



NESsT Responds to the Global Pandemic and Impending World Recession

Contingency Plan

www.nesst.org

Our Mission Matters More Than Ever

NESsT transforms lives by investing in locally-based enterprises that empower low-income communities to access quality jobs.

We do this by accompanying these resilient entrepreneurs to manage and overcome multiple challenges, crisis or no crisis, as they grow their businesses.

These businesses and the people they serve are acutely vulnerable to the global pandemic.

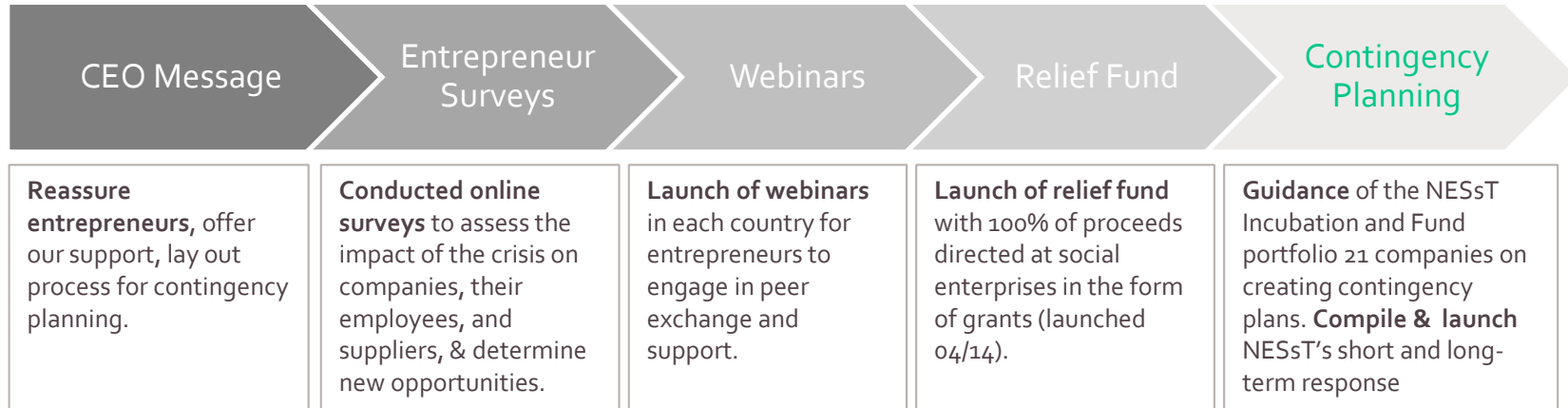
We are working closely with portfolio companies to streamline and pivot their businesses to maintain jobs and position for future growth.

Our Mission Matters More Than Ever

Support Social Enterprises to:

1. Sustain quality jobs.
2. Provide wellness & worker safety support to their employees & suppliers.
3. Streamline costs and downsize their businesses.
4. Pivot to new business models and position for future growth.

Steps Taken to Date





Contingency Planning by Type of Business

Contingency Planning: Biodiversity Businesses

Business Status	Social impact	Financing	New opportunities	Funding needs
<p>Biodiversity essential businesses (i.e. food)</p> <p>Demand is steady or increasing.</p>	<ul style="list-style-type: none"> Employees and suppliers continue to work at-risk In some cases are working part-time or with smaller contracts 	<ul style="list-style-type: none"> Continue to pay their loans Terms might need to change 	<ul style="list-style-type: none"> Increase or transition to online sales Shift from exports to national market (home, supermarkets) Develop new products Manage logistics & transportation Manage lower supplies 	<ul style="list-style-type: none"> Safety needs Capex Technology Working capital
<p>Biodiversity non-essential businesses.</p> <p>Continue to produce for increased demand and contracts currently on hold</p>	<ul style="list-style-type: none"> Same as above 	<ul style="list-style-type: none"> Restructure loans given cash flow constraints 	<ul style="list-style-type: none"> Continue to produce in order to meet already established demand Stockpiling Develop new more essential products 	<ul style="list-style-type: none"> Same as above

