



2022 NESsT ANNUAL REPORT



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LETTER FROM THE CEO





Letter from the CEO

“ Letter from the CEO

This past year, NESsT reached a significant milestone in our impact journey – since our founding in 1997, we have transformed the lives of **over a million** people from the most marginalized communities around the world, including Black people, Indigenous peoples, the LGBTQIA+ community, migrants and refugees, people with disabilities, smallholder farmers, women, and youth.

A good job can change a life.

In 2022, we amplified our impact through our two businesses: (1) loan funds that provide patient debt financing to purpose-driven small and growing businesses in emerging markets and (2) a three-year accelerator program that catalyzes impact-focused enterprises towards growth and investment readiness.

To accomplish this, we continued to refine our investment strategy. In 2022, we invested in 54 enterprises that created or sustained 14,000 quality jobs, with a commitment to gender and diversity inclusion and sustainable environmental practices. Additionally, we strengthened the capacity of our portfolio enterprises to secure additional funding and achieve sustained growth. As part of this effort, we created a masterclass on investment readiness and hosted events connecting our portfolio enterprises to peers, potential investors, and supporters. By the end of the year, close to 60% of our portfolio enterprises successfully raised external investments.

We also deepened our work around key impact initiatives by expanding our portfolio in the circular economy, IT, sustainable agriculture, and hospitality sectors, engaging more advisors and mentors, and fostering peer exchange on best practices. Through our impact initiatives, we aim to scale solutions to pressing global challenges. Our Amazonia Initiative supports bioeconomy enterprises, many of which are indigenous-led, to create sustainable livelihoods. Our Refugee Employment Initiative catalyzes enterprises that help refugees and migrants secure jobs and overcome poverty in Central and Eastern Europe. Our Empowers Initiative accelerates businesses that provide training and employment opportunities for young people and women in the digital economy. And our Racial Equity Initiative invests in Black-led companies that improve the financial inclusion of Black communities.

Finally, we launched several research projects aimed at systemizing the learnings from our portfolio to demonstrate the effectiveness of impact-focused investments in addressing systemic poverty and climate change.

Our mission remains focused on building vibrant, sustainable, and equitable economies that leave no one behind. We are deeply grateful to all of our partners who have joined and supported us on this journey.

**Nicole Etchart,
NESsT Co-Founder and CEO**

HOW NESsT MEASURES IMPACT





How NESsT Measures Impact

How NESsT Measures Impact

NESsT assesses its impact through the Performance Management Tool (PMT), a tool developed in 1999 to assist social enterprises in managing and measuring their business' social and environmental performance. More than 250 entrepreneurs around the world have used the PMT to measure their impact on an annual and quarterly basis.

To better understand the impact of having a good job across varying contexts, such as in different age groups or types of households, we conduct Dignified Employment Surveys every two years, which allows us to speak directly to the employees and suppliers of our portfolio companies. The fundamental questions that the survey attempts to explore are:

Are the jobs created by NESsT portfolio enterprises really improving the quality of people's lives? Have these people moved out of poverty? Do they feel that their job is secure?

In late 2021, around 10% of the total population impacted by our portfolio were surveyed – 388 individuals who live across six countries, including Brazil, Chile, Colombia, Peru, Poland, and Romania.

Demographic data from the 2021 survey show that the majority of people supported by NESsT enterprises are from low-income backgrounds and are racially and ethnically diverse.

Almost all workers surveyed are employed by NESsT Portfolio enterprises with appropriate legal contracts and documentation registered by the local government. These people expect to grow in their careers and feel secure with their jobs – more than 85% of those surveyed believe that they will continue their job next year. Over half expect that they will keep the same job with access to higher incomes, and more than 20% expect to stay within the same industry.

26 Years by the Numbers

1.09 MILLION
million lives improved

USD \$27M

invested

233

enterprises accelerated
and financed

89,000

formal jobs sustained for
underserved communities

67%

average annual increase
in enterprise sales

16%

average annual increase
in individual income





How NESsT Measures Impact

Alumni Spotlight: DALBA

DALBA is an award-winning craft beer brewery in Puck, Poland that employs people with intellectual disabilities. Since joining the NESsT portfolio in 2018, DALBA has replicated its impact on a national level, opening four additional franchise pubs with labor inclusion missions in other cities. This network of multitap bars makes up the first social franchise in Poland where the employees are also shareholders.

The founders of the DALBA Social Cooperative, Agnieszka Dejna and Janusz Golisowicz, believe that everyone can produce value in their own way if they have access to tools and resources that accommodate their needs. DALBA's cooperative pubs created workplaces that ensure equal physical and digital access for their employees. This inclusive work culture not only increased the well-being of its workers but also improved overall production quality and capacity. The social cooperative highlights the social and business benefits gained from putting the needs of its workers first in its slogan - "Piwo, które warzy więcej," meaning, "Beer that brews more."

During the pandemic, DALBA continued to provide income to all of its employees despite having closed all

of its pubs and sales channels. To help DALBA overcome marketing issues and resume operations after pandemic closures, NESsT supported DALBA with flexible repayment schedules and business mentoring, assisting the enterprise to seize opportunities in e-commerce and relaunch its website to enhance product visibility. These decisions were pivotal in consolidating DALBA's stability during a very challenging period – in 2021, the social enterprise's sales increased by 90%.

DALBA also runs a rehabilitation and therapeutic diving program supported by psychologists and professional divers, which has helped more than 100 people with disabilities experience the beauty of the ocean's biodiverse habitats. Over the past four years, DALBA increased its number of employees with disabilities by 45%.

"The decision to launch a pub social franchise marked a significant milestone in improving DALBA's financial sustainability. Its revenue stream from beer production proved invaluable during the periods of lockdown, making it a key factor in the company's success. As a result, its franchise model is a shining example for other social enterprises looking to establish their own network of franchises," shared NESsT Poland Portfolio Managers.



How NESsT Measures Impact

Alumni Spotlight: Suritex

Suritex is a Peru-based social enterprise with more than 20 years of experience in textile production using natural materials. Committed to revolutionizing the supply chain of alpaca wool and improving the livelihoods of local producers, Suritex purchases fibers directly from local alpaca breeders at fair market prices.

For local families in the Peruvian highlands, Suritex brings quality employment opportunities and access to skill-based training programs in wool processing, knitting, and manufacturing at its production site.

Suritex joined the NESsT portfolio in 2016. Over the course of its acceleration, NESsT supported Suritex to improve its financial management and implement a growth strategy, helping the enterprise to install solar panels and diversify its products.

During the pandemic, Suritex saw an opportunity for high-impact growth in the increasing interest in alpaca products overseas. The social enterprise developed an innovative line of digitally printed products that use handspun natural fibers. Combined with the relaunch of its website, this strategic decision allowed Suritex to consolidate its position in the international market.

"Throughout our journey together, Suritex has remained committed to valuing its most important asset – the local communities it works with." – Alejandra Ramirez, NESsT Peru Portfolio Director

By 2022, Suritex recovered all revenues lost during the pandemic, returning its sales to pre-pandemic levels, with foreign sales representing 46% of its total revenue. Today, women make up 80% of Suritex's workforce. The enterprise compensates its workers with fair wages and provides them with flexible working arrangements as well as access to daycare services and training programs.

NESST PROGRAMS

Impact Investing
and Acceleration



NESsT Programs

NESsT operates two businesses:

1. Impact loan funds that provide debt financing to small and growing businesses
2. A three-year accelerator that catalyzes early-stage enterprises towards investment readiness



NESsT Programs

Impact Loan Funds

NESsT invests in emerging markets through two funds – the Lirio Fund and the Violet Fund – with a combined USD \$9.6 million in assets under management.

"During the initial 18 years of operation at NESsT, we primarily focused on recycling philanthropic capital. In 2016, we made a strategic decision to begin creating our funds. Although the recoverable grant continues to be an important investment vehicle for NESsT, for our pre-seed companies, the use of investment capital marked a significant shift towards more proactive and impactful growth." – Nicole Etchart, NESsT Co-Founder and CEO

In 2022, NESsT was named to the ImpactAssets 50 list of impact fund managers¹ – the first publicly available database for impact investors. In total, the 143 selected impact fund managers reported assets totaling USD \$116.96 billion invested across a range of asset classes and impact themes.

¹ <https://impactassets.org/ia-50/>

Impact Loan Funds

NESsT Lirio Fund

In 2022, our loan fund in Latin America increased its focus on supporting rural livelihoods and addressing the root causes of poverty within local communities. As part of this new direction, we rebranded it as the Lirio Fund.

The loan fund's new name, Lirio, means lily in Spanish and was inspired by the Peruvian Lily, a vibrant flower that grows in the mountainous region of Peru, symbolizing our commitment to sustainable economic development and conservation efforts in the region.

The Lirio Fund ("Fund") catalyzes small and medium-sized enterprises that drive job creation and environmental conservation in rural communities across Latin America. The Fund addresses the challenges faced by entrepreneurs in the region, specifically meeting their need for patient capital and financial management support. Since the inception of the Fund, we have disbursed more than USD \$2.7 million in loans as of the end of 2022.

