



Investor Profile

Planet A Ventures

Lena Thiede

lana@planet-a.com

www.planet-a.com/

Through Investor Profiles, investors in the Frame community articulate their impact strategies in a consistent structure.

Over time, we expect these Profiles will help us develop methodological guidance that is inclusive and based on collective wisdom. They'll also help us understand why and how methodologies shift according to organizational characteristics, such as fund size.

In the spirit of Frame's values of integrity and transparency, we design, review, and manage profiles with these goals:

Decisions that drive towards impact are what matter.

The purpose of impact assessment is to help improve the choices investors make to steer capital towards innovations and strategies that reduce global GHG emissions over time. All profiles demonstrate how assessment shapes investment decisions.

All profiles must be consistent in structure and content.

Profiles are based on common structure and questions that all investors follow. For example, rather than excluding responses to questions that an investor may not have answers to, they share progress, wherever it is. Profiles will also increasingly apply Frame's terminology and taxonomy, rather than language that any individual investor uses on its own. As we learn by doing, we'll add questions and refine structure.

Audiences must understand how the theory of change affects methodological decisions.

Investors clearly articulate the reasoning for assessment processes:— what they are looking for in assessment and why.

Assessment and decision-making continue after initial investments are made.

Investors share how they continue steering companies toward impact after initial investments are made and how ongoing analysis affects their investment and assessment strategies overall.

Evolution is embraced. No process is perfect! In the spirit of transparency and modeling how we learn by doing, we publish work in progress and welcome investors to define what and when they plan to update over time.

Project Frame (Frame) is a nonprofit program, convened by Prime Coalition, built to organize investors around forward-looking emissions impact methodology and reporting best practices.

Our aim is to improve Impact Measurement and Management (IMM) standards for climate-driven investments and to galvanize a network of leadership around transparency and collaboration.

Project Frame is not a regulatory body, nor should its content be considered financial advice. Investor Profiles produced by Project Frame represent the investor's self-reported contributions and should also not be considered financial advice. Our work is intended for readers to review and use their best judgment to accelerate GHG mitigation with transparency and accountability.

[Learn more about Project Frame](#)

Contents



Overview



Impact Goals & Process



Pre-Investment



Portfolio Stewardship



Exit Spotlight



Lessons Learned



Case Study

Overview





Overview

Dashboard > Impact Assessment Capacity > Funds

Types or Asset Classes of Investments	Venture Capital
Asset Sub-Type or Stage(s) Served	Pre-Seed, Seed, Series A
Geography Where We Invest	Europe
Sector	Built Environment, Electricity, Food and Agriculture, Industry, Land, Oceans, Transport, Waste Management
Description of Investment Firm	We seek to provide market or above market rate returns and specifically invest in climate.
Impact Assessment Capacity	3 FTE
Total Assets Under Management	€160,000,000
Percent of Assets Assessed	100%
Methodology Alignment	Both Planned and Potential Impact
Time Frame of Assessment	10 years
Alignment with Frame's Values and Principles	Full alignment
Reporting Realized Impact	Yes
Carried Interest Tied to Impact	Yes



Overview

Dashboard > **Impact Assessment Capacity** > Funds

Team Name

Science Team

Number of Team Members

3 FTE

Scope

The team's key responsibilities

Impact screenings and deep dives, scientific literature reviews, calculating full-fledged Life Cycle Assessments, further refining the LCA methodology e.g. to include biodiversity, supporting the founders in understanding and improving their impact.

Governance

The team's reporting structure, such as to whom they report and who reports to them.

Two senior scientists report to GP Lena Thiede.

Impact Expertise

The kind(s) or type(s) of impact on which the team focuses.

Environmental impact (CO2e, resources like water or energy, biodiversity, waste, etc.)

Decision Rights

The power this team has in pre- and post-investment decisions.

Impact has a VETO at Planet A. If there is no significant positive impact Planet A will not invest.



Overview

Dashboard > Impact Assessment Capacity > **Funds**

Fund Name

Below I

Date of Fund Closed (or Estimated)

03/01/2023

Fund Assets Under Management to Date

€160,000,000

Number of Portfolio Companies to Date

18

Kinds or Terms of Capital Provided

Equity 10 years (+ 2 years extension)

How Fund Design Serves Impact

How capital provided applies terms different from investing norms in order to serve impact goals, such as if it is a blended fund or uses catalytic capital.

Article 9 Fund under SFDR where all investments contribute to an environmental objective.

