



EcoEnterprises Fund

25 Years of Natural Solutions for Climate Action

Annual Impact Report
2023



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Letter from EcoEnterprises Fund

“Mucha gente pequeña, en lugares pequeños, haciendo cosas pequeñas, puede cambiar el mundo.”

- Eduardo Galeano

Many small people, in small places, doing small things, can change the world.

When EcoEnterprises Fund was launched, we were a five-million-dollar blended capital instrument in a multi-trillion-dollar financial industry. At the time impact investing had yet to be coined as a concept, let alone accepted as a pivotal investment strategy. With the vision of forward-thinking stakeholders and our drive to be a critical change agent, we targeted what we saw as a crucial intersection for investment: biodiversity, climate, and community well-being. Twenty-five years later, we’ve rounded out our third investment portfolio of next-generation innovators that are, as always, dedicated to transformative impact in these core issues.

In October, the UN will hold its 16th COP for Biological Diversity in Colombia, particularly special for us given our long-term work and presence in the country. The incredible attention this gathering has garnered reflects the traction we’ve seen in our own work and the financial sector at large. Biodiversity, far from a ‘nice-to-have’, has been recognized as a foundational component of effective climate solutions. We are honored to have played a fundamental role in

proving the concept of natural solutions in climate action with our first fund, and in the following funds to continue to push to the forefront, helping our companies reach new heights.

With the upcoming launch of EcoEnterprises Partners IV, LP, we return to our roots: addressing a void in the capital markets to scale incredible businesses to lead the way, pushing for that multi-dimensional impact that results in protected landscapes, a healthy planet, and dignity for all. This report serves not just as a reflection on our journey, but as a resource for those seeking to understand the power of interconnected, innovative solutions. We hope the stories within can spark inspiration to ignite a shared commitment to a more sustainable and equitable future.



Tammy E. Newmark
Managing Partner & CEO
June 2024



A lush tropical jungle scene with a river. The river flows through the center of the image, reflecting the surrounding greenery. On the left bank, several palm trees with long, feathery fronds stand prominently. The right bank is densely packed with various tropical plants, including large-leafed shrubs and vines. The background is filled with a thick canopy of trees, with sunlight filtering through the leaves, creating a dappled light effect on the water and foliage. The overall atmosphere is serene and vibrant.

About Us



We invest in biodiversity and natural ecosystems.

We support businesses that directly protect and restore valuable ecosystems such as sustainable forestry, ecotourism, and ocean-based businesses. Through investing to transform crucial sectors such as regenerative agriculture, agroforestry, and specialty ingredients, we also help to reduce deforestation and soil and ocean degradation while promoting food security for future generations.

We invest in climate solutions.

In addition to the climate benefits achieved through biodiversity preservation and regenerative practices, we invest in unique opportunities in areas such as alternative proteins, ag-tech, renewable energy, and the circular economy that reduce emissions, help climate resilience, and support planetary health.

We invest in social equity.

With a particular focus on gender-inclusive and women-led companies, we invest in community businesses that collaborate with local peoples - including Indigenous communities - to lift incomes and take action to create a more equitable and just society.





