

IMPACT REPORT

February 2022

INTRODUCTION

We are proud to publish the second edition of our Impact Report. 2021 was a year that saw great ESG accomplishments for The Craftory and our portfolio companies, despite the challenges brought over the past couple of years by the COVID-19 pandemic.

We continue to actively support the UN's Sustainability Development Goals with our mission to amplify brands doing good for the planet, people and society. Our family of brands has welcomed four new members in 2021. We started the year with an investment into Seed, an LA based subscription microbiome business using science to improve health. In April, we invested in Who Gives a Crap, an Australian subscription toilet paper brand on a mission to ensure everyone has access to clean water and a toilet. In July, we invested in UK brand Freddie's Flowers, a fresh cut flower delivery business that eliminates waste throughout their supply chain. We continued to play in the plant-based and mindfulness space with an investment into allplants, a UK brand delivering delicious, plant-based meals ready in minutes.

The Craftory has been committed to improve its impact as a business since inception. We renewed our Carbon Negativity Certification in 2021 and became the first ever investment house to go plastic negative in the world. We have also achieved the highest level of certification under the Diversity VC standard, identifying ourselves as a leader in the investment industry in Diversity and Inclusion.

We are delighted to share with you highlights of this year and will continue to work for a future where impact and sustainability are at the heart of decision-making for consumers, brands, suppliers and investors.

OUR PURPOSE AND MISSION

Elevator Pitch

- The Craftory is a global investment house focused exclusively on amplifying the world's boldest Challenger Brands
- Source of Cause Capital - not VC or Private Equity
- Founded in May 2018 by Elio Leoni Sceti and Ernesto Schmitt
- Based in London and San Francisco

Why we exist

The Craftory exists to assist rebel entrepreneurs amplify their **cause-driven businesses**. We conceived and built The Craftory to offer something traditional VC and private equity cannot: highly flexible financing tailored to each business.

We offer **cause capital** and **operational expertise** to a carefully chosen small portfolio of 16 brands. We don't play the traditional numbers game either - we see a bigger, longer-term picture focused on delivering positive change for people, society and the planet.

What we strive for

We're certain a sustainable model of capitalism is the only viable way forward, and we strive to prove once and for all **it's possible to do well and do good**.

Currently we focus on **CPG brands** because they can deliver positive change at scale, fast. We know an ever-growing cohort of progressive mainstream consumers urgently want to make better choices. Craftory brands exist to deliver those better alternatives - impactfully with no compromises in efficacy. Our goal is to change the standard of reference in the categories our brands are part of so that the industry will have to follow, for the benefit of planet, people and society.



Craftory founders

Ernesto Schmitt and Elio Leoni Sceti

DELIVER RIGHTEOUS CAUSES BRAND BY BRAND

Our number one criterion of investment is for a company to back at least one of our five righteous causes. When we say 'Righteous Cause' we're not getting churchy, we're referring to a handful of zeitgeist themes that underpin our investment selection process.

These are the themes that drive us, excite us, and stand to change our world for good. There's no preference or prioritisation of causes. We do not expect our brands to conform to more than one although many of our investments span at least two.

Deliver Good Health	Prosper Sustainably	Progress Society	Champion Self Esteem	Democratise Access
Enable wholesome nutrition Streamline wellness Unlock longevity	Responsible energy use Efficient use of resources Boost alternatives	Debunk taboos Stand for human rights Pay it forward	Attack harmful stereotypes Promote acceptance of diversity Support mind, body & spirit	Focus on value Eliminate gatekeepers Use direct & digital channels



allplants

Freddie's
Flowers

MOSS

who
gives a
crap

TOMBOYX

ONE OCEAN
BEAUTY

dropps

edgard
Cooper

Seed*

organic chickpea snacks
HIPPEAS

DYPER

RUBY.

