

# Overview of ESG Impacts on Energy Infrastructure

*UTCLE Oil & Gas Institute  
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## MODERATOR:

John Arnold, Locke Lord L.L.P.

## PANELISTS:

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# Overview of ESG Impacts on Energy Infrastructure

## WHAT IS AND HOW BIG IS ESG?

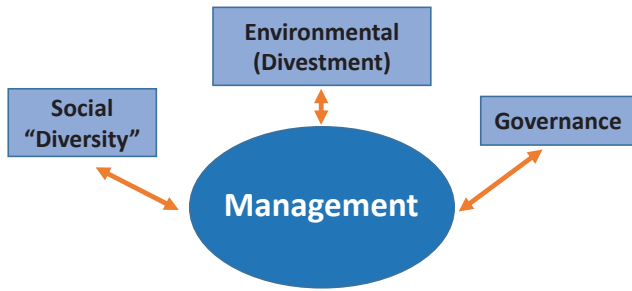
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# How ESG Works

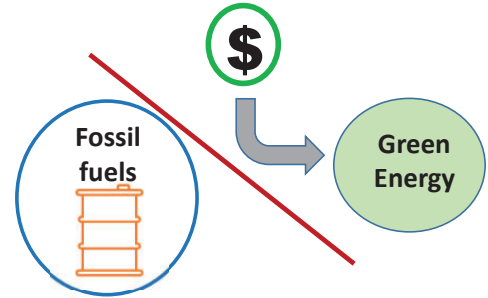
Corporate level - influencing board rooms and management



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



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.



## ESG Growth

### Top Ten Holdings of all ESG ETFs by Portfolio Allocation

Company	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	385

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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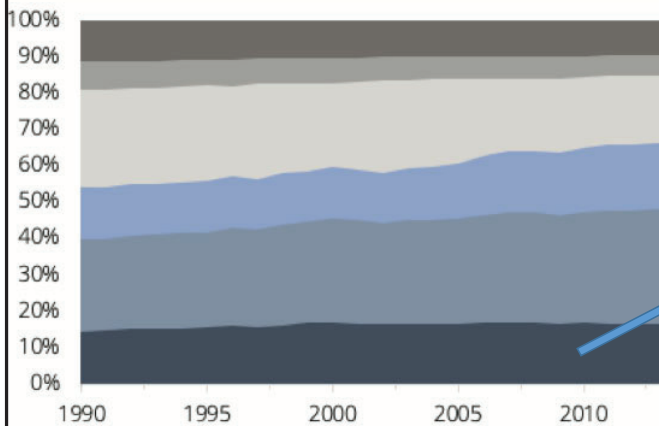


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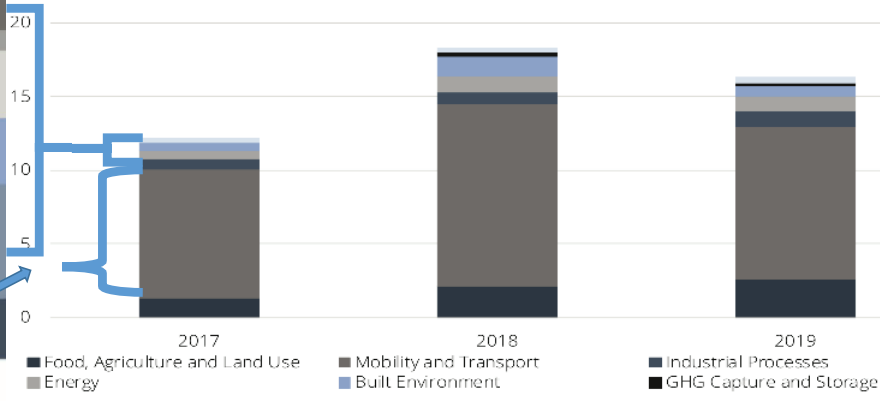


## Most ESG Investment Has Little to Do with Solving "Problem"

### 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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