

Overview of ESG Impacts on Energy Infrastructure

*UTCLE Oil & Gas Institute
Gas and Power Studio Webcast
December 11, 2020*

MODERATOR:

John Arnold, Locke Lord L.L.P.

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Overview of ESG Impacts on Energy Infrastructure

WHAT IS AND HOW BIG IS ESG?

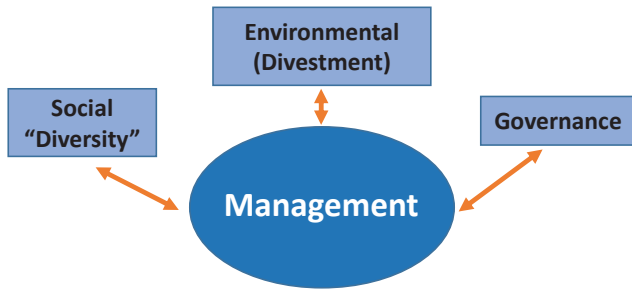
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How ESG Works

Corporate level - influencing board rooms and management

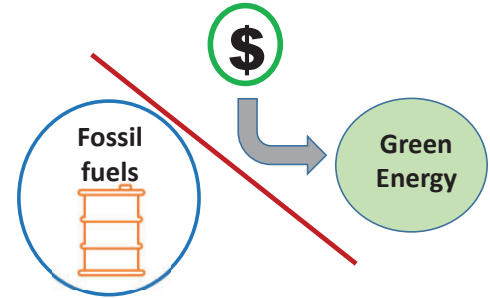


- Inserts political agendas into commercial enterprises
- Inherent tension fiduciary responsibility to the shareholders / public pensioners

Results

PROFITS? JOBS? HUMAN FLOURISHING?

Collaborative political pressuring of investors and capital providers



- Potential to create significant discrimination against domestic fossil fuels (Russia, China and OPEC win)
- Subsidies and distortions already compromising the marketplace and misused ESG could exacerbate distortions.

Results

↓ RELIABILITY ↓ DEPENDABILITY ↑ COSTS

ESG Growth

Top Ten Holdings of all ESG ETFs by Portfolio Allocation

Microsoft	~4.5%
Alphabet	~2.2%
Procter and Gamble	~1.8%
Apple	~1.7%
Home Depot	~1.6%
NVIDIA	~1.5%
Tesla	~1.4%
Novo Nordisk	~1.3%
Walt Disney	~1.2%
Pepsico	~1.1%

Growth in ESG ETF AUM USD Billions

Year	AUM (USD Billions)
2010	5
2011	4
2012	4
2013	5
2014	6
2015	7
2016	9
2017	16
2018	21
2019	60
1H20	87
2024e	230
2029e	585

Source: Massif Capital, Morgan Stanley, Morningstar, Blackrock

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WHERE IS ESG HEADING?

PANELIST:

Mike Nasi, Jackson Walker LLP

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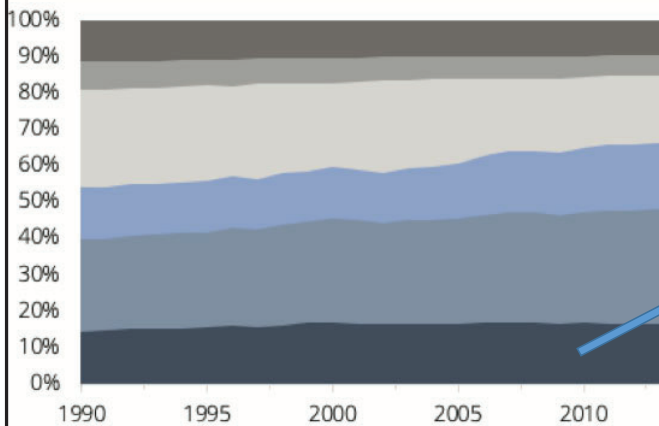


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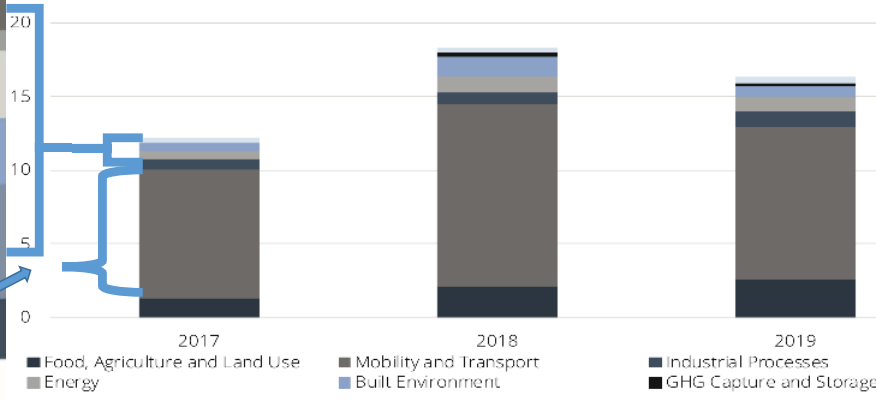


Most ESG Investment Has Little to Do with Solving "Problem"

Sources of Global Green House Gas (GHG) Emissions Over Time



VC Investment in Climate Tech Investment in Billions of USD



Source: Massif Capital, PWC, Dealroom

- All Transport
- Industry, Manufacturing & Construction
- Buildings

- Electricity
- Ag and Land Use
- Waste and Misc

Source: Massif Capital, CAIT Climate Data Explorer via Climate Watch

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First appeared as part of the conference materials for the
2020 Hot Topics in Gas and Power session

"Environmental Challenges and Impacts on Energy Infrastructure "