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ESG trends and clean energy in the Biden era

February 2021

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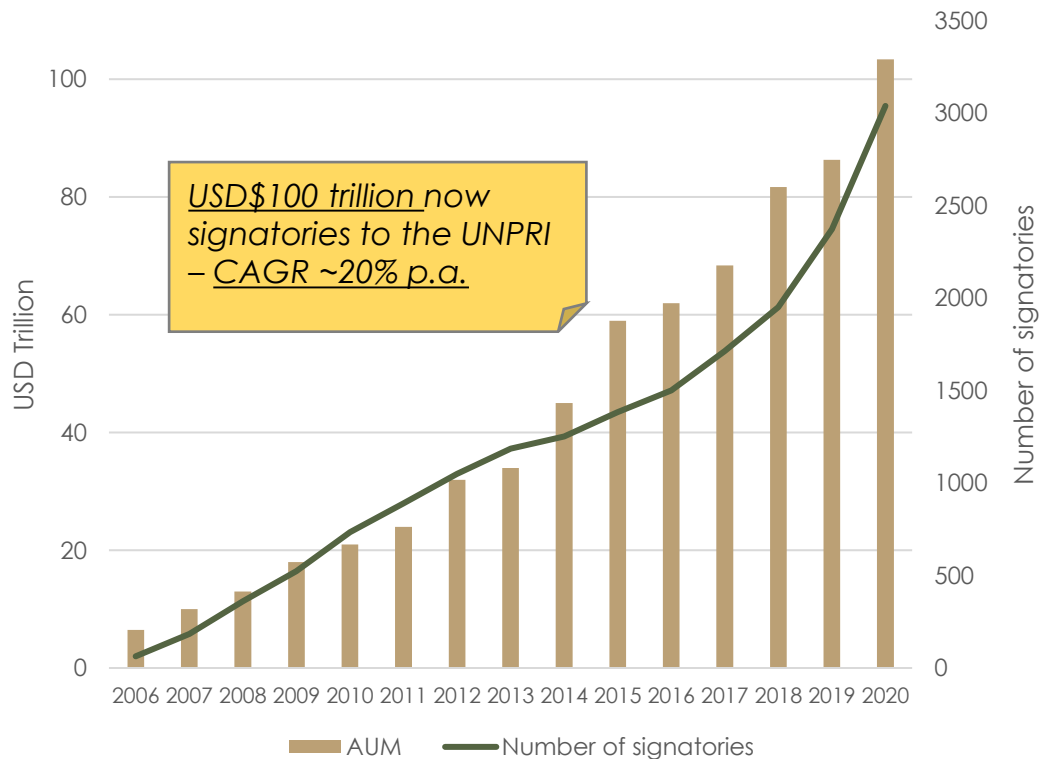
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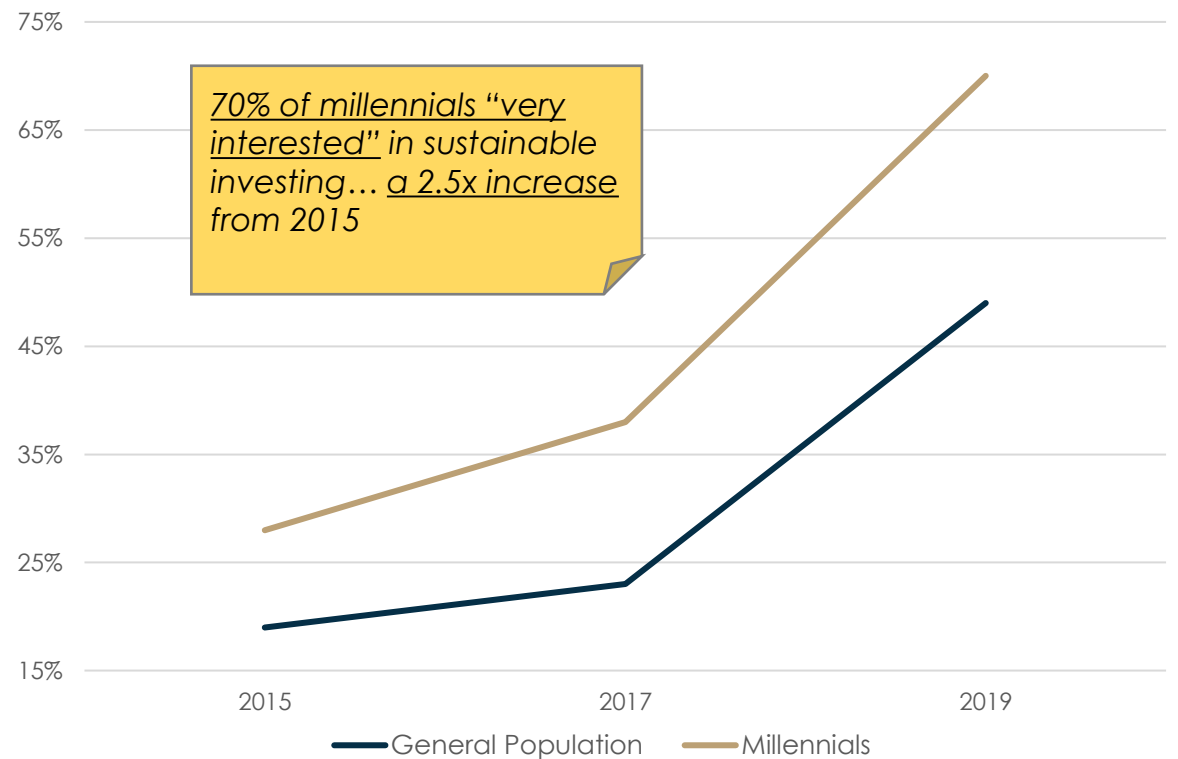
Investor and consumer attitudes

