



radicle impact

2023 Impact Report



# Building bridges over growing divides

2023 saw the deepening of trends we outlined in our 2022 report. After decades of largely voluntary action by both governments and companies, regulation is finally meeting the moment. The EU's robust Corporate Sustainability Reporting Directive came into effect and the SEC's long awaited Climate Rules were published. California passed several ambitious bills mandating the disclosure of greenhouse gas footprinting, climate risk, and the diversity of the founders and executive teams of companies in which private investment firms – including Radicle Impact – have made investments. We view regulatory compliance as a powerful, if imperfect, driver for better corporate action toward less extractive behavior and more positive environmental and social impacts. The cascading effects of emissions data being pushed down into supply chains is already a significant driver in systems change, forcing new entities across industries and regions to integrate the

risks posed by a dramatically changing climate.

More worryingly, the ESG backlash continues. In 2023, 165 bills introduced across 37 states sought to prevent companies and investors from integrating ESG factors in their decisions; 23 of these became law. In addition, the ongoing case against the Fearless Fund, whose foundation arm holds a contest granting funds to small businesses owned by Black Women, may yet chill philanthropic action. And while the case is limited to grantmaking and related activities, there has been broad pullback by investors and corporations around DEI.

Of course, the 2024 US elections bring meaningful uncertainty given the presidential candidates' broadly different positions on government incentives for the energy transition and protections of individual rights, and embrace of diversity and inclusion in our communities.

Nonetheless, our portfolio companies continue to inspire us by forging ahead. As of 2023, True Link has served 250,000 families through the financial challenges of addiction, disability and aging. Climate First Bank originated \$152M toward mission-driven projects and companies, financed almost \$90M residential solar loans, and supported 1,870 households with access to solar; 16.7% of solar loans were in low-income areas. Suma Wealth in its early stages has already attracted over 1 million Latinos to its financial education and wealth creation platform. Supercircle built and launched a textile recycling platform connecting brands to recyclers to address the urgent and growing problem of textile waste going to landfills and recycled 530,470 garments. Others continue to lay the groundwork for scale and commercialization, and we can't wait to watch them thrive.



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Scale economics have held the day, since that's who wins in a purely capitalistic economy. If you change the economic paradigm away from consolidation, centralization, and commoditization, you get a decentralized, autonomous network. This creates more value, protects more value, and achieves scale economies through collaboration.

- Kat Taylor, Radicle co-founder and Special LP

”



# 1. Climate Solutions & Fair Finance

# Climate change and economic inequality are defining challenges of our time.

Our climate is already changing.

**1.5°**

Max change in temperature  
before catastrophic feedback  
loops

Extreme weather is increasing.

**5x**

Increases in natural disasters in  
last 50 years

Our window to act is disappearing.

**<10**

Years we have left before we hit  
1.5°

Economic inequality is at its all-time peak in the US.

**250x**

Wealth of 5% of richest US  
families vs. median

Americans do not have an adequate safety net.

**39%**

of Americans who cannot afford  
a \$1,000 emergency

LMI communities bear the impact of climate change.

**25%**

more likely that LMI individuals  
live in areas with the highest  
climate-related labor hour  
losses



# Radicle focuses on climate solutions and fair finance to address these challenges.

## Problems

### A Carbon-Intensive Economy

- Our economy has thrown natural carbon cycles out of balance – increasing CO2 concentrations by 1.5X vs. pre- industrial levels
- 50% of anthropogenic emissions from buildings & industry, 20-30% from food and 14% from transportation
- 40%+ of Americans live with unhealthy levels of air pollution, principally from fossil fuels
- Some areas need to be re-carbonized: 500GT of emissions from topsoil

### An Extractive Financial System

- \$4T invested in fossil fuels in the last 4 years by top 60 banks
- 27% of US households underbanked, 50% of Black & Latino
- US Banks took \$12.4B in overdraft fees, 95% paid by the financially vulnerable
- Low-income communities pay a “poverty premium”
- Less than 2% of investment firms are owned by women or BIPOC investors

