

2016 Impact Report



renewal
Funds

Investing for Change



“I am proud to be both an investor in and advisor to Renewal Funds. They align money with some of the key food, agriculture and environmental issues of our time. Renewal Funds is the real deal – a pioneer proving the efficacy and profitability of investing for progressive change.”

Gary Hirshberg, Stonyfield Yogurt
Co-Founder and Chair

Investing for Change

The science is clear. Our economic system must be reinvented for cleaner, safer, less wasteful, and long-term economic resilience. Capital and financial wealth are powerful tools to drive tomorrow's solutions.

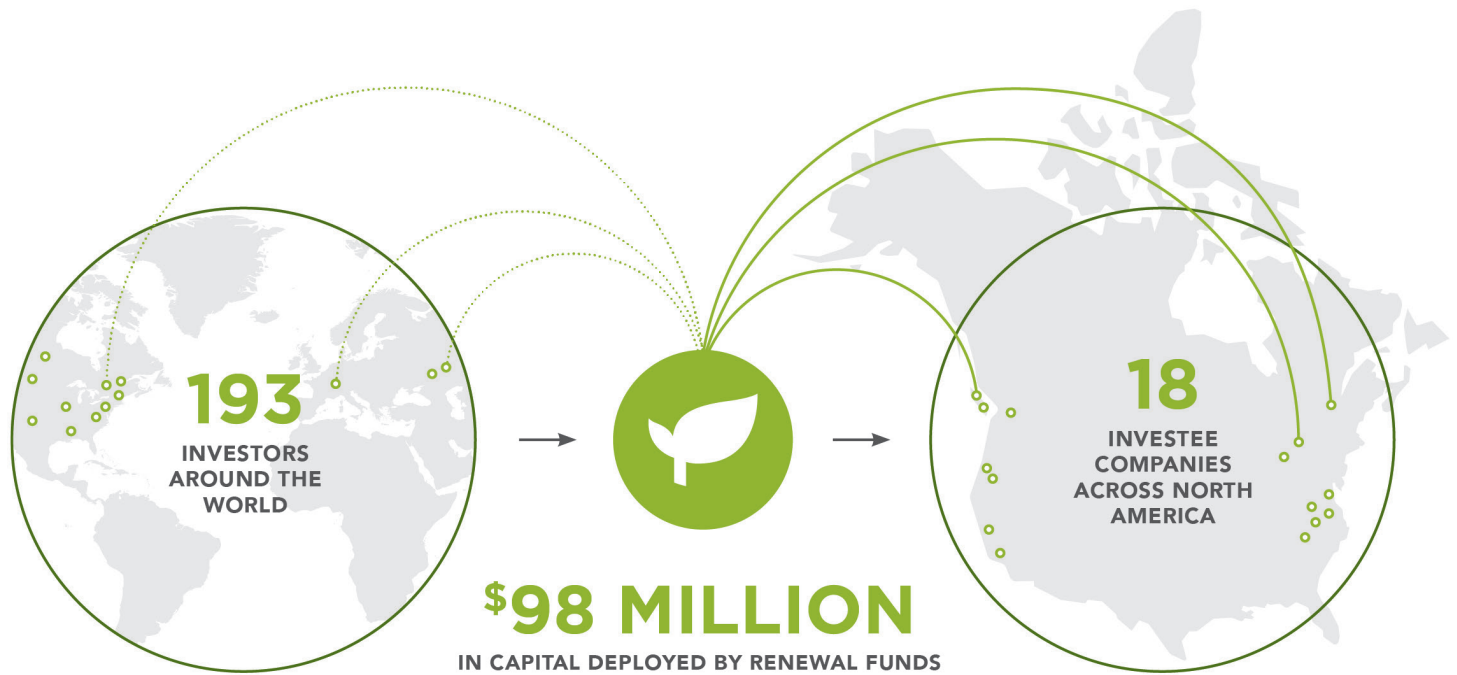
Renewal Funds grew from our founding partners' commitments to prove that investing in the changes necessary for reinvention can also be profitable. Our intention was to prove that a "mission first" and "investing for change" approach could generate significant impact on society and the environment, while making good money for investors.

