



CIRCULAR INVESTMENT IMPACT REPORT 2019-2020

INTRODUCTION

A circular economy challenges the notion that products, systems and business models have an end-life through the belief that there is always a way to renew, reuse and regenerate existing resources by using superior design, planning and material usage.

Circular-Investment was founded in 2019 with the core belief that that financial returns can go hand-in-hand with social and environmental benefits. It is our purpose and reason for being to contribute to a truly circular economy in which everyone can thrive, people and planet.

Our team has been at the forefront of the circular economy for over twenty years. We develop projects that industrialize disruptive supply chains, processes or technologies which address the need for long term and sustainable change. We work from business concept to a running company and assist our portfolio companies with technology support, business development and capacity building, in addition to financial support. Through our network we supply the required resources and pull together bespoke, agile (and lean) teams to ensure that we have the right knowledge, experience and expertise for every project and company.

This systems-thinking approach has already enabled us to create an investment ecosystem in which everyone wins, by cross-pollinating resources, outputs and long-term benefits across a wide range of projects.

Although Circular Investment only started in 2019 and are our portfolio is still small, it is taking shape and is showcasing the diversity of our interests and the holistic approach we take to bringing our vision and purpose to life.

In the two years since Circular-Investment was founded, we have generated positive social and environmental impact in over five countries. This Impact Report will show how we strive to make a difference and what we have accomplished by the year-end 2020.

Our ultimate goal is that the revenue generated from our projects can be effectively reinvested in the restoration and regeneration of the world's most fragile ecosystems. In order to achieve that goal, we will continue to look for more companies to invest in, companies that contribute to a circular economy and well-being of people and planet, whilst generating a healthy profit.

It is the only way forward and we are inspired and proud to be part of this movement.

Bart Nollen

Founder & CEO Circular-Investment

Summary Overview

1. Portfolio

- Flash Forest
- Dayrize
- Ysect – The Insectory
- Biobased Trading

2. Geographical location/key countries Circular Investments operates

- Canada
- The Netherlands
- France
- Germany
- USA

3. Markets we impact through the portfolio companies

- Renewable energy sector
- Waste disposal
- Forest restoration and conservation
- E-commerce
- Agriculture
- Feedstock supply
- Logistics

Our Impact on Markets & Systems

From our inception in 2019 until the end of 2020 we invested in four small businesses and entrepreneurs with positive social and environmental impact.

Our contribution to the UN Sustainable Development Goals.

Our work contributes to key international development targets, by providing solutions to important social and environmental challenges, we contribute to the Sustainable Development Goals. By supporting activities that promote CO₂ storage and sequestration and reduce energy consumption as well as CO₂ emissions, our funds work towards the climate goals set out by the Paris Agreement.

An overview of our main contributions to the Sustainable Development Goals



SDG 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



SDG 9 - Industry, Innovation and Infrastructure

We help build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. Seeking effective ways to lead and transform the current linear towards becoming more circular, taking into account the planetary boundaries.

We realize the relevance and importance of inclusive and sustainable industrial development as the basis for sustainable economic growth. We believe investing in disruptive and sustainable industries as one of the key drivers of this development. Investing in and scaling up innovative sustainable industries enhances job creation which generates income, thereby contributing to poverty eradication as well as providing opportunities for social inclusion and creating decent employment for the youth. As new industries develop, so does the increase of value and impact. In addition we look for opportunities to enhance the application of science, technology and innovation, therefore encouraging greater investment in skills and education, and thus providing the resources to meet broader, inclusive and sustainable development objectives.

Through our portfolio companies The Insectory and Flash Forest we operate at the forefront of innovation, development and upscaling of new technologies that disrupt existing ways of industrialization of waste management, feed production, agriculture and reforestation.



SDG 12 Ensure sustainable consumption and production patterns

A sustainable management of resources with a view to the limitations of the carrying capacity of the environment is key. By using natural resources in a prudent and thrifty way it preserves the resources required for future development. With biodiversity being one of the most vital resources we attach high priority to its conservation.