LO
BEAUTY OF CALM
UM

KADENWOOD


PACKABLE

THE CRAFTORY AND OUR FAMILY OF BRANDS - KEY FACTS AND FIGURES




The Craftory is carbon negative since inception with **MOSS**


The Craftory is certified plastic negative with 




57% Women, with 3,235 people across The Craftory folio



water saved = 12.5k+ Olympic pools



Over 500 million pads avoided in landfill since inception



All swimwear made with 80% recycled water & 45% solar energy




Published a white paper on how stress affects our beauty



Helped plant 1,266 sq ft of kelp during the 2021 holiday season




Over 3 million plastic bottles avoided to date



10 million lbs of diapers composted since inception



Helped over 100k cats and dog in need globally



2.3m ounces of food donated since 2019 to Feeding America



Published a book in 2021 to help kids explore our invisible world



105 tonnes of CO2 saved from bike deliveries in London in 2021



Over \$10m AUD donated since inception



90k meals donated in 2021 to the Felix Project

THE CRAFTORY'S IMPACT IN 2021

OUR PORTFOLIO AND THE UN SUSTAINABLE DEVELOPMENT GOALS

Our family of 16 brands are delivering positive impact supporting the UN Sustainable Development Goals.

	2 ZERO HUNGER	3 GOOD HEALTH AND WELL BEING	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	17 PARTNERSHIPS FOR THE GOALS
allplants	✓	✓					✓			✓	
Dropps		✓		✓			✓		✓		
Dyper		✓					✓				
Edgard & Cooper		✓					✓			✓	
Freddie's Flowers							✓				
Hippeas	✓	✓					✓			✓	
Kadenwood		✓									
Loum Beauty		✓					✓				
Moss							✓	✓			
Not Co		✓		✓			✓			✓	
One Ocean Beauty		✓					✓		✓		
Packable					✓						
Ruby Love						✓	✓				
Seed		✓			✓		✓				
TomboyX			✓				✓				
Who Gives a Crap				✓		✓	✓				
The Craftory											✓

PROUD TO BE PART OF THE B CORP MOVEMENT

In 2020, The Craftory became the first UK-based investment company, investing exclusively in purpose-led consumer goods, to achieve B Corp certification.

B Corp is a prestigious global movement of over 4,600 pioneering companies that use business as a force for good. To certify as a B Corp, The Craftory has demonstrated that it meets rigorous standards of accountability, transparency, and social and environmental performance impact.

As the leading source of permanent cause capital to CPG challenger Brands, this is a major landmark for the Craftory and its efforts to raise the ESG standards of the Consumer Goods industry, which impact billions of lives everyday and the world we leave to future generations.

“FOR US, BECOMING A B CORP WAS A NO BRAINER. JUST AS BRANDS THAT HAVE A REASON TO EXIST BEYOND SIMPLY MAKING MONEY HAVE ALWAYS BEEN OUR FOCUS, PURPOSE HAS BEEN IN OUR DNA SINCE DAY ONE.

THE TIDE OF HISTORY HAS TURNED – FOR TODAY’S CONSUMERS IT’S ABOUT HONESTY, PROVENANCE, QUALITY AND SUSTAINABLE USE OF OUR PLANET’S RESOURCES. THIS IS EVERYTHING THAT B CORP STANDS FOR AND WE’RE PROUD TO DEMONSTRATE THAT WE HOLD OURSELVES TO THE SAME STANDARDS AS OUR INVESTMENTS.

THIS IS THE RESULT OF A LOT OF HARD WORK FROM OUR TEAM AND SOMETHING WE VIEW AS A REMARKABLE ACHIEVEMENT FOR A COMPANY THAT’S LESS THAN TWO YEARS INTO ITS JOURNEY.”

Elio Leoni Sceti

Co-Founder & Chief Crafter at The Craftory



WALKING THE WALK FOR DIVERSITY AND INCLUSION

Doing good and making money are totally compatible. They've never been more in-sync. **Sustainable consumerism must become the new normal**, and we're on a quest to refine an irresistible, shareable, and sustainable model for growth.

