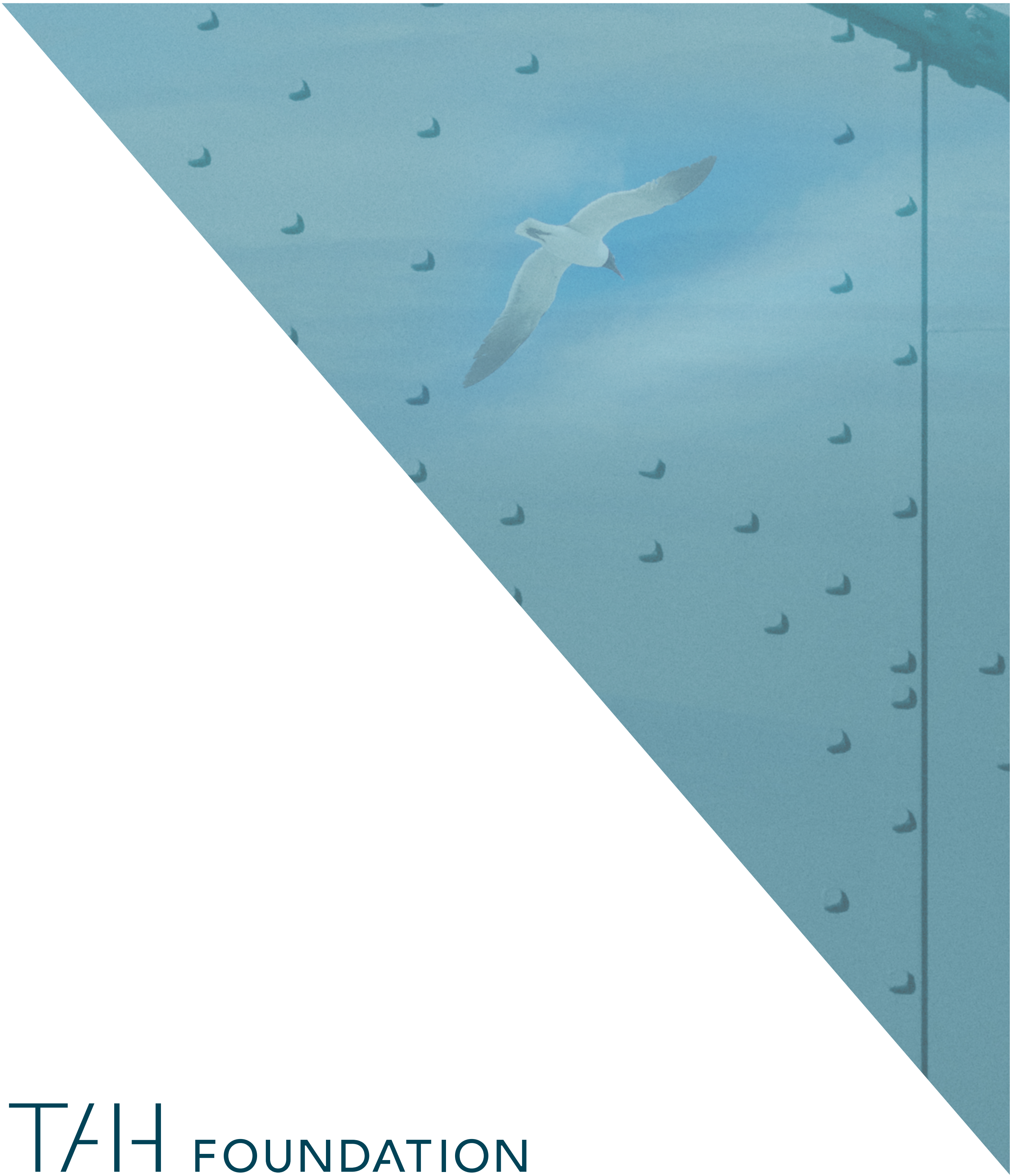

TAH FOUNDATION

Environmental Program 2025–2030

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1. Starting Points for Implementing the Environmental Strategy

In 2019, the TAH Foundation decided to clarify its goals and invest in a strategic process. The result was a new strategy for 2020–2025, which defined the foundation's mission to focus on addressing the environmental crisis and, in particular, on the rapid reduction of climate emissions.

Based on this, the foundation published its first Environmental Program in 2021. The aim of the program was to put the strategy into practice through concrete environmental projects. The key objective of the program was to identify focus areas and projects that promote and concretize the strategic goals. Between 2020 and 2025, the foundation directed its funding primarily to advancing international emissions reductions in steel production.