"One goal of the Lirio Fund is to support local rural enterprises to produce reasonable returns. This helps to attract more investment capital to the Andean region, further improving the livelihoods of local marginalized, rural communities." – Chad Sachs, Lirio Fund Director

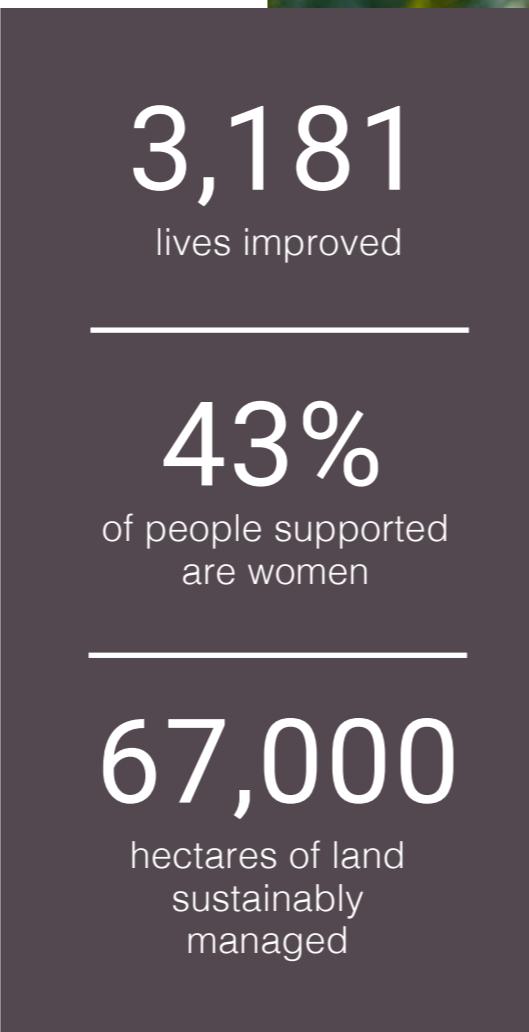
In addition to customized capital, the Fund also provides financial management and corporate governance assistance to help the companies



mature and access funding in the long term. Enterprises in the portfolio typically use the loans for day-to-day operations, including increasing the income of local workers, developing and validating new sustainable technologies, and expanding into new markets.

In 2022, its fourth year of operation, the Lirio Fund surpassed its social impact goals, improving the lives of 3,181 individuals – 43% of whom are women – and managing more than 67,000 hectares of land sustainably. Over the year, the Fund also extended over USD \$1.1 million in new loans and launched innovative financial products that catered to the unique needs of local entrepreneurs that deliver forest-derived products to global markets.

Over the past year, the Lirio Fund diversified its portfolio by expanding into new markets and sectors in Colombia and three new states in Peru. The Fund established a partnership with BioInvest, a program sponsored by the German government development agency that supports companies with strong biodiversity plans. With NESsT's support, BioInvest identified and prepared around 160 companies, cooperatives, and associations for social impact investment. Many of these enterprises were added to the Lirio Fund's pipeline, resulting in 10 new leads from various rounds throughout the year.





LIRIO FUND SUMMARY

AS OF DEC 2022

Assets Under Management	\$4.5 Million
Loans Committed	\$1.93 Million
Number of Loans	11
Number of Businesses in Loan Portfolio	9
Number of Businesses Receiving Business Services	11
Portfolio Business Farmers and Employees Reached	3181
Percent Women Farmers and Employees Reached	43%
Percent Women Led Businesses	44%
Portfolio At-Risk over 180 Days	3.90%
Net Write-Offs	3.90%

Lirio Fund Portfolio Spotlight



PEBANI

Pebani has 21 years of experience working with smallholder farmers and native communities in the Peruvian rainforest to sustainably source and process over 140 species of plants, bringing to the market a wide variety of nature-based products recognized for their high nutritional and medicinal values.



CEDROS CAFÉ

Cedros Café is a cooperative that supports smallholder coffee farmers in the region, offering them a price 30% higher than conventional buyers, training, and technology. The cooperative has helped 328 local associates grow their production capacity, obtain Fair Trade and organic certifications, and export their high-quality coffee internationally.



RONAP

RONAP exports raw Brazil nuts to the US and European markets. The association acquires nuts directly from Brazil nut collectors in Madre de Dios, Peru, ensuring that they receive fair prices for their products.

The Brazil nut is an Amazon-native nut rich in healthy fats, antioxidants, vitamins, and minerals. Brazil nut trees depend on the complex ecosystem of the rainforest to flourish and produce fruit. As a result, Brazil nut harvesters play an active role in preserving the standing forest.

Impact Loan Funds

Lirio Fund Portfolio Spotlight: Pomario

In 2022, the Lirio Fund made its first investment in Colombia, welcoming Pomario, a social enterprise that sells organic produce sourced from smallholder farmers.

During its time in NESsT's acceleration program, Pomario achieved remarkable growth and impact – obtaining organic certification and achieving 53% increase in staff from marginalized communities and almost 200% growth in revenue. This success helped Pomario secure an additional USD \$700K in investments, \$330K of which came from the NESsT Lirio Fund. Through the Fund, Pomario can access larger loans to further scale its business and improve logistics and access to key markets.

With the Lirio Fund's investment, Pomario aims to double its impact to improve the livelihoods of around 105 people by the end of the loan term. Among the people currently supported by Pomario is Natali, a single mother of two who found employment at

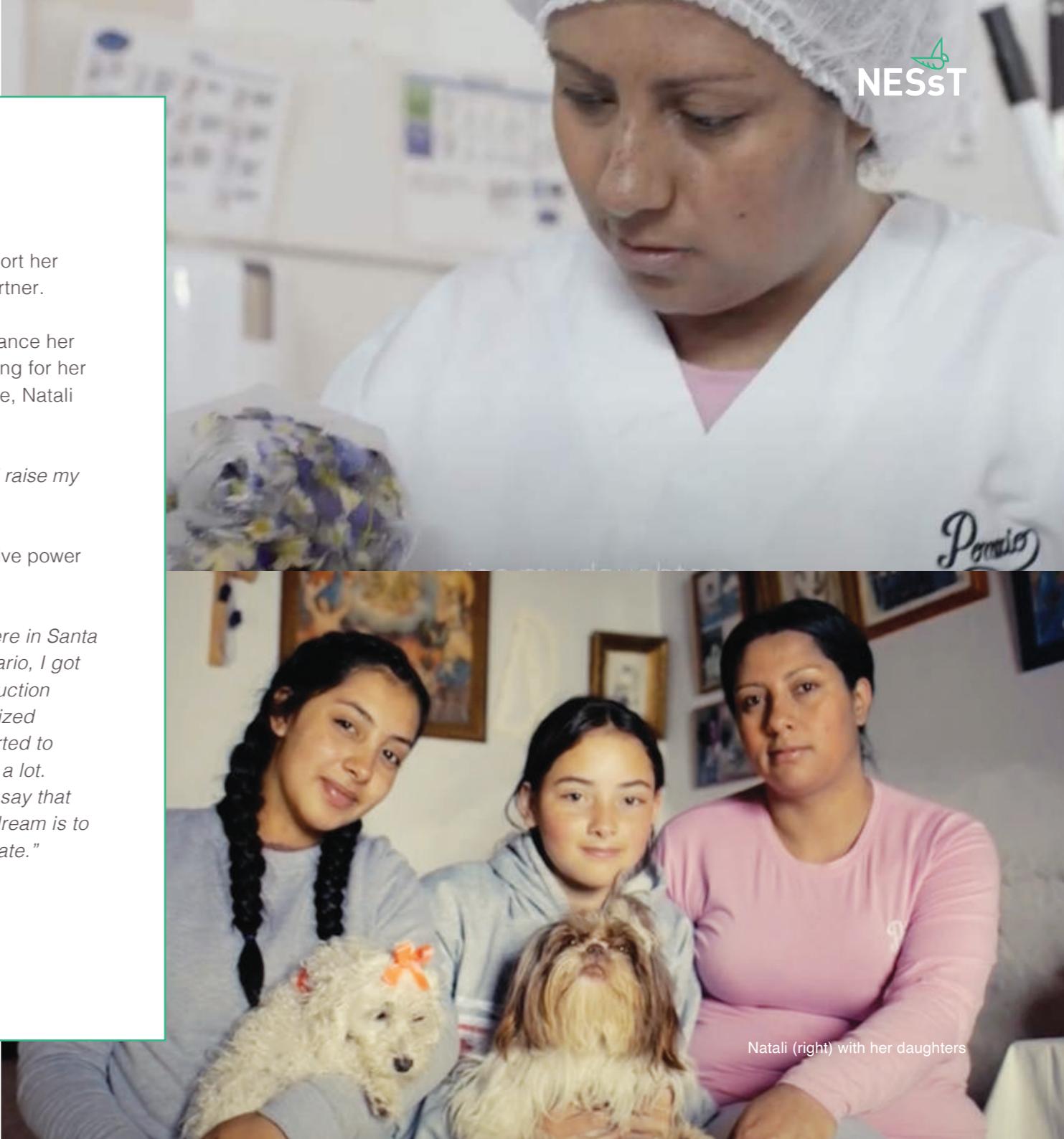
Pomario when she needed to support her family after separating from her partner.

At Pomario, Natali was able to advance her career and education while providing for her family. Reflecting on her experience, Natali shared,

"I was able to study, grow, and raise my daughters."

Her story highlights the transformative power of locally-based social enterprise:

"I have lived all my life right here in Santa Elena. When I first joined Pomario, I got a job as a selector in the production plant. Over time, I was recognized for how well I did my job. I started to become curious and I learned a lot. Now, I am proud to be able to say that I am leading a team, and my dream is to become an accounting associate."



Natali (right) with her daughters

NESSt Violet Fund

Building on over two decades of experience supporting enterprise development in Central and Eastern Europe, NESSt launched the Violet Fund in partnership with Dreilinden gGmbH in 2022 – creating the first impact fund in the region dedicated to supporting small and medium-sized enterprises (SMEs) with diversity, equity, and inclusion (DEI) goals.

