmers certified by 2020—all while cultivating a community of skilled and empowered families in a protected environment.

Over the years, CASI’s social support has included investments in social trainings, handicraft development, a medical assistance fund, school supplies and textbooks. Inspired by Glatfelter’s efforts, Traditional Medicinals and its Foundation initiated a community-led project to improve the water quality of three agricultural communities in Catanduanes. The project launched in 2018 and since then, 155 water filters have been established, which provide clean water for drinking and household activities to more than 850 individuals. 91% of whom have reported health benefits as a result of the project.



These initiatives blend smart business practices with social and environmental sustainability to support the development of self-reliant supplier communities, while also elevating industry standards.

## 2018 Case Study

Farming is an important source of income for many in northeastern Paraguay, but the herb farmers and wild collectors remain economically disadvantaged. With little access to education and health care, many survive off a limited diet of cassava, beans and corn. Although the farmers and collectors have created a strong, family-minded community in this corner of Paraguay, most live below the poverty line.

Organic and fair-certified crops—including farmed and wild-collected herbs used in Traditional Medicinals teas—offer a more sustainable source of income for small landowners and a chance to narrow the social inequity gap. Given that herb farmers' and collectors' hard work is the reason so many people enjoy our teas, TMF is committed to supporting community development initiatives which improve their lives.

In 2018, TMF sent a team of community development professionals to the region to assess the needs of the farmers, collectors and their families, and to determine the scope of potential projects. There they learned that locals have historically harvested honey in the wild – destroying hives in the process. While this secondary stream of revenue provides income in the short term, it threatens the local ecosystem causing reduced pollinator populations. TMF worked with community members to develop a project providing

beehives and technical training to local households.

In the project's first year, 100 families, representing more than 600 community members, received beehives through this initiative. Each hive can produce three harvests per year, yielding up to 60 liters of honey, so TMF expects the impact of this project to boost annual incomes as much as 10–15%, especially as families hone their beekeeping production skills and receive additional training on sales and marketing.



Developing strategies to scale their engagement and impact, Traditional Medicinals and its Foundation are harnessing lessons learned from work on past and current projects to strengthen its methodology for project development that prioritizes community leadership and sustainability at each step. Their goal is to deepen relationships throughout the supply chain through these projects, ultimately supporting improved supply chain transparency and justice.



## MPOWERD™

### MPOWERD

Type of Business | CPG / Clean Energy Products

Year of Initial Investment | 2017

Impact Lenses |



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.



Luci is a different kind of light. Inflatable, waterproof, and 100% solar, Luci flattens to the size of a hockey puck, weighs less than a deck of cards, and yet can withstand a tremendous amount of use in almost any situation. Luci lights are designed to empower individuals to pursue their potential, no matter where or how they live.

For those living without grid access, Luci opens doors to powerful new opportunities such as:

- Improving education by allowing children to study safely at home
- Increasing household savings by replacing costly kerosene and candles
- Empowering women by reducing the risk of violence in dark areas
- Helping the environment by eliminating dependence on toxic lamps and other non-renewable light sources
- Stimulating local economies and improve healthcare access by allowing businesses and hospitals to stay open past sunset



Children can study or play after dark



Entrepreneurs have more hours to be productive



Less CO<sub>2</sub> Released into the atmosphere



Health clinics stay open later



Families save more money by replacing kerosene

# Impact at a Glance

Builders Fund has been invested in MPOWERD since 2017

The impact measurement in this report is based on inputs from third party verifications such as B Lab and GIIRS, an internal process we have developed to gather and track information with our portfolio companies, and the widely supported framework of the United Nations SDGs.

## MPOWERD Alignment to the SUSTAINABLE DEVELOPMENT GOALS

- 17 PARTNERSHIPS FOR THE GOALS**
- 8 DECENT WORK AND ECONOMIC GROWTH**
- 7 AFFORDABLE AND CLEAN ENERGY**
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**
- 13 CLIMATE ACTION**
- 10 REDUCED INEQUALITIES**
- 4 QUALITY EDUCATION**
- 3 GOOD HEALTH AND WELL-BEING**
- 5 GENDER EQUALITY**

# Impact at a Glance

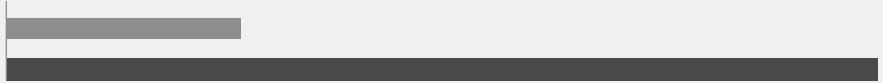
Builders Fund has been invested in MPOWERD since 2017