ESG focus being driven by a number of forces; notably institutional capital and consumer attitudes....

**United Nations Principles for Responsible Investment Signatories
Gross Assets Under Management (AUM)**



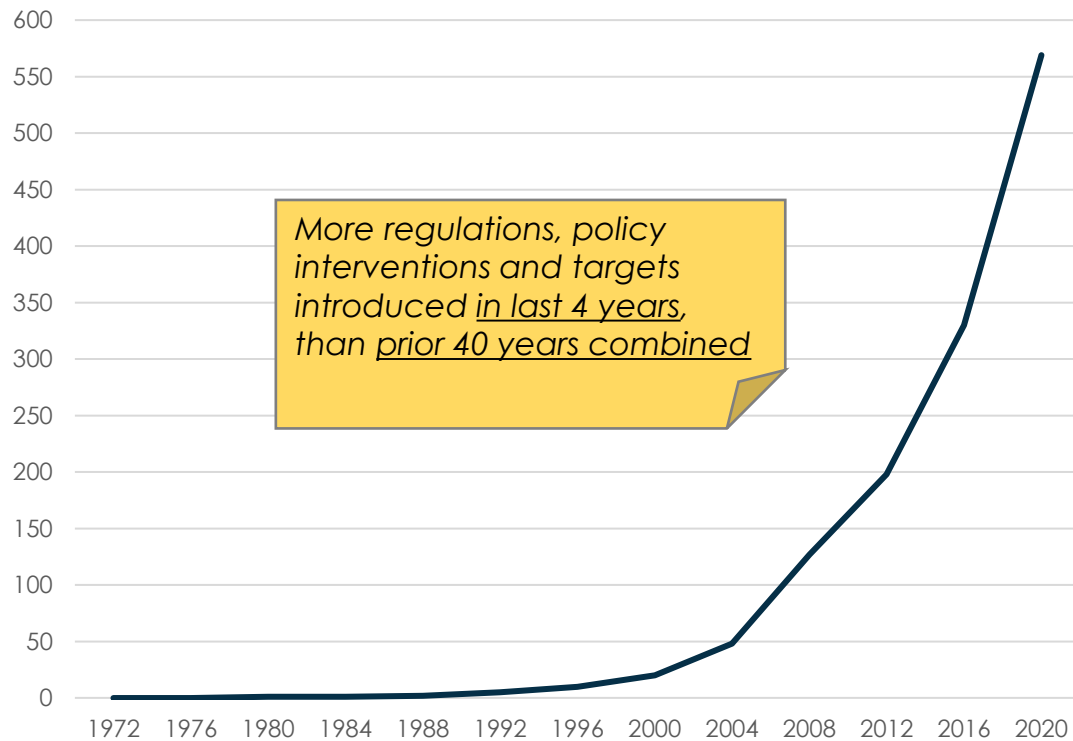
% consumers “very interested” in sustainable investing



