Impact Report

THE BUILDERS FUND

2025

Contents

LETTER FROM THE DIRECTOR OF IMPACT

Keeping Purpose at the Heart of Impact Investing

As impact investors, we have long been committed to building companies that improve people's lives.

We've seen firsthand how responsible, purpose-driven businesses act as community anchors, creating good jobs and local partnerships; how they innovate to bring new solutions to environmental and social issues; and how they advocate for the important challenges of our time. This foundation gives us strength and clarity, even as we navigate the intersecting realities of climate change and shifting policy landscapes.

The pace and scale of change can feel daunting, but purpose is a steady guide. It helps us focus on what we can do in the present, rather than what lies outside our influence. As Jenny Odell reminds us in Saving Time, "a significant part of climate nihilism and other painful experiences of time comes from an inability to recognize or access that fundamental uncertainty that lives at the heart of every single moment, where our agency also lives." In other words: believing the battle is already lost is the surest way to make it so.

It is crucial for us as impact investors to stay in touch with our agency. The Builders Fund remains focused on sourcing, investing in, and partnering with companies whose fundamental business models address the dislocation arising from the most pressing challenges of our time: from wasteful agricultural practices and the increasing rates of chronic and preventable disease to uneven and inequitable access to reliable, renewable energy and the widening achievement and skills gaps. We're inspired by the visions of our portfolio companies to make meaningful progress in climate solutions, healthy societies, and social well-being, and we're proud to partner with and support them in these endeavors.

Across our portfolio, each company we invest in has a strong, verified impact business model. Acelero provides high-quality early education to prepare children from low-income families for kindergarten and beyond, partnering with families to nurture their children's potential. PosiGen expands access to affordable solar energy for low- to moderate-income homeowners. Traditional Medicinals is an industry pioneer in organic, responsibly cultivated tea that also invests in educating people about the power of plants while uplifting sourcing communities and sustainable agriculture practices. Urban Remedy actively invests in organic supply chains and waste diversion and serves as a vocal thought leader in the food industry for sustainable food production and healthier diets. MIXT is reimagining the fast-casual restaurant industry as accountable to and responsible for customers, the environment, and frontline employees alike. BioLite provides clean energy products to millions of people globally who lack consistent access to a grid.

Reflecting on 2024, there are many highlights: strong growth in revenues and earnings across our portfolio, productive engagement with our management teams, the structured exit of MPOWERD via its sale to BioLite, and a steady pipeline of deals. In the past year, our portfolio companies have made impressive progress in terms of impact outcomes, scale, and community engagement:

Acelero students achieved a three-point average literacy gain after three months, with 90%+ of Acelero students coming from underrepresented backgrounds. In 2024, the company expanded, adding new operations in South Carolina and Shine partnerships in Montana and New York City, serving over 4,500 students, reaching over 500,000 families, and creating 67 new jobs across the country. With federal funding for education–particularly programs that focus on underrepresented communities–in flux, Acelero increased its engagement with industry groups and legal advisors to anticipate potential policy changes and adjust its strategy proactively. The company also joined forces with stakeholders to protect funding streams and ensure compliance with evolving regulations.

PosiGen customers saved more than $45M on their utility bills and helped avoid 160K+ metric tons of greenhouse gas (GHG) emissions in 2024. Amidst federal policy shifts, PosiGen worked closely with Builders Fund and other energy investors to advocate for federal tax policy that would continue to support American energy independence, affordability, and domestic supply chains. Members of the PosiGen team traveled to Washington, D.C., to stand alongside hundreds of solar advocates for SEIA's Residential Solar Day of Action, a coordinated effort to defend federal energy tax credits that support residential solar programs—especially those benefiting low- to moderate-income (LMI) families.

Traditional Medicinals avoided more than 2K metric tons of GHG emissions and sourced more than 3M pounds of Organic and Fair Trade material in 2024 while creating 19 new jobs and remaining the number 2 bagged tea brand in the country. The company also continues to be a leader in collaborative industry initiatives. Recognizing that emissions reductions across global supply chains can't be achieved in isolation, the company has taken a central role in a pre-competitive working group convened by the Sustainable Herbs Initiative (SHI). This group brings together seven botanical herb companies to share best practices, co-develop methodologies, and unlock economies of scale in emissions data collection.

These industry leaders are powerful reminders of what becomes possible when purpose leads. Purpose not only inspires resilience in the face of uncertainty—it also drives business performance, strengthens employee engagement, and creates lasting competitive advantage. On an operational level, purpose drives performance, cultivating quality jobs, which lead to improved customer service and satisfaction and lower cost of customer acquisition. Meaningful connection to company purpose also supports better employee engagement, productivity, and tenure. That is why companies and investors alike continue to embrace impact-driven models, even amid shifting public debates about responsible business.

At the Builders Fund, we are grateful for the inspiring work of our portfolio companies, for our peers who share this journey, and for the chance to keep proving that purpose and performance reinforce one another. Together, we remain committed to building a better world.

Here's to another year of staying true to our purpose,

Amelia Ahl
Director of Impact

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Investor Overview and Impact Thesis

Intentional Growth & Uncompromising Impact

The Builders Fund is a growth equity and small-cap buyout private equity fund investing to build a better world. The fund launched in 2015 and has subsequently directed ~$330 million of capital from a group of founders, operators, foundations, endowments, families, and fund of funds with a vision of leveraging our collective expertise to generate attractive financial returns by partnering to build purpose-driven businesses that improve the world.

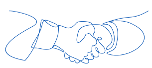
Significant social and environmental challenges are creating historic disruption and market dislocations, which touch every aspect of our lives and every industry on the planet. As a society, we are in the early stages of a generational transition with implications for every industry on the planet, including the care economy, the future of work, and more inclusive wealth creation.

We must decarbonize our economy. We need to think differently about the systems of our communities, businesses, natural resources, and built environment to exist within the bounds of a finite planet. We must address rising inequality. The Builders Fund sees these dislocations as an incredible opportunity for systemically responsible and purpose-built companies positioned to help solve those challenges.

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

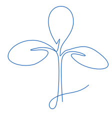
Our impact thesis guides us to invest in and build scalable and purpose-driven businesses that improve the world instead of simply extracting wealth over the short term for shareholders. We believe that long-term shareholder value is optimized when companies take a holistic, systems-based approach, seeking 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 who are crafting a better future.

Core Operating Principles



Authentic Partnership

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



Intentional Growth

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

Uncompromising Impact

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

How We Invest

We invest in entrepreneurial companies led by values-driven management teams that work to improve the world by building activist brands and authentic cultures. The fund typically makes $5M–40M structured equity investments into established, high-growth North American businesses that are consumption-driven, have revenues between $20M–200M, and have positive cash flow. Our investments fall into two themes—Sustainable Systems and Human Elevation—based on the combination of our expertise, the macro environment, and the opportunity for disruptive, purpose-driven businesses to win at the growth stages of their life cycle. Specifically, these are also arenas where big social and environmental challenges are disrupting the status quo.

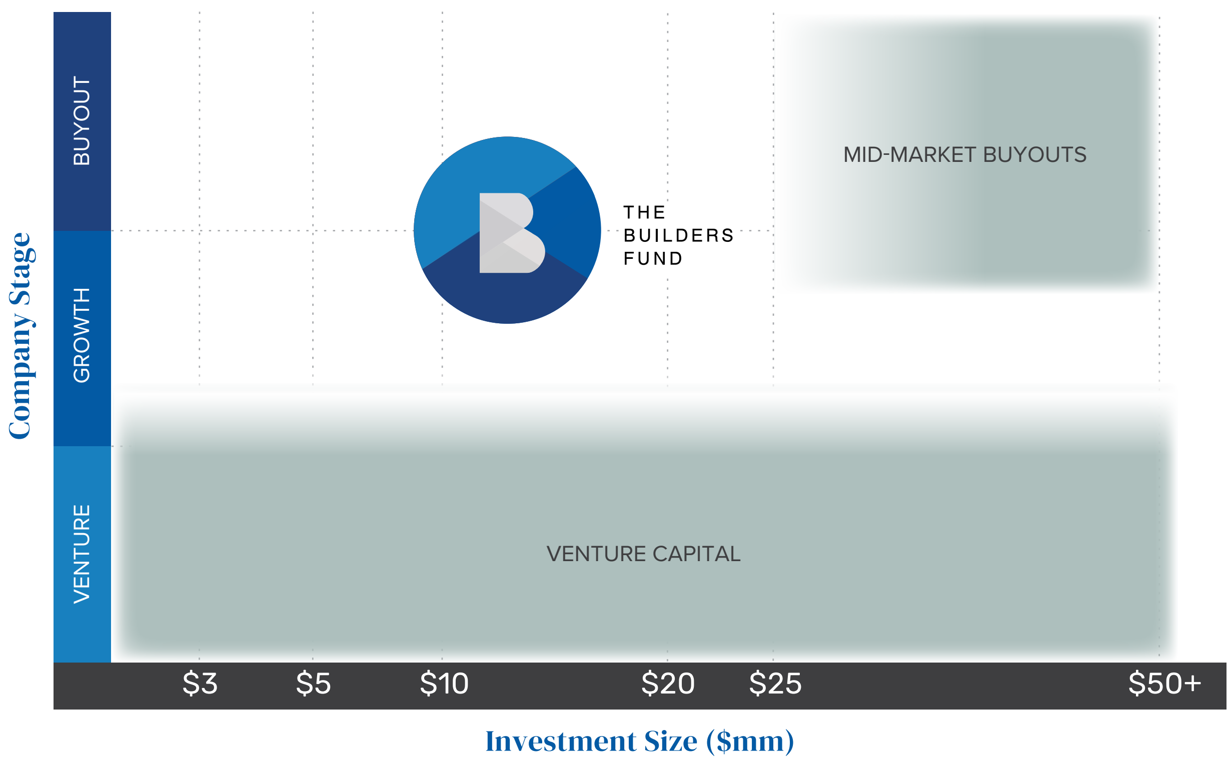
SUSTAINABLE SYSTEMS		HUMAN ELEVATION
CLIMATE SOLUTIONS		
• Renewable, distributed energy • Industrial decarbonization • Resource efficiency • Sustainable transportation	PosiGen MPOWERD	• Climate-resilient communities • Home electrification & storage • Clean air & water • Sustainable & affordable housing
HEALTHY BIOSPHERE HEALTHY SOCIETY		
• Regenerative agriculture & aquaculture • Sustainable consumer products • Compost and waste management • Circular economy & recycling	URBAN REMEDY TRADITIONAL MEDICINALS	• Food as Medicine • Chronic disease management • Solutions to the mental health crisis • Preventative care & healthy lifestyles
SHARED PROSPERITY & SOCIAL WELL-BEING		
• Ethical supply chains & fair trade • Community-based economies • Eliminating resource deserts	MIXT Acelero Inc.	• Competitive, outcomes-based education • Affordable health & human services • Workforce development / skills gap

Our Home in the Investment Landscape

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

We are structured to customize investments to 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.

THE BUILDERS FUND NICHE IN THE IMPACT CAPITAL MARKETS



How We Build

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

The Builders Fund employs a hands-on approach with each company in our portfolio. We partner closely with our management teams, whom we hope will ultimately join our group of builders to help expand our impact. When we invest in systems-responsible businesses and help them grow, we also scale their broader social and environmental impact. In our experience, building purpose-driven companies with a long-term perspective inherently generates exceptional financial returns.

Amidst macroeconomic uncertainty, companies that have embraced purpose as a competitive advantage stand out for their resilience and growth. The 'missing middle' of the impact capital markets is replete with businesses with strong internal culture, enduring customer loyalty, and excellent relationships with suppliers and communities; now more than ever, though, they lack access to affordable, values-aligned capital. As intertwined social and environmental challenges increasingly drive dislocation across markets, supporting these businesses with deep operational engagement and purpose-driven capital is correspondingly critical to ensuring sustainable economic growth, climate resilience and mitigation, and measurable social progress. The opportunity to do this work at such a crucial moment is a pleasure and privilege.”

Ani Ajith
VP, The Builders Fund

Impact Theory of Change

The Builders Fund seeks to build a more sustainable and responsible form of stakeholder capitalism by scaling climate solutions and elevating social outcomes via our investments. We aim to drive change throughout financial services broadly, and within private equity specifically, by deploying capital into systems-responsible companies.

When we succeed, we catalyze extraordinary financial, social, and environmental outcomes for our companies, their employees, investors, and the communities and customers they reach.

Inputs	Thesis-Driven Investments • Small cap buyout and growth stage gap in Impact Capital Markets • Sustainable Systems and Human Elevation themes identify market opportunities created by social and environmental problems
Activities	Purpose-Driven Capital Authentic Partnership & Operational Engagement Intentional Growth Strategy Uncompromising Approach to Impact
Outputs	Financial Returns Climate and Social Impact B Corp Certification
Outcomes	Scale Climate Solutions and Regenerative Food Systems Expand Equitable Access to Education Health and Quality Jobs
Impact	**Build a more sustainable and systemically responsible form of stakeholder capitalism**

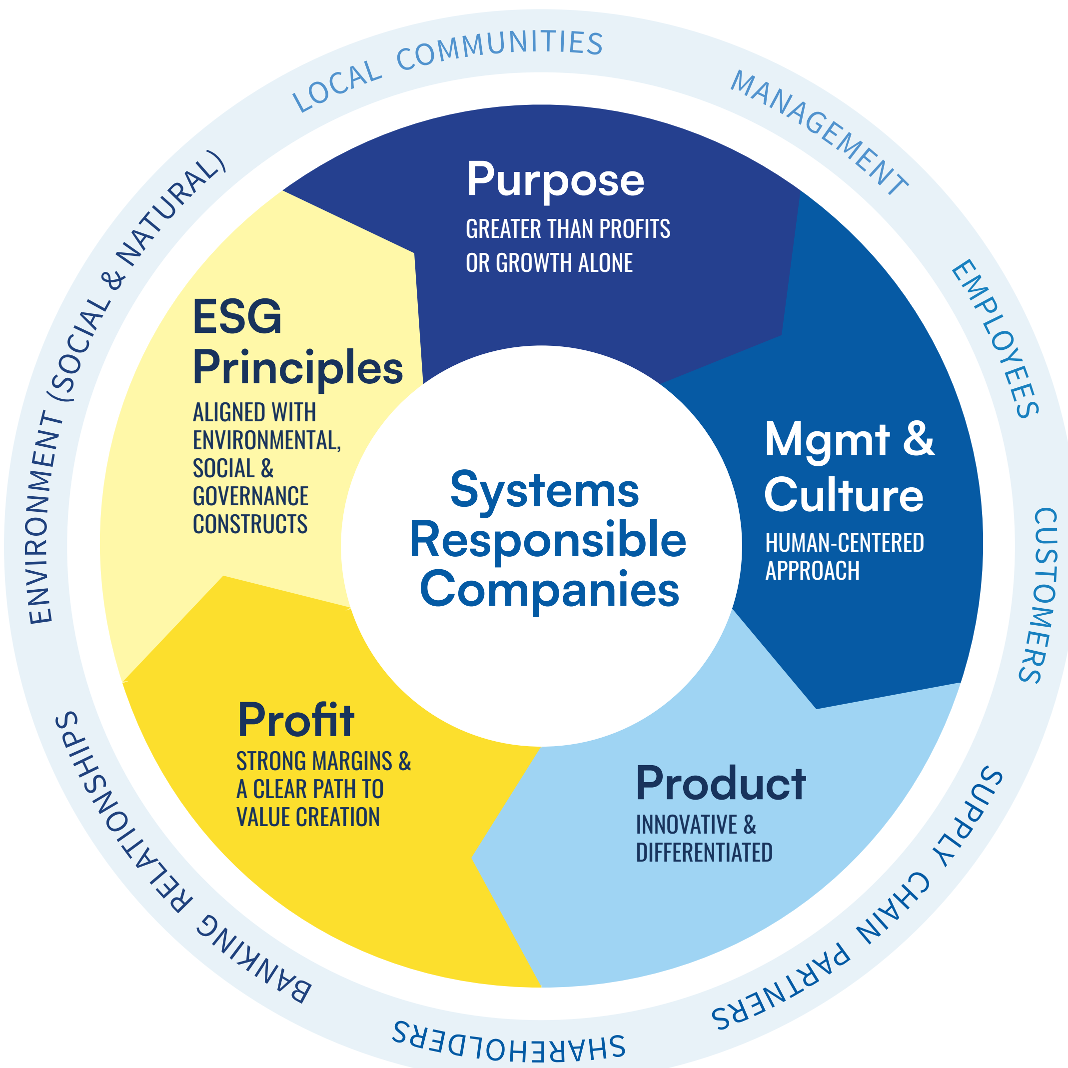
The underlying assumptions that inform our impact theory of change have remained the same for more than 10 years:

1. Significant social and environmental challenges are creating historic disruption across all industries, which creates incredible opportunity for systemicallyresponsible and purpose-driven companies.