An estimated 21.7%² of the European Union population — around 95.4 million people — are at risk of poverty or social exclusion.

The Violet Fund seeks to facilitate better access to the labor markets and improve career progression in the workplace for marginalized groups, including LGBTQIA+ communities, ethnic minorities, at-risk youth, and people with disabilities.

"Providing access to employment, financial resources, and education is one of the most powerful catalysts for positive change. With the NESSt Violet Fund, we aim to improve the lives of more than 2,000 individuals from marginalized communities," shared Sebastian Siuchta, director of the Violet Fund.

The Violet Fund extends loans up to €800K to address financing gaps experienced by SMEs – defined as businesses with annual sales between €0.5 and €10 million – committed to incorporating DEI strategies. Enterprises can use the investment for working capital, machinery, expanding existing business lines, refinancing existing debt, etc.

"We are excited to partner with the NESSt Violet Fund on this pioneering initiative. Similar investment programs in Mexico and South Africa have shown tremendous results. Companies working with us are seeing big shifts in their leadership approach and hiring practices towards inclusive and diverse corporate cultures. We hope the NESSt Violet Fund will be a leading example of how a DEI investment lens can be put into practice," added Stefan Bolliger, Dreilinden.

In 2022, the NESSt Violet Fund team conducted initial outreach activities and identified a significant demand for the loan fund in Central and Eastern Europe, demonstrating a strong market fit. Throughout the year, NESSt's work generated a robust pipeline of high-quality companies, cementing its position as a leading player in the ecosystem.

The Violet Fund is well positioned to welcome its first cohort of portfolio enterprises in 2023, with the goal to promote diversity, equity, and inclusion in the region's workforce.

² https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Living_conditions_in_Europe_-_poverty_and_social_exclusion



NESSt Programs

Acceleration Program

In 2022, NESsT provided smart capital – patient financial instruments that are suitable for their stage of development – and tailored business guidance to 47 enterprises through the accelerator program, helping them to become self-sustaining and investment-ready. Our approach to supporting these enterprises included a variety of learning opportunities, such as masterclasses on key cross-cutting topics and one-on-one mentoring sessions.

Our portfolio enterprises are not only diverse in terms of the impact they create, but also in the regions they operate and the communities they serve. Through our portfolio, we support refugees in Central and Eastern Europe to rebuild their lives, promote social and financial inclusion for women and indigenous communities in the Andes-Amazon, strengthen the bioeconomy through sustainable products derived from standing forests, reduce systemic racial disparities for Black communities in Brazil, and upskill underrepresented groups such as women, youth, people with disabilities, and the LGBTQIA+ community in high-growth industries.



Acceleration Program

Donor Spotlight: IKEA Social Entrepreneurship

In 2021, NESsT & IKEA Social Entrepreneurship embarked on a joint learning journey to leverage the potential of social enterprises to address critical global challenges. Since then, we have launched three accelerator programs: the Latin America Accelerator, the Poland and Romania Accelerator, and the Refugee Employment Initiative (REI). Launched most recently in 2022, the REI provides long-term employment to refugees from Ukraine and other countries. Through the three accelerator programs, NESsT and IKEA Social Entrepreneurship are supporting a diverse portfolio of 42 enterprises across two continents and six countries.

The accelerator programs provide entrepreneurs with personalized coaching, mentoring, and comprehensive business masterclasses, allowing them to expand their networks, improve their knowledge and skills, and develop essential soft skills and leadership abilities. Our shared goal has been to uplift marginalized communities and make a positive impact in areas including circularity, sustainability, and diversity, equity, and inclusion.

"The partnership is exploring ways for corporations and venture philanthropy to collaborate more effectively, with the goal of consolidating learnings into best practices for the sector." – Gonzalo San Martín, NESsT - IKEA Social Entrepreneurship Latin America Accelerator Program Director and Chile Country Director



3
programs



6
countries



42
social
enterprises

Acceleration Program

Capital Raising Event

In July 2022, NESsT facilitated a conversation on capital raising for enterprises in the NESsT Latin America portfolio in Chile.

Social enterprises face unique challenges in securing funding from traditional sources of capital. The event was an opportunity for social entrepreneurs to learn about alternative financing options and strategies that align with their social and environmental impact goals from experts and representatives from public and private entities that fund startups, ranging from a multilateral agency to a crowdfunding platform. The discussion also honed in on how to secure funding in adverse macroeconomic conditions.

Participants included entrepreneurs from Bendito Residuo, Ecocitex, Savia, Incluyeme, NG-Seeds, and Próxima Servicios.

A representative from Bendito Residuo shared:

"Thank you for the interesting conversation and reflection on how and where to look for financing for us to continue growing!"



Acceleration Program

Creating new opportunities for growth and expansion through collaboration

In 2022, with NESsT's support, two enterprises in the NESsT - IKEA Social Entrepreneurship Poland and Romania Accelerator joined forces.

Helyénvaló, an enterprise that advances the livelihoods of smallholder farmers in the Odorheiul Secuiesc region, became a supplier for bineprimit.ro, Atelierul de Pânză's new online store that sells handcrafted clothing made from sustainably-produced vegan and organic material.

Together, the two social enterprises support 450 local suppliers in their missions to raise awareness about responsible consumption and propel the visibility of marginalized producers.

"The success of social enterprises often hinges on collaboration and synergy, both within the organization and with external partners. We believe in fostering connections and facilitating partnerships between social enterprises to drive positive impact and sustainable growth." – Ioana Samoil, Portfolio Manager and Country Representative for Romania



Atelierul de Pânză

Acceleration Program

Investing in Mapuche cooperatives

The Mapuche make up the largest indigenous group native to south-central Chile and southwestern Argentina. Many Mapuche communities rely on farming as their main source of income; however, due to the challenges posed by remote living conditions and limited access to resources, these communities often face significant obstacles in receiving good prices for their products.

Since its launch in 2021, the NESsT - IKEA Social Entrepreneurship Latin America Accelerator Program has been supporting NG-Seeds, a social enterprise that works with five Mapuche cooperatives. In 2022, the accelerator welcomed two additional companies in Chile that support Mapuche farmers – Sociedad Comercial Meliñir and Cooperative Rewe.

Meliñir is a multi-generational, family-owned social enterprise dedicated to preserving the

sacred araucaria tree and safeguarding ancestral practices.

"The araucaria tree is sacred to the Pehuenche community. For this reason, our generation has a legacy of conservation to uphold." – Joaquín, Quinquén Community Member

Meliñir sources pine nuts from over 100 local Mapuche families for a fair price, helping them access better income. In addition, the enterprise provides families training in peeling and dehydration processes to increase their processing capacity. The enterprise has also collaborated with universities to conduct research on the health benefits of pine nuts; the findings helped to improve the value of pine nut products in the market, allowing collecting families to sell their harvests at higher price points.

Cooperative Rewe is a Mapuche cooperative based in Cholchol, Araucanía that produces berries. The cooperative is dedicated to supporting local Mapuche farmers and grew from five to 200 active members in 16 years, impacting more than 1,000 people in the community.



Meliñir products



The Meliñir team with equipment financed by NESsT



Acceleration Program



NG-Seeds leadership training program

NG-Seeds launches leadership training program for Mapuche cooperatives

NG-Seeds works with the Mapuche community in the south of Chile to produce, process, and sell lupine, a gluten-free grain that has low environmental impact and provides essential amino acids and antioxidants for both animal feed and human consumption.

The enterprise is a joint venture between five Mapuche cooperatives that connect with more than 1,000 farming families in their respective communities, and CGNA, a regional center for plant and food science and technology that develops patented lupine varieties, among other seeds. Its customers are companies in the food industry that use lupine in their products, distributing to customers globally. NG-Seeds supports local producers to integrate into the local and global food value chains and generate stable income sources.

In 2022, NESST supported NG-Seeds to launch the Indigenous Leadership Program, an initiative that trains emerging leaders within cooperatives, equipping them with the necessary skills and knowledge to lead and foster sustainability in their communities. Since the program started in September, NG-Seeds has held over five sessions, training members in business skills, strategic planning, and organizational development.

Acceleration Program

Acceleration Portfolio Spotlight



PIXED

PIXED specializes in the development of low-cost, high-quality medical technologies, including 3D-printed prosthetics. To date, it has created products for 120 children and adults with disabilities.

The Peruvian enterprise provides medical and psychological support to its clients and helps them access employment opportunities and education. Last year, the social enterprise was PIXED recognized by Forbes as one of the best 100 startups in Peru. It also successfully developed and fitted its first bilateral upper-limb prosthesis.

PIXED is poised for continued success in the upcoming year and, with NESsT's

support, it will further consolidate its expansion into Chile.

"The NESsT – IKEA Social Entrepreneurship Latin America Accelerator Program has helped us to improve company governance. We have also had quality mentors who have supported us in enhancing our performance and overcoming challenges," said Stephany Saavedra, General Manager at PIXED.

"The day I received my prosthesis is a day I will never forget. It was a defining moment in my life," shared Bruce, a PIXED prosthesis recipient.



ALTRNTV LIFESTYLE

ALTRNTV Lifestyle (also known as "Atelier Merci") produces clothing made from sustainably-produced vegan and organic materials. This Romania-based social enterprise currently supports the livelihoods of 66 local artisans from underserved communities whose handmade clothes and accessories are sold

in the brand's sustainable fashion shop. The enterprise employs or sources from more than 165 women from underserved backgrounds. In 2022, ALTRNTV Lifestyle also began supporting refugees from Ukraine.

