



THE BUILDERS FUND

2020 Impact Report

Private Equity with Purpose

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1 | Executive Summary

When The Builders Fund launched, our vision was to make meaningful investments into responsibly-run businesses which improved the world; and via our success, help to shift the landscape of the investment industry toward one which is more sustainable, systems-aware, and responsible to the full spectrum of related stakeholders. Five years into our journey, and as we set out to raise Fund II, that vision continues to guide us.

This report will provide an overview of the work we do and insight into the environmental and social impact of our portfolio companies. While an impact report provides an opportunity to reflect upon the incredible work we were a part of in 2019, we must also address and respond to the 2020 global pandemic and uprising against racism and police brutality and the impact it has across our portfolio companies, our communities, and the world.

Racism is not just the horrific and erroneous attitude of superiority toward people who are different from you; racism is also a structural, institutional system which has benefited white people from the day Europeans landed on this continent. Builders unequivocally stands with the Black community and all of those who refuse to tolerate police brutality, white supremacy and the systemic prejudice from which they have grown. We also acknowledge that we have our own work to do, as individuals and as an organization led by two white men, and we are committed collectively to doing that work, including engagement at the portfolio level on diversity, equity and inclusion best practices; engaging the impact investment community;



actively seeking to diversify our team as we begin to scale; and investing in our own learning on an individual and institutional level. We feel angry at the depth and entrenchment of racial injustice. We are committed to transforming that anger into more fully integrated anti-racist action via our core focus on reforming capitalism and finance— because the work on both fronts is systemic and inextricably linked.

We believe these realities have not only laid bare the structural failures we have been living with, but also that they present, through that very clarity, a unique opportunity for leaders to emerge by demonstrating what a new economy might look like. Via our platform and our portfolio, we aim to be a part of that emergent leadership. To quote Traditional Medicinals CEO Blair Kellison: “Things will never be the same. The only question is to what degree will they be different. [We must] adapt to our new reality and use this crisis as an opportunity to create a better new normal... Leadership is the only way we will get through this. We need it from people and companies now more than ever.”

We are committed to our focus on the intersection of purpose-driven brands with the disruption, and opportunity, created by the need to solve large social and environmental challenges. If anything, the significant social and environmental challenges we are addressing with our investments have been amplified by this crisis, and we believe consumers will increasingly be drawn to businesses that consider their impacts on all stakeholders.

We 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 through an authentic 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, finite global resources, the global pandemic and movements for social justice. We see evidence of that in the very interconnectedness of those challenges, in the data, the market, the deal pipeline, and in our portfolio.



Impact Across Our Portfolio: The Numbers



266

Jobs Created in 2019
Since Investment | 1,260



225

LMI Jobs Created



13M

Lbs of Organic, Fair Trade,
and Ethical Herbs & Produce
Purchased in 2019
Since Investment | 31,551,951



6M

Organic & Healthy
Meals Served
Since Investment | 15,762,140



280K

Tons Co2 Inset or Averted
Since Investment | 420,457



2,481

Tons of Material Diversion
from Landfill
Since Investment | 5,928



\$1.9M

Social Impact Dollars
Invested & Charitable
Donations
Since Investment | \$5,671,128

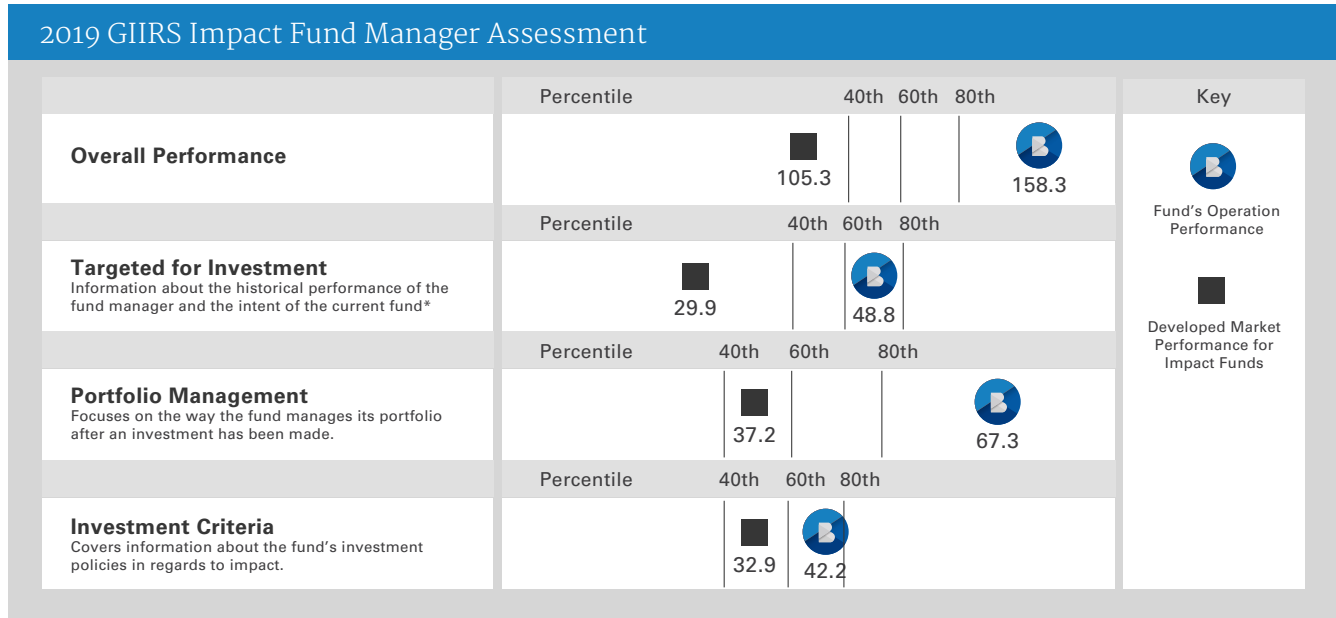


690K

Lives Impacted in 2019
Since Investment | 2.5M



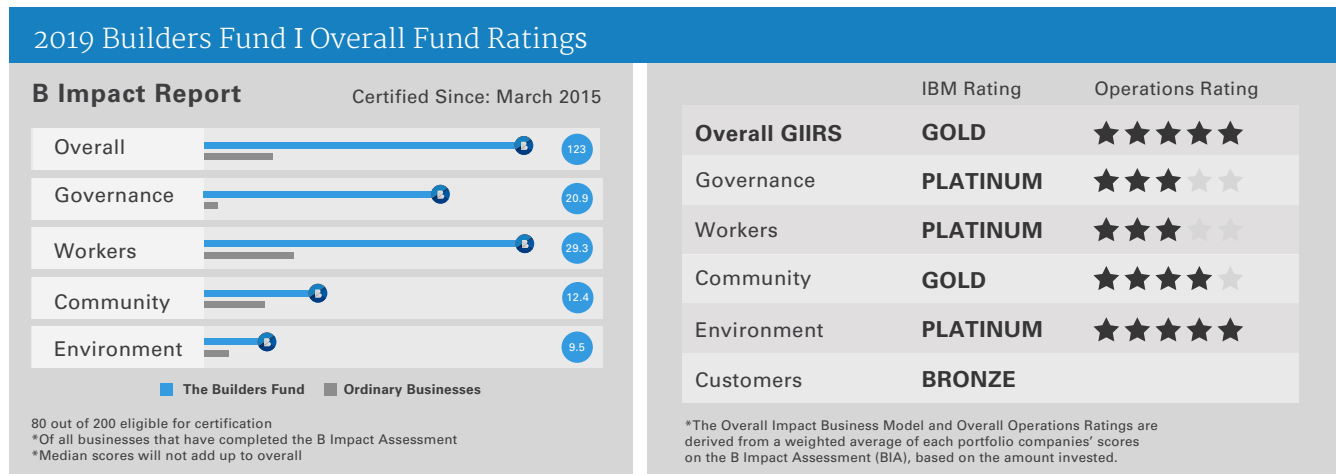
The Builders Fund scores near the top of all assessed impact fund managers of the GIIRS Impact Fund Manager Assessment.



Our fund is deeply engaged with B Corp certification and tracking processes as a means to amplify Environmental, Social, and Corporate Governance (ESG) impact.

2019 Portfolio Companies Overall Ratings

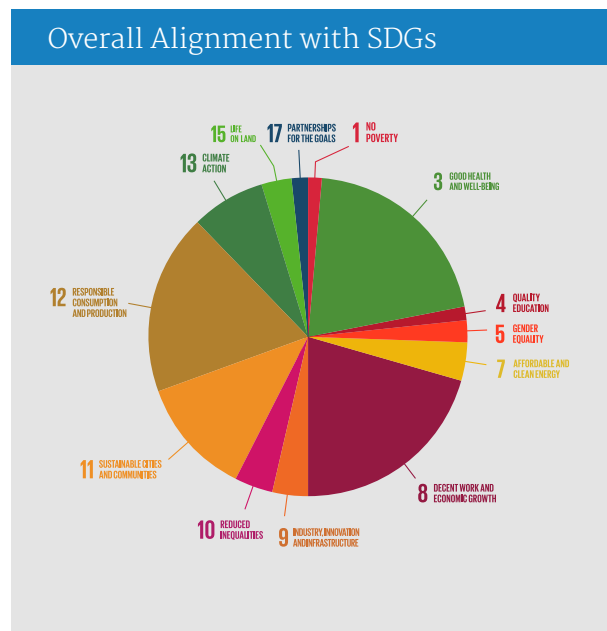
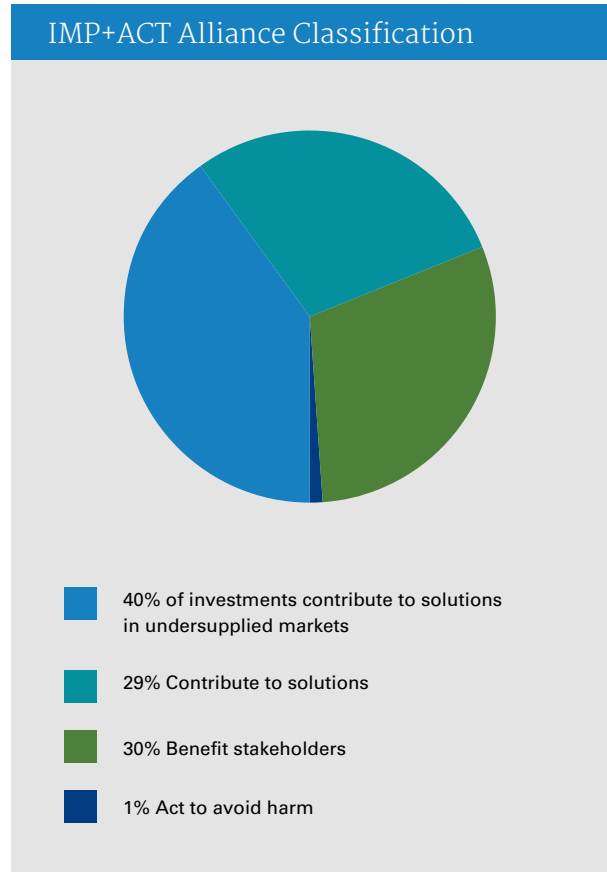
Portfolio Company	IBM Rating	Overall B Score	B Corp Status	Year of Certification
Traditional Medicinals	PLATINUM	117	Certified	2010
MPOWERD Inc.	PLATINUM	135	Certified	2014
Urban Remedy	SILVER	103	Certified	2018
MIXT Greens	BRONZE	92	Certified	2018



Please see page 16 for detailed information about our alignment with B-Corp



In 2019, our fund supported the prototype development of the IMP+ACT Classification System (ICS). The ICS allows us to analyze alignment to the United Nations Sustainable Development Goals (SDGs), indicating where the fund is acting to avoid harm, benefiting stakeholders, and contributing to solutions.