2. Aligning of mission and values with employees via culture and with customers via an activist brand helps create competitive advantage.

3. Operationally oriented private equity funds outperform.

4. There remains an underserved gap in the capital markets between venture and larger PE and buyout funds where values-driven and operationally additive investors are positioned to outperform.



LP SPOTLIGHT

Alex Ellis

Partner, New Summit Investments;
The Builders Fund LP

How does The Builders Fund fit into the broader impact investing landscape?

The Builders Fund fills the "missing middle," focusing on small-cap buyout and growth equity where capital and operating expertise are scarce. As megamanagers launch impact products and seed stage funds proliferate, Builders provides a needed pathway for scaling proven solutions in this underserved segment. Over the course of our 10 years working with the firm, we've seen their operator-led, hands-on model in action—bringing day-to-day value creation and governance, not just capital, to boards and management teams. Importantly, impact is integrated throughout the investment process and anchored in portfolio companies' core business models that address societal needs, rather than layered on at the margins.

How has The Builders Fund's impact management and measurement changed in recent years?

Since the beginning, Builders has taken a sophisticated approach to impact management, deepening and sharpening its metrics over time. The firm has moved from counting outputs to managing toward outcomes that matter to end stakeholders, and from standalone reporting to full lifecycle integration. Alignment with industry frameworks and initiatives adds comparability and baselines for success. Furthermore, Builders has remained disciplined on materiality of its companies' impact metrics as it has enhanced its impact reporting processes over time.

What are you excited about for the future of the field? What are the biggest opportunities for growth and evolution in impact investing?

Technology is lowering the friction of collecting stakeholder data, making it easier and more frequent to capture decision-useful impact metrics. What's needed next is further cross-firm collaboration on context and interpretation—shared definitions, outcome benchmarks, and practical reporting standards—so metrics reflect genuine, real-world change, not just volume. We are excited about Builders' leadership in industry initiatives that have been catalyzing these changes.

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Our Approach

Impact Management Process

Impact Management & Measurement (IMM) is continually evolving, and the Builders Fund is committed to supporting the growth and improvement of this field. IMM is critical for investors as a framework for transparency, accountability, and decision-making. Our commitment to managing and measuring impact makes us more successful investors and increases our capacity to create value.

Early on, much of the impact data we collected reflected environmental and social outputs. Over the course of our first two funds, we expanded our focus to include metrics that measure outcomes or changes in the lived experience and physical state of the stakeholders involved. We have also piloted projects that collect and analyze qualitative stakeholder data.

Builders embeds impact strategy into each phase of the investment lifecycle. Social and environmental responsibility begins at the top of the deal process, where we employ an Impact Prioritization Rating tool to review each deal for impact and good governance. Due diligence includes a comprehensive analysis of material issues and the development of an impact thesis alongside our investment thesis.

Post-investment, we collaborate with management to select metrics and set goals to drive impact value creation. During the holding period, Builders collects and analyzes impact KPIs quarterly and regularly evaluates impact strategy, allowing us to leverage the data we collect to drive responsible decision-making and improve company performance. Impact data is shared with Builders LPs quarterly and with the public in this annual report.

> **"Looking to the future of impact investing, we are more optimistic than ever about the innovative approaches and contributions of groups like The Builders Fund. Given the pressing social and environmental challenges our world faces, the need for committed impact funds has never been greater."**
>
> **Alex Ellis,** *Partner, New Summit Investments; Builder*

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

1

Source and review deals

for materiality, additionality, scalability, and efficacy, with an emphasis on business models designed to address social and environmental challenges and management teams with diversity of thought, identity, and lived experience.

2

Identify core impact pathways

and key stakeholders to design company-specific impact theses based on the business model, available evidence, stakeholder data, and Builders team inputs.

3

Determine key metrics

corresponding with the impact pathways and outcomes, and implement quarterly reporting processes including qualitative and quantitative data collection.

4

Align management incentives

and operations with performance metrics to optimize social and environmental impact at scale.

5

Support ongoing impact strategy

B Corp certification, and special projects to facilitate decision making and mission lock throughout the investment period and beyond.

Impact Data Frameworks

This report provides information about the impact of our investments on end stakeholders and the environment, and informs financial and operational strategies at the fund and portfolio company level. The impact measurement in this report is based on outputs from third-party impact standards providers B Lab and the quarterly impact assessments completed by portfolio companies through Proof. All impact data is assessed for alignment with the widely supported framework of GIIN's IRIS+ impact metrics, the United Nations SDGs, and the ESG Data Convergence Initiative (EDCI).

As we continue to evolve our IMM strategy and explore field building and partnerships to strengthen the sector, we are focusing on the following IMM projects:

Impact Prioritization Rating (IPR)

A proprietary early-stage diligence developed with support from Impact Capital Managers and Stanford GSB's Action Learning Program for Analysis and Measurement of Impact.

> **2024 actions taken:** we identified pain points to update the diligence tool to incorporate sub-weightings, revised criteria, and scoring methodologies to make better decisions, ensure we're not missing companies with an outsized potential for impact, and better prioritizing our time to pursue those deals.
>
> **2025–2026 goals:** we plan to implement the new version of the tool for all pipeline deals, and leverage elements of the new framework in later-stage impact analysis.

Portfolio-level Impact Objectives and Value Creation

Continue to develop and track fund-level impact pathways and metrics to measure value created during our investment period.

> **2024 actions taken:** developed a case study of material metrics that can be tied to financial value creation at a portfolio company; conducted ongoing desk research on the business case and benefits of B Corp certification, good governance, diversity, and risk mitigation; established timeline for GHG emissions tracking across all the Builders Fund II companies in partnership with Proof.
>
> **2025-2026 goals:** implement GHG emissions tracking across all Builders Fund II companies in partnership with Proof; support B Corp certification and recertification under the new standards across all companies in the Builders Fund I and II.

Impact Partners

Proof

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

Impact Frontiers

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

Impact Capital Managers (ICM)

ICM is a network of private capital fund managers that invest for superior returns and meaningful impact. In addition to being a member of the broader network, Builders joined the Impact Frontiers cohort hosted by ICM in 2021-2022, which supports investors to fully integrate impact into their investment frameworks, processes, and systems. Throughout the year-long program, we participated in networking and skill-sharing sessions, technical trainings, and other support for end-to-end impact management and measurement practices. We continue to be active members in ICM, participating in their research efforts, policy advocacy, IMM convenings, and talent and leadership development in the impact investing industry.

Impact Alignment & Verification

Third-Party Validation of Our Impact

In 2024, we engaged BlueMark to independently verify the alignment of our Fund II strategy, with impact investing best practices receiving a Gold rating. Across the four pillars assessed, the Fund received "high" and "advanced" ratings, performing better than the BlueMark averages in every pillar.

B Corporations: Going Beyond Business as Usual

Certified B Corporations meet rigorous standards of verified social and environmental performance, public transparency, and legal accountability. Nonprofit B Lab oversees the certification and auditing process, which requires companies to establish and maintain socially and environmentally sustainable practices over time.[3]

To earn certification, a company must:

- Demonstrate high social and environmental performance by earning a B Impact Assessment score of 80 or above and passing B Lab's risk review.
- Make a legal commitment by changing their corporate governance structure to be responsible to all stakeholders, not just shareholders.
- Exhibit transparency and allow information regarding performance to be publicly available and measured against B Lab's standards on B Corp's website.

B Corp certification 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 the impact of our investments. Builders aids each of our investments in pursuing and maintaining certification because we believe the process supports companies to integrate purpose and profit and make decisions for the benefit of all stakeholders.

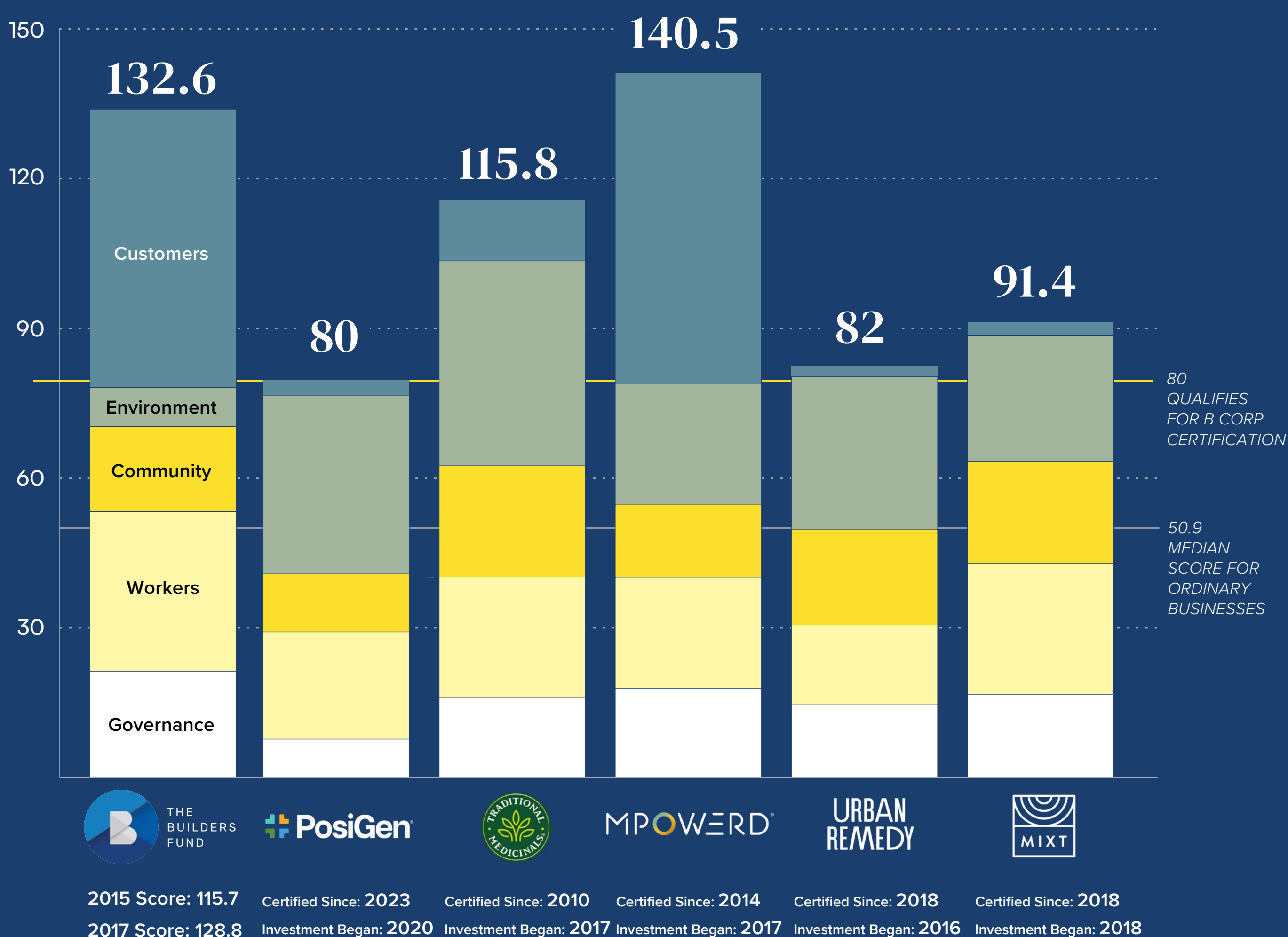
The Builders Fund is proud to have been a Certified B Corporation since 2015 and is part of a community of people using business as a force for good.[4] In 2024, Builders Fund was recertified, earning an improved B Impact Score of 132.6, even as the certification process has become more rigorous over time.