Impact Goals & Process



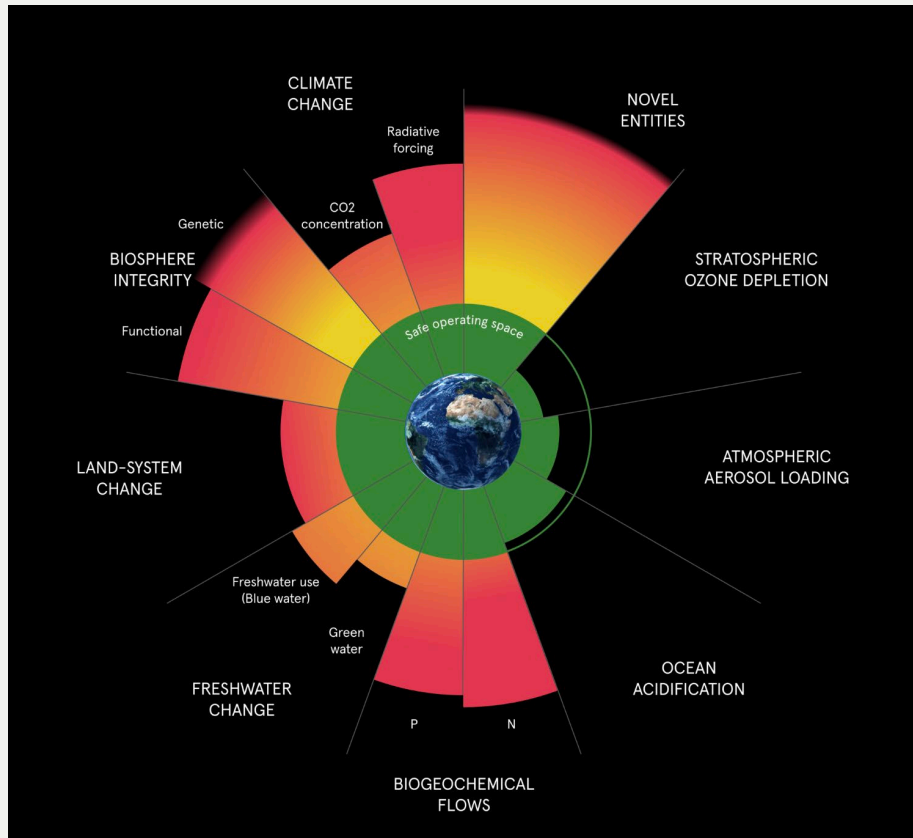


Impact Goals & Process Theory of Change > Impact Goals

Overall vision, why that vision has not yet been achieved, and how the design of interventions or programs get you closer.

Goals or Vision

We want to shape an economy within the planetary boundaries and make impact investment the new normal.



Below boundary (safe)

In zone of uncertainty (increasing risk)

Beyond zone of uncertainty (high risk)

See more on Planet A's Theory of Change on [page 16 of their Impact Report](#).



Impact Goals & Process
Theory of Change > Impact Goals

Path to Goals

How your intervention helps achieve the goals

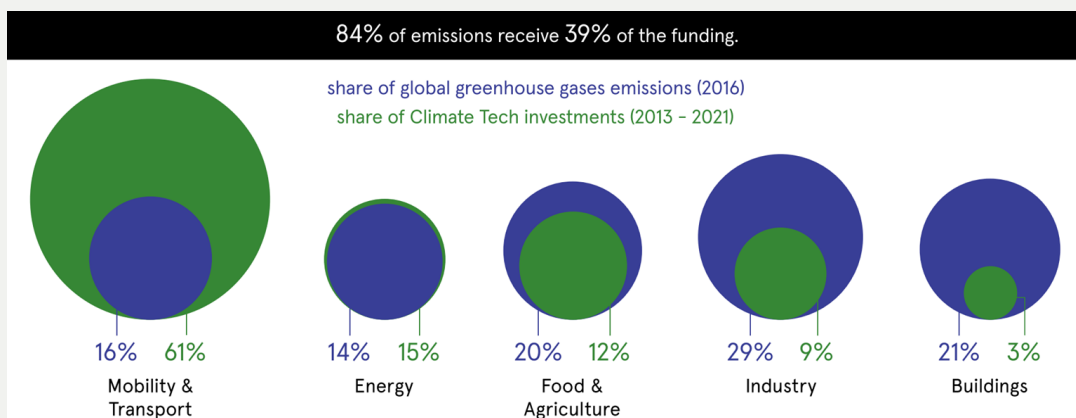
At Planet A, we invest in pioneering technologies that tackle the biggest levers of climate mitigation and biodiversity protection. Unlocking green tech solutions requires more early-stage venture capital and a more science-based approach. In order to channel more private capital into solutions for fundamental societal challenges we act as a collaborative player and share our learnings in the VC ecosystem and beyond.