In this view, our commitment to **Diversity and Inclusion** has been key to building company's culture and in 2021, we are proud to have achieved the highest level of the Diversity VC Standard. The Diversity VC Standard is an assessment and certification process that provides venture capital funds with an understanding of how their Diversity and Inclusion (D&I) initiatives compare to a best-in class standard and to the industry at large.

This year, our policies, programs and best practices have positioned us with an 80% score in terms of Diversity and Inclusion against a 60% industry benchmark. We are constantly working towards deepening our commitment across these areas.



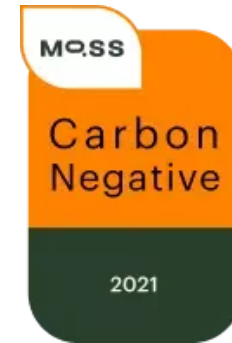
REDUCING OUR ENVIRONMENTAL FOOTPRINT: CARBON AND PLASTIC NEGATIVE

Since inception, the **reduction of our environmental footprint** has been at the heart of our decision-making process to be as lean as possible from the design of our office, travel policy, and use of recurring supplies.

Nevertheless, there will always be an incompressible carbon and plastic environmental burden from our activity and that's why we have decided to offset our footprint twice on our carbon emissions as well as our consumption of plastic.

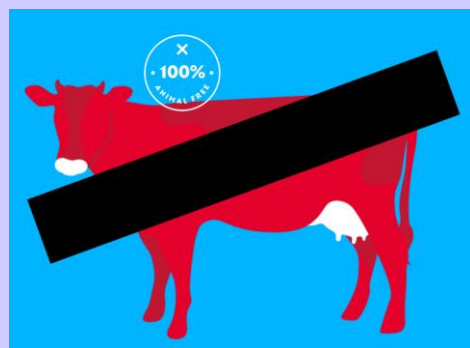
The Craftory has been certified **carbon negative** since inception by partnering with our portfolio company Moss. Their carbon credits and tokens are audited and certified by the world's largest companies: Deloitte, Armanino, Python, Verra, EY, and Alliance for Prosperity.

In 2021, The Craftory became the first ever investment house to go **plastic negative**. We have partnered with rePurpose Global to enable the recovery of twice as much nature-bound plastic waste as is used by our employees and workplaces.



OUR FAMILY OF BRANDS' IMPACT

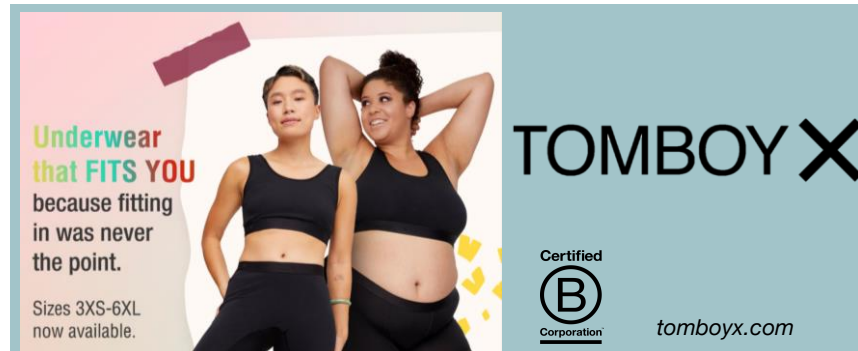
OUR FAMILY OF BRANDS AND THEIR IMPACT



X
NotCo

notco.com

- **Causes:** Prosper sustainably and deliver good health
- NotCo's machine AI (affectionately named Giuseppe) analyses animal-based foods at the molecular level and generates plant-based equivalents that not only look and taste as good, but critically, perform equally well in the kitchen.
- **Impact:**
 - The NotCo uses a production process that's much lighter on the environment than animal-based production. As of the end of 2021, the Company has saved in water the equivalent of 12,565 Olympic pools. The NotCo has also saved in CO2 emissions the equivalent of 5,836 trips around the Earth by plane.