The foundation updated its strategy in 2025. The current strategy covers the years 2025–2030. Under the new strategy, the main objective still remains the rapid and scalable reduction of carbon dioxide emissions. This updated Environmental Program for 2025–2030 is based on the renewed strategy. While strong support for work on steel continues, preparations are underway to map new potential focus areas.

In line with the strategy, the foundation seeks to identify and support projects that enable comprehensive systemic change and are related to emissions reductions in energy production, industry, commerce, or innovations in sustainable raw materials and carbon neutrality. This includes supporting the technologies and regulatory frameworks required to achieve these goals.

Based on this, the foundation has identified focus areas where it will concentrate its environmental funding.

The primary selection criterion for projects within focus areas is their assessed ability to enable rapid or significant emission reductions. All projects will be evaluated on the basis of this criterion. An additional requirement is scalability: the ability to expand from a small scale to large scale impact. Alongside these projects, the foundation aims to foster public discussion on the importance of the sustainability transition and the solutions it demands.

SUITABLE PROJECTS FOR THE ENVIRONMENTAL PROGRAM

a. Projects with fast, effective, and scalable global climate impact

b. Projects related to emissions reductions in energy production, industrial and commercial sectors, and sustainable raw material innovations

c. Projects that offer regulatory solutions for emissions reductions

d. Projects that contribute to systemic change on an international level

When funding projects, the foundation will also assess their impact on other aspects of the environmental crisis. Thus, projects that risk creating or exacerbating environmental problems will be avoided. Projects that contribute positively to halting biodiversity loss will be favored.

PROJECT EVALUATION

Projects in focus areas will be evaluated based on the following criteria derived from the foundation's Environmental Strategy:

Pace	**A**
Extent	**B**
Energy and Industry	C
Regulation	D
Systemic Impact	**E**
Biodiversity	**F**
Added Value	**G**
Low Risk	H

A. Pace: Projects with fast and significant positive climate impacts

B. Extent: Projects with global scalability for major emissions cuts

C. Energy and Industry: Projects related to energy production, commercial sectors, innovations in sustainable raw materials, or carbon-neutral technologies

D. Regulation: Projects that offer regulatory solutions for emission reductions

E. Systemic Impact: Projects enabling systemic change

F. Biodiversity: Projects with strong synergies in biodiversity protection

G. Added Value: Projects where the foundation can offer significant added value for climate protection

H. Low Risk: Projects with a low risk of failure to deliver results

In addition to these, the foundation will evaluate the risk level of each project. Projects that are uncertain and expected to have limited impact will generally be excluded. The aim is to find projects that are as impactful, quick to implement, and reliable as possible. Since very few such "silver bullet" projects exist in the climate sector, the foundation must always consider its willingness to take risks.

2. Focusing Funding on Focus Areas and Building Project Portfolios

The foundation's financial resources are limited in relation to the global goals and challenges. Therefore, in the 2025–2030 program, the foundation will continue to focus its efforts on one or two focus areas, each one supported by a defined theory of change.

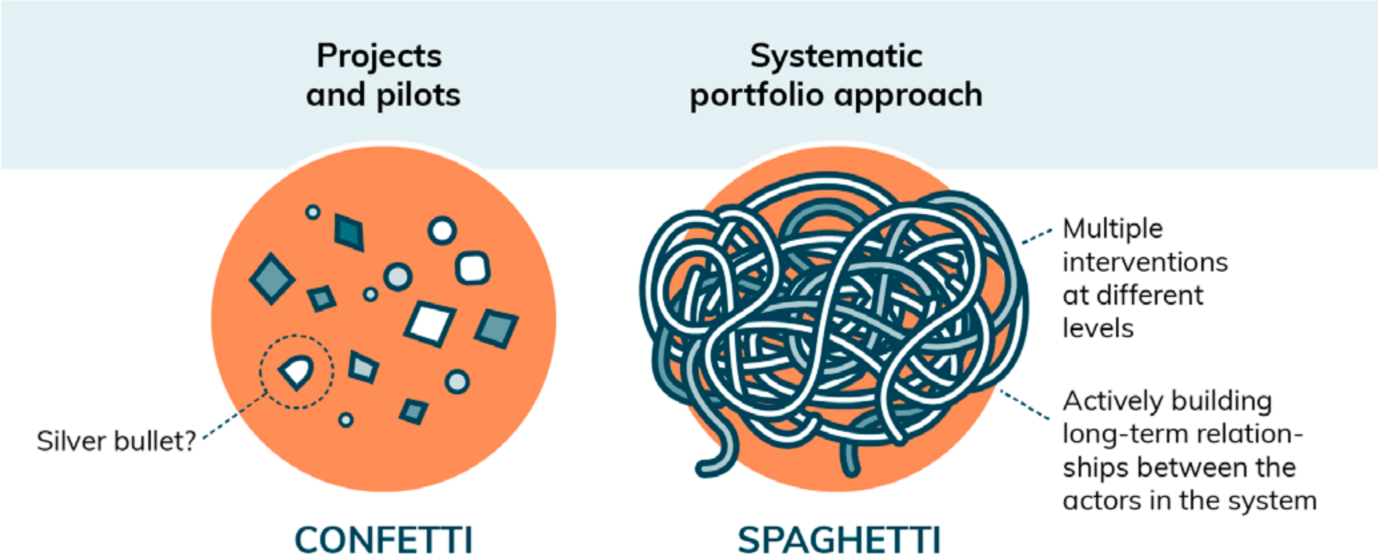
One such area is reducing emissions from steel production. Following the mapping conducted for the first Environmental Program, this became the first focus area for funding in 2021. Within each focus area, the foundation funds complementary and mutually reinforcing projects. These projects are actively identified, developed, and selected through exploratory project work.

