

RAINMAKING

Impact Innovation

Venture Building to move the needle on
the world's most pressing challenges

SPE Net Zero panel - April 2021



Rainmaking 3 main innovation engines



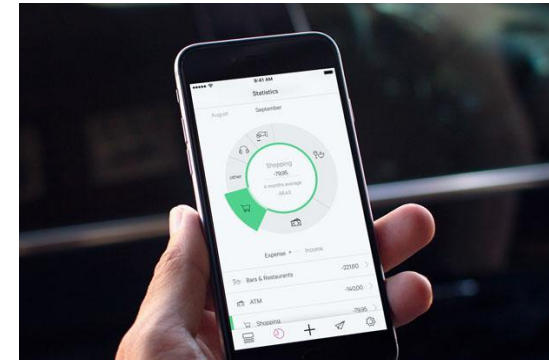
Internal innovation

Unlock new ideas and future growth by engaging your existing talent



Startup co-venturing

Solve key business problems with the world's most innovative startups



Venture building

Develop new, future-proof business models outside of your core business

Partnering with global leaders to move the needle

Financial Services



Consumer Goods



Smart Cities



Technology



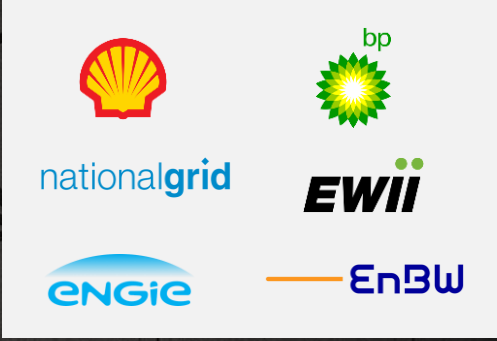
Transport



Insurance



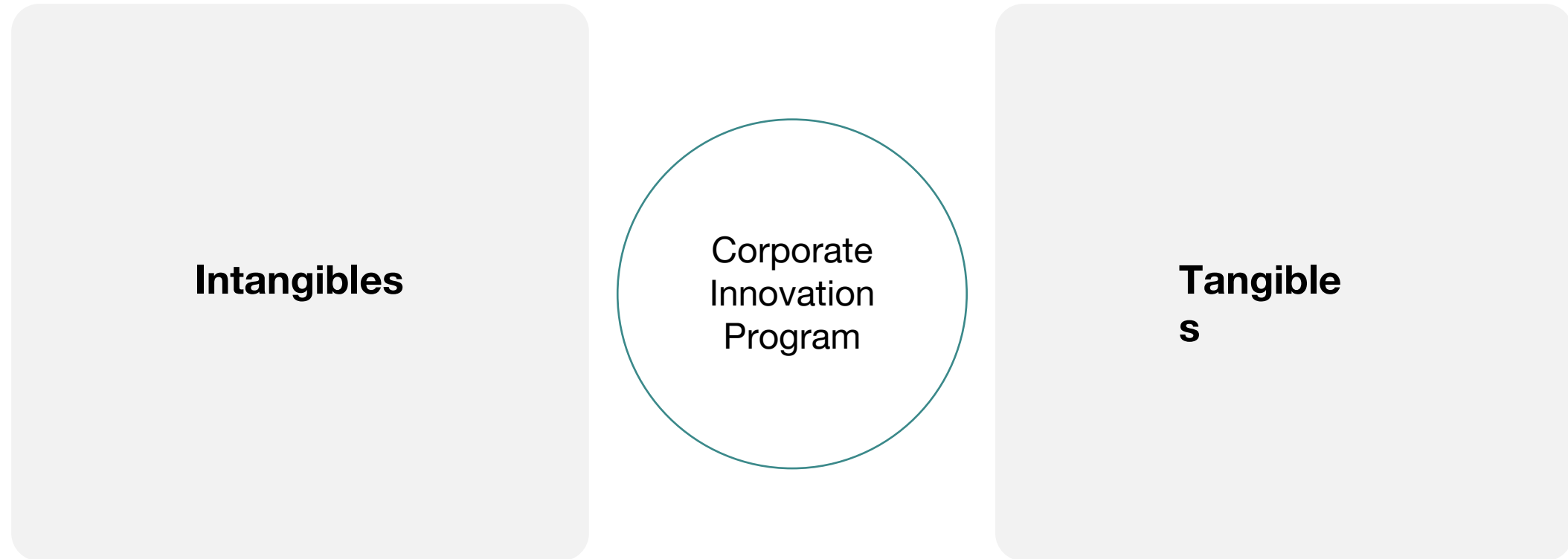
Energy & Utilities



Digital Health



Corporate drivers for innovation programs



Corporate drivers for engaging with startups

Change

- Start-up DNA
“Cultural & innovation shift”
- People & org. development
“Break down silos”

Position

- PR & Marketing
“Awareness & positioning as innovative”
- Ecosystem engagement
“Increased startup engagement”
- Talent sourcing
“Improved innovation capability”

Corporate - Startup Program

Challenges & Opp.