NESST INITIATIVES





NESSt Initiatives

We support income generation and job creation across four initiatives:

- NESSt Refugee Employment Initiative
- NESSt Empowers
- NESSt Racial Equity Initiative
- NESSt Amazonia

NESt Initiative

NESt Refugee Employment Initiative

Russia's invasion of Ukraine on February 24th, 2022, has led to one of the largest refugee crisis in Europe since World War II. Within the first two months of the war, over 4.9 million people³ from Ukraine were forced to leave their homes, jobs, and possessions behind in search of safety and stability elsewhere.

In 2022, we launched the Refugee Employment Initiative in partnership with IKEA Social Entrepreneurship and Cisco Foundation to support 15 enterprises that work or plan to work with refugees and migrants in Poland and Romania. The initiative aims to create 3,000 jobs and improve the lives of 5,000 refugees.

3 <https://data.unhcr.org/en/situations/ukraine>



NESsT Initiative

NESsT Refugee Employment Initiative

“NESsT has been investing in impact-driven enterprises in Central Europe for 25 years and has supported over 100 enterprises in the region to sustain over 30,000 jobs. By supporting businesses that prioritize the economic empowerment of refugees, we are working to promote resilience, self-sufficiency, and long-term economic growth in communities affected by displacement.”

– Nicole Etchart, NESsT Co-Founder and CEO

The Refugee Employment Initiative is investing in a cohort of impact-driven enterprises in Poland and Romania that provide refugees with long-term employment support, including career training, quality job opportunities, and additional wraparound services.

“Refugees remain one of the most marginalized communities within the region,” said Åsa Skogström Feldt, Managing Director, IKEA Social Entrepreneurship. “Through the Refugee Employment Initiative, and our partnership with

NESsT and Cisco Foundation focusing on positive social impact, we’re continuing to invest in long-term livelihoods and community in a region facing incredible disruption.”

“Beyond immediate crisis response, Cisco Foundation is investing in solutions that drive long-term resilience and recovery efforts for Ukrainian refugees. Building on our successful partnership with NESsT over the last six years, we are proud to support their Ukraine employment initiative to create high quality jobs that enable Ukrainian refugees to regain economic security and access other essential services.” – Charu Adesnik, Executive Director, Cisco Foundation



NESsT Initiative

Refugee Employment Initiative Portfolio Spotlight

Our first investments through the REI were to two enterprises in the NESsT portfolio that reacted quickly to the refugee crisis. Both Mamo Pracuj and Being Together demonstrated a strong commitment to employing refugees at scale.



THE BEING TOGETHER FOUNDATION

The Being Together Foundation is a social enterprise in Poland specializing in four key business verticals: laundry, catering and bistro, carpentry, and training. Each business line trains, employs, and reintegrates people from excluded groups into the labor market by creating individual paths of professional re-adaptation.



MAMO PRACUJ FOUNDATION

Mamo Pracuj Foundation is a Poland-based social enterprise that helps women, especially mothers, access high-growth careers. Since the start of the war, Mamo Pracuj has supported nearly 2,000 Ukrainian women refugees to rebuild their lives, helping them to find quality employment opportunities through its digital recruiting platform for women – Talenti.pl.

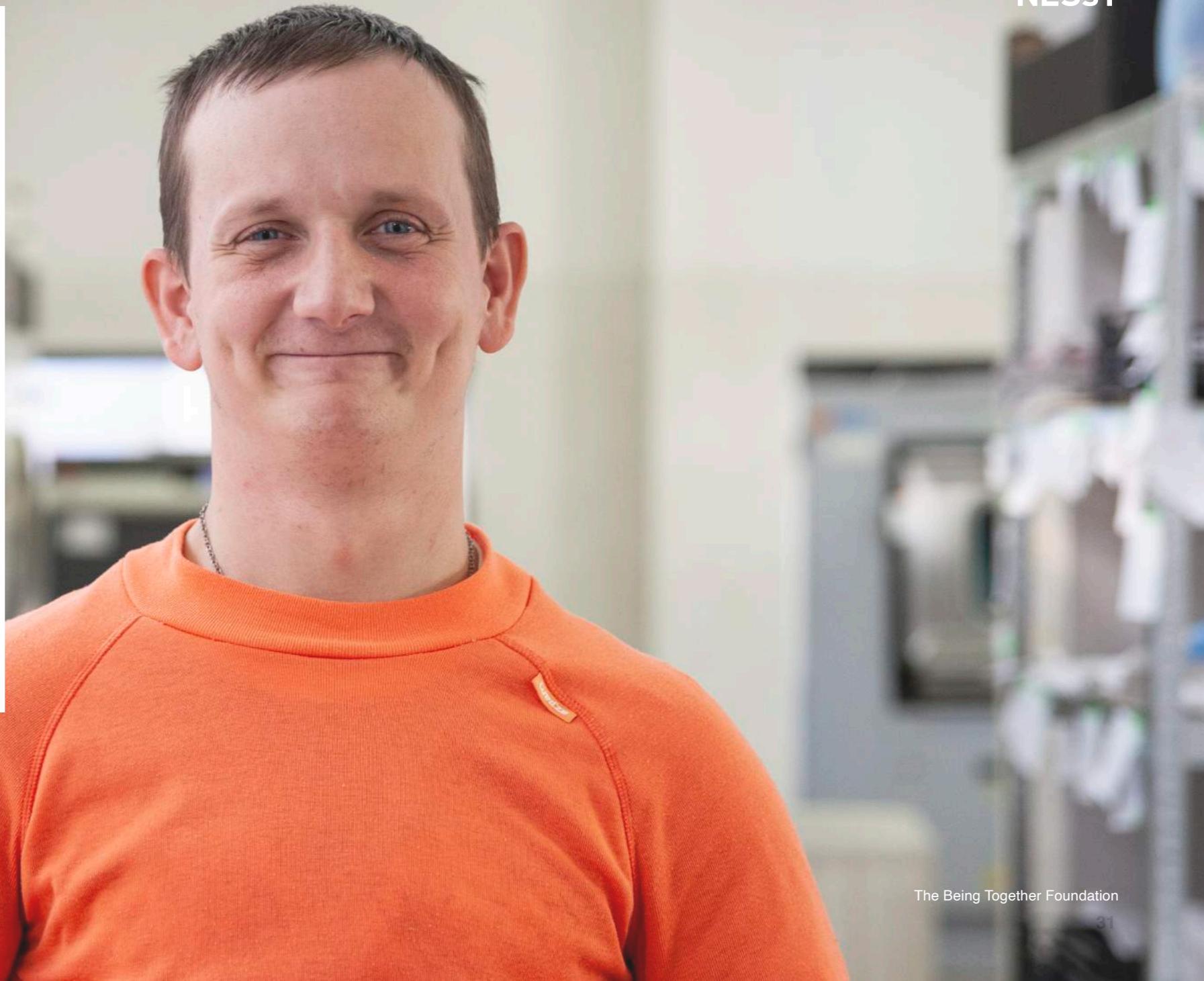
NESsT Initiative

NESSsT Empowers

NESSsT Empowers is an initiative that accelerates and scales social enterprises helping disadvantaged youth, especially young women, to find quality employment opportunities in high-growth industries.

The initiative also engages corporations that seek to deepen their commitments to a diverse, equitable, and inclusive digital economy. By encouraging collaboration across sectors, NESSsT Empowers aims to address issues such as gender equity in tech and the need for family benefits in the workplace.

In 2022, the NESSsT Empowers portfolio in Poland consisted of seven companies that have employed or trained close to 1,000 people from marginalized communities. NESSsT Empowers supporters include Alstom Foundation, BNY Mellon, JP Morgan Chase, and State Street.



Acceleration Program

Donor spotlight: JP Morgan Chase

JPMORGAN CHASE & CO.

In 2021, NESsT and JP Morgan Chase entered a multi-year partnership to provide digital training and quality employment opportunities to marginalized groups in Poland, including disadvantaged youth, women, and young people with disabilities.

In Poland, the risk of poverty is particularly high among women and youth. Around 37% of women aged 15–64 in Poland are inactive in the labor market and more than 57% of young women between the ages of 20–24 are not employed. Our collaboration with JP Morgan Chase has catalyzed five Poland-based social enterprises committed to diversity, equity, and inclusion. These enterprises are on-the-ground tech businesses with track records in providing quality IT training.

In addition to supporting these social businesses in sustaining their placement efforts and adapting their training to include those displaced by the war in Ukraine, NESsT Empowers has also matched graduates of coding

boot camps to corporate mentors who are passionate about supporting emerging talent and improving DEI in their workplaces.

To date, five enterprises in the NESsT Empowers portfolio – Future Collars, Mamo Pracuj, Hearty Foundation, Asper IT, and Diversity Hub – have trained 736 disadvantaged youth and young mothers, in addition to supporting 375 individuals to access the job market with a 23% increase above minimum wage in their earnings.

"We are eager to advance our efforts with JP Morgan Chase to create more opportunities for young people and women in Poland to access careers with growth potential. This issue is more important than ever as millions of refugees from Ukraine in Poland, most of whom are women with children, need access to temporary and permanent jobs to rebuild their lives," shares Filip Wadowski, NESsT Poland Director.



5

social enterprises



736

youth and young mothers trained



375

individuals from marginalized communities accessed jobs

NESsT Empowers Portfolio Spotlight: Hearty Foundation



HEARTY FOUNDATION

Hearty Foundation is a Polish social enterprise that supports youth from marginalized backgrounds to secure jobs with development opportunities in high-growth industries.

Paulina Wojtowicz, CEO of Hearty Foundation, was inspired to start the foundation after visiting local orphanages and witnessing the challenges that children faced in their academic pursuits, which put limitations on their career opportunities.

