



ANNUAL REPORT 2018

THE 2° INVESTING INITIATIVE

PARIS | NEW YORK | BERLIN | LONDON

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Network Welcome

Dear friends, partners, and members,

In 2012, our first paper called for European governments and authorities to integrate climate considerations into financial regulations. Six years later, we're proud to say that as well as helping place these considerations on the international agenda, a number of our core research initiatives on these topics have hit their stride as we deepen our engagement with fellow NGOs, financial institutions, regulators, and other stakeholders around the world.

2018 marked a particularly fruitful year for 2°ii, helping us contribute further to our overarching goal of promoting the integration of climate goals in investment strategies and financial regulation. This, in turn, has spurred substantial progress on our three core objectives of providing data, research, and tools to (1) measure the consistency of financial portfolios with the Paris Agreement goals as well as associated risks; (2) integrate climate goals and risks into financial decision-making processes; and (3) help align financial policy frameworks with climate goals.

Highlights

The biggest highlight in 2018 was the extent to which sustainable financial policies have taken center stage from the state to supranational level. Notably, California passed Senate Bill 964, requiring the public pension funds CalPERS and CalSTRS to disclose the climate-related financial risks of their public market portfolios. This development – the first of its kind in the United States – builds on France's groundbreaking Article 173 on reporting requirements for institutional investors, which we co-designed. Meanwhile, at the European level, the Sustainable Finance Action Plan is set to reconfigure how financial markets are governed. We are particularly proud of our efforts to help ensure that retail investors' sustainability objectives be considered, that financial supervisors take time horizons into account, and more broadly, that European supervisory authorities integrate sustainability mandates.

In addition to these policy milestones, a number of our years'-long work on issues like climate scenario analysis came to fruition in 2018. Following three years' worth of intensive road-testing and development, we officially launched the online Paris Agreement Capital Transition Assessment (PACTA) tool on <https://www.transitionmonitor.com/>, with support from the UN Principles for Responsible Investment. The methodology allows investors to assess the alignment of their portfolio's changes in production capacity against forecasts by the International Energy Agency, and plays an important role in supporting the goals of the [Task Force on Climate-Related Financial Disclosures](#) (TCFD). Just four months after the tool's launch, more than 400 investors had applied the methodology across more than 3,000 portfolios.

We have also socialised the PACTA approach far more internationally. Building on our previous collaborations with the California Department of Insurance (dating back to 2016), in 2018 we used the methodology to contribute to a stress test intended to determine climate-related risk to insurance industry investments, the first of its kind in the United States.

Additionally, with support from the International Climate Initiative (IKI) of the German Environment Ministry and the European Commission, we have been showcasing the tool in emerging economies, providing policymakers, institutional investors, and banks with frameworks to measure the alignment of financial portfolios and markets with climate goals and transition risks. We focused particularly on Asia, sub-Saharan Africa, and Latin America and have already opened up new partnerships.

2018 also saw our first successful commercial spin-off. As part of the Middle-Man project supported by EIT Climate-KIC 2°ii incubated and launched a commercial spinoff called Asset Resolution to make our physical asset-level database available to the market (www.asset-resolution.com). Asset Resolution makes asset-level data widely accessible for climate-related financial analysis and is geo-specific, highly granular, nearly universal, forward-looking, and verifiable. As we continue researching additional tools to make climate-focused analysis more accurate, we're delighted about the launching of Asset Resolution and look forward to discovering new ways to further distribute our research and tools.

Finally, as the sustainable finance sector matures, we've also been increasingly focusing on ways to measure impact and evidence of the efficacy of various actions and policies. In this context, we joined the Science-Based Targets Initiative for Financial Institutions (SBTI FI), a collaboration among CDP, the United Nations Global Compact, WRI, and WWF. As knowledge partner of the initiative, we developed the target-setting methods for listed equity, corporate debt and corporate loan book portfolios.

Operations

Operationally, the 2° Investing Initiative continued to grow strongly in 2018, both in terms of revenues and staff. Our internal income grew by nearly 33%, while our staff nearly doubled from the previous year – reaching more than 25 team members from 9+ countries, in addition to a close cohort of research interns, analysts, and consultants.

Looking ahead

As we look ahead to 2019 and beyond, we have a number of exciting new initiatives on the agenda. Building off the success of the PACTA tool, we've launched a new partnership with 15+ international banks to road-test the methodology for corporate lending. The partnership aims to help banks study the alignment of their corporate lending portfolios with 2°C benchmarks, with a view towards developing a leading industry standard. Additionally, with our first commercial spin-off, Asset Resolution, we are also looking into strengthening partnerships with commercial players who can take our work forward. Finally, in order to help support the estimated 70% of retail investors who wish to make a positive impact with their investments, we are also working on a number of tools, including a questionnaire, open-source software, and more, that can help financial advisors respond to these needs.

Of course, while we are proud of our achievements on policies, we also believe that more work is needed. In the future, we'll be working especially closely on ways to strengthen evidence-based policymaking, in order to avoid greenwashing and to ensure that policy objectives are aligned with policy practice. This evidence base will be especially critical for our broader work with financial institutions, notably around science-based target-setting.

To sum up, we couldn't have achieved this work without our wide network of supporters, partners, and stakeholders, who together represent nearly all corners of the sustainable finance ecosystem. Thank you again for your support, and we look forward to collaborating with many of you in 2019 and beyond.

Sincerely,

Stanislas Dupré, CEO of 2°ii Network & Founder; Jakob Thomae, Managing Director; and Simon Messenger, Director (France & UK)

2° Investing Initiative Network

Who we are

The 2° Investing Initiative is an international, non-profit think tank promoting the integration of climate goals in investment strategies and financial regulations. Based in **Paris, New York, Berlin, and London**, we have a **multi-stakeholder governance and funding structure**, with representatives from a diverse array of financial institutions, regulators/policymakers, NGOs, academia, and consultants/technical experts.

