

Investment Banking.
Redefined.

Benefit Report



2016

USING
BUSINESS
..... AS A
FORCE  GOOD



Introduction

Keene Advisors is a socially responsible investment bank. Incorporated in Massachusetts in July 2015, we elected to become a benefit corporation at formation, which means that in addition to creating value for our clients and pursuing financial success, we have also committed to generate a material, positive impact on society and the environment. In August 2016, we became a Certified B Corporation. This report includes background on our company, our purpose and values, in addition to details on the public benefit we generated in 2016. We hope that you enjoy learning about Keene Advisors and our journey to become the leading socially responsible investment bank.

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Letter From Our Founder and President



Keene Advisors celebrated its first full year of operations in 2016. We made tremendous strides during the year, having advised clients on M&A and capital raising transactions across a range of industries - from consumer to technology. We also made progress on our social mission, contributing our time and profits to charitable organizations in the Greater Boston area and around the world.

Our team was relentless in pursuit of clients' success throughout the year. Without their incredible efforts, none of the progress on our public benefit would have been possible. In fact, since Keene Advisors' founding in 2015, this team has partnered with wonderful charitable organizations and has already positively impacted the lives of thousands of people around the globe.

A few highlights of our public benefit in 2016:

- Became a certified B Corporation, improving our B Corporation Assessment score from our preliminary assessment by eight percentage points
- Increased charitable giving per employee by 24%
- Increased volunteer hours per employee by 2.1x
- Offset over 22,000 lbs of CO2 in partnership with fellow B Corp, TripZero
- Embraced diversity and inclusion, joining the call by B Lab to create a more inclusive economy by focusing on measurable improvements
- Continued to be a strong advocate for the benefit corporation movement among clients, academic partners and the general public

I could not be more proud of our teams accomplishments in 2016. I am excited about the future that lies ahead.

Travis Borden
March 31, 2017

Our Vision

Through our efforts, we hope to positively impact the lives of millions of people.

Our vision is to:

-  **Be the leading socially responsible investment bank, providing honest advice, exceptional service, and outstanding value to our clients**
-  **Build a sustainable business that employs happy, healthy, and fulfilled employee partners**
-  **Donate over \$50 million per year to charitable organizations that are having a positive lasting impact on the world**
-  **Make important contributions in our local communities**
-  **Have a positive impact on the environment**
-  **Be a role model for other businesses**

“The journey of a thousand miles begins with the first step.”

- Lao Tzu

Our Purpose and Core Values

Our purpose and core values guide all of our decision-making and are the foundation for our client, partner and other stakeholder relationships.

Our Purpose = to help our clients achieve long-term success, and to leverage the power of our business to have a positive, lasting impact on the world.

Our Core Values = Honesty, Integrity, Transparency, and Compassion

Honesty is the foundation for everything we do. We value unwavering personal courage and intellectual honesty. We value doing the right thing even when it is not in our own self-interest, is not convenient, or is contrary to conventional thinking.

Integrity is an expression of our unity. We believe that we succeed or fail together. Our commitment to integrity reflects our resolve to work together to have a positive, lasting impact on each other and on the world.

Transparency in our processes, advice and communications ensures openness and accountability that is essential to establish trust among our stakeholders. We believe trust is necessary to build and maintain a strong and enduring reputation, culture, and brand.

Compassion enables us to empathize with all of our stakeholders – our clients, employee partners, communities, and people in need. It motivates us to challenge ourselves to work harder and be better every day. It requires us to be mindful of the impact of our actions, or inaction, on others and on the environment.

As a Benefit Corporation, we hold ourselves to a high standard of success and have imbedded our purpose and core values into our identity.



What Is A Benefit Corporation?

A benefit corporation is a type of for-profit corporate entity, legislated in 31 U.S. states and the District of Columbia, that includes positive impact on society in addition to profit as its legally defined goal.

In Massachusetts, where Keene Advisors is incorporated, benefit corporations must:

- Provide a "general public benefit", which is defined as a material, positive impact on society and the environment, taken as a whole, as measured by a third-party standard
- Consider the impact of decisions on all of a company's stakeholders (shareholders, employees, customers, the community, and the environment)
- Appoint an outside benefit director that has a number of duties, including to report on the companies public benefit each year and measure it against a third-party standard

For Keene Advisors, "general public benefit" means (1) caring for people, (2) sharing our profits, and (3) reducing our impact on the environment. We consider the impact of decisions on all stakeholders. Dr. David Scott Borden is our Benefit Director and we have chosen the non-profit B Lab as the third-party standard. B Lab was established to provide third-party certification for benefit corporations and to help pass benefit corporation legislation around the world. B Lab certification is to business what fair trade is to coffee and LEED is to green building. Today, B Lab is leading a global movement of over 2,100 Certified B Corporations in 50 countries and spanning 130 industries.

