



HERBERT
SMITH
FREEHILLS

**IMPACT
INVESTMENT:
GENERATING
POSITIVE
RETURNS**





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Introduction

All over the globe, entrepreneurs are devising innovative commercial solutions to social and environmental challenges. The growth of the impact investment market has been buoyed by a revolution in the use of technology to tackle the world's greatest problems. At Herbert Smith Freehills (HSF), we are passionate about supporting innovation to generate long-lasting positive returns.

Through our market-leading social finance and impact investment practice – HSF Impact – we support founders, investors, asset managers and social finance intermediaries to build global connections, maximise positive social and environmental impact and realise growth potential.

In this fast-growing and diverse market, we are committed to using our knowledge, skills and connections to help clients navigate the legal and commercial issues that flow from their financial and impact objectives.

Supporting entrepreneurs, and those investing in their businesses, to do well by doing good is something we get excited about.

"The team at HSF has been incredibly insightful, helpful and dedicated, helping us to overcome a series of complicated and complex issues."

LEGAL 500 UK 2020

"Herbert Smith Freehills are very responsive and turn things around quickly. They are able to make commercially-savvy decisions and have a genuine interest in making a positive social impact."

LEGAL 500 UK 2020

"The team's interest in, and passion about, my social enterprise and the impact I am trying to create is clear and this is of utmost importance to any social entrepreneur. If your lawyers care about what you are trying to do, and share in the journey with you, it becomes an incredibly powerful relationship and this is what I have with the HSF team."

LEGAL 500 UK 2020

"They are just so clued up and know our business and our projects so well. They are extremely good and slick operators."

CHAMBERS UK 2020

Our practice

A robust legal foundation is fundamental to safeguarding and strengthening long-term social and financial returns. There are a range of complex legal challenges involved in establishing, scaling and investing in social enterprises. Knowing you can rely on your lawyers to provide technical advice, rooted in practicality, commerciality and deep market understanding, is vital.

With HSF by your side, you'll be supported by a top-tier global law firm with 2,900+ lawyers across 26 offices, spanning the UK, Australia, Asia, Europe, the US and the Middle East.

Through HSF Impact, we offer clients dedicated coverage across all jurisdictions and a full service offering, drawing on strength and expertise from our multi-disciplinary team to contribute to the growth of the impact investment market.

HSF Impact operates across a range of sectors, focusing on issues relating to education, energy, agribusiness, financial inclusion, climate change, consumer products, housing and healthcare. We cover the full range of legal issues, including intellectual property, data protection, tax, employment and regulatory expertise, as well as advice on corporate structuring, governance, capital raising and related transaction documentation, commercial agreements, finance, real estate and dispute resolution.

We also regularly leverage our market-leading pro bono practice to deliver free legal support to socially responsible investors, investees and intermediaries. In FY20, we delivered over 75,000 hours of pro bono advice globally.



Examples of our recent impact investment deals across the globe

1 UK

Beam on its corporate structure, charity partnership agreements, capital raising and issues arising in relation to crowdfunding

Big Issue Invest on corporate, regulatory, incentives and tax issues in relation to The Big Exchange, its debt and equity investments in Homes for Good, and on strategic governance issues

Big Society Capital on its investment, together with the Joseph Rowntree Foundation, in the Fair by Design Venture Fund, and on its investments into the Big Issue Fund and Bethnal Green Ventures Funds I and II

The Esmée Fairbairn Foundation regarding a joint learnings paper on the use of perpetual bond instruments in impact investment transactions

ClearlySo in relation to the establishment of a social impact investment fund

Huozhi on a number of legal issues relating to corporate governance, data protection, intellectual property and financial regulation issues

HireHand in relation to the redeployment of its platform to pair volunteers and volunteer organisations during the COVID-19 pandemic

The **Impact Investing Institute** on the fiduciary duties of pension trustees and on its responses to the European Commission's consultations on the Sustainable Finance Disclosure Regulation, the revision of the Non-Financial Reporting Directive and the Renewed Sustainable Finance Strategy

A **major consumer goods plc** in relation to B Corp registration

Shell Foundation on strategic governance issues and programme-related and mixed motive investments, including in relation to the FMO-backed \$120million Energy Entrepreneurs Growth Fund

Sky on the establishment of its Ocean Rescue Fund and related downstream investments

The **Social Tech Trust** in relation to social investments and arrangements with the Social Tech Venture Fund

The Stone Family Foundation in relation to its impact investment strategy and related template documentation, with advice including guidance on the delineation between financial investments with ethical or ESG-based screens, programme-related investments, and mixed motive investments

The Nesta Foundation on the spin-out of a major UK public service innovation programme



UnLtd regarding The Social Enterprise Support Fund to provide essential financial support to help social enterprises during the COVID-19 pandemic and on arrangements with project partners, funders, volunteers and UnLtd Award Winners

Zamo Capital on its establishment as the first specialist investor in impact firms in the UK, including the creation of a funding vehicle in collaboration with the Big Society Capital

