

Social Impact
Ventures

Impact Report 2018

Cooperative Social Impact Ventures NL Fund I U.A.



Confidential

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Highlights of 2018



January 2018

Black Bear top 100 Cleantech

Black Bear Carbon has been selected as a top 100 global Cleantech company.



May 2018

New investment GoodFuels

With our new investment in GoodFuels, we contribute to a radical reduction of heavy transport emissions.



TheSocialMedwork

July 2018

New investment The Social Medwork

The Social Medwork helps patients with life threatening and seriously debilitating diseases to find and access the latest medication at the lowest possible price.



Summer 2018

Impact Survey Bomberbot

Bomberbot, together with Social Impact Ventures, conducts a pre- and post test survey among 62 code camp participants testing several elements of its theory of change.



August 2018

New investment SpinDye

SpinDye offers highly sustainable polyester yarns and fabric in the fashion and apparel industry.

- Highlights of 2018



September 2018

Our event CEO Days

Social Impact Ventures organizes its first CEO Days with INSEAD professor Felipe Santos as special guest lecturer.



October 2018

Impact festival SOCAP, San Francisco

Social Impact Ventures co-hosts the Dutch social entrepreneurs mission to SOCAP, San Francisco.



October 2018

Next Generation Impact Investors

First Next Generation Impact Investors weekend for impact funds in EU organized by Social Impact Ventures.



November 2018

Marqt new stores / impact

Marqt introduces more than 360 products with impact and opens new stores in a new concept.



November 2018

GoodFuels CMA event

GoodFuels successfully trials World's First Ultra Low Carbon & Sulphur Drop In 'Bio-Fuel Oil' with NORDEN A/S.

Social Impact Ventures in a nutshell

We are the leading investor for social enterprises in the early growth and scale-up phase in the Netherlands. As a first mover we have created a strong position in the rapidly growing impact investing market. In 2018 we enlarged our portfolio and our collective impact.

Fund name

Cooperative Social Impact Ventures NL
Fund I U.A.

Location

Amsterdam, The Netherlands

Sector

Venture Capital

Phase

Early stage growth / scale up

Fund size

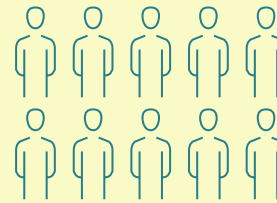
40,6 million

Geographical focus

The Netherlands

Team

10 members

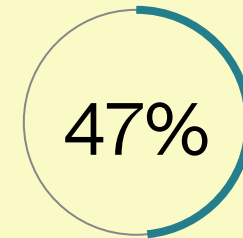


Invested in

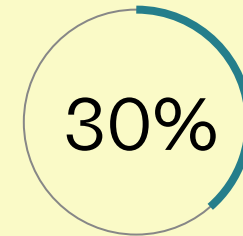
9 companies



Portfolio revenue growth



Impact target reached



We're leading the charge
as world-changing investors



- Who we are



We are here to change the rules of investing

We prove that positive impact can be profitable for all stakeholders and drive systemic change. It's not just the company bottom line that can benefit – everyone can win.

We provide social enterprises with financial resources and active support to help achieve the next wave of growth. All while staying true to our mission – because creating impact is our common goal. We work together to make the world a better place by accelerating the transition to a circular and inclusive society.

- Who we invest in

We look for companies that are ready to make a quantum leap

Those whose exceptional solutions can create systemic change, positive impact, and healthy returns. We invest in companies with a:

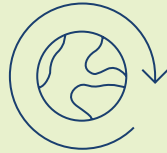
- ♡ Clear theory of change to solve a vital societal problem
- ♡ Strong, positive, measurable and scalable impact on people and/or our planet
- ♡ Commercially (economically) viable and scalable business model
- ♡ Proven management team possessing an unwavering commitment to growth
- ♡ Sales track record and a clear outlook on profitability
- ♡ Core business or core management team primarily in the Netherlands



Our impact themes

We believe that the power of entrepreneurship can address challenges facing our society. We invest in three impact themes in which we strive to make powerful and true impact.