Barriers or Challenges

What is stopping us from reaching the goals and how your intervention addresses them.

First, too little capital goes into green tech, slowing down our transition to a fossil-fuel-free economy. Secondly, the technologies with the greatest mitigation potential are not necessarily those that receive the most funding. Finally, investments by sector are not proportionate to the scale of emissions in that sector.

Overcoming Inefficiencies in the Market

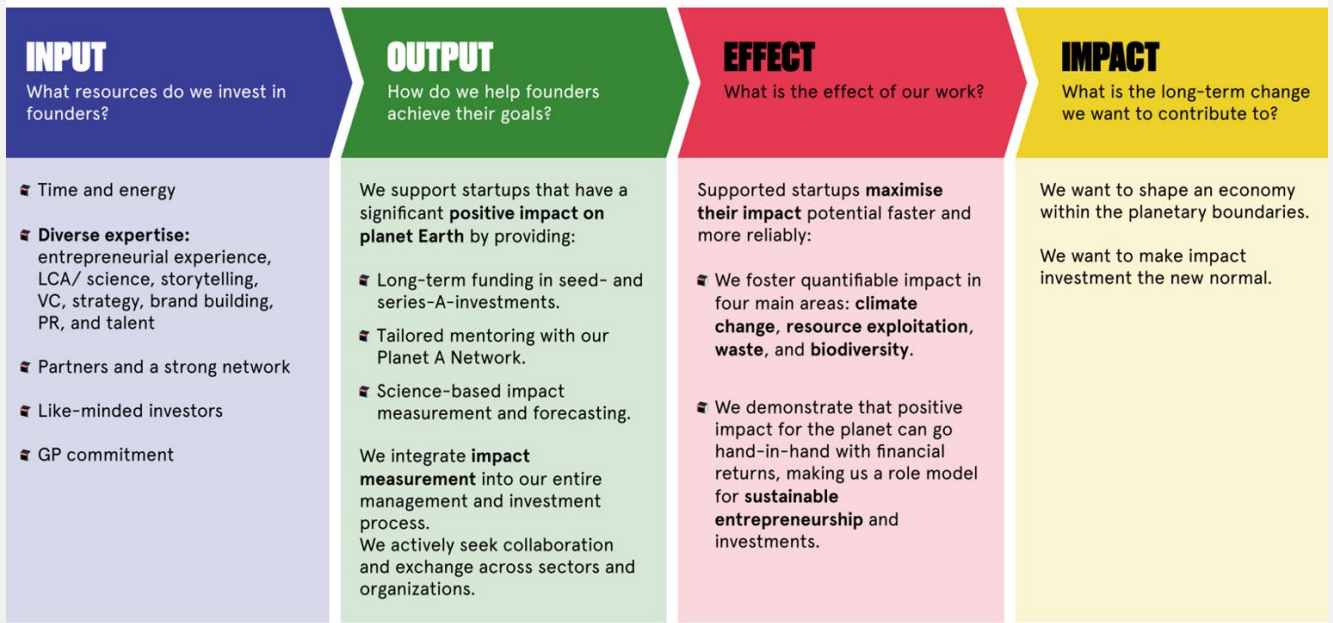




Impact Goals & Process Theory of Change > Impact Goals

Logic Model

Sometimes referred to as a theory of change, logic models articulate how a company's resources and actions will lead to impact. They are common in the nonprofit sector and have been adapted by impact investors. Learn more about logic models with [W.K. Kellogg Foundation's Logic Model Development Guide](#).





Impact Goals & Process

Theory of Change > **Impact Goals**

*This section describes **classification systems** used to organize or analyze investments and the quantitative or qualitative **impact criteria** that gate or influence investment decisions.*

Classification

We are investing in innovation in these four categories.

- **Climate Mitigation:** t GHG reduced or removed
- **Resource Savings:** MJ fossil energy resources reduced; m3 water saved
- **Waste Reduction:** t waste avoided
- **Biodiversity Protection:** Species lost (PDF*m2*yr), ha restored or improved ecosystems

Impact Criteria

The startups need to generate significant positive impact for the environment and be scalable to global businesses. We take a bottom-up approach with our investments:

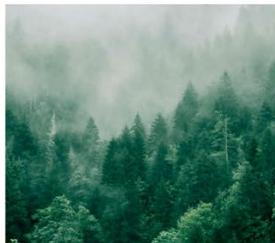
1. We calculate how much better the product or service is for the environment (impact lense);
2. We forecast how much the product or service can scale (business lense).

