



2050 Foundation
Koepellaan 6
2061 CV Bloemendaal
The Netherlands

www.2050.foundation

Date

20 februari 2023

Subject

Strategy & Vision 2050 Foundation

The 2050 Foundation's objective is to contribute to a better world for our (grand)children in the year 2050. In our vision, this should be a world where we no longer cannibalise our natural resources and that has equality of opportunity for all children worldwide.

From the onset, the 2050 Foundation has been operating as a [lean startup](#), experimenting with various interventions to discover where our funds and other resources would matter most. In 2018 it published its first [business plan](#) and in 2021 we published our [lessons learned](#).

The vision, ambition and guiding principles of the 2050 Foundation have remained constant over time. The 2050 Foundation believes that innovation and entrepreneurship form the key to a sustainable society, and that the quantification of impact is of fundamental importance to guide the world into the right direction.

Five years into this journey the 2050 Foundation has learned where it has the potential to make an outsized impact, and – just as important – where other people and NGOs are better positioned to intervene. This has resulted in the more targeted and focussed approach for the 2050 Foundation as outlined in this document.

The intended audience of this document includes the media, our partners and our beneficiaries, and provides full transparency on our funding, governance and strategy towards the future. A future that we aspire to be fair, inclusive and full of opportunities on a healthy planet that is regenerating itself after centuries of degradation.

Eva de Jong
Chair

Stan van Wingerden
Secretary

Martijn Kaag
Founder & member

Mission of the 2050 Foundation

The 2050 Foundation's objective is to contribute to a better world for our (grand)children in the year 2050. In our vision, this should be a world where we no longer cannibalise our natural resources and that has equality of opportunity for all children around the world.

Sustainable Development Goals



The foundations' objective is perfectly aligned with the United Nations Sustainable Development Goals (SDGs). The following SDGs effectuate the aspiration to "no longer cannibalise upon our natural resources":

- Ensure access to affordable, reliable, sustainable and modern energy for all (SDG 7)
- Take urgent action to combat climate change and its impacts (SDG 13);
- Conserve and sustainably use the oceans, seas and marine resources for sustainable development (SDG 14);
- Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss (SDG 15).

And "equality of opportunity for all children around the world" requires the fulfilment of at least the following SDGs:

- Ensure healthy lives and promote well-being for all at all ages (SDG 3);
- Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (SDG 4);
- Achieve gender equality and empower all women and girls (SDG 5);
- Reduce inequality within and among countries (SDG 10).

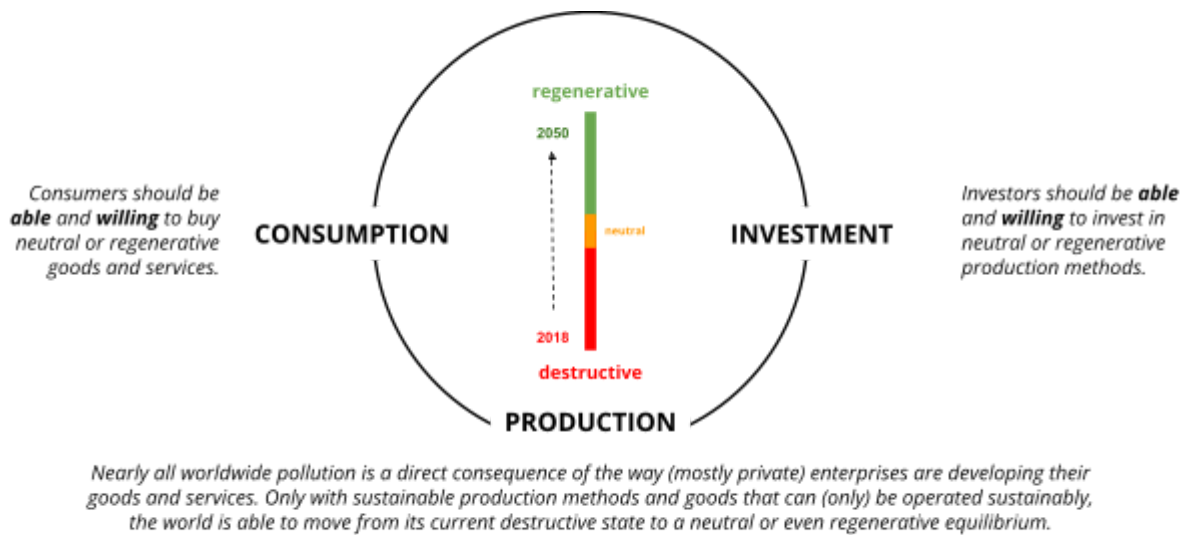
The foundation sees SDG 12 – "Ensure sustainable consumption and production patterns" – as a means to accomplish the aforementioned objectives instead of an end in itself. In today's economy, the foundation feels that sustainable production and consumption is the most tractable intervention that can be carried out to accomplish the other aspired goals.