We specialize in the areas of Organics and Environmental Technology, two essential, interrelated categories where our expertise meets rapidly emerging trends.

Our investors represent a cross section of people, family offices, independent wealth advisors, and charitable foundations, who seek market rate returns while aligning money with values, meaning, and purpose. Renewal Funds' successes give tangible options to their professional networks and constituencies to validate the rapidly emerging impact investment model.

We do our part amongst a growing sector of peers who are accelerating the transition to long-term thinking and investment. We can rebalance a healthy integration of ecology with modern civilization.

Science, public policy, and consumer preferences are converging towards strategies for a better future. Our tagline, "Investing for Change", is an idea whose time has come.



IMPACT FACT

24 of the 193 Renewal Funds investors are Foundations.

Measuring Impact

The value of an investment with Renewal Funds is substantively greater than monetary return. The capital deployed also nets an ecological and societal profit. The measurement of environmental and social impact is both quantitative and qualitative. We combine our analysis, experience, common sense, and instincts to invest where we believe a substantive advance is possible.

Renewal Funds also validates our internal expertise through rigorous and independent impact specialists. We are proud to be both a founding Canadian B Corp and a pioneer GIIRS fund and we use both certifications to continually assess the performance of our business model and our portfolio companies in order to fully realize and amplify our collective impact.

FUND-WIDE IMPACT

1051

**JOBS
CREATED**
(Across Portfolios)

43%

**FEMALE
WORKFORCE**
(Portfolio Companies)

60%

**FEMALE
TEAM**
(Renewal Funds)

40%

**DIVERSE
WORKFORCE**
(Portfolio Companies)

35%

**INPUT SOURCES
WITHIN 100 MILES**
(Across Portfolios)

AWARDS



COMMITMENTS



INDEPENDENT ASSESSMENT

B Corp and GIIRS represent a new way forward for businesses to measure material and substantive social and environmental change. These are important tools for consumers and investors looking to align their funds with their values.

B Corp certification is granted upon the successful completion of an assessment of a company's overall social and environmental performance, public transparency, and legal accountability. B Corporations are mission-aligned businesses seeking to positively impact people and the planet while also earning a profit.

An important component of the B Corp movement is the "Global Impact Investing Rating System" (GIIRS) for funds. This program provides a comprehensive, credible, and verified evaluation of a funds' overall impact performance.

Both B Corp and GIIRS certifications are attained through the B Impact Assessment,