"We want to help youth to be independent in their future – to find a job, because we know that a good job will change their life in the long run. We first started with children from orphanages in Krakow. Now, we help youth from all backgrounds," commented Wojtowicz, CEO of Hearty Foundation.

Similar to many NGOs in Poland, Hearty Foundation initially relied on grant-based funding and was looking for business development opportunities. By participating in NESsT's acceleration program, the enterprise gained access to mentoring and financial support to amplify its impact on youth career development.

"Hearty Foundation turned to NESsT to develop financial independence and to discover more effective strategies that can enhance our support for young adults," shared Alicja Magiera-Bak, Operational Director of the Hearty Foundation.

With NESsT's assistance, Hearty Foundation established a self-sustaining business model.

NESsT supported Hearty Foundation in developing a self-sufficient sustainable business model that incorporated a corporate partnership approach. This approach included equipping young people with digital skills, connecting them with mentors in corporations, and providing job readiness skills to better compete in the job market.

Through working with NESsT, Hearty Foundation has expanded its focus to reach beyond foster youth to involve young people from underprivileged communities, including individuals from rural areas with low incomes, those who are not currently in school or employed, recent high school graduates seeking their first job, and individuals with disabilities. NESsT also helped the foundation to strengthen its gender equity – today, 80% of Hearty's digital training cohort are women.

NESsT Initiative

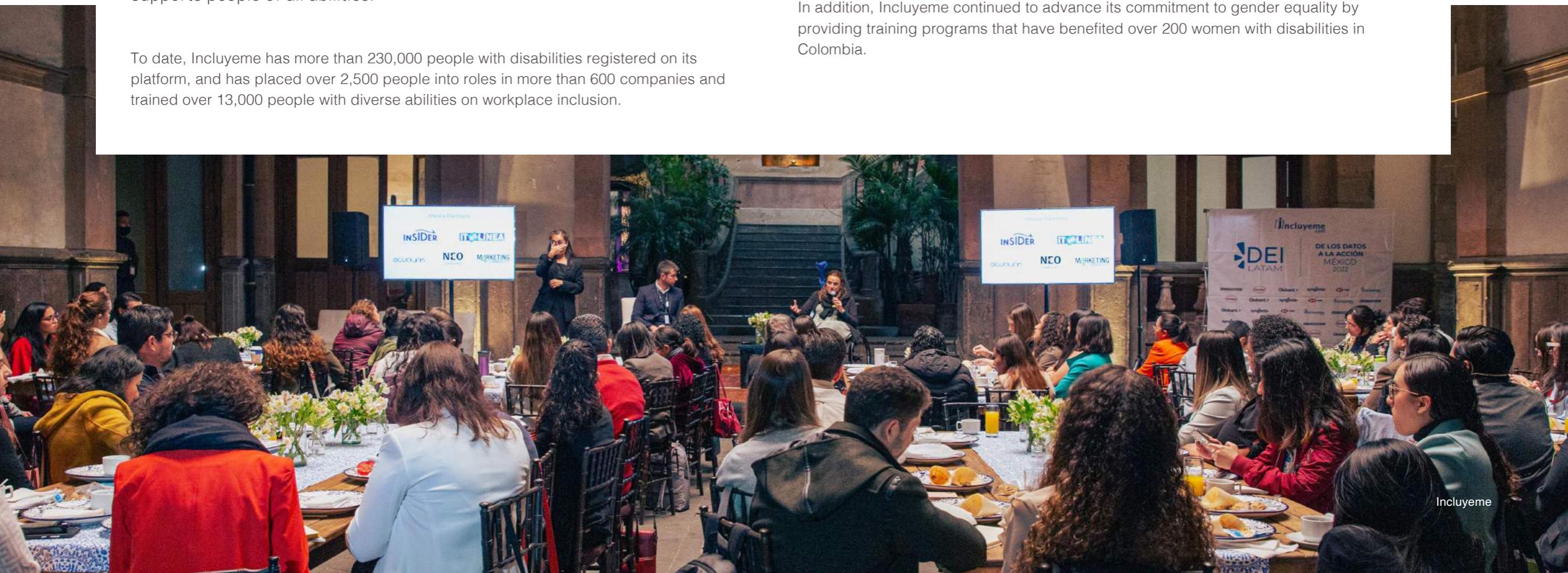
NESsT Empowers Portfolio Spotlight: Incluyeme

Incluyeme provides integral support in inclusive employment and workplace accessibility throughout 11 countries in Latin America, building inclusive and equitable workplaces. It is currently the only organization in the region that supports people of all abilities.

To date, Incluyeme has more than 230,000 people with disabilities registered on its platform, and has placed over 2,500 people into roles in more than 600 companies and trained over 13,000 people with diverse abilities on workplace inclusion.

Since entering NESsT's portfolio, Incluyeme has consolidated and expanded its business to new countries in South America. In 2022, Incluyeme onboarded new clients such as Mercado Libre, Disney, Globant, Danone, and Natura, working collaboratively with these corporations to drive positive change in workplace inclusion standards.

In addition, Incluyeme continued to advance its commitment to gender equality by providing training programs that have benefited over 200 women with disabilities in Colombia.



NESsT Initiative

The story of Julimar Pirela, an Incluyeme trainee originally from Venezuela

Due to a scarcity of immunosuppressants, a medicine used to treat kidney conditions, Julimar Pirela's doctor advised her to leave her home country of Venezuela. She arrived in Chile in 2019 and, despite having a background in human resources, found herself starting from scratch.

Upon relocating to Santiago and searching for work, she came across Incluyeme, which offered her the opportunity to find better working conditions. As a person with a disability and a migrant, she greatly valued their assistance with legal documents and new working cultures. Moreover, taking the Incluyeme Virtual Assistant course opened doors to new job opportunities and gave her the invaluable chance to connect with people who shared her experiences.

"Beginning anew as a migrant is already challenging, but as a person with a disability, the difficulties can seem even greater. Despite this, I feel fortunate to have found Incluyeme, which has provided me with invaluable opportunities and personalized support. I'm truly grateful for their unwavering assistance whenever I need their guidance." – Julimar Pirela, Incluyeme Trainee



NESsT Initiative

NESsT Racial Equity Initiative

In 2022, NESsT launched the Racial Equity Initiative to improve financial inclusion for Black people in Brazil, with support from the Citi Foundation.

The Racial Equity Initiative is a multi-year project that provides funding and business assistance to impact-driven enterprises creating employment opportunities for Black people, helping them to access more capital to scale their businesses.

By the end of 2022, BNY Mellon and BlackRock also joined as supporters of the initiative.



In Brazil, Black people make up more than half of the country's population but are overrepresented in the country's low-income and unemployed communities.

Structural and institutional racial inequities are especially visible in the labor market: 67% of Afro-Brazilians do not have formal jobs and only 4.7%⁴ of executives among the country's 500 largest companies are Black.

Social entrepreneurship and small business development emerge as important vehicles in advancing financial participation for Black communities, providing decent job opportunities for Afro-Brazilians who have historically been underrepresented as founders, business leaders, and in the labor market.

In 2022, NESsT launched the Racial Equity Initiative to improve financial inclusion for Black people in Brazil, with support from Citi Foundation. The partnership aims to support social businesses that promote Black entrepreneurship and employment.

As part of the initiative, NESsT also formed the Racial Equity Investment Committee consisting of Black executives with relevant business experience in areas including credit access, operations, finance, and human resources, engaging private companies, NGOs, and other impact investors.

"For me, being on a committee that seeks investments committed to racial equity is much more than supporting or contributing, it is actually seeing actions materialize. Much is said about diversity, reparation, and affirmative action, but unfortunately little is seen. And NESsT comes to prove that yes, it is possible to act when you have the intention."
– Adriana Alves, NESsT Racial Equity Investment Committee Member



Adriana Alves, NESsT Racial Equity Investment Committee Member

⁴ <https://time.com/5915902/brazil-racism-quilombos/>

NESsT Initiative

In 2022, the four enterprises in NESsT's Racial Equity Initiative

supported the employment of
over
5,500
individuals in Brazil

fostered gender inclusion, with
women accounting for more than
65%
of the total jobs created

put diversity principles into action, with
Black people also making up more than
65%
of the newly employed workforce

Portfolio Spotlight:

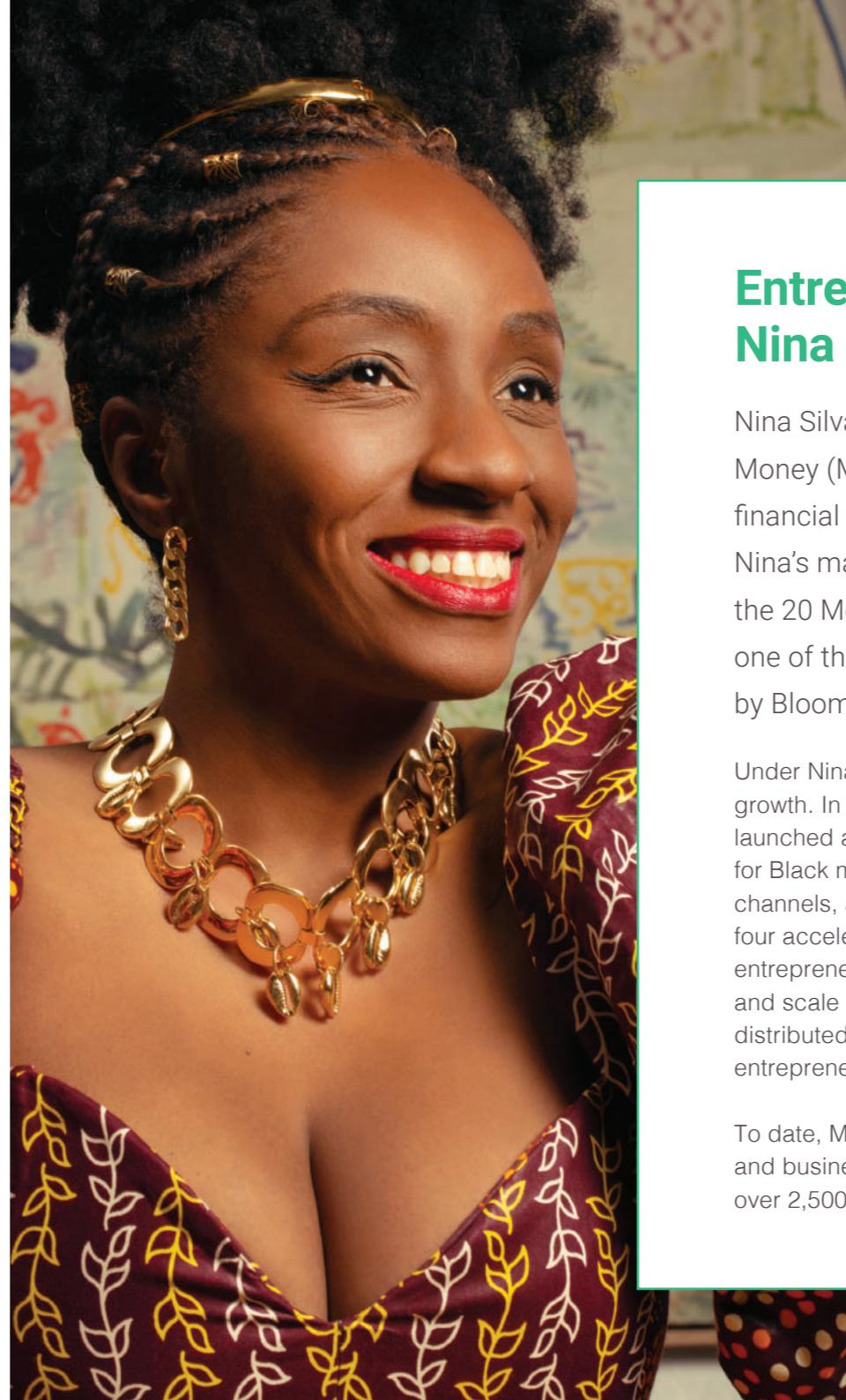


MOVIMENTO BLACK MONEY

Movimento Black Money (MBM) is an innovation hub that enhances economic empowerment for Black people in Brazil. The social enterprise supports the Black population in four areas – advocacy, education, financial services, and consulting. Its services are designed to foster prosperity, autonomy, and financial inclusion for Brazil's Black communities.

One of MBM's products, Mercado Black Money, is an online marketplace that connects shoppers to over 2,500 Black-owned businesses, more than 70% of which are led by women.

MBM also offers tailored Diversity, Equity, and Inclusion consulting programs to large international corporations including Facebook by Meta and Procter & Gamble in Brazil.



Entrepreneur Feature: Nina Silva

Nina Silva is the CEO and founder of Movimento Black Money (MBM) and D'Black Bank, which aims to foster financial and digital inclusion for the Black community. Nina's many accolades include being considered one of the 20 Most Powerful Women in Brazil by Forbes and one of the 500 most Influential People in Latin America by Bloomberg twice (in 2021 and 2022).

Under Nina's leadership, MBM has experienced tremendous growth. In response to the effects of the pandemic, MBM launched a campaign that provided R\$1.5 million in funding for Black mothers and entrepreneurs who lost their sales channels, assisting over 400 families. MBM has also organized four acceleration programs to host competitions for Black entrepreneurs, helping them to refine their business models and scale their enterprises. Through these programs, MBM distributed over R\$900,000 as seed capital to support Black entrepreneurs in achieving their goals.

To date, MBM has trained more than 3,000 Black entrepreneurs and business owners and supported the digital transformation of over 2,500 Black-owned businesses in Brazil.



NESsT Initiative

NESSt Amazonia

NESSt Amazonia is one of NESSt's flagship initiatives that connects local, environmentally-conscious enterprises in the rainforest to sustainable markets, protecting the biodiversity of the Amazon basin while ensuring quality livelihoods for local communities.

The NESSt Amazonia portfolio consists of a portfolio of 48 enterprises, spanning from indigenous enterprises that support fishers along the Amazon river to early-stage tech enterprises delivering and scaling climate solutions in the Amazon.

Its supporters include Bioversity Alliance, Canada's International Development Research Centre (IDRC), Charles Stewart Mott Foundation, Cisco Foundation, Fondation Erol, the International Center for Tropical Agriculture (CIAT), MetLife Foundation, Partnership Platform for the Amazon (PPA), R20 Green Fund for Women (R20-GFW), United States Agency for International Development (USAID), William Talbott Hillman Foundation, and World Wildlife Fund (WWF).

ADDRESSING THE URGENT NEED FOR MULTILEVEL AND INCLUSIVE COOPERATIVE ACTION THAT RECOGNIZES THE IMPORTANT ROLE OF LOCAL COMMUNITIES IN FIGHTING CLIMATE CHANGE

Indigenous communities are responsible for the management of around 25%⁵ of the world's lands, which are home to a significant portion of the planet's biodiversity and natural carbon stores. Through their traditional knowledge, practices, and stewardship, Indigenous communities in the Amazon have played a critical role in preserving and protecting these valuable ecosystems for thousands of years.

*"We don't need to cut down the trees to get our livelihoods from it. Both women and men, forest." –
ASSOAB Extractivist*

As climate change continues to impact developing countries in disproportionate ways, one key question arises: how can we best support and equip local communities so that their expertise is recognized and their voices brought into key decision-making conversations locally and globally?

⁵ <https://www.un.org/development/desa/dspd/2021/04/indigenous-peoples-sustainability/>



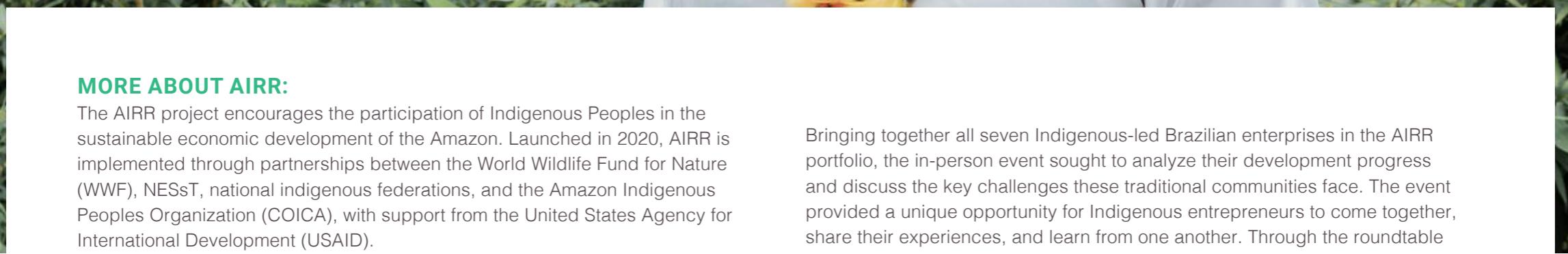


ASSOAB
© Bruno Kelly

MEETING MARGINALIZED GROUPS WHERE THEY ARE REQUIRES INTENTIONAL AND ATTENTIVE LISTENING, LEARNING FROM DIFFERENCES, PAST CONVERSATIONS, AND LIVED EXPERIENCES

"As I was doing the dishes one day, my daughter offered to 'help' with something. I told her that if we both live in the same house, it's not about help, but a contribution from someone with the same responsibilities or at least equally interested in keeping the house clean. Similarly, funding for the Amazon should not be seen as aid or 'help' to the traditional people, but as a necessary contribution from those who inhabit the same planet." – Deroni Mendes, Indigenous Enterprise Leader

In September 2022, the NESsT Amazonia team traveled the Amazon Basin to meet with the Brazilian indigenous-led enterprises that are part of the NESsT's Amazon Indigenous Rights and Resources (AIRR) project.



MORE ABOUT AIRR:

The AIRR project encourages the participation of Indigenous Peoples in the sustainable economic development of the Amazon. Launched in 2020, AIRR is implemented through partnerships between the World Wildlife Fund for Nature (WWF), NESsT, national indigenous federations, and the Amazon Indigenous Peoples Organization (COICA), with support from the United States Agency for International Development (USAID).

"Forest-dwelling communities are key players supporting the bio-economy and hold traditional knowledge. Their contribution is necessary for humanity to mitigate the harmful effects of climate change. In fact, it is their way of life that ensures the forest is still standing today." – Lilia Marina Assunção, NESsT Brazil Associate Portfolio Manager

Bringing together all seven Indigenous-led Brazilian enterprises in the AIRR portfolio, the in-person event sought to analyze their development progress and discuss the key challenges these traditional communities face. The event provided a unique opportunity for Indigenous entrepreneurs to come together, share their experiences, and learn from one another. Through the roundtable discussions, the entrepreneurs also had the opportunity to connect with prospective buyers, clients, investors, and partners.



ATAIC

ATAIC, an association dedicated to generating and expanding income opportunities for communities situated on the mouth of the Amazon River in Pará, Brazil

ATAIC is an enterprise in the NESsT Amazonia portfolio that supports a vibrant community of riverside harvesters and fishers.