Founded in 2012, we coordinate **the world's largest research projects on climate metrics in financial markets**, with more than 40 research partners in the public, private, and philanthropic sectors, and €3 million re-granted to research partners to date.

Our work centers on providing data, research, and tools for the following three objectives:

- 1. Measuring** the consistency of financial portfolios and markets with the Paris Agreement goals, as well as associated potential financial risks
- 2. Integrating** climate goals and risks associated with the transition to a low-carbon economy into investment and financial decision-making processes
- 3. Aligning** financial policy frameworks and regulations with climate goals

Our values

Non-commercial: we have no commercial contracts and provide all our research open-source and IP rights-free. This policy minimizes financial conflicts of interest and guarantees the public good-driven nature of our work.

Interest-neutral: our governance and our funding structure is designed to be diversified and multi-stakeholder. This ensures that our research is not designed to represent a particular interest group, but rather our best understanding of the truth.

Science-based: our research is meant to be science-based, informing the results and “letting the chips fall where they may.”

Our global reach

In 2018, our team was composed of **25 full-time staff** hailing from **9+ countries**, supported by a close cohort of advisers, consultants, and interns. In addition to our bases in **Paris, New York, Berlin, and London**, our team members participated in roadshows, conferences, and meetings with stakeholders **across six continents**, reaching China, Malaysia, Singapore, Japan, Australia, Kenya, Brazil, Colombia, Canada, Italy, Switzerland, Belgium, Austria, Norway, Sweden, Finland, and more.

In the context of some of our more global projects, such as PACTA for Emerging Markets, we have already begun to **expand our footprint further**, notably in Latin America and Asia.

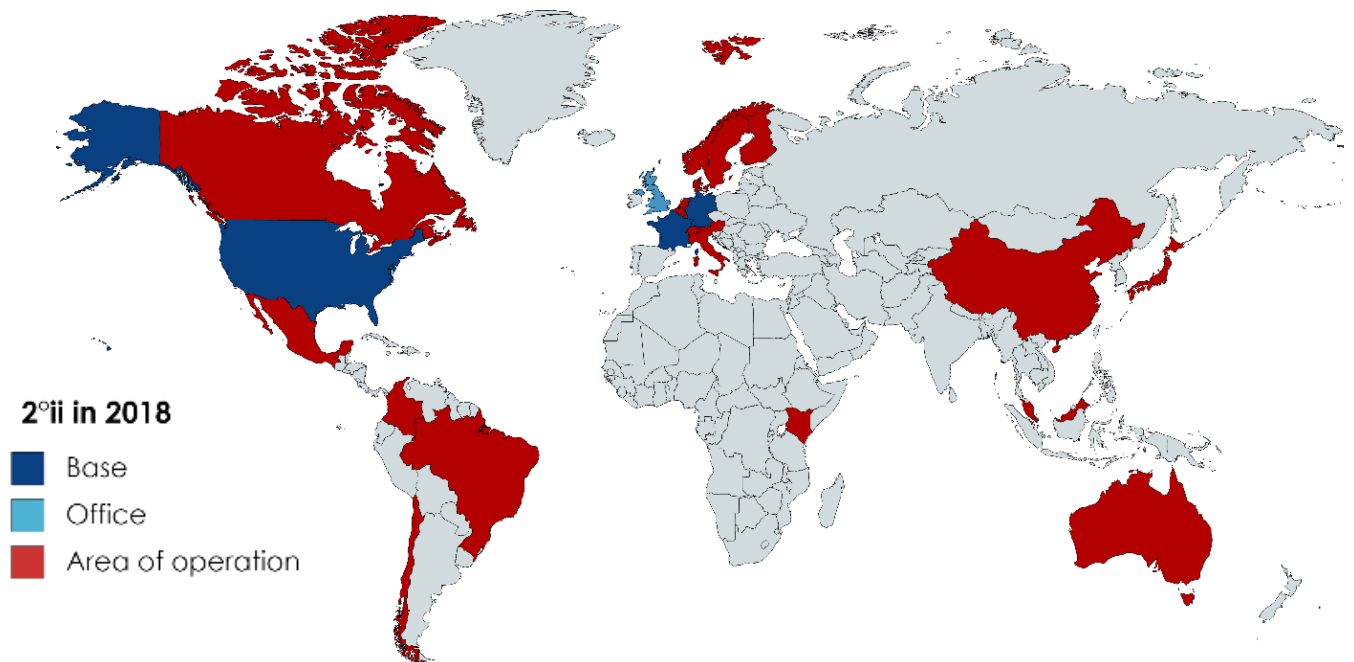
Paris office: founded in 2012, 7 staff

New York office: founded in 2015, 3 staff

Berlin office: founded in 2015, 13 staff

London office: founded in 2017, 2 staff

Where we worked in 2018



The year in numbers

400+ investors who applied the PACTA methodology across more than **3,000** portfolios by end-2018

5 countries coordinating scenario analysis (France, Switzerland, UK, the Netherlands, and California, US)

35 conferences, **30** workshops, **5** webinars, and **3** seminars in more than **14** countries

Staff participating in **7-10** high-level events per month

9 reports published

€3,460,000 in budget

25+ staff from **9+** countries

Our objectives & impact

A selection of case studies



Objective 1: Measuring the consistency of financial portfolios and markets with the Paris Agreement goals, as well as associated potential financial risks

Case study: The Paris Agreement Capital Transition Assessment (PACTA) tool

Context

Until recently, investors lacked adequate information to perform climate scenario analysis on their portfolios, due in large part to the fact that companies often do not disclose details on their carbon emissions. This problem hindered their ability to properly evaluate climate change-related risks to their portfolios over different scenarios, as well as their efforts to align their portfolios with 2° benchmarks.

Response

Following a three-year road-testing and development phase, in September 2018, 2°ii officially launched the free, online PACTA tool (available at <https://www.transitionmonitor.com/>) with support from the **UN Principles for Responsible Investment (UNPRI)**, a UN-backed investor body.