## Solutions

### Climate Solutions

- Grid modernization
- Circular economy
- Electrification and mobility
- Environmental & urban intelligence
- Regenerative agriculture
- Plant-based proteins & cellular ag
- Climate-related banking & insurance

### Fair Finance

- Capital and financial services for underrepresented founders and communities
- Disaggregation of traditional banking
- Improved security & privacy
- Consumer agency
- Digital wallets
- Farmer-centric financial services
- Carbon markets (with guardrails)



## 2. Radicle's Impact Journey

to Empower People and Heal the Planet



# Our impact methodology

## Top-Down Investment Themes

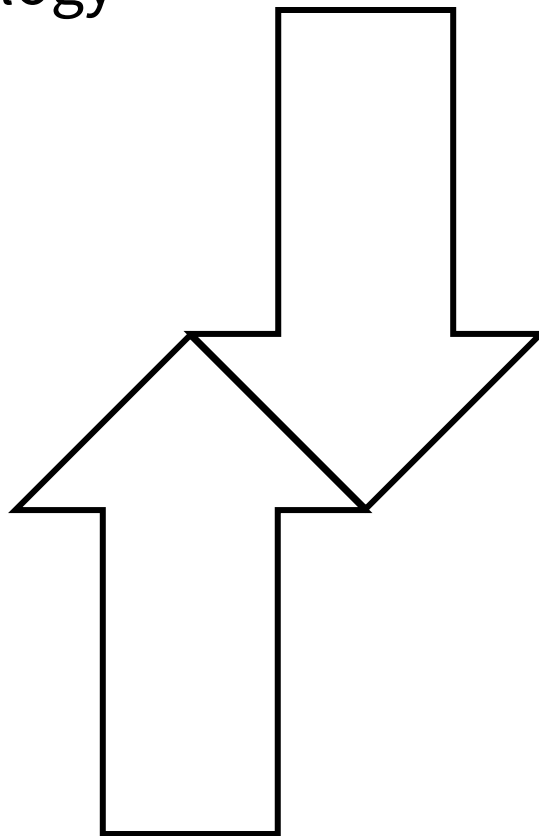
We develop proprietary themes to identify opportunities with high impact and return potential.

We leverage our differentiated network to inform this work and create unique deal flow.

## Bottom-Up Impact Metrics

We work with company leadership to understand and document their theory of change and impact metrics.

We roll up these metrics at a portfolio level to track our own progress.



## Sustainable Development Goals

### Top Priorities



### Critical Focus Areas



# Our impact journey

**2013:** Radicle Impact Partners was founded by Kat Taylor and Dan Skaff, coming off of their collaboration in building Beneficial State Bank

BSB was #3 rated B Corp globally, recipient of the California Prize for Service and the Common Good, The Bay Area Environmental Business of the Year, and Real Impact Magazine's Top 20 National Company



**2015:** Radicle starts tracking portfolio company-level impact KPIs



**2014:** Radicle becomes a Certified B Corporation



**2017:** Radicle develops its current impact framework of company-specific metrics



**2018:** Radicle develops its first impact report and starts tracking portfolio-level metrics



**2024:** Radicle takes a deep dive into single impact metrics such as IMM



**2020:** Radicle becomes a signatory to the Operating Principles for Impact Management + starts making its annual impact report public