## Impact Area: Workers

### Jobs Created

2018 | 1

Since Investment | 3



### Total Employees

2018 | 21



## Impact Area: Community Impact

### Luci Lights Deployed\*

2018 | 89,741

Since Investment | 372,417



### Lives Affected\*

2018 | 448,705

Since Investment | 1,862,085



## Impact Area: Community Impact

### Tons CO2 Averted\*

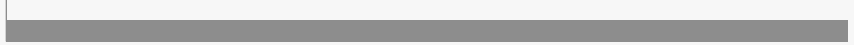
2018 | 23,855

Since Investment | 139,457



### % Products Recycled through Zero Waste Program

2018 | 100%



\*NGOs + Emerging Market Distribution Only

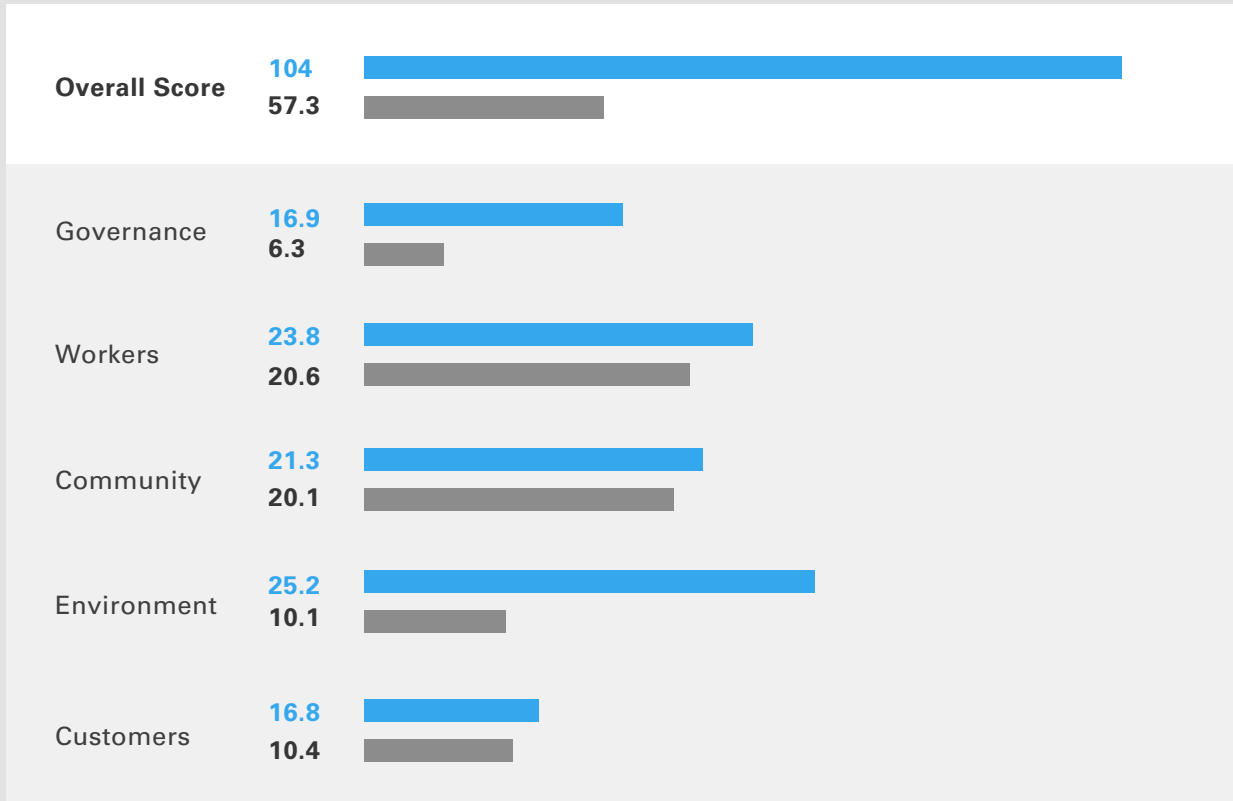




# Impact at a Glance

Builders Fund has been invested in MPOWERD since 2017

## B Impact Report: MPOWERD Impact Area Scores 2018



Key: ■ MPOWERD ■ Ordinary Businesses

Winner of B Corp  
Best Changemakers Award in 2017



### GIIRS Impact Ratings 2018<sup>vi</sup>

Impact Business Models Rating

**GOLD**

Operations Rating



<sup>vi</sup><https://b-analytics.net/content/giirs-fund-rating-methodology>

## Impact in Detail

The company developed a scaled model that employs a hyper-local pricing structure to make their product accessible to as many communities as possible. Through this model, profit margins in the developed market allow for more lights to be sold at reasonable prices in developing markets. MPOWERD's impact priorities for the coming years include continued integration with nonprofit programs to support sectors that can directly benefit program participants with the inclusion of clean, renewable lighting and disaster preparedness initiatives that focus on partnership with primary response providers and allow for rapid deployment of emergency resources.

