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Investor Profile: 2150

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Last edited: 08/08/23

Overview

Company at a glance, incl. the rationale behind its existence and how it's structured

Impact Goals & Process Overview

Overview of impact goals, incl. metrics used/ where impact assessment fits into investment workflow

Pre-Investment Spotlight

Deep dive on pre-investment incl. what, when, & how assessment occurs to make investment.

Portfolio Stewardship/Exit Spotlight

Deep dive on stewarding impact long-term among portfolio companies, incl. what, when, & how impact is monitored, reporting, and engagement.

Impact & Lessons

Lessons learned, impact realized, and resources.

Case Study

Actual/ anonymized assessment exemplifying process.

Dashboard: Funds

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| Fund Name | Date Fund Close | Date Final Inv. Made | AUM | # Co's | Stage | Design Characteristics (eg, fund/service structure and/or types of capital provided) | How Design Serves Impact Goals (eg, how fund structure/ service actively foster impact) |
|---------------------------------------|-----------------|----------------------|-------|--------|-----------------|---|--|
| 2150 Urban Tech Sustainability Fund I | Q3 2021 | 2021 | €268m | 15 | Seed - Series B | Equity 10 years (+ extension) | Article 9 Fund under SFDR, where all investments must have demonstrable impact |

Dashboard

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Overview

- **Investment type(s) / asset class(es):** Venture Capital
- **Stage served:** Seed – Series B
- **Geography served:** Global
- **Sector:** Urban Tech
- **Sub-sectors:** Buildings, Industry, Energy, Transport, Carbon Management, Climate Resilience, Biodiversity
- **Organization type:** For-profit
- **Relationship with the companies/ technologies being assessed:** Conduct assessments as part of diligence process for investments
- **Impact assessment capacity:** Dedicated team & external evaluation
- **\$ AUM / %tied to impact:** EUR 268m, 100%
- **Strategies to steer towards impact after investment:** Impact modelling and targets, GHG inventory and net-zero planning, ESG planning, bespoke engagement for sustainability credence

Methodology

- **Which existing methodologies align with yours?** Influenced by EU Taxonomy on Sustainable Activities; MDB Paris Alignment methodology (ex. [EBRD](#)); SFDR Article 9 requirements; TCFD; Project Frame
- **Time horizon of assessment:** goal: 10 years; minimum 2030
- **How interdependent technologies are considered in analysis:** Case-by-case
- **Fractionalize share of impact as an investor?** Track full portfolio and ownership adjusted performance
- **Metrics tracked:** Common - GHG reduction or removal, As Appropriate – energy, water, pollution and/or material savings
- **How realized impact is/will be tracked:** Regular board reporting and annual impact reporting
- **Alignment with Frame's values and principles?** Yes
- **How often (if at all) is reporting audited?** Positive impact figures not audited, GHG inventories developed in line with GHG Protocol through Normative (third party)
- **Do you tie remuneration to impact?** No
- **Other assessment or investment decision-making characteristics you're proud of:** Link impact modeling to company revenue and financial growth projections

Mission

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At 2150, our objective is to find the game-changers and sustainable investments that will enable a future where technology and innovation in the Urban Stack reverse cities' negative impacts on the planet and promote sustainability and prosperity.

Purpose 01



To back tech entrepreneurs with Constructive Capital so they can reimagine and reshape the urban environment.

Mission 02



To set the standard for Constructive Capital and back a portfolio that includes potential 'Gigacorns'.

Vision 03

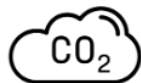


A future in which the convergence of technology and sustainability in the Urban Stack has reversed cities' negative impact on the planet and accelerated a positive impact on prosperity.

Why Cities?

