

~ *Draft 2.0 - Oct 31 2022* ~

## **Regenerative Investing: Developing the Practice**

### **Preface**

This paper is written with the intention of developing the practice of regenerative investing. It focuses specifically on financial investing only, rather than other forms of investing.

The intended audience for this paper is investors, investees, anyone in business, philanthropic organisations, and anyone interested in regeneration.

We will look at business and investing as they are practiced today. We will highlight how interdependencies/interconnections have been diminished in our ways of operating in this world, and how this has been a major source of degenerative effects.

We will show that a key pillar of regeneration is the re-introduction of interdependencies/interconnections into decision-making, and we will lean on core concepts from the realm of complexity science to achieve this. We will then redefine business and investing in complexity science terms.

Finally, we will present a framework that can be used to progress the practice of regenerative investing.

**We see regeneration as a necessity for our future.  
And regenerative investing as the creative force moving the economic and financial  
systems towards regeneration.**

## **A Manifesto for Regenerative Investing**

We recognize the business ecosystem as a living system,  
that is constantly changing and evolving.

The activity of investing is an instrument of creation, of realising potential.  
The activity of regenerative investing ensures that what we create is a changing, evolving  
system that supports life now and in the future.

### ***Survive, in Order to Thrive***

In living systems the purpose of surviving is to support thriving.  
Survival is not a goal unto itself.  
This is an exact analogy to profit (survival) and purpose (thriving).

### ***Complementary Relationship***

The relationship between investor and investee is complementary.  
The overall investment as well as the effects that emerge from that investment  
benefit from a clear understanding of this complementarity.

### ***Constantly Learning, Constantly Evolving***

Feedback loops are built into living systems, hence also in business processes,  
in order to support learning.  
Strategy frameworks transform into learning frameworks.

### ***Be Whole, Create Wholeness***

External wholeness can only be created if there is also an inner wholeness. And vice-versa.

## Prologue

The world is going through a major re-evaluation.

Humankind is facing very large crises, one upon another. Severe weather events (floods, fires, hurricanes) are appearing in regions with magnitudes that had not been seen before. Broken food systems, declining natural resources combined with increased global demand are threatening food security and global peace. Large population movements driven by poverty and declining agricultural output are continuing despite decades of directed aid. And many more large socio-economic-ecological challenges are facing humanity.

The consensus is that these crises are largely human generated. And then there are the likes of the financial crisis of 2008, which began in the USA but soon engulfed most of the world. All these examples lead us to acknowledge that the principles, theories and belief systems that we have used to date for our endeavors need to be reformed.

We need to live in our world as citizens of the natural world, not as dominators of it. We need to understand the underlying principles that govern the natural world, then learn to live according to them. Any other path will lead to non-sustainable results.

Thus, we have come to look at Life<sup>1</sup> and living systems as our teachers. And to look for knowledge systems that are based on them. We recognize that the shift that is required of us is not small, however the timeline in which we need to achieve it is small.

A quote of Albert Einstein's is fitting here:

***“We cannot solve our problems with the same thinking we used when we created them.”***

To achieve a real change in the trajectory of humanity, we need to think and act in new, different ways. We present the following points as a foundation to our new way of being:

- The universe, of which this planet is a part, is an integrated whole. The ‘parts’ within it are interconnected, thereby creating a ‘Web of Life’
- Every living entity has a role and a purpose in the well-functioning of this integrated whole.
- The impulse of the universe, including humans, moves towards evolution through the manifestation of creative potential.

We believe “business” and “investing” can play a critical role in helping create a better future for all. The mechanistic nature of business that we see today arises from the deliberate negation of its relationships to the Web of Life. This negation has its roots in (inappropriately applied) scientific models such as reductionism, and in economic theories that promote self-interest as the only means to personal success; both of which are deeply embedded in our current belief systems.

We propose that it is possible to define and conduct business and investing in a different way. Business was created by humans, for humans. In order to enable business to become a life-supporting ‘citizen’ of the Web of Life, business must recognize its relationships and embrace its responsibilities. And, investing must become an active tool of this enabling.

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<sup>1</sup> Intentionally capitalised for specific meaning, see Definition of Terms.

## Background

Our journey into developing the practice of regenerative investing started with the following animating question:

*How would I respond if my daughter were to start a business?*

The question generated a strong visceral reaction. Immediately, we were filled with both hope and fear:

- Our protective instincts rose up. We do not want our daughter to have to face the selfishness and predatory ways of the business world. But we are proud of her; we want her to engage with Life to the fullest extent, and we want her intelligence to express itself.
- We want to hold her in the cocoon of our embrace, yet we also want to let her go so that she may blossom in her own ways. We want her to become her best person, without acquiring hardness, so that she may in turn do the same for the next generations.
- We want her to know the creative journey of starting and growing a business, of engaging the mind and the heart on the economic stage. But we don't want her to face the "all or nothing" cruelty of the business world.
- We imagine making a financial investment in her business. As an investor, how would we treat her? Would we push her towards maximization of returns? Towards extractive and transactional relationships? Towards prioritization of the short-term over the long-term? No, we would not. We would want her well-being, and her business, to be a reflection of her potential, drawing respect and leaving a legacy.