MPOWERD strives to put Luci into action through a global network of more than 650 nonprofit partnerships and clients in emergency and humanitarian relief agencies, charitable and nongovernmental organizations, Government and civil services, and Corporate Social Responsibility. In 2016,

MPOWERD partnered with Kids of Kathmandu in Nepal to provide 1,200 Luci lights for the grand opening of a newly rebuilt school destroyed by the earthquake of 2015. In 2017, MPOWERD launched its 'Shining Light On...' series with a campaign highlighting the introduction of Luci lights to the community in Kibera, Kenya's largest slum. The video series tells the stories of what happens when communities gain new access to light.

Luci Lights contain several components which require separate recycling solutions. In order to achieve zero waste, MPOWERD is working with recycling partners to allow all Luci lights to all be recycled responsibly. The recycling program instructs owners to return units to MPOWERD at the end of their battery life. Upon receipt, the units are disassembled and sent to recycling partners. MPOWERD has achieved zero waste through this initiative by recycling each unit that it has received since the program's inception.



## 2018 Case Study

Since 2017, MPOWERD has partnered with the Papua New Guinea Tribal Foundation on Light Up PNG, a project that supports female entrepreneurship. The Luci Lights Program works with women who have experienced marginalization, ostracization, or physical harm in their communities. In addition to providing safe housing and basic needs to women in acute need, the program provides entrepreneurial training and support for women to start their own microenterprise selling Luci in their community. To date, the program has benefited hundreds of women and their families.

This project comes to life with the story of Margaret. Margaret was falsely accused of sorcery in her village, a fate which is common for many women in her community. The accusation was followed by a brutal beating, causing Margaret to flee for her life, leaving her two children behind. She found support through the Papua New Guinea Tribal Foundation, received emergency assistance and shelter in a women's home, and eventually received entrepreneurship training. She now runs her own enterprise selling Luci and is able to provide for herself and her two children.





## URBAN REMEDY

### Urban Remedy

Type of Business | Food & Beverage Wholesale/Retail/Production

Year of Initial Investment | 2015

Impact Lenses |



Urban Remedy is Certified B Corporation that embodies the belief that “Food is Healing” for people and the planet. Their founder, Licensed Acupuncturist & Herbalist Neka Pasquale, 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 pioneer in the food industry in the US, which is dominated by an industrialized system that CEO Paul Colletta 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

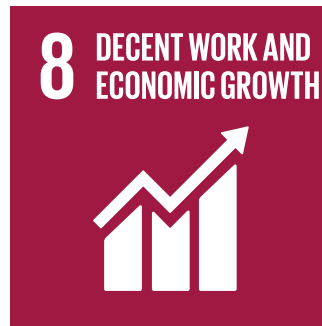
killing people and the planet. Soil degradation, obesity, inflammatory diseases, food deserts, and water shortages are just some of the spreading symptoms. Big Food is largely focused on lengthening shelf life, but when you increase shelf life, you often do it to the detriment of nutritional value and 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.

# Impact at a Glance

Builders Fund has been invested in Urban Remedy since 2015

The impact measurement in this report is based on inputs from third party verifications such as B Lab and GIIRS, an internal process we have developed to gather and track information with our portfolio companies, and the widely supported framework of the United Nations SDGs.