**PEOPLE USING
BUSINESS
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Selected Certified B Corporations



Measuring Ourselves

Our Standard For Measuring Performance

B Lab has been one of the primary architects of the benefit corporation movement around the world. In addition to promoting legislation, B Lab operates the leading third-party standard for benefit corporation certification known as the B Impact Assessment. The B Impact Assessment scores companies' social and environmental impact on a 200-point scale. In order to be certified by B Lab, a company must score an 80 or higher.

In 2015, we completed B Lab's preliminary assessment and earned pending certification with a score of 88.1. However, B Lab requires companies to be in existence for more than one year before they are eligible for full B Corporation certification. Through the preliminary assessment, we identified a number of areas for improvement and, in August 2016, we completed the B Impact Assessment earning a score of 95 and full B Corporation certification. We are very proud of this result and hope you enjoy reading about our specific efforts to generate a "general public benefit" on the following pages.

Below are our B Impact Assessment scores:

What makes us a better company?

B Impact Report		
Certified since: August 2016		
Summary:	Company Score	Median Score*
Environment	6	7
Workers	29	18
Customers	N/A	N/A
Community	40	17
Governance	21	6
Overall B Score	95	55

80 out of 200 is eligible for certification
*Of all businesses that have completed the B Impact Assessment
**Median scores will not add up to overall

B Impact Report	Keene Advisor's 2015 Preliminary Score	Keene Advisor's 2016 Score (+Improvement)	Mean Score**
Summary:			
Governance	20.9	21.0 (+.01)	6
Workers	29.0	29.0	18
Community	35.8	40.0 (+4.2)	17
Environment	2.4	6.0 (+3.6)	7
Overall B score	88.1	95.0 (+6.9)	55

80 out of 200 is eligible for certification

** Of all business that have completed the B Impact Assessment; median score will not add up to 100

Measuring Ourselves

Assessing Our Performance Against Our Goals for 2016

In 2016, we focused on delivering outstanding advice and service to our clients while also pursuing new business opportunities and growing our overall social impact. In our 2015 Benefit Report, we outlined four social benefit-related goals for 2016. In 2016, we achieved three of the four goals. We became a certified B Corporation in August 2016. We increased our volunteer hours by 2.1x and we enhanced our ability to measure and track our overall impact. We increased our charitable giving per employee by 24% which was below our goal of 50%. We do not view this as a failure, but as a challenge.

2016 GOAL	PERFORMANCE
Demonstrating our commitment to our social mission by becoming a certified B Corp	Earned B Corporation certification in August 2016 
Increasing our charitable giving per employee by over 50%	Increased by 24% 
Increasing our volunteer hours per employee by over 2.0x	Increased by 2.1x 
Enhancing our ability to measure and track our overall impact	Initiated carbon audit and TripZero travel policy 

Caring For People

Caring for our Employee Partners

We strive to create an environment where our employee partners can lead happy, healthy and fulfilled lives. We value openness and acceptance. We encourage diversity, innovation and compassion. We seek to provide opportunities for advancement and increasing levels of responsibility for all of our employee partners. And we seek to provide industry leading benefits for all of our employee partners, including:

- Profit sharing participation
- Attractive health and dental plans with generous premium coverage
- 401(k) plan access with an attractive employer matching feature
- Paid vacation, maternity/paternity leave, sick days, personal time, and volunteer time
- Flextime and telecommuting benefits