Contingency Planning: HoReCa Businesses

Business Status	Social impact	Financing	New opportunities	Funding needs
<p>HoReCa</p> <p>Catering services, pubs, restaurants, laundry services for hotels.</p> <p>All closed and pivoting to online sales and deliveries.</p>	<ul style="list-style-type: none"> Employees are working part-time; revolving schedules Furlough starting in Q2. Suppliers facing reduced livelihoods Employees with disabilities are on leave (Poland) 	<ul style="list-style-type: none"> Restructure loans when applicable 	<ul style="list-style-type: none"> Pivot to online sales Pivot B2B to B2C Develop new product formats (longer preserved) Target medical community Develop new packaging Identify logistics & transportation providers Develop online marketing & sales strategy 	<ul style="list-style-type: none"> Payroll Fixed costs Capex Technology Working capital Credit for farmers/fishers to improve quality Marketing

Contingency Planning: Training & Placement Businesses

Business Status	Social impact	Financing	New opportunities	Funding needs
Online Training & Placement Demand for upskilling is increasing.	<ul style="list-style-type: none"> Women & at-risk youth increase their demand for IT training Uncertain if there will be jobs for placements 	<ul style="list-style-type: none"> Investments completed and directed towards uploading new curriculum & dissemination Monitor cash flow 	<ul style="list-style-type: none"> Expand e-learning with new courses Increase tracking and targeting of B2C market Engage & educate employers to manage and set-up remote jobs 	<ul style="list-style-type: none"> Technology Marketing Support to at-risk women to pay for training
In-person Training & Placement Pivoting to online platforms but this will take time	<ul style="list-style-type: none"> At-risk youth need access to food/health/technology to continue to participate in trainings (CL suspended program for at-risk youth) Will be difficult for enterprises to pay their own employees starting Q2 	<ul style="list-style-type: none"> Investments completed and directed towards transitioning to online platforms Monitor cash flow 	<ul style="list-style-type: none"> Set up robust e-learning platform; Use apps for monitoring impact Decrease costs from online training Expedite use of recruitment app 	<ul style="list-style-type: none"> Technology Stipends for youth Payroll

Contingency Planning: Ethical Fashion & Tourism

Business Status	Social impact	Financing	New opportunities	Funding needs
Ethical Fashion & Circular Economy Stores are closed, recycling halted.	<ul style="list-style-type: none"> Employees are working part-time, or salaries reduced; might need to be furloughed Suppliers selling but lower volumes; income decreased 	<ul style="list-style-type: none"> Restructure loans; delay payments Borrow from friends & family 	<ul style="list-style-type: none"> Strengthen or pivot to online sales Pivot to more practical & Covid needed products Increase demand for circular economy solutions 	<ul style="list-style-type: none"> Payroll Fixed costs Technology
Tourism Parks & other sites are closed, tourism at a standstill.	<ul style="list-style-type: none"> Llama breeders no longer receive income Lack access to healthcare; Safety information is not in Quechua Preservation of llamas also at risk 	<ul style="list-style-type: none"> Postpone payment of loan for park purchase Team has financing to subsist for five months 	<ul style="list-style-type: none"> Not many opportunities Advance online sales Pivot to handicrafts but not essential 	<ul style="list-style-type: none"> Livelihoods and health safety of 74 supplier families Losses for remainder of year.

Contingency Planning: Health Businesses

Business Status	Social impact	Financing	New opportunities	Funding needs
Health/ Nursing services Business not highly impacted	<ul style="list-style-type: none"> Caregivers still working to take care of residents Reduce hours for everyone to keep working Employees still working on a new product that can help to address the impact of the crisis over the long-term 	<ul style="list-style-type: none"> Restructure loan for facility (non-NESsT) No outstanding debts 	<ul style="list-style-type: none"> Energy savings for facility; Advocate on behalf of elderly & chronically-ill Test breathing machines for patients Prioritize selling to hospitals; Build online customer intake process for customers Consider delivery or pick-up for new orders 	<ul style="list-style-type: none"> Payroll Fixed costs Refinancing Utilities Other monthly operating costs during the short-term



Stories of Resilience

Encauchados

Location: Para, Brazil | Joined NESsT Portfolio: 2018

Processes and commercializes the native rubber bought from an indigenous cooperative in the Amazon. The enterprise trains the suppliers and pays them a fair price for their product. It then produces a compost made of rubber mixed with açaí fiber to produce a line of household and fashion products. Both the rubber and the açaí are biodiverse products that thrive only when the plants around them are also sustained.