Theory of Change

2050 believes that changing the way private enterprises operate may prove to be the most effective way to ensure a better world for our (grand)children. Enterprises should

move from today's destructive production methods towards production methods that are regenerative: enterprises should operate such that they restore the natural habitat and rebuild communities.

The theory of change of 2050 is depicted in the figure below. Only by influencing how the world *consumes* and *invests* can we change the way how enterprises *produce* their goods and services.



The 2050 Foundation uses its financial and intellectual resources to alter today's destructive consumption, production and investment patterns to sustainable and regenerative alternatives.

Metrics Matter

In this transition to a sustainable society, metrics matter. The world may be *willing* to transition to a sustainable society, but without access to adequate data it is not able to formulate an effective strategy to accomplish this goal.

Interventions of the 2050 Foundation are therefore focussed on providing the world the metrics it needs to transition to a sustainable society.

Strategy of the 2050 Foundation

This strategy of the 2050 Foundation is heavily influenced by the principle of [Effective Altruism](#). We believe that our interventions should not be guided by our emotions, but instead be based on solid research and quantitative data. In terms of impact, the 2050 Foundation seeks to get the “biggest bang for its buck”.

The 2050 Foundation applies the following criteria in its funding strategy:

1. Maximisation of the *counterfactual* impact.

The 2050 Foundation refrains from interventions that could be funded by others. The outcomes would happen anyway, and therefore the additional impact of the funds provided by the 2050 Foundation is negligible.

2. Maximisation of catalytic / multiplier effects

The 2050 Foundation exclusively supports projects that have a proven catalytic effect on the behaviour and effectiveness of others.

By focussing on projects that maximise the impact attributable to others, instead of trying to maximise the impact attributable to our foundation, our interventions can move a lot more capital into an impactful direction.

3. Long term impact (year 2050 and beyond) over short term results

The 2050 Foundation exclusively supports projects that have an expected long term impact (hence 2050).

The foundation believes that it is more effective to prevent (environmental and social) catastrophes from happening in the first place, than to fix catastrophes that are already there.

4. Climate and environmental interventions first

The 2050 Foundation exclusively supports projects that (also) have a long term climate and environmental impact.

Climate change and biodiversity loss are irreversible and will have a negative impact on the wellbeing of mankind for millennia and will negatively affect billions of children. As such, this focus on climate and environment is considered to be a

social intervention that improves the lives of many generations to come.

5. Impact quantification first

The 2050 Foundation supports interventions that provide or support improved impact assessment, enabling others to maximise their impact on society. Projects without a very specific quantitative element fall outside the scope of the foundation.

6. High risk, high reward

The 2050 Foundation specifically targets interventions that have a (very) high risk, high reward profile.

The 2050 Foundation does not depend on public donations. If an intervention fails, we only have to justify this to ourselves – and learn how we can do better next time – and this does not affect our future funding. Therefore the 2050 Foundation is better positioned than other NGOs to fund interventions with a high risk of failure.

These criteria provide the necessary focus required for the 2050 Foundation to operate effectively. It also positions the 2050 Foundation within a domain where few other NGOs operate, which increases the counterfactual impact accomplished by the 2050 Foundation.

Criteria are leading for every funding request

These criteria are the result of a careful consideration of the specific intellectual and financial resources available to the 2050 Foundation. This is where we believe the 2050 Foundation can make the biggest difference and the 2050 Foundation therefore does not consider any projects that fall outside the aforementioned scope.

This decision is not a value judgement nor do we believe that our interventions / criteria are “better” than interventions pursued by other NGOs. Aucontrarily: we acknowledge that many other interventions are needed to transition to a fair and sustainable society, including interventions that have no counterfactual impact or focus on short term and direct results.

In short: the 2050 Foundation applauds everyone who strives for a more sustainable society including interventions that fall outside our criteria. But other organisations are better equipped to fund those interventions, and the 2050 Foundation focusses elsewhere.

Governance of the 2050 Foundation

The board of the 2050 Foundation currently (february 2023) consists of Eva de Jong (chair), Stan van Wingerden (secretary) and Martijn Kaag (member and founder).

Eva de Jong graduated from the Rotterdam School of Management (Msc) and has since developed into an experienced director in the non-profit sector. In 2022, Eva was recruited as chairman of the 2050 Foundation for her expertise in finance and her no-nonsense mentality of getting things done. In her other management roles, Eva oversees a budget of well over 100 million euro and previously she built and managed a nonprofit with over tens of millions of assets under management.