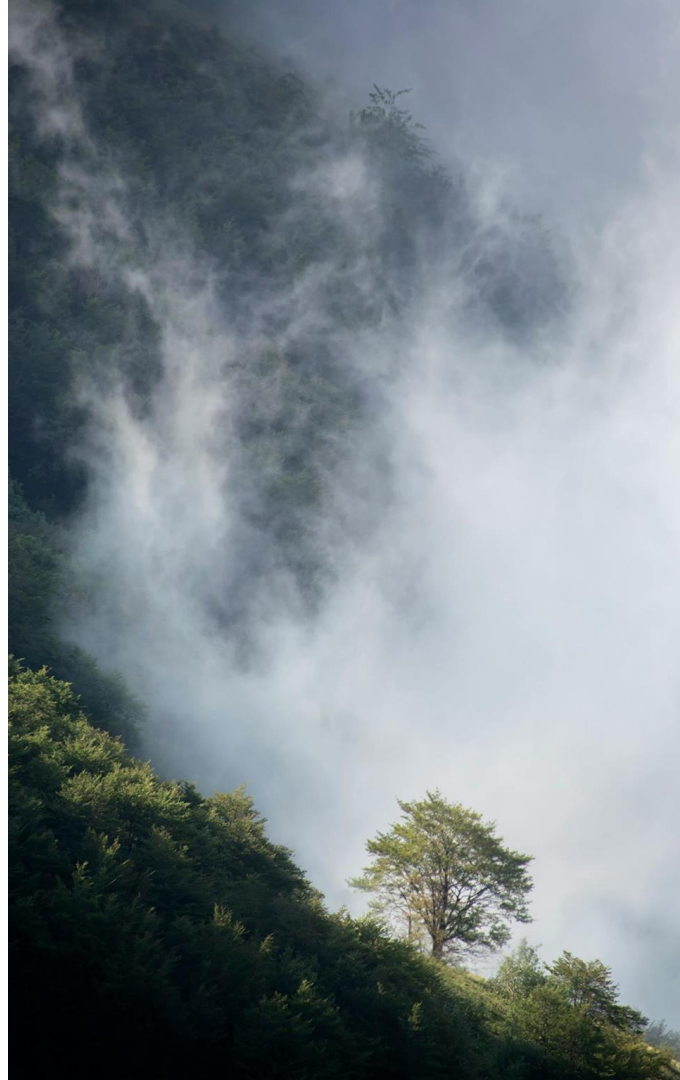
Radicle makes a seed investment into BlueMark alongside Rockefeller and the Ford Foundation to support independent, third-party verification of impact

# Evaluating the Impact Multiple of Money

Earlier this year, Radicle asked a team of Berkeley students to conduct a deep dive into single impact metric tracking, a growing practice that seeks to design and calculate a fungible measure of *impact* across a range of companies, sectors, geographies, and funding. The best known example is the Impact Multiple of Money (IMM), originally developed by TPG/Y Analytics. The IMM is a 6-step process that measures the expected financial value of the social and environmental impact using evidence-based research to calculate the social return on investment.

The Berkeley team worked closely with Radicle's impact advisor to identify and analyse the range of single impact metrics in the market including impact ratings, lives impacted, and lean data. IMM was determined as the one that might best fit Radicle's approach given the potential for benchmarking, utility/insight into performance, comprehensiveness and adoption. The team undertook a case study to ascertain the complexity of the calculations.

While the process was onerous, the results were promising in shedding light on communicating the impact of our investments, both relative to each other as well as to other funds'. We are still evaluating the overall benefit to adopting this approach across our investment processes, and are encouraged to see early signs of emergent best practices in impact venture.





### 3. 2023 Portfolio Results



# Our experienced and diverse team that can drive systems change in climate and finance.

In addition to making investments in companies who seek to address social and environmental inequities, we want to influence our peers and help venture capital, too. Part of this is providing equitable access to capital to women and BIPOC founders. We know that gender and ethnically diverse founding teams and investment teams outperform, so we measure BIPOC and female representation on our team, on our Advisory Board, on our Fellows Council and in our portfolio. Early-stage impact companies are under-capitalized, so we also measure how much more our portfolio companies go on to raise.



**Dan Skaff**

Co-founder and  
Managing  
Partner



**Kat Taylor**

Co-founder and Special  
Limited Partner



**Ami Naik**

Partner



**Corey Vernon**

Partner



**Sameer Jain**

CFO

23

Active Portfolio  
Companies

\$2.8Bn

Equity raised  
since we invested

74%

Companies with  
female or BIPOC CEO  
or Founder

100%

Female or BIPOC  
representation on  
Radicle team

82%

Advisory Board or Fellows  
Council female or BIPOC  
representation

Our results give us conviction to scale our work.