- **Causes:** Progress society and champion self-esteem
- TomboyX pride themselves on comfort for all, and when it comes to comfort across a broad range of silhouettes and sizes, it's not enough to simply scale-up regular sample sizes: TomboyX's underwear is fit-tested on hundreds of bodies, from size XS-6X, regardless of gender.
- **Impact:**
 - 75% of their significant suppliers have third party environmental and/or socially-driven certifications.
 - 90%+ employees rate TomboyX as a great place to work and added a Policy for Breastfeeding Employees.
 - 100% of their swimwear is made with 80% recycled water & 45% solar energy.
 - 60% of Board of Directors are women. 33% are LGBTQ.

OUR FAMILY OF BRANDS AND THEIR IMPACT



- **Causes:** Prosper Sustainably, Deliver Good Health
- DYPER is a subscription-based diaper service that delivers the highest quality bamboo-based compostable diapers directly to customers' doorsteps each month. Consumers can send their used diapers to be composed via the REDYPER program.
- **Impact:**
 - The diapers are free from chlorine, latex, alcohol, PVC, lotions, TBT or Phthalates. They're unprinted, unscented, soft to the touch, yet extremely durable and highly absorbent.
 - 70% of consumers report elimination of rashes.
 - 10,000,000 pounds of diapers diverted from landfill.
 - Dyper is carbon neutral and the world's first plastic neutral diaper brand.



- **Causes:** Deliver Good Health (promoting mindfulness), Prosper Sustainably
- Freddie's Flowers is a D2C subscription business delivering flowers to customers through their letterbox/doorstep in the UK and the US. With sustainability as a core focus, the Company has managed to reinvent their supply chain to partially eliminate wastage and complexity.
- **Impact:**
 - 90% of flowers are sustainably sourced.
 - 75% of all London deliveries are made by bicycle, saving 105 tons of CO2 in 2021. The remaining deliveries are made through DPD, a Carbon Neutral courier.
 - Freddie's is committed to reduce their greenhouse gas emissions by 50% by 2030, in line with the UN Paris Agreement's target to limit global warming to 1.5°C.

OUR FAMILY OF BRANDS AND THEIR IMPACT



- **Causes:** Prosper Sustainably, Deliver Good Health
- Original creator of the laundry pod, Dropps is a natural, zero waste laundry and auto-dish detergent brand sold as a subscription. Dropps was named EPA Safer Choice Partner of the Year for outstanding achievement in formulation and product manufacturing of both consumer and institutional/industrial products.
- **Impact:**
 - Zero waste product and packaging, which has saved over 3 million plastic bottles to date.
 - Only ships via ground (which is 550% less carbon intensive than via air).
 - Offsets all carbon emissions from shipping since 2017.
 - Winner of Best of Green Cleaning Award 2021 by TreeHugger under the Best Laundry Products category.

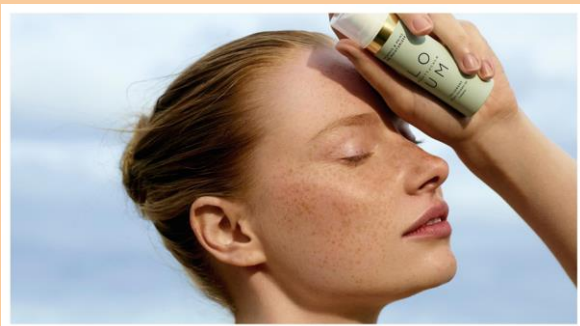


edgard
Cooper

edgardcooper.com

- **Causes:** Deliver Good Health, Prosper Sustainably
- Edgard & Cooper is a naturally tasty cat and dog food, that you, your pets and our planet can feel good about. This means carefully balanced portions, rich in fresh meats, packed with fruits, vegetables, vitamins, and even prebiotics. All done while ditching highly processed meat meals and other nasties.
- **Impact:**
 - 768 hours volunteered by Edgard & Cooper team at local animal shelters.
 - 25,832 trees planted through their Green Friday initiative and 18,750 meals donated to street dogs as part of their customer loyalty program.
 - Over €610,000 committed to the Edgard & Cooper Foundation since 2016, helping over 100,000 cats and dogs in need.