## Urban Remedy Alignment to the



# Impact at a Glance

Builders Fund has been invested in Urban Remedy since 2015

## Impact Area: Workers



**Jobs Created**  
Since Investment | 364



**Total Employees**  
2018 | 411



**Total LMI Jobs Created**  
Since Investment | 121

## Impact Area: Sustainable & Regenerative Sourcing

**Lbs. of Organic Herbs Purchased**

2018 | 6,255,000

Since Investment | 10,935,000

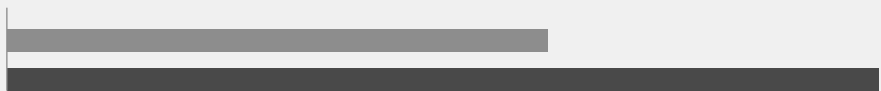


## Impact Area: Sustainable Operations

**Lbs. of Waste Diverted**

2018 | 3,130,000

Since Investment | 5,470,000



**Material Diversion Tons from Landfill**

2018 | 1,565

Since Investment | 2,735



## Impact Area: Health Operations

**Organic/Healthy Meals Served**

2018 | 4,095,000

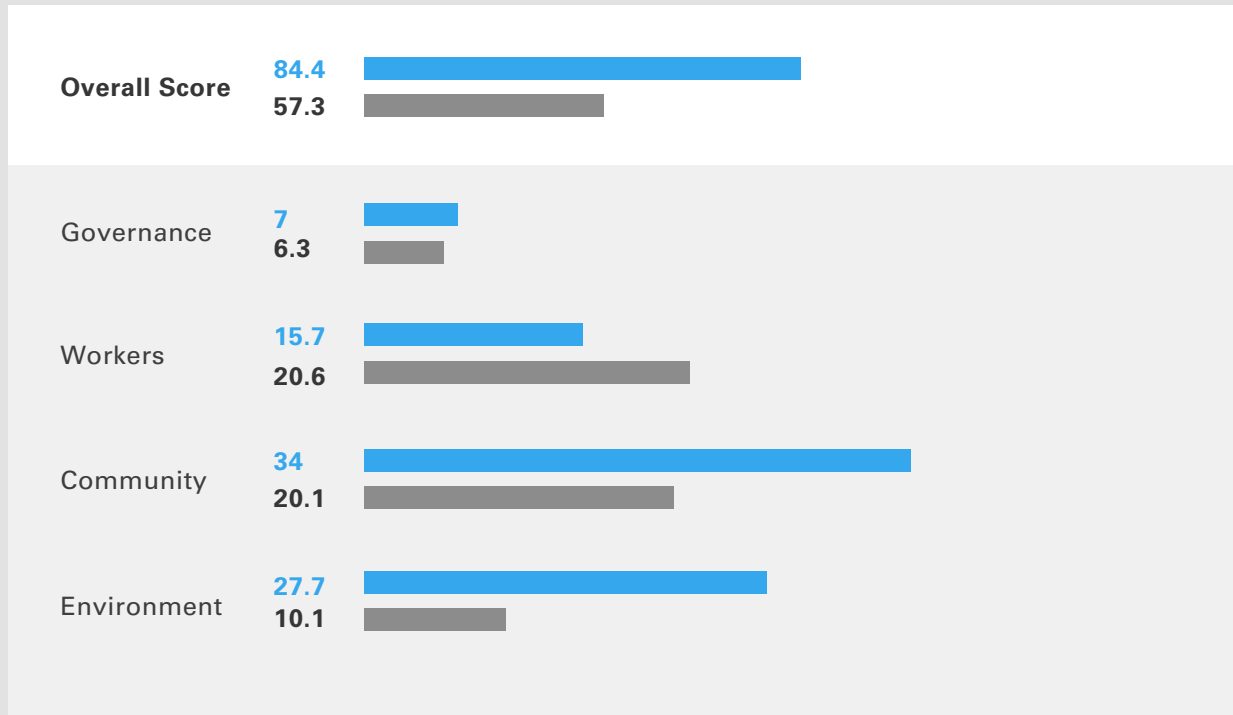
Since Investment | 7,605,000



# Impact at a Glance

Builders Fund has been invested in Urban Remedy since 2015

## B Impact Report: Urban Remedy Impact Area Scores 2018



Key: ■ Urban Remedy ■ Ordinary Businesses



### GIIRS Impact Ratings 2018<sup>vii</sup>

Impact Business Models Rating  
**GOLD**

<sup>vii</sup><https://b-analytics.net/content/giirs-fund-rating-methodology>



## Impact in Detail

Urban Remedy is based in Richmond, California, which was designated as an Opportunity Zone via the Tax Cuts and Jobs Act of 2017<sup>viii</sup>. Urban Remedy employs individuals from the local community as a part of its socially sustainable model, creating retail and production jobs for lower and middle 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. In 2018, Urban Remedy partnered with Copia, a food waste recovery service, to serve 5,600 meals to beneficiaries at the Dorothy Day House, the UC Berkeley Food Pantry, and Trybe Inc.