Stories from the Field

Beyond the numbers, we saw meaningful positive impact on people's lives across each of our portfolio companies in 2019.



Traditional Medicinals | To support the agricultural communities that grow and collect medicinal plants for tea, the company designs and implements community development initiatives in Traditional Medicinals supply chain communities from India to Paraguay. In early 2020, TM partnered with an Egyptian implementing organization, the Assiut Childhood and Development Association (ACDA), to host a medical caravan in a farming community within the Traditional Medicinals supply chain. The caravan offered physical examinations for Gastroenterology, Pediatrics, Urology and Medical Analysis and was able to serve more than 500 individuals. This project will continue to serve this community throughout 2020 and will expand to include Gynecology, Ophthalmology and Orthopedics as well as trainings on diet and nutrition.



Urban Remedy | In 2019, Urban Remedy opened its first Los Angeles retail store in Venice, CA. To further their commitment to regenerative agriculture, Urban Remedy donated all proceeds from the grand opening day to local non-profit Kiss the Ground, whose mission is to heal the planet through soil regeneration.

Global soil regeneration is possible with a transformation in how humans practice agriculture. Regenerative agriculture is an approach that is centered around rebuilding and restoring soil health in order to reverse climate change. Healthy soils produce nutritious food, restore water cycles, support biodiversity, and can draw down carbon from the atmosphere, storing it in land and plants. Restoring the health of land can restore the health and prosperity of humans while balancing the climate.

“Urban Remedy was founded on the principle of healing people and the planet, and healthy soil is the foundation of healthy food,” said founder Neka Pasquale. That's why the company is donating funds to support the transition of farmers to regenerative agriculture. Proceeds from the grand opening of the Venice location helped to provide a transition scholarship for a California farmer through Kiss the Ground's Farmland program.



MPOWERD | MPOWERD® expanded their network of 650 NGO partnerships to include new countries such as Colombia, Venezuela, South Africa, and Namibia. As part of Save the Children’s centennial year efforts, MPOWERD exceeded their goal of a yearlong partnership that resulted in the distribution of 10,000 Luci® lights for programming in the United States, Mozambique, Afghanistan, Vietnam, and Romania.

At the beginning of 2019, MPOWERD provided relief efforts to Puerto Rico after recurring earthquakes caused widespread damage, brownouts, and instability across the island. The company deployed more than 9,000 Luci® lights in partnership with 18 NGOs and nonprofits including Catholic Charities, Americares, Amazon Disaster Relief, Harper 4 Humanity, and Together Puerto Rico.



Mixt | Mixt has consistently prioritized the needs and well-being of employees. As the COVID-19 pandemic led to the temporary closure of many of the company’s locations, they responded quickly and creatively to support community needs. Responses included free meals for employees, “pay what you can” programs, and options to buy a meal for someone in need or to donate meals to hospital workers. These responses exemplify a purpose-driven management team actively living their values.

Mixt’s mission is to bring better eating to everyone, which is even more crucial in this moment of crisis. At the time of this publication they have provided over 3,200 free meals to people who need them in San Francisco, Oakland, and Los Angeles. The company has also launched partnerships with eight local healthcare facilities including UCSF, SF General, and Children’s Hospital of LA, where they have delivered more than 1,500 free meals to hospital workers on the front line of the pandemic.

Please see page 36 for detailed information about our portfolio companies.



2 | Who We Are

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

The Builders Fund is a growth equity and small cap buyout private equity fund seeking to help catalyze a shift in capitalism toward social and environmental systems responsibility. The fund 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. These companies win in the marketplace by leveraging their strong values to win talent wars, increase employee and consumer

engagement, drive customer loyalty, and lower the cost of customer acquisition.

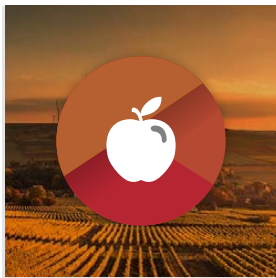
We believe that capitalism must be part of the solution if we are to fix the significant and intractable social and environmental challenges we face today. For that to occur, we must get back to investing in and building scalable and purpose-driven businesses which improve the world instead of simply extracting wealth over the short-term for shareholders. We believe that long-term shareholder value is optimized when companies take a 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.



How we Invest

Thematically, we seek to invest in entrepreneurial companies led by values-driven management teams that work to improve the world by building activist brands and authentic cultures around purpose greater than the profit motive alone. The fund typically makes \$5-\$20m structured equity investments into established, high-growth North

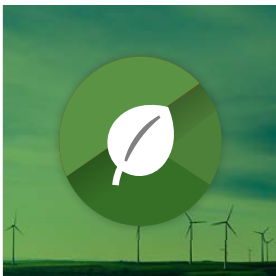
American businesses which are consumption driven and have revenues between \$15-100m and positive cash flow. Our investments fall into four themes that are based on the combination of our expertise, the macro environment and the opportunity for disruptive, purpose-driven businesses to win at the emerging growth stages of the life cycle:



Sustainable Food & Agriculture

Fixing a broken industrialized food system via:

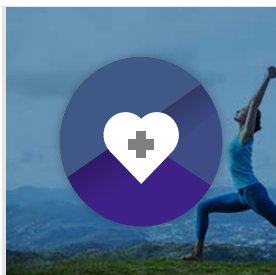
- Organic / healthy food & beverages
- Natural grocery
- Organic / healthy restaurants & cafes
- Regenerative agriculture
- Sustainable fishing & aquaculture
- Greenhouse / vertical farming



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

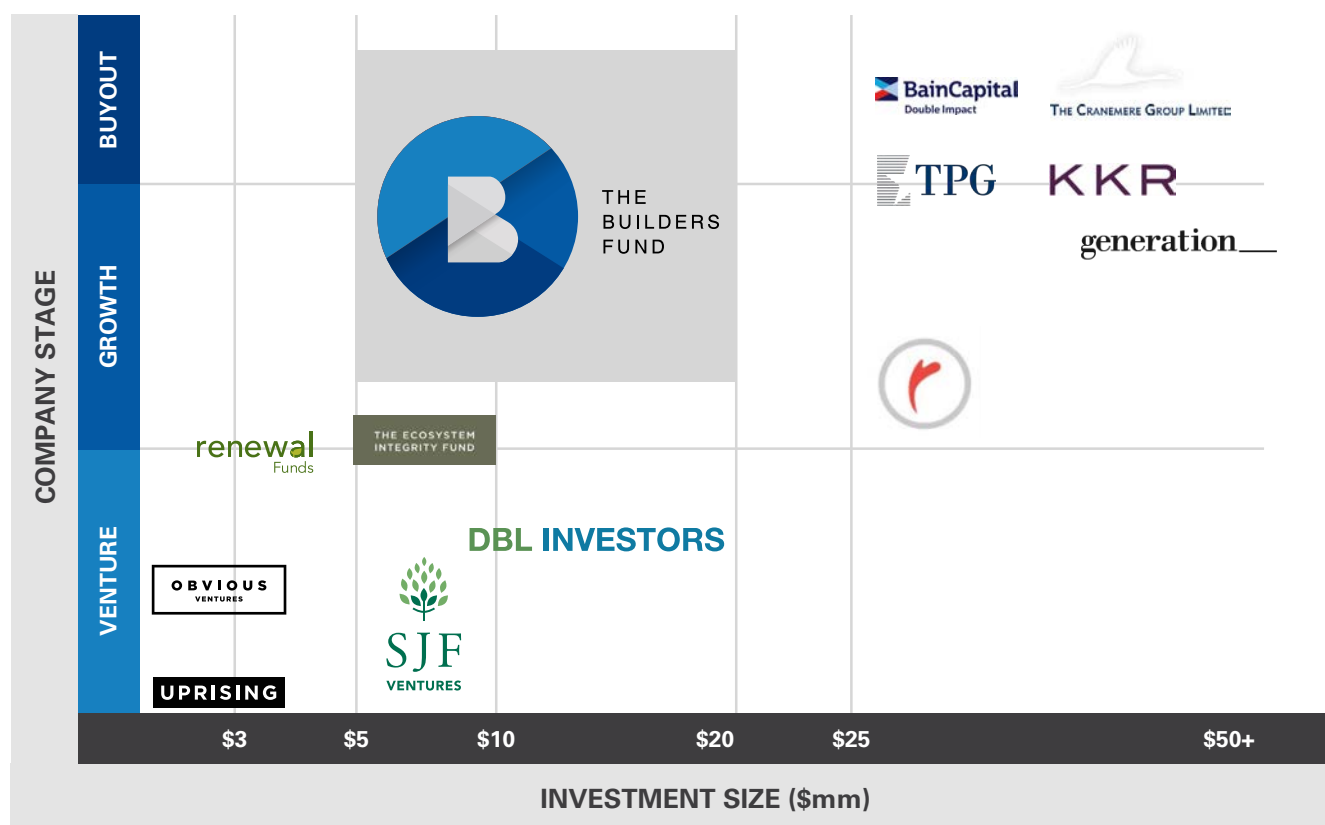
Social justice, job creation, equality, human rights via:

- 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, few if any targeted small cap buyout and growth stage companies 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 opportunity for real impact in that domain.

