



# 2012 Positive Impacts Report

*SJF Ventures is a growth equity fund focused on delivering superior financial returns through investments in high-growth, positive impact companies.*



groSolar



Community Energy



eRecyclingCorps

## 2011 SJF VENTURES PORTFOLIO Facts at a Glance

- 34** Total companies
- 106** Total current company locations
- 69** Low to moderate income (LMI) company locations
- 19** Number of states with SJF portfolio company presence
- 8,006** Total portfolio company employees
- \$17.75** Average hourly wage
- 75%** Percentage of employees below 80% median income
- 100%** Percentage of companies offering health insurance to hourly employees

## SJF Ventures: Thirteen Years of Positive Impacts

With 13 years of strong SJF Ventures' performance and growing interest in impact investing, SJF Ventures III, LP, had its first closing in early 2012. As the first national Impact Investment SBIC fund, the third fund builds on the success of SJF Ventures' first two funds. The 2012 SJF Positive Impacts Report presents data on the many positive impacts of SJF Ventures portfolio companies, including new data collected as part of our participation in the Global Impact Investing Rating System (GIIRS) as a Pioneer Fund.

SJF conducted its eleventh annual positive impacts survey in January 2012 with the 17 most active companies from the SJF Ventures I, LP and SJF Ventures II, LP portfolios. The survey asked for 2011 year-end data. The set of companies changed from last year, with two successfully exited companies not surveyed this year and two new portfolio companies surveyed. Since

SJF realized a full exit from CleanScapes in 2011 (more details on page 4) and a partial exit from MediaMath, these companies are only included in the overall jobs created chart and several other aggregate figures. Two new portfolio companies added in 2011, Optoro and Living Earth, are included for the first time.

Additionally, in July 2011 SJF Institute, an allied nonprofit, merged with Investors' Circle, a 20-year-old network of angel investors, venture capitalists, foundations and family offices using private capital to promote the transition to a sustainable economy. The combined entity is working to build a thriving capital marketplace where emerging impact entrepreneurs receive capacity-building assistance and funding. See [www.sjfinstitute.org](http://www.sjfinstitute.org) and [www.investorscircle.net](http://www.investorscircle.net) to read more about these efforts.



# SJF Ventures Portfolio Results

## Positive Impact Products & Services

SJF portfolio companies provide a number of beneficial products and services, including:

- **Living Earth:** organic waste recycler and compost manufacturer
- **Optoro:** provider of comprehensive, efficient asset recovery solutions for returned or damaged products that reduces landfill waste
- **Community Energy, Inc:** utility scale solar developer and renewable energy marketer
- **eRecyclingCorps:** re-processor of wireless devices for reuse and recycling, including bringing affordable technology to the developing world to help break the cycle of poverty
- **FieldView:** provider of software to better manage and plan for data center energy use
- **ServiceChannel:** facilitates the matching of disadvantaged contractors with facilities management customers
- **CleanScapes:** sustainable solid waste and recycling collection services
- **Truist:** connector of donors and volunteers with worthy causes around the world
- **Rustic Crust:** producer of all natural and organic pizza products
- **Telkore:** provider of maintenance and construction services for wireless towers with strong workforce engagement practices
- **groSolar:** national solar engineering, procurement and construction (EPC) firm
- **BB Hobbs:** provider of water- and resource-efficient irrigation and fertigation systems

- **ED MAP:** provider of curriculum design and fulfillment services for post-secondary education
- **Sun & Earth:** manufacturer of all natural, orange-based cleaning products
- **RealWinWin:** provider of energy efficient consulting for commercial real estate
- **Brightside Academy:** provider of high quality child care services in underserved urban communities
- **SelecTech:** manufacturer of flooring solutions with high recycled content