WeWALK in relation to its Series A investment round including negotiations with new investors

2 FRANCE

ADIE in relation to commercial contracts and real estate matters

Danone Communities in relation to its investment in Impact Water Nigeria

Huozhi in relation to its commercial relationships

TerraWatt on its corporate structure and commercial agreements

3 SWITZERLAND

The **UN High Commissioner on Refugees** on intellectual property and commercial agreements on all legal aspects of its global consumer goods platform, MADE51

4 ITALY

Charity Bank in relation to European regulatory matters

5 SPAIN

Impact Hub on regulations relating to social enterprise and the impact economy

Virtual BodyWorks in relation to its corporate structure, tax matters and commercial contracts



6 AFRICA

AgDevCo in relation to its debt and equity investment in the AIM listed West African agricultural company Dekeloil Public Limited, an established palm oil processing business in Côte d'Ivoire

ManoCap on the establishment of the Sierra Leone Agricultural Development Fund, supported by DFID and the World Bank

Sapelle on corporate governance and an initial seed round capital raise by way of a private placement

Solon Capital Partners on the launch of its Sub-Saharan Africa investment platform

7 MIDDLE EAST

Mustard Seed on its proposed corporate structure in the UAE and investment criteria

8 INDIA

CreditEnable on its commercial agreements, capital raising by way of convertible debt and constitutional documents

The charitable foundation of a **multi-generational UHNW family** on its potential disposal of a minority stake in a social enterprise in India

9 CHINA

ShAre in relation to commercial agreements with corporate clients

10 HONG KONG

Food Made Good Hong Kong in relation to its governance, commercial partnerships and employment arrangements

A **social enterprise** on providing ethical loans to migrant workers, including drafting loan documentation and advice on regulatory data privacy considerations

11 SINGAPORE

Mistletoe in relation to its investments in Singapore

12 AUSTRALIA

The **New South Wales Government** on:

- the establishment of a AUD\$1 billion Social and Affordable Housing Fund and the first two phases of procurement, which will result in nine contracts with community housing providers; and
- the Smart Skilled & Hired programme, which is providing payments for outcomes in relation to youth employment and skills development in the disability sector

A **range of asset managers** in relation to a number of socially responsible investment funds

Save the Children Australia on the launch of its new social impact investment fund, the first investment fund launch by a charity

Social Ventures Australia in relation to an investment on behalf of its newly raised fund

The Big Issue's Homes for Homes on a range of real estate, corporate and commercial issues

Cross-practice support for the impact investment market

We are committed to building long-term, trusted adviser relationships with our impact investment clients as they grow.



Funds



Finance



Corporate



Data protection



Employment



Intellectual property



Regulatory



Real estate

Funds

We have extensive experience working with all types of investment managers and investment funds focused on numerous asset classes and strategies. Our credentials include the establishment of UK and offshore funds, including limited partnerships and other forms of closed ended vehicles, open-ended investment companies, authorised and unauthorised unit trusts, investment trusts and limited liability partnerships. We have previously advised a number of clients on the establishment of, and investment in, sustainable and impact investment funds.

In addition to our specialist fund formation practice, we also handle legal work in many related aspects of asset management businesses, including investor representation, regulatory advice, outsourcing and management and administrative arrangements.

Finance

Our international banking and finance group serves borrowers, lenders, advisers and other market participants on all forms of financings in both emerging and developed markets. We have significant experience advising clients in relation to securitisation, structured finance and debt capital market solutions.

We regularly support social enterprises and impact investors on convertible debt issuances, loan and security documentation for secured and unsecured lending and new forms of securities, such as green bonds, gender bonds and impact securities.

Our banking and finance specialists are at the forefront of many first-of-a-kind transactions, developing innovative new financings that reflect the consistently changing markets in which our social impact clients operate.

Corporate

We regularly advise corporates and strategic investors, financial investors and investee companies on fundraises, investment rounds, private placements and share issuances. We are deeply familiar with the form of transaction documentation used and the issues that arise on such investments.

For over a decade, we have leveraged this experience in support of the world's leading impact investors and social impact businesses.

This includes advice on the development, management, marketing and delivery of impact investment fund formations and fundraisings, structuring and executing portfolio investments and joint ventures and structuring, documenting and negotiating commercial arrangements.

Data Protection

Our data protection and privacy team covers the full range of data protection, privacy and associated matters including advising on general regulatory compliance, data transfers, subject access requests, cyber security, data breaches, data retention and global data compliance.

Our approach is to find practical and commercially realistic solutions to our impact investment clients' data protection and privacy issues, with a focus on strategically maximising data value while minimising legal, reputational and societal risks.

Employment and Incentives

We regularly provide advice to social enterprises across a variety of issues relating to employment and employment litigation, pensions, remuneration and incentives and workplace health and safety. This includes advice in relation to founder shares and employee stock ownership.