[3] *https://bcorporation.net/about-b-lab*

[4] *https://bcorporation.net/?gclid=CjwKCAjwlujnBRBIEiwAuWx4LZVseJCAPP-PU_KEpTK2hrbHDRuV5Mq2clDbDBZYkXRC7O8juAajzhoClNwQAvD_BwE*

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

OVERALL B IMPACT SCORES



BUILDERS FUND

132.6

B Impact Score

Certified Since 2015

Governance: **21.1**

Workers: **31.7**

Community: **16.8**

Environment: **7.7**

Customers: **55.2**

U.S. B CORPS

83.3

B Impact Score

Governance: **9.5**

Workers: **22.1**

Community: **17.0**

Environment: **4.3**

Customers: **25.6**

BEST FOR THE WORLD*

Customers: **2022, 2021, 2019, 2018, 2017, 2016**

Governance: **2022**

Changemakers: **2019, 2018, 2017**

Overall: **2019, 2018**

Certified B Corporation

Best for the World 2023

Aligned with the United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) offer a roadmap to a sustainable future for people and the planet.[5] The goals were developed and adopted by all United Nations member states in 2015, the year the Builders Fund was established, to address the most pressing global environmental and social issues. The 17 goals have become increasingly accepted as a universal measure of impact alignment for nations, companies, and organizations. The SDGs serve

HUMAN ELEVATION

1 NO POVERTY

TARGET

1.2 Reduce Poverty By At Least 50%

BUILDERS FUND INDICATORS

- Individuals Employed
- Net Jobs Created by Portfolio Companies
- Total LMI Jobs
- Net LMI Jobs Created by Portfolio Companies
- Percent Worker Living Wage
- Percent Female Employees
- Customer Cost Savings
- Clients Living Below Poverty Line

2 ZERO HUNGER

TARGETS

2.1 Universal Access To Safe And Nutritious Food

2.4 Sustainable Food Production And Resilient Agricultural Practices

BUILDERS FUND INDICATORS

- Organic and Healthy Meals and Snacks Served
- Total Clients
- Units/Volume Sold

3 GOOD HEALTH AND WELL-BEING

TARGET

3.4 Reduce Mortality From Non-Communicable Diseases And Promote Mental Health

BUILDERS FUND INDICATORS

- Percent Organic Materials Purchased
- Pounds of Organic Produce Purchased
- Organic and Healthy Meals and Snacks Served
- Total Clients
- Units/Volume Sold
- Percent Clients Reporting Improved Quality of Life

4 QUALITY EDUCATION

TARGETS

4.2 Equal Access To Quality Pre-Primary Education

4.4 Increase The # Of People With Relevant Skills For Financial Success

4.5 Eliminate All Discrimination In Education

4.6 Universal Literacy And Numeracy

4.8 Build And Upgrade Inclusive And Safe Schools

BUILDERS FUND INDICATORS

- Average 3-Month Literacy Gains
- Student Socio-Economic Profile
- Early Literacy Scores
- Early Math Scores
- Early Language Scores
- Student Attendance Rate

5 GENDER EQUALITY

TARGETS

5.1 End Discrimination Against Women And Girls

5.5 Ensure Full Participation In Leadership And Decision-Making

5.8 Promote Empowerment Of Women Through Technology

BUILDERS FUND INDICATORS

- Individuals Employed
- Percent Female Employees
- Percent Female Leaders
- Percent Female Board Members
- Percent Underrepresented Employees
- Percent Underrepresented Leaders

8 DECENT WORK AND ECONOMIC GROWTH

TARGETS

8.1 Sustainable Economic Growth

8.4 Improve Resource Efficiency In Consumption And Production

8.5 Full Employment And Decent Work With Equal Pay

8.8 Protect Labour Rights And Promote Safe Working Environments

BUILDERS FUND INDICATORS

- Individuals Employed
- Net Jobs Created by Portfolio Companies
- Total LMI Jobs
- Net LMI Jobs Created by Portfolio Companies
- Percent Worker Living Wage
- Percent Female Employees
- Percent Female Leaders
- Pounds of Organic Produce Purchased
- Percent Underrepresented Employees
- Percent Underrepresented Leaders

10 REDUCED INEQUALITIES

TARGETS

10.1 Reduce Income Inequalities

10.2 Promote Universal Social, Economic, And Political Inclusion

BUILDERS FUND INDICATORS

- Number of Lives Impacted
- Customer Cost Savings
- Charitable Donations
- Clients Living Below Poverty Line
- Minority Clients

as guiding principles for the Builders Fund as we seek to monitor and evaluate the impact of our portfolio companies. Through our two investment focus areas, our portfolio is currently supporting the achievement of 12 SDGs.

SDG alignment was determined through an exercise to map Builders' impact metrics with SDG targets and indicators[6] as well as the Global Impact Investing Network (GIIN) IRIS+ system[7].

SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABLE SYSTEMS

7 AFFORDABLE AND CLEAN ENERGY

TARGETS

7.1: Universal Access to Modern Energy
7.2: Increase Global Percentage of Renewable Energy
7.4: Promote Access to Research, Technology, And Investments in Clean Energy
7.5: Expand and Upgrade Energy Services for Developing Countries

BUILDERS FUND INDICATORS

- Total Renewable Energy Generated for Use (kWh)
- Total Renewable Energy Purchased (kWh)
- Total Renewable Energy Generated for Sale (kWh)
- Total Clients

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

TARGETS

9.6: Facilitate Sustainable Infrastructure Development for Developing Countries

INDICATORS

- Total Clients
- Percent Clients Reporting Improved Quality of Life

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

TARGETS

12.2: Sustainable Management and Use of Natural Resources
12.3: Halve Global Per Capita Food Waste
12.4: Responsible Management of Chemicals and Waste
12.5: Substantially Reduce Waste Generation
12.6: Encourage Companies to Adopt Sustainable Practices and Sustainability Reporting

BUILDERS FUND INDICATORS

- Tons of Material Diverted from Landfill
- Percent Waste Diverted
- Tons of CO^2 Inset, Avoided, or Reduced
- Total Renewable Energy Generated for Use (kWh)
- Percent Organic Materials Purchased
- Pounds of Organic Produce Purchased
- Percent Waste Recycled
- Greenhouse Gas Emissions: Direct (Scope 1)
- Greenhouse Gas Emissions: Indirect (Scope 2)
- Greenhouse Gas Emissions: Value Chain (Scope 3)
- Greenhouse Gas Emissions: Total
- Total Energy Consumed
- Percent Renewable Energy

13 CLIMATE ACTION

TARGETS

13.1: Strengthen Resilience and Adaptive Capacity to Climate-Related Disasters
13.3: Build Knowledge and Capacity to Meet Climate Change

BUILDERS FUND INDICATORS

- Greenhouse Gas Emissions: Direct (Scope 1)
- Greenhouse Gas Emissions: Indirect (Scope 2)
- Greenhouse Gas Emissions: Value Chain (Scope 3)
- Greenhouse Gas Emissions: Total

15 LIFE ON LAND

TARGETS

15.5: Protect Biodiversity and Natural Habitats

BUILDERS FUND INDICATORS

- Percent Organic Materials Purchased
- Pounds of Organic Produce Purchased

[5] *https://www.globalgoals.org/*
[6] *https://www.globalgoals.org/goals/*
[7] *https://iris.thegiin.org/document/iris-and-the-sdgs/*

FIELD BUILDING

Thought Leadership in Action

Builders continues to explore partnerships, tools, and practices to refine our IMM strategy and strengthen the sector. We're a signatory to the UN Principles for Responsible Investment that publicly demonstrates our commitment to responsible investment and support for a more sustainable financial system. 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 collaborates closely with Gratitude Railroad, which works to foster a strong community of impact investors, by supporting the annual conference and dinner series.

In 2024, our IMM field-building activities included:

BlueMark

We participated in a special Impact Capital Managers cohort to independently verify the alignment of our Fund II strategy with impact investing best practices. As part of this rigorous assessment, BlueMark evaluated our IMM approach across four key pillars: strategy, governance, management, and reporting. The impact assessment draws on several impact and sustainable investing market frameworks and standards including Operating Principles for Impact Management, SDG Impact, Principles for Responsible Investment, and Impact Frontiers Reporting Norms. BlueMark's assessment findings cover both areas of strength and areas for improvement. The Builders Fund II received a Gold rating. Across the four pillars assessed, the Fund received "high" and "advanced" ratings, performing better than the BlueMark averages in every pillar.

Impact Performance Reporting Norms

We are a founding adopter of the Impact Performance Reporting Norms, developed by Impact Frontiers to establish shared expectations for the reporting of impact results by asset managers in private markets. The norms support fund managers in sharing private data with their capital providers under non-disclosure agreements and facilitate the sharing of positive, negative, and confidential information. In 2024, we participated in a public consultation and pilot cohort to launch the new norms alongside more than 350 asset managers, asset owners and allocators, consultants, and assurance and verification providers, and drafted our first IPRN report to share with LPs and the public. We partnered with our impact data platform Proof to implement the new norms and make them publicly available.

CASE at Duke x Impact Frontiers

As alumni of Impact Frontiers' training, we shared how we apply the impact-financial integration tools we developed in practice. Our approach is highlighted in More Than a Starting Point, a paper published by Duke and Impact Frontiers. Builders is one of 14 funds featured in the report.

Project Frame

We aligned our internal forward-looking emissions impact methodology with the recommendations of Project Frame, a global community of investors improving IMM practices through consensus-based and science-backed resources, resulting in the creation of an investor profile.

UNPRI

We completed our Public Transparency Report, which publicly shares our responsible investment activities in 2023, and remain a signatory of the UN Principles for Responsible Investment. We plan to continue regular reporting with UNPRI every other year to ensure our ongoing status as a signatory.

NYU Stern Center for Responsible Business

We supported the pilot of a private equity sustainability strategy prioritization and value driver tool for due diligence and the holding period and presented it at a panel, How to Unlock Sustainability-Aligned Value Creation in Private Markets, at the NYU Stern Center for Sustainable Business 8th Annual Practice Forum, Sustainability Driven Value Creation: Research, Results & Real-world Applications.

Impact Talent Partnerships

03

Impact Performance

Across the Portfolio

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

SUSTAINABLE SYSTEMS

Organic & Fair Trade Material Purchased (Lbs)

7M 2024 | 70M Cumulative

Total Greenhouse Gas Emissions Avoided (Metric Tons)

254K 2024 | 3.1M Cumulative

Total Renewable Energy Generated (GWh)

240 2024 | 670 Cumulative

Material Diversion from Landfill (Tons)

858 2024 | 12.6K Cumulative

HUMAN ELEVATION

Net Jobs Created

177 2024 | 1,715 Cumulative

LMI Jobs Created

21 2024 | 594 Cumulative

Organic & Healthy Meals Served

3M 2024 | 39M Cumulative

Lives Positively Impacted*

2M 2024 | 10M Cumulative

Customer Cost Savings on Electricity Bills
(PosiGen)

$45M 2024 | $108M Cumulative

Avg. 3-Month Student Literacy Point Gains
(Acelero)

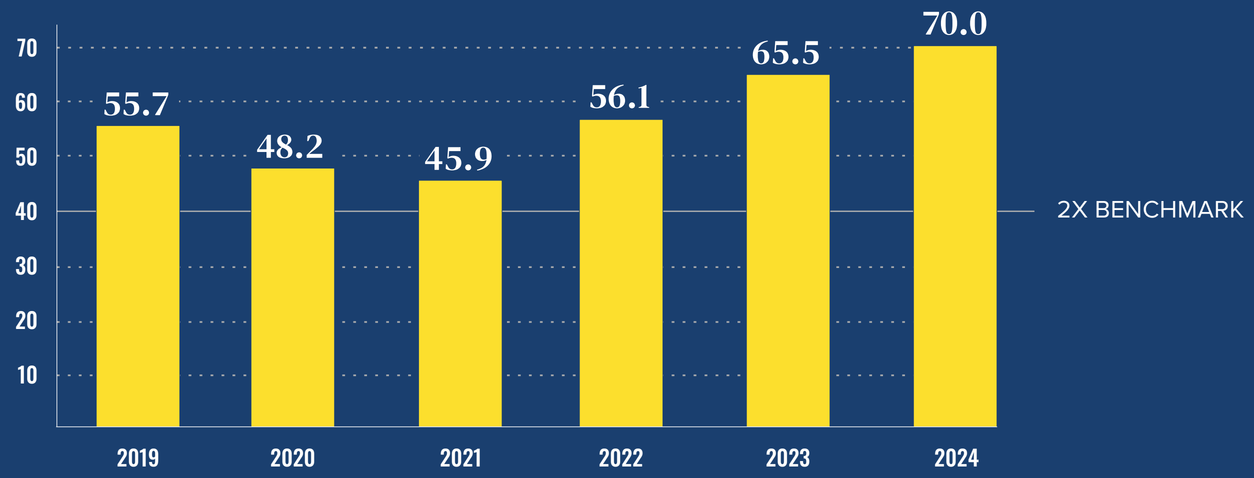
3.06 2024

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

Since we began tracking demographic information across our portfolio, we have seen increases in the representation of women at the leadership and board levels.

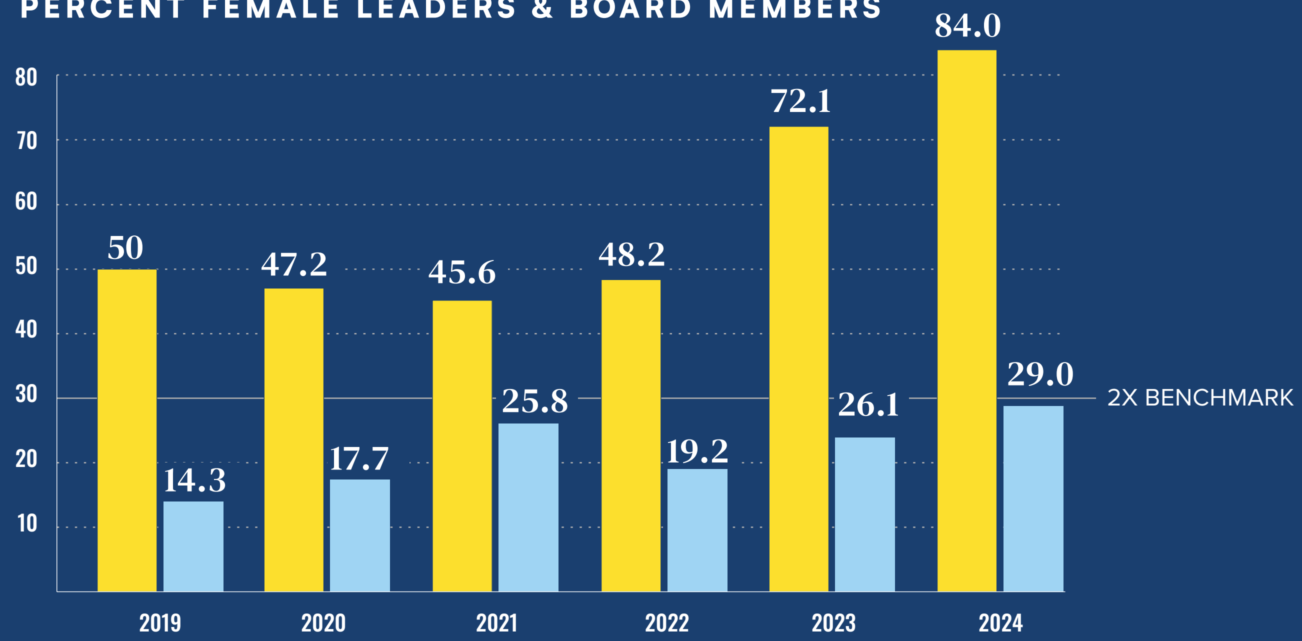
As of 2025, our fund-level averages far exceed the 2X Challenge criteria for employees, leaders, and board members, while the vast majority of our portfolio companies meet the criteria individually.