The foundation believes that focusing funding on specific focus areas allows for a deeper understanding of the impact potential of projects and more strategic development in collaboration with project implementers.

A concentrated funding model helps the foundation understand the ecosystem impact of its projects more effectively than a decentralized model. It also allows better coordination and alignment between projects compared to an open application cycle.

The foundation welcomes project ideas and engages in dialogue with project developers and partners to strengthen project impact. When needed, the foundation supports its focus area goals with its own, internally run projects.

The greatest challenge of achieving impact is not so much coming up with the ideas, but knowing how to interconnect them



Source: Ingrid Burkett/TACSI, Sitra

Decentralized funding of individual projects is sometimes referred to as a search for "silver bullet" initiatives. However, major systemic transitions rarely result from a single project. Societal transformation typically requires the simultaneous alignment of multiple factors.

The foundation's approach is to build a complementary ecosystem of projects and actors advancing the focus area's theory of change. This ecosystem-based model is described as the "spaghetti" approach.

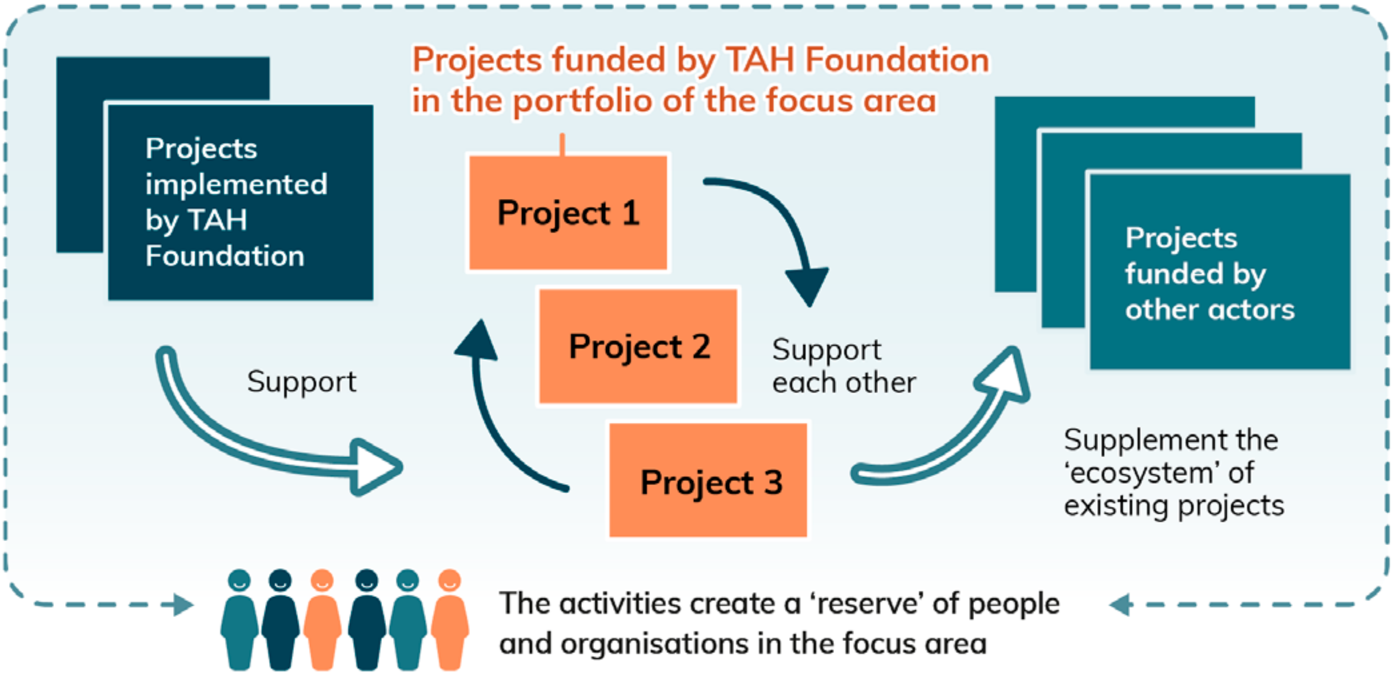
The system could include research communities where innovations are born, companies making investment decisions, investors funding the transition, customer businesses driving demand, policymakers and public opinion influencers, and consumers whose behavior drives or slows down change.