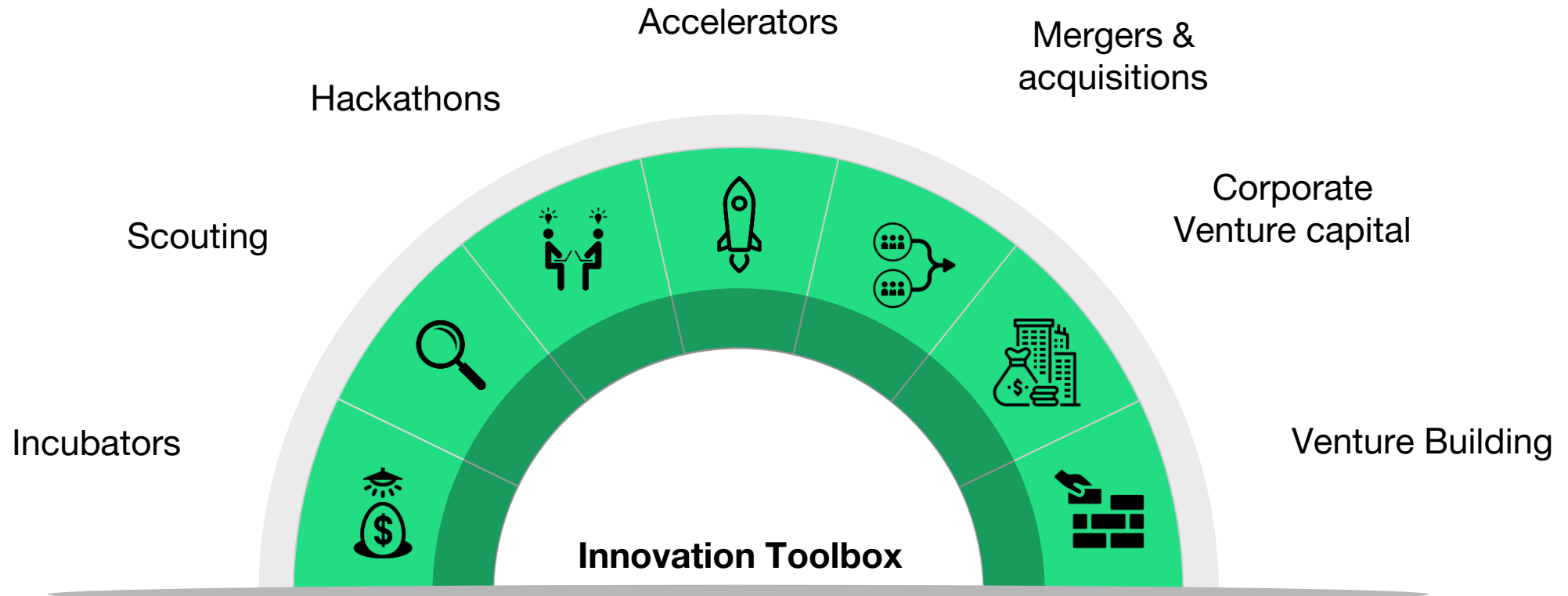
- Pilots / POCs / Tech licensing
“Actual implementation of innovation”
- Deal flow / investments
“Investment & partnership opportunities”
- P&L impact (-cost / +revenue)
“Meaningful business results”
- Partnerships w. other corporates
“New sources of innovation”

