

# IMPACT INVESTMENT - CASE STUDIES

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Legal Briefings

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Four case studies highlighting practical examples of one of the most touted trends in sustainable finance.

All over the globe, entrepreneurs are devising innovative commercial solutions to social and environmental challenges.

On this page we highlight a selection of case studies where our team has supported innovation to generate long-lasting positive returns. For further information on our tech for good, cleantech, agribusiness, consumer products and financial services expertise, [please download your copy of Impact investment: Generating positive returns.](#)

## 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.

Herbert Smith Freehills (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 impact investment practice, as well as its global pro bono and responsible business programmes.

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

With the firm'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 1000 hours on drafting and negotiating agreements, and devising the organisational and governance structure**

"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 since launching, 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."

[For more information, visit the Beam website](#)

## AGDEVCO

Social impact investor AgDevCo works to support and build successful African agribusiness through long-term investments that deliver a positive impact on a significant scale.

Currently working in eight African countries, with plans to expand further, AgDevCo aims to raise agricultural productivity, increase incomes, create employment opportunities and drive down food insecurity, hunger and under-nutrition in rural communities.

**The organisation invests in socially-responsible agribusinesses that operate across the agricultural value chain. It is one of the most active investors in African agriculture having invested in more than 55 early-stage farming and agro-processing companies to date, in the process supporting some 7,500 jobs and linking over 425,000 smallholder farmers to reliable markets.**

General counsel Melissa Manzo explains that, by partnering with Herbert Smith Freehills (HSF), AgDevCo has been able to deliver in-kind investment in the form of free legal advice to early-stage agribusinesses where financial investment would not yet be possible. HSF is able to provide these businesses with pro bono assistance to work through the legal issues that present a barrier to investment.

Melissa explains, “We are regularly approached by agribusinesses that show a lot of promise, we like the people and the project seems to have a real social impact. But when we start looking more closely we can see that there is some work to be done in relation to corporate structure and governance. We don’t have the capacity to work with potential investees on these issues; there is a lot of legal work involved.

“On a recent matter, HSF advised a Ghana-based agribusiness in which we were considering investing. HSF worked closely with a Ghanaian law firm to help the enterprise become investment ready. It is rare to see local legal advice provided on a pro bono basis and HSF was able to leverage the relationships it has built across the continent to assist the company in this way.

**“The level of support was amazing, and the project was managed very well. The firm had a good rapport with the founder and his team, and provided a high standard of advice that was easy to follow.”**

Melissa says HSF's work is helping to build momentum in the social impact sector, growing partnerships that allow experiences and knowledge to be shared.

“Associate Rebecca Perlman has been great at connecting us with others in the sector,” Melissa says. “She is always keen to help and build new partnerships.”

## SPARE FRUIT

The planet has a food problem: too much goes to waste while too many go hungry. Every year, consumers in rich countries waste almost as much food, 222 million tonnes, as the entire net food production of sub-Saharan Africa, 230 million tonnes according to the UN.

The UK alone wastes more than 10 million tonnes of food annually. In doing so, every household plays a role in squandering resources, including water, land, energy, and needlessly produces greenhouse gas emissions, contributing to global warming and climate change.

Herbert Smith Freehills (HSF) is proud to work alongside social enterprises that are working hard to cut food wastage in the UK.

**In 2017, HSF began working with Spare Fruit. Its founder, Ben Whitehead, has ambitions to save at least 5,000 tonnes of fruit from being wasted at farm level within five years. The enterprise pays a fair price for fruit that has been rejected by larger retailers and turns it into a healthy crisp snack to be sold at retail.**

Last year, Spare Fruit set out ambitious plans to grow, launching a crowdfunding campaign with plans to raise £300,000. The company smashed its target, going on to raise £421,000.

Spare Fruit had little personal experience of corporate fundraising and turned to HSF for advice.

“The process was new to us and complicated as we had two sets of investors acquired through separate crowdfunding campaigns; both with slightly different terms,” explains Ben. “HSF helped us navigate this, comprehensively turning two agreements into one coherent shareholder agreement, which helped us to negotiate the best deal and outcomes possible.

He continues, **“HSF were an incredible resource from start to finish**, not only advising and representing our social enterprise throughout negotiations with lawyers, the Board, and the investors, but also advising on the filing process itself, actually filing on our behalf - not to mention enlightening us on some very complex legal jargon and legal processes.”

The firm has been committed to the ongoing success of Spare Fruit, says Ben, helping it build a solid foundation from which to grow.

He comments, “As a small business, you are not only completely stretched for resource but also at risk of being manipulated by larger more qualified entities, so to have best in class legal support is so invaluable. Long may it continue; **the firm is helping social enterprises make a real difference.**

“Thanks to HSF we will be saving thousands more tonnes of produce from going to waste - a great example of big business helping the underdog achieve amazing things.”

Now the funding is secured Spare Fruit has relaunched as Spare Snacks with a new range and has ambitions to reach supermarket shelves by 2019.

<http://www.sparesnacks.com>

## MADE51

*“There is so much talent within refugee populations that goes to waste because people are not allowed to work or are not able to work” - Angelina Jolie (UNHCR Goodwill Ambassador) on MADE51*

An estimated 22.5 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.

**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 (producing e.g. 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.**

Herbert Smith Freehills (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 IP, to developing a business toolkit for local social enterprises that will work with the refugees to develop MADE51 product lines and mobilising 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.**

**“HSF is vital to the future success of MADE51.”**

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## KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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