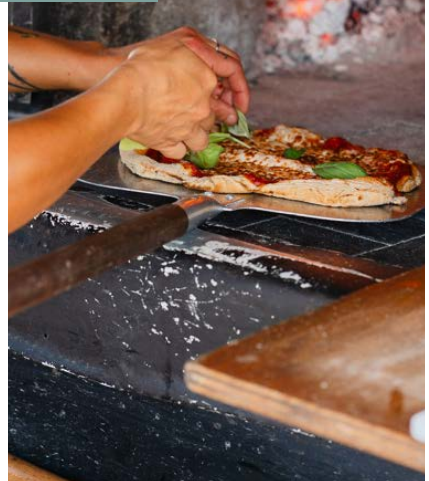




Impact Report

Setting the Pace for Social Finance

For the period of July 1, 2021 to January 31, 2022



A Message from the Fund

As impact investing continues to grow by billions every year, the Fair Finance Fund is proud to be part of this momentum, meeting its targets for investments and loans for 2021 and setting increased targets and goals for the new year. We made progress in much needed areas, and strengthened our goals and vision for 2022.

Since June, we have received 18 new applications and invested a total of \$400,000 into six new social enterprises in Hamilton, Kawartha Lakes, Prescott, and Thunder Bay, Ontario. This capital has been instrumental to these purpose-driven enterprises, helping them to expand and improve their operations to increase access to local, healthy food, reduce their environmental footprint, and contribute to economic prosperity in their local communities.

Knowledge sharing and capacity building continue to be a focus of the Fund. In 2021, we created avenues for investors, loan clients, mentorship clients and the social finance community at large to grow their skills, knowledge and expertise. The Fund launched Good & Plenty, a space for like-minded investors to explore impact investing further, exchange ideas and tips, and keep updated with the sector and hosted Solutions for Food and Farming Futures, bringing in participants from across Ontario and Canada to address the financial barriers and everyday challenges marginalized groups face in the local food and farm sector and solutions for an equitable and sustainable food future.

The Inclusive Prosperity project also continues, which began with internal anti-oppression training focused on our operations and social finance and built these learnings into our fall planning. The project has continued with consultations with BIPOC leaders, webinars and outreach through partners from equity-seeking communities, and the development of planning for feasibility for farmland access for equity-seeking groups.

Each year, more and more investors see the value beyond their dollars, continuing to set the pace for a future of social finance and impact investing. Investors like you have made this happen, creating a more sustainable and resilient food system in Ontario one enterprise at a time.



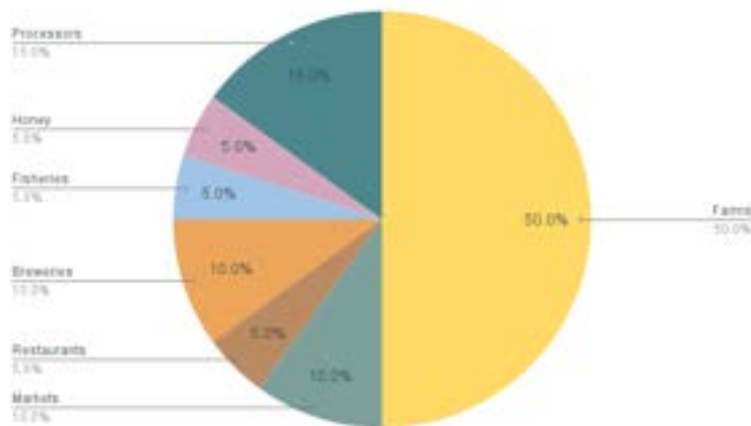
**Project Manager,
Fair Finance Fund**

Portfolio Overview

Number of Investors	Total Committed by Investors
47	\$1,645,377
Total Loans Disbursed	Return on Investments in 2021
\$1,395,377	\$22,510.55