PERCENT FEMALE EMPLOYEES



AVERAGE % OF FEMALE EMPLOYEES ACROSS THE BUILDERS FUND PORTFOLIO

PERCENT FEMALE LEADERS & BOARD MEMBERS



AVERAGE % OF FEMALE SENIOR LEADERS ACROSS THE BUILDERS FUND PORTFOLIO

AVERAGE % OF FEMALE BOARD MEMBERS ACROSS THE BUILDERS FUND PORTFOLIO

Impact Value Creation

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 a positive impact through operations. We also consider Environmental, Social, and Governance (ESG) criteria as important elements of the Builders Fund investment approach. While ESG has become increasingly politicized, we believe the data is clear and compelling: a corporation managed toward mutually beneficial long-term relationships with stakeholders, employees, partners, and community drives better long-term performance and resilience.

Numerous studies demonstrably link ESG to financial outperformance[8], profitability[9], and lower cost of capital[10], and research shows that improved environmental sustainability along with employee and board diversity[11] is linked to financial performance and risk mitigation.

As the political and economic landscape continues to shift, we remain steadfast in our commitment to investing in and growing systems-responsible companies since we believe this approach makes us responsible fiduciaries.

Our core values guide our approach, from the selection of partners to the customized support we provide to the leadership at each portfolio company. Inclusive practices are not only better for businesses and people alike, but also demonstrably improve performance. Research shows that there are ample financial and strategic benefits to companies that prioritize gender[12] and racial[13] equity. Diversity in governance and in the workplace can be tied to financial outperformance[14] and multiracial management teams yield higher ROI.[15] Other reports indicate that diverse companies are not only able to outperform their peers, but their collective intelligence[16] and innovation[17] also improve. Companies that take a holistic approach to building teams with diversity of thought and experience are positively associated with sales growth, three-year stock returns, and dividends[18]. Finally, purpose-driven businesses are better able to attract and retain talent, with Gen Z workers preferring to work at companies that prioritize environmental[19] and social[20] responsibility.

Armed with the data—and driven by both a recognition of the entrenched systemic prejudice underlying United States history and a belief that we must contribute to shared prosperity and social well-being—we continue to prioritize businesses founded or led by both women and Black, Indigenous, and People of Color (BIPOC) and those that are committed to building diverse teams. Following our investments, we work to improve diversity and enhance inclusive cultures across boards, management teams, and among employees.

Fund Terms: Taking a long-term view

We have a 14-year time horizon from inception, which supports more exit flexibility than is typical in private equity. We believe that our fund horizon is approximately 40% longer than a typical private equity fund. As such, while most of our peers seek 3–5-year hold times focused on quick value creation and exit, we can make ongoing determinations of what is best for both value creation and the long-term health of the company. Studies show that a long-term approach to investing drives performance above the S&P 500, indicating that patience pays off.[21]

> **Our experience also shows that incorporating better operating practices while considering systemic risk factors makes us better fiduciaries of our investors' money, and that improvements on these dimensions drive better decision-making and, ultimately, better returns.**

[8] https://www.emerald.com/insight/content/doi/10.1108/JGR-01-2022-0006/full/html#:~:text=Findings,compared%20to%20their%20industry%20peers.

[9] https://hbr.org/2022/09/the-essential-link-between-esg-targets-financial-performance

[10] https://www.nb.com/en/global/insights/esg-in-private-markets-investing-for-the-long-term

[11] https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-matters-even-more-the-case-for-holistic-impact

[12] https://womenasleversofchange.com/

[13] https://www.fsg.org/resource/competitive-advantage-racial-equity/

[14] https://www.asyousow.org/press-releases/2022/11/17/workplace-diversity-linked-financial-outperformance

[15] https://www.asyousow.org/reports/2023-capturing-the-diversity-benefit

[16] https://www.bcg.com/publications/2018/why-women-owned-startups-are-better-bet

[17] https://www.bcg.com/en-us/publications/2018/how-diverse-leadership-teams-boost-innovation

[18] https://www.unpri.org/academic-blogs/the-value-of-diversity-equity-and-inclusion-beyond-the-tick-box-approach/12389.article?adredir=1

[19] https://www.deloitte.com/global/en/issues/work/content/genz-millennialsurvey.html

[20] https://www.benefitnews.com/news/dei-initiatives-matter-to-gen-z

[21] https://www.mckinsey.com/industries/private-capital/our-insights/how-purpose-and-flywheel-synergies-create-high-and-sustainable-returns

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

By providing targeted investments of $5M–$40M paired with meaningful intellectual capital and operating expertise, we can meet growth-stage companies where they are and enable them to scale sustainably and protect their culture, purpose, and mission.

$5M to $40M

Targeted Investments

Shared Prosperity and Social Well-Being: A Holistic Approach

The Builders Fund acknowledges that racism and sexism are, in the United States, structural and institutional, meaning that they are embedded into our culture, economy, and society. We stand in opposition to the injustice and inequalities perpetuated by both, and we are committed to doing our part, now and into the future, to support shared prosperity and social well-being via our core focus on reforming capitalism and finance.

Recognizing that social and environmental justice are fundamentally connected and mutually dependent, we are committed to expanding and strengthening our Justice, Equity, Diversity & Inclusion (JEDI) processes to ensure access, belonging, and opportunity for all; encourage balanced participation that uplifts under-recognized voices; and protect human dignity both internally and amongst our portfolio companies as a driver of performance. While we acknowledge that policies and intentions alone will not guarantee a more just and equitable world, we believe naming and iterating our commitments is a critical part of the process of accountability and transformation.

Our approach supports organizations of all sizes in the process of engaging in this work. For us, this means:

- Deploying capital into companies with a systems approach to business.
- Thinking critically about the impact of our work and that of our portfolio companies, and sharing successes and challenges publicly.
- Making internal changes based on what we learn from listening to voices that are systematically marginalized and oppressed, specifically women and Black, Indigenous, and People of Color (BIPOC).

To address these goals systemically, we focus our efforts internally, throughout our pipeline and portfolio, and across our industry.

We know that inclusive practices are not only better for businesses and people alike, but also demonstrably improve performance. Employees who care about their work[22] and feel they are contributing to a higher purpose are more engaged, productive, and

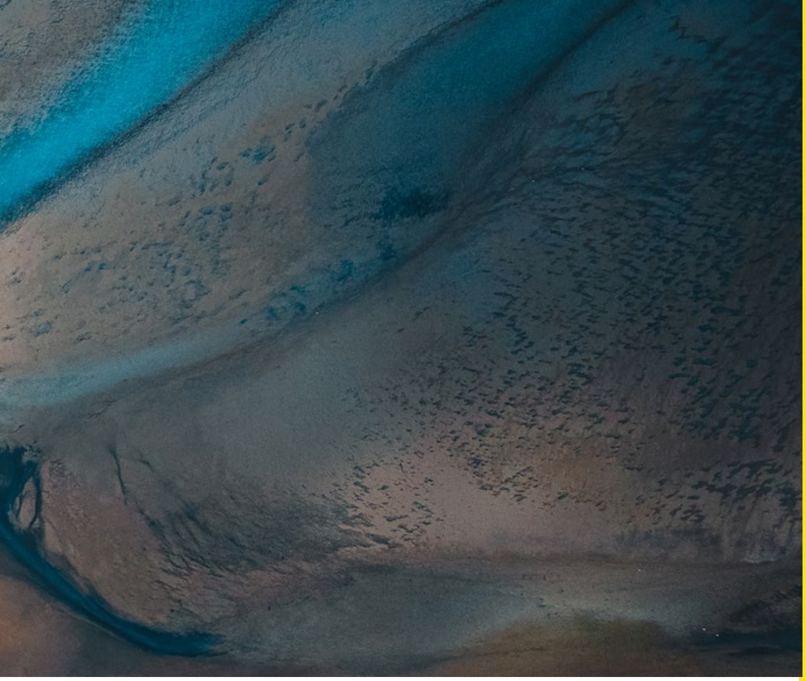
[22] *https://www.forbes.com/sites/josiecox/2023/02/15/despite-economic-headwinds-employees-still-want-to-work-for-companies-that-care/?sh=78ac7fe06d20*

[23] *https://kambeo.io/blog/socially-responsible-companies-attract-talent/*

[24] *https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/consumers-care-about-sustainability-and-back-it-up-with-their-wallets*

[25] *Sustainable Market Share Index, NYU Stern's Center for Sustainable Business*

[26] *https://www.2xchallenge.org/criteria*



likely to stay in their jobs.[23] They give higher quality service experiences, which in turn drives customer satisfaction and loyalty.[24] Values alignment with customers increases the probability of repeat purchases, increasing net promoter scores, which in turn lowers the cost of customer acquisition and improves margins.[25]

Our commitment to social well-being begins with our internal policies and practices. The Builders Fund provides a living wage, pay equity, paid sick leave, anti-racist personnel policies, and full healthcare coverage for all employees. Our hiring process ensures that a representative cross-section of the population is interviewed for any open position. Builders participates as a host fund in the Impact Capital Managers Mosaic Fellowship, which provides summer internships and mentoring to high-performing first-year graduate students from underrepresented backgrounds.

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

We are also working to improve diversity at all levels of our companies. Within our portfolio, all companies are actively monitoring and supporting the diversity of their employees. Since we began tracking demographic information across our portfolio, we have seen increases in the representation of women at the leadership and board levels. As of 2022, our entire portfolio meets the 2X Challenge criteria[26] for leadership and employment, meaning women are well-represented in those areas.

"Our job is to support our CEOs and management teams in executing on the vision they have for the business. We achieve this by combining decades of growth-stage experience, a deep network of operators and domain experts, and proven playbooks—then tailoring them to each company. With Acelero, that has meant recruiting a seasoned senior team, mapping new market opportunities, and vetting tuck-in acquisitions to accelerate its early-education platform. With Urban Remedy, we've partnered through five-fold revenue growth—opening new distribution channels, refreshing the brand identity, and scaling leadership capacity. In every case, our capital arrives bundled with experience, relationships, and hands-on collaboration that lets founders advance their vision with greater speed and effectiveness."

Mike Dutton
Managing Partner, The Builders Fund

As we continue to deepen and iterate our approach to shared prosperity and social well-being, we revisit the principles that guide this work and consider their applications. With a focus on our interactions in our pipeline, across our portfolio, and in the wider sector, we know there is always more we can do to shift towards a more inclusive and equitable system. This means a focus on generating and considering more diverse companies in our pipeline, supporting inclusive practices in our portfolio companies, and engaging in more advocacy, learning, and listening in our field. We share these approaches in the spirit of accountability and transparency and acknowledge that while policies and intentions alone will not guarantee a more just and equitable world, we believe naming and iterating our commitments is a critical part of the process of accountability and transformation.

Equity Incentives: Shared Economic Value Creation

In each of our investments, we work to create options or long-term incentive programs to share equity value creation with our management teams and employees. These profit pools create and maintain economic value for those who are most integral to the success of the company, and add value on top of portfolio-wide living wages, healthcare coverage, paid parental leave, and other bonuses and benefits. In aggregate, we have granted an average of 16% of each company to employees across the portfolio.

16%

Average equity granted to employees

Protecting Mission: Maintaining the Ethos of Our Companies

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

Operational Risk Management: Safety is key

The health and well-being of employees at our portfolio companies are of the utmost importance, which is why we support our brands in strengthening their risk management and health and safety practices. Via the B Corp certification process, companies are assessed for their health, wellness, and worker safety practices. PosiGen employs a zero-hazard state philosophy. They prioritize a mindset of hazard elimination by making tasks clear, identifying the hazards, and setting the controls to eliminate the hazards. The development of this approach has resulted in a decreased Total Recordable Injury Rate (TRIR). The company has taken action across the board. They implemented annual safety training for new hires and Field Staff, including but not limited to installers, electricians, site surveyors, service, and sales. Managers are also encouraged to hold safety messages in their weekly team meetings. The company updated its Safety Training Program to include Electrical Authorization Safety training to help prevent electrical-related incidents and increase competency, and implemented a zero-tolerance approach to fall protection, ladder, and electrical safety. In 2024, operations team members completed more than 200 hours of safety training, and managers and the safety team conducted 50 site inspections.

Partnership: Building Lasting Relationships

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

Across the seven platform companies in Funds I and II, we have held 13 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 acquisitions, R&D investments, growth strategy, and brand strategy, to facilitating sessions to align company cultures, brands, and operating behaviors around clarified missions, vision, and values.

The Builders Fund and each of our portfolio companies prioritize partnering with community-based organizations and nonprofits that share aligned values. These contributions not only support the work of these organizations, they also help build the strength and character of companies as active, engaged members of their communities. In 2024, our team made contributions to organizations focused on a variety of issues, from female economic empowerment to environmental advocacy, humanitarian medical aid to civil liberties, and chronic disease research.

Building Activist Brands: Walking the walk

To truly engage a company's stakeholders and align with a company's "reason for being", we work closely with portfolio companies to clearly articulate their purpose, vision, and values and to fully align their brands and culture. PosiGen's solar lease offering makes renewable energy affordable for low-income homeowners, effectively ending solar "redlining." Acelero provides equity-centered early education to prepare children for kindergarten and beyond, partnering with families to nurture their children's potential. 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 supply communities and sustainable agriculture. Urban Remedy is a vocal thought leader in the food industry for sustainable food production and healthier diets. MPOWERD provides 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 frontline employees. Our brands speak authentically to these issues and their cultures attract team members who believe in the importance of that work.

> **"Partnering with the Builders Fund has broadened our perspective on what it means to create impact as a business. At MIXT, we've always believed in the power of responsible sourcing, nourishing food, and community connection, but Builders has helped us see that true impact extends beyond the plate. They've challenged us to think more holistically—how our growth model, our culture, and even our daily operations can drive positive change for people and the planet. It's deepened our conviction that profitability and purpose are not just compatible, but mutually reinforcing, and it's inspired us to set even higher standards for how we measure success."**

Leslie Silverglide
Co-Founder & CEO, MIXT

CASE STUDY

Measuring at the Source: Traditional Medicinals Partners with Industry Peers to Decarbonize Botanical Supply Chains

A Strategic Investment in Climate Action

Traditional Medicinals recognizes that decarbonizing their botanical supply chain is one of the most strategic levers for driving meaningful climate action—and long-term value. The company's proactive approach to emissions measurement and reduction positions it as a leader in responsible sourcing practices.

By establishing detailed emissions baselines for its primary ingredients and packaging, Traditional Medicinals is laying the data foundation necessary to identify carbon hotspots and target mitigation where it matters most. This enables precise intervention, ensuring that capital and operational resources are directed to areas with the greatest potential for emissions reductions and efficiency.

Footprinting across the supply chain has revealed key emissions drivers, including energy-intensive activities like herb drying. These insights directly inform the company's emissions reduction strategy and resource allocation—helping ensure that impact is measurable, material, and verifiable. By collecting primary data directly from suppliers, the company builds credibility and transparency—traits we see as critical in an evolving regulatory and consumer environment.