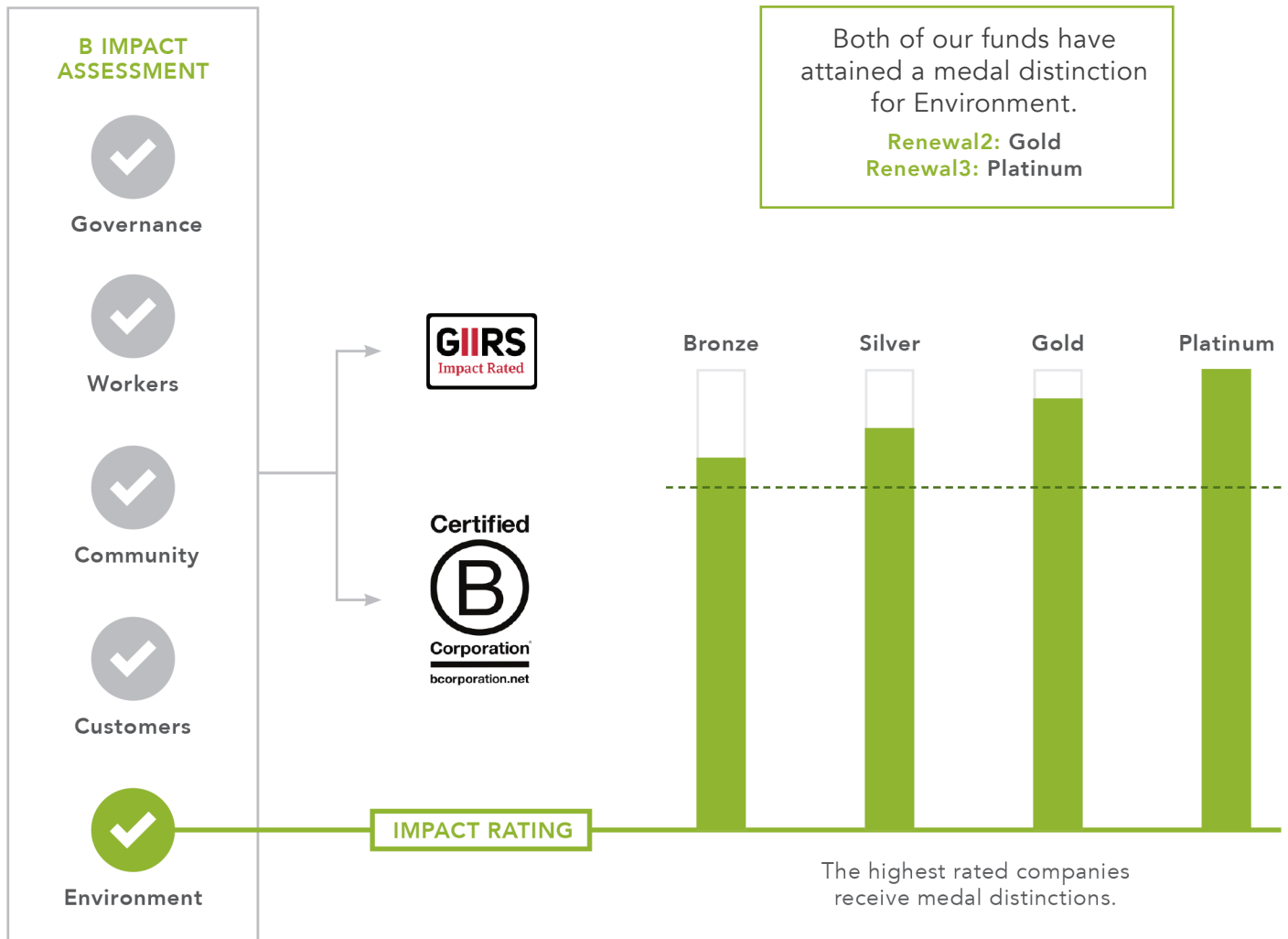
which comprehensively scores a company's social and environmental impact and encourages comparison with others, to catalyze greater positive change.

Renewal Funds uses the B Impact Assessment as a tool in our due diligence to help screen all new potential portfolio companies and also assists companies in becoming certified. Many of our portfolio companies are Certified B Corps and all have taken the impact assessment.

The B Impact Assessment is comprehensive – governance, community, and transparency are taken into account. Of particular importance to our work is the environmental impact rating. Products, services, target customers, ownership and operations are reviewed to rate the business's ability to solve environmental problems. Those that score high enough on impact are awarded medals from bronze to platinum. We are proud that each of our portfolio companies and funds attained a medal distinction.

ENVIRONMENTAL IMPACT LEADERSHIP

To maintain a GIIRS rating, all investees must take the B Impact Assessment **every year** in order to identify areas of improvement within our collective social and environmental performance, accountability, and transparency. Below is a representation of how our funds and the companies within each fund have scored on the Environment portion of the assessment.