We look for entrepreneurs that look beyond waste and focus on cleaner, greener technology



Circular Solutions

We back resourceful entrepreneurs reimagining and developing the products and services we use every day, and whose focus on circular technologies and business models enable the accelerated transition to clean and healthy planet.

Sustainable Development Goals*



We're in it for more than just healthy returns



Healthy Living

We support entrepreneurs who are creating positive change in nutrition, fitness, and medicine, with a strong emphasis on vulnerable beneficiaries such as the young and the old, the handicapped and the ill, and lower income classes.

Sustainable Development Goals*



We invest in people



People Power

We back businesses empowering people to create sustainable livelihoods, championing education and employment opportunities.

Sustainable Development Goals*



* These are the Sustainable Development Goals linked to our portfolio in 2018.



Circular Solutions

“Biofuels sold by GoodFuels are produced from certified feedstock that is labelled a waste or residue. With no land-use issues and no competition with food or deforestation”

- GoodFuels

- Impact

Our methodology

With Impact investing, knowing the 'why' propels positive change. We embed the company's Theory of Change and social mission in corporate documents and impact objectives in the business plan, aligning all stakeholders.

Quantifying impact is not only possible, it is essential. We reliably measure the impact performance of our investments and quantify the results at fund level, linking to performance and fee structures.



Quantifying impact is not only possible, it's essential

This is how we work →

- Impact methodology

Let's start with the fundamentals: the Theory of Change



Problem

Which pressing societal issue do you aim to address?
Which SDG(s) is this issue linking to?



What

Which effects do you want to achieve?
Do these effects follow (directly) from your solution?



Who

Who benefits from your solution and how important is this for the people (or planet) experiencing it?



How much

How big are the effects in quantity and significance? What are the 1 – 3 measurable impact KPIs? Can they be linked to SDGs?



Additionality

What would have happened regardless of your solution?



Systemic impact

Does your company aim to change the system on a macro level?

But we won't forget the building blocks of sustainable impact



Alignment

Do your company's effects scale with financial growth, i.e. are impact and business model aligned?



Operations

Are you integrating The UN Global Principles in your everyday operations?



DNA

Is your organization always looking to learn and to become better at achieving the impact mission?



As your impact partner in crime we support you in every way possible



Together we set 1-3 impact performance indicators to monitor and track your impact, linked to your business forecast and applicable SDGs



Our advisory board & independent investor council will provide expertise and external validation of the impact indicators



Impact anchored in the governance of both our fund & your company (*Articles of Association*)



We align incentives for impact & business: carried interest Social IV team linked to both finance and impact results



Together we go on a mission for radical positive change



We challenge you in yearly impact sessions to bring impact management within your organization to the next level

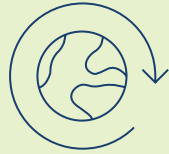


We systemically evaluate the impact & business progress at both fund and company level

- Impact

Impact performance 2018

We measure the impact performance of our investments and directly link them to the Sustainable Development Goals in our reporting. We have realized the following aggregated impact on fund-level since the launch of our fund up until 2018.



Circular Solutions



1,687,827 litres
water not polluted



22,081 tons
CO₂ emissions
avoided

246 tons
new biofuels
sourced

16 new
corporate
biofuel clients

Investments



Healthy Living



821 people
supplied with
medication

5,646
people
empowered

28%
price decrease on
medication

Investments



8,231 k
consumer food and
drink products sold
with strict
environmental
requirements



People Power



8,956
children
with 21st
century
skills



2,823 k
fairly
traded
consumer
food and
drink
products



50
FTE
jobs
created



7,539
mobilized
citizens



35,155
mobilized
citizens

Investments



- Impact

Impact performance target

We take impact seriously. We are the only Dutch impact fund that is rewarded based on the aggregated impact achieved on fund-level.