As a result, we have a robust, quantitative understanding of the positive impact the startup can generate in a decade.

CLIMATE MITIGATION



RESOURCE SAVINGS



WASTE REDUCTION



BIODIVERSITY PROTECTION



Pre-Investment





Pre-Investment Workflow > Methodology

Stage 1 Solution Seeking & Screening

Assess the significance of impact; screen company data and scientific literature.

Stage 2 Meet Founders

Engage on their mission and the impact calculations they may have developed.

Stage 3 Pre-Due Diligence/Initial Review

Test impact hypothesis through expert interviews and scientific research; develop rough LCA (Life Cycle Assessment).

Stage 4 Term Sheet/Due Diligence

Calculate full-fledged LCA; identify impact and ESG risks.

LCAs: Our in-house science team calculates the environmental footprint associated with all lifecycle phases of a product or service. This starts with the extraction of raw materials and carries on through the processing, manufacturing, distribution, and use phase to the very end-of-life (in accordance with ISO 14040, 14044). Our process allows us to evaluate not only greenhouse gas emissions but the entire ecological footprint, including water, land use, and energy demand. In the case of enabling technologies, we perform a rigorous scientific analysis using third-party data to determine the systemic impact of a product or service.

Stage 5 Closing

Set Impact KPIs. Anchor impact into portfolio company governance.



Pre-Investment

Workflow > **Methodology**

This section refers to [Frame's pre-investment methodology guidance](#). Visit the [Project Frame website](#) and view other related to resources, such as the [Frame glossary](#), to expand your understanding.

Methodologies That Best Align

Frame currently articulates two approaches to assessing impact: [planned](#) and [potential](#) impact.

Planned and potential impact; realized impact; operational carbon footprint of Fund and portfolio companies.

Time Frame of Assessment

10 years

Alignment with Frame's [Values & Principles](#)

We calculate full-fledged consequential LCAs as part of our due diligence.

Differences with Frame's [pre-investment methodology guidance](#)

In most aspects, our methodology is in line with Project Frame's methodology. We apply a consequential LCA (cLCA) approach that evaluates how impacts change as a result of our investment decisions. We define baseline scenarios and a scenario that includes our investment decision. According to the cLCA approach, we assess marginal changes using marginal datasets.

[Additionality](#)

Our dynamic scenarios consider macroeconomic and regulatory changes affecting market dynamics. Consumer preferences are considered whenever studies are available.

[Attribution](#)

We do not do an ownership adjustment as there is currently no convincing way to do this. As an early-stage VC we are **taking on higher risk earlier than others**. The impact we report is the impact of our portfolio companies that we contribute to. Beyond providing capital we help scale the impact via access to revenue, support in talent/hiring as well as improving the environmental impact, branding and communication.

Resources, Databases, or Datasets Used

Ecoinvent Database, OpenLCA

Portfolio Stewardship





Portfolio Stewardship
Monitoring > Reporting > Engaging

Summary

How and what is collected from portfolio companies to understand whether they are meeting impact-related expectations.

Portfolio companies report on internal impact KPI, ESG questionnaire and SFDR/PAI (Principal Adverse Impact) indicators on an annual basis.

Impact and Risk Monitoring & Realized Impact

How GHG and non-GHG risks (if applicable) or baseline scenarios are incorporated, including what questions are asked, how often, and how new projections are created.

We update our LCAs to incorporate new processes and products. We track impact KPI over time.

Evolving Process

How methodology has changed over time and it might still change.

Stronger incorporation of biodiversity and circularity indicators into our life cycle assessments.



Portfolio Stewardship

Monitoring > **Reporting** > Engaging

Summary

How impact-related information shared with external and internal audiences, and how often.

Annually:

- Reporting on impact KPI, ESG and SFDR /PAI to our investors
- Publishing our annual impact report

Ad-hoc:

- Sharing learnings and insights publicly
- Publishing the results of our impact assessments (LCAs) on our website

How often, if at all, reporting audited by an independent party?

Reporting is not yet audited by an independent third party.



Portfolio Stewardship

Monitoring > Reporting > Engaging

How we help portfolio companies reach, sustain, or exceed impact expectations.