Stan van Wingerder graduated from the University of Amsterdam (Msc) in both theoretical physics and philosophy. He has been an active participant and board member of effective altruism Netherlands and applies [earning to give](#) as co-owner of a cryptocurrency trading company. Stan was introduced to the 2050 Foundation by Effective Giving to uphold the principles of effective altruism within foundations' policy. Stan has the decisive vote in all research programs funded by the 2050 Foundation.

Martijn Kaag graduated from the Erasmus University in financial econometrics and from Rotterdam School of Management. As a software engineer, Martijn founded the company Connectis, which has been acquired by private equity in 2020. A substantial part of the proceeds of this exit have been donated to the 2050 Foundation, as is explained in more detail in the document below.

The board is actively seeking to expand its base with one or two additional members to complement its expertise in academic research programs.

Each member has one vote, where the chair has a decisive vote if a vote is tied. Board members do not receive remuneration for their board membership.

Expenditures of the 2050 Foundation

The current (February 2023) liquidity available to the 2050 Foundation is 500,000 euro. The board of the 2050 Foundation has reserved this budget to fund scientific research concerning the most effective policy regarding the use of carbon offsets. Further details of this project – including a project website – will be released in Q2 2023.

This research will be carried out by (Dutch) universities. It is expected that at least 400,000 euro will be made available through grants to universities during 2023 and 2024.

The (other) operational costs of the foundation are limited to administration costs and insurance, which totals to less than 2500 euro per year.

Funding of the 2050 Foundation

The 2050 Foundation was founded in 2017 by Martijn Kaag after selling a majority share of his company, Connectis. All capital provided to the 2050 Foundation has been donated by Martijn Kaag and there is no intention to seek funding elsewhere.

Since the 2050 Foundation is a Public Benefit Organisation (ANBI), the board of the 2050 Foundation believes that it is appropriate to provide full transparency about the context, structure and fiscal consequences of the funding provided by Kaag to the foundation.

Context

The context of the donations of Kaag to the 2050 Foundation started nearly 20 years ago. As a student, Kaag started several non profit initiatives that were funded by outside donations. The dependency on outside donations made long term planning challenging, and Kaag felt that this was limiting his ability to have a positive impact on the world. After careful consideration of a career in the nonprofit sector, Kaag decided to [earn to give](#).

In 2008, Kaag founded his company Connectis and made the statutory commitment to share the acquired wealth. The capital provided to 2050 Foundation is a fulfilment of this commitment, and Kaag has pledged to donate the most of his remaining and future wealth to 2050 Foundation during his lifetime. Among other things, the 2050 Foundation is listed as the beneficiary in his will and testament.

Structure

In 2019, Kaag and the 2050 Foundation agreed upon the structure through which wealth would be transferred to the 2050 Foundation. Approval has been granted by the Dutch tax authorities in 2020 and, in accordance with Dutch tax rules, the wealth will be transferred in five yearly instalments (2022 through 2026).

The subject of the donation is the investment company 2050 Capital B.V. After 2026 the 2050 Foundation has full economic ownership of 2050 Capital B.V.. This means that all dividends from this company will only benefit the 2050 Foundation, and are no longer part of the personal wealth of Kaag.

The capital of 2050 Capital B.V. is fully invested, mostly in long term impact/social investments. This aligns perfectly with the vision of the 2050 Foundation that (private) enterprises are key to a sustainable society. In turn, the financial returns on these investments support the philanthropic mission of the foundation.

As a consequence of the transfer of 2050 Capital B.V. to the 2050 Foundation, the foundation has also become the majority shareholder in Metrics Matter

(www.metricsmatter.com), a company founded to provide the world with the metrics it needs for the transition to a sustainable society. This, too, aligns well with the mission of the 2050 Foundation.

Fiscal consequences

The 2050 Foundation is registered as a Public Benefit Organization (ANBI) which comes with certain specific fiscal consequences. Also taking into account the recent debate in the Netherlands regarding this regulation, Kaag and the 2050 Foundation feel that it is appropriate to provide full transparency on the fiscal consequences.

Transfer to 2050 Foundation

The value of 2050 Capital B.V. at the time of donation was 7.8 million euro and the economic ownership is transferred from Kaag to the 2050 Foundation in five yearly instalments of the economic ownership of 20% of the shares, valued (in basis) at 1.56 million euro per year.

As a consequence of the Dutch ANBI regulation, Kaag can subtract this donation from his taxable income. At the same time, transferring the shares to 2050 Foundation must be recognised as taxable income. Hence, every year from 2022 to 2026, this transaction results in 1.56 million of taxable income for Kaag, which is offset by a deduction of 1.56 million. The net effect on Kaag's total taxable income is close to zero.

If this would have been Kaag's only income, the tax benefits to Kaag would be non-existing. Because Kaag also has income from employment, a slight benefit is created as a consequence of the difference in tax rates from employment ("box 1" in the Netherlands) and income from substantial interest ("box 2" in the Netherlands)¹.