The Weighted Overall Social Impact Target is calculated each quarter to determine the fund's actual impact performance compared to the three-year impact target set at investment date. The Weighted Overall Social Impact Target is calculated as follows:

- 1-3 Impact Key Performance Indicators (KPIs) are determined per investment.
- Each KPI is assigned an impact weighting within the specific investment – as some KPIs are more relevant than others.
- For each KPI a three-year impact target is set and validated (pre deal) by our Impact Advisory Board and finally (post deal) determined and approved by the Investor Counsel.
- The Final Overall Social Impact Target per investment is calculated by setting off the actual impact reached against the three-year impact target multiplied by the assigned impact weight per impact KPI.
- The fund level Weighted Overall Social Impact Target is calculated by multiplying the Final Overall Social Impact Target per investment by the relative investment weight of that investment.
- We report the Weighted Overall Social Impact Target of our portfolio companies to our investors each quarter.
- The fund overall impact hurdle at exit is minimum 60%, but we of course aim to exceed 100%.
- The Weighted Overall Social Impact Target per 2018 year end is 30%.



- Impact

Impact board

We have established a strong network of experienced professionals in venture capital, social entrepreneurship, impact investing and academia to support the impact assessment and management of our investment process.

We have three bodies that provide input and decision making in this process.

Investment Committee

The Investment Committee takes the decision to progress with a prospective investment into the due diligence phase and makes the final investment and divestment decision. The Investment Committee consists of all active partners of the fund manager.

Members



Willemijn Verloop
Partner



Machtelt Groothuis
Partner



Warner Philips
Partner



Helmer Schukken
Partner



Jelle van der Steeg
Venture partner

Impact Advisory Board

The independent Impact Advisory Board reviews and approves the setting of impact targets pre-deal. In addition it provides access to its network and acts as a sounding board to the team.

Members



Leendert van Driel
Chairman, Investor
ao founding partner Gilde,
founder of NVP & EVCA,
nature activist



Heleen Dura van Oord
Media Entrepreneur
and (impact) investor,
businesswoman of the year 2013



Karen Maas
Professor Sustainability
at Open University, Academic
Director at Impact Centre
Erasmus



Frits van der Have
Impact investor
ao IC TBL Mirror fund East
Africa, e2 Cleantech (NL),
responsAbility (CH) Goodwell

Investor Council

The Investor Council validates the impact targets at fund level (post-deal). The Investor Council consists of a delegation of the members of the fund.



People Power

“We actively recruit drivers amongst people over 50 years old. For them it is often difficult to find a suitable job and we are very happy with the well mannered and friendly drivers in this age group”

- Taxi Electric

- Impact

Case study SpinDye

The textile industry is one of the largest polluters in the world with a tremendous carbon footprint. SpinDye, one of our recent investments, has developed an environmentally friendly dyeing technique that decreases the use and pollution of water as well as the use of energy.



Problem

The textile industry is one of the largest polluters in the world and uses and pollutes massive quantities of water, as well as consuming a lot of energy.



What

SpinDye wants to decrease the use and pollution of water and the use of energy by changing the dyeing step of polyester to much more environmentally friendly dope dyeing.

Outcome

Liters of water not used and not discharged with polluting chemicals and dye stuff; energy saved.

Output

Less use of water and less pollution of waterways in textile manufacturing countries.
Lower energy consumption.



Who

Society and the environment in textile manufacturing countries for the water pollution impact. Society at large for the energy efficiency impact.



Systemic impact

SpinDye wants to have a systemic impact further down the line by licensing the production process to brands and their supply chain partners, which would exponentially grow SpinDye's impact. Furthermore, SpinDye's sustainability focused ingredient brand will increase the marketability of sustainability in the apparel industry.

SDG Alignment



KPI 1:
Clean water and sanitation



KPI 2:
Affordable and clean energy



How much

Scale - impact: SpinDye aims to have reduced the water usage and pollution by 51 million liters in 2021 (cumulative)

Depth - impact: No water is used, and no wastewater is released at all with dope dyeing, which will make a profound difference given the deep impact of textile wastewater pollution in waterways.

Scale - Impact: SpinDye aims to have reduced the energy usage by 45 million megajoules in 2021 (cumulative)

Depth - impact: Energy efficiency will help slow down global warming

“Less water consumption,
less chemical consumption
and less energy consumption
with excellent color fastness
and enhanced garment
performance”

- SpinDye



- Calender

Our events in 2018

Impact investing is hot. The impact investing market is accelerating faster than the overall economy and we want to keep up with these developments. Each year we organise and co-host events with our investors, investees and our peers to share knowledge, to learn from each other and to have an open dialogue on the developments in this rapidly growing market.