RENEWAL2 ENVIRONMENT MEDALS

- **Platinum** Seventh Generation
- **Gold** Alter Eco
- **Silver** Aquatic Informatics
- **Silver** Sensible Organics
- **Silver** SPUD
- **Bronze** Elevation Brands
- **Bronze** Rustic Crust
- **Medal Pending** Miovision

RENEWAL3 ENVIRONMENT MEDALS

- **Platinum** Opti
- **Platinum** Sweet Earth
- **Gold** Better Bean
- **Gold** Cascadia Windows
- **Gold** Farmhouse Culture
- **Gold** Prana
- **Silver** Lotek
- **Silver** Sensible Organics

Medals are assessed from 2015 B Impact Assessment results. Graph is representational only and is not to scale.

Investment Sectors

Renewal Funds invests in change by activating capital to advance solutions. Our portfolio companies displace harmful products, and offer cleaner, healthier alternatives for social and environmental well-being.

ORGANICS

What we eat, put on our skin, use in our homes, and absorb at work has tremendous impact on people and the planet.

Conventional industrial farming is highly fossil-fuel intensive, from machinery, fertilizers, pesticides, herbicides, fungicides, preservatives - which affect workers, species, and the entire biosphere. High risks of vast monoculture dominated farmland are amplified by large carbon release to the atmosphere through continual tilling of the soil.

ENVIRO TECH

Environmental technology innovation is crucial to a smarter way forward for sustainable living – efficient energy use, data-based decision making, and conversation are key to long term health and prosperity. Renewal Funds invests in tangible solutions through fresh water protection, waste water run-off management, vehicle emission reductions, green building materials and species preservation.

Global warming is already causing significant damage to ecosystems, economies and communities. Cities both add to global warming and are especially vulnerable to its effects. Although cities cover just 2% of the world's surface, they produce more than 60% of CO2 emissions, largely because of energy and resource inefficiency.

"We make strategic investments advancing better and more sustainable practices, contributing to a safer and cleaner planet, with economic prosperity for future generation."

Organics is a revival of full circle principles – wherein the total consequence of inputs and effects are taken into account. This cleaner approach protects energy, carbon, nitrogen, water, and micronutrient cycles, producing far more sustainably.

From soil to shelf to consumers, our organics portfolio invests in change. Mission inspired entrepreneurs are rethinking conventional food and consumer products. The health of people, ecology, and climate is essential. By investing in the organic, fair trade, GMO and toxic free transition, Renewal Funds contributes to a safer, more resilient future.

As cities adapt to innovative technologies, we can improve air quality, reduce energy use, and decrease pollution dramatically. Renewal supports incremental technological products suited to our level of capital.

Our enviro tech portfolio helps modernize cities, systems, and resources with creative solutions. We make strategic investments advancing better and more sustainable practices, contributing to a safer and cleaner planet, with economic prosperity for future generations.



CLIMATE

The rapidly changing climate is the most urgent challenge of our time.

IMPACT FACT

2016 has been the hottest year on record.



TOXIN-FREE

Plastics to pesticides – bioaccumulation of toxic chemicals contributes to soaring health crisis.

IMPACT FACT

82,000+ industrial chemicals are used in personal care products.



EFFICIENCY

Efficiencies are critical as we put additional stress on our limited resources and our planet's capacity.

IMPACT FACT

~60% of energy in the US is wasted due to building, transport, and storage inefficiencies.



WATER

Global crossroads of clean and accessible freshwater.

IMPACT FACT

2+ billion people live in water stressed areas.



BIODIVERSITY

Humankind is responsible for the sixth major extinction.

IMPACT FACT

~16,000 species are at risk of extinction.