Collaborative Methods that De-risk and Differentiate

Traditional Medicinals continues to be a leader in collaborative industry initiatives. Recognizing that emissions reductions across global supply chains can't be achieved in isolation, the company joined a pre-competitive working group convened by the Sustainable Herbs Initiative (SHI). This group brings together seven botanical herb companies to share best practices, co-develop methodologies, and unlock economies of scale in assessing scope 3 emissions data collection. With each species' Scope 3 emissions assessment costing up to $10,000, this collaboration meant sharing costs, reducing demand on suppliers, and also plenty of learning along the way.

In 2023, the group engaged sustainable AG, a German consultancy with expertise in herbal supply chains, to

8

Herb companies participating in the project

$10K

Avg. cost of assessing Scope 3 emissions for one plant species

provide third-party guidance and infrastructure. This collaboration has already resulted in the development of a centralized emissions database and scalable tools for generating and sharing primary data—resources that reduce the burden on suppliers and improve industry-wide data quality.

While the project aimed to reduce the demand on suppliers, the data collection required was still a considerable burden. One of the immediate outcomes from the project will be a 1–2 page sheet to share with suppliers on how they can more easily track this kind of information for the future. In addition, the group will share some of the key findings about reducing carbon emissions for companies that aren't able to invest in measuring scope 3 emissions.

Traditional Medicinals' active role in shaping industry standards for measurement and mitigation reinforces its position as a forward-thinking partner and a responsible steward of environmental capital. These efforts reduce regulatory and reputational risk while building the company's competitive advantage in a market increasingly defined by climate accountability.

This work reflects a disciplined and innovative approach to supply chain decarbonization—and exemplifies the kind of action-oriented leadership that we seek in our portfolio companies.

"Together, we are helping set a new standard for emissions measurement and collaboration in the botanical herb industry—setting aside business competition concerns to tackle the shared challenge of climate change."

Traditional Medicinals Impact Report 2024

At Builders, we believe that authentic partnership is the keystone for long-term value creation. As such, we will only invest in situations where we can bring more than capital to the table. During diligence, we focus on building relationships as much as understanding a business; creating alignment through a co-created operating blueprint, collaborative deal structuring, and thoughtful incentive plans. That foundation drives deeper collaboration post-close to deliver on key alpha and impact-generating strategies.

Whether it's supporting MIXT's mission to make healthy food more accessible and sustainable, working with Traditional Medicinals to expand the global impact of its ethical sourcing model, or helping PosiGen save money for tens of thousands of LMI households via low-cost solar and energy efficiency, we roll up our sleeves to work with our partners.

Having a group of Limited Partners committed as "builder" operating partners, who each bring a late-career perspective and operating experience, is also a game-changer. Builders' level of engagement—aided by our high conviction / low volume approach to portfolio construction—in combination with the unusual depth and breadth of intellectual capital available to us, allows our firm to add lasting value alongside our executive teams. This unlocks growth, accelerates systems change, and ultimately allows us to share in the value we create for stakeholders. Our approach is distinctive in this Missing Middle of the capital markets where we operate, and sets Builders apart from our peers in the space."

Tripp Baird

Managing Partner, The Builders Fund

Industry Recognition

Builders continues to receive recognition and press for our uncompromising commitment to transparency, impact, and ethics from impact finance leaders like ImpactAssets 50 and RealLeaders.

ImpactAssets 50 2023: Builders Fund was selected as one of the ImpactAssets 50, an annual showcase of impact-focused fund managers. The IA 50 is the first publicly available database that provides a gateway into the world of impact investing for donors and/or investors and their financial advisors, offering an easy way to identify experienced impact investment firms and explore the landscape of potential investment opportunities.

RealLeaders: Builders was honored to be selected as a Real Leaders Impact Awards recipient. We're proud to be among the top impact companies this year, and we attribute it to our commitment to building purposeful companies whose business models address environmental and social challenges and to pursuing B Corp certification for our fund and our portfolio companies.

Ethical Finance Awards: Builders was honored as Impact-Focused Private Equity Fund Manager of the Year via Wealth & Finance.

CASE STUDY

How PosiGen Customers Are Saving Money and Powering Change

PosiGen aims to benefit both people and the planet. That's why they partnered with 60 Decibels, an independent impact measurement company, to listen directly to 155 customers to better understand how solar energy is changing their lives. The results detailed in a report completed in 2024 indicate that PosiGen is saving customers money and improving lives, but there's still more we can do.*

First-Time Access to Clean Energy

For 88% of customers, PosiGen was their first-ever experience with a solar energy system. And most of them don't have access to other options—84% said they couldn't easily find a good alternative.

One Louisiana customer shared: "PosiGen has been a great deal for me and my family. First, we have reduced the cost of the electricity bill. The lighting and its power is really good—you might even forget it's actually solar-powered."*

Lower Energy Bills. Higher Peace of Mind

Saving money isn't just about numbers—it's about reducing stress and gaining peace of mind. According to the report:

- 72% of customers saw a decrease in their average monthly energy bill.
- Average monthly savings was $85.
- Most customers used those savings on household expenses, groceries, and gas.

"We don't spend so much on energy like we used to. Most of that has been going to cater for other needs like food or water." – Customer in Louisiana*

72%
of customers saw a decrease in their average monthly energy bill

$85
Average monthly savings

3 in 5
customers said their quality of life improved with PosiGen

Better Quality of Life

Nearly 3 in 5 customers said their quality of life improved with PosiGen.

The biggest reasons:

- Increased ability to save
- Reduced stress
- More money for groceries and basic household needs

Room for Improvement

PosiGen is making a meaningful impact on customer lives and is incorporating customer feedback to improve customer service and technical support so that customer experience is as stress-free as possible.

52% of customers reported challenges, and of those, 70% said the issue was still unresolved.

The most common problems? Communication, high bills, and maintenance issues

Our Net Promoter Score (NPS)—a measure of customer satisfaction—came in at 1, which is significantly lower than industry benchmarks.

One customer shared: “My solar panels need repairs, and I have tried to get them to repair them for a year now.”

“PosiGen has been a great deal for me and my family. First, we have reduced the cost of the electricity bill. The lighting and its power is really good—you might even forget it's actually solar-powered.”*

** Participants were compensated for their participation. Customer savings vary depending on energy consumption, system cost, home location and characteristics, and utility policies. PosiGen operates under various licenses in the states it serves. For more information, visit posigen.com/licenses.*

04

Our Portfolio

At a Glance

Acelero Acelero reaches more than 500,000 children and families annually with its transformative learning experiences through technology-enabled services and early childhood learning centers, supporting an average of 3.03 point 3-month literacy gains with its students.

MIXT has doubled its store count while serving nearly 12.5 million organic and healthy meals, creating 349 quality jobs and promoting 86% of its store managers from within.

MPOWERD was acquired by BioLite in 2024. Together, the two impactful brands have averted 5 million tons of CO2 through their renewable lighting and charging products, while impacting 14.6 million lives in emerging economies and disaster areas.

PosiGen, the nation's leading provider of leased solar and energy efficiency upgrades focused on low-moderate income homeowners, has saved its customers over $75 million on their utility/electric bills.

Traditional Medicinals achieved Fair for Life "Fair Trade Partner" status while purchasing more than 25 million pounds of organic herbs and 2,500 tons of carbon offsets.

Urban Remedy has delivered 38 million Organic and healthy meals and snacks and purchased 39 million pounds of Organic produce from local supply chains.

Acelero

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

Acelero has been transforming early learning since 2001.

Acelero's mission is to design and deliver inclusive, anti-bias, and rigorous approaches to eliminate the gaps between young children's inherent potential and their achievement in school and life. The company was founded in 2001 by Henry Wilde, a Children's Defense Fund staffer, and Aaron Lieberman, a former Head Start teacher. They have a proven track record of producing breakthrough child learning gains for children, regardless of income, through their unique outcomes-focused approach to providing Head Start services. Established in 1965, the Head Start program has expanded to meet the needs of children and families across the United States and its territories. Since 1985, Head Start programs nationally have reached more than 38 million children and their families.

Research shows that by the time children begin kindergarten, significant differences in early math and literacy skills already exist between children from low-income families and their peers from middle and high-income families, resulting in the "Achievement Gap." Acelero believes that well-informed, well-supported parents and families are essential partners in the work to close this gap between children's infinite promise and their achievement in school and life.

Acelero focuses on regular engagement with families, including strengths assessments and goal setting to deliver innovative and data-backed education services to children from all backgrounds. They apply a two-generation approach to their work, engaging whole families, not just their youngest members. Acelero's school community builds upon the learning that children experience in their families and communities and sets the highest educational standards to continue to propel their growth and development. With their partners, they accelerate child and family outcomes that honor the aspirations and cultures of the communities they serve.

Acelero currently serves 4,500 children and reaches over 500,000 families in Head Start centers in five states: Nevada, New Jersey, Pennsylvania, South Carolina, and Wisconsin. Their Shine Early Learning division helps disseminate these innovative practices to other early childhood providers throughout the country through products, ongoing training, and technical assistance partnerships, with more than 60 Community Partners and eight major Public System partnerships nationwide.

Tracking Impact Outcomes at Acelero

STAKEHOLDERS

- Low-income families with children enrolled in Head Start
- Low-income children enrolled in Head Start
- BIPOC teachers in LMI communities across the United States

IMPACT METRICS

Low-income families with children enrolled in Head Start

- Students Served
- Families Served
- Student Attendance Rate
- Avg. Family Interactions
- Children who have Dental Homes
- Children who have Medical Homes
- Total Number of Employees

Low-income children enrolled in Head Start

- Early Language Peabody Picture Vocabulary Test by Race
- Student Socio-Economic Profile
- Infant/Toddlers Teachers Meeting Foundational Practices
- Preschool Teachers Meeting Foundational Practices
- Students identify as BIPOC
- Students below the poverty line

BIPOC teachers in LMI communities across the United States

- Net Jobs Created
- Female Employees
- Female Leaders
- Female Board Directors
- Underrepresented Board Directors
- ECE Staff Identify as BIPOC
- Teachers Enrolled in Professional Development
- Teachers Completing Professional Development

IMPACT OUTCOMES

SHARED PROSPERITY & SOCIAL WELL-BEING

- Bolstered Student Outcomes Through Family Engagement
- Closing the Achievement Gap for Children Through Scaled Provisions of Quality ECE
- Enabling Economic Mobility and Workforce Development for BIPOC Workers

Awards

Comparably: Best Company for Work-Life Balance
2022

Annenberg Brown University: School readiness outcomes validated externally through Annenberg Institute at Brown University
2021

Head Start Exemplar: Recognized as a Head Start Exemplar in a nationally recognized report based on demonstrated positive impacts on children's learning
2019

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

Closing the Achievement Gap for Children Through Scaled Provisions of Quality ECE

Acelero draws on seminal research in early childhood learning and teaching to design curriculum and focused assessments, which are key drivers of children's outcomes. Acelero also focuses on coaching and professional development to fully support the teaching and family services staff. They have an established outcomes-based program that has produced some of the largest child outcome gains ever recorded at an individual Head Start program.

Each Acelero Learning program is a member of both its state Head Start association and the National Head Start Association (NHSA), a private not-for-profit membership organization dedicated exclusively to meeting the needs of Head Start children and their families. Acelero Learning sponsors NHSA's annual conference and works closely with this national body to advocate for more funds for Head Start and Early Head Start programs.

Acelero partnered with nonpartisan research organization MDRC to assess learning outcomes for students in Acelero Head Start centers in the aftermath of the pandemic, which had significant negative effects on the learning and development of school-aged children in the United States, especially on children from marginalized groups. The study found that Acelero students made gains in literacy, language, math, and executive functioning two years after the start of the pandemic and compared those learning gains to pre-pandemic norms in national Head Start and Acelero comparison samples. Acelero Head Start children grew rapidly in all domains, performing and gaining in line with (or faster than) pre-pandemic cohorts in language, literacy, and executive functioning.

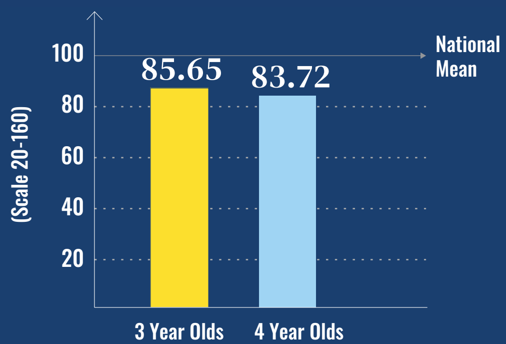
82%
Infant/Toddlers Teachers Meeting Foundational Practices

76%
Preschool Teachers Meeting Foundational Practices

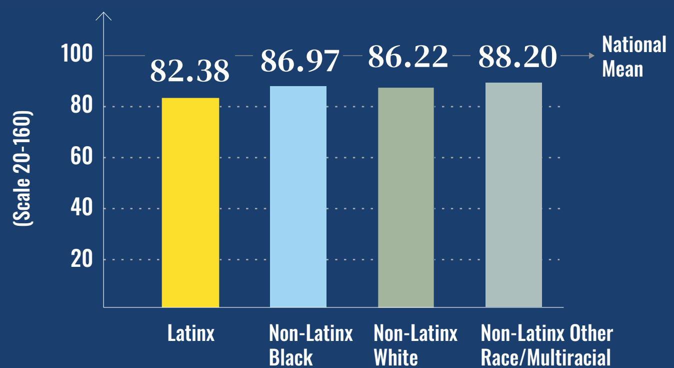
88%
Students identify as BIPOC

30%
Students below the poverty line

Early Language Peabody Picture Vocabulary Test by Age

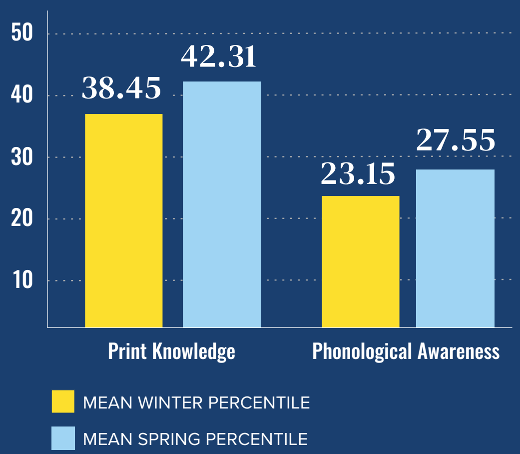


Early Language Peabody Picture Vocabulary Test by Race

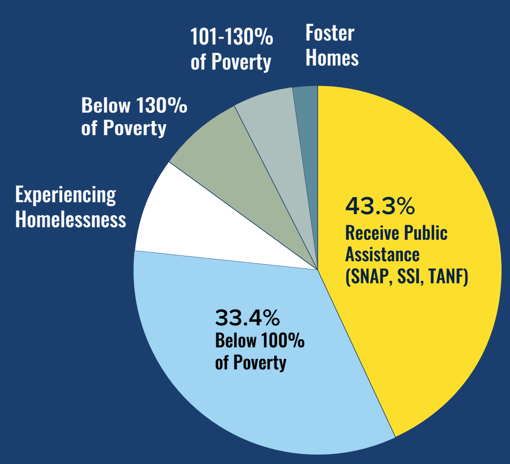


Test of Preschool Early Literacy (TOPEL) 3-month Gains

AVERAGE 3-MONTH STUDENT LITERACY POINT GAINS: 3.03



Student Socio-Economic Profile



Bolstered Student Outcomes Through Family Engagement

A cornerstone of the Head Start two-generation approach is based on the principle that children thrive when their parents do, which is why Acelero prioritizes engaging families around Family-Set Goals. 2024 saw the continuation of Acelero's commitment to refine Shine On, Families (SOF) in collaboration with families through inclusive human-centered design strategies. After conducting initial focus groups with front-line staff and families to explore new home learning formats and activity priorities in 2023, more than 2,500 families also weighed in through an annual family survey to share their priorities, aspirations, and preferences. The information captured laid the groundwork for the collaborative efforts of 65 families from ethnically and racially diverse centers across their network who served as paid family consultants to co-design new home learning activities across seven school readiness domains.