Intellectual Property

Our intellectual property team is committed to helping our impact investment clients commercialise and protect their innovations across sectors and continents.

We work in partnership with our clients to understand their businesses and where intellectual property adds the most value. Our team provides strategic guidance to help businesses navigate the global intellectual property landscape, avoid costly disputes and achieve favourable commercial and social outcomes.

Regulatory

Our world-class regulatory team work side by side with our impact investment clients to provide support on the myriad of highly complex regulations.

Our expertise covers the full spectrum of issues including regulatory change, enforcement and investigations, governance and risk management, compliance advice, market conduct, complaints handling, financial crime and the regulatory aspects of transactions or restructurings.

Real Estate

Our market leading real estate team is able to collaborate with impact investment clients to deal with the various complex real estate matters that arise in the real estate market.

In so doing, our team is able to seamlessly join the dots across real estate, corporate, tax and finance (as appropriate) in order to provide innovative and workable solutions to the multitude of issues that need to be dealt with.

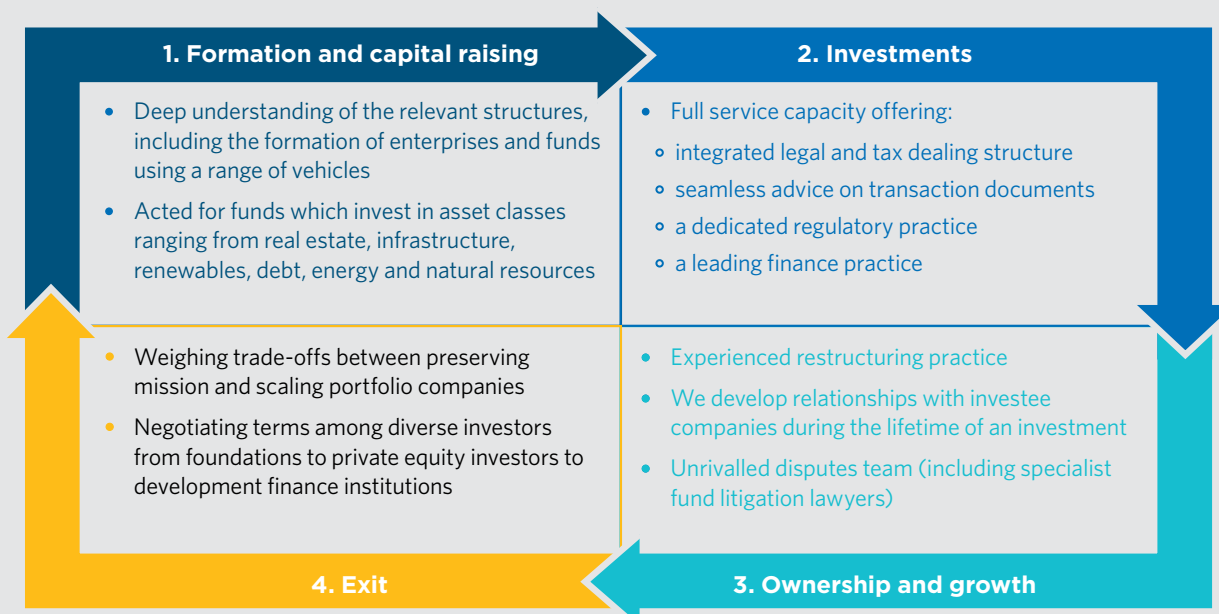
Tax

Social enterprises and those investing in them need practical, technical and workable solutions to their tax challenges to achieve the best outcomes and to stay ahead of constantly evolving legislative and regulatory requirements wherever they do business.

Technical tax expertise from your advisers is a given. We combine it with an innovative and commercial approach and are fully embedded in our clients' corporate deal teams, from initial structuring stages through to full implementation end phases.

Through HSF Impact, our tax team mobilises this expertise to provide support regarding a variety of market-specific issues, such as social investment tax relief, as well as more general concerns.

We are with you every step of the way, throughout the investment lifecycle:



Case studies



Beam

Launched in 2017 by tech entrepreneur Alex Stephany, Beam is the world's first crowdfunding platform set up to help homeless people train and get into work.

Homelessness in the UK has reached crisis point with over 9,000 people sleeping on the streets every night. As well as rising numbers of rough sleepers, the House of Commons Public Affairs Committee estimates that 78,000 households, including over 120,000 children, are homeless and housed in temporary accommodation.

Beam has been set up with the specific aim of helping the country's most vulnerable people move away from welfare dependency so that they have the confidence, ability and networks to progress toward stable and paid work.

Founder Alex spent more than a year meeting with people experiencing homelessness, those who have previously experienced homelessness, and staff and managers at homelessness charities, including The Connection at St Martin's and Thames Reach, before launching the social enterprise.

His ongoing aim is to ensure Beam helps the greatest number of people in the most effective way.

The online platform allows site visitors to contribute toward the cost of training a homeless person in London. They can then follow their progress with regular updates.