Why does the business sector operate in such a way as to cause such fears and contradictions? Does business and investing need to be defined in the way that it is today? And, if not, what can we do about it?

### The Practice of Business

Business is a human endeavor for the facilitation of human needs and desires. It sits within the Web of Life, alongside all other activities, both human and non-human.

Every 'member' of the Web receives what it needs from it and gives what it produces to it. The Web is not a separate entity from its members: while it is made *of* its members, it is also made *by* them. Which means that the activities of every member are crucial to the health and survival of the Web. At the same time, without a healthy Web, the members cannot thrive. We call this interdependent relationship 'citizenship'.

The current business ecosystem has undermined its citizenship by imposing a one-way, extractive relationship with the Web. There are increasing voices calling for business to change, but it is difficult to feel responsibility without a feeling of citizenship. Regenerative business and regenerative investing seek to repair that.

*"Imagine an apartment building and the residents within it. The residents can have a sense of community and of being 'citizens' of the building-community; or, they can live in isolation,*

*relating to each other and the building-community only through needs and rights. It is easy to see that the second scenario would lead to fear between the residents, competitiveness, and general decay of the condition of the building over time.*

*This is an illustration of regenerative (first scenario) versus degenerative (second scenario) paradigms. This example also shows how the paradigm can shift from regenerative to degenerative simply by changing the quality of the relationships.”*

The practice of business must be brought out of its extractive past and into the modern era wherein it must embrace its citizenship role in the Web of Life.

Then, we will be able to respond to our “daughter’s desire to start a business” without fear.

### **The Practice of Investing**

Investments are an integral part of any business’ lifecycle. However, currently, the investor’s culture tends to overwhelm the investee’s culture and the investor’s influence often changes the metrics, sometimes even the direction of the business. Investors structure their involvement to ensure their own survival first, diminishing the contributions of the founder and the management team. This creates a money-first business ecosystem and a vicious cycle that perpetuates the dominance of money.

Ironically, the self-first and money-first approach currently used by investors, while intended to protect themselves and maximize their profits, jeopardizes the health of the very businesses that they invest in. This is because no business exists in isolation, it always exists as part of several ecosystems; its success depends on its relationships with those ecosystems, money-first approaches tend to weaken those relationships by putting undue emphasis on the money-relationship alone.

Regenerative investing is a holistic investing practice that supports the creation of regenerative business systems.

## Regenerative Theory & Complexity Science

Regeneration puts humans, and human endeavors, within the same frame as Nature, co-evolving both in unison. We define regeneration as:

*Regeneration is about ensuring that today's structures will support Life -- in all its vitality and diversity -- tomorrow; because today's structures will become tomorrow's infrastructures.*

To clarify: by 'structure' and 'infrastructure' we refer to physical, mental, conceptual, tangible and intangible structures. A structure is anything upon which future efforts are based. It forms the basis for future actions; at the same time, it is also evolved by those future actions (through feedback loops).<sup>2</sup>

Life, that is, being alive rather than dead, is itself a 'feature' that arises from the interconnectedness of organisms; there is no one organism that can be said to hold life, rather life emerges through the interactions between organisms. Similarly, the effects that we manage for, such as health, value, happiness, utility, impact, etc., emerge from the relationships between the parts of our socio-economic-ecological system. Natural phenomena are full of 'edges' that appear suddenly: societies are stable and then suddenly there is an uprising; we are alive, then we are dead; and so on. The Web of Life is dynamic, evolving, diverse, nonlinear and holistic.

### Complexity Science

The study of interconnected systems is called complexity science. Complexity science allows us to develop a deeper understanding of the factors, the influences, the intervention points and the processes that are at play in the Web of Life. This is not a small paradigm shift, it requires re-thinking almost everything that we know, and almost all our ways of doing. Our current sciences, and possibly all our practices, are based on reductionism: a theory that says that a system can be analyzed fully by breaking it into its parts – in effect, diminishing the role of interconnections.

We propose to use the new 'complexity science' as the foundational theory for implementing regeneration.

Here is a brief, somewhat technical, overview of the key properties of the interconnected Web of Life. This will provide scientific perspective and a frame through which to debate and evolve this discussion:

- *Feedback Loops*: In the interconnected web, information flows in all directions. Some of these flows amplify the phenomena, and some dampen them.
- *Emergent Properties*: There are properties of a system that appear at higher levels of hierarchy that do not appear in the lower levels and cannot be predicted by them. For example, the liquid property of water appears when the water molecules interconnect in a certain way; the liquid property does not exist in the molecules themselves.

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<sup>2</sup> We make a distinction between 'structure' and 'system' in this way: structures are parts within systems, systems have structural elements.