External

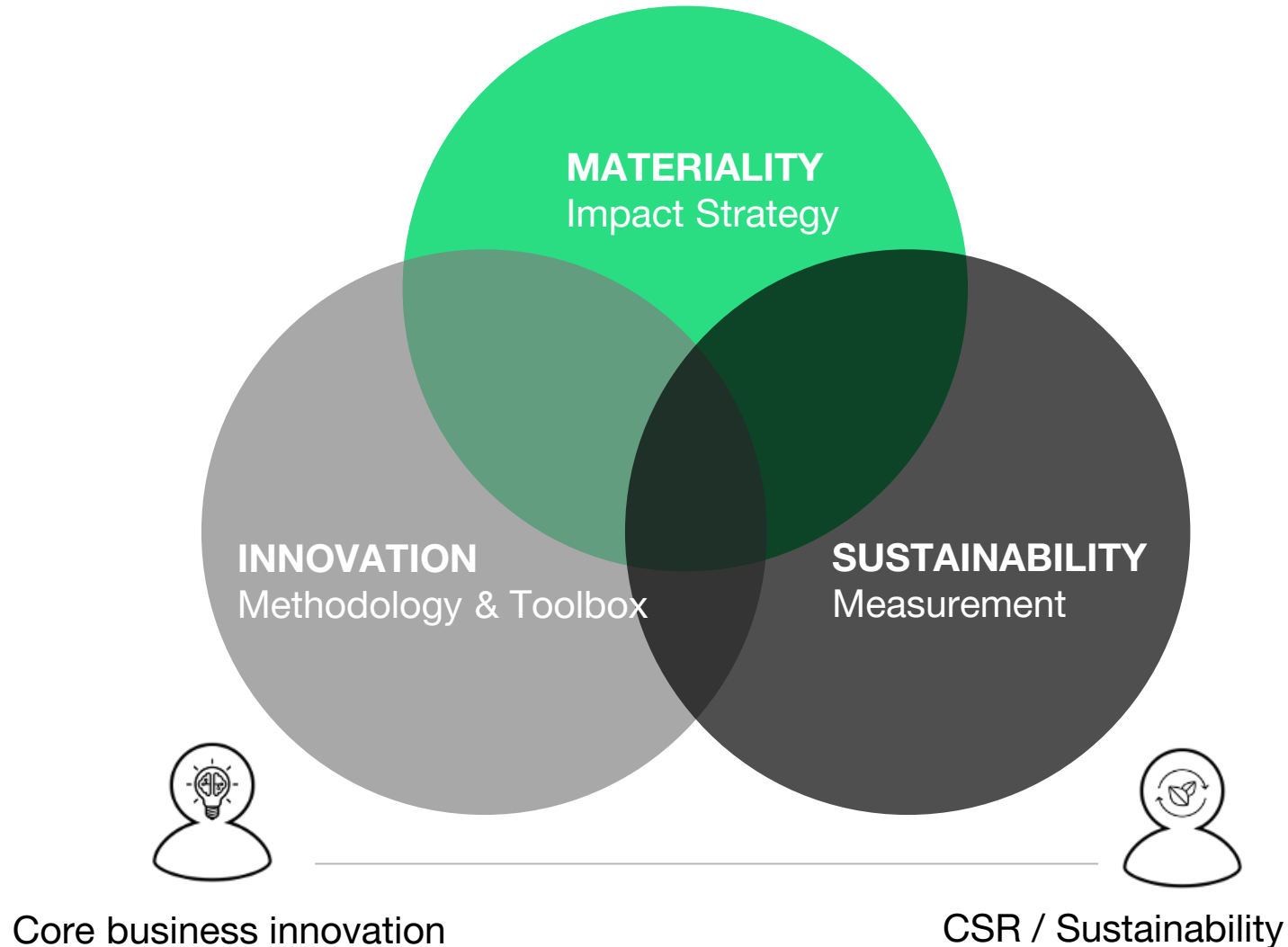
- e.g. Regulation

A decade of evolution of the 'innovation toolbox'

Following a decade of innovation since the explosion of incubators and accelerators (4.000 worldwide) and constant evolution, venture building is emerging as a potent innovation engine which can and should be applied to the Impact challenge.



Finding the sweet spot for Impact innovation



Net Zero and equivalent long term targets are now the norm

Countries representing current 70% of the world economy and 65% of global carbon dioxide emissions have now committed to net zero, most within the past 12 months.