Although the foundation has a theory of change for each focus area, the actual development of the field and the interplay between actors is hard to predict. Therefore, project ecosystems include multiple potential chains of impact. Eventually, these interactions may generate breakthroughs and pathways for change. The foundation must respond agilely to these developments by supporting existing and new projects.

The foundation has developed new ways to evaluate impact. Evaluation is conducted on both individual projects and their combinations. At the same time, the foundation develops methods to monitor the evolution of the overall ecosystem. These evaluations guide project selection and development and aim to strengthen synergies between actors.

For example, promoting zero-emission steel production is one of the foundation's current focus areas. The portfolio includes, for instance, a research project on the feasibility of low-emission steel, which feeds into a platform project connecting steel producers and buyers, as well as a project influencing public discourse around policy measures to support the needed energy infrastructure.

The goal is to achieve strong interaction, with the projects supplementing and supporting each other



Clear breakthroughs and paths of change can open up as a result of interaction between various actors. The Foundation seeks to be agile in taking advantage of such opportunities when supporting the existing or new projects and actors.

These projects complement others, including certification initiatives and assessments of how carbon border adjustment mechanisms affect steel strategies in different countries. Together, they form an ecosystem of interconnected projects and actors with multiple chains of impact. The foundation seeks to bring key players together to enhance collaboration and synergy.

While the diagrams in the program are illustrative, real-world interactions more closely resemble the described "spaghetti" of complexity.

STRENGTHENING *Actors*

A key benefit of the portfolio approach is that funding brings more skilled people into the field, which is crucial for the sustainability transition. Transforming society to address climate change will be one of the most rapid and wide-reaching shifts in human history.

One bottleneck in this transition is the availability of experts across sectors who can plan and implement these changes. Each project not only delivers direct results but also strengthens individual and organizational capacity, builds networks, and facilitates interaction—often with lasting impact.

Supporting capable actors across society is central to project planning and funding. The long-term goal is to enable these individuals to drive change and generate new projects with even greater impact.

To that end, projects should attract and support talented individuals capable of long-term transformation work. Such efforts may be co-funded with other foundations.

RESOURCES FOR *Exploratory Work*

One challenge of the exploratory "spaghetti" model is that identifying impactful and complementary projects requires time and effort. It involves understanding current actors, project dynamics and possible pathways for change. While deeper mapping of focus areas enhances understanding, the foundation has limited capacity to map multiple areas at once.

This challenge has been addressed by hiring more staff and limiting the number of simultaneous focus areas. Additionally, one widely used solution in the foundation field is to support specialized regranter partners who identify and manage projects within defined areas.

These partners often have strong thematic expertise and regional networks. Their role is to identify projects and manage funding allocations. Regranting has already played a key role in the TAH Foundation's work in the steel sector.

3. Focus Areas 2025–2030

In 2021, the foundation identified five focus areas for its Environmental Program: zero-carbon steel, clean heating, forest and marine ecosystems, food production and consumption, and direct air capture.

Reducing Emissions FROM THE STEEL SECTOR

From 2022–2025, the foundation focused on reducing emissions in the steel sector. More detailed information about the steel portfolio and its theory of change is available on the foundation's website.

According to the 2025–2030 strategy, steel remains a central area, but the foundation is preparing to possibly add a new focus area. It may be one of the previously identified areas or a newly defined one.

The Environmental Program will be updated once the new area is selected. An annual assessment will determine whether to shift funding toward the area with the greatest environmental added value. This transition will be gradual to allow long-term actors time to secure alternative funding.

PROJECTS PROMOTING *the Sustainability Transition*

During 2021–2025, the foundation supported cross-cutting projects that advanced public debate and policy decision-making on the environmental crisis and its solutions.

