



CI VENTURES
**IMPACT
REPORT**

20
22

CONSERVATION
INTERNATIONAL
Ventures LLC





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The moment for biodiversity

At the end of 2022, the biodiversity COP in Montreal brought together policy makers from 196 countries to address biodiversity loss—a global issue ranked by the World Economic Forum as one of the three most severe risks of this decade, together with climate change and extreme weather.

Conservation International estimates that benefits from nature — including crop pollination, flood protection, and carbon sequestration — are worth about US\$ 140 trillion a year. Despite this information, the global economy has yet to recognize that biodiversity is worth more than the cost of protecting it, and governments keep failing to secure sufficient and adequate financing to protect it.

Biodiversity investments are happening across several fronts: agriculture, tourism and many other sectors where there is economic demand. However, many actors engaging in this type of asset do not necessarily have environmental, social or governance expertise, increasing the chances that industries are not successfully promoting biodiversity protection.

Some programs do offer credible approaches. **CI Ventures, Conservation International's impact-first investment program, combines 35 years of climate and conservation science to design, showcase and mainstream appropriate mechanisms to address the investment gap in biodiversity and climate concerns, while acting as a catalytic force to bring in further funding to the space.**

CI Ventures raises risk-tolerant capital and invest in early-stage, nature-positive businesses — recycling all profits into further investments for nature, climate and people — enabling conservation to pay for itself.

Five years in, CI Ventures has experienced immense growth, demonstrating the success behind our approach. **This past year has been particularly fruitful, and I want to acknowledge what our team has achieved:**

- A strong foundation to deliver a successful portfolio of +US\$ 12 million, with companies mobilizing 7 times that funding in additional capital.
- A robust impact reporting framework as a core element of the investment process, which enables us to see that we are positively impacting more than 57,000 livelihoods through our investments.
- Continuous collaboration with remarkable partners around the globe on several initiatives, such as an incubator to support Women in Ocean Food Innovation in Southeast Asia.
- A plan to scale up the program in the coming years, replenishing CI Ventures into a US\$ 50 million program.

In summary, we're raising more capital because our model is working. Our portfolio is scaling, and we're prompting follow-on investment, all leading to real impact. We will continue to grow the market for nature-positive investments, bridging the gap where markets have failed.



Bjorn Stauch
Vice President / Conservation International Ventures

Providing sustainable economic opportunities must be at the core of successful conservation strategies.

CI Ventures is an investment program that provides loans to small- and medium-sized enterprises that operate in the forests, oceans and grasslands where Conservation International works. Whether in sustainable agriculture or forestry, ecotourism or wild fisheries, these businesses share one thing in common — a commitment to practices that benefit ecosystems and human well-being at the same time.



A close-up photograph of a woman with a pink headscarf looking at green plants in a field. The woman is on the right side of the frame, looking towards the left. She has a thoughtful expression. The background is filled with lush green foliage, including some white flowers. The lighting is bright and natural, suggesting an outdoor setting.

CI Ventures has designed a robust process that blends commercial investment analysis with a strong impact component.

PHOTO BY © THRIVE NATURAL CARE

How the impact is made

CI Ventures invests in businesses aiming to achieve the same positive social, climate and biodiversity outcomes as Conservation International. Our investments are expanding ocean protection, reducing deforestation and transforming the ways in which we grow and consume food and fiber — and they put the needs of people and planet center stage.

Of the 34 investments completed to date, here are some examples of how our approach has generated positive impacts for people and for nature:

- Working with sustainable seaweed farmers in the Philippines to access global supply chains — improving marine biodiversity and increasing smallholder farmer incomes.
- Producing black soldier fly animal feed from organic waste in South Africa — reducing the amount of land needed to produce animal feed and diverting organic waste from landfill.
- Rotational grazing of livestock with pastoralists as a tool of rangeland restoration — sequestering carbon, improving biodiversity and smallholder incomes.
- Community-led coffee cooperatives protecting forests through conservation agreements, a model developed by Conservation International in which communities receive benefits in exchange for conservation efforts.
- Developing innovative technologies for use in wild fisheries — reducing bycatch and protecting ocean biodiversity.
- Sourcing high-value superfoods from Indigenous communities in the Amazon — creating a steady source of income for local communities and protecting the Amazon basin.

None of these investments would be possible without the flexible, patient and risk-tolerant capital that CI Ventures' venture philanthropy model provides.