OUR FAMILY OF BRANDS AND THEIR IMPACT



LO
BEAUTY of CALM
UM

loumbeauty.com

- **Causes:** Champion self-esteem, Prosper Sustainably
- After seeing the results of how stress can negatively impact skin, the creators of LOUM decided it was time to create an innovative solution: the Beauty of Calm. Good for both skin and the planet, LOUM's collection is clean, conscious and responsibly sourced.
- **Impact:**
 - United 14 brands across the industry with a combined audience over 35 million to drive awareness and support mental health.
 - Nominated Philanthropy Brand of the Year at the Beauty Independent Beacon Awards.
 - LOUM is certified Leaping Bunny and compliant with the Nagoya protocol which is designed to protect biodiversity.



ONE OCEAN
BEAUTY

oneoceanbeauty.com

- **Causes:** Champion self-esteem, Prosper Sustainably
- One Ocean Beauty is a clean skin-care brand based on marine actives, on a mission to prove that products that are clean and sustainable can also be high-performance. Since then, the Company developed a full skin care system that maximises the powers of marine actives.
- **Impact:**
 - The brand is the first in the industry to pioneer blue biotechnology which takes small amounts of marine ingredients from the ocean and reproduces them in the lab to ensure miniscule impact on the ocean.
 - One Ocean Beauty has been a long-term partner to Oceana.org
 - No longer producing single-use sample sachets.
 - Certified Leaping Bunny, Think Dirty and Positive Luxury.

OUR FAMILY OF BRANDS AND THEIR IMPACT



hippeas.com

- **Causes:** Deliver Good Health & Prosper Sustainably
- Hippeas is a brand of snacks made from the humble but mighty chickpea, a sustainable crop to thanks to its soil-enriching benefits. Their products are plant-based and naturally higher in protein and contain nothing artificial.
- **Impact:**
 - Hippeas products are certified Gluten Free (2021), Non-GMO Project Verified (2021) and USDA Organic.
 - Over 2.3m ounces of food donated since 2019 to Feeding America.
 - 2.3m product samples donated since inception to Fare Share, redistributed to those most in need across the US.

DS-01™
Daily Synbiotic



Seed

seed.com

- **Causes:** Deliver Good Health, Democratise Access, Prosper Sustainably
- Seed Health is a microbial sciences company pioneering applications of microbes for human and planetary health. In collaboration with leading academic partners, they accelerate breakthrough science into live biotherapeutics and innovations for consumer health.
- **Impact:**
 - Seed developed a gentler packaging for our planet via its Sustainable Refill System, using glass instead of plastic, as well as biodegradable paper foam which is home compostable and breaks down within 90 days. The corn-based protective foam is edible, compostable and dissolves in water.

OUR FAMILY OF BRANDS AND THEIR IMPACT

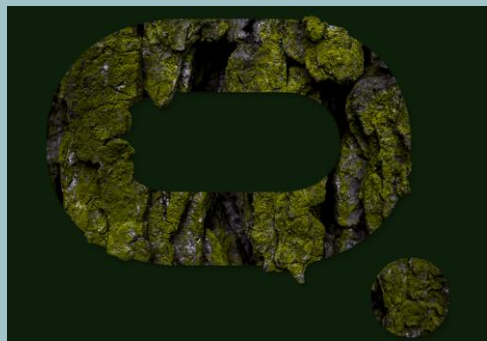


- **Causes:** Democratise Access, Prosper Sustainably
- Who Gives A Crap is a direct-to-consumer toilet paper company based in Australia. The Company has been on a mission to ensure everyone has access to clean water and a toilet, donating 50% of their profits to help build toilets around the world. The brand also launched a coffee line in 2021.
- **Impact:**
 - Who Gives a Crap donated over AUD\$10 million since inception.
 - All products are plastic-free and the brand offers toilet paper that is free from ink, dyes or scents and which is made from sustainable sources (bamboo and recycled fibres).
 - Their coffee is Certified Organic and Fairtrade, sold in a compostable packaging.
 - All shipping is carbon neutral.