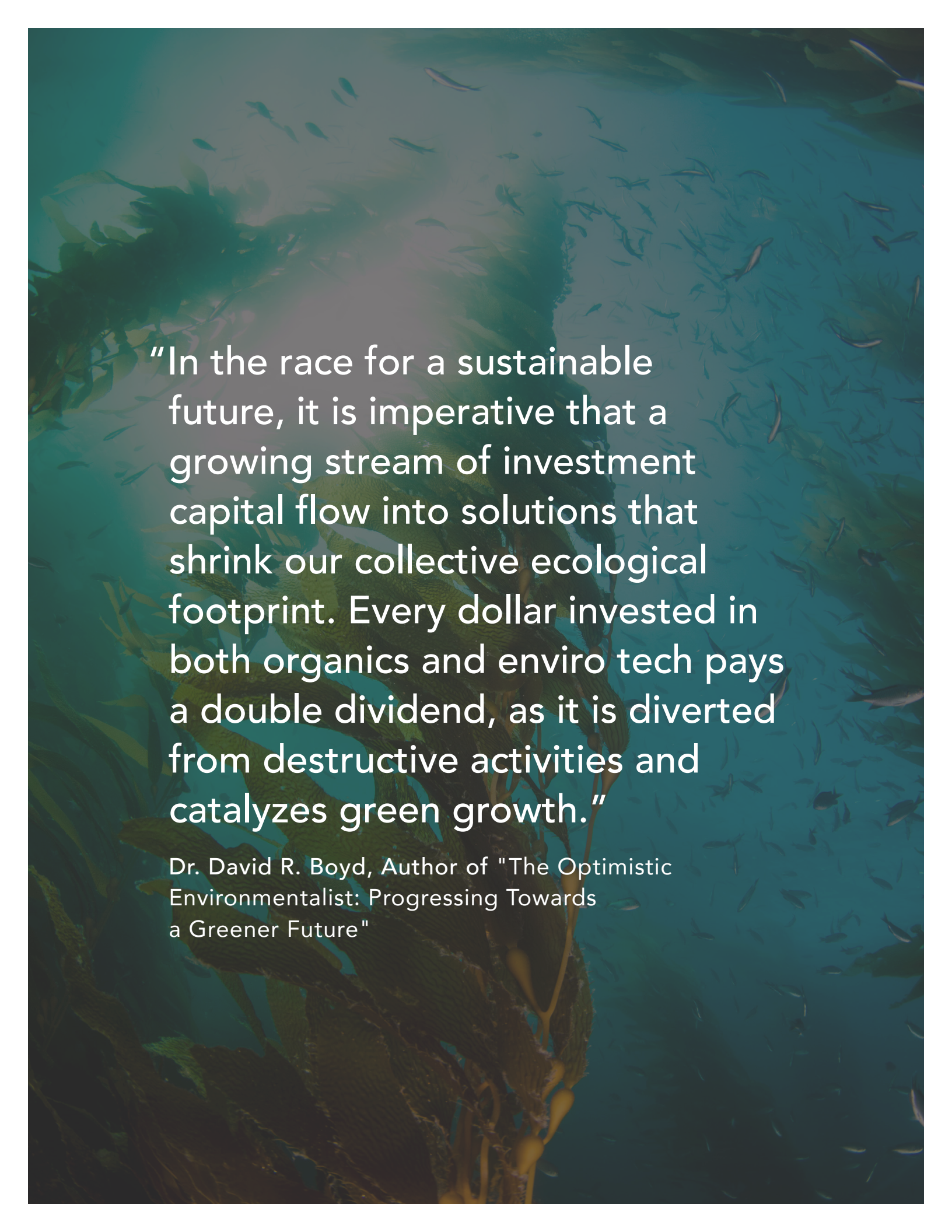


PEOPLE

Real prosperity and true security challenges with population growth.

IMPACT FACT

Organically grown food has ~50% higher nutrient and antioxidant density.

An underwater scene with a large school of small fish swimming in clear, blue-green water. In the foreground, there are large, dark green seaweed fronds with yellowish-brown stalks. The lighting is soft and diffused, creating a serene and natural atmosphere.

“In the race for a sustainable future, it is imperative that a growing stream of investment capital flow into solutions that shrink our collective ecological footprint. Every dollar invested in both organics and enviro tech pays a double dividend, as it is diverted from destructive activities and catalyzes green growth.”

Dr. David R. Boyd, Author of "The Optimistic Environmentalist: Progressing Towards a Greener Future"



Alter Eco sources all of their chocolate, quinoa, sugar, and rice from small-scale farmer-owned coops in the global south. Farmers and harvesters are paid a fair wage and maintain the right to their land, which promotes holistic, long-term, sustainable management for both people and soil.