25

years

3

funds

100%

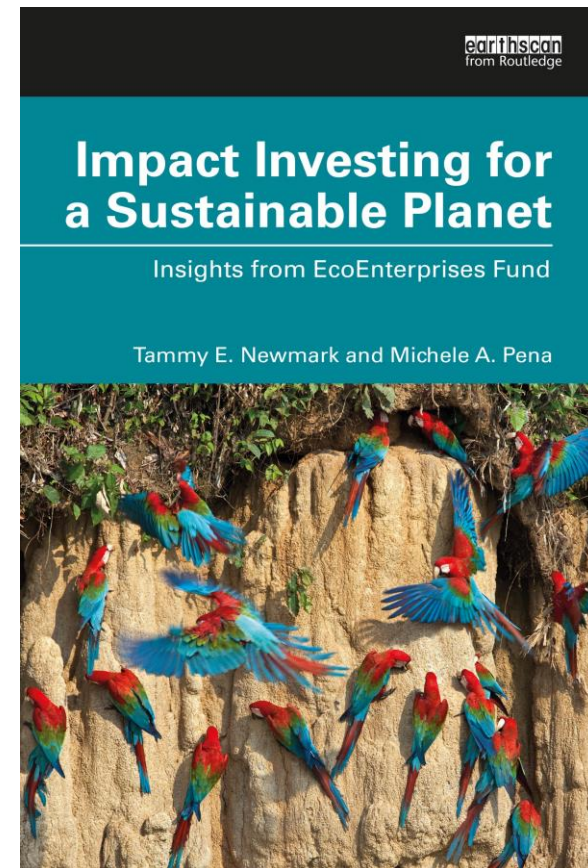
women-owned

EcoEnterprises Fund’s impact legacy spans over three funds, generating long-lasting results that have scaled alongside our own growth and that of our portfolio companies. We share the knowledge we have gained over those years through various publications, case studies, and speaking opportunities, and we were thrilled to have a [video](#) on EcoEnterprises Fund’s work as part of the 2023 [UNDP Nature for Life Hub](#), a series of transformative events that brought together nature champions, mobilizers, and leaders to ignite global action for safeguarding nature.

In 2023, we celebrated the release of our second book:

[Impact Investing for a Sustainable Planet:
Insights from EcoEnterprises Fund](#)

We are delighted to provide another publication filled with valuable lessons from over two decades in the impact space, alongside highlights from our portfolio companies as they drive nature-based solutions forward.



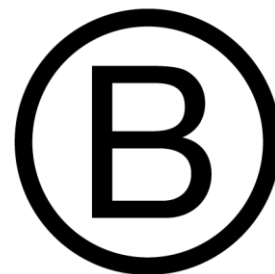
IA 50[®]

2024
EMERITUS
MANAGER

As signatories to the Operating Principles for Impact Management and the Principles for Responsible Investment, we bolster transparency in the impact investing field through public disclosure of our practices. As demonstration of this long-term commitment, we were selected for the 13th year as an ImpactAssets 50 fund, designated as an ‘Emeritus Fund’ alongside other forerunners in the impact field.

We are proud to announce we are a B Certified Corporation!
We are honored to join this global community of businesses (including many in our portfolio) that meet high standards of social and environmental performance, accountability, and transparency.

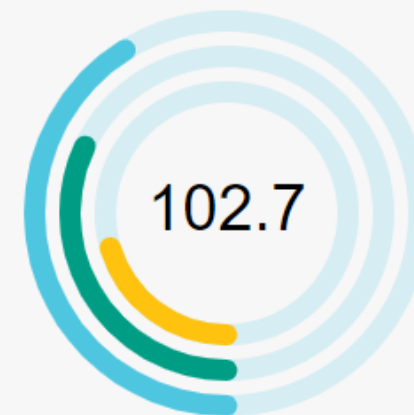
Certified



Corporation

Overall B Impact Score

Find out more: [\[+\]](#)



- 102.7 Overall B Impact Score
- 80 Qualifies for B Corp Certification
- 50.9 Median Score for Ordinary Businesses

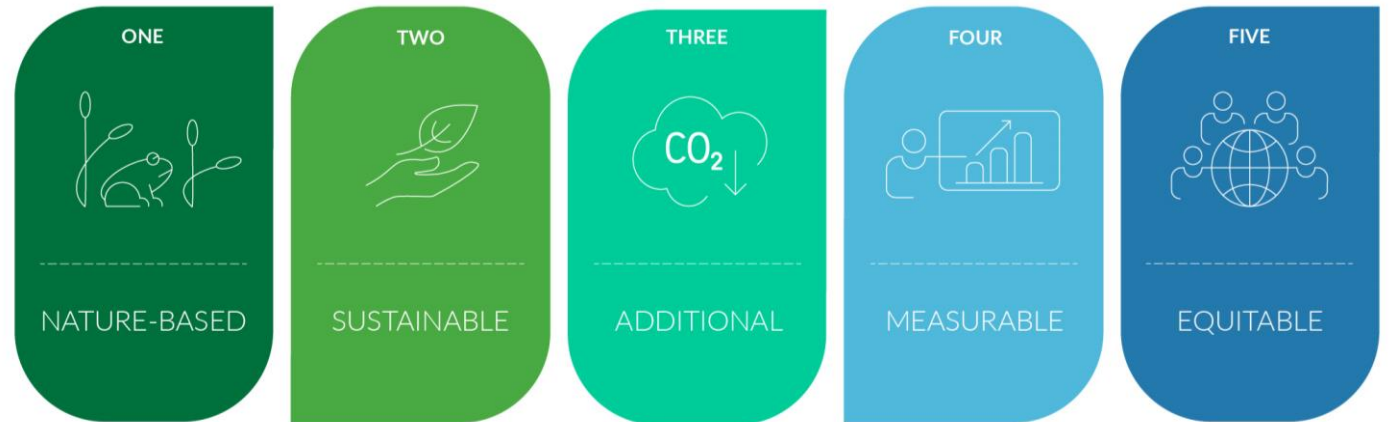


A scenic landscape at sunset or sunrise. In the foreground, two capybaras are standing in shallow water, their silhouettes reflected on the calm surface. The middle ground shows a wide expanse of water leading to a dense, forested shoreline. The sky is a mix of soft orange, yellow, and pale blue, with the sun's glow creating a hazy atmosphere. A semi-transparent dark rectangle is centered over the image, containing the title text in white.