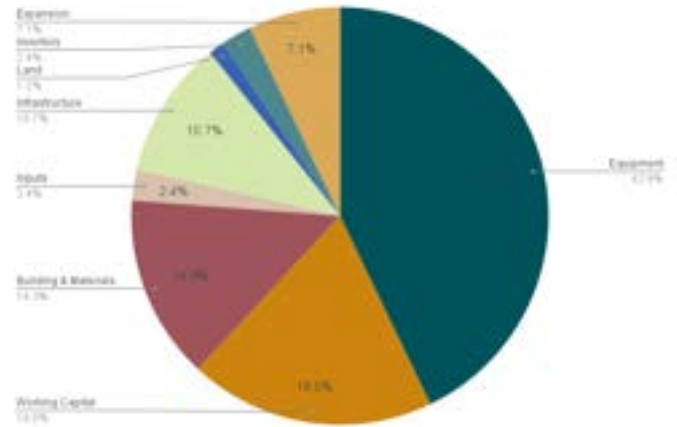
Investment by Type

We are pleased to support a diverse range of social enterprises from across the agri-value chain each year. These social enterprises play an important role in the structure of our food systems. This January, we approved our first Northern client, Eat the Fish. It is a community-focused fishery harvesting wild-caught fish from Lake Superior.



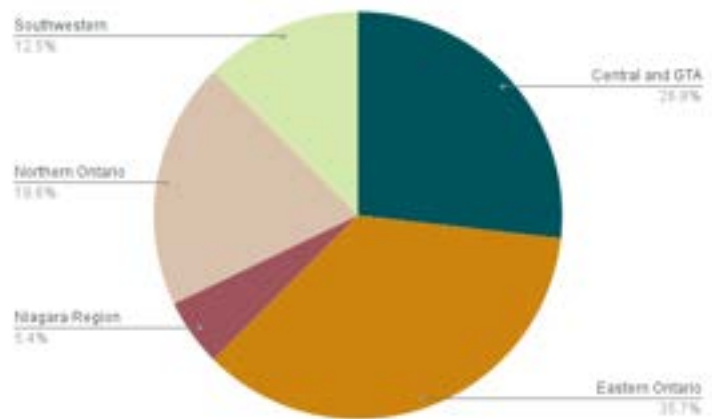
Investment by Project

Clients share their vision for a more sustainable, equitable future. Every dollar supports these values-driven entrepreneurs with accessing the capital they need to achieve their vision and goals. We see projects, start-up and expansion activities from equipment, building and materials to working capital.



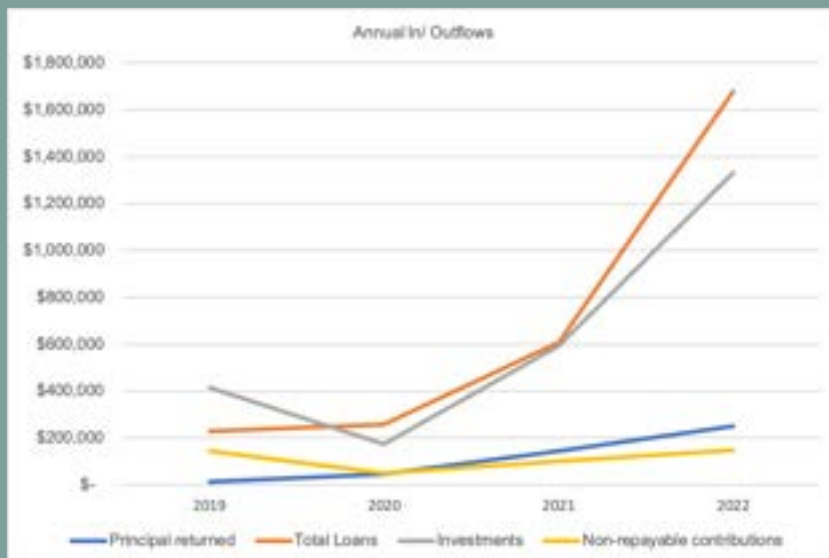
Investments by Region

We continue to see a demand for capital and learn from our clients about the financial gaps and challenges they have faced. Since the 2021 June Impact Report, we have received 18 applications with the majority of applicants coming from Eastern Ontario, Central and GTA and Northern Ontario.