## 2018 Case Study

With support from Urban Remedy, Conscious Kitchen launched a pilot program at Peres Elementary School in Richmond, CA to address food equity and access in through the provision of fresh, local, organic, seasonal, non-GMO (FLOS<sup>N</sup>) breakfasts and lunches. The program is exploring the feasibility of providing healthy lunches to students on a regular basis at scale. Peres Elementary was selected for the pilot due to the fact that virtually all of its 550 students are in the federal program for free and reduced-price lunches. The project, which is supported by chef and slow food activist Alice Waters, provides food that is much healthier than the standard school lunch.

Urban Remedy staff have become deeply engaged with students at the school, volunteering during breakfast each week and leading “Taste and Teach Thursday” sessions with Conscious Kitchen student ambassadors that encourage them to explore the benefits of fresh versus processed ingredients. Students often excitedly ask what is cooking when the smells start to waft from the kitchen and some even proclaimed their love of broccoli and other vegetables.

<sup>viii</sup><https://www.taxpolicycenter.org/briefing-book/what-are-opportunity-zones-and-how-do-they-work>






## MIXT

Type of Business | Retail: Fast Casual Restaurants

Year of Initial Investment | 2018

Impact Lenses | 

Mixt is a certified B Corporation and a leading healthy fast-casual concept restaurant. It has 14 locations throughout San Francisco and Los Angeles that are known for their seasonal menus of fine-dining inspired salads, market plates, and grain bowls made with fresh, local, organic produce. The company's mission is to bring healthy, high-quality, chef-driven food to a fast-casual environment while leading the charge in environmentally responsible restaurant operations plus technology integration.

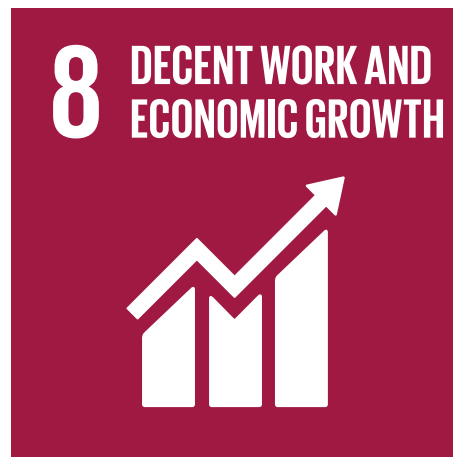
The food industry in the U.S. today is dominated by the production of cheap, fast, streamlined food products. Fast-casual dining is generally characterized as unsustainable, low nutrient, and cheap. Employees are paid minimally, treated poorly, and offered few opportunities for career advancement and 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.

# Impact at a Glance

Builders Fund has been invested in MIXT since 2018

The impact measurement in this report is based on inputs from third party verifications such as B Lab and GIIRS, an internal process we have developed to gather and track information with our portfolio companies, and the widely supported framework of the United Nations SDGs.