Caring for Others

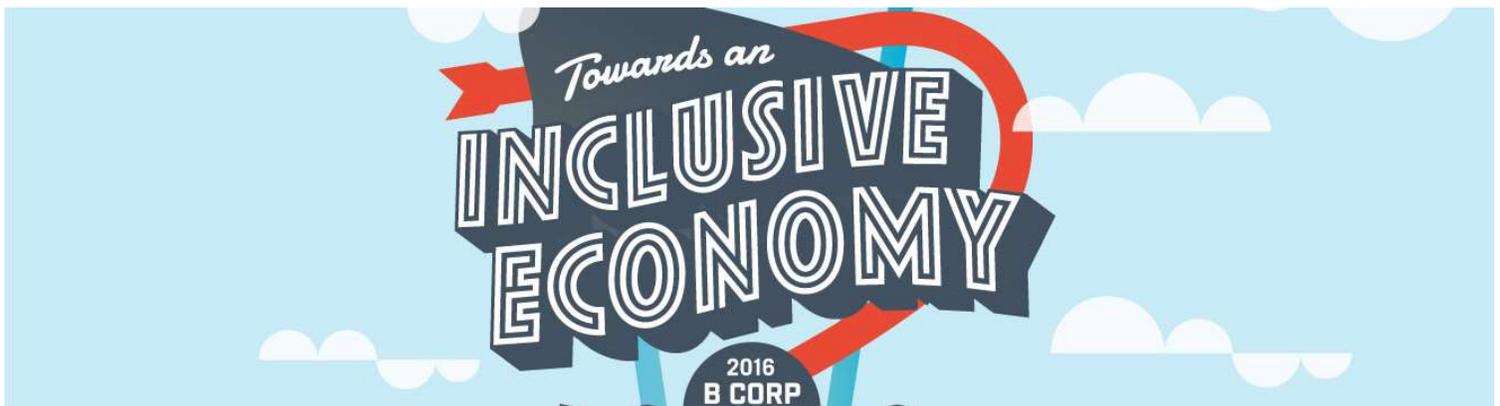
Our commitment to having a positive, lasting impact on the world extends beyond our employee partners and our clients. We encourage our partners to be active participants in civil and charitable organizations in their local communities and abroad by providing them with paid-time off to pursue their passion and dedicate their time and energy to charitable endeavors of their choosing. In 2016, our team proudly volunteered by: supporting youth civic engagement at Generation Citizen's Civics Day; serving lunches at the New England Center and Home for Veterans; lecturing for Upward Bound at Boston University and in a Social Entrepreneurship course at Framingham State University; providing financial literacy training at Generation Citizen; engaging community stakeholders through City Awake; and, volunteering to help plan and organize the 2017 New England B Corp Leadership Development retreat.



The Inclusion Challenge

The Inclusion Challenge

In 2016, B Lab issued The Inclusion Challenge to the entire certified B Corporation community. As part of the challenge, B Lab defined an inclusive economy metric set to help companies focus their efforts to create an inclusive economy by creating opportunity for all, reducing inequality, and improving their performance on inclusion and diversity. We identified three specific metrics to focus on for becoming more inclusive. We look forward to reporting our Inclusion Challenge progress in the 2017 Benefit Report.



Diversity & Inclusion Trainings

Does your company provide specific content in worker training on inclusion and diversity issues related to any underrepresented group?

None of us are without bias, and creating an inclusive work environment will support both recruitment and retention of a diverse workforce, making for a more effective workplace.

Professional Development

What percentage of full-time workers have participated in external professional development or lifelong learning opportunities in the past fiscal year?

Upward mobility is as necessary as a living wage to foster inclusion. Employer-supported professional development can be a powerful accelerator of upward mobility, giving all employees access to new skills and opportunities.

Board Diversity

What percentage of your Board of Directors (or equivalent) are women or individuals from other underrepresented populations?

Board diversity demonstrates inclusive leadership, recognizes the value of different experiences and perspectives in decision-making and can drive more inclusive business practices.

Sharing Our Profits

Charitable Giving Overview

We have committed to direct at least one-quarter of our profits to charitable causes, primarily 501(c)(3) organizations that do not have an expressly political or religious purpose. Because every employee contributes to our profits, every employee participates equally in charity selection and profit allocation decisions.

In 2016, we held our annual charity nomination and selection meeting. We proudly made donations to the following charities: Save the Children, Helping Hand for Relief and Development, charity:water, and Bridgepointe. Our donations went to fund food and support for families and children impacted by the Syrian conflict, new water projects in developing countries, and to support educational programs for disadvantaged children in the Detroit metro area.

Measuring Our Cumulative Global Impact

Since the founding of Keene Advisors in 2015, our team has partnered with wonderful organizations and had a significant impact on the lives of thousands of people around the globe, including:



-  1,474 insecticidal nets to protect 2,653 people in Uganda from malaria
-  450 meals for people in need in the Greater Boston Area
-  Support for children seeking refuge from the Syrian war
-  Clean water for 35 people in rural communities in developing countries
-  Educational support for children in the Detroit area
-  Food fortification for 809 people in African countries for a year
-  Food for 10 Syrian refugee families for a month
-  Clothes and supplies for children in Greater Boston
-  Meal service to homeless veterans in Boston
-  Financial literacy workshop for Boston area students
-  Guest lectures at Boston area universities

Reducing Our Impact on the Environment

Feedback from the Preliminary B Impact Assessment

After completing the B Lab's Impact Assessment, we realized that we had a tremendous opportunity to improve our commitment to environmental stewardship and sustainability. We identified three core focus areas: (1) measuring and reducing our carbon footprint, (2) practicing responsible consumption, and (3) practicing responsible procurement. We made tangible changes to our business and raised our score by 150% in our official assessment. In aggregate these initiatives also helped us to reduce our operating and overhead costs.