Annual In/Outflows

Every dollar of capital invested in the Fund goes to clients and then as principal is returned it is re-invested back into new clients. We do this with a balanced and lean budget, a resourceful and dedicated team and pro bono supporters.



Investment Highlights

First and foremost, the Fund asks what the money is doing—what impact does it have on Ontario's communities? How many people in the local economy does it reach? How does the environment benefit? Are the environmental benefits long-lasting or temporary? Are the jobs permanent or seasonal? Do they include benefits, training or other aspects that ensure a decent workplace and improve the local economy and quality of life?

[Client Map >](#)

Economic Impact

- **86 jobs created, expanded or maintained** (more than 1 job per \$20,000 invested)
- **Over 128 regional suppliers supported** indirectly through client procurement
- **\$6.4 million in local food sales increase** over the loan term (6 to 1 multiplier effect for economic impact)



Client Spotlight: ChocoSol

ChocoSol continues to contribute to its community economically, expanding its team at their Roasting Facility, Eddystone, to 29 employees at the end of 2021.

" We now have 15 full-time (including two IRAP funded research assistants), 13 part-time, and one contract employee. At our Roasting Facility in Eddystone, we are entering 2022 with one full-time IRAP Research Assistant who also serves as a Roasting and Chocolate Processing Technician (and we plan to retain or replace this after his term ends March). A second full-time Roasting and Processing Technician, 2/3 time Roasting Supervisor, 2/3 time Site Supervisor, and a 1/2 time Processing Technician. In addition, we have a contract Equipment Technician who will become permanent part-time soon. These developments will take our full-time equivalent number at Eddystone to over 4, with plans to add another 1/2 time position early in 2022."



Social Impact

- **52.6%** of client enterprises are **owned/managed by women**
- **23.8%** of clients are **owned or managed by BIPOC or other equity-seeking groups**



Client Spotlight: Humble Bee

This past year, a new loan client, Humble Bee, focused on community building and engagement. They offered beekeeping lessons on various topics, from Introductory Beekeeping to Integrated Pest Management and Queen Rearing, helping increase morale in their community through capacity building.

"We drafted our work plan to film and release ten more classes and create an online portal for pre-recorded lessons. In-person classes will resume once health and safety conditions allow. Expanding the suite of education offerings will occur over the 2022 beekeeping season."

Environmental Impact

- **100%** of clients are providing **climate crisis solutions**
- **90%** are **organic/ ecological farms** or purchasing from ecological and local producers
- **75%** are **improving energy use or reducing emissions** in other ways
- **50%** are **reducing water use**
- **45%** are working to **increase biodiversity**
- **25%** are **using waste redirection** or other planet-friendly waste solutions
- **25%** are **using environmentally friendly transportation**



Client Spotlight: Mulberry Moon Farm

Mulberry Moon Farm continues to perform extensive soil tests to monitor the health and fertility of their soils to continue to improve the quality of the nutrient-dense food they provide to their local community.

"We continue to both learn from and be mystified by our soil. We are delighted with the way many crops grew in the field. Many areas of the field have excellent fertility and soil structure, while some struggle with bacterial problems and drainage issues. We did some drainage projects in the north lot and will be leaving some parts of the area with cover crops next season to continue to work on this. We did extensive soil tests this fall and are pleased with the results. Our micronutrient levels have increased, and our organic matter has increased 1.5% to an average of 7.0 since we started our operation here three years ago. We continue to learn about building and nurturing healthy and living soils through self-directed education and the EFAO conference and events."

New Investments into Local Food and Farm Social Enterprises

Since June 2021, we have placed four new investments in Hamilton, Kawartha Lakes, Prescott, and Thunder Bay, Ontario and included two farms, a fishery and an apiary. We continue working closely with clients to track their social, environmental, and economic benefits. In our Investment Highlights, we provide insightful information about our latest investments and the impact of your investment within Ontario communities. This provides a rooted understanding of how these clients contribute to the growth of sustainable food systems, local economies and climate resilience.