CI Ventures raises philanthropic capital and invests in early-stage, nature-positive businesses. By using venture philanthropy — or the intersection of philanthropic funding and venture capital — CI Ventures implements a rigorous approach to impact investing, doing what other lenders and traditional investors cannot: prioritizing impact, investing at the most catalytic moment, leading with science, and amplifying the impact of every dollar invested.

The CI Ventures model guarantees the efficient use of philanthropic capital, as we invest in businesses that generate conservation, climate and social outcomes through commercial activities. All financial returns are reinvested by CI Ventures into more businesses, enabling conservation to pay for itself and for philanthropic capital to be re-used, multiplying the impact of every dollar given. Our investments catalyze the wider market, proving the bankability of nature-based investments. In fact, CI Ventures portfolio companies go on to raise 7 to 10 times more capital in follow-on investments after CI Ventures' involvement.





Our impact

PHOTO BY ©TROND LARSEN

We have mobilized US\$ 86 million so far

CI Ventures today

US\$ 19M

Total Assets Under Management
as of FY22

US\$ 12M

of capital invested since 2019

US\$ 30M +

of near-term, eligible pipeline in
CI Ventures target countries

After five years, our portfolio is already delivering impact

34

investments made
in 30 portfolio
companies

US\$ 86M

capital raised by
investees following CI
Ventures' investment

100,567 ha

of natural habitat
protected, restored
or conserved

2,553

people employed
in nature-positive
businesses

57,153

Livelihoods improved through employment
or payments for conservation

Impact at a glance

34 investments / 10 countries / 10 sectors

CI Ventures' investments prioritize projects that have the greatest potential impact in critical landscapes and seascapes. To date investments are impacting the following countries



SECTORS

- | | |
|------------------|----------------------------|
| Agriculture | Livestock & Ranching |
| Agroforestry | Restoration & Conservation |
| Natural Products | Ecotourism |
| Aquaculture | Waste Management |
| Fisheries | Seaweed |

By the numbers

Almost 90,000 hectares — an area larger than Luxembourg — have been protected or restored by our investees

CONSERVATION IMPACTS



100,567 ha
protected,
conserved or
restored



210,719 ha
under sustainable
production



142
protected
species



1,513,437
tCO2
avoided/ reduced



115 t
of reduction
in bycatch



8,362 t
waste
diverted

LIVELIHOODS



2,553
full-time jobs



57,153
livelihoods
impacted



30%
of the portfolio has
women founders or
in C-suite



11,691
individuals
trained

ECONOMIC IMPACT



US\$ 86M
capital mobilized



US\$ 105,287,973
revenue from sales



2,307,425 t
of sustainable production

PHOTO BY © MATT MAYES , SWAY



Highlights

PHOTO BY © JOHN HOGG

2022 Highlights

Small asset manager of the year

For the second year in a row, *Environmental Finance* named CI Ventures "Small Asset Manager of the Year" as part of the publication's 2022 Impact Awards. For the CI Ventures team, winning this award again is recognition of the value of combining Conservation International's cutting-edge climate and conservation science with a disciplined approach to capital allocation.

"We're extremely proud of what we have achieved with CI Ventures and the quality of the portfolio. We are investing in great companies and achieving sizable environmental and social impact as a result."

—Bjorn Stauch, Vice President of CI Ventures



PHOTO © SHUTTERSTOCK



PHOTO BY © MIGUEL ANGEL DE LA CUEVA

New guarantee facility for Latin America portfolio

In 2022, CI Ventures set up a loan portfolio guarantee in collaboration with the U.S. International Development Finance Corporation (DFC) and the U.S. Agency for International Development (USAID) that will help conserve, restore and sustainably manage critical ecosystems in Mexico, Peru and Colombia. **The guarantee will provide US\$ 5 million in financing for a US\$ 10 million loan portfolio to unlock additional finance for conservation impact.**

De-risking our portfolio of investments will translate into more impact, enabling the provision of flexible, impact-first capital to enterprises seeking to conserve and restore vital ecosystems. It will also generate operational efficiencies and boost our fundraising efforts.