1. Measuring and Reducing Our Carbon Footprint

In early 2016, we developed a carbon calculator to measure carbon production from our daily commute. Later, when we were evaluating new office space alternatives, we considered the availability of public transportation, as well as walking and biking access. After relocating our offices in Boston, employees ran, walked or biked to work many days during the summer and fall.

Also, in early 2016, the Board of Directors passed a resolution to implement a sustainable travel policy that requires employees to book all domestic and international hotel stays using fellow B Corp, TripZero, whenever possible and economically viable. TripZero tracks and eliminates the carbon footprint from our travel (air, car or train) and hotel stays for no cost.



In total, we offset 22,037 lbs of CO₂ in 2017

2. Practicing Responsible Consumption

We continued operating a nearly paperless office by maintaining cloud-based storage solutions for all of our records, and the vast majority of our client communications, including engagement letters and our billing which is done electronically.

3. Practicing Responsible Procurement



In 2016, we made a commitment to purchase office supplies from fellow B Corps. As a result, we proudly purchased all our office supplies from fellow B Corporation, Give Something Back, which donates a meaningful percentage of profits to non-profit organizations.

Our Goals for 2017

Goals for 2017

While we made progress in our efforts to provide a public benefit during 2016, we are focused on continuously improving across every aspect of our business. In 2017, we are focused on continuing to expand and improve our services to clients all while increasing our social impact.

In terms of our public benefit goals, we aim to:



Achieve our *Diversity & Inclusion Challenge* goals

Increase our charitable giving by

>50%

Increase our volunteer hours by

>50%



Expand our impact in the B Corporation community and with other social enterprises



Make tangible gains in our ability to measure and reduce our environmental impact

Letter from the Benefit Director

In 2016, Keene Advisors made big strides forward in their efforts to produce a lasting benefit. They became a certified Benefit Corporation, improved their B Corporation Impact Assessment score, committed to B Lab's first Diversity and Inclusion challenge, conducted carbon audits and offset large quantities of CO₂, and implemented numerous new initiatives outlined in this report. The Keene Advisors team worked tirelessly to implement thoughtful actions and challenge themselves to move beyond the minimum Benefit Corporation requirements of the Commonwealth of Massachusetts and B Lab. Their goal remains bold, to become the leading socially responsible investment bank in the world, and I think they are well on their way. As shown on page 14, Keene Advisors has fulfilled the benefit corporation requirements of the Commonwealth of Massachusetts and I am pleased to report that in my opinion, in 2016, Keene Advisors acted in accordance with its values and Benefit Corporation standards of conduct. I look forward to seeing, and sharing with you, the impact of the Keene Advisors team in 2017.

D. Scott Borden (PhD), Benefit Director
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Massachusetts Benefit Report Requirements

Requirement	Response
Description of the ways in which the benefit corporation pursued a general public benefit during the year and the extent to which general public benefit was created	See pages 7-12
Description of the ways in which the benefit corporation pursued a specific public benefit that the articles of organization state it is the purpose of the benefit corporation to create and the extent to which that specific public benefit was created	See pages 7-12
Description of any circumstances that have hindered the creation by the benefit corporation of general public benefit or specific public benefit	None
Description of the process and rationale for selecting the third-party standard used to prepare the benefit report	See pages 6 and 7
An assessment of the overall social and environmental performance of the benefit corporation against a third-party standard	See page 7
The name and address of the benefit director	See page 14
The compensation paid by the benefit corporation during the year to each director in the capacity of a director	\$500 (Benefit Director only)
The name of each person that owns 5 percent or more of the outstanding shares of the benefit corporation	Travis Borden
The statement of the benefit director	See page 14
A statement of any connection between the organization that established the third-party standard and the benefit corporation or its directors, officers or any holder of 5 percent or more of the outstanding shares of the benefit corporation	None

Connect With Us

KEENE ADVISORS' ADDRESS

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Keene Advisors is located in Boston, Massachusetts, which has been a center for innovation and trade for hundreds of years. Boston is home to many important milestones, including:

- 1. The United States' first public school, Boston Latin School (1635)*
- 2. The first subway system, the Tremont Street Subway (1897)*
- 3. The first public park, Boston Common (1634)*

Today, Boston is poised to become a center for socially responsible business and Keene Advisors is proud to be part of that community.

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