- *Tipping Points*: Even though systems are changing all the time, there can come a point at which a large and sudden change occurs that shifts the system into a qualitatively different state. This is a tipping point, for example when water boils to steam, or when an ecosystem collapses.
- *Structural Coupling*: The experiences that a system undergoes are “stored” as structural changes. The new structure that is formed becomes the context from which the system responds to the next inputs that it receives. In this way, the system’s structure is ‘coupled’ to its influences.
- *Extreme Sensitivity to Context*: Even the slightest change in context can result in significant changes to the outcome.
- *Cognition / Sense-making*: Every input that the system receives is ‘interpreted’ through the structure of the system; the system ‘makes sense’ of its inputs then responds accordingly. Diversity is thus a normal property of natural systems.
- *Nonlinear Dynamics*: With all of the properties outlined so far, we see that the path that a system takes is nonlinear. The path can be visualized as stable and predictable responses, then a sudden large change, and then stable and predictable responses again but of a different kind. The system “exists → tips → exists → tips” ad infinitum.
- *Complementary Polarity*: Every system displays two tendencies simultaneously: the tendency to be autonomous, and the tendency to be part of a larger whole. These two seemingly contradictory tendencies are actually inseparable and form a complementary polarity. Also known as self-assertive (yang, or masculine) and integrative (yin, or feminine) tendencies, they give the system flexibility and movement through maintaining a dynamic balance. The balance between the two polarities shifts based on need and based on the type of dynamics – but they are never separate, there is never just one pole. An example of these two polarities at work is in the act of walking. The back foot holds steady as the front foot steps forward. Without the back foot holding steady, the front foot has no place to originate its action from. The back foot is creating the context (yin) from which the action (yang) of the front foot originates. The two polarities flow and change in order to allow dynamism in the system. §

<i>Self-Assertive Tendencies</i> (yang, masculine)	<i>Integrative Tendencies</i> (yin, feminine)	<i>Self-Assertive Tendencies</i> (yang, masculine)	<i>Integrative Tendencies</i> (yin, feminine)
Rational	Intuitive	Expansion	Conservation
Analysis	Synthesis	Competition	Collaboration
Reductionist	Holistic	Quantitative	Qualitative
Linear	Nonlinear	Domination	Partnership

Source: “The Systems View of Life” ~ Fritjof Capra

## Business as Explained by Complexity Science

The business ecosystem is a living system. Therefore, the theoretical frameworks that we choose to work with, must be based on our understanding of living systems, and what makes them survive and thrive.

We need to acquire a deeper understanding of what it means to function sustainably within an interconnected world. Furthermore, developing an understanding of complex systems within business can revolutionize the way the business operates and contributes to its ecosystems.

For example, by creating the right conditions for customers to *self-organize* their lives around a product, and incorporating continuous *feedback loops* in the sales and production processes, businesses can enable their products to reach masses, ie. a *tipping point*. By accepting the *nonlinear* and *emergent properties* of the system, businesses can turn events that are traditionally seen as challenges to opportunities. Finally, by integrating *complementary polarities* into their way of being, businesses can bring innovation, diversity and dynamism to their practices.

We propose that a regenerative approach will enhance the performance of all types of businesses, not just those tackling socio-economic-ecological issues; while also leaving fewer negative side-effects, having greater resilience, and being better citizens.

### **A Framework for Business Citizenship: Business Operating in Complexity**

The principles of living systems are at play all around us, we are embedded in them. Regeneration itself is an evolution of our understanding of that very fact: we evolved from aiming for *sustainability* in which humans do ‘100% less bad’; to *restorative* in which humans act on nature; to *reconciliatory* in which humans are an integral part of nature; and finally to *regeneration* in which we are co-participating in nature along with all other life forms.

Regeneration means that we integrate our actions, our creations, and also our Being into the processes of the Web of Life. The same principles that apply to the external space also apply to the inner space. We can use this insight to build a framework for operating regeneratively in the business world.

- **Potential**

At the point of decision-making, there is a wide-open field of possibilities; we can say that the potential of that moment is infinite. Often, we don’t feel that way, we find ourselves stuck in repeated patterns.

We can learn from research in the fields of innovation and creativity about how to access the potential in every moment. Two key findings are (1) non-labeling and (2) silence. When observing or thinking about something, we have a tendency to immediately categorise it: good or bad, useful or not-useful, beautiful or not-beautiful. This immediate labeling closes the space of possibilities, it reduces the options that are available to us. In order to not do this, we need to step back into non-judgement-observing in which we observe without categorisation until the moment of choice-making. This stance of non-labeling requires an inner stillness and inner freedom which we can acquire through the practice of silence.

The need in business for having the capability to observe potential cannot be overestimated. Therefore, a context and practice that develops non-labeling and silence must be incorporated into business. We can start by some simple steps: reduce distractions in the workplace, use language that is non-labeling, and incorporate a ‘minute of silence’ at the start of meetings.