The mid-year evaluation of the SOF curriculum revealed promising engagement trends and positive perceptions among families and staff. Designed to promote equity, cultural responsiveness, and increased family engagement, the curriculum was accessed via the PEER website. Over 700 families and 450 staff participated in the November survey. Respondents rated the curriculum favorably, especially its impact on children's learning, ease of use, and quality translations. Statistically significant increases in both PEER and Reading hours were observed from the 2023–24 to the 2024–25 program years, with the largest gains among historically less engaged families. Average monthly PEER activity hours rose by 3.96 hours, while average monthly Reading hours increased by 3.72 hours. Disaggregated analysis revealed that historically not engaged families experienced notably greater growth in PEER activities (+3.32 hours) and Reading hours (+2.24 hours) compared to their engaged counterparts.

Despite strong integration, challenges persisted in digital adoption—especially for less tech-savvy caregivers—and in transitioning from hands-on to online engagement. Staff highlighted the need for continued printed resources and improved digital interactivity. Notably, personalized strategies like family learning parties and individualized communication showed the greatest correlation with engagement. Overall, SOF is gaining traction across centers, with opportunities to deepen its cultural alignment and streamline access for all families.

4,540
Students Served

77%
Student Attendance Rate

94%
Children who have Dental Homes

99%
Children who have Medical Homes

3,899
Families Served

5
Average Number of Family Interactions

1,738
Total Number of Employees

Enabling Economic Mobility and Workforce Development for BIPOC Workers

The company works to enable economic mobility and workforce development for underserved communities. Acelero conducted a recent employee engagement survey, which found that employees are proud to work at the company, an indication of strong company culture; that employees would recommend Acelero as a great place to work; and that they are motivated to contribute to the success of the company. Ensuring equitable pay for all delegate staff is critical for retaining and developing Acelero's workforce. In late 2023, Acelero implemented living wage increases for all Clark County-area employees, and submitted proposals to the Office of Head Start to increase staff compensation in the other three regions.

82
Net Jobs Created

91.8%
Female Employees

88%
Female Leaders

71%
Female Board Directors

28%
Underrepresented Board Directors

60.6%
ECE Staff Identify as BIPOC

194
Teachers Enrolled in Professional Development

29
Teachers Completing Professional Development

Overall
B Impact Score
88.2

MIXT

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

Certified B Corporation

MIXT is a Certified B Corp with a mission to lead an enduring movement for nourishing a healthy world with delicious food. MIXT has been showing the world the way to salad since 2006. Founded in San Francisco, MIXT redefines what it means to eat real food by sourcing fresh, sustainable ingredients, preparing them in-house from scratch, and building healthy, delicious meals you'll love.

MIXT has 20 locations throughout the San Francisco Bay Area, Los Angeles, and Dallas, Texas. MIXT's chef-created selection of salads, warm bowls, and sandwiches make plant-forward cuisine as craveable as it is nutritious. 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 in nutrients, and inexpensive. Employees are paid minimally, treated poorly, and offered few opportunities for career advancement and growth. Since its inception, MIXT has been actively working to change this industry paradigm by offering fresh, locally sourced food and fostering a sense of community in its restaurants. The company wants their employees to find purpose in their work, so they promote from within and nurture team members to grow professionally.

Economic Mobility and Workforce Development

Professional development is a consistent focus for the company, with programs in place to nurture team members to grow as leaders. MIXT received Great Place to Work Certification, with 81% of employees saying the company is a great place to work compared to typical U.S.-based companies. This certification recognizes the company's consistent focus on professional development, with programs in place to nurture team members to grow as leaders, including nurturing and promoting leaders from within. Across its 19 stores, the vast majority of managers were promoted from within the organization, including general managers, managers-in-training, and store leaders. These opportunities for advancement recognize the value of responsible growth and a commitment to caring for the entire MIXT team.

283
Total Employees

23
Jobs Created
(349 since investment)

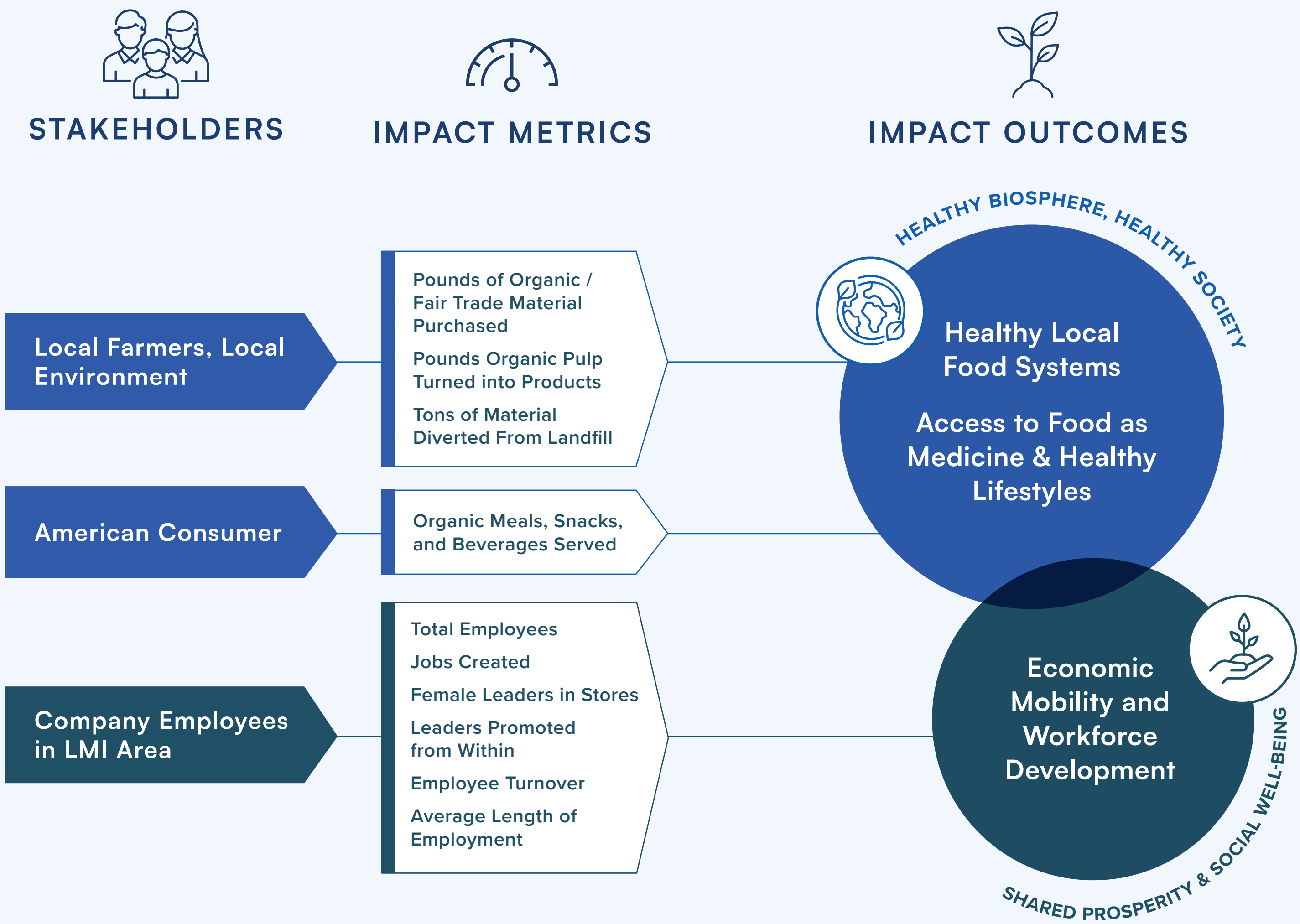
86%
Leaders Promoted from Within

44%
Female Leaders in Stores

12%
2024 Q3 Turnover
(compared to 150% Industry average)

3
Average Years of Employment

Tracking Impact Outcomes at MIXT



Healthy Local Food Systems

To support a thriving local food system, MIXT sources hundreds of local and organic ingredients.

Butter lettuce comes from Local Bounti farm. The farm uses 90% less water and 90% less land than traditional agriculture, and has two facilities in Carpinteria and Oxnard, CA, designated Opportunity Zones. More than 70% of Local Bounti employees are from the community, and the company focuses on training and promoting from within to build good local jobs. MIXT also partners with local farm Jayleaf to source organic MIXT greens, arugula, and baby kale. The certified organic farm is also home to a 100% solar-powered processing plant. Jayleaf employs regenerative agriculture practices such as cover crops, crop rotations, minimal till, and retrofitted sprinkler heads. These methods not only promote soil fertility and biodiversity but also help to conserve water. Their sustainability efforts extend from the fields and into their facilities, with recycled wash water, a green waste compost program, reduced corrugated packaging footprint, and eco-friendly plastic liner alternatives.

95%
of Material Diverted from Landfill

1.8M
Organic Meals, Snacks, and Beverages Served
(12.5M since investment)

80+
Farm-fresh Ingredients Sourced

892K
Pounds of Organic / Fair Trade Material Purchased
(5.6M since investment)

Overall
B Impact Score
157.8

MPOWERED (BioLite)

TYPE OF BUSINESS	CPG / Clean Energy Products
YEAR OF INVESTMENT	2017
YEAR OF EXIT	2024
IMPACT THEMES	Sustainable Systems, Human Elevation
SDGS	3, 4, 5, 7, 8, 9, 10, 13, 17

Certified B Corporation

Impact at Exit

MPOWERD, a company committed to creating simple, innovative, clean energy products that help to provide easily accessible light to communities living with intermittent or no access to the electricity grid, has been in the Builders Fund portfolio since 2017. The company developed a scaled model that employs a hyper-local pricing structure to make its product accessible to as many communities as possible, partnering with more than 700 NGOs and nonprofits to provide clean energy.

In 2024, Builders agreed to a structured exit of MPOWERD to market leader BioLite. BioLite is an energy social enterprise that has reached nearly 15M people living off-grid with safe, affordable, and reliable energy access while offsetting over 5M tons of CO2. They make solar charging and lighting systems and clean-burning cookstoves to power daily life. Builders is helping guide the transition of this structured, 24-month handover that helps ensure mission lock to a values-aligned buyer. MPOWERD and BioLite are both certified B Corps with impressive performance in the categories of environment and customers.

Clean, Reliable Energy for All

14.6M
Lives Impacted

5M
Tons of CO2 Inset, Avoided, or Reduced

$619M
Fuel Savings

For BioLite customers in sub-Saharan Africa, an investment in a new stove, BaseCharge power station, or SolarHome system is an opportunity to save money in the long term. Thanks to the efficiency and renewable energy sources of their products, customers are able to spend less on wood, charcoal, or expensive kerosene. For context, their customers, many who live below their nation's poverty lines, are able to save an estimated $100–150 annually. USAID estimates that two thirds of Kenyans live in poverty and make only $3.20/day.

Overall
B Impact Score
80

PosiGen Solar

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

Certified B Corporation

PosiGen, a Public Benefit Corporation, and Certified B Corp, is the nation's leading residential solar and energy efficiency provider for low-to-moderate income (LMI) families.

PosiGen's mission is to make solar affordable for every homeowner, working to close the clean energy affordability gap in lower-income communities by reducing utility bills while providing the environmental benefits of clean energy through rooftop solar and energy efficiency upgrades. The company's business model intrinsically focuses on social and environmental justice—the company exists to deliver easy and affordable solar power that benefits people and the planet.

PosiGen has more than 36,000 residential customers and over 700 employees across 13 states. The company makes a positive impact in underserved communities, offering annual household savings of upwards of 20% on energy bills.

They provide good job opportunities in communities where they operate, with more than 45% of their staff identifying as women and/or Black, Indigenous, and People of Color (BIPOC). These social benefits are intrinsically linked to the company's positive environmental impact, with access to clean, reliable energy expanding to new homes and communities, helping reduce and avoid GHG emissions.