HSF's London corporate and tax teams worked closely with Alex on the establishment of Beam, as part of the firm's ongoing commitment to tackling homelessness through its market-leading HSF Impact practice, as well as its global pro bono and citizenship programmes.

Alex, himself a trained lawyer, says he instructed HSF because "we wanted and needed a top-class firm to work with."

With HSF's support, Beam has set up partnerships with more than 10 charities and gained grants from the Mayor of London and innovation foundation, Nesta.

HSF deployed lawyers from several practice areas, including tax, intellectual property, finance and data protection to support Beam in its endeavours. Collectively, the HSF team

has invested more than 2,000 hours devising Beam's organisational and governance structure, advising on capital raising and employee incentive arrangements, and drafting and negotiating commercial agreements.

"What is so striking about HSF is that the firm's lawyers have all combined technical excellence with a pragmatic and completely unpretentious working style that makes them an absolute pleasure to work with" says Alex.

"The work has been complex and involved several departments across the firm, but HSF works seamlessly as one team. We were never made to feel like a pro bono client. The quality of service and responsiveness has been absolutely superb throughout."

He continues, "there is a growing level of excitement around social enterprise and HSF has become a real leader in the field. We are incredibly lucky to have the firm working with us."

In the first ten months of its launch, Beam crowdfunded more than £140,000, made up of more than 4,000 donations. Over 350 people donate to Beam's "members" each month as well as more than 15 charity partners.

"This is innovative work and we have had to think outside the box," Alex comments.

"HSF has been part of something that is truly ground-breaking. I hope that we have collectively created something that will make a real difference to people's lives."

"NatWest SE100
Top 25
Trailblazing
Newcomers"

"MIT Inclusive
Innovation Challenge -
Best Financial
Inclusion Organisation
in Europe"



The Big Exchange

In 2020, The Big Issue Group launched a ground-breaking online social impact funds investment platform, allowing anyone with savings or pensions to invest in funds that can give them a financial return and make a positive social and environmental impact.

The pioneering platform – known as The Big Exchange – is backed by leading fund managers and seeks to make social and environmentally orientated investment products available to individuals through a simple and accessible site. Retail investors are able to select their preferred area of impact (matched to the UN Sustainable Development Goals) and risk appetite at a click, choosing from ready-made bundles or individual funds. The Big Exchange's unique approach shows investors, through clear words and images, how their selected individual funds are making a positive difference.

The investment platform is the first stage of The Big Exchange's wider project, which aims to make financial services and products (including cash accounts) available to all. To this end, The Big Exchange plans to make an inclusive money management service with no monthly or transaction fees available to everyone in the UK via an app.

The inclusive money management services can help people who are underserved by current financial products and services (this includes focusing on the 16 million people in the UK with less than £300 to their name), giving them access, support, and choice to products such as lower cost credit through partnerships with ethical lenders and specially designed impact fund and savings support services.

A multi-disciplinary team across our London office has advised The Big Exchange from the outset, on issues such as:

- UK financial services regulation of the platform and structuring options for the provision of services to customers through the platform;
- The Big Exchange's key relationships with third parties and its regulatory obligations, including advice in relation to appointed representative arrangements with a regulated entity and arrangements with another regulated entity for execution and custody services;

- stress-testing The Big Exchange's proposals for the platform against complex regulatory and wider commercial considerations, including regulatory status considerations, retail marketing and disclosure regimes, conduct of business restrictions, highly bespoke partner relationships, and future expansion plans;
- The Big Exchange platform-user documents (including the platform terms and conditions, website terms of use and privacy and cookies policy) to ensure the user journey reflects the platform objectives for seamless delivery and ease of use; and
- data protection and GDPR compliance.

We are immensely proud to work alongside The Big Issue Group and The Big Exchange to advance their mission of dismantling poverty and building a new financial system that works for everyone.

Jill Jackson, Managing Director of The Big Exchange noted: "Working with HSF on The Big Exchange has felt like a partnership from the beginning. They are focused on the positive impact our business is trying to achieve and have provided the depth and breadth of legal and regulatory knowledge required to get our business off the ground. They have been an essential part of our team and their input means we can begin to deliver on our mission - we look forward to continuing to work with them in the future."



WeWALK

Visually impaired people have used the white cane as a mobility tool since the 1920s and 1930s. Despite being a symbol of self-reliance, since its invention there have been very few innovations that successfully address some of the limitations of using the existing white cane.

The World Health Organisation estimated that in 2010 there were over 253 million people globally who were visually impaired or blind. Of those, it has been estimated that about 50 million use a cane to assist in their daily routines. Historically, canes for the blind have been primarily used to 'feel out' obstacles in the sidewalks and streets or to locate walls and other obstructions.

WeWALK is an award-winning social enterprise that has invented a revolutionary device that attaches to the traditional white cane and transforms it into a 'smart cane' that ultrasonically detects overhead obstacles, integrates with a user's smartphone, and provides accessible navigation and urban exploration features.