Impact Results	<b>23</b> Active portfolio companies	<b>9.5 M</b> Tons of GHG emissions avoided	<b>\$1.3Bn</b> Additional wealth created for underserved communities	Financial Results	<b>\$2.8Bn</b> Equity raised by portfolio companies since we invested
	<b>74%</b> Companies with female or BIPOC CEO or founder	<b>16</b> Peaker plants (equivalent) brought offline	<b>4M</b> Users on beneficial financial platforms		<b>1.5X / 3.0X</b> MOIC to date / Targeted MOIC
	<b>42K</b> Acres of land saved	<b>23Bn</b> Environmental data points collected	<b>218Bn</b> Gallons of water saved		<b>40%</b> Percent of capital returned to date

Radicle Impact is a signatory to the Operating Principles of Impact Management, a certified B Corp, and we're aligned to the Sustainable Development Goals.

Note: All numbers cumulative except for “users on beneficial financial platforms” and “acres of land saved”



## 4) Climate Solutions Leaders

We invest in climate solutions across the economy that are tied to community benefit.

# What if we could substitute single use plastics with seaweed to reduce pollution & fuel extraction?

\* Radicle investment completed in 2024

“

No-one wants to live in a world full of plastic waste but it's not too late to act. There's never been a greater time to use natural solutions to solve the plastic challenge.

”



Pierre Paslier & Rodrigo Gonzalez  
Cofounders & Co-CEOs  
Notpla



# NotPLA



NotPla uses nature to inspire design, having developed a line of packaging materials made from seaweed and plants that are recyclable, compostable, or edible, to replace single use plastics. In 2023 Notpla became the first and only government-approved plastic free coating in the EU.



“ Notpla presents a wonderful vision of what scaling really looks like, and that gives us all hope, inspiration and optimism. Notpla is on its journey, and we are here to facilitate and promote them to achieve greater things. ”

*Prince William, at the Earthshot Prize Innovation Summit 2023 in New York. In 2022 Notpla won the “Build a Waste-Free World” Earthshot prize.*

Most of Notpla’s products are made of seaweed which is farmed around the world, creating space for biodiversity. Leftover fibers from the production process can be used to make paper: the Notpla Paper was launched in 2023 with partner G.F. Smith.



# Plastic pollution comes from single-use items

**Systems Problems:** Single-use plastics perpetuate a linear economy that worsens resource depletion and waste generation, leading to long-term ecological degradation.

**Climate:** Plastics are derived from fossil fuels and can take 1,000 years to break down while shedding microplastics and other pollution.

**Community:** Plastics contain more than 3,200 known toxic substances.



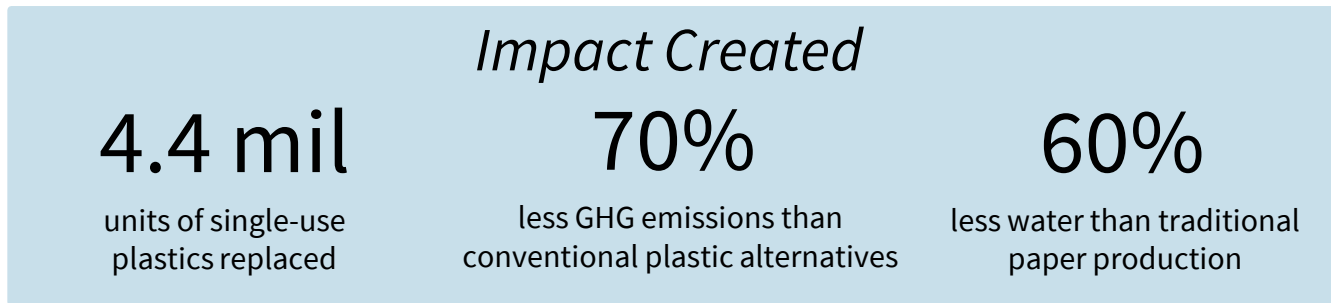
# But they can be made of regenerative materials



**Transformative:** Notpla creates packaging from regenerative materials such as seaweed and plants that can be eaten, composted, dissolved, or recycled.

