

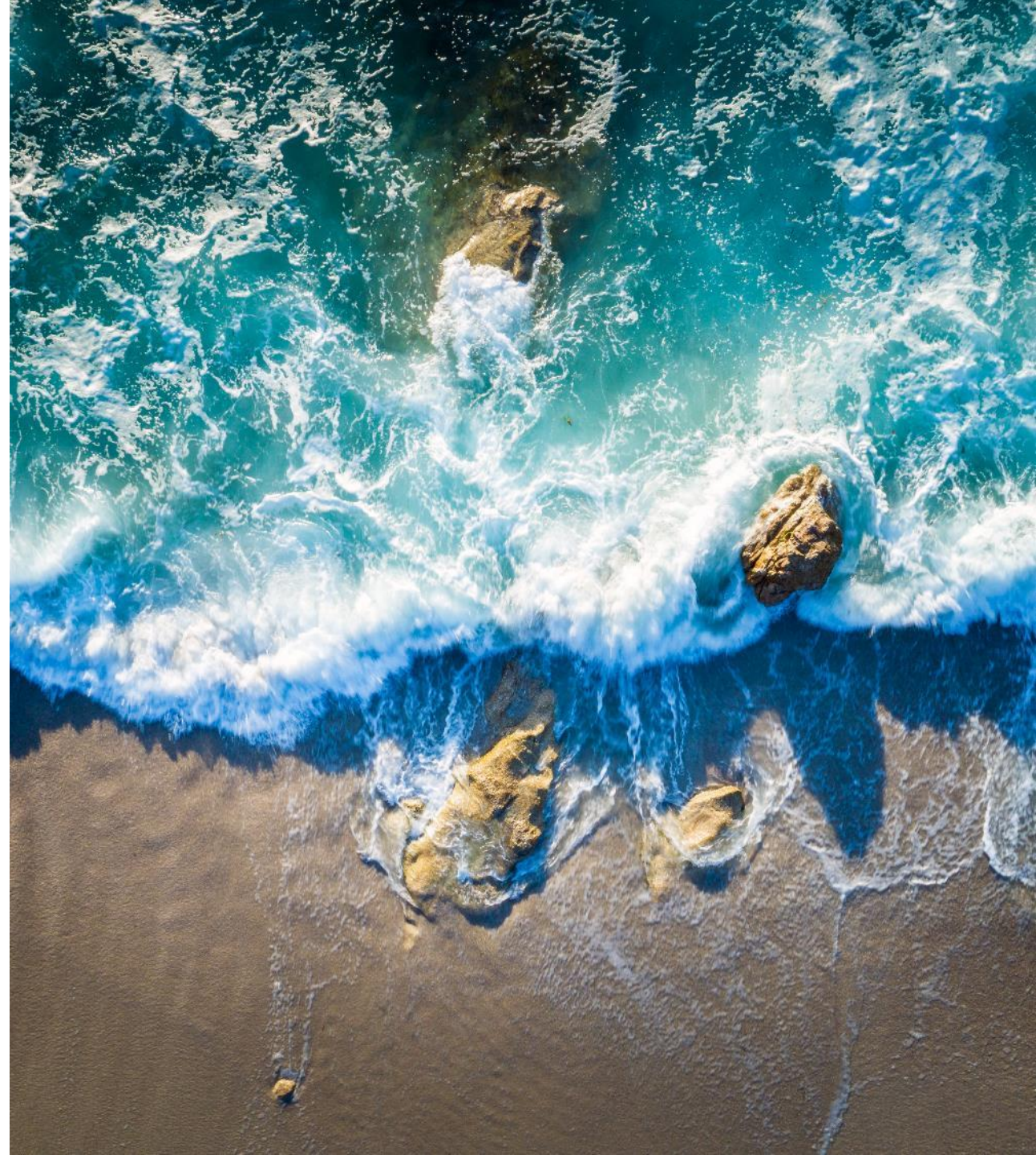


Go green!
Sustainability is shifting the future
of your funding

Why green?

What's the problem that your start-up is solving?

- Tackling global environmental crisis
- Paris Agreement 2015
- EU Green Deal 2019
- Green investments



What is green?

Principles of the Taxonomy

- Context – Taxonomy Regulation
- Green = Environmentally sustainable
- Environmentally sustainable =
 1. Contributes substantially to one of the six environmental objectives; AND
 2. Does no significant harm (DNSH) to other 5 environmental objectives; AND
 3. Complies with minimum safeguards