Recent net zero announcements -- Sample

BT (15 September 2018) net zero carbon business by 2045

British Airways (11 October 2019) net zero by 2050

Ikea (27 November 2019) 'climate-positive' by 2030

Land Securities (8 November 2019) net zero emissions by 2030

National Trust (9 January 2020) net zero emissions by 2030

Microsoft (16 January 2020) net zero by 2030, with an additional goal of removing all carbon emitted since it was founded in 1975

AstraZeneca (22 January 2020) carbon-negative by 2030, and net zero operational carbon emissions by 2025

Sainsbury's (28 January 2020) net zero emissions by 2040

Mace (29 January 2020) net zero carbon by 2020

EY (31 January 2020) carbon neutral by 2020

Scottish Widows targets net zero across £170bn fund range by 2050

The company will also aim to halve the carbon footprint of its investments by 2030

By Peter A Walker Content Editor
07.26.19 FEB 2021 UPDATED 12.24.19 FEB 2021



Climate Capital Royal Dutch Shell PLC + Add to myFT

Shell announces new emissions goals as it aims to go net zero by 2050

Petrol and diesel production set to be 55 per cent lower by 2030



Shell plans to continue generating cash from selling power. © AFP via Getty Images

Nestlé maps out path to 2050 net-zero climate goal with sustainably sourced cocoa at centre

By Anthony Myers

10-Feb-2021 - Last updated on 10-Feb-2021 at 15:42 GMT

f t in POST A COMMENT



Nestlé has pledged that by 2025, 100% of its cocoa will be sustainably sourced. Pic: Nestlé

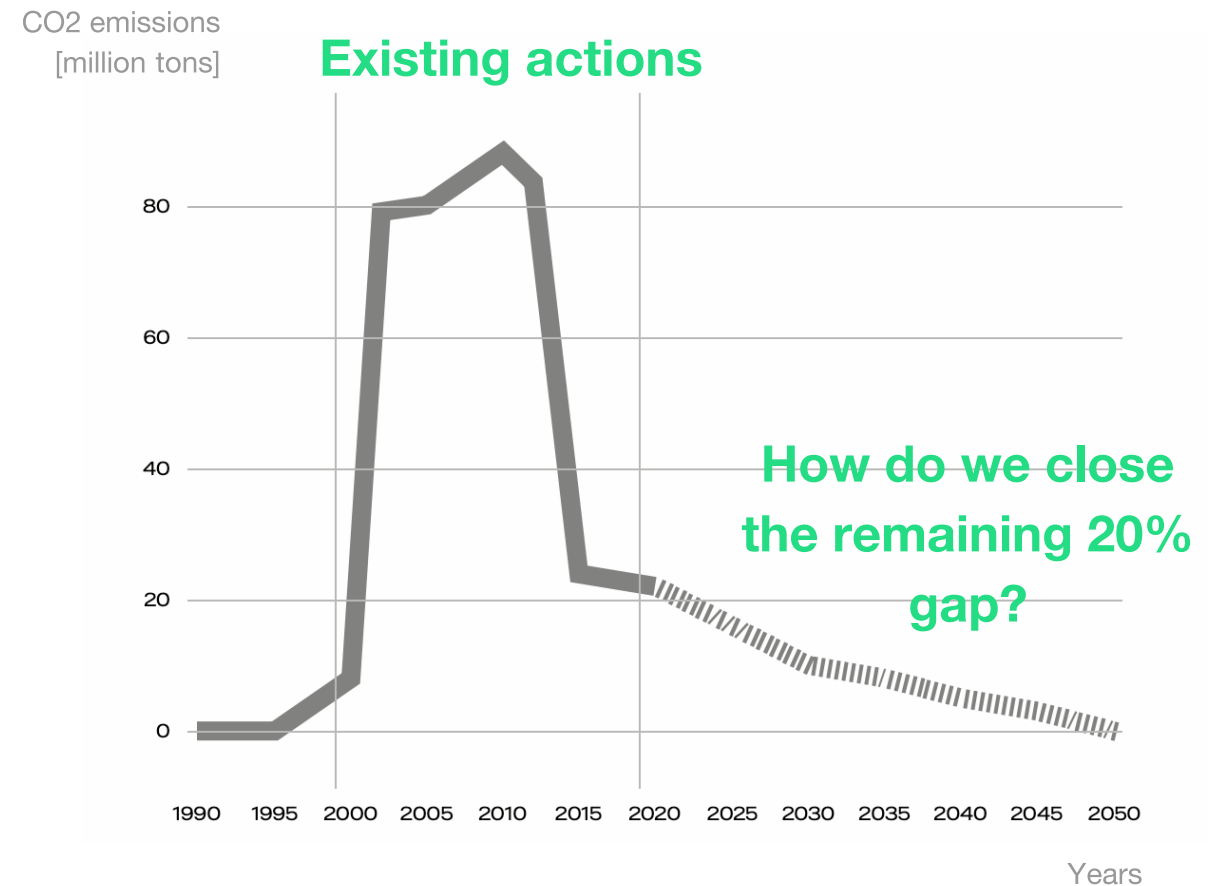
Existing 'low hanging fruit' will not get us there, there still exists an innovation gap

Case study:

Vattenfall started as a hydro and nuclear energy provider in the 1990s.