- ***Interdependence***

Interdependence is the new ‘power’ that we gain as we begin to understand how the Web of Life functions. Interdependence is not a chain that holds us trapped in the Web, but a chain that supports us so that we can be free to move.

Imagine a mattress: if we press down upon one part of the mattress causing an indentation, the adjacent parts rise up. What if the adjacent parts were so stiff that they could not rise? Then, it would not be possible for the pressed part to indent. The adjacent parts must be able to ‘receive’ the pressing that is ‘given’ in order for the indentation to happen. In this way, the Web of Life works through a relationship of constant giving-and-receiving (not giving-and-taking).

A business is embedded in several ecosystems. If it wants its product to be received by the ecosystems, it must honour the receiving that the recipients do – it must honour its citizenship. The healthier the ecosystems, the stronger the business will be.

- ***Holistic Choice***

Much has been written about the negative side-effects of human actions (specially as related to climate change). Every action was the result of choices that we made. If, at the time of making those choices we integrated the effects of the choices, we would have made different choices. This is ‘holistic choice-making’. How do we do this? Surprisingly, the tool for such holistic choice-making is in our bodies: we can feel when we have become less-than-whole. “It doesn’t feel right”, “Listen to your gut”: these are commonplace phrases that speak to that holistic choice-making.

In Nature, we can see that collaboration, with only pockets of competition, is the primary way of functioning. Businesses too can make holistic choices simply by putting emphasis on their relationships with their ecosystems. Businesses can look for “win-win” transactions rather than “win-lose”: the first regenerates, the second degenerates.

- ***Alignment***

One way to visualize the way that the Web of Life works, is to think of it like the flow of a river. We are in the river, its flow is all around us and is also in us. By aligning with that flow suddenly all things start to work for us, rather than against us. What is the direction of that flow? Evolution through a constant process of creative expression. It is that evolutionary impulse that we must align to.

For too long, business has been seen as war – “He succeeded against all odds” – business acting against its ecosystem in order to achieve what it wants. While this approach seems to work in the short term, it creates enormous socio-ecological destruction, even economic destruction, in the long term.

There is another way. The evolutionary impulse of a business is expressed by its purpose and contextual relationships – that are in service of its ecosystems. By aligning with this impulse, a business can take enormous strides with only (relatively) small steps.

- ***Creation***

Human desire has enormous power to create. If that desire were to be aligned with the creative expression of the Web of Life itself, human ability to create can become exponentially more effective.

Businesses too can plug-in to that creative energy by aligning with the evolutionary purpose of their ecosystems. Businesses can create more and better if they co-align with their employees, their customers, and their ecosystems.

- ***Illusion of Control***

We start with the statement that we humans do not create anything: we simply transform what already exists. We do not change a system, the system changes itself; we merely provide the triggers. This is true at all levels. The smartphone was a trigger for enormous business and societal changes, but it was only a trigger. Each part of the business and social ecosystems responded based on their own needs and characteristics.

So how do we operate given that we have no control over outcomes? It means living with uncertainty; an idea that has lately gained quite a lot of attention in business management theory. Business needs to develop the agility to move with the outcomes (predicted or unpredicted); this means that businesses need to become learning organizations rather than just Doing organizations. The emphasis shifts from control to learning.

- ***Being and Essence***

A central theme of this paper is that there is no gap between Being and Doing. Our Doing proceeds from our Being: the essence of our Being drives us and shows up in everything that we do.

As we have seen from the previous points, when Being has evolved such that our desires align with the evolutionary creative flow of the Web of Life, we gain access to the infinite potential in every moment that leads to infinite and fulfilling creativity that is beneficial to all.

## **A Framework for Regenerative Investing**

Investing is the creative force within the economic and financial systems. It is an innovating force; it evolves the economic and financial frameworks, even while operating within them.

Regenerative investing is a practice of ‘realising potential’. All businesses have potential but the development of that potential emerges through the combination of the investor, investee, and the business context. Depending on the stage and state that a business is in, it will require different types of support, leadership and nurturing. Every business operates within a context; that context will also influence the role that investors will be called upon to play. It follows then, that the range of businesses that the investor can effectively support depends on the investor’s purpose and capabilities as they relate to the investee and its context in a complementary fashion. Therefore, we see a spectrum of roles that the investor can play.

There is a “regeneration path” unique to each investor and investee that is determined by their particular capabilities and context. The intention is always to move along that path towards greater capabilities. One of the goals of the investor is to support the investee’s journey along that path. Another goal is to strengthen the investee’s relationship with its ecosystem so as to enhance both of their regenerative capabilities.

We propose a different way of looking at the investor-investee relationship; a way that we think will create a partnership that is “greater than the sum of its parts”. The investee, in order to develop the business, by necessity, has a somewhat micro view of the Market (the investee’s specific business sectors and relevant influencing sectors). The investor, on the other hand, is in a position to hold a macro view of the Market (non-adjacent sectors, broad dynamics, international movements, etc). The two together can play complementary roles that can deliver better results.