“We have talked with many impact investors and have chosen Social Impact Ventures because they are the only investors that have incentivized themselves through impact measurement in their remuneration” - CEO

CEO Days



Each year we organise two days off-site with the CEO's of all our portfolio companies, to foster learnings, enhance peer to peer sharing, and have some fun.

In 2018 we invited Professor Felipe Santos (Dean of CATÓLICA-LISBON School of Business & Economics & professor at INSEAD Social Entrepreneurship Program) to give us a full day workshop on scaling social enterprises. Furthermore the days included sports & cooking and a feedback session on how CEO's view our partnership.

“Social IV is a front runner in the Dutch impact investing market and has a great team of bright and inspiring people that takes impact quantification and reporting seriously. They keep on moving and set targets at the next level” - Investor

Investor Circle



Twice per year we organize investor circles with all the members of our fund. We share our latest development updates, present new investments and discuss our learnings. In June 2018 we received inspirational presentations from the Founder/CEO's of our new portfolio companies GoodFuels and Black Bear Carbon. In November we were guest at another new portfolio company The Social Medwork where amongst others Neelie Kroes and Oscar Hammerstein presented to us the urgent need for the solutions that The Social Medwork offers for the development of our healthcare system.

“The NGII weekend was a very successful weekend in which I met likeminded forward-thinking impact investors. I think we can really help each other towards the future by sharing knowledge and deals” - Venture Capitalist

Next Generation Impact Investors



In 2018 we took the initiative to organize the first Next Generation Impact Investor (NGII) weekend in Amsterdam for investment managers of our peer European impact funds. We were joined by Bridges Fund Management (UK), Ananda Impact Ventures (Germany), Bon Venture (GER), Impact Partenaires (France), SI2 Fund (Belgium) and Oltre Venture (Italy). We shared deals and knowledge (on i.e. impact measurement) and are actively looking for potential co-investment opportunities. NGII will grow its European network and we will continue to organise annual events.



Meet our visionary entrepreneurs and social innovators

Have a look at our investments [→](#)

Afval Loont

Afval Loont creates awareness about the value of waste and incentivises people to deliver their waste-streams by paying them for it and enabling Afval Loont to recycle waste. The Afval Loont waste collection points are operated by people with a distance to the labor market.

Investment date: September 2015

The impact KPIs of Afval Loont contribute to the following Sustainable Development Goals:



Circular Solutions



People Power



Tons of CO₂ emissions avoided



Number of employees in unemployment sector

Awareness for waste recycling (number of people)



“Let’s make waste separation fun, rewarding and informative”

- CEO Afval Loont

“Great service, the drivers are real gentlemen”

- Client Taxi Electric



Taxi Electric

Taxi Electric improves the air quality in highly polluted cities by decreasing GHG emissions and employs long term unemployed elderly with a distance to the labor market as taxi electric drivers.

Investment date: September 2015

The impact KPIs of Taxi Electric contribute to the following Sustainable Development Goals:



Circular Solutions



People Power



Tons of CO₂ emissions avoided



Number of drivers aged 50+ years and/or unemployed

TAXI ELECTRIC.

GoodUp

GoodUp engages people to contribute their time, experience and money to social impact projects worldwide.