To offset the carbon emitted from transport and processing, Alter Eco participates in reforestation projects and provides carbon credits – an initiative called 'Full Circle Sustainability'.

www.altereco.com | San Francisco, CA



24,338 farmers paid a living wage (2015)



100% compostable quinoa and truffle packages



100% of emissions offset equals 2,592 tons CO2



With only 0.75% of the earth's renewable fresh water available for human use, accurate and robust monitoring is important to minimize waste and maximize distribution. With climate change exacerbating already significantly diminished water resources, conservation is of the utmost importance. Governments, industry, and academics use Aquatic Informatics' software solutions to make water management decisions and optimize this vital resource.

www.aquaticinformatics.com | Vancouver, BC



10 million+ km2 of watershed monitored



25,000 real-time monitoring stations



Urgent alerts for pollutants and floods



Better Bean's fresh, ready-to-eat beans are grown with only low-till methods to maintain soil integrity. While conventional high-till farming strips the soil of nutrients and decreases water retention, low-till practices enable soil to absorb rather than emit carbon.

All Better Bean ingredients are sourced as close to production as possible to minimize their carbon footprint, and packaged in BPA-free plastic.

www.betterbeanco.com | Portland, OR



Bean production emits 13x less CO2 than feedlot beef



Beans fix nitrogen – 40kg of nitrogen fixed per acre



100% low-till methods – retaining up to .5 tonnes of CO2 per hectare

Cascadia's fiberglass window technology and innovative building envelope solutions improve the thermal efficiency and carbon footprint of new and old buildings. Energy inefficiency is a significant source of carbon emissions and wasted resources. Cascadia is committed to state-of-the-art green building innovation and has several award-winning projects around the world.

www.cascadiawindows.com | Langley, BC



~90% reduction
in energy costs



Retrofit
technology to
reduce waste



Meets Passive
House
Certification
standards

Elevation Brands is dedicated to advancing environmental sustainability and solving common health challenges through the development, manufacturing and marketing of innovative foods. Elevation markets its all-natural, allergy-friendly foods under the Ian's Natural Foods brand, which provides various entrée and breakfast meals that are safe for individuals with strict dietary requirements.

www.iansnaturalfoods.com | Framingham, MA



1 in 13 US
children have
serious allergies



100% antibiotic,
hormone, and
cage-free protein



100% MSC
Certified
sustainable
seafood

Farmhouse Culture revives ancient fermentation traditions with globally inspired flavours. All ingredients are non-GMO, locally grown and contain thousands of live probiotic cultures.

Probiotic foods are central to maintaining a healthy gut micro-biome, which contributes to a balanced immune system and aids in the absorption of nutrients.

www.farmhouseculture.com | Portland, OR



50% greater
overall efficiency
with supplementary
product line,
GutShot



Cabbage requires
80% less water
than almonds



Probiotics
contribute to
a healthy gut
micro-biome

Lotek’s technology allows biologists to track wildlife movements and better understand the impacts of pollution, human activity and climate change on natural ecosystems. Their products generate the data that scientists need to better inform decisions about protecting thousands of varieties of avian, marine and terrestrial species. Lotek systems are currently deployed in 35 countries, across every continent and in every ocean.

www.lotek.com | **Newmarket, ON**



Monitors across terrestrial, freshwater, marine, and avian habitats



GPS trackers work for species of all sizes, from insects to whales



Used to analyze the acute effects of infrastructure projects on local wildlife

miovision

rethink traffic

Miovision’s products and services reduce traffic congestion, minimize inefficient transportation flow, and improve the overall safety of roads. Miovision’s video and web-based technology solutions help data collectors, traffic consultants and municipal governments collect, analyze and report accurate traffic data to make key decisions around local infrastructure.