Natural Solutions in Climate Action

Natural Solutions in Climate Action

Earlier this year, our founding partner, The Nature Conservancy, released The Principles of Natural Solutions, which outlined effective natural climate solutions as:



Perhaps not surprising given our origin story with the Conservancy, we found ourselves reflecting on how the five principles of natural solutions embody EcoEnterprises Fund's impact principles for our own portfolio. We have stayed true to our mission established and refined over the years, with these principles integrated into the core of our investment strategy. **Throughout this report, we will dive into our Environmental and Social Management System (ESMS) and portfolio impact through this framework, identifying how we drive natural climate solutions that are powerful and effective.**





1. NATURE-BASED

Result from the human stewardship of ecosystems and do not move ecosystems further from their natural state.

A 2021 report by UNEP and IUCN demonstrates that nature-based solutions—reforestation, avoided deforestation, regenerative agriculture, and wetlands conservation and restoration—can deliver 5 to 11.7 gigatons CO₂e of yearly emissions reductions and removals by 2030.

Results from our portfolio affirm the importance of nature-based solutions in climate change mitigation efforts. In 2023, technical assistance funds supported the first carbon footprint measurements for two of our Colombian portfolio companies. The insights uphold UNEP and IUCN conclusions that natural forest conservation, where possible, is crucial to going above-and-beyond net zero. **Both companies conserve natural forest areas, with the estimated resulting carbon absorption for the year leading to a possible inhouse offsetting of their total carbon footprints - and more.** The companies continue to work on mitigation actions to reduce their carbon footprints.

Portfolio Highlight: Biodiversity Action Plan



Fauna registered in Equilibria biodiversity baseline;
Source: Terrasos

Through our value-added services we worked with portfolio company **Equilibria**, a Colombian lime producer, to create a biodiversity baseline and Biodiversity Action Plan, led by local expert Terrasos. The plan serves as a strategic roadmap for the conservation and sustainable use of biodiversity, while mitigating risks and communicating results. Equilibria has posted incredible wildlife visuals from its baseline assessment, which confirm the natural value of its preserved forests and reinforce the company's commitment to conserving and expanding them through the development of biological corridors.



2. SUSTAINABLE

Sustain biodiversity, food production, fiber and wood production, as well as climate adaptation services through the ecosystems in which they are implemented.

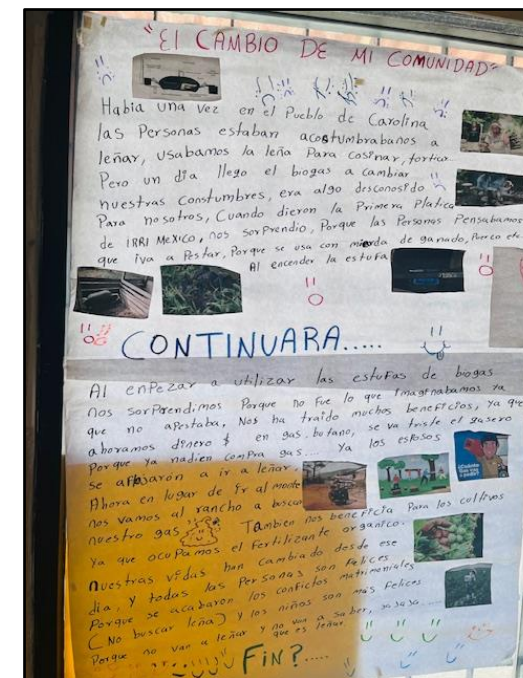


The holistic view of natural climate action recognizes that factors beyond emissions production must be integrated into effective solutions. The sustainable use of natural resource bases is a key component in a healthy climate and is essential to the long-term well-being of the local communities that rely on them.

Portfolio Highlight: Community-Wide Impact

Sistema.bio is an excellent example of this approach. The company's biodigesters have led to **mitigated emissions of over 884k tons of CO₂e since inception - equivalent to 210k gasoline-powered cars driven for one year** - by helping farmers transform waste to energy and reduce reliance on less sustainable fuel sources. In addition, a byproduct of the biodigester process is an organic fertilizer that can enhance yields without chemical inputs.