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Today



70% GHGs

ipcc



75% Final Energy

Guerrero et al

Risks

50%

urban population exposed to extreme heat risk in 2050

The Future: 2020 - 2050



55%

24%↑

▶ 68%

Population in cities



1.5%

49%↑

1/3

major cities may exhaust their current water resources by 2050

Barriers

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2150 seeks to address barriers to investment through careful consideration of companies' impact opportunities

Policy

- Certifications and testing for new solutions, often regionally specific
- Legacy policy incentives for unsustainable solutions

Technology Risk

- New sustainable solutions not demonstrated at mass production scale
- Translation of pilot facilities into industrial scale production

Capital Requirements

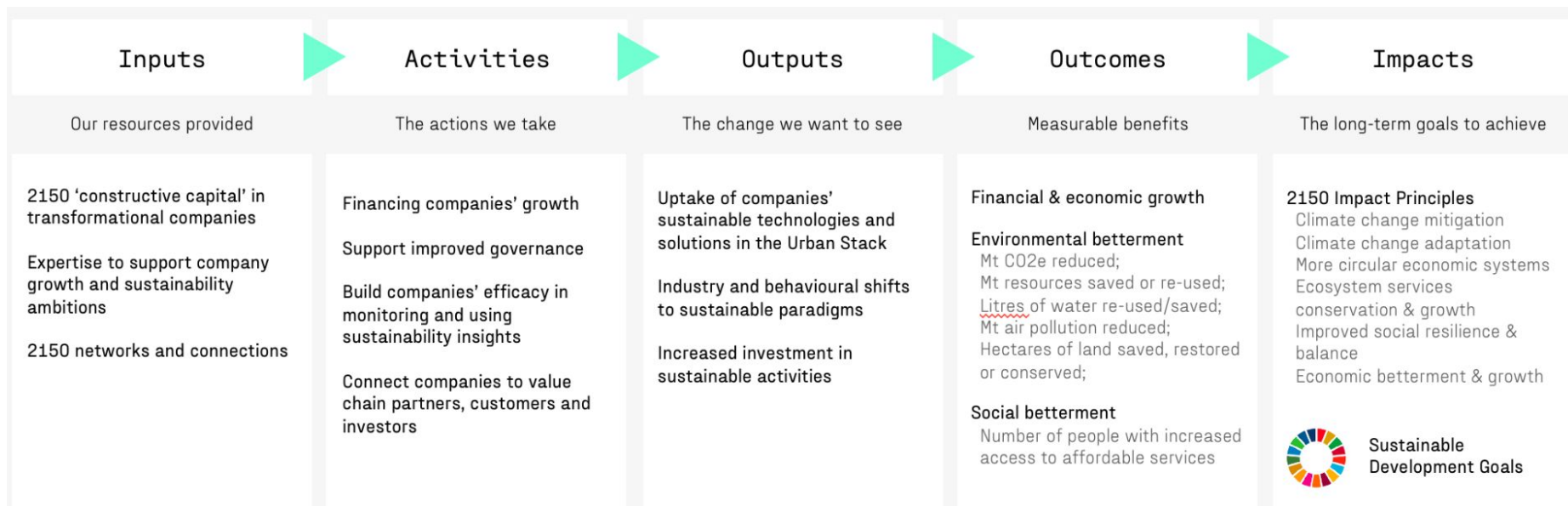
- Less proven tech can require large liquidity demands in balance sheets
- Affects the scale of funding rounds

Balancing Time-Value of Impact

- “Carbon now vs. carbon later”
- At a portfolio level – need to consider ability to address immediate needs (e.g. mitigation) and longer term strategies

Logic Model

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Organizational/Relationship Structures

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2150 has 2 staff members dedicated full time to sustainability and impact assessment.

| Capacity | Scope of Work | Resources | Governance | Impact Alignment |
|--|--|--|--|---|
| Sustainability Team (2 FTE) | <ul style="list-style-type: none"> Investment sustainability DD & impact modelling Portfolio sustainability engagement Impact reporting | <ul style="list-style-type: none"> Company data Professional databases External technical experts | <ul style="list-style-type: none"> Veto power, not on investment committee Weekly sustainability investment review | <ul style="list-style-type: none"> Ensure all investments meet 2150 and regulatory standards |
| Investment Team (6 FTE & 4 Partners) | <ul style="list-style-type: none"> Coordinate investment process Advocate for impact on boards | <ul style="list-style-type: none"> Fund 1 | <ul style="list-style-type: none"> Investment committee Sit on boards | <ul style="list-style-type: none"> Ensure companies remain focused on impact |
| Research Team (1 FTE) | <ul style="list-style-type: none"> Develop deep dive insights to affirm impact | <ul style="list-style-type: none"> Professional databases External experts | <ul style="list-style-type: none"> Manage research priorities | <ul style="list-style-type: none"> Ensure targeted investment approach |