A number of acquisitions in Germany & Poland added to their emissions, from which they then divested.

There remains an innovation gap to achieve the targeted net zero by 2050.



No time for old school 'startup challenges'

**ABB Electrification
Startup Challenge**

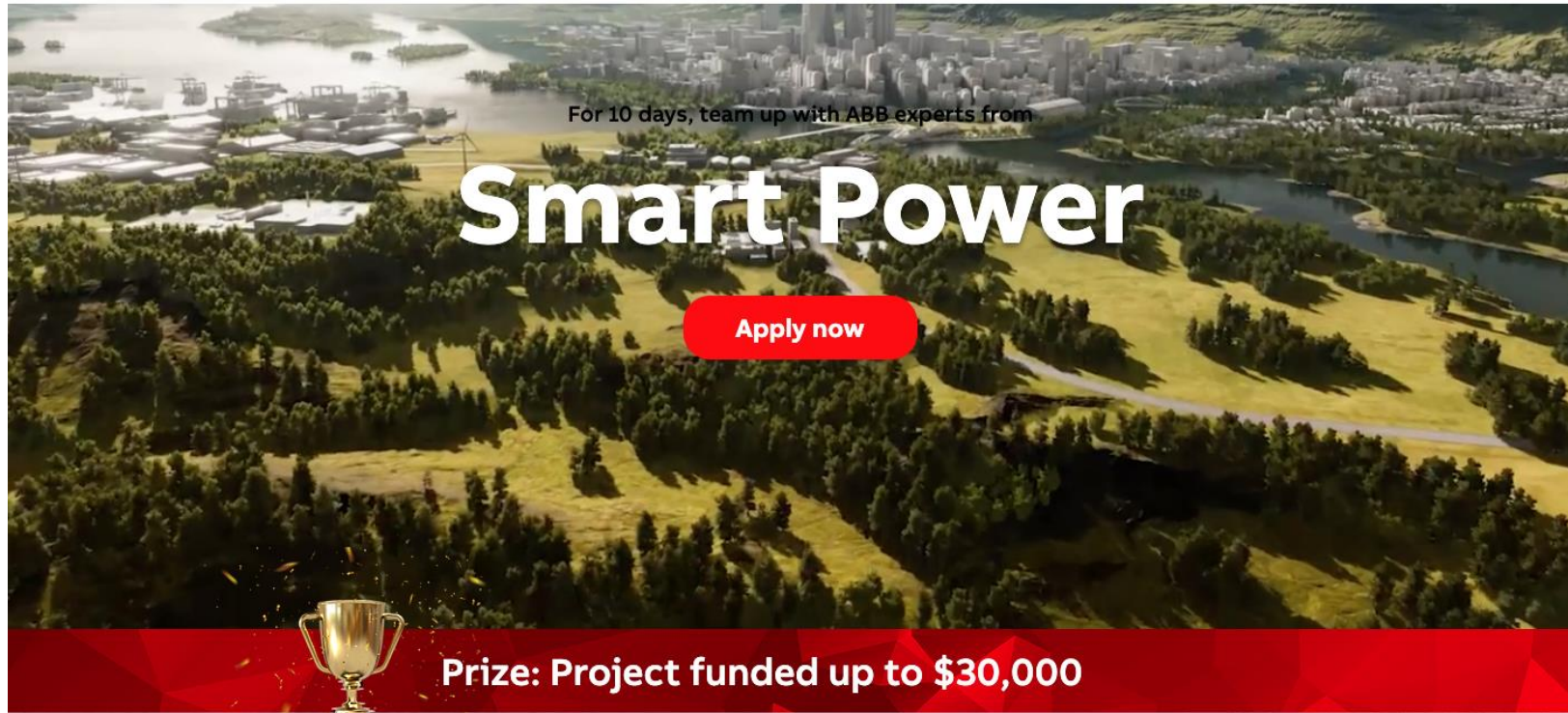
[Apply here](#)

[ABB Connect Partner Hub](#)

[Smart Buildings Challenge](#)

[Smart Power Challenge](#)


[Distribution Solutions Challenge](#)