Women in Ocean Food Innovation Studio

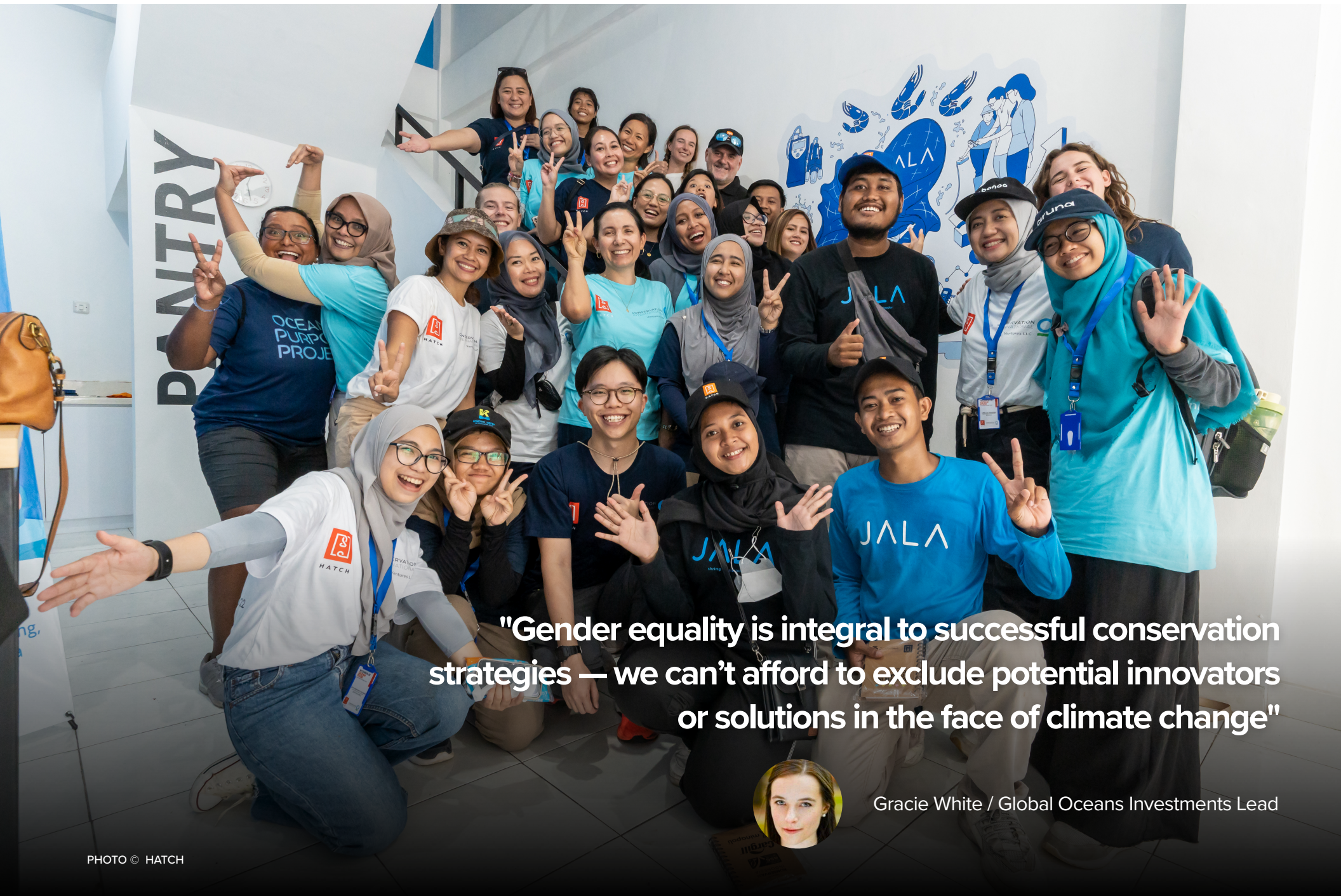
CI Ventures supported 11 female-led startups (19 female entrepreneurs) through the second Women in Ocean Food Innovation Studio, co-hosted by HATCH Blue. The event in Bali in November 2022 aimed to further develop these young companies and help secure the future of an emerging generation of female talent across the blue food economy in Southeast Asia.

Through initiatives such as this one, we are targeting the gender gap that exists in leadership roles for entrepreneurship and venture investing. Within our ocean portfolio, about 70 percent of investments have a female founder.



African Conservancies Fund progress

Two years ago, CI launched the African Conservancies Fund to help people and wildlife and test a new model of financing conservation efforts. CI Ventures and partners invested US\$ 2 million in the critically important conservancies around Kenya's Maasai Mara to help them through the COVID crisis—and emerge stronger. Today, tourism has returned to pre-pandemic levels in the Mara. The conservancies have recovered faster than anticipated and are repaying their loans over a year sooner than expected. The conservancy model was proven so successful that eight new conservancies have been established since 2020, benefiting local communities and wildlife.



