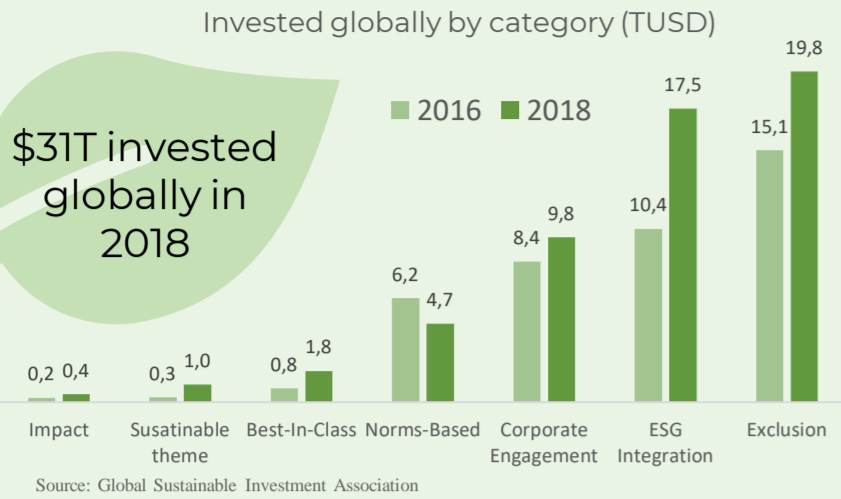


## The Green Investment Landscape



After extensive research and talking to investors we found that there is a lot of green capital around. However, there is no standardized process of evaluating the environmental impact of an investment. We also found that investors struggled to conduct this analysis on their own.

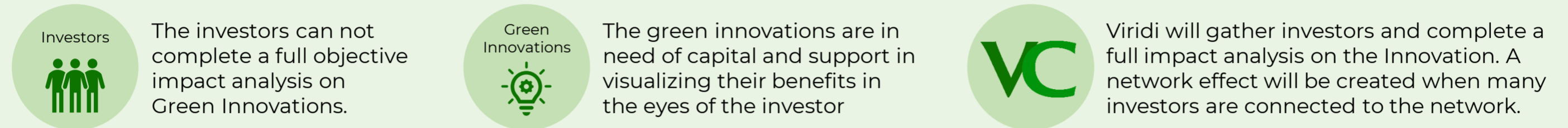
Top ten largest position	Certified Sustainable	Uncategorized fund
Volvo	9,9 %	10,0 %
Investor	9,8 %	9,9 %
Essity	5,6 %	6,0 %
Sandvik	5,2 %	5,7 %
AstraZeneca	4,6 %	4,6 %
Hexagon	3,9 %	3,9 %
Atlas Copco	3,3 %	3,6 %
Sweco	3,3 %	3,0 %
Balder	3,2 %	2,8 %
SEB	3,1 %	2,8 %
Sum	52,0 %	52,1 %

Comparing two funds at a large Swedish bank shows that in the category of exclusion, not much differentiates a green fund from an uncategorized. In a time of greenwashing there is a high-level of information asymmetry leaving investors uncertain of what the impact of their investment really is.