"Having an investment that helps the food system directly was an amazing opportunity for us; we were elated when we discovered the Fund. The Fund's simple financial terms and agreements made it that much easier to partake in an investment with a real impact."

- Josh Baker and Katie Robinson



Humble Bee | Hamilton, Ontario

Humble Bee is an apiary of urban beekeepers. They tend to hundreds of beehives across the greater Hamilton area, including hives at the Royal Botanical Gardens, Hamilton Port Authority, McMaster University and Mohawk College with rooftop hives at the Mustard Seed and the Cotton Factory. Humble Bee was founded in 2013 by Luc Peters, an apiarist with a passion for studying and tending to bees. They focus on urban honey production, bee products, equipment sales, breeding and selling queen bees and nucleus colonies, and bee education.

Financial Need

Humble Bee received a loan from the Fair Finance Fund to transition its host-a-hive program from backyards to large companies, consolidate hives to fewer locations, hire an extra beekeeper and shop assistant, and purchase equipment.

Impact of the Project Over the Loan-Term

Economic Impact

- Create and expand two new jobs
- Support two new regional small-scale suppliers
- Increase local food sales by \$30,000

Social/Environmental Impact

- Reduce chemical inputs in beekeeping and increased plant biodiversity of native wildflowers with improvements to equipment and strategies
- Improve ecological farming practices in Ontario through community educational workshops and training
- Support the entry of new ecological small-scale beekeepers

Canadian Organic Seed Company | Kawartha Lakes, Ontario

Canadian Organic Seed Company is a family-owned seed company located in the City of Kawartha Lakes. They specialize in breeding and growing seed varieties for vegetables, flowers, herbs and rare edible perennials for organic gardening and permaculture applications on their 300-acre farm. COSC is committed to its beliefs in a natural, comprehensive organic enterprise and believes in the foundation of agriculture based on sustainable and holistic management practices. These practices produce healthy soils, plants, food and environments for all species.

Financial Need

COSC needed a loan to renovate an existing steel-clad farm building to expand its seed inventory, processing and packaging space and process food for the farmers' market and local food banks. The loan paid for flooring, internal walls, electrical and heating within the building, overall creating more efficiency within their operations.

Impact of the Project Over the Loan-Term

Economic Impact

- Create eight new jobs
- Support fifteen new regional small-scale suppliers
- Increase local food sales by \$140,000

Social/Environmental Impact

- Reduce water usage with water recycling during processing
- Improve soil and crop management systems, maintaining the farm's biodiversity
- Mitigate endangered birds and pollinators by planting trees for wildlife along with a meadow



Flowers of the Field | Prescott, Ontario

Flowers of the Field is a local fresh-cut flower farm located in Prescott, Ontario, growing over 50 flower varieties for the Brockville Market, Flower Subscriptions and their Roadside Stand. Their goal is to improve lives through flowers, whether that is through providing equitable employment, meaningful arrangements for events or everyday joy through classic market bouquets. Valuing the land they live on, the farm strives to make this place a sanctuary for anyone who visits. They work to respect this environment through soil care, not "clear-cutting," using rainwater, and other sustainable growing practices.

Financial Need

Flowers of the Field received a loan from the Fair Finance Fund to build a winterized greenhouse. The winterized greenhouse allows the farm to extend its season, growing flowers beyond the regular growing season. It provides a space for seed-starting, growing flowers during the colder months, and engaging the community in small group workshops. In addition, the loan helped Flowers of the Field round out start-up costs of the project, supporting galvanized greenhouse benches, the first round of soil, and plant material (bulbs, tubers and seeds).