## Employees

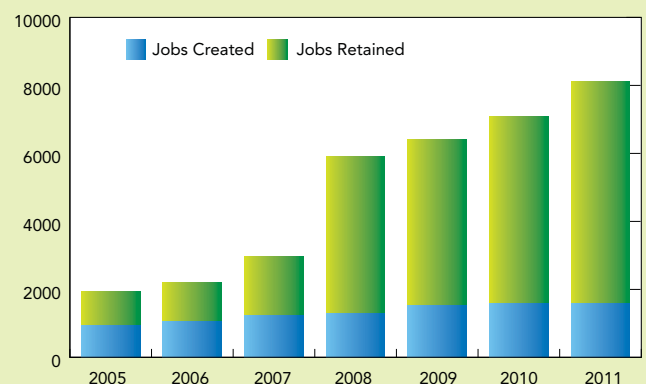
SJF portfolio companies employ over 8,006 people with 6,232 new jobs created after SJF investment; of the 17 active companies in 2011, 56% of employees were minorities and 64% were women. In addition to full time direct employment, Rustic Crust and FieldView employ significant numbers of contractors in-house. In addition, eRecyclingCorps has created over 225 indirect jobs for the processing and refurbishing of its used cell phones.

- Twelve companies offer wealth-building opportunities in the form of broad-based stock options or phantom stock, 12 companies offer retirement plans, and 12 offer bonuses
- The majority of companies invest in employee training programs, ranging from computer, customer service and technical training to soft skills
- **FieldView Solutions** was named a Great Entrepreneurial Place to Work by *New York Enterprise Report* in 2011
- **Foxfire Printing and Packaging's** on the job training programs have enabled its entry level employees to grow and excel
- **Community Energy** has a form of open book management to share key success metrics with employees

*CleanScapes employees participate in a local river clean-up event.*

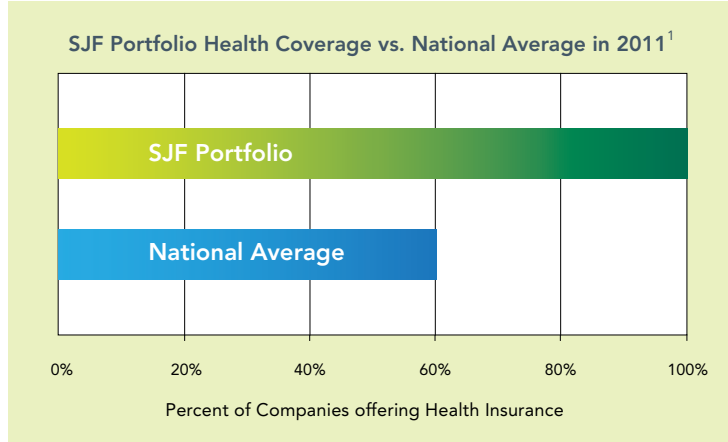


**SJF I & II Job Retention and Creation**



'Jobs Retained' are the employees at the company at the time of investment and 'Jobs Created' are the new jobs created after SJF investment, including jobs created up until the time of SJF exit for exited companies.

SJF continued to achieve substantial results in 2011 in reaching a target population of entry-level employees, defined as those earning at or below 80% of area median income. Of the companies reporting 2011 data, 75% of their employees were below 80% of the area median income.



SJF's portfolio companies not only employ entry-level workers, but also help hard-working employees to create wealth and raise their standard of living. During 2011, the average portfolio company entry-level wage was \$17.75.

In 2011 SJF portfolio companies maintained or increased benefits offered. Of the 17 portfolio companies responding, 100% provided some health care coverage, including three offering 100% employer-paid health insurance, and seven more offering 70% to 90% employer-paid insurance. This is significant as SJF's portfolio companies have maintained their commitment to health care coverage, even in the face of rising health care costs and a tough economy. In contrast, the national average percentage of employment-based insurance fell to 55.3% in 2011 from 55.8% in 2010<sup>1</sup>. Following is a breakdown of coverage of the health care premium by portfolio companies.