A quick note on impact investing. Impact, defined as delivering positive and sustainable socio-economic-ecological change, is an emergent property. Impact arises from the interplay of multiple factors. For example, poverty does not arise simply from the lack of money; and it cannot be solved by simply supplying money. Since business does not yet understand emergent properties, impact is being handled in a reductionist manner: as an outcome of independently operating factors. We propose that regenerative investing is inherently able to deliver impact because of its holistic approach.

### **Activities of the Regenerative Investor**

At the highest level, the activities of an investor can be described by 3 categories: investee selection, nurturing and relationship. We applied the above insights into redefining these activities for the regenerative investor in the following manner:

#### *1. Investee selection*

All businesses have potential, and all businesses operate within their particular contexts. Looking at the alignment of purpose and essence of the investor and the investee as an additional criteria for selection alongside capabilities, enables the journey of the investment to be effective.

## 2. *Investee nurturing and development*

The role that the investor will play in order to nurture and develop the investee will be determined by the potential and capabilities of the investor and investee as applied to the investee's ecosystem.

## 3. *Investor-investee relationship*

The differing experience and knowledge of the investor and investee can be effectively brought together by thinking of them as complementary. The investor's role is slightly removed from the contexts in which the investee is embedded; this places the investors in a position to have a higher level, macro view. The investor's macro view and the investee's micro view form a complementary pair. Perhaps the most important element of this relationship is that the investor holds space so that the investee can develop as needed.

## **Regenerative Investing Framework**

We have developed a framework for regenerative investing, that we have called the “**Framework for Realising Potential**” :

- ❖ *Essence*: discover the essence and potential
- ❖ *Imprint*: define the desired structural imprint
- ❖ *Process*: design the processes towards that desired structural imprint
- ❖ *Capability*: develop capabilities to ensure regeneration
- ❖ *Essence: discover the essence and potential of the investee business*

Regenerative investing places ‘living systems thinking’ at its core. In a world where we are used to approaching almost everything we do mechanistically with little regard to the context, regenerative investing starts with deep understanding and care for the investee business and its context. It moves the investor-investee engagement from a superficial, returns-based conversation to a deep level of connection, where the investor is driven to discover and work with the essence and purpose of the investee business and its ecosystems.

### ❖ *Imprint: define the desired structural imprint*

A business has an imprint on its ecosystems through its activities and its relationships. We can define a regenerative imprint by connecting to the essence of a business and its ecosystems (seeing it as a living system). This almost automatically moves the investor away from a mechanistic approach where, often, a predetermined view of how things should be is imposed with no regard to the context; to a collaborative approach where the investor focuses on seeing potential in the context the investee operates in, and aligns its activities to develop regenerative capability in the investee's business and its ecosystem. This moves the business from extractive to creative.

### ❖ *Process: design the processes towards the desired structural imprint*

One of the difficulties with designing for regeneration is that regeneration cannot be created, it can only be allowed. Our models have taught us how to design, then control events so as to create outcomes that we want. Any system designed in this way needs constant top-down control because left to itself, it will revert to its own way of functioning.

Regenerative investment design is based on understanding the principles of the phenomena that we are working with, then using iterations to work with the system's self-organization property in order to arrive at a sustainable structural imprint. This process relies heavily on feedback and learning loops. The focus shifts from controlling to learning.

❖ *Develop: capabilities to ensure regeneration*

For businesses and individuals to function regeneratively within the Web of Life, they need to be able to hold the Whole even while operating at the specific level. The framework we've developed above, Business Operating in Complexity, can provide guidance.

In our world today, we have heavily focused on just one-half: the self-assertive (yang, masculine, left-brain) tendencies. We have not only diminished the integrative (yin, feminine, right-brain) tendencies, but in many cases devalued them and the persons expressing them. In effect, we have split the Whole. It is easy to see how this leads to degenerative outcomes.

Perhaps the most important principle of regenerative investing as a practice is that the regenerative work starts with the investor him/herself by building regenerative capability within him/her.

A regenerative-functioning of the person brings mind and heart, intellect and intuition, love and action, and individual and community together. We suspect that bringing greater and greater integration into our lives will have far-reaching consequences, some of which could be: decreased conflict within ourselves therefore decreased friction in our relationships; a greater feeling of life-satisfaction and happiness; decreased cognitive dissonance in the individual and therefore in business and society.

**We see regeneration as a necessity for our future.  
And regenerative investing as the creative force moving the economic and financial  
systems towards regeneration.**

## ATREYU INVESTMENTS

### A PRACTICE OF REGENERATIVE INVESTING

#### Introduction

When Ebru & André met in late 2017, they were on the same journey of making a positive impact in the world. They also wanted to build their own wealth to enable them to follow their dreams on their own terms. In 2019, they created Atreyu, a company to make their investments from, into businesses they believe can help make the world a better place, and that bring them attractive returns. As they progressed on their journey, they developed more clarity on how and what exactly they wanted to invest into.