In the Netherlands, tax motivated donations to Public Benefit Organizations (ANBI) have recently been the topic of public and parliamentary debate. Given the absence of significant tax advantages to the donor, this discussion does not apply here.

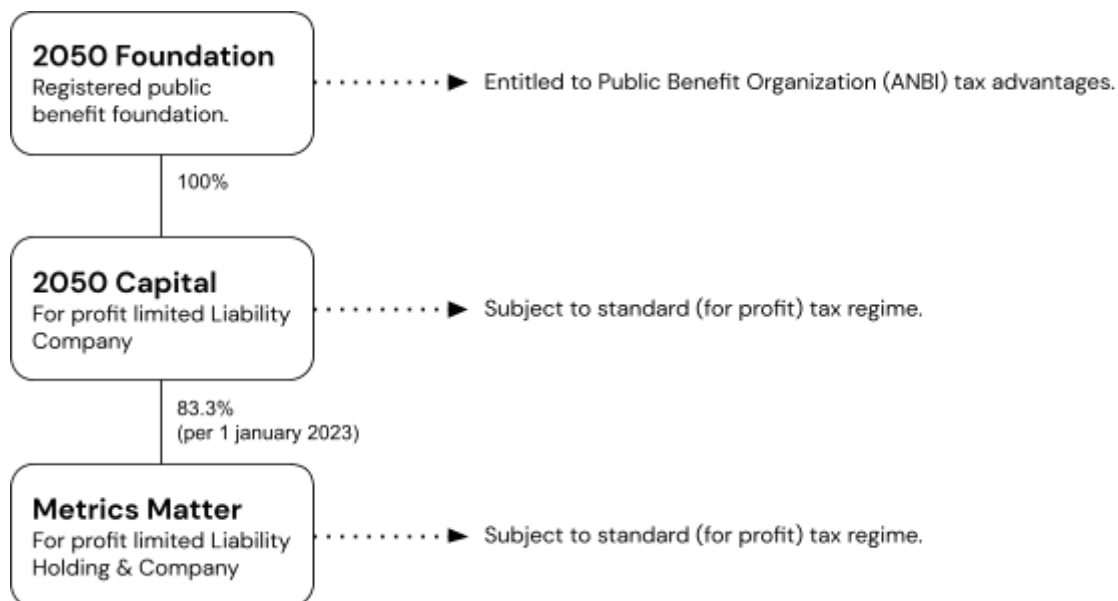
Kaag and the 2050 Foundation believe that transferring ownership of a company to a Public Benefit Organizations is a valuable tool for impactful and innovative change, and that this should co-exist with increased taxes on capital to fund the transition to a sustainable and fair society².

¹ In this specific scenario, this total tax advantage falls well below 1% of the donation to the 2050 Foundation, and is therefore relatively insubstantial. Yet in general, Kaag and the 2050 Foundation feel that this advantage is unnecessary, and in some circumstances improper. The 2050 Foundation advocates that a donation to a Public Benefit Organisation should not have any fiscal advantages nor fiscal disadvantages to the individual making the donation.

² Kaag supported www.intaxwetrust.org and other initiatives that advocate a fairer tax system.

Investment Management

The capital structure of the 2050 Foundation after completion of the transfer in 2026 is depicted in the figure below.



The holdings of the 2050 Foundation, including 2050 Capital B.V. and Metrics Matter, are limited liability companies that remain subject to the standard tax regime. As long as this capital remains within these companies, there are no tax advantages for either Kaag, the companies or the 2050 Foundation.

Philanthropic Capital

2050 Capital provides philanthropic capital to the 2050 Foundation through dividend payments. As a consequence of the ANBI regulation, these dividend payments are not subject to income tax. This tax advantages benefits (only) the mission of the 2050 Foundation, and the expenditures of the foundation are subject to the restrictions and reporting requirements of the ANBI regulation.

These expenditures are managed by the 2050 Foundation, in which Kaag has a single vote (out of three current board members) and therefore no controlling influence. The 2050 Foundation provides full transparency on all projects funded by the foundation.

Capital available to 2050 Foundation

In 2022, 2050 Capital B.V. has provided 500,000 euro to the 2050 Foundation for its philanthropic mission. Further dividend payments are considered after each liquidity event on the investments managed by 2050 Capital. Returns on the endowment / seed capital ("stamvermogen" in the Netherlands) will be available for the mission of 2050 Foundation.

Other information

The 2050 Foundation is a registered Public Benefit Organization (ANBI) in the Netherlands with registration number [8581.49.667](#) (RSIN).

Postal address

2050 Foundation
Koepellaan 6
2061 CV Bloemendaal
The Netherlands

E-mail

info@2050.foundation

Website

www.2050.foundation