"Gender equality is integral to successful conservation strategies — we can't afford to exclude potential innovators or solutions in the face of climate change"



Gracie White / Global Oceans Investments Lead

PHOTO © HATCH



Portfolio Snapshot

PHOTO BY © MARLON DEL AGUILA

COAST 4C



Natural Disaster Recovery

Ocean habitats are under severe threat from a range of damaging practices, including mangrove destruction, agricultural run-off entering the ecosystem, overfishing, acidification and natural disasters. Seaweed farming can help mitigate all of these threats, while simultaneously providing economic opportunities for coastal communities.

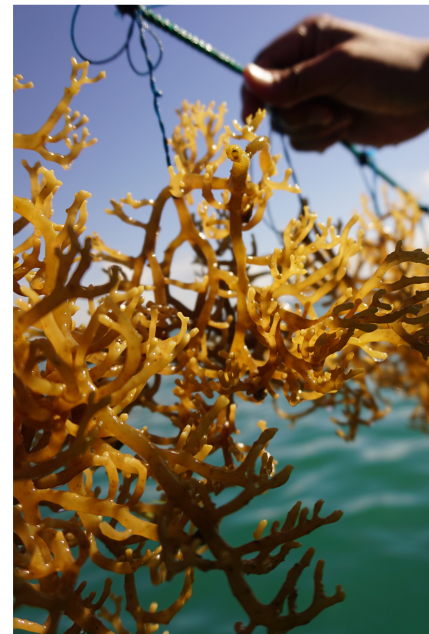
In 2020, social enterprise Coast 4C was launched to drive ocean and climate restoration through inclusive value chains for regenerative seaweed aquaculture.

By providing technical assistance and services to small-scale seaweed producers in the Coral Triangle, Coast 4C is helping producers sustainably increase production levels, minimize coral reef damage and marine plastic pollution, and ensure that seaweed farming contributes to ocean health.

Coast 4C builds on the award-winning 'Net-Works' project from the Zoological Society of London that provided recycling solutions for old fishing gear. This project validated the inclusive value chain model in the Philippines and successfully tested replication in Cameroon and Indonesia.

Super Typhoon Rai

In December 2021, Super Typhoon Rai devastated the region and destroyed local infrastructure, including seaweed farms and processing facilities. In the storm's aftermath, a US\$ 500,000 investment from CI Ventures enabled the recovery of 100+ seaweed farms and 2,500 coastal livelihoods. Coast4C's model has also created eight integrated marine protected areas, ensuring sustainable management of 4,800 ha of coastal ecosystems. **CI Ventures' investment is helping seaweed farmers to recover and rebuild, while protecting coastal ecosystems.**



PHOTOS BY COAST4C & © GRACIE WHITE



SMARTFISH



Sustainable seafood available in local market

When fishers receive low prices in exchange for their catch, it can create a vicious cycle where higher amounts of lower-quality fish are extracted to sustain fisher communities, leaving oceans and people vulnerable. In Mexico, about 80 percent of marine species are over exploited and about 40 percent of artisanal fishers live below the poverty line.

A sustainable commercialization model can tackle both problems simultaneously, protecting fish stocks and improving incomes for communities that depend on this resource.

SmartFish is a commercial intermediary that operates with a premise of full transparency and traceability for sustainable seafood. By serving the final consumer in Mexico, the company supplies products according to their availability during the year, supporting the fishers' livelihoods year round while respecting catch seasons. A robust sustainability sourcing policy ensures all seafood comes from certified operations or Fisheries Improvement Projects, multi-stakeholder initiatives that aim to help fisheries work toward sustainability.

With the support of a US\$ 400,000 CI Ventures' investment, SmartFish is opening five new stores to offer sustainable seafood in Mexico City. As local consumers are exposed to a high-quality, sustainable product, the demand keeps growing, positioning SmartFish as a credible seller.

By working with certified cooperatives interested in sustainable wild catch and aquaculture practices, SmartFish shortens the supply chain between the fisher and the consumer, providing prices to fishers that are 40 percent to 100 percent higher than the regular market. Right now, SmartFish is looking to source from 16 cooperatives, co-developing and implementing sustainable practices to avoid overfishing and bycatch—positively impacting the livelihoods of 7,150 fishers and 28,000 family members.