The tool builds on a previous version that has been used by more than 250 investors, many of whom were PRI signatories, as well as four regulators, including the Dutch Central Bank, the Swiss financial regulator, and the California Insurance Commission.

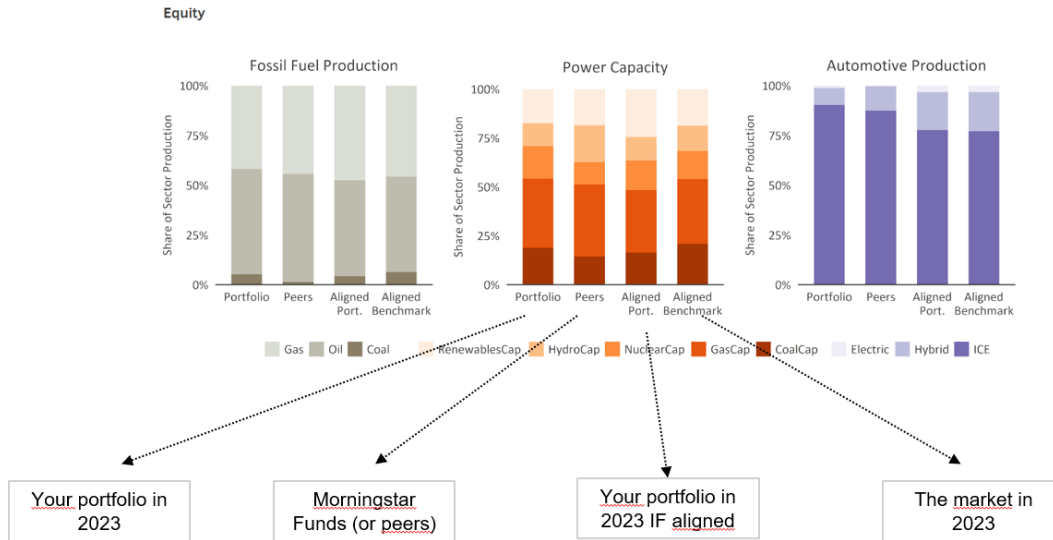
The tool analyses exposure to climate-change related risks in equity and fixed-income portfolios over multiple scenarios, producing a customized, confidential output report. It has an interactive feature that allows the user to study the effects of different parameters on alignment, for example by modifying the scenarios and geographies of the analysis. It also uses graphs to help investors to see the gap between their existing portfolio and 2° benchmarks.

Impact

The launch of the tool is **another step towards supporting the goals of the Task Force on Climate-Related Financial Disclosures (TCFD)**, the market-led initiative that is developing recommendations on climate-related financial risk disclosures. The tool aims to help investors comply with these recommendations, as well as with related guidelines such as the Article 173 of France's Law on Energy Transition for Green Growth and upcoming EU disclosure requirements.

In the first four months following the tool's launch,
over 400 users had tested 3,000+ portfolios.

Example of output – technology exposure evolution:



The PACTA project has received funding from the European Union's LIFE programme under LIFE Action grant No. GIC/FR/00061 PACTA



Case study: PACTA for Emerging Markets

Context

Since the launch of the online PACTA tool in September 2018, there has been significant uptake by the market. However, most interest thus far has been concentrated in the US, UK, and other major developed countries, with relatively limited knowledge of the tool in emerging markets.

Response

With support from the International Climate Initiative (IKI) of the German Environment Ministry and the European Commission, 2^oii launched the PACTA for Emerging Markets project in July 2018. The goal is to help **promote the PACTA tool in emerging economies**, providing policymakers, regulators, institutional investors, and banks with an assessment framework to measure the alignment of financial portfolios and markets with climate goals, as well as transition risks.

Results

During the first six months of the project, we focused our outreach on **three regions: Asia, Sub-Saharan Africa, and Latin America**, organizing roadshows in Kenya, Colombia, Chile, Mexico and Singapore.

We succeeded in building strong partnerships in **Latin America** in particular, including with **Principles for Responsible Investment (PRI)** and the **Mexican Green Finance Committee (CCFV)**, as well as with the **Asian Sustainable Finance Initiative** in Singapore.

We are currently in the process of applying the assessment framework by partnering with two industry associations in Latin America: the **Colombian Insurers' Federation (Fasecolda)** and the **Mexican Asset Managers Association (AMIB)**.



Supported by:



Federal Ministry
for the Environment, Nature Conservation
and Nuclear Safety



based on a decision of the German Bundestag

Objective 2: Integrating climate goals and risks associated with the transition to a low-carbon economy into investment and financial decision-making processes

Case study: Investor Energy & Climate Action Toolkit (InvECAT)

Context

Currently, non-state actors (NSAs), particularly companies and financial institutions, have **limited ability to assess how their energy- and climate-related commitments will contribute to the goals of the Paris Agreement**, and how to set targets that are aligned with these goals. For instance, companies frequently lack visibility on climate strategies and regulations at the sectoral level, which reduces their willingness to invest in low-carbon technologies. Meanwhile, institutional investors lack standard metrics to select companies whose technological mix/emission pathways are best aligned with a 2°C target.

Response

To respond to these issues, 2°ii is developing the **Investor Energy-Climate Action Toolkit (InvECAT) with support from the World Resources Institute (WRI), the World Wildlife Fund (WWF), the United Nations Framework Convention on Climate Change (UNFCCC) and the United Nations Environment Program Finance Initiative (UNEP FI)**. The InvECAT project aims to provide NSAs with a platform of tools to 1) set science-based targets; 2) help them understand their contribution to the Paris Agreement; and 3) implement their climate change action strategies.