## MIXT Alignment to the



# Impact at a Glance

Builders Fund has been invested in MIXT since 2018

## Impact Area: Workers



### Jobs Created

Since Investment | 17



### Total Employees

2018 | 219



### Internal Manager Promotions

Since Investment | 4

4 of 6 Leaders promoted from within



## Impact Area: Sustainable & Regenerative Sourcing



### Lbs. of Organic Produce Purchased

2018 | 568,080



### Local Ingredients Sourced

2018 | 120



### Pounds of Sustainable Organic Vegetables Harvested

2018 | 1.6 million

## Impact Area: Sustainable Operations

### Percent of Waste Diverted

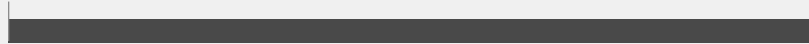
2018 | 99%



## Impact Area: Health Impact

### Organic/Healthy Meals Served

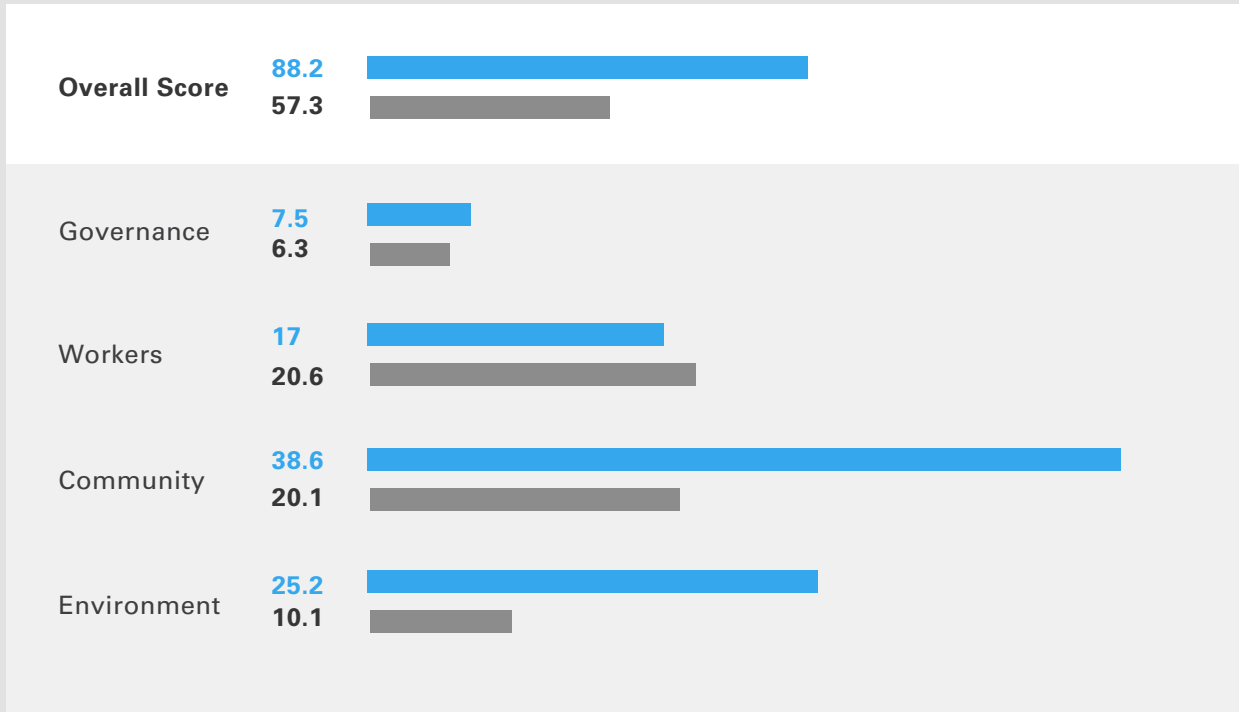
Since Investment | 1,808,174



# Impact at a Glance

Builders Fund has been invested in MIXT since 2018

## B Impact Report: MIXT Impact Area Scores 2018



Key: ■ MIXT ■ Ordinary Businesses



### GIIRS Impact Ratings 2018<sup>x</sup>

Impact Business Models Rating

**SILVER**

Operations Rating



<sup>x</sup><https://www.yelp.com/biz/mixt-oakland>



## Impact in Detail

The company takes a holistic approach to its operations, supporting each part of its value chain with practices such as a comprehensive sourcing program that looks at the environmental footprint of each ingredient, the utilization of green building principles that limit energy use, systems that conserve energy and water, and waste diversion practices. Mixt has also partnered the San Francisco YMCA After School Kids Club and with Sprouts Cooking Club to host and teach camps at its restaurant location.

At each Mixt location, employees are fed a healthy meal during every shift, provided with comprehensive benefits, and given opportunities for career advancement in the company. Mixt works to create shared value with all stakeholders in its ecosystem, from consumers who are provided with healthy meals, to products that are environmentally healthy, to employees that are treated with dignity.



## 2018 Case Study

Mixt fosters a strong connection between community, employees, and healthy eating in each of its stores. Through holistic practices that focus on the whole person, Mixt is supporting customers and employees alike in achieving a healthy lifestyle. In 2018, Mixt served more than 1.8 million healthy meals to customers nationwide in addition to providing over 100,000 free shift meals to every employee each time they worked. In Mixt's Oakland, CA location, customers connected through a shared experience of nourishing themselves and caring about what they put into their bodies. The Mixt model encourages customers and staff to be themselves and provides an opportunity for them to get to know their bodies through healthy eating. One Oakland customer said, "Fresh, healthy, minimize plastic, and yet you get a wide range of choices. Uptown's restaurant scene needs a place for people to meet where they don't have to regret what they ate the next day in order to



see their friends." Another customer remarked, "I spoke with Isaac who is one of the cooks there and he told me...that everything here is prepared fresh, and I believe it because it tasted as such."

"I cannot express how delicious, sustainable and freshly made all the dishes are at mixed in open. We were invited for the grand opening and every single plate we had was phenomenal. Their staff was beyond knowledgeable, super hospitable and trained to a 'T'."\* Reviews such as these are indicators of the deeper level at which customers can engage with Mixt, from the food they eat to the interaction with employees, this holistic approach to business is promoting the wellbeing of all those involved.