Tracking Impact Outcomes at PosiGen

STAKEHOLDERS	IMPACT METRICS
LMI Individuals and Families Across the United States	Customer Cost Savings Number of Lives Impacted Solar Systems Installed Total Clients Clients from Underserved Communities
Local & Global Environment	Public Private Partnerships Charitable Donations
Company Employees	Tons of CO2 Inset, Avoided or Reduced Total Renewable Energy Produced and Consumed
LMI Districts Across the United States	Total Employees Jobs Created LMI Jobs Created % Female Employees % Female Leaders % Female Board Members Worker Living Wage % Underrepresented Leaders % Underrepresented Employees

IMPACT OUTCOMES

HEALTHY BIOSPHERE, HEALTHY SOCIETY
- Clean Reliable Energy

CLIMATE SOLUTIONS
- Protecting the Planet

SHARED PROSPERITY & SOCIAL WELL-BEING
- Community Economic Mobility & Workforce Development
- Support Growth in Underserved Communities

Awards

Momentum 100: MO 100 Impact Ranking
2024

Top Solar Companies: Platinum Solar Award
2023

Comparably: Best Company Outlook
2022

Comparably: Best Career Growth
2022

Bronze Winner, The Cleanie Awards
2022

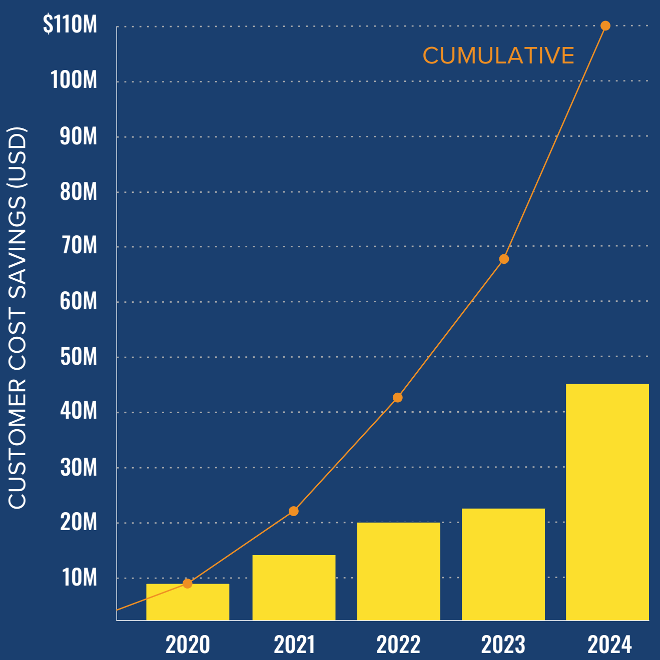
Inc. 5000

BBB Accredited Business A+ rating

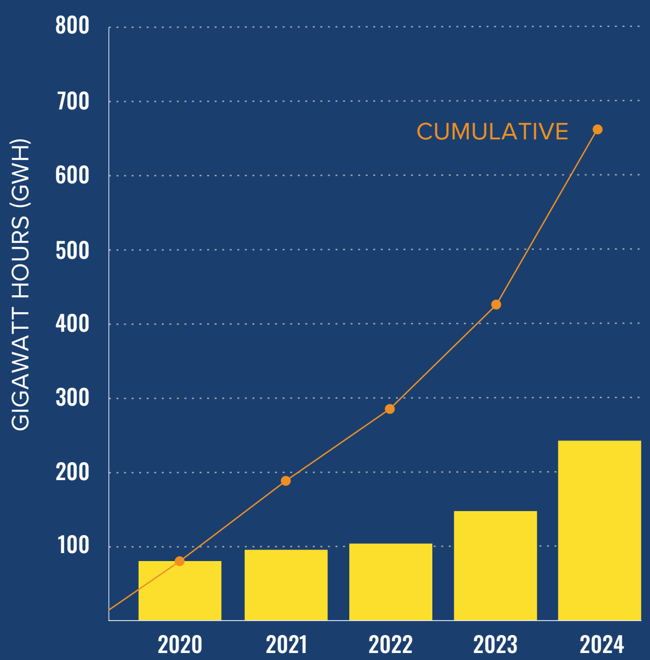
Clean, Reliable Energy for All

By providing affordable solar, PosiGen brings change to communities that need it most. When customers save money on their utility costs, that money is then put right back into their economy, supporting growth on a local level. The company actively works to combat "solar redlining" by providing rooftop solar and energy efficiency improvement to LMI customers through its innovative lease financing model that requires no minimum customer credit score and expands access to solar by working with regional partners to implement "Solar For All," a program that incentivizes solar in LMI communities and encourages public support for solar providers to enter into new residential markets.

Total Customer Cost Savings ($)



Total Renewable Energy Produced & Consumed (GWh)



$45M
Customer Cost Saving
($108M since investment)

9,979
Solar Systems Installed
(24.4K since investment)

46.5%
Clients from Underserved Communities

240
GWh Total Renewable Energy Produced and Consumed
(670 GWh since investment)

92K
Number of Lives Impacted
(172K since investment)

24.75K
Total Clients

70K
Tons of CO2 Inset, Avoided or Reduced
(362.5K since investment)

Support Growth in Underserved Communities

$431K
in Charitable Donations
($665K since investment)

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

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

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

The company continues to expand access and promote "Solar for ALL" through its work directly with homeowners as well as with public- and private-sector financing sources and NGO partners. In 2024, PosiGen participated in Philadelphia Energy Authority's sixth annual Solar Week in partnership with Solarize Philly. This collaboration is designed to bring solar energy to more homes across Philadelphia and expand access to clean and affordable energy. PosiGen installed 1,389 systems in 2024 as part of this program. 90% of their Philadelphia based customers are located in a low- income or energy community.

PosiGen was selected through a competitive RFP to be the sole contractor for the state of Rhode Island's Affordable Solar Access Pathways (ASAP) Program, launched in January 2024. The ASAP Program provides funding allowing PosiGen to offer increased savings to local residents living below the average median income level in specific low-income neighborhoods. In 2024, we provided solar to 17 Rhode Island families. 58.8% of our installations across Rhode Island are located in a designated low-income community.

PosiGen is a partner of the Solar for ALL NOLA program to help local residents save money on their energy bills. PosiGen installed 561 systems in 2024, helping support the goals of the campaign. Of PosiGen's Louisiana customers, 88% are located in a designated low-income or energy community.

PosiGen hosted 13 Solar for ALL campaigns with towns and cities throughout the state of Connecticut. In 2024, they partnered with the City of Danbury to host a community outreach campaign to educate homeowners on PosiGen solar and energy efficiency programs. The Solar for ALL Danbury Campaign has resulted in 10 families choosing to adopt solar power for their homes. In Connecticut, 71.2% of PosiGen customers are located in a low-income or energy community.

Community Economic Mobility and Workforce Development

Diversity is one of PosiGen's strongest values, and they prioritize working directly with people from the diverse communities they serve.

81
Net Jobs Created
(631 since investment)

737
Total Employees

88%
Worker Living Wage

44%
Underrepresented Employees

9
LMI Jobs Created
(196 since investment)

26%
Underrepresented Leaders

30%
Female Leaders

17%
Female Board Directors

33%
Female Employees

Overall
B Impact Score
115.8

Traditional Medicinals

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

Certified B Corporation

Traditional Medicinals, Inc., a Certified B Corporation and California Certified GreenBusiness, 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. In 2024, the company celebrated its 50th anniversary.

Traditional Medicinals is a leading seller of both Organic and Fair Trade Certified™ herbal teas in the U.S. and Canada. The company is passionate about connecting people to plants and sharing centuries-old wisdom on how to use them. TM offers more than 50 high-quality wellness teas formulated by herbalists using pharmacopeial-grade herbs.

Equip People to Be Well

Traditional Medicinals invests in its growing workforce—from employee benefits, internal programs, and safety training to providing educational opportunities. For the sixth consecutive year, the North Bay Business Journal recognized the company as one of the region's Best Places to Work. In addition to seeking to understand the employee experience through surveys and listening, the company also supports the growth and development of employees and works to improve equity in the workplace. In 2023, 60% of the full-time workforce identified as women, and 60% of leaders identified as women.

24
Total Employees

12
LMI Jobs Created
(46 since investment)

60%
Female Employees

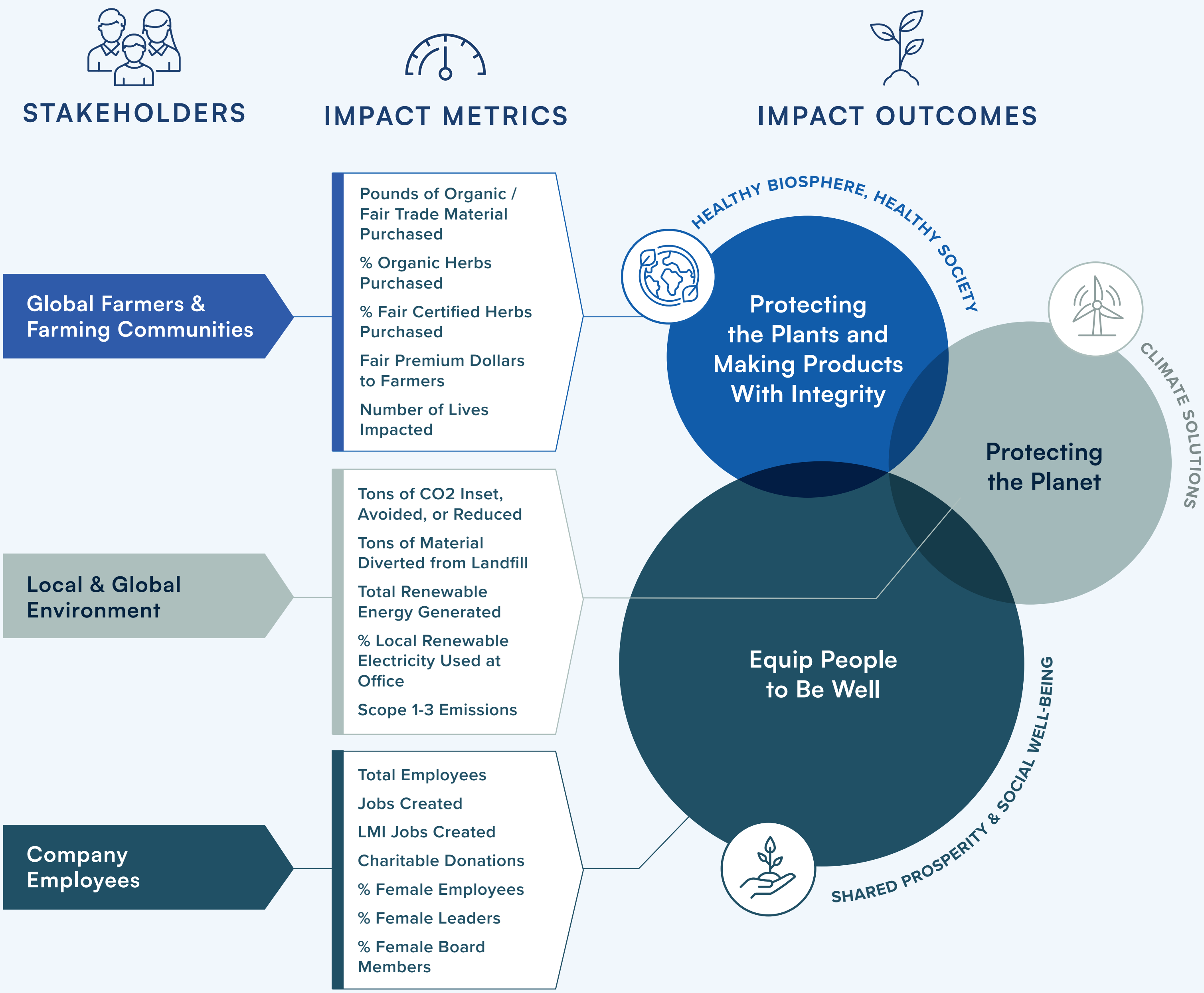
39%
Female Board Members

19
Jobs Created
(149 since investment)

$437K
Charitable Donations
($3.1M since investment)

53%
Female Leaders

Tracking Impact Outcomes at Traditional Medicinals



> Investing in our people is at the heart of our philosophy and purpose. This includes providing opportunities to explore passions, such as herbal education, which benefits both the individual and the company. It also means focusing on individual growth and development. By creating opportunities to build skills, knowledge, and leadership capabilities, we can ensure we have the right talent to support our company's growth.
>
> **Joe Stanziano**
> *CEO, Traditional Medicinals*

Protecting the Plants and Making Products With Integrity

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

Similar to their role in the organic certification movement, Traditional Medicinals has long advocated for fair and ethical trade relationships across its supply chain. The company advised on the creation of the FairWild standard and marketed the first FairWild labeled herbal products in 2009. They are focused on building a supply chain that is more regenerative and less extractive and have set a target of sourcing 80% fair volume by 2030. To achieve this, they are using fair trade standards including Fair for Life and FairWild.

In FY24, Fair-certified purchases represented nearly 38% of their total herb volume, a sizable increase from just over 30% in FY23. The near-doubling of herbs that were newly certified as fair—from 19 in FY23 to 37 in FY24—will support increased representation in their fair volume in the coming years. This achievement is facilitated by collaboration with the farmers, wild collectors, and sourcing communities.

Fair certification encompasses environmental, social, and economic factors. In 2024, Traditional Medicinals contributed $328,517 to these funds, supporting locally driven community investments around the world. In 2023, Traditional Medicinals became a Fair for Life brand, signaling their commitment to transparency and sustainable trade relationships. Somewhat unique among standards, Fair for Life examines every link along the supply chain.

In Zimbabwe, Traditional Medicinals concluded a two-year project to invest in a water security project in the Binga Territory, where they source Fair Trade Hibiscus. The residents were displaced when their homelands were flooded in the 1950s and 1960s

3.1M
Pounds of Organic/ Fair Trade Material Purchased
(25M since investment)

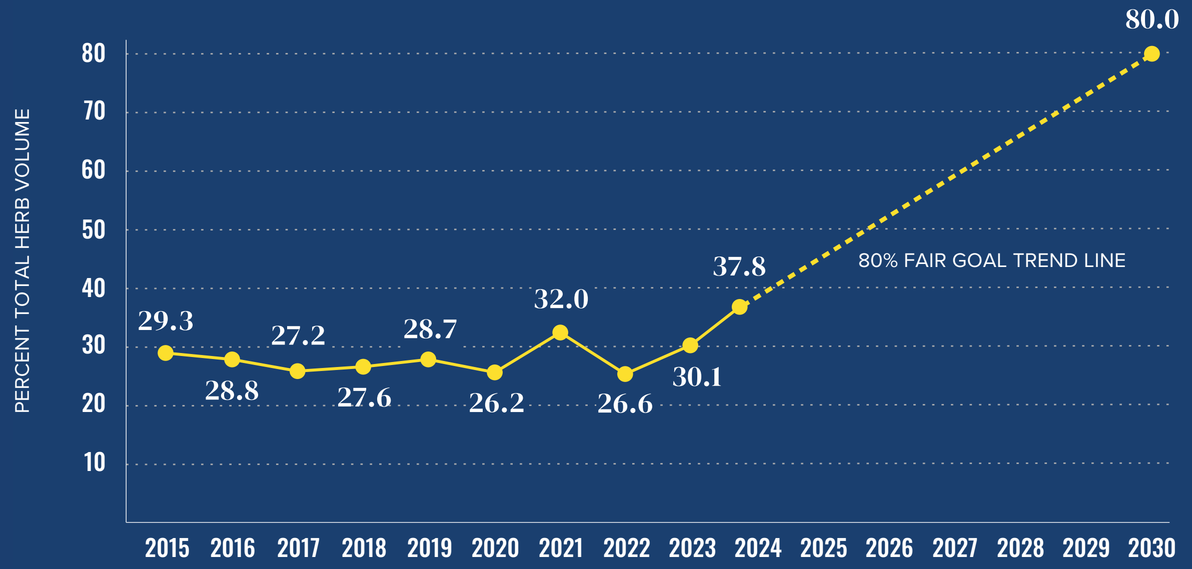
99.7%
Organic Herbs Purchased

38%
Herbs Purchased are Fair Certified

328K
Fair Premium Dollars Went to Farmers in 2024

6.9K
Number of Lives Impacted
(33K since investment)

Fair-Certified Herbs (% Total Volume)