MEAT NATURALLY



Empowering sustainable farming and rangeland rejuvenation

As Africa's population grows, so too does the need for sustainable and efficient livestock that can address food insecurity in the region and alleviates pressure on vulnerable natural capital. In South Africa, rangelands are being devastated by the spread of non-edible invasive plants, poor grazing management and disruption of the predator-prey balance from killing of predators. Moreover, communal farmers lack market accessibility, supplying only 5 percent of the meat market while owning roughly 50 percent of the livestock.

Meat Naturally Pty, a for-profit social enterprise, works with partners to provide livestock production and market access incentives for communal stock-farmers who are rewarded for applying sustainable environmental grazing and wildlife-friendly management practices.

Meat Naturally provides services to communal stock farmers including livestock production support, market access via facilitation of local mobile auctions in communal lands, and consulting and training services around conservation agreements in the form of grazing planning, basic veterinary practice, wildfire management and stock improvement initiatives.

Their research and development activities aim to pioneer new mobile abattoir technology and unlock carbon finance for farmers for the reduced greenhouse gas emissions resulting from their improved rangeland management.

An investment of US\$ 140,000 enabled the company to grow its existing, profitable mobile cattle auction operations in South Africa. Since then, more than 50 new rangeland stewardship agreements were signed with communities, placing almost 200,000 hectares of rangeland under stewardship agreements and avoiding an estimated 133,694 tons of carbon dioxide equivalent in 2022 alone. Additionally, 84 new "eco-rangers" have been recruited, trained and deployed, benefiting 1,275 livelihoods across the region. In 2022, Meat Naturally also pioneered mobile abattoir technology and carbon emissions reductions sales, creating new resilience for the business and its beneficiaries.



PHOTOS BY © TROND LARSEN



THRIVE



Consumer goods restoring lands

More than 75 percent of Earth's land areas are substantially degraded due to deforestation and soil erosion, driving species to extinction, aggravating the effects of climate change and harming the well-being of people whose livelihoods depend on agriculture.

Thrive Natural Care, a U.S. company, sources natural ingredients for its line of skincare products from native plants grown by communities on the coasts of Costa Rica. The company partners with women-led co-ops and smallholder farmers to cultivate native plants that improve soil and biodiversity on degraded lands, boost farmers' incomes and provide a high-quality supply of plant oils. Regenerative farming increases the purity and potency of these plant oils, providing Thrive customers with more effective skincare.

A US\$ 400,000 investment supported the company's expansion plans while consolidating supply of key ingredients and the development of new products.

Thrive's regenerative model holds immense potential to both improve ecosystems and generate economic opportunities for local communities in rural areas. **Over the next three years, Thrive aims to work with 875 farmers and regenerate 228 hectares of degraded lands. At scale, Thrive aims to restore 9,000 hectares and help improve the livelihoods of 31,000 rural farmers in Latin America and beyond.** Ultimately, Thrive hopes to serve as a commercially viable inspiration for regenerative practices in the agriculture, fisheries and forestry sectors.

A bright idea for reducing fish bycatch

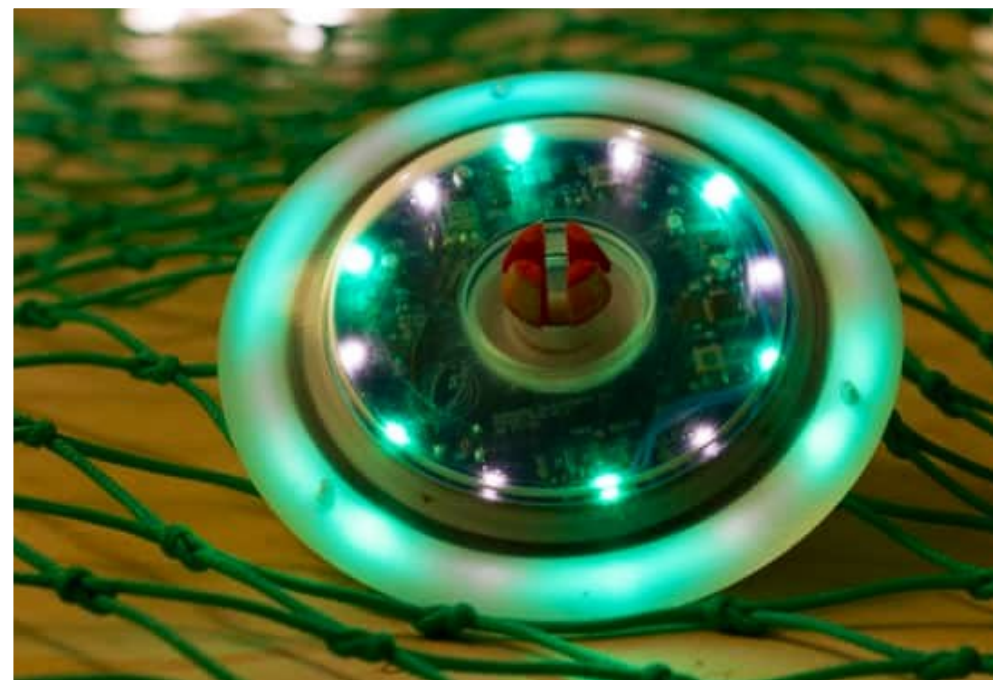
Fish bycatch — that is, fish species and other marine animals that are caught unintentionally, is widely acknowledged as one of the most significant negative impacts of fishing on marine ecosystems and biodiversity. Bycatch exacerbates depletion of already heavily exploited fish stocks, disrupting marine food systems and decreasing potential income and food sources for ocean-dependent communities.