Since ATAIC joined the NESsT portfolio in 2022, NESsT has helped the enterprise to diversify its products, obtain official certifications, train its business team, and strengthen its financial infrastructure. The association also began sourcing Amazon oil seeds from plants that contain essential fatty acids and health benefits – such as patauá, andiroba, murumuru, and ucuuba, as well as fruits from local extractivists.

The president of the association, Francisco Malheiros, shared with the NESsT team:

"In the past, us riverside people would open our windows and see the forest and the river. Like many others, we believed that cutting down trees and selling wood was the only way to make a living. However, one day, someone looked out of the same window and realized that our community could sustainably sell açaí, fish, and freshwater shrimp, and make a living from it. Today, when we look out of our windows, we see murumuru, ucuúba, and andiroba, along with other natural resources of the Amazon that are easily marketable to industries such as

cosmetics. Moreover, we can look at our rivers and see that they can provide a healthy regional school meal for children and students beyond our families. Every time I open my window now, I wonder, what else can I see?".

The residents of Ilha das Cinzas have taught us to consider alternative forms of development that prioritize harmony with nature.

"A biodiverse perspective of nature is a more accepting and comprehensive view of the world that considers the environment. As you read this, what do you see through your window? And more importantly, what else can you envision?" – Cairo Bastos, NESsT Brazil Portfolio Manager

ASCAMPA and ASSOAB, associations improving the livelihoods of smallholder farmers in the Amazon rainforest

"In 11 short days, the seven of us experienced a life-changing visit and saw the true meaning of social impact..."

In the summer of 2022, seven students from the Penn International Impact Consulting, a pro-bono, student-run consulting club from the University of Pennsylvania (UPenn), visited NESsT Amazonia enterprises ASCAMPA and ASSOAB in the heart of the Brazilian Amazon as part of a business consulting partnership.

The group sat down with NESsT portfolio managers, leaders from the enterprises, professors, and teachers from nearby schools to discuss how politics, sustainability, and business intersect in the Amazon Rainforest.

"Dedeco, the President of social enterprise ASCAMPA, graciously has spent the day alongside his family and friends showing us how the Guarana plant is farmed and harvested. We end our long day in the fields with an association meeting with the hardworking Amazonian families." – UPenn Student

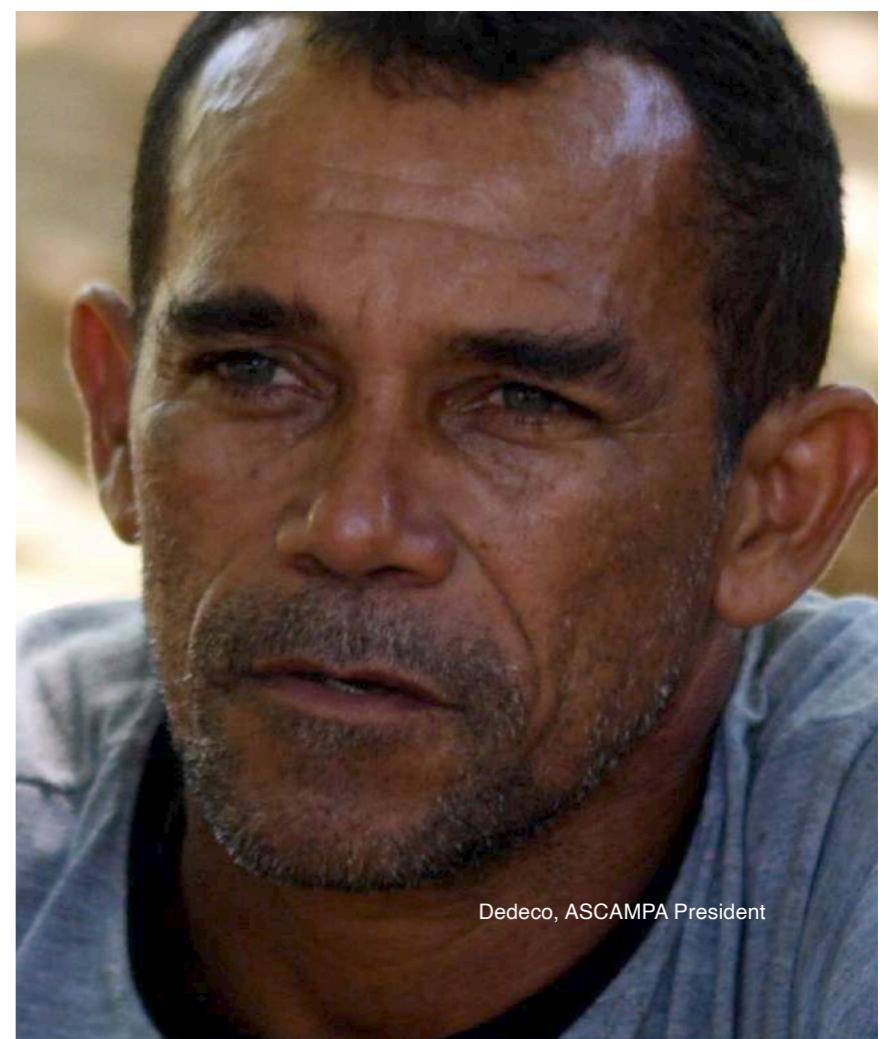
ASCAMPA sources the guarana seed, a native Amazonian superfood known for its energy-boosting benefits from local farmers. NESsT supports the association to purchase organic production equipment and supplies, and provide advance

payments to farmers, helping them to improve production and sell products at higher prices.

ASSOAB supports small Brazil nut collectors in Beruri, generating stable income while respecting traditional livelihoods and the environment. The association acquires raw nuts from collecting families, processes up to 200 tons annually, and sells the products to cosmetic and food corporations. ASSOAB is using NESsT's investment to diversify its product lines, enhance its conservation efforts, and improve impact monitoring and tracking processes.

Combined, the two associations employ over 370 Indigenous families in the Amazon Rainforest.

"There are millions of farmers in the world in need of conscientious people buying their products. Whether it's Guarana and Brazilian nuts, or the everyday clothes you wear, we urge you all to think about where the products you consume come from and how you can support small businesses. We want the future of business to be rooted in social impact" – UPenn Undergraduate Students



LAUNCHING RESEARCH PARTNERSHIPS TO STUDY THE BIOECONOMY, REGENERATIVE FOOD SYSTEMS, AND GENDER EQUITY IN THE AMAZON

To learn from and work with Amazon-native communities to overcome the degradation of climate change, we launched research partnerships with the Charles Stewart Mott Foundation and Canada's International Development Research Centre (IDRC).

The research will result in the systemization of knowledge and the development of industry recommendations to support the Amazon bioeconomy through inclusive, climate-resilient, and regenerative food systems.

Specifically, with the Mott Foundation, NESST aims to position the bioeconomy as a viable sector in which more capital should be deployed, and, importantly, for ways that this capital impacts grassroots initiatives.

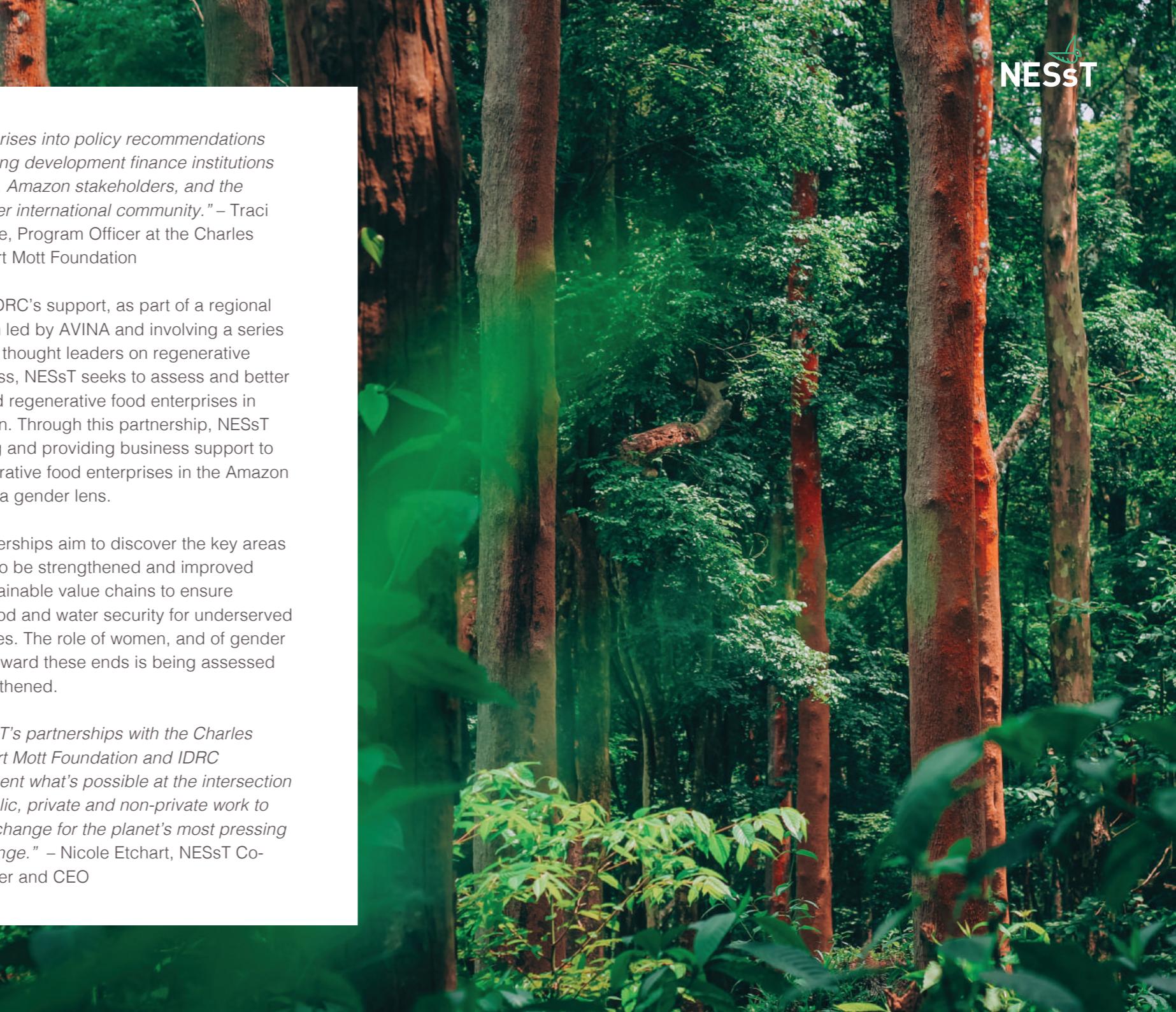
"NESST is doing important work at the grassroots level across the Amazon, and we're proud to be supporting their team to transfer key learnings from community

enterprises into policy recommendations targeting development finance institutions (DFIs), Amazon stakeholders, and the broader international community." – Traci Romine, Program Officer at the Charles Stewart Mott Foundation