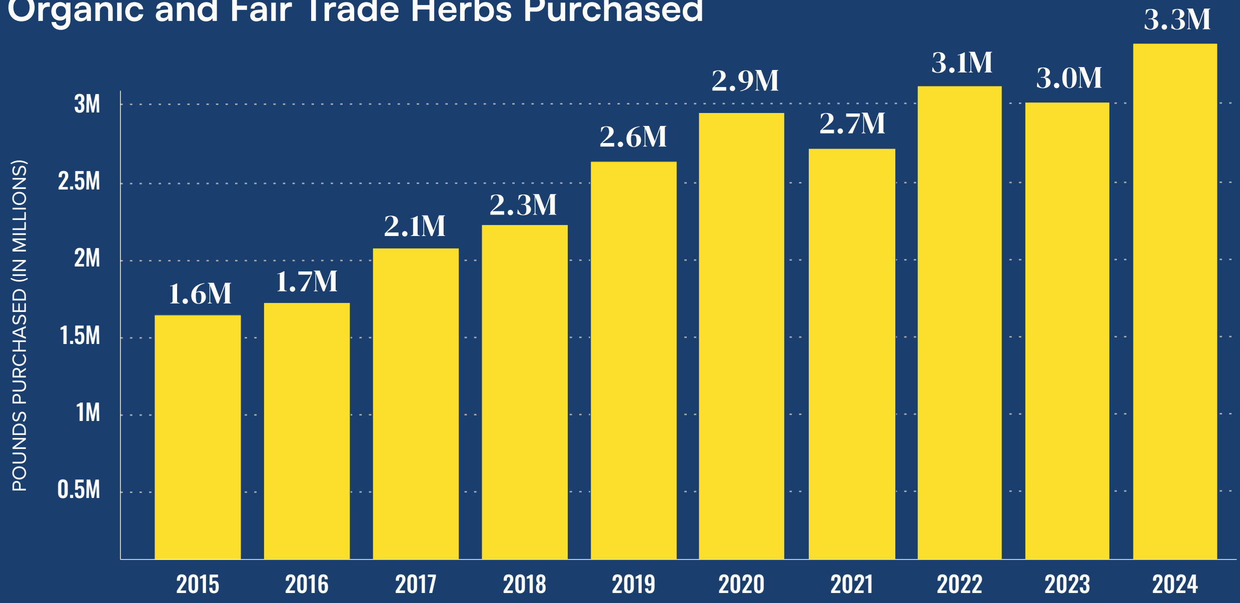


during the installation of Kariba Lake, the largest artificial lake by volume in the world. Access to clean and safe drinking water was the primary need identified by the community. The program successfully installed four boreholes, providing clean, safe, and easily accessible drinking water to more than 4,000 in a region of Fair-Trade hibiscus farmers. Women were selected to maintain the majority in water point committees for each borehole, leading their local community on conservation practices, maintenance, and repairs. This project was conducted in collaboration with Martin Bauer and local supply partners.

Traditional Medicinals, Martin Bauer, and local supply partners in Bulgaria supplemented Fair for Life premium funds to support the installation of a playground in a village with no previous safe or age-appropriate play space. The new space will support social activity for community members and the integration of children of different ethnic origins. The company also contributed funding to revitalize the community center, which had been unusable for 20 years and will provide library and social gathering space for the village and surrounding areas.

Since 2020, the company has supported fair trade farming communities in Egypt, focusing on health, literacy, and entrepreneurship for women. This progress continued in 2024 with a goal of enabling 300 women to run successful microbusinesses, earning additional income for their families. To support that goal, we provided access to personal development options, literacy and math courses, and small loans—the foundations of a successful business. Family health awareness sessions were also offered. By empowering women in these farmworker communities, the project helped increase prosperity for all.

Organic and Fair Trade Herbs Purchased



Protecting the Planet and Nurturing Interconnection

Traditional Medicinals has committed to the Science Based Targets initiative (SBTi), the gold standard for emissions goal setting. Their SBTi Pathway goals align with the 2015 Paris Agreement, striving to limit global warming to 1.5°C above pre-industrial levels to avoid the worst effects of climate change. The company made specific commitments to reduce Scope 1 and 2 emissions by 42% by 2030 and 100% by 2050. In line with these Scope 1 and 2 commitments, they are also committed to measuring and reducing Scope 3 emissions toward net-zero by 2050.

In 2024, Traditional Medicinals completed a detailed refresh of their Scope 1, 2, and 3 emissions inventories, using 2023 data, to recalculate and track emissions and develop abatement strategies. To deepen their understanding and better prepare their team for identifying actionable emissions-reduction opportunities, they performed most of these calculations in-house, drawing from more than 15,000 data points.

Traditional Medicinals' greenhouse gas statement was verified to meet the requirements of ISO 14064 Part 1: 2018 with a limited level of assurance.

Scope 1: Energy Use in Facilities

In the latest reporting cycle, the company revised its approach to include emissions from headquarters in Scope 1 and 2 instead of Scope 3, aligning with reporting best practices. Scope 1 emissions stem primarily from the use of natural gas in their Sebastopol production facility. The emissions intensity associated with natural gas makes it a priority area for reductions and the Operations team plays a critical role in managing and reducing these emissions.

Scope 2: Purchased Electricity

Traditional Medicinals purchases cleaner energy through a local Community Choice Aggregation (CCA) with Sonoma Clean Power. At the Sebastopol production facility and Santa Rosa storage facility, they purchase power with significantly lower emissions through Sonoma Clean Power's EverGreen program, which helps reduce Scope 2 emissions. They calculate emissions using the market-based method to account for the benefits of CCA purchasing.

The company continues to procure 100% local renewable energy, in partnership with these clean energy programs. This commitment, coupled with the use of rooftop solar panels on their Sebastopol facility, keeps Scope 2 emissions minimal relative to the size of company operations.

Scope 3: Value Chain Emissions

Every three years, Traditional Medicinals conducts Scope 3 calculations using the previous year's data. The most recent analysis was in 2024 and incorporated primary data on transportation, purchased goods and services (e.g. herbs and packaging), and capital goods, as well as categories like emissions associated with teleworking.

2.5K
Tons of CO2 Inset, Avoided, or Reduced
(10.8K since investment)

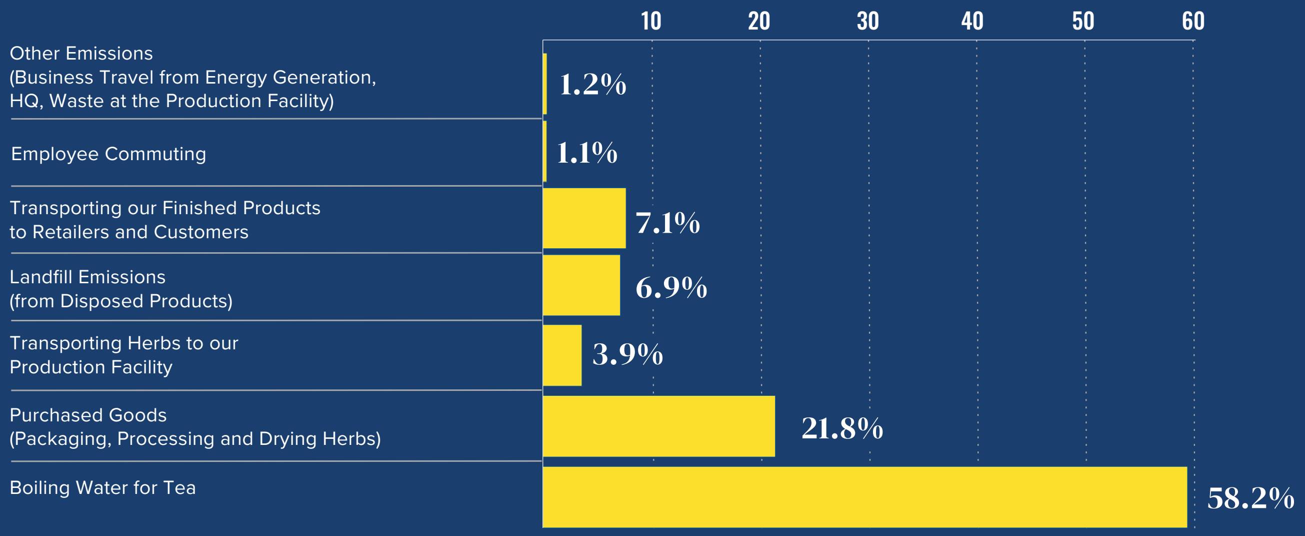
857
Tons of Material Diverted from Landfill
(5,379 since investment)

326K
kWh of Renewable Energy Generated
(8.9M kWh since investment)

100%
Local Renewable Electricity Used at Office

Certifications

Scope 3 Emissions Categories by Percent of Share of Emissions



Overall
B Impact Score
82

Urban Remedy

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

Certified B Corporation

Urban Remedy is on a mission to reimagine the food system and teach the world that food is healing.

Urban Remedy, a certified B Corporation since 2018, creates delicious, clean, and convenient organic foods that embody the belief that food is healing. All of Urban Remedy's freshly prepared meals, refrigerated snacks and cold-pressed juices are certified organic, non-GMO, gluten-free, dairy-free, and refined sugar free and are thoughtfully crafted with every ingredient chosen for its healing properties. Founder Neka Pasquale, a Licensed Acupuncturist & Herbalist, utilizes the wisdom of Chinese medicine to craft healing plant-based meals, juices, and snacks that nourish the body to naturally lower inflammation. Urban Remedy, now sold nationally in Whole Foods Market, is a leader in the food industry in the US, which is dominated by an industrialized system that Pasquale refers to as “Big Food."

Economic Mobility and Workforce Development

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

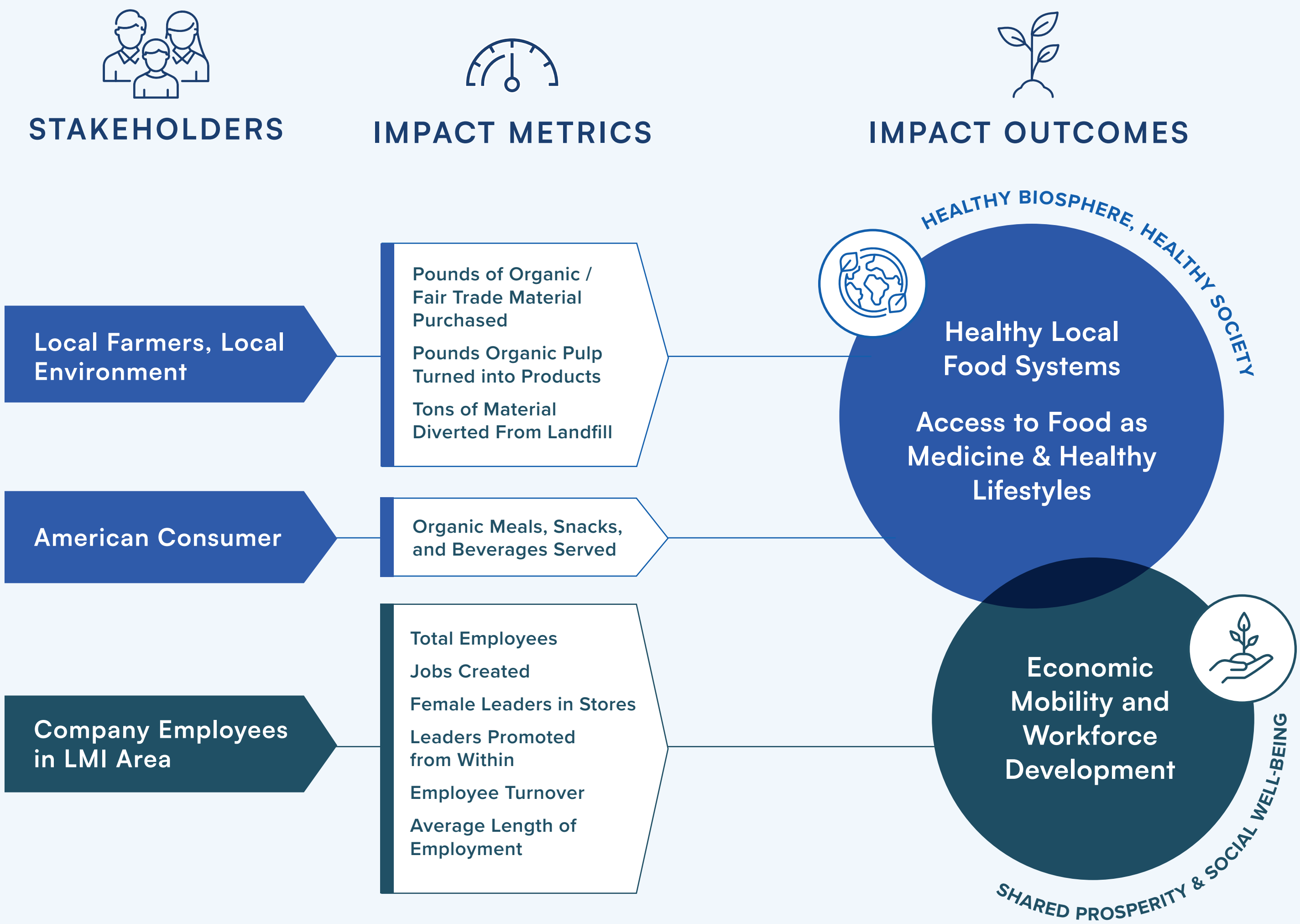
101 Total Employees

395 Jobs Created Since Investment

298 LMI Jobs Created Since Investment

85% LMI Jobs

Tracking Impact Outcomes at Urban Remedy



Healthy Local Food Systems

Urban Remedy produces organic, locally sourced meals and diverts much of its organic waste from landfills in support of this vision of a healthy food system. Each year, the company offers paid team member volunteer hours and employees regularly volunteer at schools and organizations local to their headquarters in Richmond, CA with an emphasis on promoting healthy eating habits. In 2023, Urban Remedy continued a several-year partnership with Conscious Kitchen, an organization working with schools and communities to break the cycle of conventional, packaged, overly processed food, transitioning to meals based on five foundational attributes: fresh, local, organic, seasonal, and nutritious.

The company also co-hosted “Project Salad” at Betty Soskin Middle School. This event brought together students, community leaders, and notable guests like Alice Waters for freshly made organic school lunches, promoting healthy eating habits among young students and fostering a sense of community around nutritious food.

2.6M
Pounds of Organic/ Fair Trade Material Purchased
(39M since investment)

6.4M
Organic Meals, Snacks, and Beverages Served
(38M since investment)

0.2
Tons of Material Diverted from Landfill
(7.2K since investment)

1,545
Pounds of Organic Pulp Turned Into Products
(2024)

At the core of Builders' approach to sourcing high-quality, proprietary investment opportunities is our identity as impact specialists and sector-generalists. We believe that companies that can scale financial and impact outcomes in a collinear fashion are well-poised to deliver outsize returns and sustainable growth. But the companies that fit that description often don't fall within traditional business models in a given sector, nor are they restricted to a given industry (or even just a few). Our thematic approach allows us to filter for proven business models that address the dislocation caused by social and environmental challenges, without arbitrary barriers that would preclude us from investing in companies that are solving problems in innovative ways. Similarly, we aren't compelled to look only within a few sectors and then "work backwards" to identify a compelling impact angle for a given business; instead, our sourcing is guided by the presence of robust financial and impact performance."

Ani Ajith

VP, The Builders Fund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