Based on research that shows how species of fish react to different types and colors of light, U.K.-based SafetyNet Technologies (SNTech) designs and builds light-emitting devices that fishers can retrofit to commercial fishing gear to attract the fish they mean to catch and repel the fish they don't, significantly reducing bycatch.

By improving harvest selectivity, SNTech's precision fishing technologies have the potential to significantly reduce adverse fishing impacts on endangered, threatened and protected species and other non-target marine species, supporting ecosystem integrity.

A US\$ 250,000 investment supported the commercialization of PISCES 2, a programmable LED bycatch reduction device adaptable to a range of commercial fishing gear as part of a US\$ 1.5 million seed round led by Mustard Seed Impact Ltd. and the Althelia Sustainable Ocean Fund.

SNTech's PISCES technology has demonstrated the ability to reduce bycatch by up to 90 percent and increase fishing trip revenues by roughly 50 percent.



PHOTOS © SAFETYNET



PHOTOS © JOHN HOGG

NAMBU | **NAMBU** INSECT PROTEIN FOR A SUSTAINABLE FUTURE

A circular economy based on insect protein for a more sustainable food system

Linear and extractive food systems exert immense pressures on land and biodiversity, resulting in 13 billion tons of food waste annually. Most of this waste ends up in landfills, becoming a significant contributor of greenhouse gas emissions. Circular economies powered by insect protein can address the need for a more resilient and sustainable food system.

Nambu is an insect protein company based in South Africa that uses black soldier fly farming to efficiently process organic waste into high-value feed for poultry, pork and aquaculture. Their operations enable the recycling of food waste that would otherwise be sent to a landfill while supplying local and emerging farmers with affordable, high-value, feed-grade protein. Nambu uses a localized model to ensure feed inputs travel fewer miles from point of production to consumption.

CI Ventures' loan has enabled Nambu to purchase equipment for their new large commercial facilities in East London, Port Elizabeth and George.

Nambu's expansion plans will support more resilient and sustainable local food production systems by enabling the company to divert an approximate 12,000 tons of waste from landfill each year. The new facilities will create 30 to 50 additional jobs, and give access to affordable, high-quality feed for local protein farmers, which could result in reducing their feed costs by up to 20 percent.

In 2022 alone, Nambu's operations diverted 235 tons of waste from landfills.



Moving forward

What we have built

- Several early successes including an established portfolio, capital returned, impact generated, and industry recognition.
- Market-leading team based in the countries in which they invest, with access to global conservation and climate expertise.
- Broad and deep network of partnerships for origination, co-investment and follow-on investments.
- A near-term pipeline of more than US\$ 30 million in eligible investments that other funds would struggle to support.



A growing demand for CI Ventures

More investors are coming to market but unable to find bankable, later-stage, nature-positive deals.

It's time to scale up

We have the science, team, track record and network to create lasting impact at scale.

Additional funding has already been secured, and we're looking for more supporters to capitalize CI Ventures with a further US\$ 30 million of philanthropic capital.

With an additional US\$ 30 million of capital, and a promise to recycle capital x2, CI Ventures can:

- Invest in more than 200 businesses
- Catalyze more than US\$ 700 million of further investment
- Protect, conserve or sustainably manage at least 500,000 hectares of lands and water
- Create more than 3,000 nature-based jobs
- And improve the lives of over 150,000 people

We look forward to you joining us in this journey!



PHOTOS © ABREOJOS



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[Click here to visit our website](#)