For 10 days, team up with ABB experts from

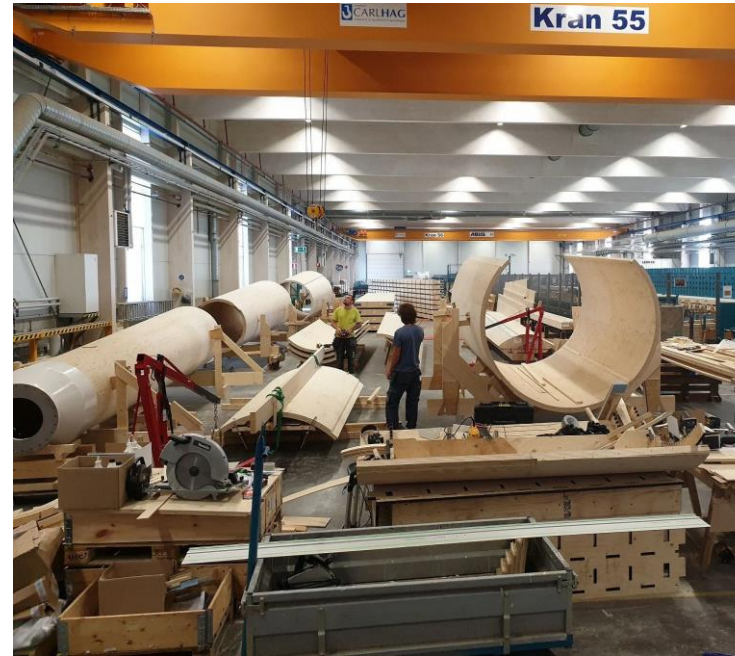
Smart Power

[Apply now](#)

 Prize: Project funded up to \$30,000

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Non-obvious opportunities for new ventures