At Circular Investment we aim to influence consumption awareness and behavior, to advocate for sustainable consumption and production patterns. Our portfolio company Dayrize was created with this purpose in mind. To make it easy and accessible for everyone to buy sustainable goods and to be more conscious of this buying process. We believe that in order to achieve fundamental change, we have to start with generating awareness around the way our society produces and consumes goods and services. Governments, international organizations, but also the business sector and individuals must contribute to changing unsustainable consumption and production patterns. We provided financial and technical assistance in the scientific, technological and innovative capacities of Dayrize in order to move towards more sustainable patterns of consumption and production.

Next to only selling sustainable goods, Dayrize developed a ground breaking algorithm that we believe will have great impact. The team of Dayrize developed a proprietary sustainability assessment tool which uses artificial intelligence to analyze product sourcing, manufacturing information and various relevant datasets to rapidly and robustly assess and standardize the environmental impact of any product. The Dayrize algorithm does this analysis in minutes instead of months.

An example of how a complex and groundbreaking application of technology, creates a simple output for consumers: a single, meaningful figure they can understand, known as the Dayrize Score.

Through our portfolio company Dayrize we impact on the following social systems:

- Consumer behavior and consumption
- Awareness and education of sustainability of products
- Awareness and transparency of supply chains and their impact
- Empowerment and visibility of small social entrepreneurs



SDG 13 - Take urgent action to combat climate change and its impacts



SDG 15 - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Our portfolio company Flash Forest is a reforestation company that uses UAV technology, automation and ecological science to regenerate ecosystems on a global scale.

The timber industry has engineered and mastered efficient harvesting technologies, capable of quick clearing with minimal human involvement. Tree planting, on the other hand, still operates with bags and shovels. Flash Forest is changing that. It is a reforestation company that aims to plant at 10 times the normal rate and at a fraction of the cost of traditional tree planting techniques. With drone engineering, they bring new levels of accuracy, precision and speed to the reforestation industry.

Flash Forest started with one clear goal: to plant 1+ billion trees by 2028 to heal our planet's lungs. But they're not stopping there. Current deforestation rates worldwide are unsustainable (only about 15% of the world's original forests remain intact). Efficient and quality reforestation techniques are essential to rapidly scaling solutions to our global ecological crisis.

Flash Forest is Canada's first-to-market and largest drone reforestation company using UAV hardware, aerial mapping software, automation, and biological seed-pod technology to reforest the planet at a rapid pace to contribute in combatting climate change by adding trees and enhancing soil quality of landscapes all over the globe.

Our Key Principles of Operation

Sustainable management of resources

A sustainable management of resources with a view to the limitations of the carrying capacity of the environment is key. By using natural resources in a prudent and thrifty way it preserves the resources required for future development. With biodiversity being one of the most vital resources we attach high priority to its conservation.

From local resources to local features and diversity, all should be preserved. This includes adequate access to information affecting social and economic life, as well as the environment. We seek to provide information on decision making processes for all stakeholders.

Intra-generational and inter-generational solidarity

Our interests of sustainable development are focused on people as well. The development and environmental needs of present generations must be addressed without compromising the ability of future generations to meet their own needs.

To enable sustainable development and to make higher quality of life possible, we aim to contribute to changing unsustainable patterns of production and consumption. By strengthening our business' social responsibility through cooperation between the private and the public sector.

Polluter Pays

We believe prices must reflect the real costs paid by society for activities involved in the production and consumption of goods, including the costs of using natural resources.

We adhere to the precautionary approach, meaning that wherever the possibility of severe or irreversible damage is perceived, a lack of complete scientific certainty may not be used as an excuse for delaying effective action to prevent damage to the environment or human health.

Diversity and Inclusion

We want our investment companies and teams to be authentic and true to themselves. We are actively engaged to build an equitable business where we ensure equal representation: people are to be seen and heard for who they are.

We have always built our portfolio actively celebrating inclusivity and diversity. We aim to provide all stakeholders with the resources and support they need to grow, thrive and succeed. Inclusion is critical to us as well as our commitment to diversity.

Our Commitments

We are committed to sustainable and responsible finance, and collaborate with other key players in the field to develop the impact investing market. To this end, we are active in the following:



UNPRI signatory



Member of Catalyst 2030



Member of GIIN