Benefits Statistics	# of Portfolio Companies	% of Portfolio Companies
100% Health Care Premium Coverage	3	18%
70 to 90% Health Care Premium Coverage	7	41%
50 to 69% Health Care Premium Coverage	6	35%
% Health Care Premium Coverage Varies	1	6%
Total	17	100%

In addition to health insurance coverage, 15 of the 17 SJF portfolio companies that responded offered dental insurance. SJF's portfolio companies continue to demonstrate their commitment to quality

jobs and benefits while increasing their competitiveness in the marketplace.

Twelve companies offer wealth-building opportunities in the form of broad-based stock options or phantom stock, 12 companies offer retirement plans, and 12 offer bonuses. Some portfolio companies offer additional types of benefits, such as Employee Assistance Plans, Flexible Spending Accounts, and home buying, educational and childcare assistance. These outstanding assistance programs and wealth building opportunities illustrate the kind of jobs SJF aims to help create in its portfolio companies.

In 2011, all 17 of the portfolio companies surveyed offered some form of training to their employees. The training ranges from computer skills training offered at nearby colleges to more informal soft skills. The most frequent forms of training offered were computer, customer service and technical skills. Of the companies investing money in training, \$11,342 was the average amount per company spent on training in 2011, while some companies spent as much as \$80,000. There was also a positive correlation between companies who spend more on training and the number of entry-level employees in their workforce.

### Justin Byrne of Rustic Crust

*"Justin Byrne was out of work and joined us as a production tech 12 months ago. Having never worked in a bakery Justin needed to learn a lot. He quickly moved into a mixer assistants position and then to mixer. Now roughly a year after starting work, he has been promoted production leader in charge of the mixing, baking and topping areas of second shift. He now has moved into a new home, enjoys his leadership position and is preparing himself for advancement as the organization grows."*

– Rustic Crust



1. Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2011 (<http://ehbs.kff.org/?page=charts&id=2&sn=17&p=1>)



# SJF Ventures Portfolio Results

(continued)

## Environment

Most SJF portfolio companies have internal recycling programs and facilities that include some form of energy and water efficiency. Company-specific impacts include:

- **Living Earth** facilities composted a combined 750,000 tons of organic material in 2011
- **Optoro** resold 110,000 used items directly to consumers in 2011
- **Community Energy Inc.** sold over 1.5 million megawatt hours of renewable energy certificates (RECs) in 2011; using a national average (CO<sub>2</sub>/MWh) factor this equals over 900,000 metric tons of carbon prevented from entering the atmosphere
- **eRecyclingCorps** has collected over 3,000,000 used cell phones, with over 90% of the phones reused and the rest recycled
- **FieldView** provided energy management for over 600MW of data centers
- **CleanScapes** recycled 100,000 tons of commingled recyclables, single commodities, and organics
- **Truist** processed \$233.3MM of donations to worthy causes around the world
- **groSolar** distributed and installed 22 megawatts of solar electric and solar thermal systems in 2011
- **BB Hobbs** converted 45,000 acres of farmland to efficient drip irrigation and liquid fertilizer systems
- **Foxfire Printing and Packaging** recycled 875,000 pounds of paper and 95% of the ink used was soy-based
- **RealWinWin** provided energy efficient consulting for more than 20 million square feet of commercial real estate

## Cleanscapes Sold to Employee-Owned Recology

In November 2011, SJF Ventures' portfolio company CleanScapes, a Seattle-based waste and recycling provider, closed a merger transaction with another leading West Coast waste management firm, Recology – the largest U.S. employee-owned company in the industry. The two companies share a similar employee engagement culture and a commitment to helping communities reach zero waste. "The deal was a strong win-win-win for customers, employees, shareholders and the environment," said SJF Principal Cody Nystrom. "And it further proves that strong performing companies that do well by doing good, as CleanScapes demonstrated, can attract aligned acquirers that share a vision of building companies that create impacts beyond the bottom line." Learn more at [www.cleanscapes.com](http://www.cleanscapes.com).



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