\*<https://b-analytics.net/content/giirs-fund-rating-methodology>



## The Bar Method

Type of Business | Service

Year of Initial Investment | 2015

Impact Lenses |



The Bar Method is a chain of more than 120 women-owned fitness franchises offering a mind-body workout which combines the muscle-shaping principles of isometrics, the body-elongating practice of dance conditioning, the mindfulness practice of yoga, the science of physical therapy, and the intense pace of interval training into a powerful exercise format that quickly and safely reshapes and elongates muscles.

Founder Burr Leonard, an avid lover of ballet and jazz classes, discovered the Lotte Berk Method while living in New York in 1981. She became a devoted student and noticed an incredible transformation in her body. Burr dreamed of creating her own version of the exercise technique that would empower women of all ages and physical abilities to build beautiful, lean, toned and healthy bodies for life. Working side-by-side with a team of physical therapists

Burr honed the method to make it safer for the joints and to more effectively target the muscles. She added wisdom from her father George Leonard's book "Mastery" to create a teaching system that would empower students to make lasting changes to their bodies and their lives outside the classroom. The product of her passionate work created The Bar Method that we know today.

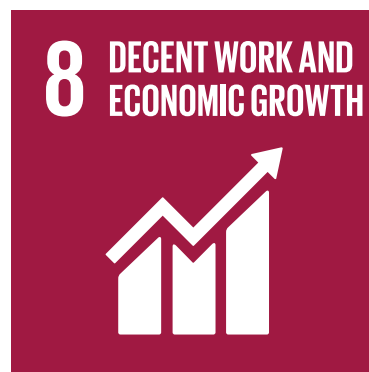
The Bar Method strives to empower women to be the best version of themselves by creating highly efficient, full-body workouts that build inner and outer strength, grace and poise. The company is proving the theory that money and power in the hands of women can vastly improve the world. The Bar Method franchisor is in the process of becoming a Certified B Corporation in 2019.

## Impact at a Glance

Builders Fund has been invested in The Bar Method since 2015

The impact measurement in this report is based on inputs from third party verifications such as B Lab and GIIRS, an internal process we have developed to gather and track information with our portfolio companies, and the widely supported framework of the United Nations SDGs.