Investment Vehicles

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Vintage

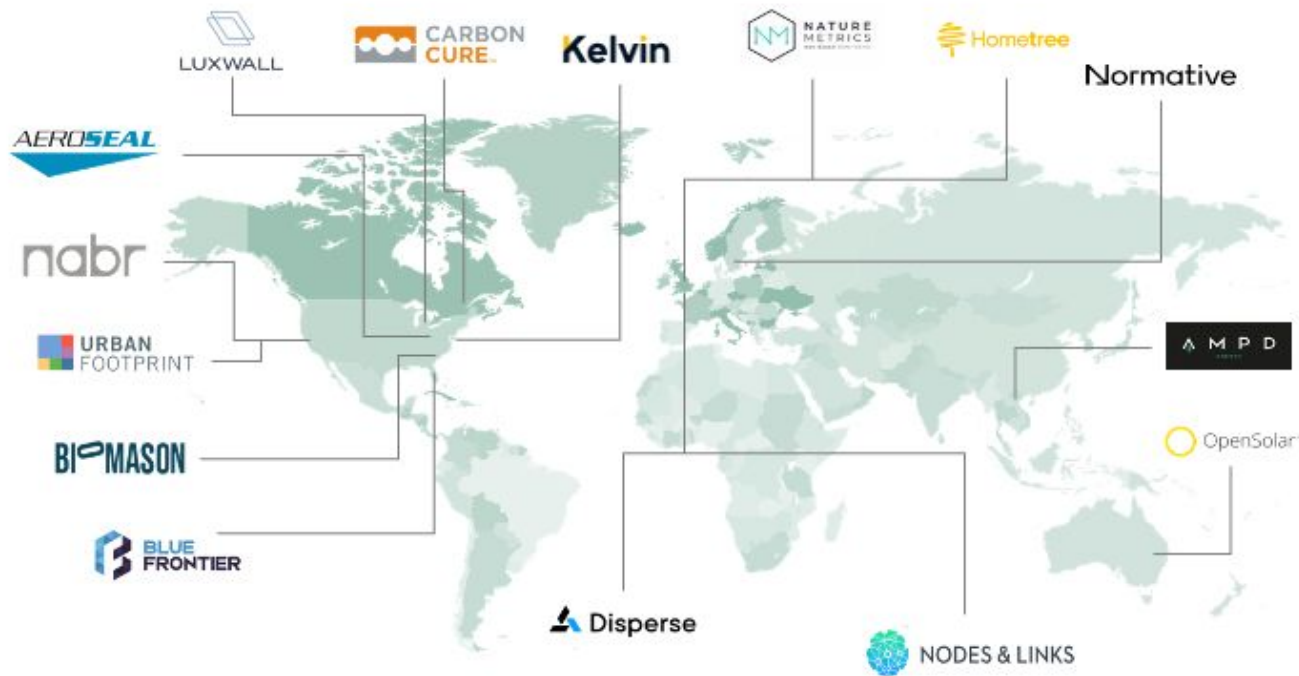
2021

Fund 1

EUR 268m

Current Portfolio

15 companies

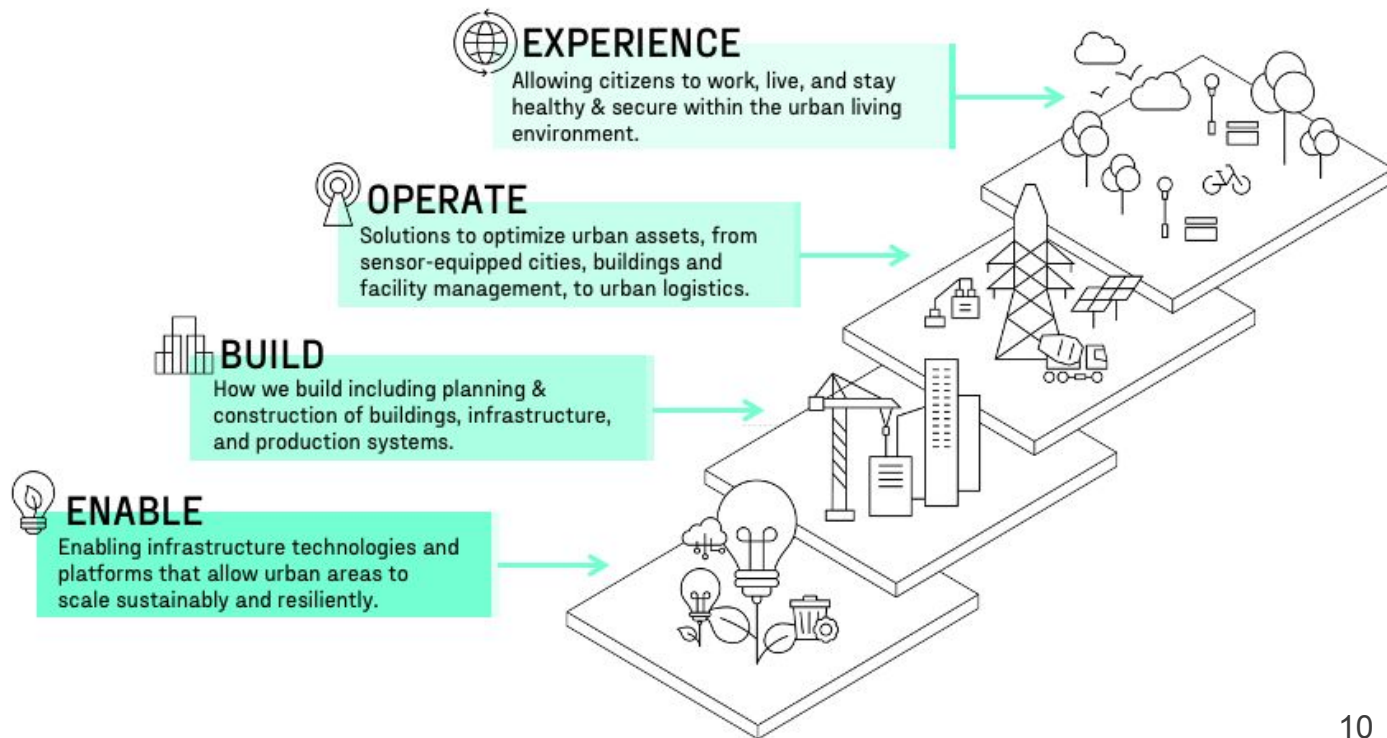


Investment Themes

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Urban Stack

We view cities and urban technologies through the lens of the 'Urban Stack', representing four interconnected and interdependent layers of an urban environment in which we invest.



Minimum Investment Criteria

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We use three minimum criteria, instead of a quantitative impact threshold, to assess whether companies can be considered for investment

01 Align with the Paris Agreement (including SFDR)

Companies must support a low-carbon pathway in its relevant sector and enhance or preserve resilience to climate change


02 Support the Objectives of the EU Taxonomy

Companies must substantially contribute to an EU environmental objective (e.g. mitigation, adaptation, biodiversity)

03 Be Free of Fossil Fuel Revenues

Companies cannot derive any revenues from the extraction, refinement, transport, sale or trade of fossil fuels or high emissions electricity. However, companies may rely on raw materials from fossil fuels.

Paris Alignment

- 
- A** Does the company support a low-carbon pathway for the relevant sector?
 - B** Does the company and its product risk carbon lock-in?
 - C** Does the company or its activities undermine climate resilience in the context in which it operates?

Pre-investment Assessment Components

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We use the 2150 Impact Framework to commonly evaluate the impacts and sustainability of our investments.