We have 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”, enable our portfolio companies to scale sustainably and create shared value across their corporate ecosystem, all while protecting their mission and purpose.



Note: Logo/funds shown are for illustrative purposes and are not intending to be an exhaustive review of the marketplace.

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.

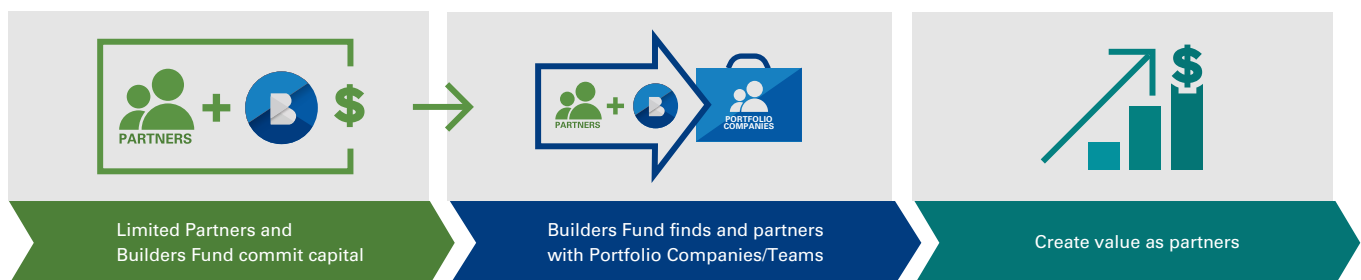
The Builders Fund employs a customized and hands-on approach with each company in our portfolio. We partner closely with our management teams, who we ultimately hope can join our group of builders in order to help scale our impact more broadly. We also believe that by investing and helping to scale purpose-driven and systems-responsible businesses we can also scale their broader social and environmental impact, and that by building exceptional businesses with a long-term perspective, financial returns ultimately 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 portfolio company. We know that equitable and inclusive practices are not only better for businesses and people alike, but also demonstrably improve performance. Studies show that companies with gender diversity are 15% more likely to outperform their peers, while more racially and

ethnically diverse teams are 35% more likely to have financial returns above the industry mean.¹

Companies with more women in the C-Suite are more profitable in general, primarily due to the increased range of skillsets and reduced gender discrimination within those companies.² Other reports indicate that diverse companies are not only able to outperform their peers, but they are also better equipped to innovate and problem solve.³ Armed with this knowledge – and driven by both a recognition of the entrenched systemic prejudice underlying United States history and a belief that we must contribute to a future that lives up to the ideal that all human beings are created equal and have equal rights to a just, equitable society – we have sought out businesses that are owned and managed by women and that are committed to building diverse teams. Following our investment, we seek to improve diversity across our boards, management teams, and employee bases.

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



¹ <https://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>

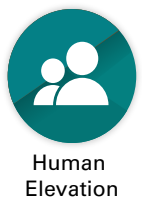
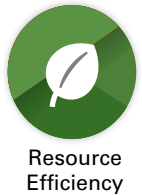
² <https://hbr.org/2016/02/study-firms-with-more-women-in-the-c-suite-are-more-profitable>

³ <https://www.scientificamerican.com/article/how-diversity-makes-us-smarter/>

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.⁴ 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

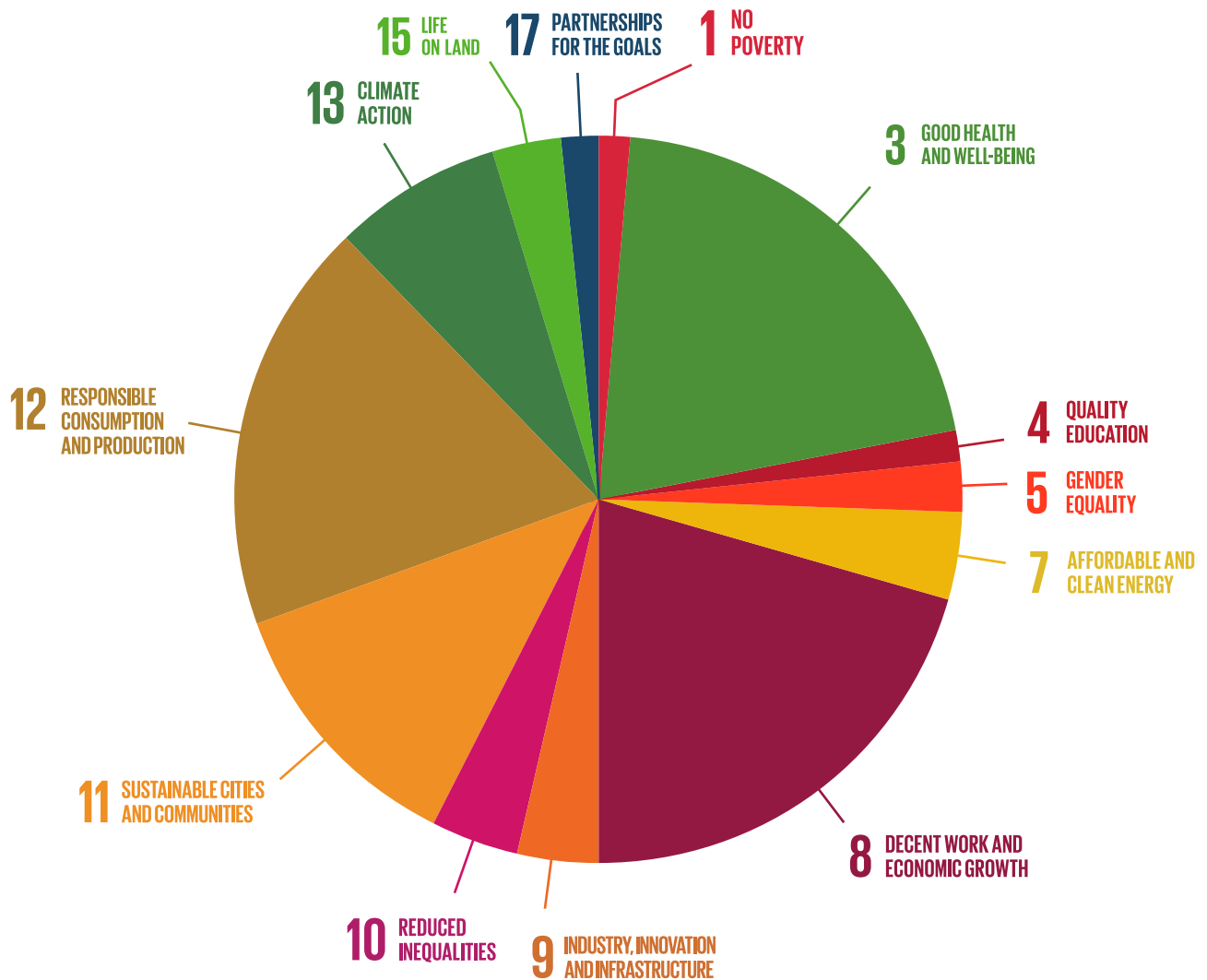
organizations. The SDGs serve as guiding principles for The Builders Fund as we seek to make an impact through our investments and to develop indicators to monitor and evaluate our portfolio companies. Through our four investment focus areas, the Fund I portfolio is currently supporting the achievement of 13 SDGs. SDG alignment was determined through an exercise examining portfolio company business models, products and services, and community engagement.



⁴ <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>



Through our portfolio company investments, Builders Fund is supporting the achievement of 13 SDGs.⁵



⁵This illustration is intended to provide a visual representation of Fund I's overall alignment to the SDGs through the work of 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 invested capital and an equal distribution of goals associated with each portfolio company's activities.

B-lieving in B Corporations

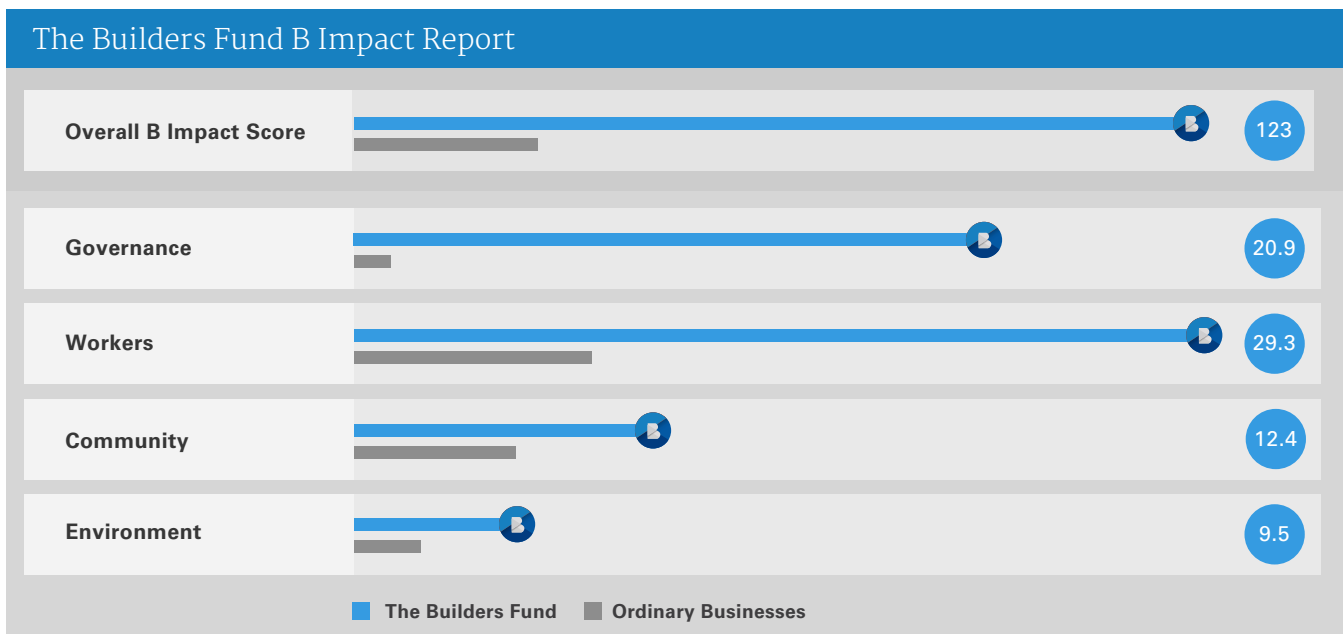
The future of capitalism includes an integrated, systemically-aware approach to investing and company building. We envision a sustainable financial system which values financial, human, and natural capital in balance. To support this vision, The Builders Fund became a Certified B Corporation ourselves in 2015, our first year of operations [and has since been honored as Best for the World in each of the subsequent years for ranking in the top 20% of global B Corps.