### The Bar Method Alignment to the





# Impact at a Glance

Builders Fund has been invested in The Bar Method since 2015

## Impact Area: Workers

### Jobs Created

2018 | 178

Since Investment | 584

### Women-Owned Business Franchises Started

2018 | 11

Since Investment | 43

### Total Jobs

2018 | 1,914

## Impact Area: Health Impact

### Unique Clients Served

2018 | 156,981

Since Investment | 453,874

### Total Workouts

2018 | 3,109,613

Since Investment | 11,857,967

## Quick Stats

**121**

Bar Studios Open

**255K**

Monthly Visits

**1800+**

Bar Teachers Trained

**45K**

Active Students

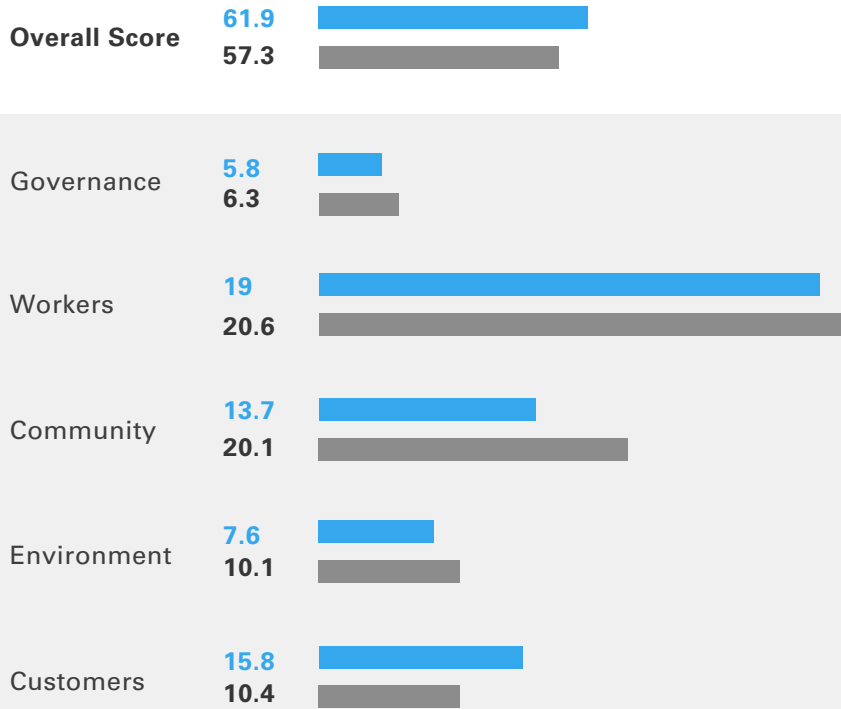
**87K**

First Time Visitors

# Impact at a Glance

Builders Fund has been invested in The Bar Method since 2015

## B Impact Report: The Bar Method Impact Area Scores 2018



Key: ■ The Bar Method ■ Ordinary Businesses



### GIIRS Impact Ratings 2018<sup>xi</sup>

Impact Business Models Rating  
**BRONZE**

<sup>xi</sup><https://b-analytics.net/content/giirs-fund-rating-methodology>



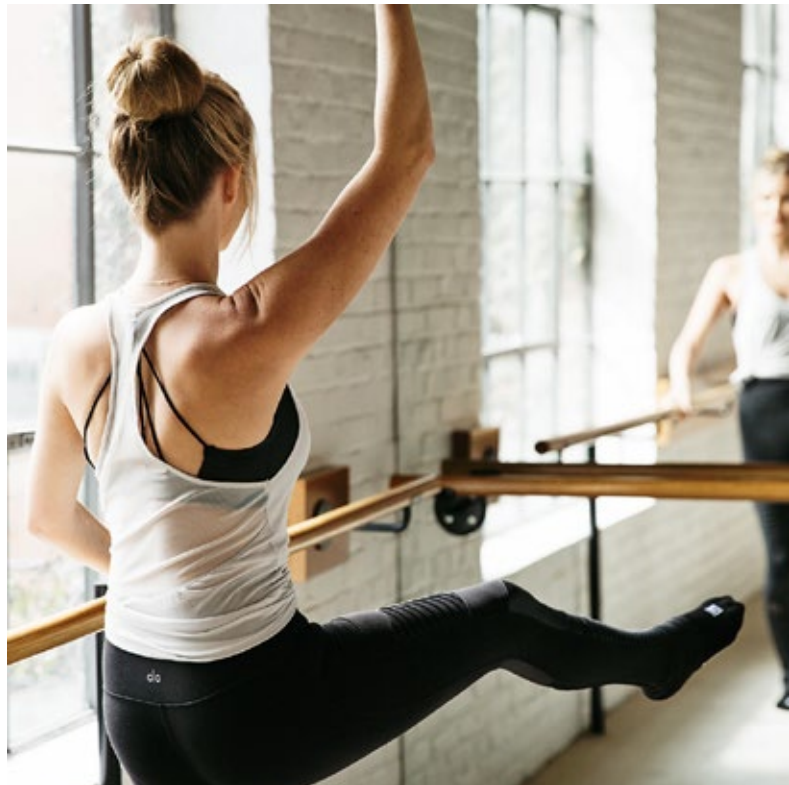
## Impact in Detail

The clients, instructors and owners are what make The Bar Method such a strong and powerful community. They range in age, background and body type but are connected in mindset; all are motivated, hard-working, passionate about wellness and strive to live a fulfilled life. Many clients become instructors and owners because their lives have been so positively impacted by The Bar Method.



Today, all 120 of the Bar Method’s franchised studios are women-owned. The model for women-owned businesses and what they can accomplish is exemplified by two individuals. Kat and Alysia are both based in Los Angeles and decided to become franchisees early on, opening the 3rd and 4th studios, respectively. Kat has since opened three Bar Method studios and has mentored other entrepreneurs, such as Alysia, to do the same. She describes how her motivation comes from her personal experience, saying, “the impact we have on people’s lives starts with the impact Bar Method had on my life.”

Alysia was inspired to leave her position in the corporate world to strike out on her own. After opening her first Bar Method studio, she learned that she was, “making a great living, had a great life balance, and had a job that doesn’t feel like a job.” She loved it so much that she decided to open a second studio and



has found that “opening the studio and getting out of that corporate office life has been the best thing I ever did.”

Each Bar Method entrepreneur has her own story of health and success, and each is inspiring others to embark on their own path, whether that is through classes at a studio or starting a business of their own. In 2018, the Bar Method supported 13 other entrepreneurs like Kat and Alysia to open their own franchises and the company has supported this process for 43 entrepreneurs since the initial Builders Fund investment. These entrepreneurs are demonstrating the impact of female-owned businesses on the world.