In collaboration with a local NGO, Sistema.bio provided biodigesters to 1.5k families, bolstering food and energy security of local farmers and impacting 7.8k local people. Community members shared their experiences with adopting biodigesters, highlighting benefits such as cost savings from reduced gas purchases, improved crop yields thanks to organic fertilizer produced, and a significant boost to family well-being by eliminating the need to "leñar" (gather firewood).





3. ADDITIONAL

Provide additional climate mitigation that would not happen without human intervention and durable mitigation.

Our portfolio companies spearhead innovative nature-based solutions across a multitude of sectors in rural Latin America. Along with the portfolio's intrinsic additionality of treading new pathways to sustainable development in the region, our integrated capacity building amplifies the ripple effect of our investments, catalyzing sustainable growth and positive change within the communities they serve.

Our experience has demonstrated that to truly transform systems, more than just investment capital is needed. Intentional engagement is key. Our first fund pioneered combining risk capital with business and impact support, forming the foundation of our strategy. We take a hands-on approach to help companies build capacity, manage environmental and social risks, and achieve their business and impact goals.

EcoEnterprises Fund's value creation services are **divided into four core areas that focus on enhancing compelling business models** – helping to create a sustainable ecosystem of impact businesses in the region – as well as directly promoting impact results.



Gender-Smart Actions



Climate Solutions



E&S Capacity Building



Business Advisory





4. MEASURABLE

Can be measured in a quantifiable metric, accounting conservatively and avoiding double-counting.

“You can't manage what you can't measure,” as rightly stated by The Nature Conservancy. We have been strong believers of this since we were the first at the Conservancy to develop a Monitoring and Evaluation framework to grasp our portfolio impact outcomes. We later published the tool in our first book, Portfolio for the Planet: Lessons from 10 Years of Impact Investing, leading the industry's impact measurement and management system.

The 13 companies in EcoEnterprises Partners III, LP's portfolio in 2023 have generated total sales of over \$1 billion over the fund's life; this scale has led to tangible outcomes for people and planet including:

3,237

jobs sustained



\$127m

paid in wages*



96,183

Smallholder farmers supported

108

women in leadership

\$334m

paid to suppliers*

497k

local persons benefitted

*All \$ amounts are cumulative since investment

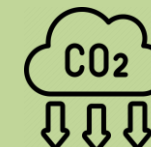


5.3m

acres protected/
sustainably managed

10.3m

tons of organic waste
treated or upcycled



332k

tons of CO₂eq mitigated
(~79k gasoline-powered cars
driven for one year)

2

Certified carbon
neutral companies





5. EQUITABLE

Respect human rights and Indigenous leadership and mainstream gender equity considerations.

At the core of our strategy is advancing community well-being, particularly among those marginalized and most vulnerable in rural Latin America, such as Indigenous Peoples & Local Communities, through fair and equitable partnerships with our portfolio companies.

We believe that active stakeholder involvement is intrinsically linked to the long-term health and welfare of local peoples and the sustainability of natural resource bases, watersheds, and surrounding ecosystems. Portfolio companies foster economic inclusion and empower women by cultivating safe and diverse work environments, working with small producers in rural and marginalized areas, and employee ownership and participation structures.

Understanding Impact Outcomes

As part of our value-add engagement, we hired impact measurement group 60 Decibels to work with several portfolio companies to understand the climate resilience of producer networks and satisfaction in these networks with the working relationship with the companies. The outcome of this work is expected to provide relevant learnings for collaboration with smallholder suppliers across the portfolio.



5. Equitable



We aim to advance gender equity in the investment field by harnessing our unique position as a women-owned and -led fund.

In the initial years of EcoEnterprises Partners III, LP, we revamped our documents and policies to enhance gender-lens intentionality, designing a proprietary Gender Toolbox with practical tools to boost gender action at the portfolio level. We continue to measure our portfolio against 2X Criteria, a global gender-lens standard based on the 2X Challenge, with several portfolio companies meeting the increasingly rigorous requirements for a 2X company.

2X Challenge

Invest in women. Invest in the world.

Portfolio Highlight: Female Leadership

NUU, a trailblazer in Brazil's carbon-neutral food movement, is at the fore of women empowerment and gender equity in regenerative food, **with a female founder, 54% women ownership, an all-female C-Suite, 60% women on the board of directors, and 70% female employees.**



NUU's commitment to advancing gender equity extends from emphasizing its women-ownership and commitment to an equitable workplace, to leading by example to improve conditions for working moms and hone its female managers' leadership skills. Supported by our technical assistance funds, NUU has started capacity building with an external expert and a leadership coach to further professional development of its female senior managers.