The InvECAT platform will showcase a full suite of next-generation climate action tools:

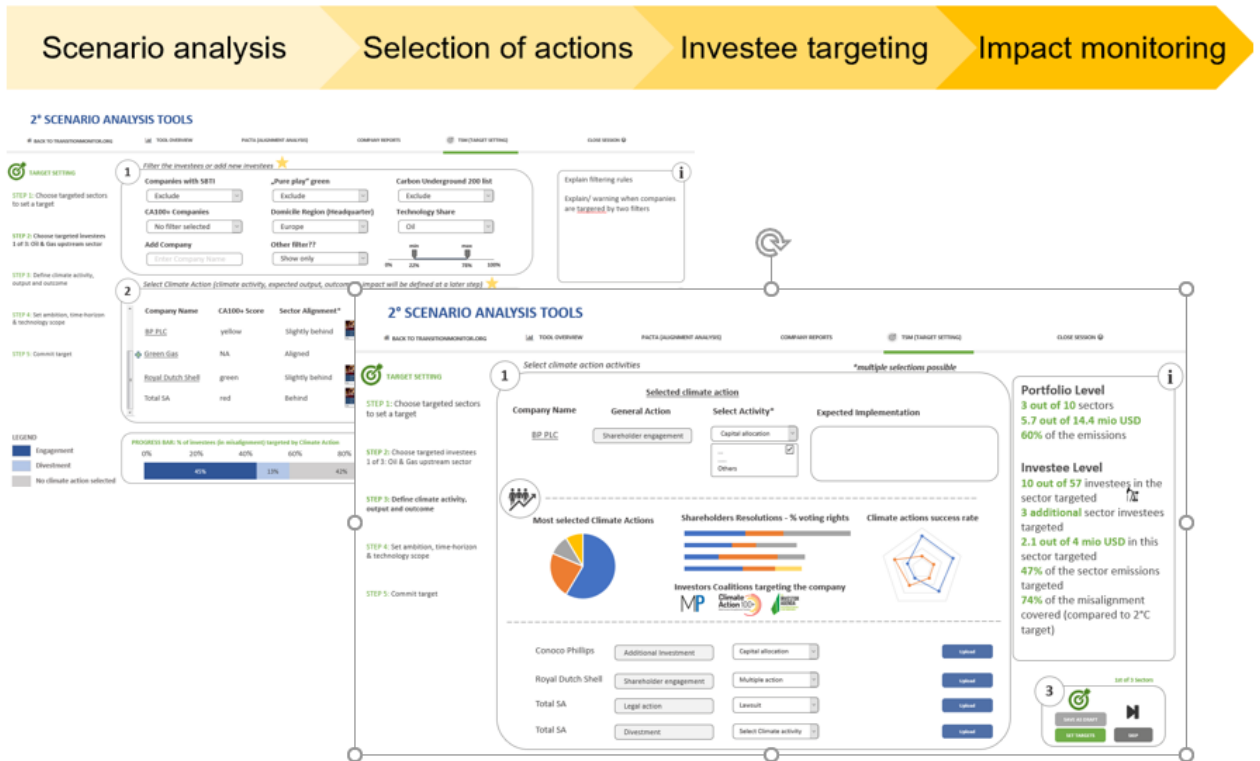
The World Capital Outlook module, sourced from physical asset databases;

A **capital flows tracker** (divided by different sectors and regions with upcoming investment plans);

A **market analysis and scenario selector tool**;

Company Reports and target-setting modules, which will help corporates and financial institutions to devise climate action strategies by sector/region and will allow them to track their contributions to the Paris Agreement goals.

We will undertake a number of **engagement activities to promote large-scale adoption in the finance sector**, including establishing a presence in the top international financial hubs, participating in the COP25 in Santiago, and attending flagship events such as UN Climate Week.



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 785087



Case study: National Climate & Technology Investment Pathways (NCTIP)

Context

According to the OECD, meeting the 2°C scenario will require \$6.9 trillion annual investments in infrastructure until 2030, versus \$6.3 trillion annual investments in a business-as-usual scenario. These investments require **precise alignment among governments, corporates, and investors**.

However, **several important factors hinder efforts** to channel investments towards low carbon pathways. For instance, governments frequently lack the referential frameworks and tools to

develop national climate strategies (national determined contributions, or NDCs) that are consistent with the 2°C scenario. Likewise, corporates often lack visibility on public climate strategy at national sectoral level, which weighs on their confidence in investing in low carbon technologies.

Response

To address this market gap, the 2° Investing Initiative and Beyond Ratings, a provider of data and analytics services for the investment industry, have joined forces to develop **an innovative methodology and suite of services known as National Climate & Technology Investment Pathways (NCTIP).**

NCTIP’s goal is to help governments, corporates, and investors **access critical information to manage the alignment of their policies and investments with the Paris Agreement goals.**

Operationally, NCTIP will provide technological pathways, divided by sector, as well as explicit investment options. It will thus allow key stakeholders to roadmap the investments that are needed by sector and technology in order to reach the 2°C target.

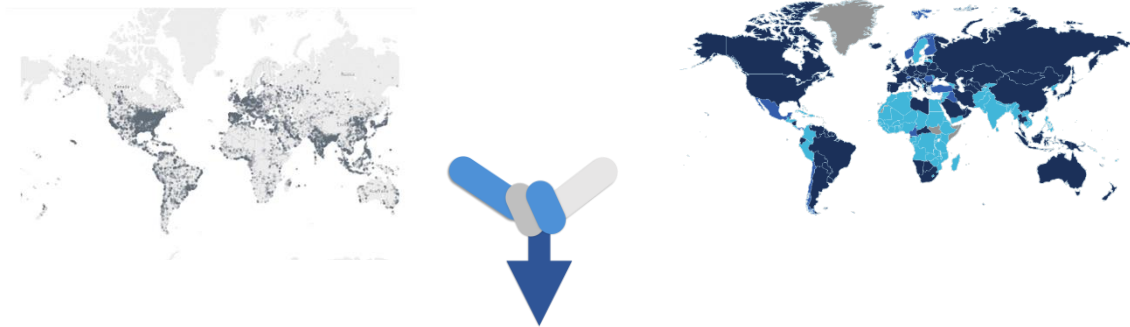
Combining 2°ii asset-level approach with Beyond Ratings’ climate alignment methodology based on a 2°C carbon budget

2°ii’s high-resolution database of physical assets:

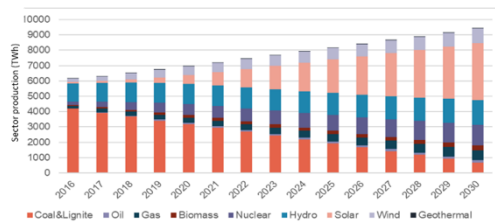
Ex: Coverage of coal-fired power plants

Beyond Ratings’ 2°C climate alignment model:

Ex: 2030 carbon budget per country under a 2°C scenario



NCTIP Technology roadmaps at sector level



This project has received funding from EIT Climate KIC.