**Holistic:** Farming seaweed acts as a carbon sink, supports marine biodiversity, and employs women, all while working to replace harmful single use plastics.

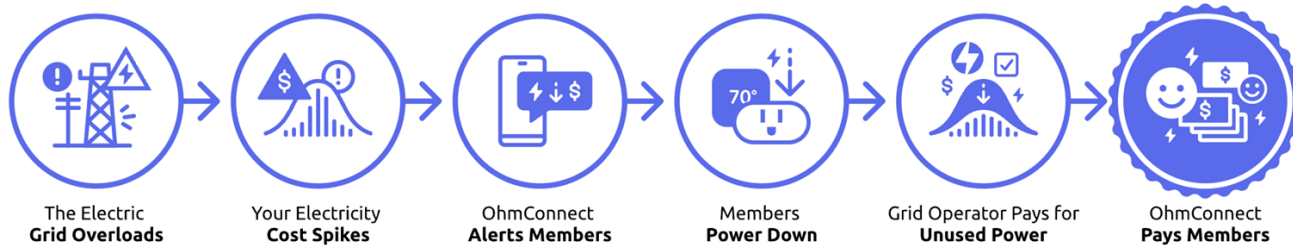
**Enduring:** To replace all single-use plastics, only 0.066% of the total ocean space would be required.



What if we could harness collective action and automations to make the grid responsive and avoid the dirtiest emissions?



OhmConnect is a Virtual Power Plant. Using behavioral and automated interventions, the company pays households to reduce their power consumption when the grid is stressed and in turn bids those aggregated savings into wholesale power markets.



“

We're looking at a four trillion dollar bill to modernize our transmission and distribution and system in this country. We're a much cheaper way to do that, because we can manage the grid load way at the end.

”

# Our electric grid was built to be inflexible



# But it can be remade responsive & efficient



**Systems Problems:** Peaker plants are carbon-intensive, with negative effects that disproportionately affect minority and low-income communities.

**Climate:** Peaker plants produce 33% more CO2 emissions than other combined cycle gas plants.

**Community:** In California, 80% of peaker plants are in low-income communities.

**Transformative:** OhmConnect pays users to reduce their energy use during peak demand, which helps avoid firing up peaker plants.

**Holistic:** Works with households, grid operators and regulators to help value and integrate demand response as a clean energy resource available to the grid

**Enduring:** A flexible resource to ensure grid reliability and enable long term electricity reduction and decarbonization

## *Impact Created*

16

Cumulative peaker power plants brought offline

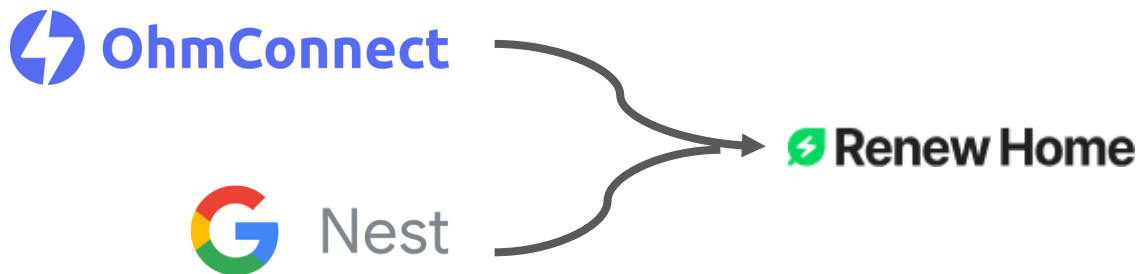
380,000

enrolled users

\$25M

Cumulative direct cash payouts to customers





In December 2023, OhmConnect merged with Google's Nest Renew to form **Renew Home**, combining OhmConnect's market access and Virtual Power Plant aggregation technology with Google Nest's current and future customers. Sidewalk Infrastructure Partners invested an additional \$100M, becoming Renew Home's primary shareholder, alongside Google. Renew Home will become the leading residential white label VPP and energy management service. The company's exclusive relationship with Google to manage energy-related to Nest thermostat devices provides a competitive advantage, with access to more than 30 million households.