- 1 Paris Agreement & SFDR** – minimum investment thresholds; direct contribution or enabling
- 2 Mission & Impact Model** – alignment w/ impact principles; positive impact model
- 3 Company** – evaluate business model and growth plan; team composition
- 4 Policy** – consider company's readiness for SFDR, CSRD, TCFD & ESG standards
- 5 Deal Structure** – term sheet expectations; co-investor evaluation

Impact Goals

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Regulatory





Article 9 - Substantial Contribution

- Climate Mitigation
- Climate Adaptation
- Biodiversity
- Circular Economy
- Water Management
- Pollution Prevention

DNSH & Minimum Safeguards

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Strategic – 2150 Impact Principles

| | | | |
|-------------|--|---|---|
| Primary |  | Climate Action – Mitigation & Adaptation | Companies that materially reduce or remove urban GHG emissions while preventing carbon lock-in, and increase adaptation of systems to climate change. |
| |  | Resource Efficiency & Envir. Protection | Companies that reduce resource waste, support circular economy, promote sustainable water use / protection, reduce pollution, protect and enhance biodiversity. |
| Co-Benefits |  | Social Resilience & Balance | Companies that enable healthy, safe, liveable cities with healthy socio-economic balance, incl. increased access to economic opportunities. |
| |  | Profit & Purpose | Companies that deliver exponential impact and productivity outcomes as co-benefits beyond immediate impacts of operations. |

2150 Approach

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Deep Dive Research

- Identify urban sustainability challenges and sources of emissions
- Analyse sustainable pathways to address challenges and support the goals of the Paris Agreement including solutions
- Identify entry points for early-stage venture capital to support adoption of sustainable solutions



Investment

- Consider additionality: How does 2150's capital or involvement uniquely advance the impact and interests of a company?



Ecosystem Value-Add

- Work closely with portfolio companies to build impact insights and best sustainability practices into their operations
- Develop networks of practice between 2150's strategic LPs, portfolio companies and wider urban sustainability expert community

Deep Dive Research

Identify urban sustainability challenges

Understand sources of impact

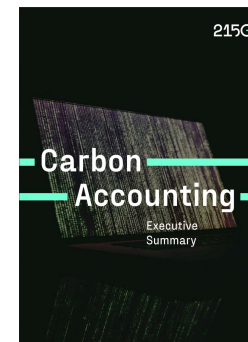
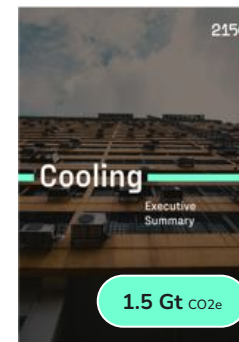
Map sustainable development pathway including early stage technologies

Consider entry point for venture capital

Identify exciting companies in the sector

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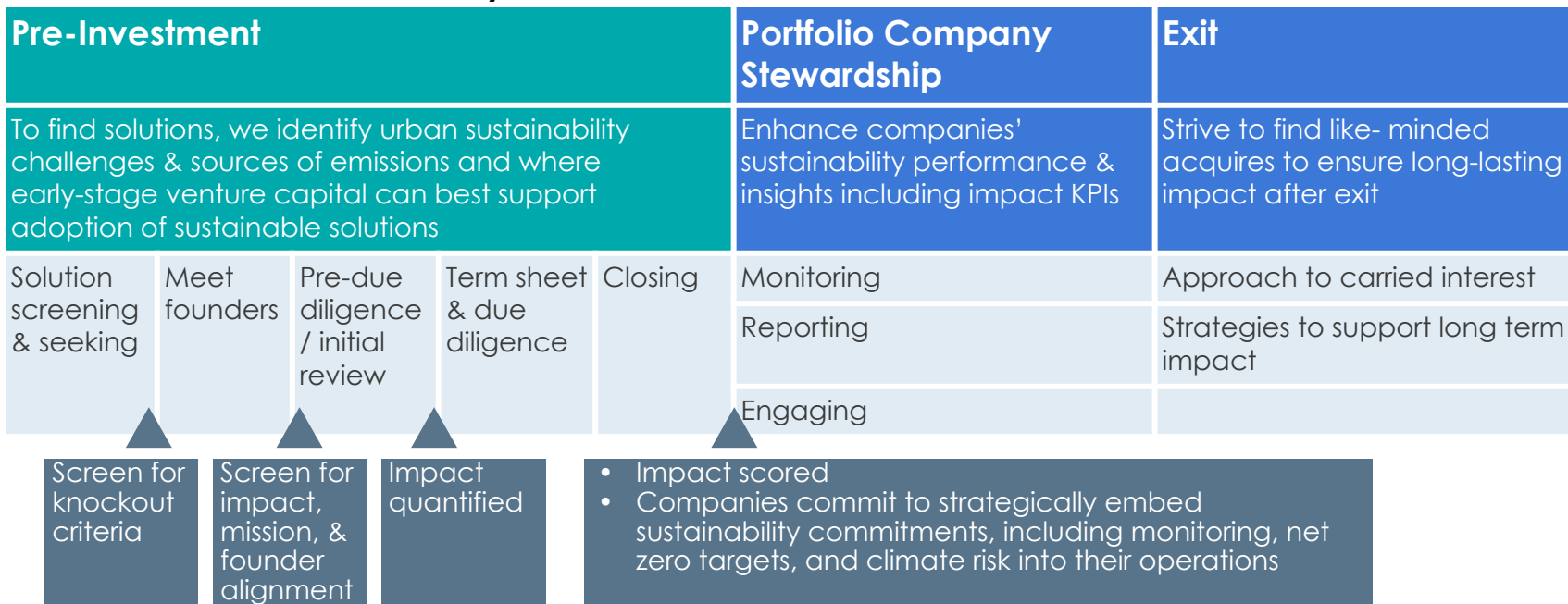
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Overall Workflow