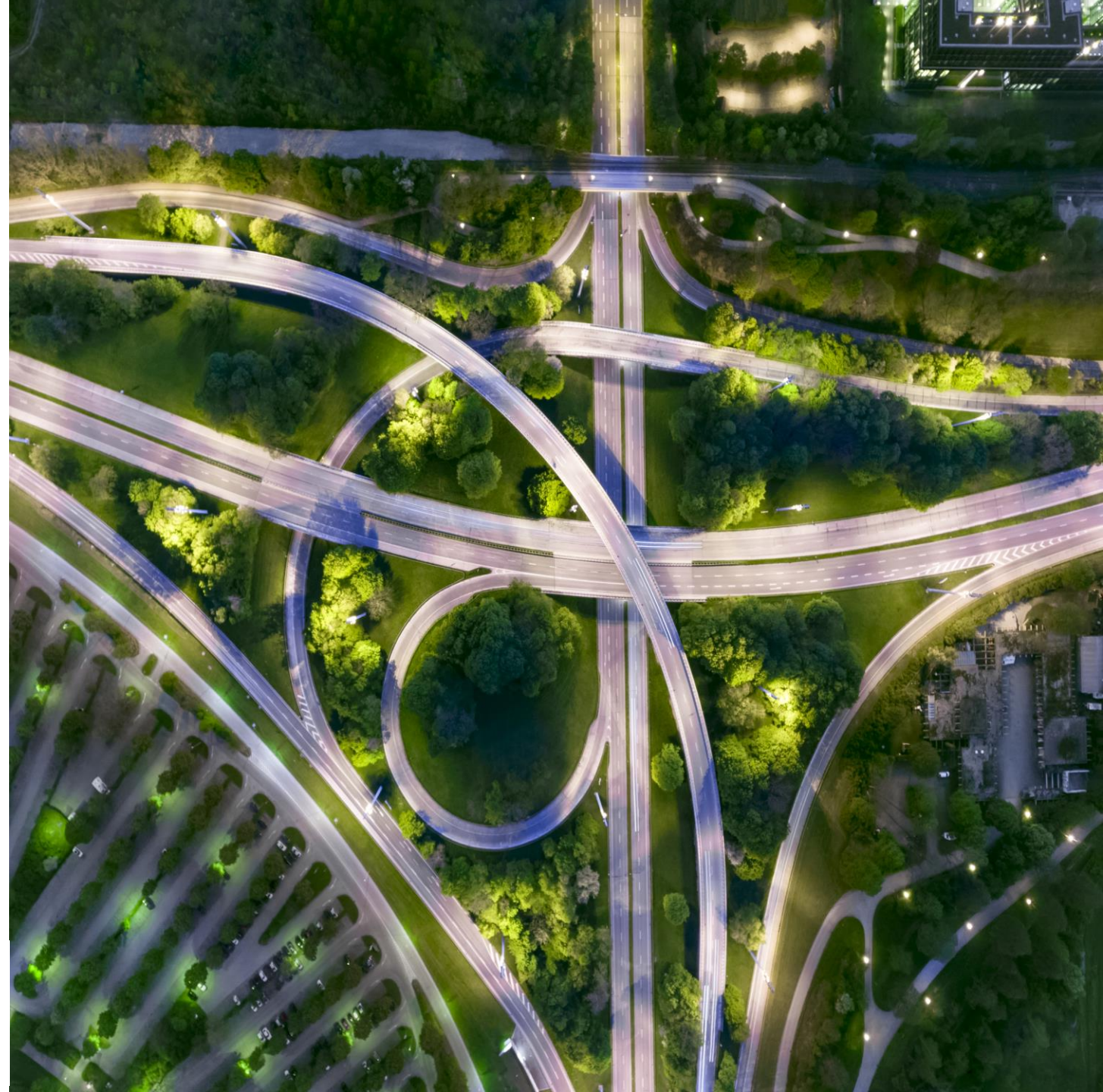
What is green? (2)

- Environmental objectives:
 1. Climate change mitigation
 2. Climate change adaptation
 3. The sustainable use and protection of water and marine resources
 4. The transition to a circular economy
 5. Pollution prevention and control
 6. The protection and restoration of biodiversity and ecosystems.



What is green? (2)

- Environmental objectives:
 1. Climate change mitigation = *Stabilising GHG concentrations in the atmosphere by avoiding/reducing/removing GHG emissions (e.g., generating renewable energy, increasing clean or climate-neutral mobility, etc.)*
 2. Climate change adaptation
 3. The sustainable use and protection of water and marine resources
 4. The transition to a circular economy
 5. Pollution prevention and control
 6. The protection and restoration of biodiversity and ecosystems.
- Substantial contribution = Quantifiable threshold based on Technical Screening Criteria
- Do no significant harm (DNSH) = Standards and norms provided in Technical Screening Criteria
- Complying with minimum safeguards = OECD Guidelines and UN principles



