

PROJECT FRAME



**Carbon
Direct
Capital**

projectframe.how

Investor Profile: Carbon Direct Capital
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Organization Overview

Impact Theory of
Change and
Characteristics of
Overall Practice

Setting Fund Strategy & Impact Assessment Workflow

What, When, & Why
Impact Goals Drive
Decisions at All Stages

Impact Assessment: Pre-investment

What, When, & How
Impact Assessment is
Conducted To Make
Investments

Impact Assessment: Post-Investment/Exit

What, When, & How
Impact is Managed
After Investments are
Made

Lessons & Plans

Lessons Learned,
Realized Impact
and/or Plans to
Improve Processes

Assessment Dashboard



Impact Strategy

- **Investment type/ asset class:** Venture Capital
- **Stage:** Growth Equity
- **Geography:** Global
- **Sector:** Climate tech
- **Sub-sectors:** Carbon Utilization, Carbon Capture, Carbon Removal, Hydrogen
- **Organization type:** Venture Capital Firm
- **Assets under management/tied to impact:** more than \$500M
- **Impact assessment capacity:** impact committee consisting of full-time senior members of Carbon Direct Capital along with Carbon Direct Inc.

Frameworks/Methodology

- **Metrics tracked:** Removed, captured, utilized, and avoided
- **Relationship with the companies/ technologies being assessed:** Carbon Direct Capital enjoys inbound deal flow, partly stemming from its close relationship with its affiliated consulting company, Carbon Direct Inc.
- **Fractionalize shares of impact among interdependent climate technologies:** No
- **Fractionalize your share of impact as an investor among many investors:** No
- **How realized impact is/will be tracked:** Collect and analyze data annually from portfolio companies in tonnes of CO₂
- **Other assessment or Investment- decision making characteristics you're proud of:** Carbon Direct Capital utilizes scientific experts in the space to perform deep due diligence on the technology and the IP held by the potential investment company.

Theory of Change, Mission & Programs



- **Theory of Change:** A new generation of transformative, growth companies has emerged from the carbon management ecosystem. We partner with leading companies in this space and believe that selective investing with a science-focused approach maximizes both climate impact and financial returns.
- **Route to emissions reduction:** Through diligent and selective capital deployment, we support transformative companies meeting our climate impact investment mandates. We measure the climate impact - in quantifiable tonnes of CO₂ - and support our portfolio companies in achieving their operational goals. Further, each year Carbon Direct is committed to purchasing an amount of carbon removal equal our internal firmwide emissions.
- **Barriers:** Carbon management technology has been undercapitalized and many companies have found it difficult to get capital needed to scale their technology following proof of concept. This has left a gap in between those who have obtained early-stage funding and capital needed to carry out commercialization.
- **Strategy:** We look for carbon management technology companies who are looking to further commercialize. Through our affiliate, Carbon Direct Capital is able to access the scientific consulting and its renowned team of experts to power our deal pipeline, and help conduct technical diligence on investments. This creates a key strategic advantage for our investment business.

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Investment Vehicles



Carbon Direct Capital has successfully deployed Fund I and is currently deploying Fund II into promising CO₂ management technology companies.











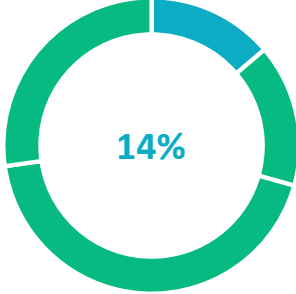
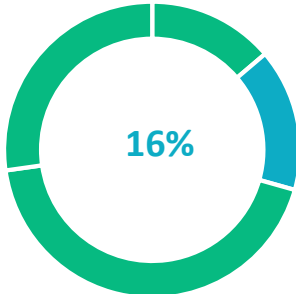
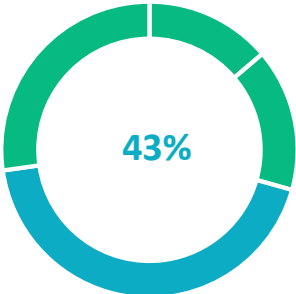
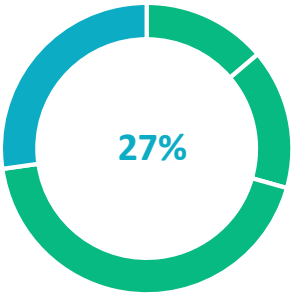
Fund I investments are:



Fund II investments are:



Investment Focus Areas

	CARBON CAPTURE	CARBON REMOVAL	CO ₂ UTILIZATION	HYDROGEN
Investments	 	 	   	 
Approximate Allocation	 <p>14%</p>	 <p>16%</p>	 <p>43%</p>	 <p>27%</p>

Investment Strategy



Pre-Investment

Carbon Direct Capital utilizes scientific experts at Carbon Direct Inc. to conduct detailed technical and scientific diligence to support scalability and carbon emission claims of the companies prior to investment. We believe that selective investing with a science-focused approach maximizes both climate impact and financial returns.