The Builders Fund is proud to be a Certified B Corporation and a part of a community of people using business as a force for good. Because we believe strongly in this process, 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. 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. We believe in B Corporation certification because it supports companies that seek to balance purpose and profit and make decisions for the benefit of all stakeholders. The certification and auditing 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.



B-lieving in B Corporations

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

2019 The Builders Fund Overall Fund Rating

	IBM Rating	Operations Rating
Overall B Score	GOLD	★★★★★★
Governance	PLATINUM	★★★★★★
Workers	PLATINUM	★★★★★★
Community	GOLD	★★★★★★
Environment	PLATINUM	★★★★★★
Customers	BRONZE	

*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.

2019 Portfolio Companies Overall Fund Rating

Portfolio Company	IBM Rating	Overall B Score	B Corp Status	Year of Certification
Traditional Medicinals	PLATINUM	117	Certified	2010
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3 | 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

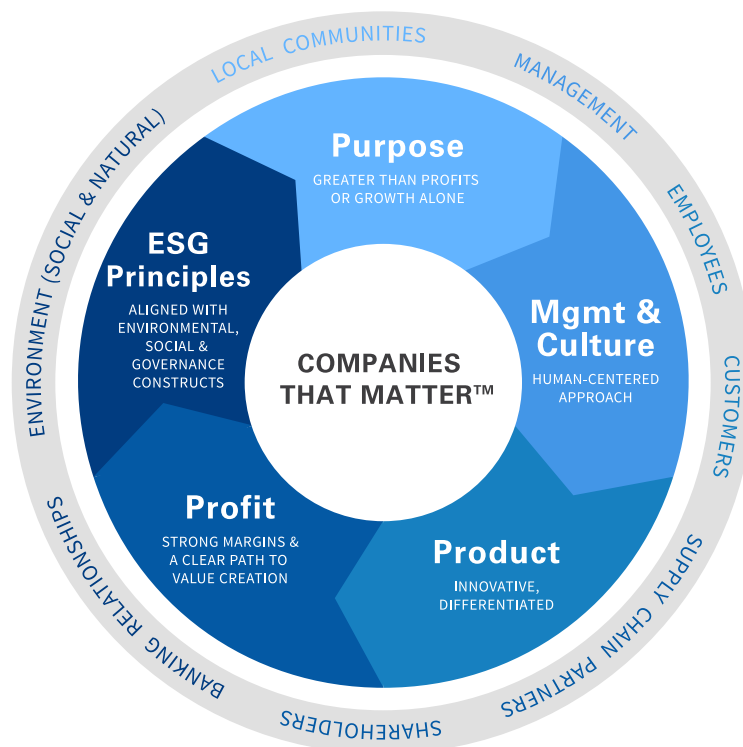
We believe that great investments are built on great partnerships and value is created by investing in, and working hand-in-hand with, great management teams.

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.

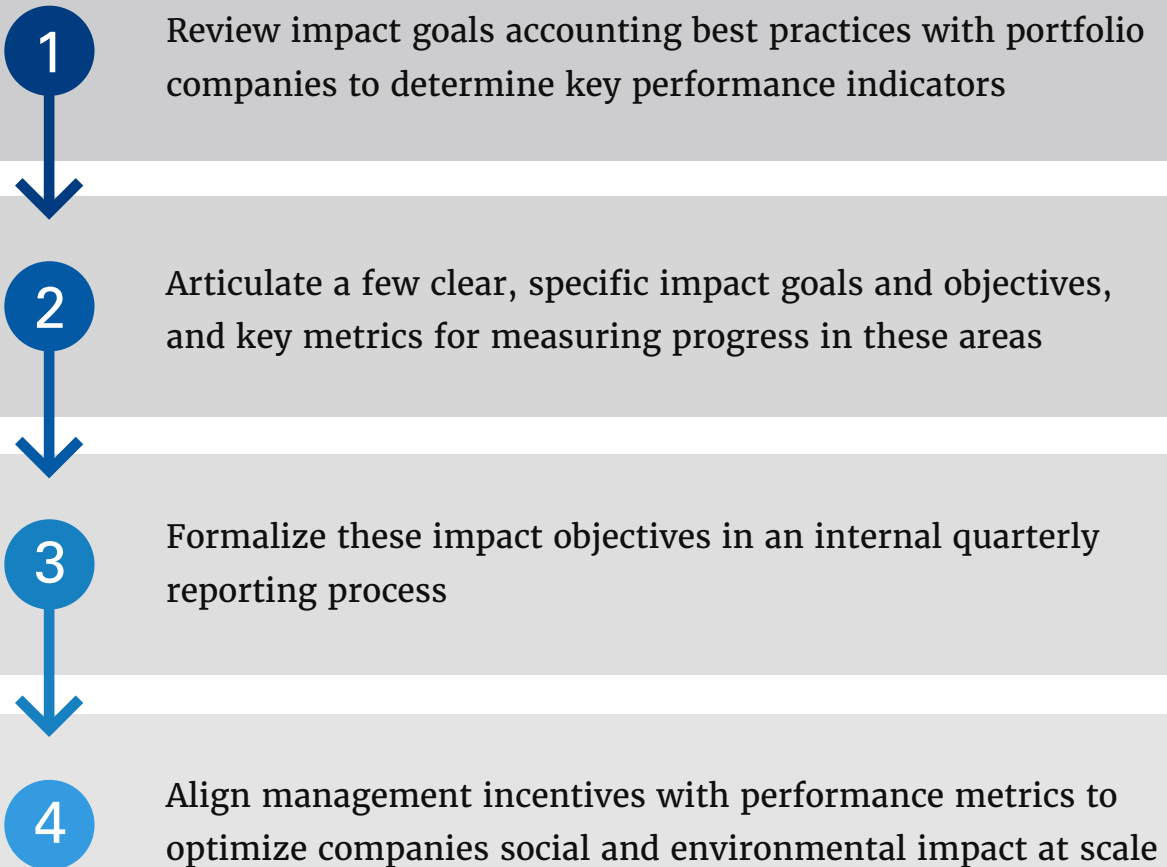


Why Measure Impact?

- 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 and classification through B Lab and GIIRS and the IMP+ACT Classification System, 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 the second in a series of impact reports. As such, it will further refine 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.

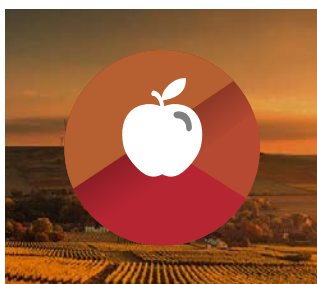




4 | Fund Impact

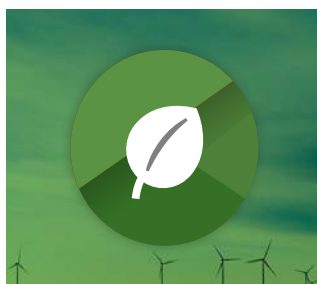
Investment Themes

The work in which The 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.



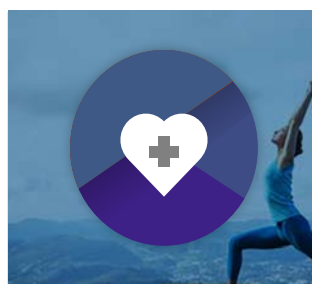
Sustainable Food & Agriculture

Fixing a broken industrialized food system



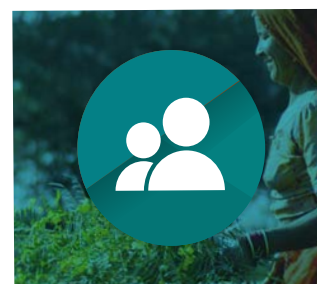
Resource Efficiency

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

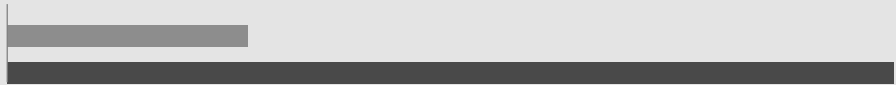


Impact Area: Workers

Jobs Created

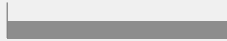
2019 | 266

Since Investment | 1,260



LMI Jobs Created

Since Investment | 225



Impact Area: Sustainable & Regenerative Sourcing

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

2019 | 13,258,494

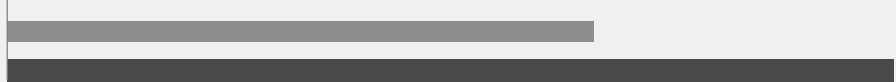
Since Investment | 31,551,951



Tons CO² Inset or Averted

2019 | 280,450

Since Investment | 420,457



Impact Area: Sustainable Operations

Kwh Renewable Energy

2019 | 1,226,018

Since Investment | 3,360,707



Tons of Material Diversion from Landfill

2019 | 2,481

Since Investment | 5,928



Impact Area: Social Investment

Social Impact Dollars Invested & Charitable Donations

2019 | \$1,876,439

Since Investment | \$5,671,128

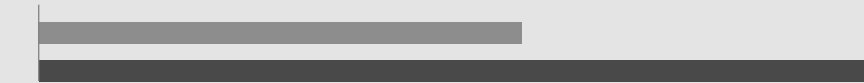


Impact Area: Health Impact

Organic & Healthy Meals Served

2019 | 6,348,970

Since Investment | 15,762,14



IMP+ACT Alliance

In 2019 and 2020, The Builders Fund worked with New Summit Investments and the IMP+ACT Alliance to support the prototype development of their IMP+ACT Classification System (ICS), which enables asset managers to categorize the social and environmental impacts of their investment products. This classification process builds upon the logic and norms of its sister initiative the Impact Management Project, a forum for building global consensus on how to manage and measure impact. The impact investing universe contains a wide range of investment approaches and the ICS provides a common language for fund managers to use to summarize their impact goals and performance.