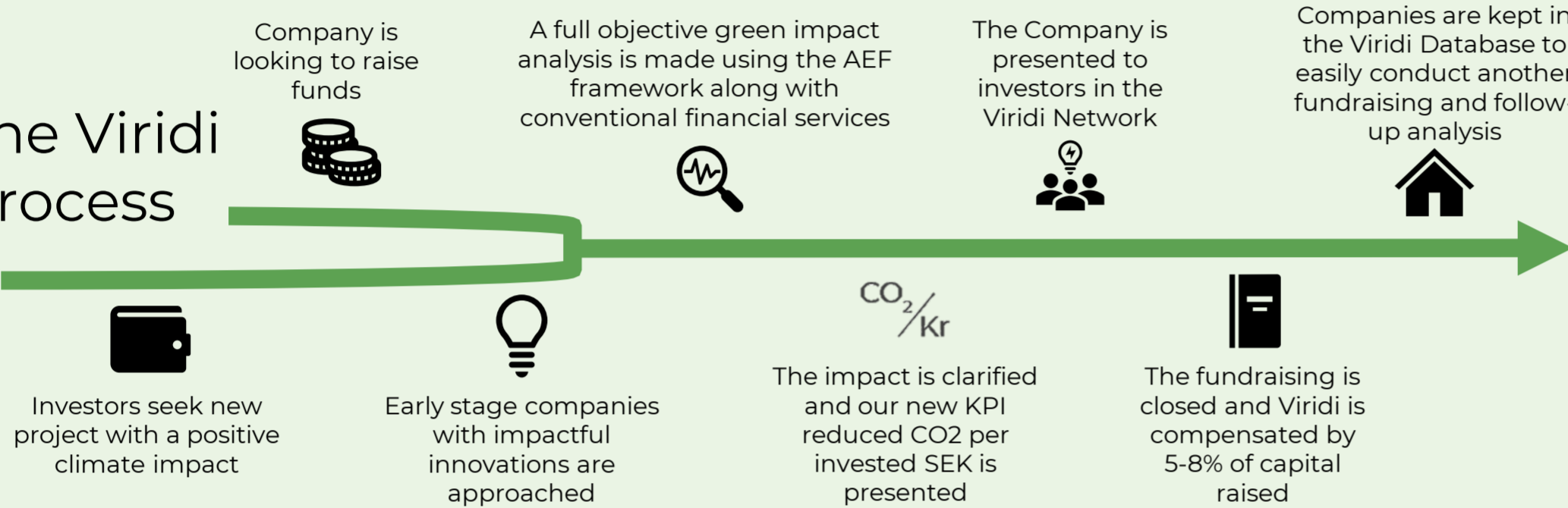
Together with sustainability consultants 2050, we concluded that the biggest potential impact to be made is within the category of Best-In-Class investments. Investments in projects with a positive ESG performance relative to industry peers. Although not widely invested into today, it is one of the categories with the highest growth rates.

## Viridi Capital

Our vision is to bridge the gap between investors and green innovations, bringing them together and help future generations