#### *The founders' stories*

**Ebru** grew up in a middle-class family in Turkey. Her first experiences of societal challenges were when she encountered homeless children, which led her to volunteer at a shelter for street children. When one day a child died from a serious trauma, it broke her heart. She traces the start of her 'purpose journey' to that moment. She decided that the most effective contribution she could make was to follow the purpose path that was most aligned with her skills. And so, for the past 25 years, the last 15 of them in South Africa, she has developed strategies within big corporations for sustainable practices and for serving the Bottom of The Pyramid, founded NGOs, and most recently got two of South Africa's largest companies to start an impact fund focused on food.

**André** grew up in a societal bubble in South Africa, one of the most unequal societies in the world. After working and studying in various countries and industries, he was drawn back to South Africa 15 years ago with a desire to help, and felt that he could contribute best to the future of South Africa by assisting small businesses grow. He found a role at a venture capital company where he worked closely with the investee businesses supporting them to grow and thrive, unlocking potential in both the investee and its management team.

Over the years, while working to deliver positive change, Ebru and André saw that the efforts that were being deployed in one area were often creating negative effects in other areas. A key issue seemed to be that the interdependencies that existed were not understood. Furthermore, it seemed that a desire for implementing positive change was not sufficient, there also needed to be a different way of thinking in order to fully grasp the workings of the interdependencies.

It became clear that a *new way of thinking and being was needed*.

A famous saying of Albert Einstein's resonated strongly with them:

***"We cannot solve the problems of today with the same consciousness that has created it."***

## Discovering Regeneration

There was an intuitive knowing that understanding interdependencies was the way forward.

*We are all part of a bigger living system and every living being has a role and a purpose in the well-functioning of this system. Everything is connected and when we exclude or disregard one part of the system, the whole system suffers.*

They started looking for ways to think about interdependencies, but not many approaches were immediately available. They turned to nature: after all, who understood interdependencies better than nature? This led them to biomimicry - and from there to regeneration.

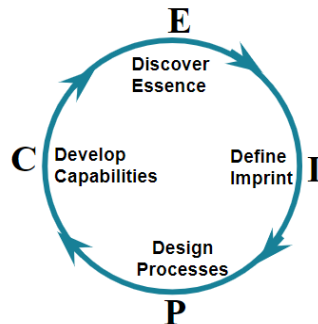
Starting from the concept of sustainability which is about not doing harm, to restoration which is about humans restoring damage, they arrived at regeneration which recognizes that humans are an integrated part of the whole of nature.

They concluded that aligning their methodologies, actions and being to the principles of living systems is the way to ensure that what they create can survive and thrive like nature itself.

They committed to building Atreyu into a truly regenerative investment vehicle – one that works closely with the principles of living systems in order to create a healthier, more inclusive and sustainable future for all.

## Application of Regenerative Investing Framework to Atreyu Investments

The Regenerative Investing “*Framework for Realising Potential*” identifies the following points to guide investors :



- ❖ **Essence:** discover the essence and potential
- ❖ **Imprint:** define the desired structural imprint
- ❖ **Process:** design the processes towards that desired structural imprint
- ❖ **Capability:** develop capabilities to ensure regeneration

Our starting point will be to first explore these points with Atreyu Investments itself. Once we are clear on Atreyu’s essence, purpose and desired structural imprint and have established the processes and the capability-building required for it, we will be in a position to explore the application of the same principles to its investee companies.

### ❖ ***Essence: discover the essence and potential***

Essence is the intrinsic and indispensable quality of something or someone which determines its character. Every individual and organisation has its unique essence. It is worthwhile to spend the time to investigate the core traits and drivers of the individuals and organisations that we work with in order to truly understand their essence because the essence inevitably shows up in everything that they do.

Ebru and Andre’s lives have been led by their commitment to apply their skills towards pro-social service, personally and professionally. They have molded their lives to where they could be most of-service, and have guided the organisations that they were with towards what could be most helpful. They have directed their strengths<sup>3</sup> towards expression of their essence as they move forward. Ebru brings her focus, achiever, learner, activator, connectedness, and André his arranger, learner, activator, maximiser and connectedness to their everyday practice.

Atreyu has emerged as a manifestation of its founders’ desires and essence: their “care” for developing the “potential” in “people” and “small businesses”. Atreyu’s mission is therefore to create a healthier, more inclusive and sustainable future for all by using investment as a means for regeneration. Atreyu is driven to co-learn and co-develop ways to fulfill this mission alongside its investee companies.