- Support founders with policy insights, workshops, intros to scientists and experts, ESG reporting
- Engage actively in policy advocacy on European as well as national level; collaborating with policy consultancy.
- Active members of UNPRI, VentureESG, Impactvc, Leaders for Climate Action, Cleantech for Europe, Tech for Net Zero Alliance, Greentech Alliance, Finance@Biodiversity of the EU Commission, and others

Impact-linked compensation

Tying portfolio manager compensation to impact actions, performance, or specific activities they take to engage companies on impact.

We only invest in mission-driven founders and integrate [sustainability clauses](#) in the termsheets and shareholder agreements.

Sustainability Clauses

We embed sustainability best practices into our term sheets and shareholder agreements. Our approach draws from standards set by Leaders for Climate Action. As part of our commitment, we ask our portfolio companies to implement these measures.



Adopting a climate policy within 12 months (measure carbon footprint; set targets to become climate neutral).



Establishing ESG best practises.



Adopting a Diversity and Inclusion Policy within 12 months.



Including impact reporting obligations.

Exit Spotlight





Exit Spotlight

Exit strategy summary

Benchmark impact results against targets; our carried interest is linked to reaching impact objectives.

Impact-linked carried interest

Tying carried interest to impact actions, performance, or specific activities taken to engage companies on impact.

Yes. We tie 50% of our carried interest to achieving our impact KPIs, which we set on the basis of planned impact over five years, subject to the approval of our main investors. We track KPIs annually and report to our investors. If we need to improve KPIs, we run them by our core investor/governance group.

Lessons Learned





Lessons Learned

Realized Impact

Results and findings to date

Impact Highlights 2022

GHG saved

3319 T

Waste reduced

198 T

Energy saved

11,140,318 MJ

UN SDGs supported

8

Female coworkers at Planet A

43

Female founders

23%

New jobs created at portfolio companies

209



Lessons Learned

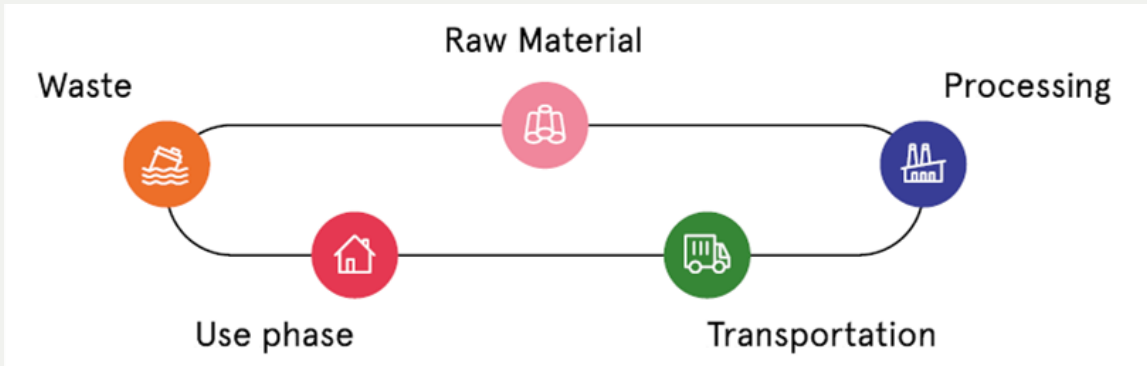
General Lessons Learned

To make impact quantifiable, comparable and understandable, we need a versatile method that can be applied across disciplines. Life Cycle Assessment (LCA) offers a holistic, science-based, detailed, and robust environmental impact assessment. We are the first European VC fund to have a dedicated science team who use LCAs as a tool to support our decision-making ex ante.

VCs need to invest in in-house scientists to better understand the environmental impact of climate tech (hardware) solutions.

Lifecycle Analysis

LCA is a proven method to reliably quantify environmental impacts associated with human activities and processes. It can be used to assess the environmental implications of any (economic) activity, such as a product or a service. In addition, this tool can be used to evaluate more complex problems, such as the consequences of specific decisions or changes within the economy.



Learn more in Planet A's LCA [White Paper](#).

Case Study





Case Study

Case Study Collection

- [Hived](#)
- [Sunhero](#)
- [Paleo](#)
- [44.01](#)
- [Traceless](#)
- [one • five](#)
- [Ineratec](#)
- [Wildplastic](#)

[Learn more by viewing Planet A's LCAs](#)

PROJECT
FRAME
Convened by Prime Coalition

[Learn more at
projectframe.how](https://projectframe.how)