The Builders Fund participated in this process in order to support the movement towards transparent and accessible impact assessment for funds and companies. Through this process, we were able to map our portfolio according to the ICS.

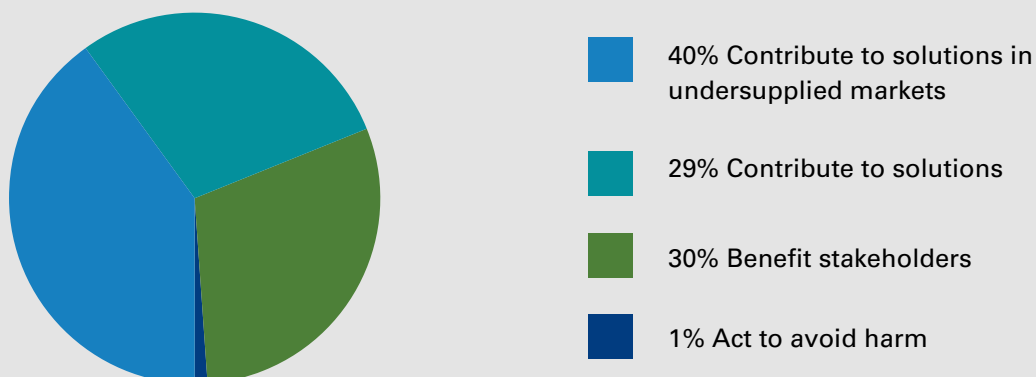
Under the framework, assets are classified in one of four ways:

- 1 | May Cause Harm
- 2 | Act to Avoid Harm, or actively mitigate or reduce important negative outcomes
- 3 | Benefit stakeholders, or generate some positive outcomes in relation to a particular UN Sustainable Development Goal
- 4 | Contribute to solutions, or generate positive returns for people, the planet or an economy otherwise underserved in relation to a particular UN Sustainable





























The IMP+ACT Classification System allows asset managers to classify the impact of their investment products against the United Nations SDGs and also considers the strategies that investors take to contribute to the impacts of the investment, such as engaging actively with its investments, signaling that impact matters, and growing new or undersupplied capital markets.

IMP+ACT Alliance Classification



In 2019, our fund supported the prototype development of the IMP+ACT Classification System (ICS). The ICS allows us to analyze alignment to the United Nations Sustainable Development Goals (SDGs), indicating where the fund is acting to avoid harm, benefiting stakeholders, and contributing to solutions.

Investment Portfolio Impact by SDGs		
Act to Avoid Harm	Benefit Stakeholders	Contribute to Solutions
	 MPOWER [®]	
		 URBAN REMEDY MPOWER [®] the  method 
		 MPOWER [®]
		 MPOWER [®] the  method
		 MPOWER [®] 
		 URBAN REMEDY MPOWER [®] the  method 
	 MPOWER [®] 	
	 MPOWER [®] 	
	 	
		 URBAN REMEDY  
		 URBAN REMEDY MPOWER [®] 
	 	
	 MPOWER [®]	

Quick Stats

4

B Corp Certified
Companies in Portfolio

38

Total Key Performance
Indicators



2019 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 2019, 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 .

2019 GIIRS Impact Fund Manager Assessment

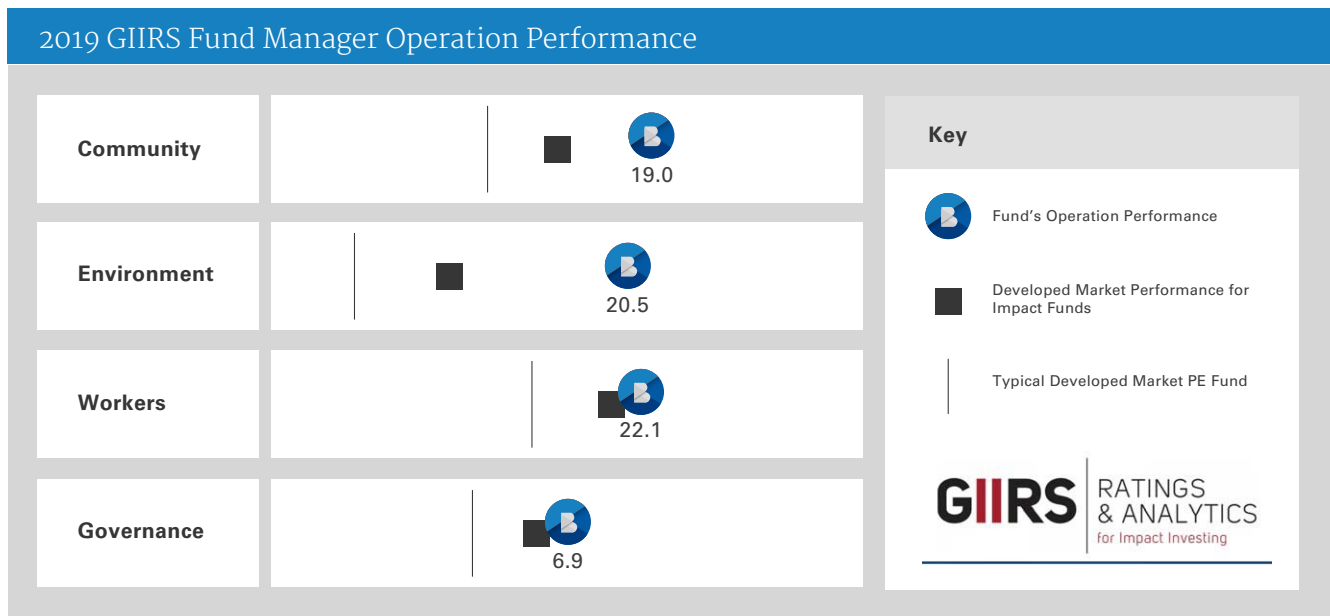
	Percentile	40th	60th	80th	Key
Overall Performance	105.3			158.3	Fund's Operation Performance
Targeted for Investment Information about the historical performance of the fund manager and the intent of the current fund*	29.9		48.8		Developed Market Performance for Impact Funds
Portfolio Management Focuses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



GIIRS Ratings

In 2019, The 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.

After nearly a decade of providing impact ratings, 2019 was the final year of the GIIRS program. Moving forward, B Lab will continue to focus its efforts on the B Impact Assessment and The Builders Fund will continue to engage itself and all portfolio companies in the BIA process.



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, The Builders Fund 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 are not widely available for growth stage companies. We believe we can play an important role in the capital landscape for mission-driven founders that need capital for liquidity or growth initiatives. By providing these size investments paired with meaningful intellectual capital and operating expertise, we are able to meet growth stage companies where they are, enabling them to scale sustainably and protect their culture, purpose and mission. 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

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





As a firm and through our processes, procedures and portfolio we are committed to integrating diversity, equity and inclusion as a driver of performance. It is a simple fact that businesses and boards alike outperform when they are more diverse and inclusive. Studies show that companies with gender diversity are 15% more likely to outperform their peers, while more racially and ethnically diverse teams are 35% more likely to have financial returns above the industry mean.⁷ Companies with more women in the C-Suite are more profitable in general, primarily due to increased range of skillsets and reduced gender discrimination within companies.⁸ Other reports indicate that diverse companies are not only able to outperform their peers, but they are also better equipped to innovate and problem solve.⁹

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 parental and sick leave, and full healthcare coverage for all employees. Moving forward, we are committed to establishing anti-racism personnel policies and racial-equity and unconscious bias training for staff, supporting democratic participation through the recognition of Election Day as a holiday, and to democratizing the employment application process to ensure a representative cross section of the population is

interviewed for any new hires. 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.

This research supports one facet of a comprehensive ESG strategy as a driver of value creation at the portfolio level: increase diversity, increase the likelihood of better decision-making and outperformance. It is also, unequivocally, the right thing to do and we do not believe we have done enough. With our Fund I, Builders has been most 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 or CEO, in addition to other C-Suite level positions:

Traditional Medicinals:

female co-founder and CFO

MPOWERD:

female CEO

Urban Remedy:

female founder

MIXT:

female co-founder and CEO

Bar Method:

female founder and female COO/CFO

⁷ <https://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>

⁸ <https://hbr.org/2016/02/study-firms-with-more-women-in-the-c-suite-are-more-profitable>

⁹ <https://www.scientificamerican.com/article/how-diversity-makes-us-smarter/>



Across our portfolio, we are also working to improve diversity at all levels of our companies. At Traditional Medicinals there are female executives in many leadership positions, including Marketing, Supply Chain, Technical Services, and Sustainability. In 2019, nearly 50% of all managers at the company were female. The company launched a diversity and inclusion strategy in 2018 in order to expand their commitment to an authentic, inclusive, and representative workforce. The framework includes revised practices for hiring, mentorship, and employee engagement such as interviewing a representative cross-section of the local population in any formal interview process for new positions, actively seeking to address underrepresentation, and educating employees about implicit bias.

In 2020, MPOWERD has supported numerous anti-racist petitions and team members have made donations to anti-racist organizations, contacted local and state officials to influence change and rooted themselves in the process of learning and unlearning from one another. The company will continue to develop processes focused on inclusion and diversity internally while simultaneously determining how to further the use of the company's resources as a vehicle for change.

We study and share such practices with all portfolio companies in order to advocate for diverse and inclusive hiring processes that are competitive and selective, and in 2020 have initiated a project to create more legal frameworks to drive these changes going forward through commitments at the point of investment. Within our portfolio, all companies are actively monitoring and supporting the diversity of their employees. For example, in

2019 Urban Remedy reported that 97% of its staff feel that the company supports diversity in the workplace. While some companies track this data specifically, others conduct regular reviews of salary and promotion information to ensure equitable practices.

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. This pool layers in with founder and investor equity with new shares in the company and serves to create and maintain economic value for those who are most integral to the success of the company. These profit pools are in addition to portfolio-wide living wages, health care coverage, paid parental leave and other bonuses and benefits.

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 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 The Builders Fund 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 50% 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 and our portfolio companies. They serve as executive chairs, as board members, and as advisors. The Builders Fund has spent countless hours working in close partnership at the company level. Across the five portfolio companies in Fund I, we have held nine 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 strategic rebrand (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 (Bar Method, MIXT).