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<sup>3</sup> Gallup Strengths Assessment



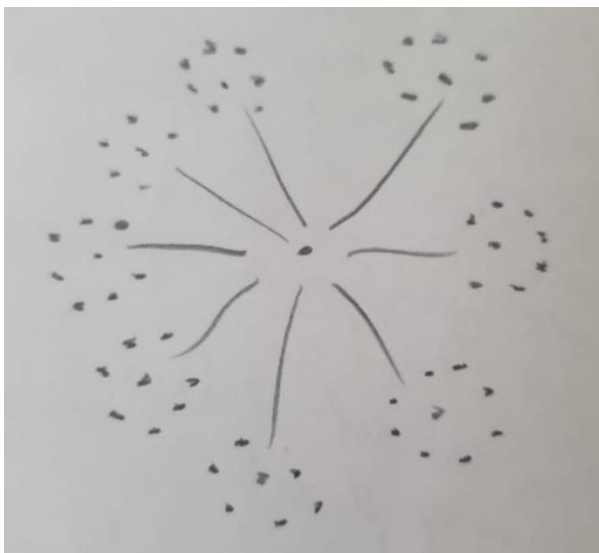
❖ *Imprint: define the desired structural imprint*

The desired structural imprint is the purpose of a living system coming alive. It's the meeting of our essence with the calling of the context we are operating in.

We surface the desired structural imprint through a process called “imaging”<sup>4</sup>. Imaging is the total inner engagement with the lived experience of an activity, a state of being, a person or a place. It is different to imagining where we often impose our own view of how things should be.

The extractive, reductionist approach of the investment sector is not only one of the major drivers of the current environmental and social crisis, but it is also detrimental to the well-being of the investee companies and their ecosystems. Within this context, Atreyu is called to contribute to the solutions while seeking to be a leader and example of a regenerative investing practice.

We image Atreyu’s desired structural imprint as follows: the businesses (and their ecosystems) that Atreyu invests in flourish by realising their unique potential. We image Atreyu working with its investee companies and key players in their ecosystems to move towards this desired imprint.



❖ *Process: design processes towards the desired structural imprint*

Regenerative investment design is based on deep understanding of the living system we are working with, then applying an intervention to allow the system to self-organize itself in the direction that its purpose calls it to go.

To achieve Atreyu’s desired structural imprint, Atreyu will design the following processes:

- Creating the right circumstances for meaningful engagement with employees of the investee businesses as well as key stakeholders of the ecosystem the investee businesses operate in to envision a common desired future imprint
- Identifying intervention points to move the system towards it

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<sup>4</sup> With acknowledgements to [The Regenerative Practitioner](#)

- And finally, catalysing building of the right capabilities to realise the desired imprint.

❖ ***Capability: develop capability to ensure regeneration***

Atreyu needs to build regenerative capabilities first within itself before it is able to work with investee companies and their ecosystems in a regenerative way.

This requires continual work for Ebru and André integrating key properties of living systems into their being and into Atreyu's activities.

Here they use the “business operating in complexity” framework as a guidance: They start with being and essence and develop their potential by aligning themselves to the evolutionary creativity of the Web of Life. This means practicing non-judgement and meditative silence. It also means integrating complementary tendencies - rational & intuitive, analysis & synthesis, reductionist & holistic, linear & nonlinear, expansion & conservation, competition & collaboration, quantitative & qualitative, domination & partnership. This inner work creates a steadiness that allows them to function with agility in an ever-changing world, and gives them the insights to make holistic choices.

## **Atreyu Investments in Action**

### ***Vision***

Atreyu's vision is to become an alternative investment platform for the “woman and man on the street” – where they can invest to earn meaningful returns, whilst they know their money is making a real difference in the world.

### ***Mission***

Atreyu's mission is to create a healthier, more inclusive and sustainable future for all by using investment as a means for regeneration.

### ***Citizenship and Way of Being***

Atreyu is expressing its citizenship through its contributions to the Regenerative Investing Community of Practice, where it joins a community of investors, investees and other interested parties to co-learn and co-create regenerative investing practices to use investment as a means for regeneration.

Furthermore, Atreyu's commitment to the regenerative journey means constantly learning, innovating and sensing the contexts that Atreyu and its investees operate in, so that it can respond in wiser and more agile ways. Feedback-loops are an integral part of Atreyu's practices and its relationships.

### ***Structure***

Atreyu is structured as an investment holding business that enables long-term decision making which allows for:

- nurturing of its portfolio companies to succeed holistically
- continuous learning, innovation, adaptation, and evolution
- collaborating with like-minded institutions to co-learn and drive collective action

### ***Investment thesis***

Atreyu invests in solutions that reverse the degradation of our planet and enhance the well-being of its communities to create a healthier, more inclusive future for all. This means focusing on the interdependencies between a healthy planet, healthy people and empowered communities.

### ***Investment activities***

#### ***1. Investment selection***

Atreyu chooses investee companies according to the below criteria:

- *Purpose:* Atreyu invests into businesses that acknowledge their role in a wider system and intend to restore, replenish, and capacitate all parts of their value chain. By doing

so, they unlock the potential of the ecosystem they reside in – hence delivering superior social and financial returns.