- **Causes:** Deliver Good Health, Champion Self-esteem, Progress Society, Democratise Access, and Prosper Sustainably
- Ruby Love is a menstrual product company that sells patent-pending, period-proof underwear and swimwear in the US. Ruby Love was founded on the belief that periods should never stop women from doing, being, and going.
- **Impact:**
 - Rubylove's products are designed to be eco-friendly, lasting up to three years, which equate to 700 single use pads or 800 tampons.
 - The Company has avoided over 500 million pads being sent to landfill since inception.

OUR FAMILY OF BRANDS AND THEIR IMPACT



MO.SS

moss.earth

- **Causes:** Prosper Sustainably, Democratise Access
- Moss is a leading climate tech operating in the carbon credit market. The Company's platform allows individuals and corporations in Brazil to offset their carbon emissions via the purchase of carbon credits, also referred to as MCO2 tokens that are listed on the world's largest crypto exchanges.
- **Impact:**
 - The Company launched its own Non-Fungible Token (NFT), allowing buyers to own and monitor the preservation of one hectare of Amazon forest.
 - Moss is actively committed to the sustainable development of local communities: e.g. Moss has made donations to the Path Festival, building schools in the Caioezinho community, as well as helping the rehabilitation of wild Jaguars in Pantanal, Brazil.
 - Moss was certified Humanized in 2021, which is granted to companies that sustainably and consistently generate value to humanity.



allplants

Certified

 Corporation

allplants.com

- **Causes:** Deliver Good Health, Democratise Access, Prosper Sustainably
- allplants is a frozen, plant-based ready meal company based in the United Kingdom. The Company is redefining customers' experience of frozen, ready meals by offering chef-crafted meals carefully prepared with exciting ingredients delivering health, quality, and taste.
- **Impact:**
 - Wonky veggies were brought into 15 of their dishes, reducing waste by 600kg in 2021, saving over 2t in CO2e emissions.
 - Via partnering with Soil Heroes, a farm using regenerative practices: 17.8t of CO2 were sequestered in the soil, biodiversity was protected and restored on 12,751m² land.
 - allplants donated over 90,000 meals to The Felix Project and City Harvest, representing over 120t of CO2 avoided.

OUR FAMILY OF BRANDS AND THEIR IMPACT



KADENWOOD

kadenwoodbrands.com

- **Causes:** Deliver Good Health, Democratise Access
- Kadenwood was founded in January 2019 with the vision to create the world's largest and most trusted hemp-derived consumer brands. The Company owns and operates CBD brands including Healist Naturals, Level Select CBD, Purity organic, as well as Ecogen Biosciences, a bulk supplier of hemp-derived CBD based in Colorado.
- **Impact:**
 - Ecogen Biosciences achieved ISO 9000 and NASF certifications in 2021, strengthening its commitment to deliver the highest quality of products to customers.



PACKABLE

packable.com

- **Causes:** Democratise Access, Deliver Good Health
- Packable is the US leading growth partner for brands to help them expand to digital marketplaces such as Amazon, Walmart and Ebay. Packable is the #1 third party reseller on Amazon in North America thanks to its outstanding end-to-end range of services from marketing, inventory management, fulfilment shipping, data analytics to customer service.
- **Impact:**
 - Packable has a goal to make the packaging used 100% sustainable in the near future and optimise at the same time for automation.

DELIVERING RIGHTEOUS CAUSES, BRAND BY BRAND.



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