Case study: Asset Resolution

Context

Climate policy processes, such as those from the EU Commission and the G20, stress the importance of transparency on climate-related data and performance indicators in financial markets and public policy. However, financial actors consistently voice a **lack of accessible accurate, complete, and consistent data to perform their climate-related assessments**.

To address this market gap, 2^{oii} developed a **free, open-source model** to assess the alignment of investment and loan book portfolios with climate goals, as well as a related database of Physical Assets Matched with Securities (PAMS). 2^{oii}'s approach got traction, with thousands of voluntary users using the model across dozens of countries, including large banks, institutional investors, asset managers, financial supervisors, NGOs and universities. As a result, 2^{oii} faced demand from commercial data and service providers to use the open-source model to develop commercial offers. However, due to 2^{oii}'s mission and third-party intellectual property rights on the underlying data, 2^{oii} cannot distribute the data itself.

Response

As part of the Middle-Man project supported by EIT Climate-KIC, 2^{oii} **incubated and launched a commercial spinoff called Asset Resolution to make PAMS available to the market (www.asset-resolution.com)**.

Asset Resolution **makes asset-level data widely accessible for climate-related financial analysis**. It links physical asset-level data to financial securities. Rather than relying on businesses' self-reporting on climate-related metrics, asset-level data is sourced from leading business intelligence providers, which draw on certified records such as annual reports to aggregate data on physical assets and related economic operations.

This type of data is **geo-specific**, highly **granular** (for example with information on productivity and ownership), nearly **universal** in coverage, **forward-looking** and **verifiable**.

Asset Resolution is governed by a **multi-stakeholder board with 100% of the profits reinvested or re-granted to 3rd parties**. That way, large financial players can access data commercially and have visibility on the long-term. Additionally, the data remains independent, and keeps pace with market and research developments.



1. We source and process raw data from leading providers



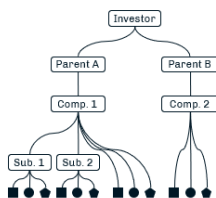
2. We integrate the data into a robust & consistent data framework



3. We consolidate the data and produce additional indicators



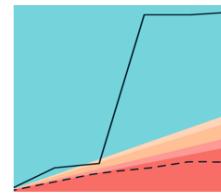
4. We match physical assets with companies & financial securities



5. We prepare custom, ready-to-use datasets for specific use cases

ISIN	NAME	ASSET	VALUE
FR0123456789	Power X	Asset 1	12.4
FR0123456789	Power X	Asset 2	23.0
FR0123456789	Power X	Asset 3	8.8
SA1357975310	Transport Y	Asset 1	12.6
FR0123456789	Transport Y	Asset 2	4.0
CA9876543210	Energy Z	Asset 1	31.8
SA1357975310	Energy Z	Asset 2	3.1

6. We provide solutions to translate data into meaningful information



Objective 3: Working with partners to help align financial policy frameworks and regulations with climate goals

Case study: Science-Based Targets Initiative for Financial Institutions (SBTI FI)



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Context

The Paris Agreement saw 195 of the world's governments commit to prevent dangerous climate change by limiting global warming to well below 2° C, signalling an acceleration in the transition to a low carbon economy. Many companies and financial institutions are already demonstrating that they can achieve this – but **need ambitious emissions reduction targets** that ensure the transformational action they take is aligned with current climate science.

Targets adopted by companies to reduce greenhouse gas (GHG) emissions are considered "science-based" if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement. However, **many companies and financial institutions still lack ways and means to set science-based targets.**

Response

Launched in 2018, the Science-Based Targets Initiative for Financial Institutions (SBTI FI) is the **first and only initiative in the world developing science-based target setting methodologies, tools, and implementation guidelines** for key asset classes covering financial institutions' main business activities.

Targeting banks, pension funds, insurance companies and public financial institutions, the initiative seeks to **ensure that the targets set support the transition to a low-carbon economy.**

As knowledge partner of the initiative, 2°ii has been leading the methodology development together with Navigant Consulting. The World Resources Institute (WRI) is the managing partner of the project.

Over the course of 2018, 2°ii developed the target-setting methods for listed equity, corporate debt and corporate loans books portfolio. Next, we will engage in road-testing the methodologies and will launch consultation processes on the target-setting framework. The SBTi FI final framework will be published in 2021.

SBTI FI is part of the wider Science-Based Targets Initiative, **which champions science-based target setting as a powerful way of boosting companies' competitive advantage in the transition to the low-carbon economy.** It is a collaboration between CDP, the United Nations Global Compact (UNGC), WRI, and the Worldwide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments.



WORLD
RESOURCES
INSTITUTE

NAVIGANT

Case study: Partnership with the California Department of Insurance

Context

Insurance companies based in California face two increasingly critical types of climate-related risk. The first stems from their exposure to fossil-fuel investments, which are liable to precipitously lose their value as the world shifts to a low-carbon economy. The second stems from the state's growing vulnerability to the effects of climate change, with natural disasters such as forest fires on the rise.

To help the state raise awareness of and cope with these risks, 2°ii has collaborated with the California Department of Insurance since 2016 to conduct analysis and provide information on climate change-related risks to insurers' bond and equity portfolios.