HSF is proud to work alongside a social enterprise that seeks to increase visually impaired people's independence and promotes their full participation in social life.

WeWALK was founded by graduates of the YGA, a social-tech driven non-governmental organization. It was subsequently selected by Microsoft for Start-ups and the Social Tech Trust as one of the first companies to receive support from their joint "AI for Good Programme". Forbes and CNN International have each described WeWALK as one of the most innovative technologies of our time, and the WeWALK team is now working with Microsoft AI to provide additional features and improve the current functionality.

Furthermore, WeWALK is collaborating with Imperial College London and the Royal National Institute of Blind People (RNIB) to develop a mission-critical indoor navigation system for the visually impaired, thus enabling them to become autonomous in urban spaces where we live, work, and play. These collaborations, alongside

WeWALK's growing feature set, transforms WeWALK into a personal hub for the visually impaired, allowing them to achieve safe and effective mobility.

Our London office advised on all aspects of their seed investment round, including drafting of the term sheet, subscription and shareholders' agreement, and articles of association. The HSF Impact team also supported the WeWALK team with negotiations with 11 new investors, three founders and an existing shareholder agreement, as well as amendments to the articles of association and post-closing steps.

WeWALK co-founder Gökhan Meriçliler commented: "The HSF Impact team did a fantastic job and helped us tremendously. We felt their genuine interest in every step, and frankly, it has been an invaluable relief for us. It was a kind of miracle to accomplish this under the current challenging conditions. We sincerely could not have achieved this without the expertise and support of the HSF Impact team. We hope this will open a new chapter for us, facilitating a broader positive impact on the lives of visually impaired people around the world".

WeWALK



Huozhi

Launched in 2016, a team led by economic anthropologist Dr Edwina Thompson has created a service and platform for senders of financial assistance to track every cent of their donation to specific end recipients living in the world's worst-hit crisis zones. These include thousands of frontline medical workers under constant threat of attack from indiscriminate air strikes and shelling, and now Covid-19.

The United Nations estimated in December 2019 that \$30 billion in emergency humanitarian aid would be required to serve almost 200 million people in urgent need in 2020. The top ten countries, from Syria to Yemen and Sudan, are largely cut off from the global banking system due to the fear of fines triggered by (particularly US) investigations, headlines about "financing terrorists", and loss of access to the US market/dollar system. The increased cost of compliance is quite literally creating a new class of "unbankables".

Akin to remittances, delivering cash instead of in-kind aid is now well-proven to help vulnerable people stay in their homeland rather than displace, meet their essential needs with dignity, stimulate local markets, cut waste and risk out of aid, and optimise value for money for the donor. Scaling this approach in unbanked crisis zones is made difficult because cash can be diverted by fraudulent or criminal actors, and can only be delivered via traditional informal trading networks in areas with restricted banking. It is estimated that up to 30% of foreign aid is misappropriated, misused or stolen before it reaches its final destination.

Huozhi has created a platform (SecureAid) and service (Amanacard) that integrate trust-based traditions into a cutting edge fintech solution, bridging the gap between the informal and formal spheres of finance which have been researched in forensic detail by its founder. Beneficiaries are paid workers, local businesses, health and education facilities and individual recipients, who access the platform through "Amanacards" and easy-to-use Amana mobile apps that enable SecureAid to track the movement of aid across borders and through supply chains with complete transparency, reliability and protection of all people involved.

It is now trusted by governments, international aid agencies, global banks, and local operators prepared to accept change to facilitate the movement of millions of dollars to those inside unbanked crisis zones, thus keeping the lifeline open.

HSF's London office advised on a number of aspects of Huozhi's operation, including advice on Huozhi's technology contracts and aid partnerships, corporate structuring, fundraising, data protection and intellectual property issues, compliance with anti-bribery, anti-corruption and money laundering regulations and assisting with applications to the FCA regulatory sandbox scheme.

Collectively, the HSF team has invested more than 2,500 hours on supporting Huozhi's mission.

Chief executive Dr Edwina Thompson commented: "Without HSF, Huozhi would not have got off the ground and still be alive today, four years on. We came to HSF with a truly complex legal challenge, and they have delivered consistently high-quality and business-critical advice on subjects as diverse as financial regulation, corporate structuring, contracting, intellectual property, and data protection. We consider it a true partnership, out of which a unique and integrated legal framework has been created from scratch, to deliver social impact on a global scale."



Shell Foundation

Managing energy demands is one of the major challenges the world faces today. However, for those living in extreme poverty, they often worry about accessing electricity at all.

Shell Foundation (SF) is a UK-registered charity that supports pioneering businesses and institutions serving low-income communities lacking access to affordable energy and transport services across Africa and Asia. We are proud to have advised SF in relation to its programme-related and mixed motive investments, as well as various strategic corporate governance matters.