And with IDRC's support, as part of a regional consortium led by AVINA and involving a series of regional thought leaders on regenerative agribusiness, NESST seeks to assess and better understand regenerative food enterprises in the Amazon. Through this partnership, NESST is investing and providing business support to ten regenerative food enterprises in the Amazon Basin with a gender lens.

Both partnerships aim to discover the key areas that need to be strengthened and improved within sustainable value chains to ensure income, food and water security for underserved communities. The role of women, and of gender equality, toward these ends is being assessed and strengthened.

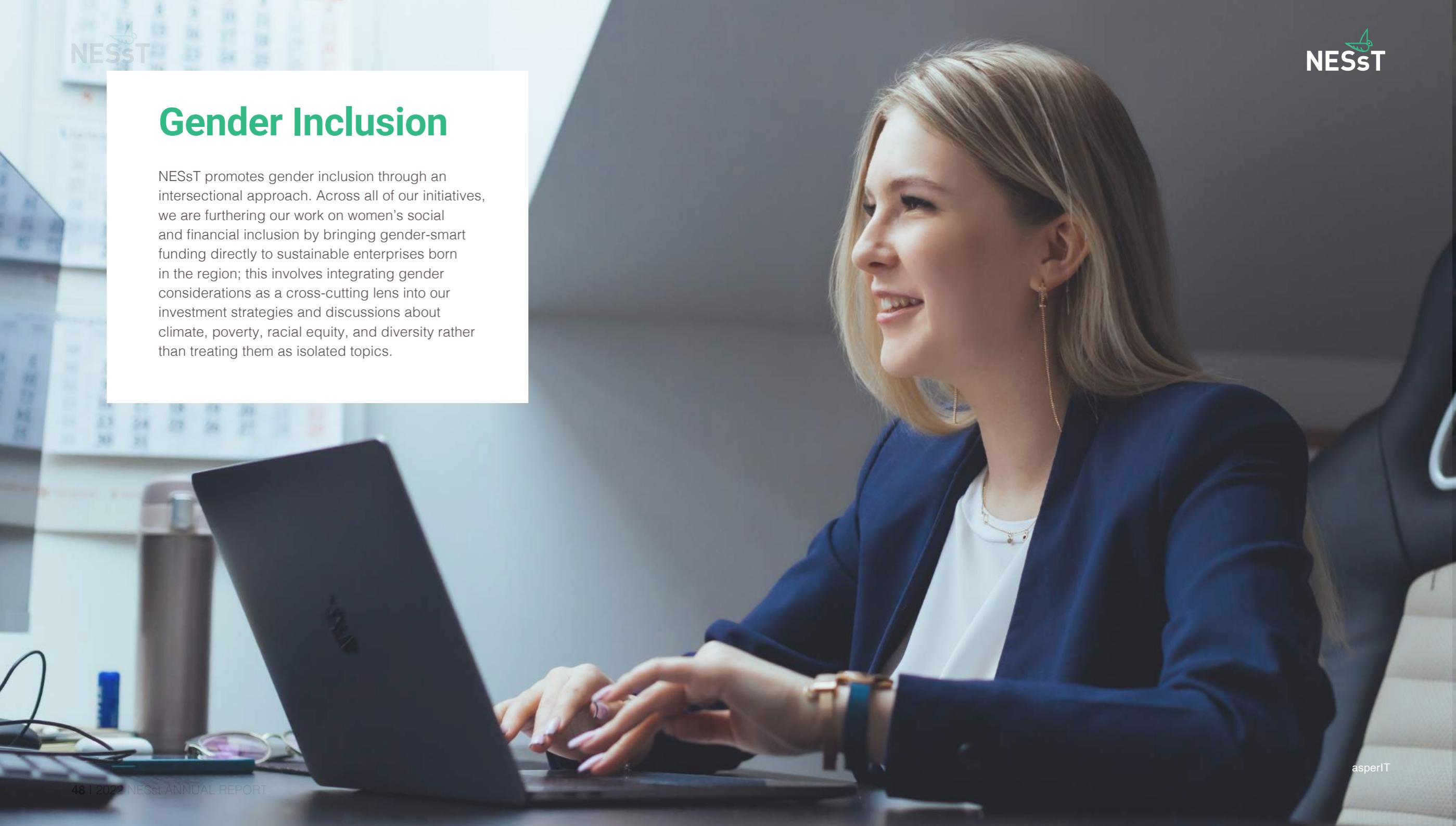
"NESST's partnerships with the Charles Stewart Mott Foundation and IDRC represent what's possible at the intersection of public, private and non-private work to drive change for the planet's most pressing challenge." – Nicole Etchart, NESST Co-Founder and CEO



GENDER INCLUSION

Gender Inclusion

NESsT promotes gender inclusion through an intersectional approach. Across all of our initiatives, we are furthering our work on women's social and financial inclusion by bringing gender-smart funding directly to sustainable enterprises born in the region; this involves integrating gender considerations as a cross-cutting lens into our investment strategies and discussions about climate, poverty, racial equity, and diversity rather than treating them as isolated topics.





ManejeBem

ManejeBem

To strengthen gender inclusion in both the NESsT team and in the enterprises within our portfolio, we introduced five gender inclusion modules in 2022. These modules provide our entrepreneurs with the necessary tools to establish fair and equitable workplaces, develop incentives for gender inclusion within their organizations, and communicate the business and impact case of gender lens investing to other stakeholders, including investors.

One example of a module focuses on understanding gender bias and strategies for overcoming it.

"The first step in implementing a gender lens strategy begins with being aware of our unconscious biases, starting with the language we use daily to those communications that influence decision-making within an organization. Male-centric language permeates our society, erasing women linguistically and creating tangible consequences by excluding them and setting different expectations and standards." – Alejandra Ramirez, NESsT Peru Portfolio Director

Gender Inclusion

Portfolio Spotlight:



MAKE IT REAL

In 2021, Make it Real (MIR) adopted gender-inclusive language in its marketing materials, which tripled the number of women who applied to its program.

After completing her Master's degree, Carolina found herself up against a challenging job market with few opportunities, which prompted her to apply to MIR's tech training program. Just two weeks after finishing MIR's course in front-end programming, she was offered a job as a web developer.

"Make It Real helped me to restore my confidence in myself. It has supported me not only professionally, but also personally. I've seen a lot more men than women in the industry, but I've learned that programming is a skill that can be acquired by anyone, regardless of their gender." – Carolina, Make it Real Graduate

Another module shares the gender disparities that persist across supply chains. In our nearly two decades of investing in gender equity, we've observed an absence of women-owned vendors in larger corporations, and the lack of female suppliers for rural small and medium-sized enterprises.

To improve gender equity in supply chains around the world, NESsT invests in enterprises that employ and or include women in their supply chain and work towards implementing changes with quantitative and qualitative outputs, giving them the tools they need to make changes at policy, organizational, and impact levels.



ManejeBem

Gender Inclusion

Portfolio Spotlight:



ECOCITEX

Ecocitex is a social enterprise that sells 100% recycled textile products through more than 250 women-led businesses across Chile. In addition to providing unique products for these micro and small distributors to sell, Ecocitex trains and employs formerly incarcerated women in its production facility, ensuring access to technical roles that have been historically reserved for men.

Tracking gender inclusion performance with meaningful gender equity metrics

More than half of NESsT's portfolio enterprises are owned or led by women; these initiatives are not only created to close gender gaps in the labor market, but also to support products or services that are designed to cover specific needs of women and girls.

55%

of NESsT portfolio enterprises have women on their leadership teams

54.6%

of total jobs created by NESsT portfolio enterprises in 2022 are specifically for women

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FINANCIALS

SUPPORT & REVENUE

Private Contributions & Grants	\$2,924,220
Government Grants	\$390,897
In-Kind Contributions	\$41,003
Investment Returns	\$178,049
Foreign Currency Gain / Loss	(\$25,511)
Total Operating Revenue	\$3,505,960

OPERATING EXPENSES

Program Services	\$2,386,365
General & Administrative	\$267,802
Fundraising	\$227,348
Total Expenses	\$2,881,515
Increase in Net Assets	\$624,445
Net Assets Beginning of Year	\$3,899,539
Net Assets End of Year	\$4,523,984