Impact of the Project Over the Loan Term

Economic Impact

- Create and expand two new jobs
- Support three new regional small-scale suppliers
- Increase local food sales by \$70,000

Social/Environmental Impact

- Support community building and engagement through educational small group workshops about sustainable fresh-cut flower farming
- Reduce GHG emissions with new on-site greenhouse
- Reduce environmental footprint with passive solar energy greenhouse design





Eat the Fish | Thunder Bay, Ontario

Eat the Fish is a community-focused fishery of five generations partnering with fisheries on Lake Superior, Lake Nipigon, Lake of the Woods and the Canadian Arctic. Eat the Fish processes wild-caught fish, including Trout, White Fish, Walleye, Perch, Black Crappier, and more, and distributes throughout Northern Ontario. They focus on sustaining the tradition within these communities, playing an essential role in developing a sustainable and just food system in the North.

Financial Need

Eat the Fish received a loan from the Fair Finance Fund to help scale their business. Since opening in 2016, they have seen stable growth and need to improve processing efficiency and raw materials utilization. The capital went towards automating the filet processing and reducing raw materials waste by producing dehydrated pet treats by purchasing filet machines and industrial-scale food dehydrating machines.

Impact of the Project

Economic Impact

- Created four new jobs and expanded two jobs
- Supported four new regional suppliers
- Increased local food sales by \$600,000

Social/Environmental Impact

- Supported fair trade by paying a fair price to fishers
- Improved food security within the North
- Reduced carbon footprint by offering local fish, which historically is processed and packaged outside of Canada
- Increased access to nutrient-dense, healthy fish in local communities in the North

Vision and Commitments for 2022

The Fair Finance Fund team, advisors, Board, loan committee and third-party consultants at QS2i and the generous BIPOC leaders have all contributed to the development of metrics to assess and track equity and diversity at the Fair Finance Fund.

The final list will be used as the FAIR report card for management accountability to targets set by the Board and team. Generally, target groups in line with the FFF Equity and Diversity policy refer to all equity-seeking groups and identities: Afro-Canadian, Indigenous, BIPOC, Queer, Trans, Non-binary gender identity, Women, Youth/ Seniors, persons with a disability and more.

	Baseline	Targets for 2022
Finance		
% of number and value of loans provided to target groups (organizations with a diversity of workers, or owned/ managed by target group members)	5/ 23.8%	7/ 25%
% of number and value of loans provided to organizations owned/ co-owned, managed, co-managed or majority women	52.63%	50%
# of loan committee that are from target groups	4	4
% of target groups loan applicants approved vs. non-target groups approved	36% target groups compared to 30% overall	Same or higher
% of target groups by sector compared to overall	Target groups (not including women): 3 farms (30%) ; 2 processors (50%); 0% other sectors	25+%
Perception of being supported (for clients)	n/a	90%
Relative average size of loans per target group	Approximately same	Approximately same or higher
Relative impact by target group clients	77.14% (target grp) vs 66.92%	same
Governance and employee/ contractor		
% of the board, staff, committee that is from target groups:	25% Board; 50% staff (both 100% women)	30% each level
target group average time spent on board/loan committee vs. overall	n/a (ongoing)	same

Our Team and Board of Directors



Sally Miller
Project Manager



Deirdre Fehr
Social Finance
Coordinator



Jessica Cherry
Marketing &
Communications
Coordinator



Janessa Alejandria
Social Finance
Associate



Sarah Bakker
Board Member



Sophie Duncan
Board Member



Lynn Moreau
Board Member



Courtney Miller
Board Member



Glenn Valliere
Outgoing Board Member

The Fair Finance Fund is grateful for the years of patient work provided by Glenn Valliere during development and later as Treasurer. We wish him tremendous success in his new endeavours in Naujaat, Nunavut.

Thank you to our Funders and Partners

We are grateful and honoured for the support from funders and partners that has got us to this point. At the end of 2022, we look to self-sufficiency in our core operations. We may still seek funding support for new projects and initiatives. However, self-sufficient operations from within have been the long-term goal, to ensure the ability of the Fair Finance Fund to be there for local food and farm entrepreneurs for decades to come.