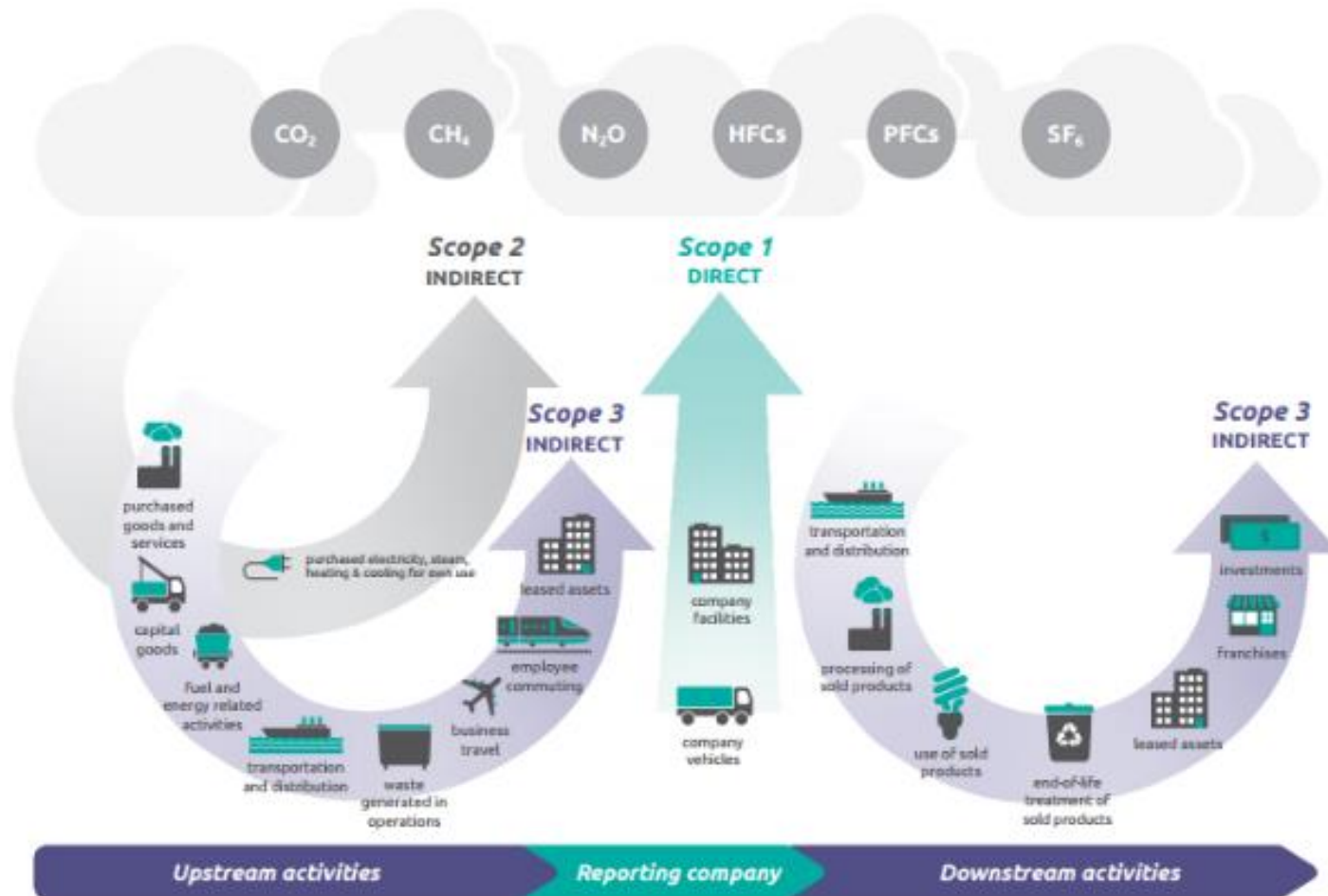


Vestas Ventures Makes First Investment With Stake in Wooden Tower Start-Up

Swedish start-up Modvion plans to make extra tall wind towers from connected panels of a special wood laminate.

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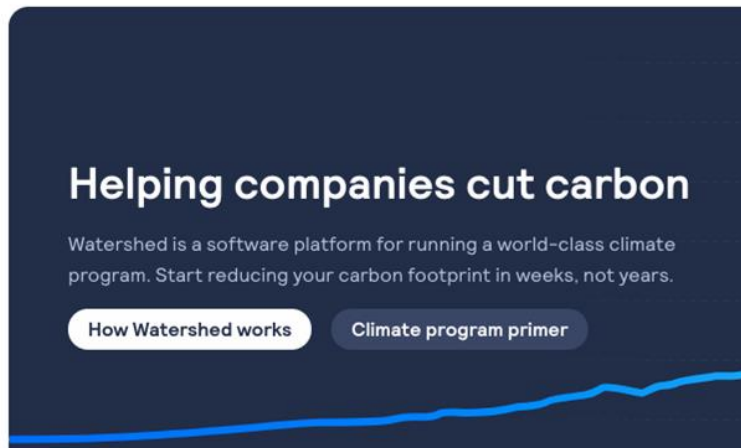
Example: IKEA and Scope 3 emissions



Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

The consumer goods sectors' key carbon exposures exist in the value chain, driving large Scope 3 emissions, which make up **90% of lifecycle emissions**.

Startups are already capturing the value in Scope 3 emissions tracking, for example:



- Silicon Valley based
- Undisclosed amount raised from Sequoia & Kleiner Perkins (first time these two VC firms co-invest since Google...)



Offsetting About



- Berlin based
- Recently raised \$3M from SoftBank & others

... and many, many others

Example: IKEA and Scope 3 emissions

Challenge

Tracking & lowering
Scope 3 emissions



Solutions

Internal Tool

- a IKEA solves by building internal tool

External solution

- b IKEA pays to use an external solution provider

Venture Building

- c IKEA launches / backs new venture *and* involves suppliers *and* partners (other relevant corporations)

Impact & Bottom line

- a Only IKEA benefits plus internal project risks

- b Only IKEA benefits and locked in with external supplier & costs

- c **IKEA** *and* **suppliers** *and* **partners** *and* **broader market** (e.g. other manufacturers, retailers, consumer goods companies, etc.) benefit. Plus **financial returns** accrue to IKEA / co-owners of the new venture.

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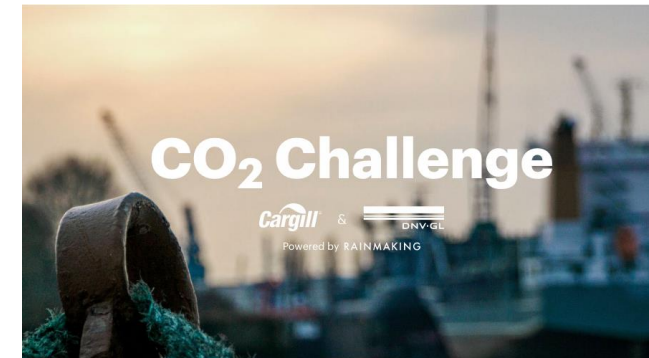
Potsdamer Straße 182

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We have focused on impactful innovation since our launch in Copenhagen in 2007