- *Stage:* Early stage businesses with revenue traction and a proven business model. (Pre-Series A, Series A, Series B) . This is driven by Atreyu’s essence and the experience of the founders working with and guiding early-stage businesses.
- *Investment Areas:* Global, sector-agnostic: Atreyu looks for businesses working to solve key social and environmental issues across the globe and in different sectors. It maintains a global and sector-agnostic view, which enables it to better understand interdependencies across different sectors and regions globally, leading to further value creation and innovation .
- *Type of Investment:* Predominantly equity investments (but may include debt and other forms of quasi debt or hybrid instruments). Atreyu is a high-touch investor, it invests its time and efforts for the purpose of co-learning and co-evolving.

### ***Decision making criteria***

Further to above investment criteria, Atreyu asks the following questions to help it with its investment decisions:

- **Management:** What is the unique essence of the founding team? Are they open to the journey of regeneration?
- **Innovation & Ingenuity:** What makes the product, technology, service and/or business model unique? How is this uniqueness derived from the essence of the founding team?
- **Business model:** What is the business model and the resulting unit economics? What is the quality of relationships to its ecosystem?
- **Market:** What are the market trends? Who are the key players in the ecosystem?
- **Atreyu’s Value Add:** Can Atreyu add value to the business and its ecosystem?
- **Financial Returns:** What are the potential financial returns that can be generated?
- **Socio-Ecological Returns:** How is the investee contributing to the health and well-being of its ecosystem?
- **Exit:** When and how can there be an exit? Atreyu views exiting as a natural part of the investee’s evolution in its regenerative journey.

## ***2. Investee nurturing and development***

Atreyu’s approach to support the investee’s evolution is to provide a nurturing context. This approach allows for co-evolution and co-learning. Atreyu applies the “Framework for Realising Potential” to the investee as well:

- *Essence:* discover essence and potential: Atreyu works with its investees to discover their unique essence and potential by looking deep into the key traits and drivers of their management teams, investees’ histories and what makes them unique.

- *Imprint*: define the desired structural imprint: Atreyu works with its investees and their key stakeholders to define their purpose and structural imprints, that all key players are motivated to work towards.
- *Process*: design the processes towards that desired structural imprint: Atreyu works with its investees and key stakeholders to design processes towards their desired structural imprints.
- *Capability*: develop capabilities to ensure regeneration: Atreyu works with its investees to build regenerative capability within them and their ecosystems.

### **3. *Investor-investee relationship***

Atreyu brings the following macro expertise to play in its relationship with its investees:

- Learnings from its experience across different business development stages, industries and regions
- Regenerative thinking ability and understanding of complexity science
- Emphasis on the inherent potential of the investee and its ecosystems

## Definition of Terms

- *Life* (spelled with a capital L): This word brings together all the feelings, aspirations, needs, structures, etc of living beings. It is not merely about the fact of being alive.
- *Web of Life*, or *Web*: Living systems are interconnected, creating a 'web'.
- *Mechanistic*: Machine-like
- *Reductionism*: Where analyzing the parts is sufficient to explain the whole
- *Citizenship*: The condition and feeling of belonging to something (different than ownership); both rights and responsibilities are implied
- *Whole, holism, holistic*: When an entire system, or entity, is considered together, 'as a whole'
- *Commons*: Areas that affect and are used by an entire community, usually not owned by any one person or entity.
- *Market*: The general place(s) where businesses and customers buy and sell their goods and services. May or not be a physical place.
- *Ecosystem*: A system of interconnected systems that has diverse parts but also has a self-identity. For example, a business community consists of the people involved in doing business, but the business ecosystem consists of the community and the equipment, the supply chains, the business relationships, etc.
- *Complexity Science*: The new science of interconnected systems
- *Being, Doing*: Philosophical terms that refer to the inner person

## Resources

- [The Systems View of Life](#) - Fritjof Capra
- [The Regenerative Practitioner](#) - The Regenes Institute
- [The Seven Spiritual Laws of Success](#) - Deepak Chopra
- [Polarity Management](#) - Barry Johnson
- [Complexity Economics](#) - W. Brian Arthur
- [Sand Pile Model of the Mind](#) - Scientific American
- [Santiago Theory of Cognition](#) - Maturana & Varela
- [Aligning With Life's Regenerative Impulse](#) - Daniel Christian Wahl
- [First Principles of Regeneration](#) - Carol Sanford
- [A New Framework, A New Context](#) - Allan Savory
- [Relational Systems Thinking](#) - Melanie Goodchild
- [The Responsible Manager](#) - C.K. Prahalad
- [Meditation and Mental Health](#) - Psychology Today
- [Meditation and Mindfulness: What You Need To Know](#) - National Center for Complementary and Integrative Health
- [Shifting from 'sustainability' to regeneration](#) - Bill Reed

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