www.miovision.com | **Kitchener, ON**



Deployment results in ~5-10% less vehicle emissions



50%+ of North American intersections monitored



~1 tonne of CO2 mitigated per 250 hours monitored

During heavy rain events, aging pipes and inadequate storage capacity lead to the discharge of an estimated 900 billion gallons of untreated sewage into rivers and other waterways in the United States each year. Opti’s technology improves stormwater management by reducing sewer overflow into lakes and streams, thereby improving city resiliency.

www.optirtc.com | **Boston, MA**



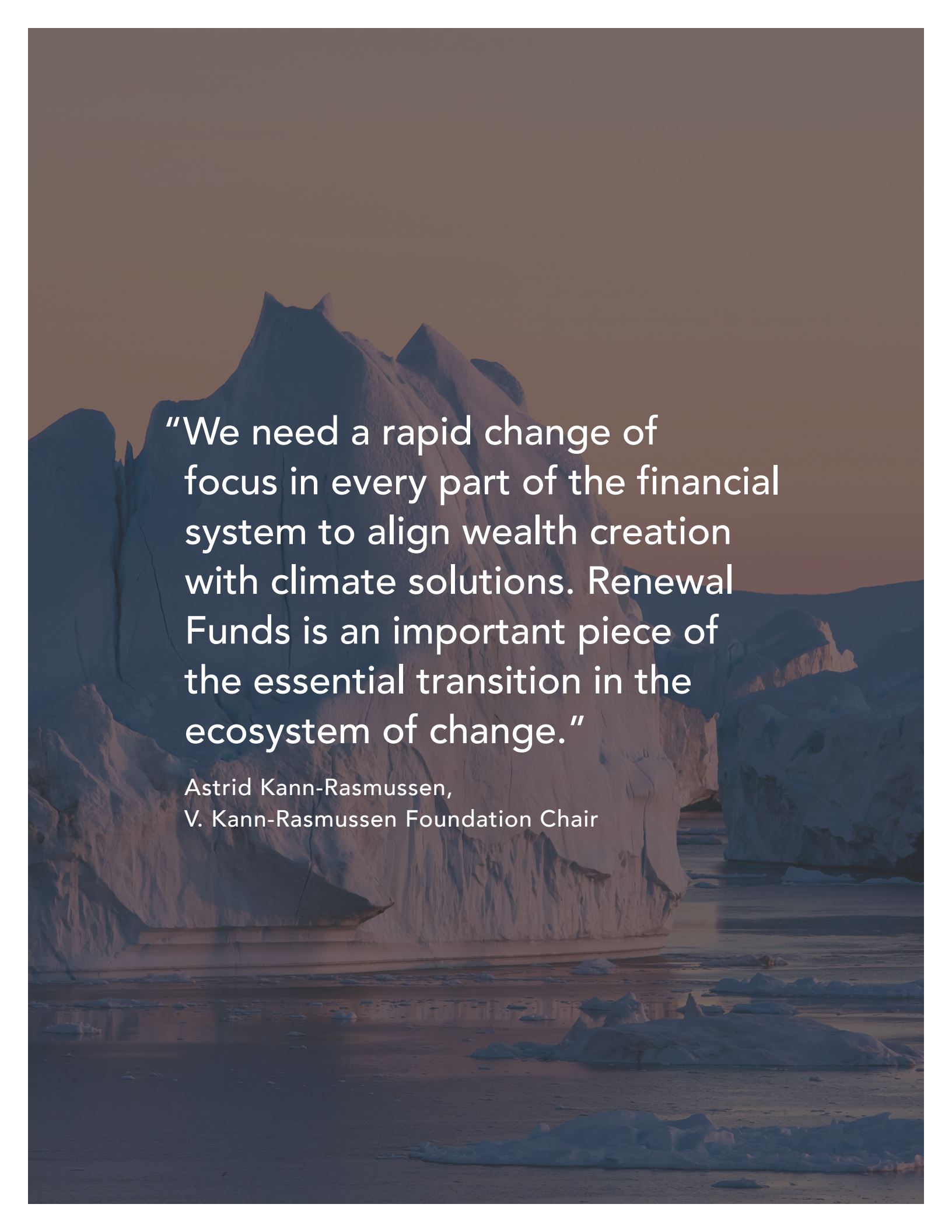
90% reduction of wet-weather overflow discharge