250

2020 goal for indigenous people trained (no change in response to COVID-19)

125

2020 goal for indigenous people receiving livable wage (no change in response to COVID-19)

CIEDS

Location: São Paulo, Brazil | Joined NESsT Portfolio: 2018

The social enterprise trains youth from low-income backgrounds, 25% of whom were previously incarcerated, for general administrative positions in high-growth industries. The apprenticeship program leverages the eight years of knowledge, methodologies, and reputation of its nonprofit that seeded the business.

500

Goal for low-income youth trained

250

Goal for low-income youth placed

25

Goal for low-income youth employed by SE

Future Collars

Location: Poland | Joined NESsT Portfolio: 2020

Future Collars teaches programming and digital skills to support women and people with disabilities with developing careers in tech, IT, and remote work. Diversity in tech is a priority for FutureCollars, which is why the company focuses on courses and events for women who want to start working in technology. As the only programming school in Poland, it has prepared a learning platform for people with visual and motor disabilities.

170

Goal for women trained

110

Goal for women placed

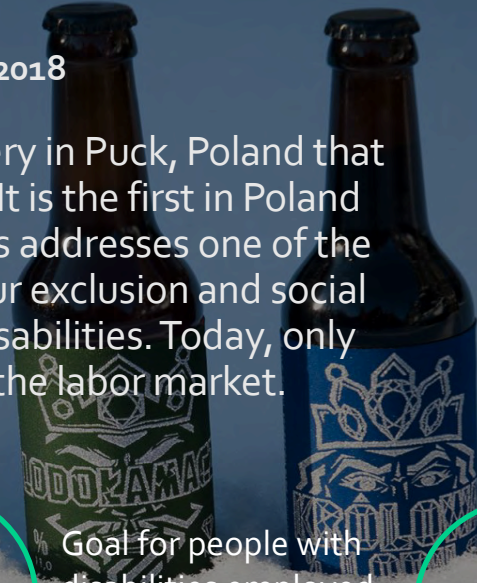
445

Goal for women placed by 2023

Dalba

Location: Puck, Poland | Joined NESsT Portfolio: 2018

DALBA is an award-winning craft beer brewery in Puck, Poland that employs people with intellectual disabilities. It is the first in Poland and sixth in the world of its kind. The business addresses one of the most serious social problems in Poland: labour exclusion and social marginalization of people with intellectual disabilities. Today, only 10% of people with disabilities participate in the labor market.



6

Goal for people with disabilities trained

42

Goal for people with disabilities employed

2

Goal for people with disabilities placed

Epanacombi

Location: Peru | Joined NESsT Portfolio: 2020

This social enterprise produces high quality empanadas that are sold in convenience stores (i.e. Repsol) throughout the country, as well as through their own catering business. The enterprise trains and provides people with disabilities quality jobs in gastronomy--often their first-- both as bakers as well as caterers.

70

Goal for people with disabilities trained

4

Goal for people with disabilities employed

PIXED

Location: Peru | Joined NESsT Portfolio: 2020

This social enterprise produces a line of low-cost prosthesis products made accessible to children and adults. Pixed accompanies the client on the use of the technology, adapting it as the person grows (particularly in the case of children) while providing psychological support. The enterprise provides clients with accessible payment options. NESsT invested in the company particularly to ensure the inclusion of adult users and parents of children users into the workforce.

84

2020 goal for people receiving prosthetic products & trained for workforce integration (no change in response to COVID-19)

4

Goal for people directly employed by the social enterprise




Short-Term Relief & Long-Term Response

Short-term Relief

Keeping people safe and employed during the pandemic.

- Guide companies through contingency planning & downsizing/streamlining.
- Restructure loans
- Provide funding in form of grants to sustain jobs and ensure worker safety.
- Support companies with accessing emergency funding (i.e. government, philanthropic, clients).
- Evaluate high-stake, short-term decisions alongside entrepreneurs.
- Provide guidance to companies on worker safety.



Supported by  NESST

Entrepreneur Reflection

Marco Piñatelli, Founder of Inka Moss, shares his thoughts upon receiving news of NESsT's plans for support during COVID-19 and the impending recession.

“If there is something that characterizes the social entrepreneurship companies in the NESsT portfolio, it is their immunity to the problems and challenges that we have had to overcome throughout our development, with a positive mind, no matter how bleak the horizon may be, because there is always an out and we have always felt supported and accompanied by NESsT.”