Response

In 2018, 2^oii [contributed](#) to a stress test intended to determine climate-related risk to insurance industry investments, the first of its kind in the United States. As part of this work, 2^oii conducted an analysis of the 672 insurers in California's market with more than \$100 million in annual premiums, which account for almost \$4.3 trillion in investments.

It was arguably the most comprehensive financial stress test analysis ever conducted for the insurance sector.

Key figures from the forward-looking scenario analysis have been published on the Department's [website](#). The results of the analysis are consistent with the determination by Insurance Commissioner Dave Jones' Climate Risk Carbon Initiative: that **thermal coal represents a major long-term financial risk for investors**, regardless of fluctuations in the short-term.



Who we reached: Our publications & stakeholder engagement



Publications

We published 9 reports in 2018, in partnership and with support from entities including the **European Commission**. The reports covered a wide range of issues, notably climate assessment on household credit, the green supporting factor, aligning corporate lending portfolios with climate goals, the impact of artificial intelligence on oil demand, and more.

Contributions to the final report of the EU High-Level Expert Group (HLEG) on Sustainable Finance, “Financing a Sustainable European Economy” (January 2018)



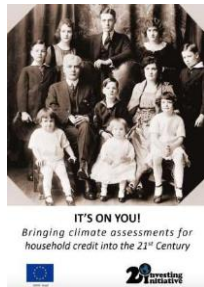
Testing the Japanese listed equity market alignment with the 2°C climate goal (February 2018)

Funder: European Commission



Bringing climate assessments for household credit into the 21st century (January 2018)

Funder: H2020



The green supporting factor: quantifying the impact on European banks (March 2018)

Funder: LIFE NGO Operating Grant



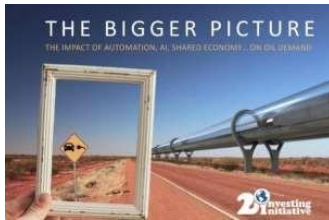
Aligning corporate lending portfolios with climate goals (March 2018)

Funders: German government, EU



The bigger picture: the impact of automation, AI, the shared economy...on oil demand (April 2018)

Funder: LIFE NGO Operating Grant



Shooting for the moon in a hot air balloon: measuring green bonds' contribution to scaling up investments in green projects (May 2018)

Funders: KR Foundation, Swiss FOEN



The alignment of global equity and corporate bonds markets with the Paris Agreement – A new accounting framework

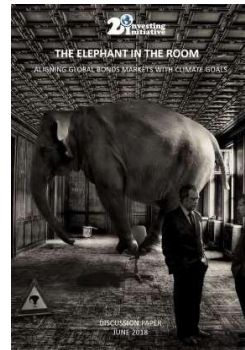
Journal of Applied Accounting Research
(Pending Review)

Accepted for publication and will be published in 2019

 Emerald Journal of Applied Accounting Research

The elephant in the room: aligning global bond markets with climate goals (June 2018)

Funders: WWF Sweden, LIFE NGO Operating Grant



Stakeholder engagement

As part of our efforts to engage with our stakeholders, strengthen our partnerships with them, and raise awareness of our work, 2°ii spoke at 73 events in 2018:

35 conferences in **18** countries

30 workshops in **14** countries

5 webinars reaching more than **150** people worldwide

3 seminars in the US and Germany

On average, we participated in 7-10 events per month in 2018, including flagship events in the climate finance sector such as **COP24**, the **World Finance & Banking Symposium in Taipei**, the **2018 Investor Summit on Climate Risk** in New York, and the **Principles for Responsible Investment on Climate Forum** in London.

Events in 2018: a selection

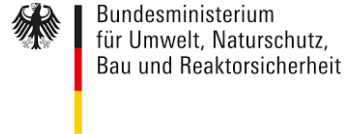
In March 2018, 2°ii organized a **3-day seminar on implementing Art. 2.1c of the Paris Agreement** and the recommendations of the **EU High-Level Expert Group on Sustainable Finance**. The seminar brought together a diverse group of stakeholders, including senior staff from **UN Principles for Responsible Investment (UNPRI)**, the **Organization for Economic Cooperation and Development**, **German Ministry for the Environment**, **Deutsche Bank**, and **ING**, to discuss a policy agenda and action plan for 2018. They focused particularly on taking stock of progress so far on the Art. 2.1c framework and ways to move forward.

In September 2018, as part of **Climate Week in New York**, we co-hosted an event with **BNP Paribas and ISS-Climate** to take stock of key climate change themes for investors. Featuring speakers from additional organizations such as the sustainability advocacy organization **Ceres** and the investment management companies **BlackRock** and **AMP Capital**, we discussed important issues including how to mobilize asset data for scenario analysis; how to set targets to maximize impact and minimize risks; and the Nordic perspective on investor action on climate change.

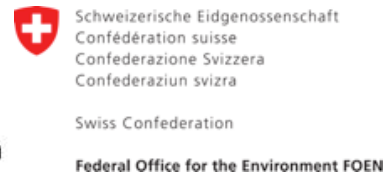
In November 2018, in the context of **Climate Finance Day in Paris**, 2°ii organized a conference on climate risk scenario analysis. **Dave Jones, California Insurance Commissioner**, spoke about timely issues such as insurance companies' exposure to fossil fuels in his state, while **Leon Wijnands, ING's Global Head of Sustainability**, spoke about bank loans' exposure to climate risks.