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2150 Urban Tech Sustainability Fund I



Impact Method Fundamentals

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GHG Impact

We conduct both Planned & Potential Impact, applying Frame's methodology:

- **Potential** (Research) - use deep dive research to validate scale of challenge in terms of impact
- **Planned** (Investment) - develop projections to at least 2030, 10 years preferably, based on unit level impacts modelled against baseline

Impacts beyond GHG

- **Company** - develop bespoke metrics relating to individual company operations
- **Portfolio** - seek to collect information on energy, material, water and pollution savings when available

Frame Definitions

Planned Impact

Assessing impact based on what the company deploying the solution intends to achieve based on a realistic analysis of its business model. Planned impact is calculated bottom-up, based on the specific company business plan/sales forecasts, accounting for current resources, offerings, and capabilities.

Potential Impact

Assessing impact of a general solution, based on what the solution could achieve, assuming a standardized trajectory of success that isn't based on business plans or sales projections. Potential impact is calculated top-down, based on TAM, SAM, and relevant diffusion or S-curves.

Impact Modelling

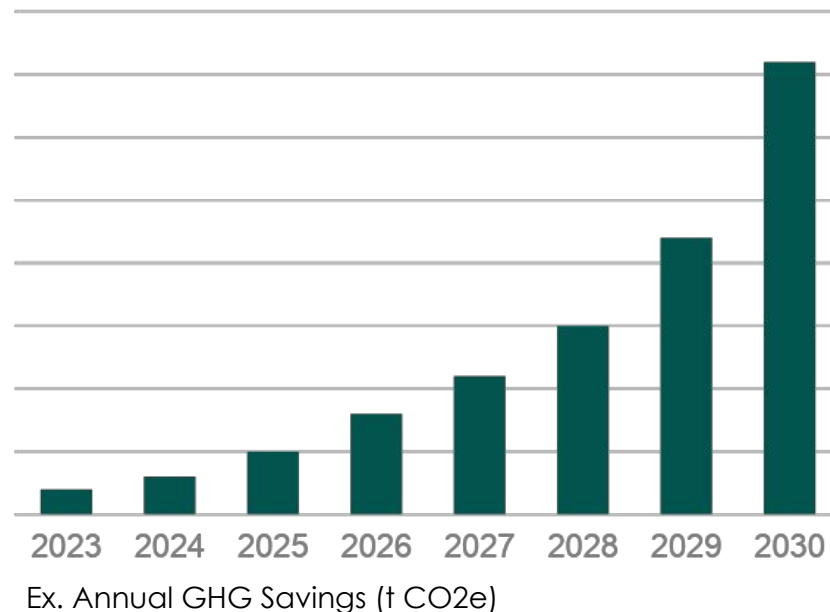
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Principles – Planned Impact of Companies

- Develop product level impact understanding using available company and research data
- Link impact growth to company growth through revenue or sales
- Build impact model to follow growth model to at least 2030

Reporting

- Adopt impact metrics and targets (see post-investment)



Post Investment: Monitoring

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Impact / Risk Monitoring

What is collected and how?
How are new risks or baseline scenarios incorporated?