This also marks the exit of Radicle Impact from OhmConnect. Radicle invested in OhmConnect's Series A in 2015 out of its first fund (Emerging Impact I), and has participated in every fundraising round since then. This transaction offered an opportunity to provide liquidity to Radicle's LPs, securing a 3x realized MOIC.

Radicle is proud of the company's progress and of the support it provided, especially in its early days. When utilities put up meaningful resistance, Radicle helped to connect the company to their attorney who represented OhmConnect's demand response coalition, which allowed OhmConnect and other companies to bid into California's Demand Response Auction Mechanism, which helped the company get its start.



## 5. Fair Finance Innovators

We back finance innovators who take into account all stakeholders.

What if we made banking services for people with special needs to expand their financial freedom?



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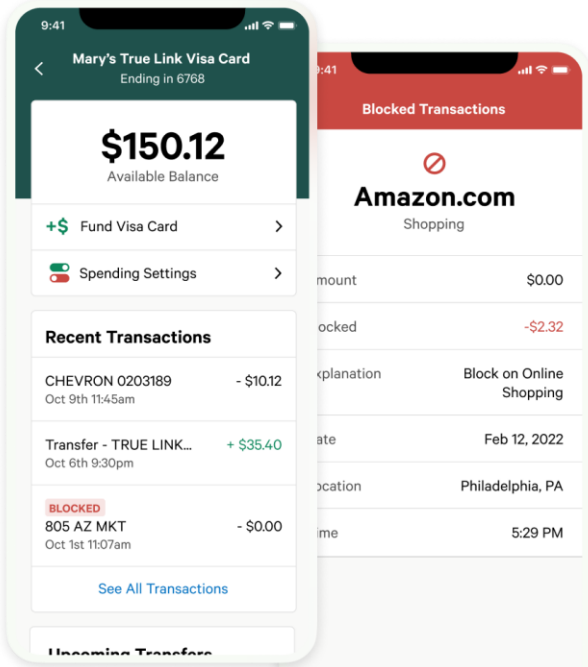
We have provided so much more value than what we capture- it's a product that literally has changed hundreds of thousands of people's lives over time, and we are excited to bring it to millions.

”



Kai Stinchcombe  
Cofounder and CEO  
Truelink

True Link provides transformative financial solutions for those with complex needs such as vulnerable elders, people with disabilities, and people in recovery, as well as the people who care for them.



“ Everything we do is focused on making it easier for those who care for others to do what they do best – support the independence and joy of the people who need them. ”

“ I want to tell you that this card has been a godsend for my father and our family. He has his independence and we can have the peace of mind he’s not able to purchase alcohol. It’s really terrific. ”

Truelink provides one account with two experiences- a card admin who can load funds, set spending rules, and monitor transactions, and a cardholder.





# Our banking services are not inclusive of special needs



# But adaptive services can be designed to empower

**Systems Problems:** One in three households provide care to a family member, but financial services do not target the large subset of our population with unique needs.

**Community:** Vulnerable populations such as elders, people in recovery, and people with disabilities don't have good options to access financial services, and their already overtaxed caregivers are often left to manage this gap.

**Transformative:** True Link services provide increased "independence and dignity" to 81% of cardholders, according to its users.

**Holistic:** Enable families and professional caretakers to more easily and holistically support loved ones.

**Enduring:** Many customers would not have access to core financial services at all without True Link..

## *Impact Created*

75+

Partnerships with  
government agencies

113k+

active cardholders

\$265M

annual savings

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