In 2019, after four years of close partnership, we worked with the leadership at Bar Method to facilitate a strategic sale to Self Esteem Brands, including assisting in marketing materials creation, buyer introductions, diligence, and helping to negotiate and close the definitive documents of the transaction. At MPOWERD, in addition to our three board seats, this past year a builder joined to serve as an executive coach for the CEO and another to assist with a strategic project to improve margins. At Traditional Medicinals we worked to provide financing alternatives to support investments into

innovation. At MIXT we helped drive a brand strategy project and to find and hire a new head of operations.

More recently, and consistent with our approach across the portfolio, we partnered closely with MIXT management after COVID-19 necessitated the temporary closure of 11 of their 19 restaurant locations. In order to respond to the crisis in a manner that would help preserve the company's strong business model that includes superior products, alignment with consumer tastes and a fantastic leadership team, The Builders Fund provided consistent support to meet the immediate needs of the company during the global pandemic ranging from weekly calls with management to discuss strategies for navigating the crisis, engaging with the team to review weekly cash flows and scenario planning, presenting and connecting a variety of financing alternatives, helping to shape emergency relief and donation platforms, and connecting the team to other job opportunities to support furloughed employees.

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, 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 brand and culture. 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 sustainable agriculture. MPOWERD exists to provide clean energy products to millions of people globally who lack consistent access to a grid. MIXT exists to reimagine the fast casual restaurant industry as one responsible to not only their customers and the environment, but also their front line 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 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. We also encourage companies to offer their employees paid leave to volunteer at nonprofits.

Over the last five years, Traditional Medicinals has invested over \$6.6 million in their social business model to support nonprofits. These include the aligned Traditional Medicinals Foundation, WomenServe, and Whole Foods' Whole Planet Foundation and other local and global NGOs. The company's social business investments also cover certification, inspection, and fair premium costs for USDA Organic, Fairtrade International (FLO), Fair Trade USA, and FairWild.



In 2019, MPOWERD launched a year-long initiative with Save the Children during their centennial year with the commitment that MPOWERD would increase their contribution of lights to 10,000 — double the amount of lights contributed in all prior years combined. Children and families from Afghanistan to Vietnam, and Mozambique to Romania, received MPOWERD lights as a result. This is one of many examples of MPOWERD’s charitable activism with large and small partners in the nonprofit sector.

Urban Remedy was at the forefront of supporting schools and local healthcare workers in the midst of the COVID-19 pandemic via donations of over 23 thousand meals to non-profit community partners. The company also integrated their giving with the launch of a new delivery app and “share the love” campaign designed to benefit frontline workers.

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 like minded 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:



FIVE
FUND
FORUM



GRATITUDE
RAILROAD



CONSCIOUS
CAPITALISM®



SOCAP





6 | Conclusion

The coronavirus pandemic has laid bare the illusion that wealth accumulation is a worthy definition of success, and the illusion that we all have equal access to the pursuit of happiness. When the most vulnerable among us feel the greatest effects while the wealthiest accumulate even more, it's apparent that the system is in need of fundamental reform. Systemic oppression of BIPOC (Black, Indigenous, and People of Color) communities enacted by an economy rooted in a history of white supremacy has resulted in the recent mass protests and the threat of military action from our government against its own citizens in response to the murders of Breonna Taylor, Ahmaud Arbery, and George Floyd, among so many others.

We must begin thinking and acting more systemically: businesses operate within a larger economic system, which exists within and through our global social systems, which all function within a shared natural ecosystem. The dominant

capitalist model has ignored that it is embedded in these larger systems, and that decisions which ignore the dynamic and interdependent nature of those relationships can have dire consequences. If we want to drive course correction on any of our significant and intractable global challenges, we need to pursue root causes with a systems mindset. This is a stark and important reminder that social and environmental devastation are symptoms, not the root cause. The root cause is our disconnection – from each other and from the systems of the planet. The issue is with our perception and our understanding of reality. As Otto Scharmer, a senior lecturer at MIT and Co-founder of the Presencing Institute, so eloquently argued at a recent Global Forum, to reinvent our economies we must reconnect with each other, with the world, and with our own transformative capacities. Dr. Noel Nannup, an Aboriginal Nyoongar Elder from

Western Australia, summarized that work perfectly at the same event: “All we need to do is to have a piece of the path to the future. And that’s ours. And we polish that and we hone that. And we place that in the pathway that we are building. And as we build that pathway it changes us as the *builders* of that path and it also shapes the destination that we are going to.”

The Builders Fund is proud to be a part of the emergent impact investment sector working to bring more capital to purpose-driven and systematically-responsible businesses. We are not perfect and neither are our companies. We are learning, evolving our thinking, and working to not let perfection be the enemy of good. We are unwavering in our commitment to creating 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 more conscious businesses and we will continue to share our progress, challenges, and learnings along the way.

In the midst of these multiple intersecting dramas – a pandemic, a reckoning with racial injustice, an economic crisis, a political crisis – we believe that as a society we have to transform in our capacity to take on big problems in a more meaningful way. We are going to have to build a vocabulary and ways of measuring and approaching social and economic systems that go beyond the simplistic monetary and short-term profit-driven ways we have come to revere in western society. We are going to have to adjust our ways of relating to time horizons to be more long-term and generational, and as Jaqueline Novogratz so eloquently lays out in her recent book,

Manifesto for a Moral Revolution, we are going to have to reintroduce a moral imagination to capitalism that has been sorely lacking.

We hope our work, and the work of our colleagues in the impact community, will help us all to build more just and regenerative systems of engagement with the complex and dynamically interdependent systems of the world. We believe that if we can collectively begin to shift our dominant social paradigms to this worldview, the prospect of flourishing on this planet in its truest sense might just become a possibility.



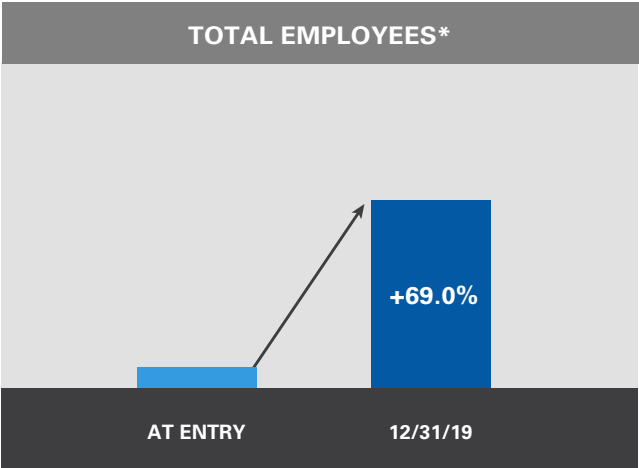
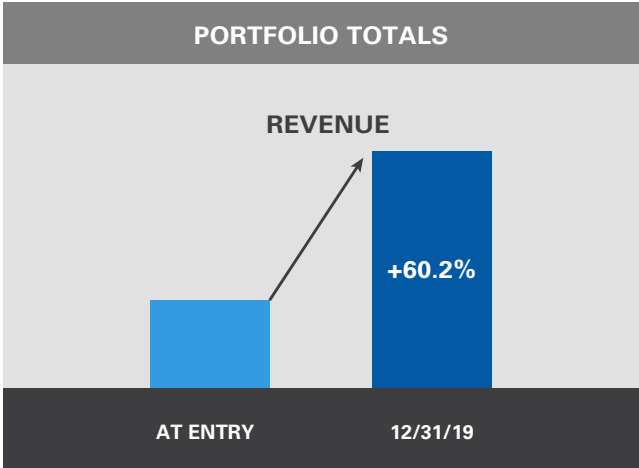
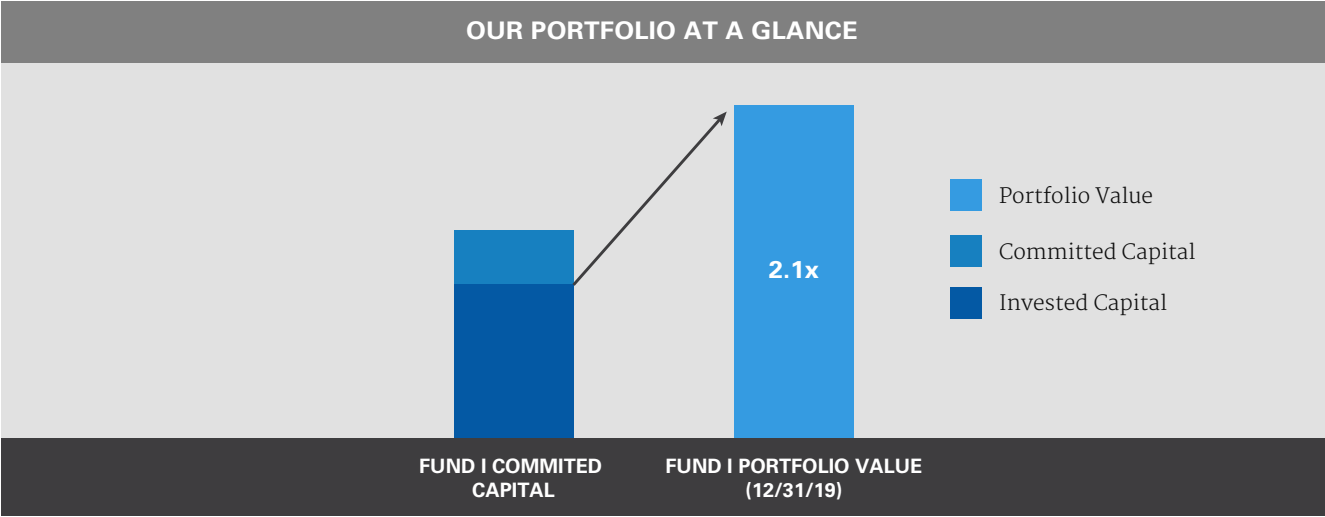


6 | Appendix: Fund I Portfolio

The Builders Fund I closed in early 2017. We have since invested in five platform companies, with a sixth and final investment expected in mid-2020. We work closely with the leadership at each company to measure and track impact 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 2019