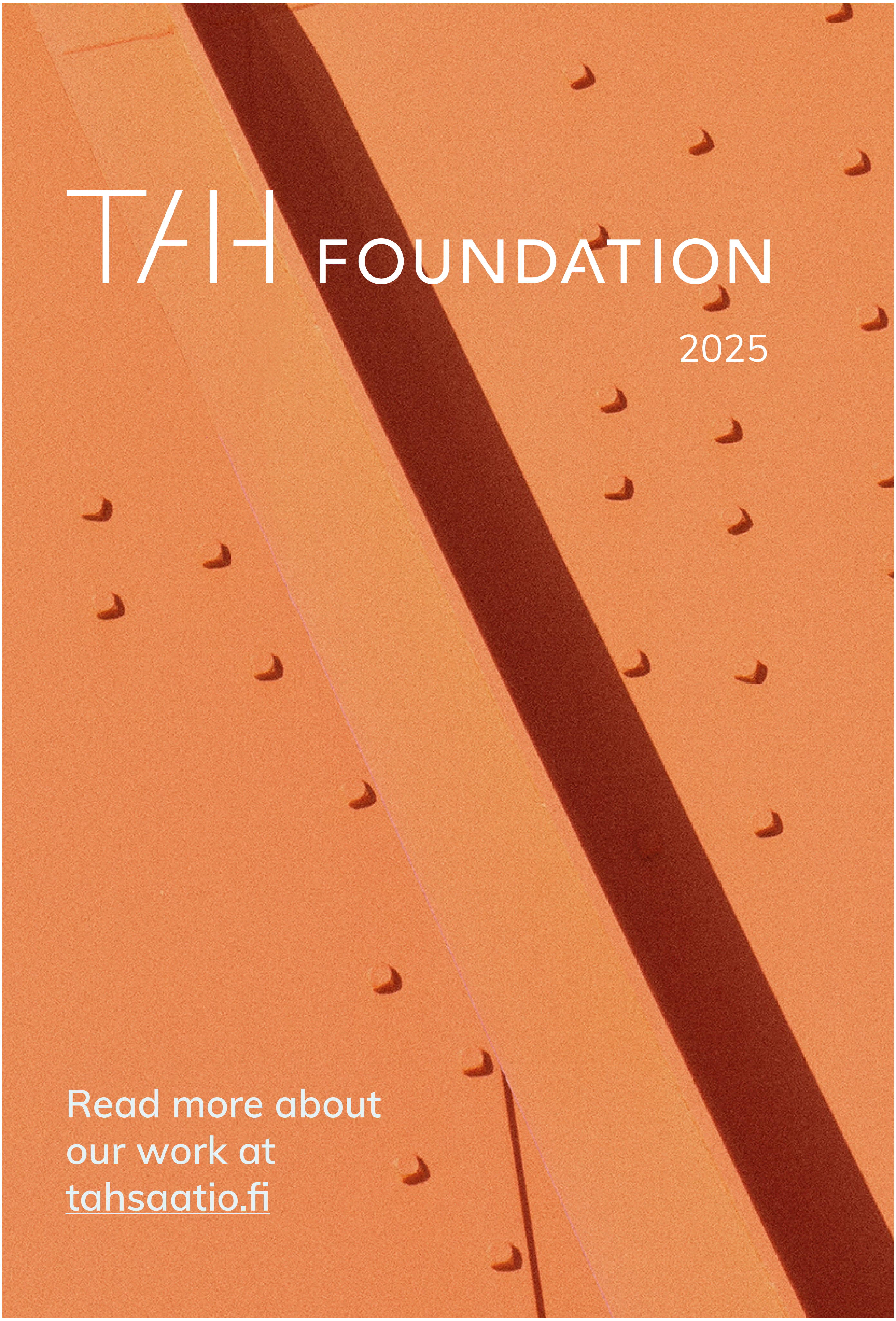
In 2025–2030, the foundation will continue to fund exceptional projects outside of the focus areas if they demonstrate systemic insight and the potential to advance understanding, participation, or action in the sustainability transition. These may clarify the relationships between solutions and their scale in systems change, or they may enable campaigns, events, or communications that inspire change.

Such projects may also take bold risks proportional to the scale of the challenge—provided they do not negatively affect planetary boundaries even in failure. Synergies with the foundation's capital flow work, policy engagement, or environmental portfolios are not mandatory but considered advantageous in project selection.

Advocacy ON CAPITAL FLOWS

The foundation's advocacy work supports its Environmental Program goals—currently centered on the steel portfolio—and focuses on influencing capital flows to enable a sustainable future.

This advocacy is grounded in a theory of change and contributes to European climate leadership. It is also supported through project funding.



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