Our work includes advising SF on its investment in Persistent Energy LLC, which provides early stage capital and operational support to social entrepreneurs in underserved markets. Lack of access to energy is one of the biggest barriers to development. This will help boost and scale innovative companies providing off-grid solar power in Africa, addressing the funding gap between early stage off-grid companies which, are primarily served by grant providers, and larger players that are able to tap into commercial sources of capital.

We have also advised SF in relation to the launch of the ground-breaking US\$120 million Energy Entrepreneurs Growth Fund (EEGF), established in partnership with FMO, the Dutch development finance institution. EEGF deploys catalytic debt financing, including mezzanine and subordinated debt, to high-impact social enterprises that are primarily active in off-grid and/or decentralised energy solutions in Sub-Saharan Africa, with the aim of increasing access to affordable energy in the region.

Sub-Saharan Africa has the lowest access to energy in the world, with 600 million people lacking electricity and over 125 million households without access to modern energy services. This level of energy poverty has dire effects on economic growth and sustainable development, as access to energy is needed to improve living conditions and allow for development in rural Africa. **By providing financing for innovative companies delivering off-grid solar power in Sub-Saharan Africa, EEGF will achieve meaningful impact, changing the lives for millions of people. It will also achieve financial return, opening up access to what is a massive market opportunity for investors.**

Shell Foundation commented: "HSF were instrumental to the execution of our nuanced, cross-border, lead investment in the off-grid energy space. They are highly effective, responsive, pragmatic and have a refreshingly unique capability to creatively balance both the commercial aspects of a direct investment with the nuanced objectives, restrictions and risks that are applicable, and of increasing relevance to philanthropic investors. I can't recommend HSF more highly."

Shell Foundation | 



Save the Children Australia

Traditional funding models in the charity sector are often not sufficient to solve the world's social challenges, with charities and aid organisations needing to look further afield to support their charity objectives.

In a historic move away from traditional charitable fundraising models, Save the Children Australia is the first Australian charity to launch an "impact fund" in the region.

In taking this new and dynamic approach to philanthropic fundraising and investing, the fund seeks to generate income and capital returns, as well as create social impact by investing in enterprises that are working to improve the lives of vulnerable children and their families in Australia and overseas. A pipeline of potential investments has already been developed which include a tech start-up developing a platform for electronic cash transfers during emergencies, an agency which specialises in child protection, training and certification and an innovative health organisation which aims to reduce child deaths from pneumonia in developing communities.

Save the Children Australia's CEO, Paul Ronalds, said the creation of the fund reflected the need for the sector to respond to a changed operating environment and find new sources of funds to scale-up promising social innovation.

"Traditional approaches to aid are not, by themselves, enough to solve the world's social and humanitarian problems. Unprecedented demand for our services, including from increasingly severe and frequent disasters, means we must find new sources of funding for social innovation. This includes finding ways to leverage private sector investment." said Mr Ronalds.

To achieve this vision, HSF Australia assisted Save the Children Australia in creating a new charitable company to act as trustee, and obtained an exemption from the requirement to hold an Australian financial services licence for the fund's trustee. This was another first, as historically exemptions of this nature have only been granted in favour of religious charities.

HSF Sydney's corporate team established the unit trust structure and obtained the exemption whereas HSF Melbourne's charities team advised on the charitable nature of the trustee company and the nature of the mix of investments in the fund.

Save the Children Australia General Counsel Simon Miller commented: "It is hard to say how grateful we are for the quality and volume of advice HSF provided and their patience with us in building a first fund in a non-traditional environment. Without the support of partners like HSF, an initiative like this would not get to this point. I genuinely hope that in 5 years' time we will look back at this launch and see it as opening a new source of financing for charities and social good."



Zamo Capital

Social impact investment is becoming a greater component of civil society as a way to make a positive social change for the public by using capital investment. Zamo Capital, Europe's first specialist investor in impact funds, is a major driver of this change by catalysing the impact investment industry in the UK and providing investors with the opportunity to be the driving force behind social and environmental change.

With concerns around human rights, social justice, gender equality and climate change dominating today's society, impact investing is flourishing. The sector's extraordinary growth is being driven by impact-conscious investors who have recognised the positive social and financial returns which are achievable by impact investment. This growth has resulted in the impact investment market being worth \$502 billion by the end of 2018 according to the Global Impact Investing Network. This demonstrates that now, more than ever before, impact investors have the opportunity to pioneer their own form of responsible capitalism and generate an impact on society by focusing on causes which inspire them.

One such impact investor is Zamo Capital. **Zamo Capital was established by Jim Roth, the co-founder of the world's first billion-dollar impact investment private equity firm, in order to catalyse the impact investment industry in the UK by supporting the establishment and growth of impact investment firms across various sectors.** Modelling the concept on the Dyal Capital model, Zamo Capital established a funding vehicle which provides equity and debt investments in social impact firms as well as providing expertise and support as they grow.