Who we've worked with

Governmental organizations



United Nations
Framework Convention on
Climate Change



Financial institutions



Handelsbanken



Research, data providers & consultancies

S&P Global
Market Intelligence



Frankfurt School of
Finance & Management
Bankakademie | HfB



le cnam
Conservatoire national
des arts et métiers



Universität
Zürich ^{UZH}

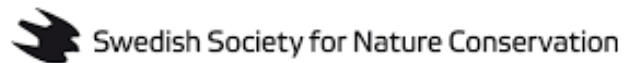


NGOs, philanthropies, and investor coalitions



BANKTRACK

ShareAction»



日本サステナブル投資フォーラム
Japan Sustainable Investment Forum



Our funders

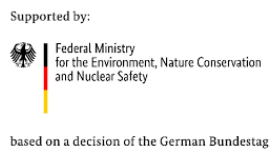
European Commission



Foundations



Governments and international organizations



Investors



Operational report

The 2° Investing Initiative (France) is directed by a Board of Administrators which is elected by the members and represented by the president and treasurer. The first board was elected in 2013. The US and German entities are governed by boards of individuals (launched in 2015 and 2016 respectively).

Although they act in a personal capacity, the board members reflect the diversity of stakeholders who are at the core of 2°ii's work (investors, NGOs, governmental organizations, research organizations and individuals).

The three entities are affiliated, implementing the same work program and pooling their resources and incomes.

France:

Corinne Lepage (President)

Stéphane Voisin (Treasurer)

Pascal Dupuis (CGDD French Ministry of the Environment)

Hugues Chenet (co-founder)

Sylvain Vanston (AXA)

Jean-Charles Hourcade (CIRED)

Yann Louvel (BankTrack)

United States:

Clara Vondrich (Divest-Invest Philanthropy)

Gabriel Thoumi (Climate Advisors)

Stanislas Dupré (2° Investing Initiative)

Germany:

Jakob Thomä (2° Investing Initiative)

Raphael Schoettler (Deutsche Bank)

Nicole Roetmer (The CO-Firm)

Our team

In 2018, the team was composed of 26 full time employees (15 female, 11 male) supported by a cohort of close consultants, interns, advisors and partners.

Stanislas Dupré, Founder and CEO of the 2° Investing Initiative

Paris:

Simon Messenger – Director, France & UK

Gabrielle Couderc - Finance Manager

Emmanuelle Gauthey - Communications Manager & PA to Stan Dupré

Anuschka Hilke - Senior Analyst

Laura Ramirez - Analyst

Emmeline Stein – Analyst

New York:

Tricia Jamison – Research Analyst, Deputy Director

Matthieu Bardout - ADP Project Manager

Taylor Posey - Data Engineer

Tina Wang – Analyst

Berlin:

Jakob Thomae - Germany Director and Network Managing Director

Constanze Bayer - Analyst

Magdalena Blum-Oeste - Project Assistant

Nils Blum-Oeste - Head of Data Engineering

Michael Hayne - Senior Analyst

Kelley Luyken - Analyst

Klaus Hagedorn - Senior Analyst

Clare Murray - Analyst

Diana Catoquessa - Office Manager & Executive Assistant

Martin Jakob - Analyst

Pranav Pandya - Data Scientist

Daan Koopman - Data Scientist

Marie-Camille Attard - Analyst

London:

Florence Palandri - Analyst

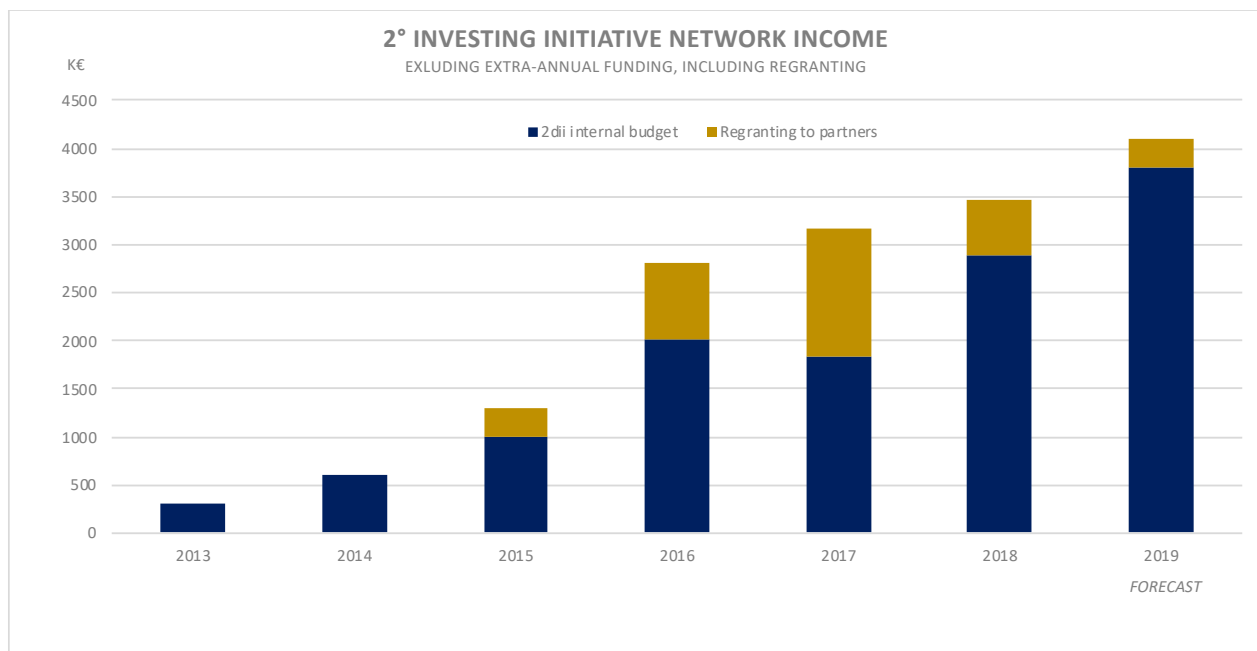
Nina Roehrbein - Communications Manager

Advisors:

Mark Fulton

Financial Report

The 2° Investing Initiative is a network composed of three affiliated entities: the Paris, New York and Berlin-based affiliates. The three entities are non-profit, non-commercial and membership-based organisations. They are governed by independent boards of directors but remain affiliated. Thus, their governance, work programmes, as well as financial and human resources are pooled according to a network agreement. Below is an overview of the network's global budget evolution since the beginning of 2°ii.