Investment date: June 2016

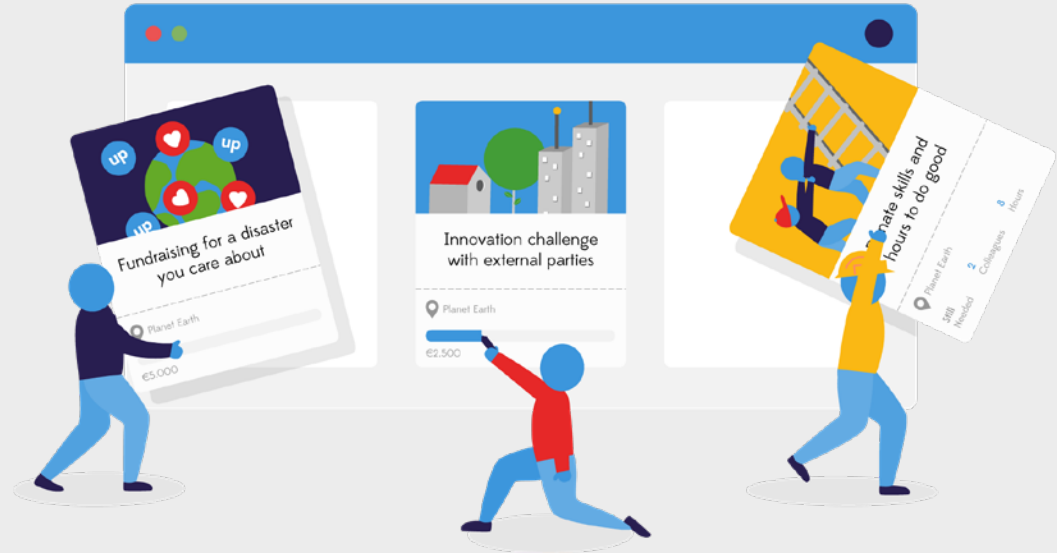
The impact KPI of GoodUp contributes to the following Sustainable Development Goal:



People Power



Number of people engaged in social impact projects



“If I would not get the opportunity from my current employer to work on a project for GoodUp, I would not work at this company”

- Client GoodUp



“I am going to show this website to all my friends, they will not believe that I made this myself!”

- Client Bomberbot

Bomberbot

Bomberbot empowers primary school kids around the world with 21st century skills.

Investment date: March 2017

The impact KPI of Bomberbot contributes to the following Sustainable Development Goal:



People Power



Number of children that have learned the basics of computational thinking

BOMBERBOT

Marqt

Marqt operates supermarkets that offer food produced with respect for nature, animals and people involved in the production, distribution and consumption.

Investment date: March 2015

The impact KPIs of Marqt contribute to the following Sustainable Development Goals:



Healthy Living



Number of consumer food and drink products sold with **strict environmental requirements**



People Power



Number of **fairly traded** consumer food and drink products



“85% of the fruit and vegetable products sold by Marqt comply with the environmental quality label ‘On the way to planet proof’”

- Marqt



“Every year more than 1.5 billion polluting end-of-life tires enter the global waste stream. Until now, there was no sustainable solution”

- Black Bear Carbon

Foto: Mark Horn, Lumen Photo

Black Bear Carbon

Black Bear Carbon reduces CO₂ emissions by circular production of carbon black.

Investment date: December 2015

The impact KPI of Black Bear Carbon contributes to the following Sustainable Development Goal:



Circular Solutions



Tons of CO₂ emissions avoided



Black Bear
CARBON BLACK

GoodFuels

GoodFuels reduces CO₂ emissions by selling biofuels. GoodFuels actively triggers new corporate clients to make a fuel switch and at the same time sources new next generation biofuels.

Investment date: May 2018

The impact KPI of GoodFuels contributes to the following Sustainable Development Goal:



Circular Solutions



Tons of CO₂ emissions avoided

Number of next generation biofuels created

Number of new corporate clients converted to biofuel segment



“Unfortunately, the vital medicine for my disease (ALS) was not available in Russia.

Through TSM I was able to get access to the medicine so easily through internet”

- Client The Social Medwork
We source and deliver
new medicines worldwide

Find your medicine

Use our find medicine by brand name, generic ingredient or disease

Type name of medicine, ingredient or disease

Helping patients globally

The Social Medwork

The Social Medwork empowers people by providing medical information and supplies medication to people with life threatening diseases at the lowest possible price in the market.

Investment date: July 2018

The impact KPI of The Social Medwork contributes to the following Sustainable Development Goal:



Healthy Living



Number of people
helped by giving
medical information

Sales price decrease
of medication

Number of patients
supplied with
medication



TheSocialMedwork

We aRe SpinDye

SpinDye's dyeing method reduces impact of polyester textile production with -75% water usage and -30% CO₂ emissions.