Working alongside Big Society Capital, together they unite capital, expertise and ideas to create opportunities for investors and enterprises and help to create better lives for individuals. Among other things, Zamo Capital has supported enterprises that address quality affordable care for the elderly, meeting critical health care challenges, and eliminating homelessness.

HSF's London office has advised on all aspects of the partnership structure between Zamo Capital and Big Society Capital including the establishment of Zamo Capital and the funding vehicle, negotiating the on-going relationship between Zamo Capital and Big Society Capital and completing detailed regulatory and tax analysis of the funding vehicle and management entity.



MADE51

An estimated 26 million refugees are currently displaced around the world, forced to leave their homes due to war, persecution and natural disaster. A large number of refugees have artisanal skills, traditions and talent that they struggle to sustain in the countries and camps in which they find themselves displaced. Not only must refugee craftspeople abandon their skills and livelihoods to adapt to life in new countries, but indigenous techniques and processes themselves may be threatened.

The artisan sector, behind the agricultural sector, is the second largest employer in the developing world. International trade in artisan crafts is now valued at over \$32 billion per year, with 65% of handicraft exports coming from developing countries behind the agricultural sector.

With this in mind, the UN Refugee Agency (UNHCR) has launched a global consumer goods platform – MADE51 – which empowers refugees and allows them to earn a living from their expertise. Through MADE51, refugees with artisanal skills (e.g. producing clothes, pottery, art) will be able to develop saleable product lines in partnership with local social enterprises and sell their goods to major retailers in the West, where they are in demand.

HSF has provided legal support to MADE51 from day one. Heidi Christ, UNHCR’s Global Lead for MADE51, explains, “HSF is our Strategic Partner for legal services, and is a driving force behind MADE51”.

“MADE51 is a new initiative,” says Heidi, “having the support of HSF as a founding Strategic Partner has been fundamental in helping us to establish our structure and get the right partners on board to help us achieve our ambitious goals.”

“We are able to strategise with the firm and call on them at any time for advice across a broad variety of issues; they are

always able to find the right person to provide the best technical support in the most accessible way. The enthusiasm that HSF lawyers and staff have for MADE51 is infectious.”

The firm has provided a range of legal support to MADE51, from advising on corporate structure, commercial agreements and intellectual property, to developing a business toolkit for local social enterprises that will work with the refugees to develop MADE51 product lines and mobilise additional Strategic Partners that can contribute to the platform.

Heidi says, “HSF is a true partner. Together, we are building MADE51 and creating the enabling environments that enfranchise refugees as productive, contributing members of society, and part of the global future.”



Our tech for good expertise

Technology challenges the way we connect – it demands us to think globally and outside our own walls.

In the age of access, technology provides us with the tools and opportunities to scale impact and create change far from the screens and the apps where action is initiated. Technology has provided platforms for people to create, invent, fund and collaborate to achieve positive social change.

Our recent tech for good experience extends beyond the projects listed here. In addition to advice for social enterprises like those listed here, we collaborated with Social Tech Trust, a charity that provides investment and support needed for social tech ventures to grow and scale a positive and equitable social impact, by providing legal support to their webinar programme and one-to-one legal advice clinics.

Our recent experience includes advising:

Hire Hand on its Spare Hand initiative

On a redeployment of its platform to pair volunteers and volunteer organisations during the COVID-19 pandemic

Wakey!

A breakfast show focused on mental wellbeing and accessible via an app, on embedding its social mission and future financing rounds

Jangala

An online platform providing WiFi to refugee camps, on the terms and conditions of their terms of service and miscellaneous employment incentive and corporate governance issues

Beam

The world's first crowdfunding platform to help homeless people train up and get into work, on its corporate structure, charity partnership agreements, capital raising and issues arising in relation to crowdfunding

CreditEnable

A data analytics provider that facilitates lending to social enterprises, on its commercial agreements, capital raising by way of convertible debt and constitutional documents

Huozhi

A cashless aid system that provides people in crisis with a safe way to receive money, on a number of legal issues relating to corporate governance, data protection, intellectual property and financial regulation

WeWALK

An award-winning social enterprise that provides access to a "smart" bluetooth white cane, on its Series A investment round

Our agribusiness expertise

We believe that agribusiness is a key driver of economic growth, poverty alleviation and food security.

In emerging markets in particular, the sector too often struggles to deliver on its potential due to undercapitalisation, low penetration of advanced business practices and lack of access to markets. Our support for agri-focused impact investors and investees seeks to address these constraints.

We work with our clients to establish, maintain and grow their agribusiness operations and portfolio interests across the globe. By understanding the key sensitivities, issues and challenges this sector faces and the opportunities and drivers that inform their decisions, we can support our impact clients in both established and higher growth emerging markets to create positive social and environmental impact, as well as better business outcomes.