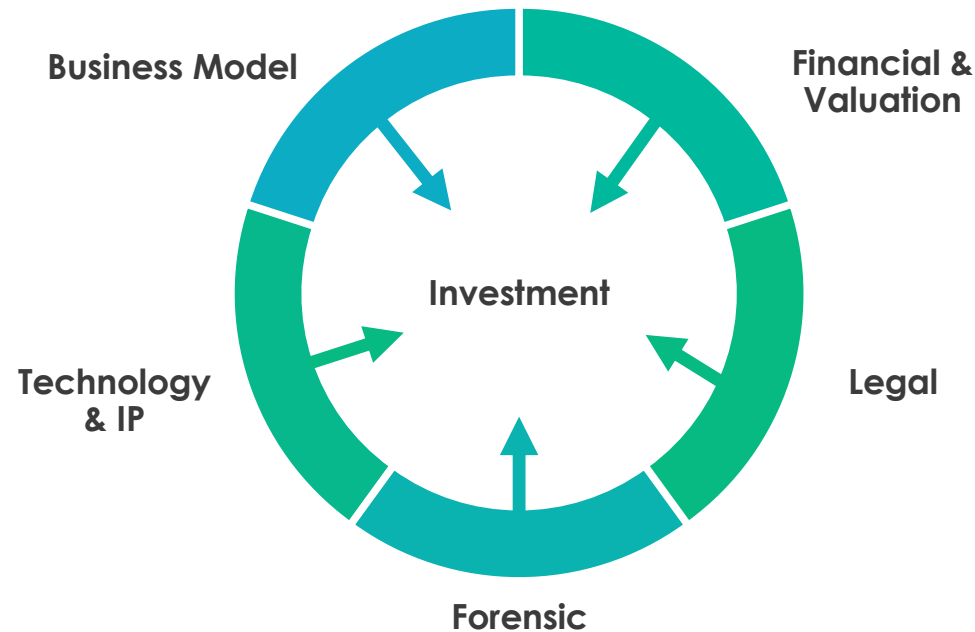
Post-Investment

Post-investment, we collect and assess CO₂ data as part of our investment monitoring process. Further, we hold board seats or board observer positions to further support and provide guidance and knowledge sharing with portfolio company management. Carbon Direct Capital continues to utilize Carbon Direct Inc. to assist portfolio companies, as needed, or provide additional technical diligence as operations continue to scale.

Pre-Investment Assessment



In addition to the technical and scientific assessments, Carbon Direct Capital's pre-investment diligence involves a number of other dimensions of evaluation.



Pre-Investment Assessment



Business Model	Financial & Valuation	Technology & IP	Forensic	Legal
Utilizing macro and industry expertise, the investment team evaluates core commercial aspects, including but not limited to business model(s), scaling plans, and customer analysis.	The investment team develops long-term financial forecasts and analysis based on company-provided information, industry data, and other information sourced during diligence.	The investment team works with Carbon Direct Inc scientific experts to perform deep technical due diligence on the company, including life-cycle analysis, site visits, and techno-economic assessments.	Operational due diligence covering IT, governance, operational matters, impact, financial and tax-related reviews and assessments are performed.	Carbon Direct's legal team and external counsel conduct reviews of the transaction documents, corporate and legal diligence, and IP.

Post-Investment Assessment



	Monitor results	Evolve processes
Questions	<ul style="list-style-type: none"> How do you determine the potential impact of the technologies of the portfolio companies? 	<ul style="list-style-type: none"> How do you help portfolio companies to maintain or improve their methodologies?
Actions	<ul style="list-style-type: none"> Within the due diligence process, we utilize the expert scientists at Carbon Direct Inc to evaluate the full lifecycle assessment of a process and technology to verify the measuring, reporting and verification prior to investment. As part of the monitoring process, Carbon Direct Inc continues to provide review and support as companies continue to scale. 	<ul style="list-style-type: none"> Carbon Direct Capital holds board seats or observer seats to provide guidance, support and knowledge sharing. Leading experts at Carbon Direct Inc. will continue to assist with annual impact reporting and technology review/support as operations evolve and scale.
Reporting	<ul style="list-style-type: none"> Internal: We have our portfolio companies provide annual impact related data in tonnes of CO₂. LP: We compile the data provided by portfolio companies to report impact in tonnes of CO₂. 	

Planned Updates



Carbon Direct Capital continues to refine the following processes:

- Optimizing data collection for reporting; looking to streamline and templatize data requests to minimize operational burdens on the portfolio companies
- Working with portfolio companies on improved Scope 3 emissions data and reporting
- Given the inter-dependance of various areas of impact (i.e. governance, diversity, reporting, etc.), we look to better quantify these metrics to support a more holistic view of the 'Impact' of our portfolio companies.