## The Viridi Process

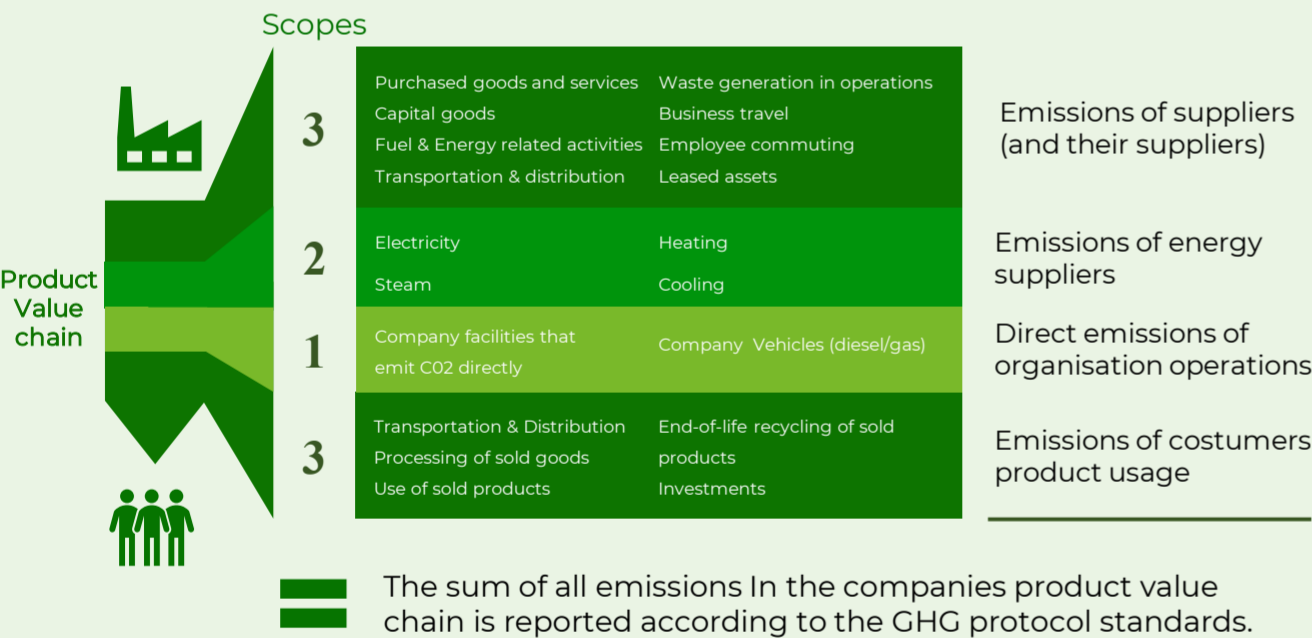


### Tools & Services

- Avoided Emissions Framework
- Life Cycle Analysis
- The Viridi Network
- Full Impact Screening
- Key metric produced – Reduced CO2 emissions per invested SEK
- Conventional Financial services

## The process of quantifying CO2 emissions – Avoided Emissions Framework

- The first step is breaking down all operations that are linked to the company. Then the total emissions emitted in the production of a product is calculated. Thus, concluding a life cycle analysis of the innovation in focus.
- The next step is to divide the sum of all emissions by the number of products the company sells and then again by the number of functional units per product lifetime.
- The last step in the Avoided Emissions Framework is to compare the emissions of the company to competitors.



### Explained through an example

If we have the emissions of a washing machine manufacturer.

We divide the sum of emissions by the number of sold washing machines to get total emission of one washing machine.

Then divide the emissions associated with producing and using one washing machine by number of washes per washing machine lifetime.

We now have the total emissions of one wash, which makes it possible to compare to other products on the market.

By calculating the difference in emissions compared to competitors (for one functional unit) we can find the carbon abatement factor

	Emissions per functional unit
Innovation	100
Competitor average (-)	(-) 250
<b>Carbon abatement factor</b>	<b>= 150</b>

By multiplying the carbon abatement factor with the company's size we can get the company's total avoided emissions. These are the emissions that would theoretically have been emitted if the company had no market share and consumers would turn to competitors as an alternative.

## The Viridi Impact

- Investors receive a deal flow of truly green investments
- Reduced information asymmetry in a time of green washing
- Investors can more easily find the right project for them
- Investors maximize their impact/invested sum
- Investors receive a clearer view on the actual impact of their investment
- Viridi Capital charges an upfront fee for the full impact analysis and 5-8% of capital raised
- Letting companies focus on what they do best, develop and improve innovations
- Innovations are visualized and quantified so that investors can comprehend their true potential, increasing their chances of completing successful fundraisings
- More green innovations find support and significant growth
- Capital is allocated to innovations that make a real impact



Looking ahead, we are discussing the possibility of realizing or project into a fully functional company. We have confidence that our project could generate a true impact on the green investment landscape, something which has been supported by environmental consultants 2050. 2050 has shown interest in our business proposal and discussions of a possible partnership is in the works.

Thank you.

### Interviews

February 19, 2020 - Martin Lundvall, Fund Manager SEB Green Bond Fund; Mattias Ekström, Fund Manager SEB Green Bond Fund.  
 Mars 3, 2020 - Malin Forsgren, Senior Consultant 2050  
 April 2, 2020 - Linnea Granström, Consultant 2050.  
 April 28, 2020 - Workshop: Malin Forsgren, Senior Consultant 2050; Jannike Hising, Consultant 2050

### Sources

Global Sustainable Investment Association, 2018 Global Sustainable Investment Review  
 Mission Innovation, Avoided Emissions Framework, Stephens A, Thieme V.  
 Greenhouse Gas Protocol, GHG Protocol Corporate Standard Revised