Our recent experience includes advising:

Rubies in the Rubble

A sustainable food brand making condiments from surplus ingredients, on share issuances and tax clearance queries

SafetyNet

A social enterprise focused on making the fishing sector fair and sustainable, on its advance clearance under the EIS regime

Yedent

A Ghana-based agribusiness developing low-cost highly-nutritious products, on corporate restructuring

AgDevCo

A leading agri-focused impact investor, regarding investment readiness advice for potential investee social enterprises

ManoCap

An Africa-focused impact fund, in relation to the establishment of the Sierra Leone Agricultural Development Fund, supported by DFID and the World Bank

A confidential client

Operating in the fisheries and agriculture sectors in Sierra Leone, on a proposed share swap

Our energy, climate change, cleantech and WASH expertise

With the world's population expected to hit 9 billion by 2040 and urbanisation rates projected to reach 63% in the same time frame, global energy demand is set to grow. It is clear that new technologies will continue to be fundamental for businesses seeking to identify and implement solutions to the world's critical energy, natural resource and pollution challenges.

Through HSF Impact, we advise cleantech and other environmentally-focused businesses - from start-up to scale-up and beyond - across a diverse range of commercial, legal and regulatory issues. In particular, we regularly mobilise the knowledge and expertise of our world-leading energy team to deliver tailored advice rooted in sector specialism and a deep understanding of the complexities and implications of global trends facing businesses tackling climate change and those investing in them.

Our recent experience includes advising:

TerraWatt

A consortium of global energy companies and financial institutions focused on promoting the production of affordable solar energy, on its corporate structure and commercial agreements

Sky

On the establishment of its £25 million social impact investment fund to support new ideas, technologies and businesses that tackle the problem of plastic pollution in the world's oceans, and related downstream investments

Global Village Energy Partnership

On the establishment of a Climate Innovation Centre based at a university in Nairobi and the Moving Energy Initiative to explore innovative ways to improve the way energy and energy access is managed in humanitarian settings

The Stone Family Foundation

The Stone Family Foundation, in relation its impact investment strategy and related template documentation, with advice including guidance on the delineation between financial investments with ethical or ESG-based screens, programme-related investments, and mixed motive investments

Shell Foundation

Shell Foundation on strategic governance issues and programme-related and mixed motive investments, including in relation to the FMO-backed \$120million Energy Entrepreneurs Growth Fund

Our financial services expertise

The global financial services industry has never been more dynamic. Rapid developments in technology, consumer preferences, competition from new entrants and regulation have combined to create significant opportunities for financial inclusion across the globe.

Through HSF Impact, we leverage our expertise in corporate, finance, technology, cyber security, data protection, intellectual property, commercial, financial services regulation, capital markets, competition, insurance and asset management to support clients that are developing and investing in solutions to the challenges facing those who are financially excluded.

This range of expertise and experience enables us to advise clients on both their strategic objectives and their particular legal challenges. Furthermore, we have helped shape law and policy in the industry, advising a major industry body on its response to European Union consultations related to non-financial reporting obligations.

Our recent experience includes advising:

ClearlySo

Europe's leading impact investment bank, on the establishment of a social impact investment fund

Big Society Capital

On the investment by Big Society Capital and the Joseph Rowntree Foundation in the Fair by Design Venture Fund tackling the "poverty premium" that society's poorest people pay for utilities, insurance etc.

On its investment in Bethnal Green Ventures Fund I and II

On its investment in the Big Issue Fund

The Big Exchange

A financial marketplace established by Big Issue Invest to promote financial inclusion, in relation to regulatory and data protection issues, KYC and anti-money laundering, corporate structure, commercial agreements and incentives and tax concerns

Impact Investing Institute

On the fiduciary duties of pension trustees and on its response to the European Commission's consultations on the Sustainable Finance Disclosure Regulation, the revision of the Non-Financial Reporting Directive and the Renewed Sustainable Finance Strategy

Zamo Capital

Zamo Capital, on its establishment as the first specialist investor in impact firms in the UK, including the creation of a funding vehicle in collaboration with the Big Society Capital

Our consumer products expertise

The increasing value placed by consumers on provenance and ethics within supply chains is giving rise to new opportunities and new technologies that can help businesses demonstrate transparency and their ethical credentials.

We work with our social impact clients globally and across the value chain, helping them to realise the opportunities offered by new markets and new technologies.

We provide support and guidance on every aspect of their businesses: ensuring that their brand and intellectual property are protected, responding to regulatory intervention and addressing product liability issues.

Our recent experience includes advising:

The UN High Commissioner on Refugees

On the legal issues relating to the development and running of its global impact-focused consumer goods platform, MADE51

From Babies with Love

On a number of legal issues relating to intellectual property

Spare Fruit

A consumer products business tackling food waste, in relation to its seed funding round

A confidential client

Operating in the rice trade on a £30 million pre-IPO fundraising



Key contacts

For further resources, help and support please do not hesitate to visit our website or get in touch with one of the team.

www.hsf.com/impact

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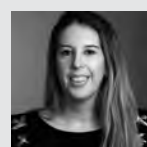
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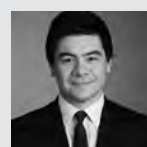
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