50% reduction in required storage volume



Predicts and manages flooding from extreme weather events



“We need a rapid change of focus in every part of the financial system to align wealth creation with climate solutions. Renewal Funds is an important piece of the essential transition in the ecosystem of change.”

Astrid Kann-Rasmussen,
V. Kann-Rasmussen Foundation Chair



Prana's globally sourced ingredients are all grown with the same earth conscious, organic values-based standards. Their snacks and superfoods are uncompromisingly certified organic, kosher, vegan, gluten-free, gmo-free, preservative-free, sulfite-free. From supply chain to final production, Prana has ethics and sustainability ingrained into the business model.

www.prana.bio | Montreal, QC



100% organic ingredients



Lifecycle Analysis to ensure people and planet are benefitted as much as the bottom line



Promotes healthy, vegan, organic living through their lifestyle and recipe-focused website



Rustic Crust's all natural and organic ready-made crusts and frozen topped pizzas are crafted with dough formed by hand and allowed to slowly ferment, double proofed, then baked in custom ovens for rich flavor. Rustic Crust has pioneered the technology to preserve freshness without the need for artificial preservatives commonly found in other shelf-stable products.

www.rusticcrust.com | Pittsfield, NH



200+ jobs in economically depressed region



100% GMO, preservative, antibiotic free



100% of workers paid during plant closure after fire



Sensible Organics creates USDA-certified organic personal care products that are free from toxins and healthier for our bodies and the planet. Sensible was the first personal care manufacturer in the U.S. to receive organic certification by the USDA and is now recognized for its cutting edge research and development in the organics industry.

www.sensibleorganics.com | Beaver Falls, PA



95% organic ingredients



Natural mineral sunscreens



Workers are option holders with fair wages

Seventh Generation is the leader in non-toxic, clean ingredient cleaning and home-care products. Their plant based formulas are free from the harsh chemicals prevalent in most conventional detergents. Seventh Generation voluntarily discloses all ingredients, while being a strong advocate for label disclosure legislation and ingredient regulation.

www.seventhgeneration.com | Burlington, VT

Exited September 2016



100% label disclosure and zero toxic ingredients



70% biodegradable or recyclable packaging



81% bio-based or recycled ingredients



SUSTAINABLE PRODUCE
URBAN DELIVERY
SPUD.CA

SPUD is Canada's largest internet grocer for organic, natural and local foods. The company supports the growth of natural and organic food and sources the majority of its products locally from the municipalities it operates in. SPUD reduces the carbon footprint associated with grocery shopping through one-truck delivery routes that replace hundreds of individual trips taken by consumers each week driving to the grocery store.

www.spud.ca | Vancouver, BC



200 small farms supported in British Columbia



Lowest food waste of any Canadian grocery store



Significant carbon reduction through home delivery



Sweet Earth Natural Foods specializes in gourmet plant-based creations that are filled with fresh, organic, non-GMO ingredients including seitan, which is both high in protein and less carbon intensive than meat. Sweet Earth makes plant-based protein both alluring and convenient, which delivers significant environmental impact health benefits.

www.sweetearthfoods.com | Moss Landing, CA

In 2015 Sweet Earth's 400,000 kg of plant-protein saved the equivalent of:




37 million litres of water



600,000 livestock



1,500 cars off the road



"I am proud of the Renewal Funds team and the diligent work being done to build a portfolio of companies representing the best blend possible of making important ecological and societal contributions, while making a strong financial return for our investors."

Paul Richardson, CEO, Renewal Funds

renewal Funds

Investing for Change

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renewalfunds.com

Certified



Corporation