A close-up photograph of a person's hands holding a large bunch of freshly harvested root vegetables. The bundle includes several dark red beets with their leafy greens, several bright orange carrots, and several small red radishes. The vegetables are still covered in some soil, indicating they are freshly pulled from the ground. The background is a soft-focus green field of foliage. A semi-transparent dark rectangle is overlaid in the center of the image, containing the text "Our Approach" in white.

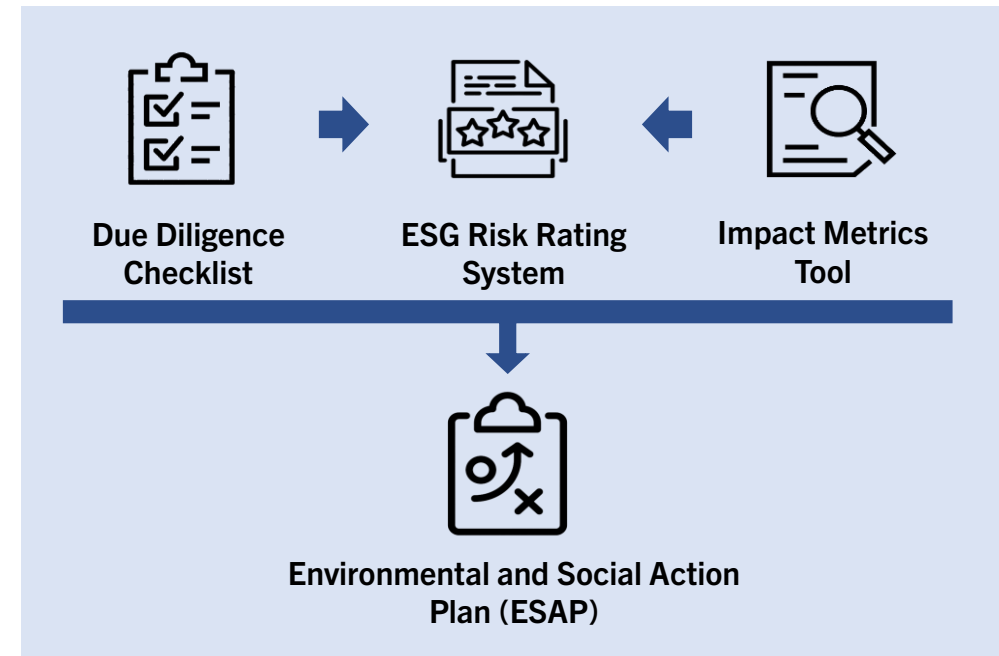
Our Approach

Impact Management

As the pillar for our impact work, we have developed a comprehensive impact management toolbox that is used in the investment process to collect impact data and address Environmental, Social and Governance (ESG) risk.

We customize our management system to consider the challenges and opportunities of our small, growing companies while integrating international frameworks to ensure we remain at the forefront of best practices. The scope of our toolbox encompasses social aspects such as fair work and non-discrimination, a gender-inclusive approach, and protection and respect of human rights, as well as environmental themes like conservation and regeneration of biodiversity, resource use and management, and promotion of climate resilience and climate action.

IMPACT MANAGEMENT TOOLBOX





Impact Management

UN Sustainable Development Goal 17 emphasizes the importance of global partnerships for sustainable development, recognizing that collaboration is vital in addressing the complex challenges involved in achieving the other 16 goals. Our network brings diverse perspectives, expertise, and resources, fostering innovation and cooperation. By integrating recognized frameworks into our impact management, we contribute to standardization for transparency, accountability, and credibility in measuring and communicating our contributions.

These efforts boost our ability to drive sustainable development, work towards a prosperous future, and scale positive change.

17

PARTNERSHIPS
FOR THE GOALS

IMPACT NETWORK

GLOBAL IMPACT INVESTING NETWORK

ASPEN NETWORK
OF DEVELOPMENT
ENTREPRENEURS
aspen institute

UEBT
SOURCING
WITH RESPECT

CONFLUENCE
PHILANTHROPY

AMAZON
INVESTOR
COALITION

IMPACT MANAGEMENT

Operating Principles for
Impact Management

IMPACT FRONTIERS

PRI | Principles for
Responsible
Investment

WOMEN'S
EMPOWERMENT
PRINCIPLES
EQUALITY MEANS BUSINESS

2X Challenge
Invest in women. Invest in the world.



EcoEnterprises Fund

Investing in nature for 25 years

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