Investment date: August 2018

The impact KPIs of SpinDye contribute to the following Sustainable Development Goals:



Circular Solutions



Litres of water not polluted



Tons of CO₂ emissions avoided



“SpinDye offers the most sustainable polyester yarns and fabrics in the fashion and apparel industry”

- Client SpinDye



Interested who will take the next quantum leap?

Visit our website
www.socialimpactventures.nl
and sign up for our newsletter.



- Team

Working together to build a better, brighter future

While our backgrounds are varied, we're driven by the same vision and DNA: to create positive social impact through business, and accelerating the impact investment industry by being true, eager and bright.

Willemijn Verloop, partner
Serial social entrepreneur and driving force behind the Dutch Social Enterprise movement, loves to accelerate impact

Anieke Lamers, investment manager
A bright and open VC with a love for the story behind the numbers and a healthy dose of 'Dutch-honesty'

Jelle van der Steeg, venture partner
International PE investor; works closely with entrepreneurs to (re-)develop business strategy and execute it

Kirstin Valkonet, office manager
A serial hospitality business manager

Laura Cramer, investment manager
A rising star at Social IV, proving that impact investing is the new normal

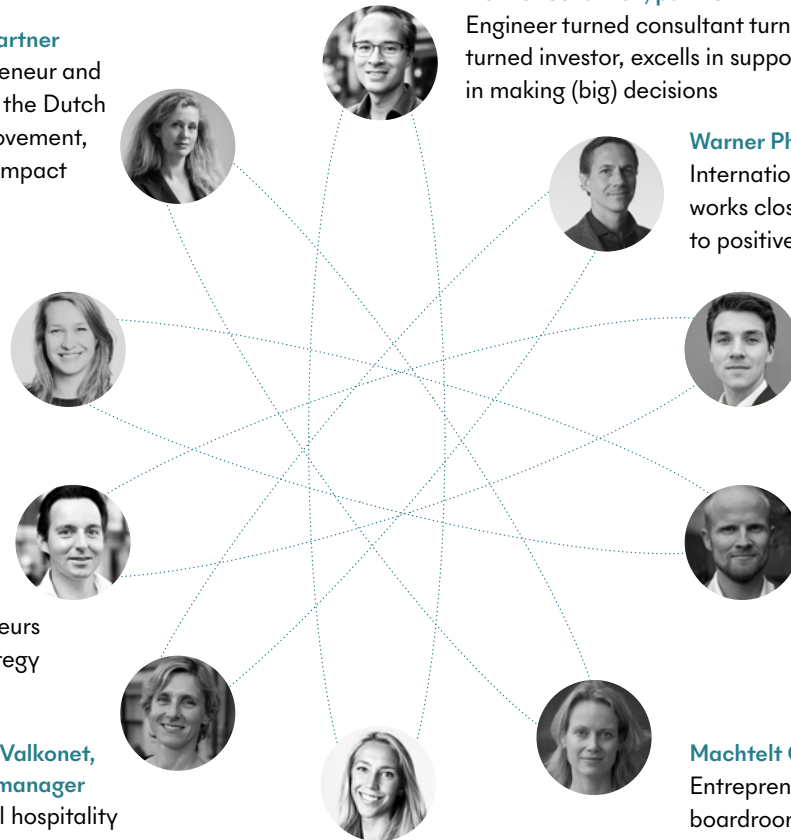
Helmer Schukken, partner
Engineer turned consultant turned entrepreneur turned investor, excels in supporting entrepreneurs in making (big) decisions

Warner Philips, partner
International entrepreneur & VC; loves to work closely with entrepreneurs who seek to positively disrupt industries

Ava van Vliet, analyst
A curious and enthusiastic impact analyst

Eske Scavenius, senior investment manager
A curious and passionate growth strategist

Machtelt Groothuis, partner
Entrepreneurial (impact) investor and boardroom advisor who asks all the right & tough questions





Empowering world-changing
entrepreneurs

www.socialimpactventures.nl