2019 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

Year of Exit | 2019

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

Impact Area: Workers



Jobs Created

2019 | 64

Since Investment | 90



Total Employees

2019 | 209

% Worker Living Wage

2019 | 100%



Impact Area: Sustainable & Regenerative Sourcing

Lbs. of Organic Herbs Purchased

2019 | 2,622,420

Since Investment | 6,866,838



% of Organic Herb Purchases

2019 | 99.7%



Lbs. Fair Trade Herbs Purchased

2019 | 751,494

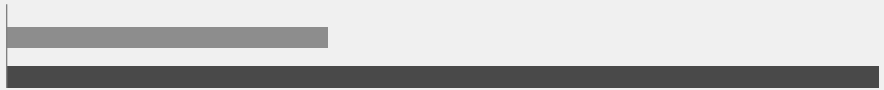
Since Investment | 1,916,012



Lbs. Organic & Fair/Ethical Herbs Purchased

2019 | 754,580

Since Investment | 2,136,021



Purchases from Improved Trade Practices

2019 | \$9,115,436

Since Investment | \$26,088,321



Fair/Ethical Premium Dollars

2019 | \$237,600

Since Investment | \$535,875



Tons of CO2 Inset

2019 | 750

Since Investment | 1,299



Impact at a Glance

Builders Fund has been invested in Traditional Medicinals since 2017

Impact Area: Sustainable Operations

kWh Renewable Energy

2019 | 1,226,018

Since Investment | 3,360,707



Material Diversion Tons from Landfill

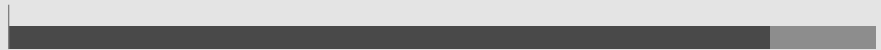
2019 | 581

Since Investment | 1,293



% of Waste Diverted from Landfills

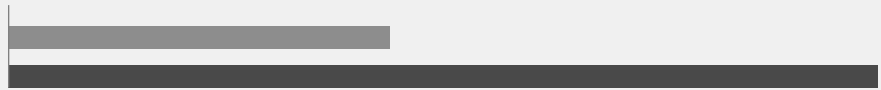
2019 | 86%



Tons of Mixed Plastic and Cardboard Recycling

2019 | 208

Since Investment | 586



Local Renewable Electricity used at Office

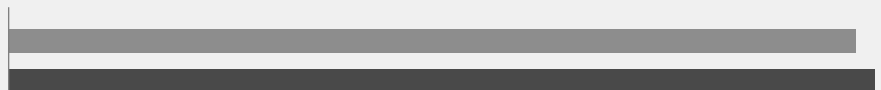
2019 | 100%



Material Pounds Used Per Case

2019 | 0.65

2018 | 0.66



Impact Area: Health

Bags of Medicinal Tea Served

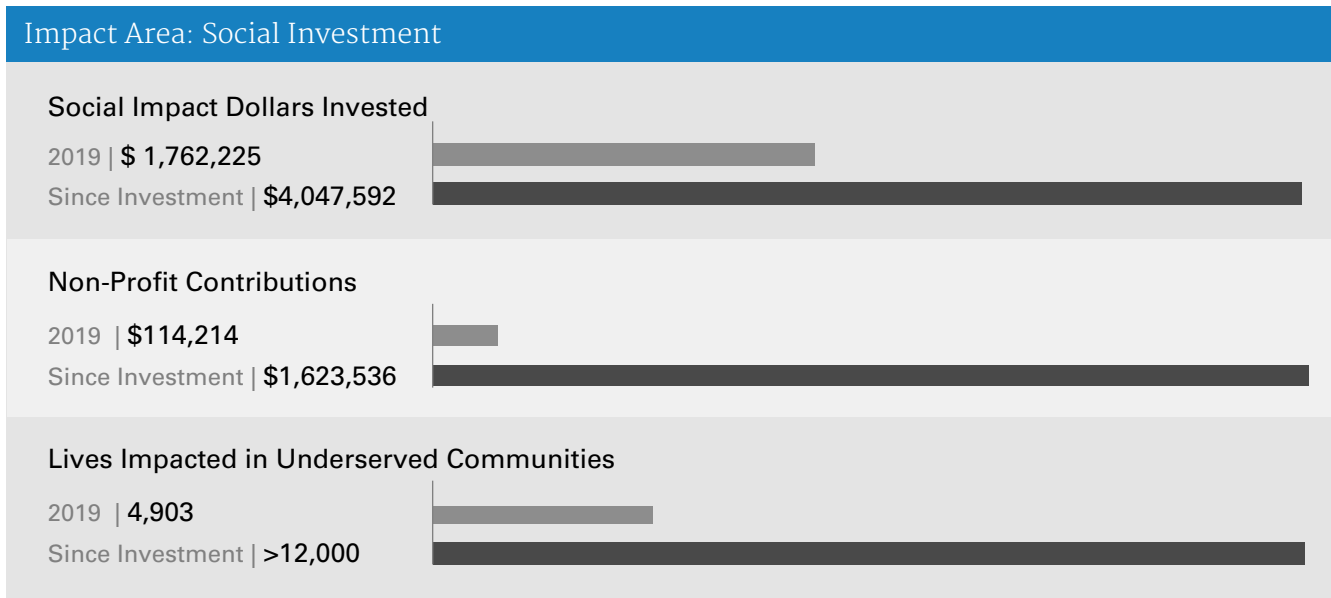
2019 | 575,560,716

Since Investment | >1.5B



Impact at a Glance

Builders Fund has been invested in Traditional Medicinals since 2017



2019 Awards

“Best Place to Work” | North Bay Business Journal
 B Corp “Best For The World” Honoree
 WWF Honoree for panda protection and advocacy

Certified B Corporation B Corp Certified Since 2010
Traditional Medicinals was one of first natural products companies to receive this designation

B Corp Best Changemakers Award in 2017



GIIRS Impact Ratings 2019*

Impact Business Models Rating
PLATINUM

Operations Rating
 ★★★★★

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

2019 Case Study

In 2019 Traditional Medicinals worked with longtime green tea supplier Ambootia Estates in Darjeeling, India to support their organic and Biodynamic farming practices through the purchase of 535 metric tons of carbon credits. With that purchase, the company offset both their scope 1 and scope 2 emissions from all direct energy and their scope 3 emissions from material waste and business travel. With strong organic and Biodynamic farming practices in place, Ambootia turns their farm outputs—cow manure and green clippings—into active soil inputs for healthy soil biomes. These efforts make the production of their green tea leaf carbon-negative, capturing more carbon than they emit while growing and processing it.

The company also offers incentives to employees who carpool or commute via public transit, by bike or foot and offsets that estimated commuting footprint. In 2019, Traditional Medicinals purchased 215 metric tons of carbon credits from NativeEnergy, a fellow B Corp and Best for the World Honoree, whose HelpBuild carbon offsets support the Jagers Ranch Grasslands Conservation by the Southern Prairie Land Trust in southeastern Colorado.





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.

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.



Impact at a Glance

Builders Fund has been invested in MPOWERD since 2017

Impact Area: Workers



Jobs Created

2019 | 0

Since Investment | 3

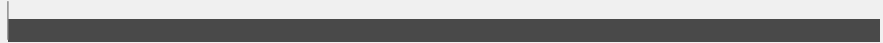


Total Employees

2019 | 14

% Worker Living Wage

2019 | 100%



Impact Area: Community Impact

Luci Lights Deployed*

2019 | 136,425

Since Investment | 508,842



Lives Affected*

2019 | 682,125

Since Investment | 2,544,210



Impact Area: Community Impact

Tons CO2 Averted*

2019 | 279,700

Since Investment | 419,157



*NGOs + Emerging Market Distribution Only





Winner of B Corp
Best Changemakers Award in 2017 & 2019

Certified **B** Best For
Corporation The World
2019 Changemakers
Honoree

GIIRS RATINGS
& ANALYTICS
for Impact Investing

GIIRS Impact Ratings 2019*

Impact Business Models Rating

PLATINUM

Operations Rating



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



2019 Case Study

In 2019, MPOWERD focused on scaling their partnerships for capacity building and addressing the increasing need for disaster preparedness and emergency response efforts in the face of climate change. The company created a plan that solidified relationships with both funders and implementers, enabling them to respond to everything from the tsunami in Indonesia and wildfires in California to Hurricane Dorian and other natural disasters.

MPOWERD also spearheaded a new way of collaborating with the digital retail giant, Amazon, leading to the ability to ensure that their lights were deployed to first responders and multiple NGOs immediately in the aftermath of a natural disaster and sometimes, even before the disaster.

MPOWERD expanded their network of 650 NGO partnerships to include new countries such as Colombia, Venezuela, South Africa, and Namibia. As part of Save the Children's centennial year efforts, MPOWERD exceeded their goal of a yearlong partnership that resulted in the distribution of 10,000 Luci® lights for programming in the United States, Mozambique, Afghanistan, Vietnam, and Romania.

At the beginning of 2019, MPOWERD provided relief efforts to Puerto Rico after recurring earthquakes caused widespread damage, brownouts, and instability across the island. The company deployed more than 9,000 Luci® lights in partnership with 18 NGOs and nonprofits including Catholic Charities, Americares, Amazon Disaster Relief, Harper 4 Humanity, and Together Puerto Rico.





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.”