Long-term Response

Creating and sustaining quality jobs for those most affected by the world recession.

- Assist companies to *pivot* their business models.
- Launch new financial products (e.g. short-term working capital loans, bridge funding)
- Support companies to launch online business models and e-commerce offerings.
- Evaluate new product & business opportunities alongside entrepreneurs.
- Leverage new funding to support companies as they transform themselves & expand into new industries.



Brazil Portfolio Incubation Call

Long-term Response (Continued)

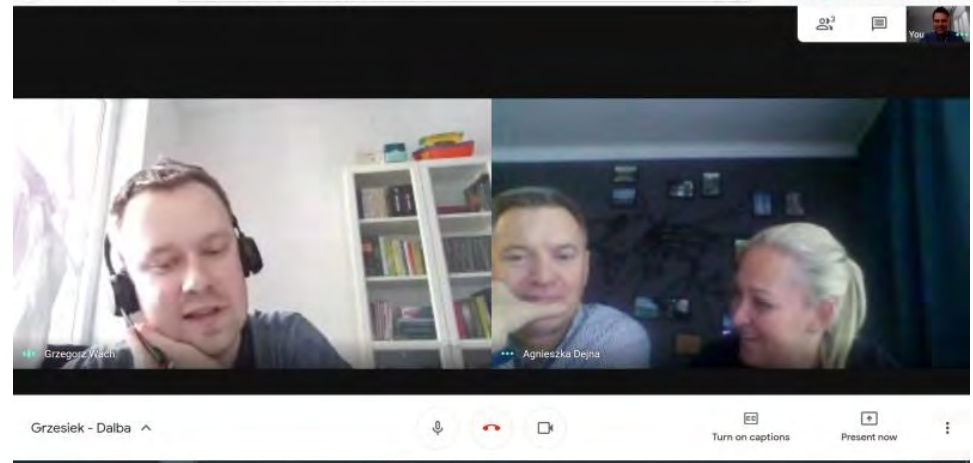
Creating and sustaining quality jobs for those most affected by the world recession.

- Evaluate and ensure *gender inclusive* support (i.e. addressing caregiver & employment double burden; surge of domestic violence experienced by women while sheltering in place)
- Connect companies to mentors for day-to-day decisions.
- Train entrepreneurs in new skill areas (e.g. HR practices, crowdfunding, online marketing/sales).
- Organize peer-to-peer exchanges for support and sharing best practices (e.g. launch of NESsT Entrepreneurs Slack workspace, online Masterclasses).



Support NESsT to continue to support its portfolio

- Access new grant funding to meet portfolio short-term & long-term needs.
- Establish loan guarantee funds.
- Move incubation support to online platform & train team on new software.
- Creation of new modules and masterclasses (e.g. How to build e-commerce capabilities).
- Expand communications bandwidth.
- Provide wellness support to team.
- Provide transportation stipends to team (post shelter-in-place).



Poland Portfolio Incubation Call

Funder Spotlight

Encouraging the public to lend their support to enterprise in the frontlines.

Translation of LinkedIn Post by Citi Brasil

Citi Foundation makes social investments that transform people's lives. Through partnerships with ...NESsT, we support financial inclusion projects, develop economic opportunities for young people and support initiatives for sustainable cities. Generating a positive impact for the low-income population is one of our commitments.

***Talk to our team** about co-authoring and/or cross-posting content regarding entrepreneurship in times of COVID-19 and beyond.

Citi Brasil
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A Citi Foundation realiza investimentos sociais que transformam a vida das pessoas. Por meio de parcerias com o Baobá - Fundo para Equidade Racial, o Grupo +Unidos, a Organización de los Estados Americanos (OEA), a Laboratoria e a NESsT, apoiamos projetos de inclusão financeira, desenvolvemos oportunidades econômicas para jovens e apoiamos iniciativas para cidades sustentáveis. Gerar impacto positivo para a população de baixa renda é um dos nossos compromissos. Saiba mais: <https://lnkd.in/d/vuYak9> #CitiFoundation #Citibrasil

[See translation](#)

Citi Foundation
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INVESTIMENTO DE
R\$ 7 MILHÕES

Impacto positivo para população de baixa renda, apoiando projetos de parceiros com profundo conhecimento local.

INVESTIMENTO SOCIAL (2019/2020)

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