Collect the following data, to date and projected:

- GHG emissions
- Non-GHG adverse impacts
- Climate neutral target & trajectory
- ESG practices

Actions

- Adopt impact model & targets
- Scope 1 – 3 inventory (Normative)
- Support PAI monitoring
- Develop from GHG inventory
- Adopt ESG policy including supplier code of conduct; build in further best practice in advance of regulations

Evolving Processes

How has your methodology changed overtime? How might it still change?

- Develop stepped approach for net-zero/ ESG planning based on companies' stage
- Further develop tool kit for companies to draw from including templates/ software

Post Investment: Reporting

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| | |
|-----------------|--|
| Internal | <ul style="list-style-type: none">• Regular board reporting and minimum annual assessment• Board & executive engagement• Seek standardization on impact reporting across funds |
| LP | <ul style="list-style-type: none">• Respond as needed• Regular check-ins particularly to discuss new companies |
| Public | <ul style="list-style-type: none">• Annual impact reporting & SFDR disclosure• Disclosing third-party verified research proving companies' impact claims |

Post Investment: Engaging

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Enhance companies' sustainability performance and insights including impact KPIs and preparation for relevant regulations.

How do you help portfolio companies reach, sustain, or exceed impact expectations?

Work directly with portfolio companies to onboard best sustainability practices, while prioritizing those initiatives most immediate to their operations.

- Integrating impact targets and reporting into board packs
- Developing third-party verified impact materials
- Assessing adverse impacts
- Establishing foundational ESG processes to build from

Annual Impact Reporting

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Positive Impacts

Realised benefits resulting from portfolio companies' operations, and projections of future impact potential.

Operational Impacts

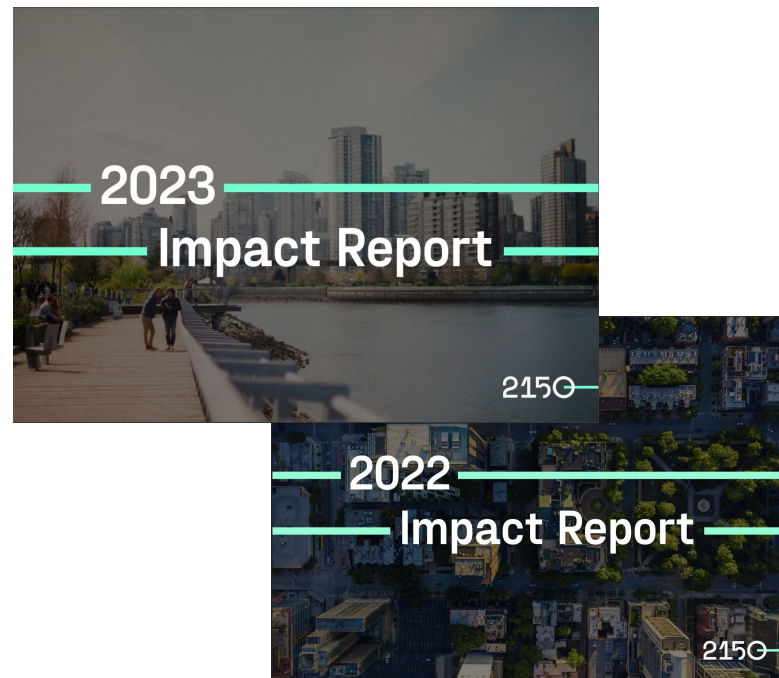
Adverse impacts of portfolio companies' operations, with a focus on their 'footprint' of GHG emissions

Policies and Governance

Portfolio companies' adoption and implementation of best practices on environmental, social and governance matters.

Employment & Diversity

Assessing portfolio companies' representation within their operations and economic opportunities generated



2150 Impact Reports

Case Study - CarbonCure

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Halifax, Canada
Mar 2021 investment

Injection and permanent storage of CO₂
into concrete mixing

+110k tCO₂e reduced / yr

Verra Certification

CarbonCure developed a Verra approved methodology for tracking its impacts

2150 Impact Model

Use recognized research on CarbonCure's unit impacts combined with Verra method to build an impact model