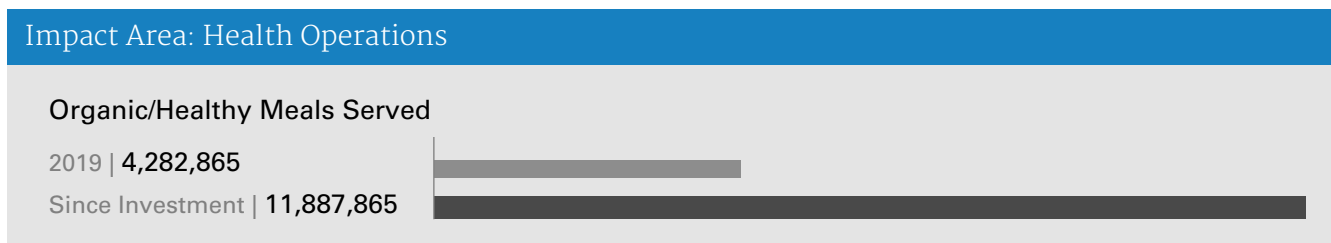
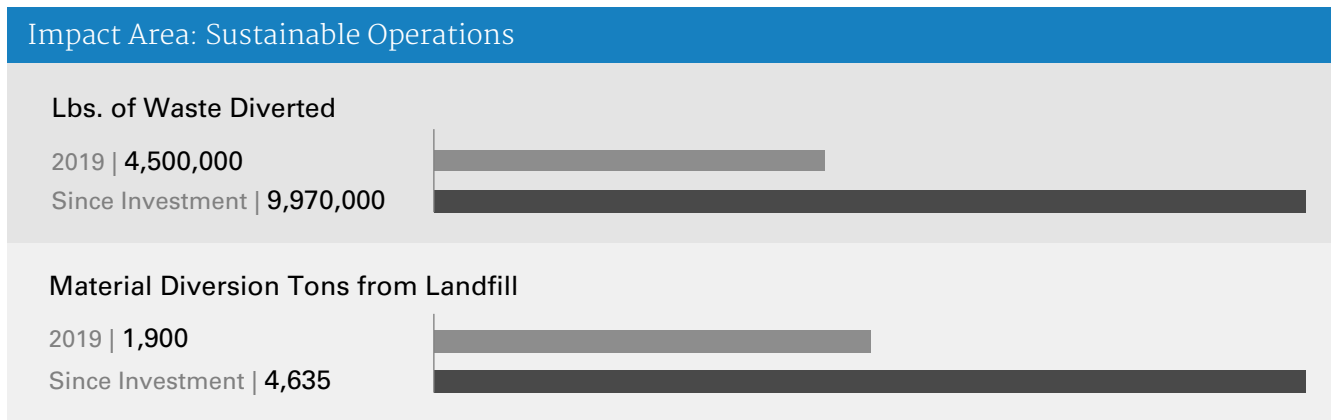
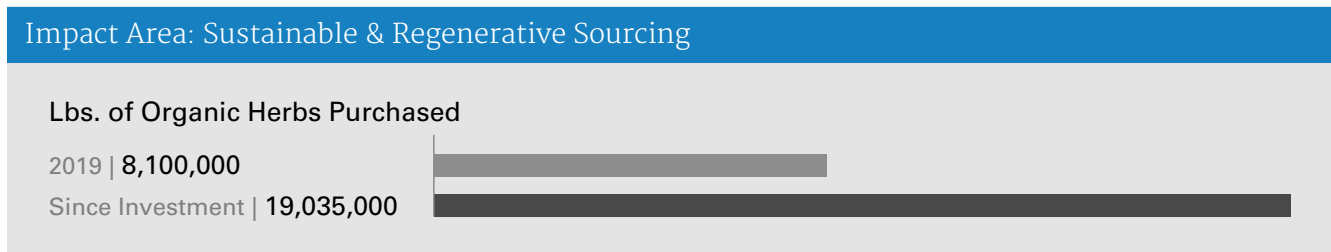
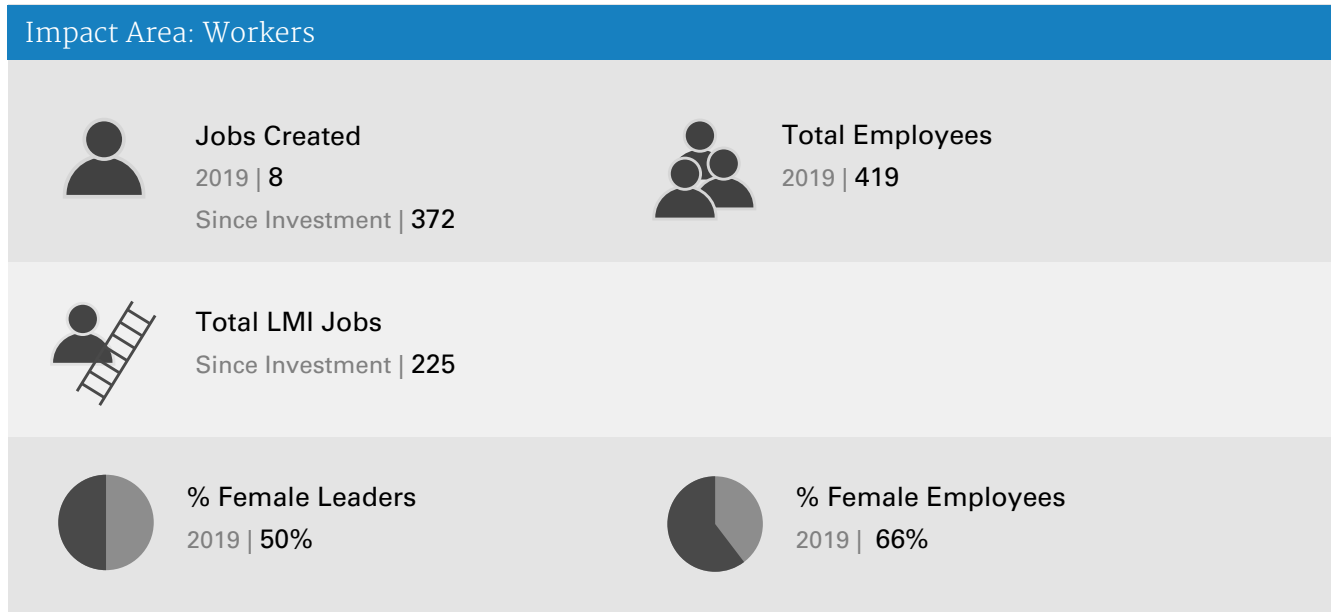
The centralization and efficiency prized for so long by the western industrialized food system is proving rapidly antiquated and is visibly killing people and the planet. Soil degradation, obesity, inflammatory diseases, food deserts, and water shortages are just some of the spreading symptoms. “Big Food” is largely focused on lengthening shelf life, but when 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.

Urban Remedy is based in Richmond, California, which was designated as an Opportunity Zone via the Tax Cuts and Jobs Act of 2017. 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.

Impact at a Glance

Builders Fund has been invested in Urban Remedy since 2015





	GIIRS Impact Ratings 2019 ^{vii}
	Impact Business Models Rating SILVER Operations Rating ★★★★☆

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

2019 Case Study

In 2019, Urban Remedy piloted an Urban Farmbox project to connect consumers directly to farms and the people that run them, allowing them to learn about the human element of the company's supply chain. The company also opened its first Los Angeles retail store in Venice, CA. To further their commitment to healing the planet, Urban Remedy donated all proceeds from the grand opening day to local non-profit Kiss the Ground, whose mission is to heal the planet through soil regeneration.

Global soil regeneration is possible with a transformation in how humans practice agriculture. Regenerative agriculture is an approach that is centered around rebuilding and restoring soil health in order to reverse climate change. Healthy soils produce nutritious food, restore water cycles,

support biodiversity, and can draw down carbon from the atmosphere, storing it in land and plants. Restoring the health of land can restore the health and prosperity of humans while balancing the climate.

“Urban Remedy was founded on the principle of healing people and the planet, and healthy soil is the foundation of healthy food,” said founder Neka Pasquale. That's why the company is donating funds to support the transition of farmers to regenerative agriculture. Proceeds from the grand opening of the Venice location helped to provide a transition scholarship for a California farmer through Kiss the Ground's Farmland program.





MIXT

Type of Business | Retail: Fast Casual Restaurants

Year of Initial Investment | 2018

Impact Lenses |



MIXT’s mission is to bring better eating to everyone and has 16 locations throughout the San Francisco Bay Area, Los Angeles, Scottsdale, Arizona, and Dallas, Texas. MIXT’s chef-created selection of salads, grain bowls, sandwiches, and market plates 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 -- from the vinaigrettes to the roasted steelhead. With its chef-driven menu, commitment to quality, and focus on a premium experience, MIXT is known for attracting legions of fans willing to wait in lines out the door. Families can eat better together at MIXT with the MIXT kids’ menu, designed to bring a smile to even the pickiest eater. MIXT has been recognized

as one of the nation’s hottest fast-casual concepts and was the first multi-unit restaurant to become a certified B Corp. 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.

Impact at a Glance

Builders Fund has been invested in MIXT since 2018

Impact Area: Workers



Jobs Created

2019 | **98**
Since Investment | 115



Total Employees

2019 | **317**



Internal Manager Promotions

2019 | **26**
Since Investment | 30

Leaders promoted
from within | **67%**



% Female Leaders
2019 | **39%**



% Female Employees
2019 | **42%**

Impact Area: Sustainable & Regenerative Sourcing



Lbs. of Organic Produce Purchased

2019 | **1,030,000**
Since Investment | 1,598,080



Local Ingredients Sourced

2019 | **120**

Impact Area: Sustainable Operations



Percent of Waste Diverted

2019 | **99%**

Impact Area: Health Impact

Organic/Healthy Meals Served

2019 | **2,066,105**

Since Investment | **3,874,279**





GIIRS RATINGS
& ANALYTICS
for Impact Investing

GIIRS Impact Ratings 2019*

Impact Business Models Rating

SILVER

Operations Rating



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



2019 Case Study

Mixt has consistently prioritized the needs and well-being of employees. As the COVID-19 pandemic led to the temporary closure of many of the company's locations, they responded quickly and creatively to support community needs. Responses included free meals for employees, "pay what you can" programs, and options to buy a meal for someone in need or to donate meals to hospital workers. These responses exemplify a purpose-driven management team actively living their values.

Mixt's mission is to bring better eating to everyone, which is even more crucial in this moment of crisis. At the time of this publication they have provided over 2,800 meals to people who need them in San Francisco, Oakland, and Los Angeles. The company has also launched partnerships with eight local healthcare facilities including UCSF, SF General, Children's Hospital of LA, and more where they are delivering more than 1,000 free meals to their teams on the front line.





The Bar Method

Type of Business | Service

Year of Initial Investment | 2015

Year of Exit | 2019

Impact Lenses |

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

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 designed to support female entrepreneurship, providing opportunities for

leadership and business development for each of its 123 franchisees. The Bar Method is proving the theory that money and power in the hands of women can vastly improve the world.

In 2019, The Bar Method was acquired by Self Esteem Brands, the parent company of Anytime Fitness. Self Esteem Brands plans to expand the current 123 studios in 30 states through franchising around the world with an initial concentration in North America, reaching thousands of additional clients and providing entrepreneurship opportunities with each new franchise.

Impact at a Glance

Builders Fund has been invested in The Bar Method since 2015

Impact Area: Workers

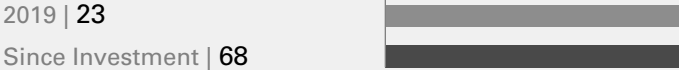


Jobs Created
2019 | 96
Since Investment | 680



Total Employees
2019 | 2,010

Women-Owned Business Franchises Started



Impact Area: Health Impact

Total Workouts