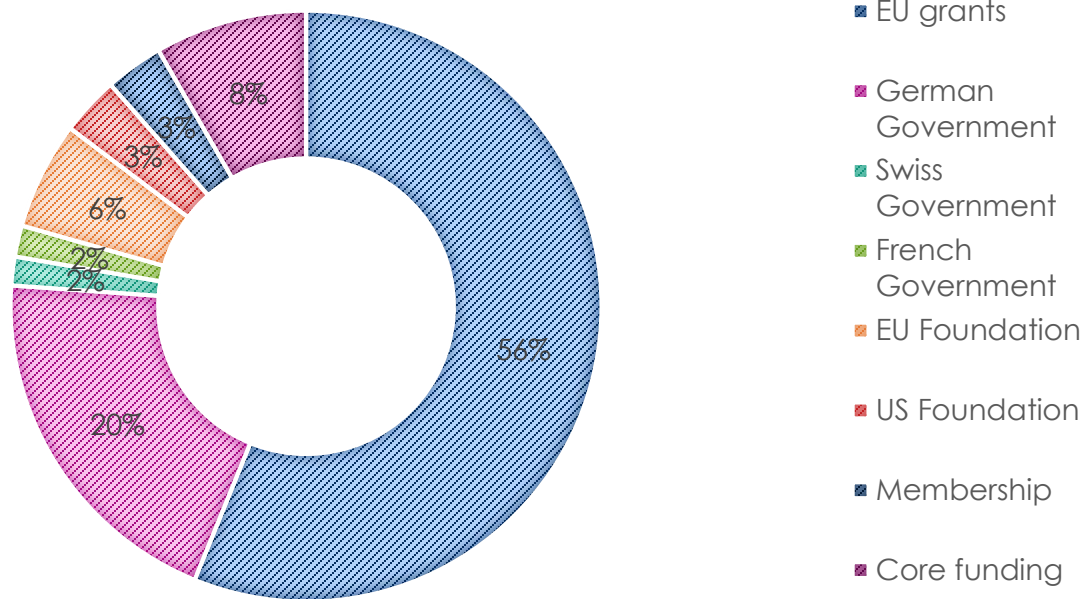
Income

In 2018, 2°ii's network's income increased by 9% from 2017. The share of re-granting to partners decreased, resulting in an increase in 2°ii's internal budget of 58%.

The 2018 budget has a different structure to those of previous years due to the following changes:

1. Funding sources are starting to be better balanced among countries, especially because an increasing part of our funding is coming from the German government.
2. Funding sources in terms of different types of funders are also better balanced thanks to a growth in national level funders (in comparison to EU research grants to France).
3. Re-granting to partners is significantly decreasing, resulting in an increase in the internal budget.

2° INVESTING INITIATIVE 2018 RESOURCES BREAKDOWN



Resources breakdown

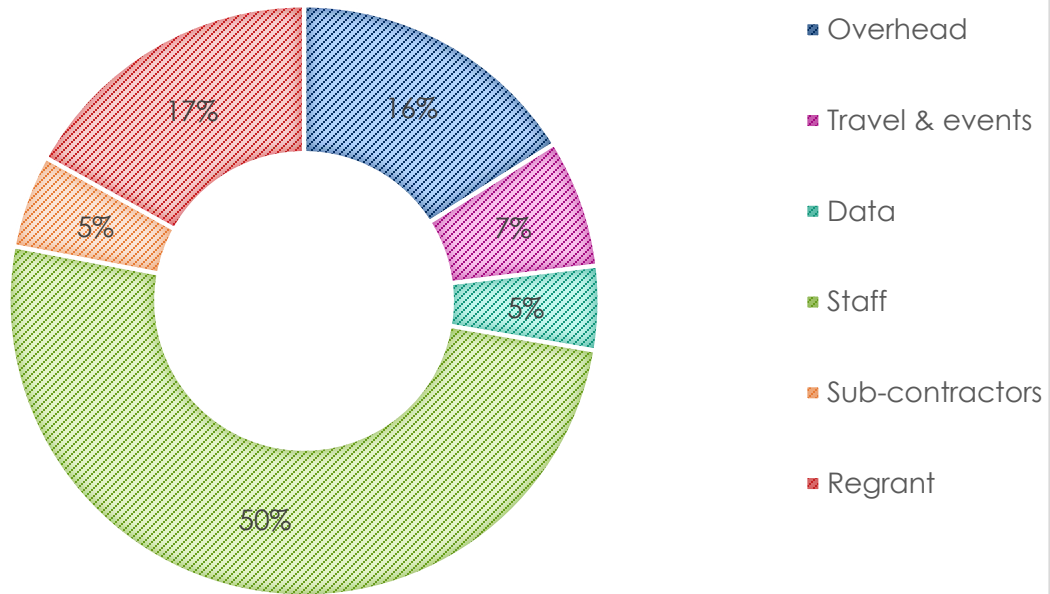
In 2018, 2°ii's network's total budget was €3,460,000.

Our main funding source (56% of 2018 total income) came from research grants from the European Commission (H2020 project).

Since 2017, this ratio has been shifting significantly to more funding from non-EU sources.

Despite their small share in the overall budget, memberships (3%) and operational funding (8%) are key to the 2°ii network, as they fund overhead, research innovation and fundraising.

2° INVESTING INITIATIVE 2018 EXPENSES BREAKDOWN



Expenses breakdown

The main 2°ii expenses in 2018 were staff costs (50%) and re-granting to partners (17%). Other expenditures were similar to previous years, such as travel (7%), data & sub-contractors (5%) and overhead costs (16%).

As the organization grows, staff costs have started to increase, while our re-granting to partners decreases.

Financial year: 01/01/2018 to 31/12/2018

The full consolidated financial statements audited by E.Magnier / SiRiS are available upon request.



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