- 75% of our innovation programs to date have impacted one of more of the UN Sustainable Development Goals
- We created the open sourced the SDG Compass, one the world's largest databases of SDG related startups
- We have designed and executed programs such as:
 - IKEA Bootcamp (sustainability focus)
 - The CO2 Challenge (solving emissions for the maritime industry)
 - The Singapore Decarbonisation program (a multipartner program addressing emissions in trade and transport),
 - The UrbanTech problem (backed by Realdania, one of the world's largest philanthropies with focus on urban impact and wellbeing)

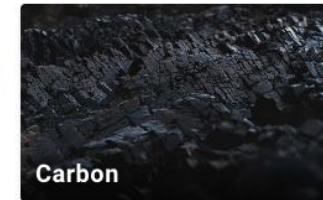


Impact Innovation today is broader than Cleantech yesterday

Climate change and related challenges are impacting across industries, asset classes and functions. There are practically no areas of business activity which will not be touched.

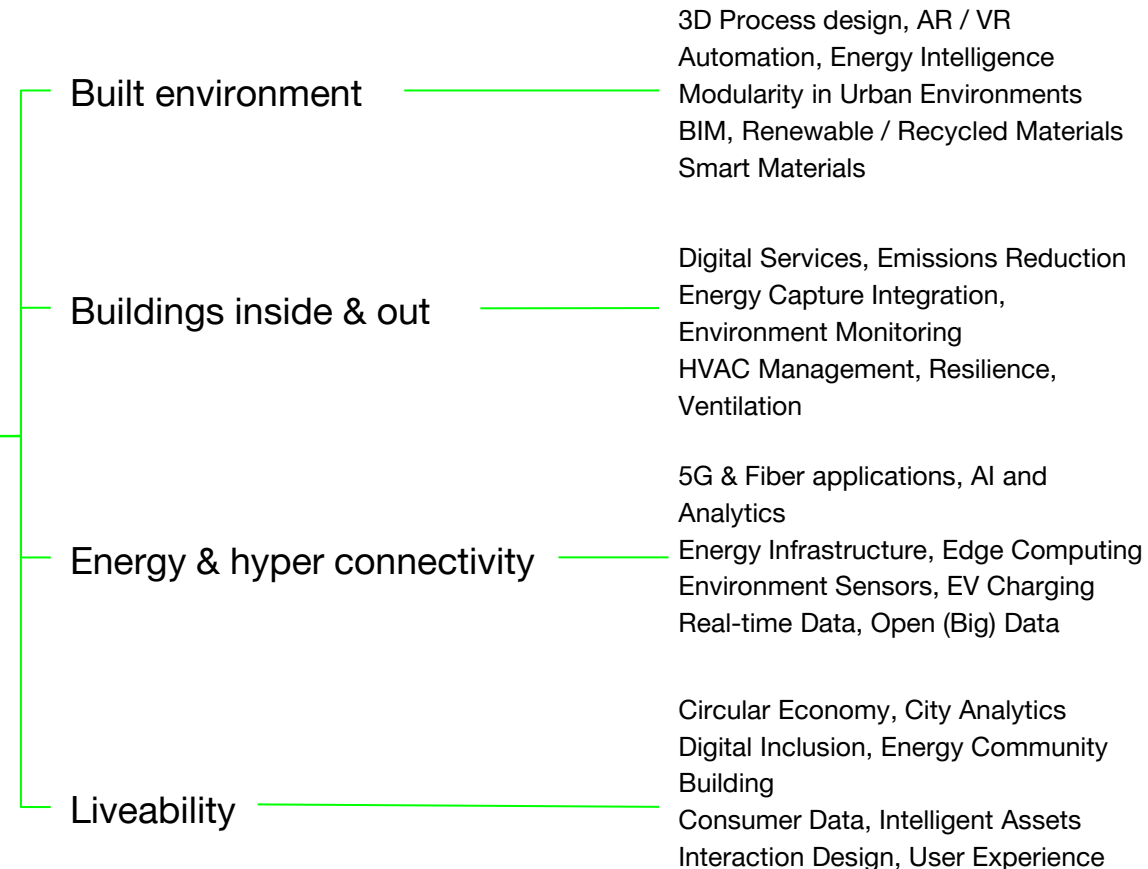
Impact Innovation encompasses decarbonisation, circularity, the UN SDGs, electrification, impact measurement and more.

Tectonic shifts, such as Net Zero targets, will drive massive opportunities; the carbon capture total addressable market alone is estimated to be \$2T.



Each industry and topic encompasses a number of sub-themes, each of which includes venture opportunities

For example, here are the themes and sub-themes we cover as part of the Rainmaking-led UrbanTech program in Copenhagen:



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