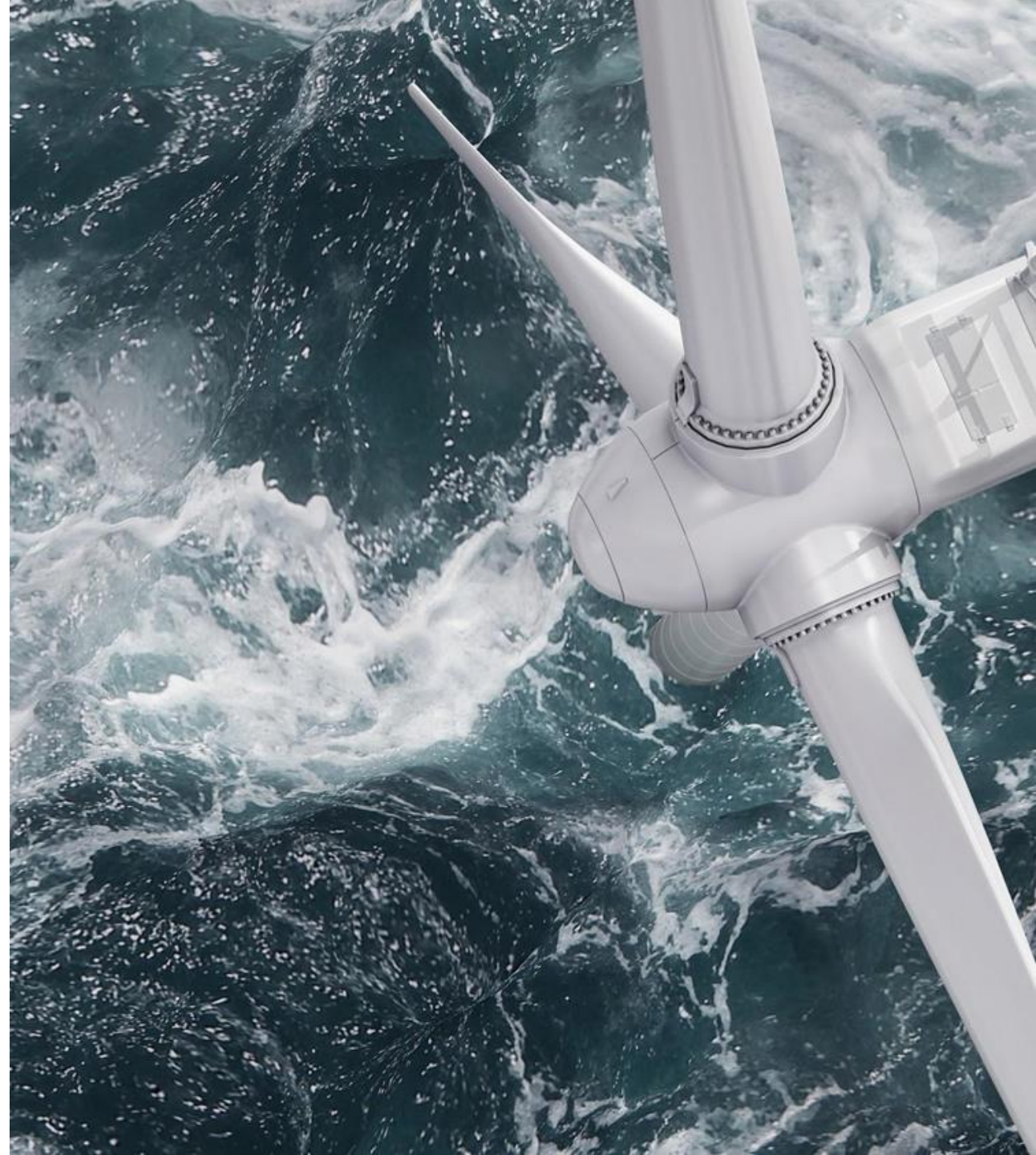
What is green? (3)

- **Q:** What is a green company?
- **A:** Green company is an environmentally sustainable company – a company (i) contributing substantially to environmental objective(s), while (ii) not causing harm to other the environmental objectives (DNSH) and (iii) adhering to certain minimum safeguards
- Environmentally sustainable company = Taxonomy-aligned company



Are start-ups green?

- Most software and/or tech companies do not directly contribute to environmental objectives
- Thresholds for contributing substantially to an environmental objective may be too high
- Complying with the minimum safeguards might be overly bureaucratic
- Difficult for start-ups to be Taxonomy-aligned, i.e., environmentally sustainable, i.e., green.



Make strat-ups (light) green again

Principles of SmartCap Green Fund

- Contributing substantially to an environmental objective:
 - Enabling activities
 - Taxonomy eligibility vs Taxonomy alignment



Make strat-ups (light) green again

Principles of SmartCap Green Fund

- Contributing ~~substantially~~ to an environmental objective:
 - Enabling activities
 - Taxonomy eligibility vs Taxonomy alignment
- DNSH is required
- No minimum safeguards at early-stage
- Company might not be environmentally sustainably YET
= light green





Case studies



Case studies

- A start-up that produces storage solutions for energy (incl. renewable) that exceeds all current solutions with innovation **GO GREEN!**
- A start-up that provides software to calculate your carbon emissions on company/product level and gives you science based targets for reduction
- A start-up that produces concrete-like low-emission material that filters out dirt, debris and other pollution **GO GREEN!** **DEPENDS!**
- But other materials (e.g. biodegradable polymer)
- A start-up that produces plant-based meat that has way lower emissions than traditional meat **DEPENDS!**

NOT TAXONOMY ALIGNED!



To-do list

- Determine the environmental as well as social objectives you contribute to
- Determine the applicable substantial contribution criteria
- Start thinking about how to talk and report about your impact (Taxonomy alignment)
- Start thinking about the minimum social safeguards
- Keep in mind while developing your business - make it “born sustainable”



Thank you!

SmartCap

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