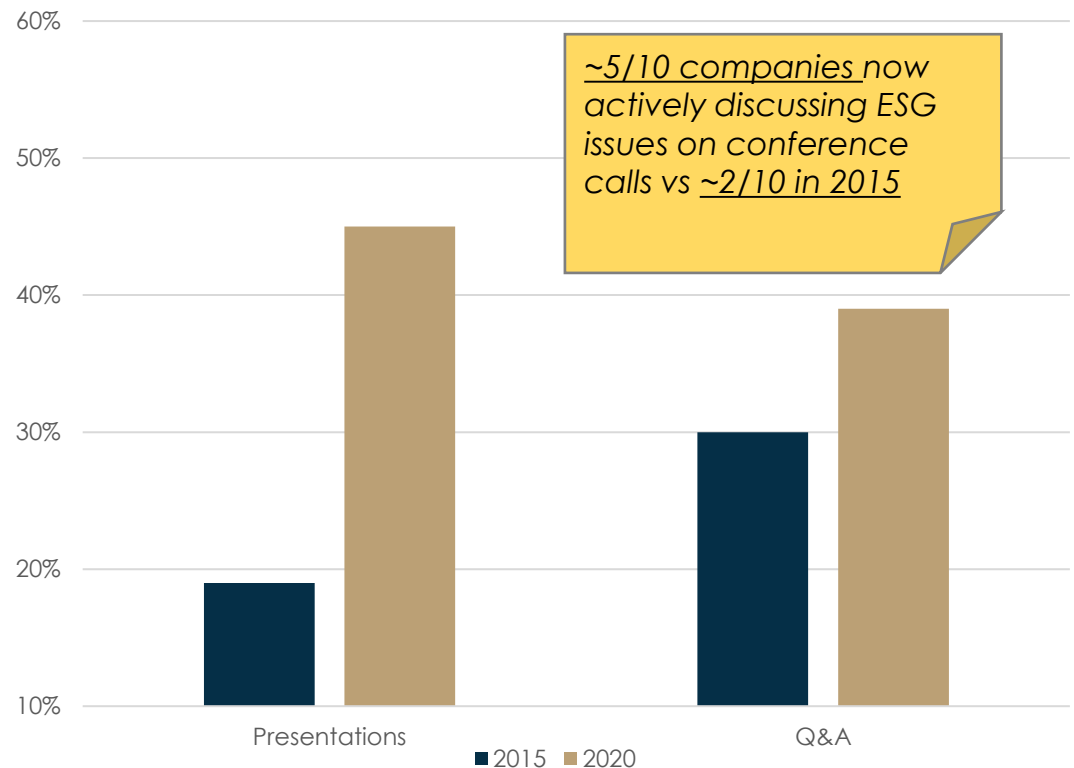
Regulation and corporate response

...and now we are seeing regulators and corporates responding in kind

Number of global ESG policy interventions per year (cumulative)



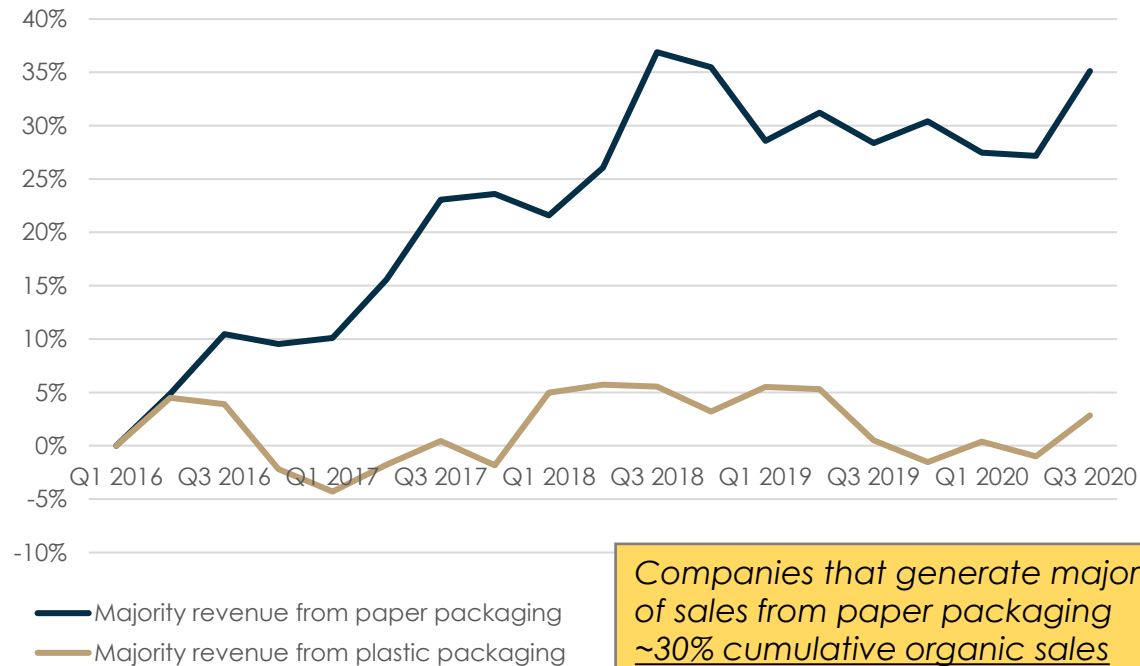
Number of global top 100 companies referencing ESG and sustainability data in conference calls



Risk and reward

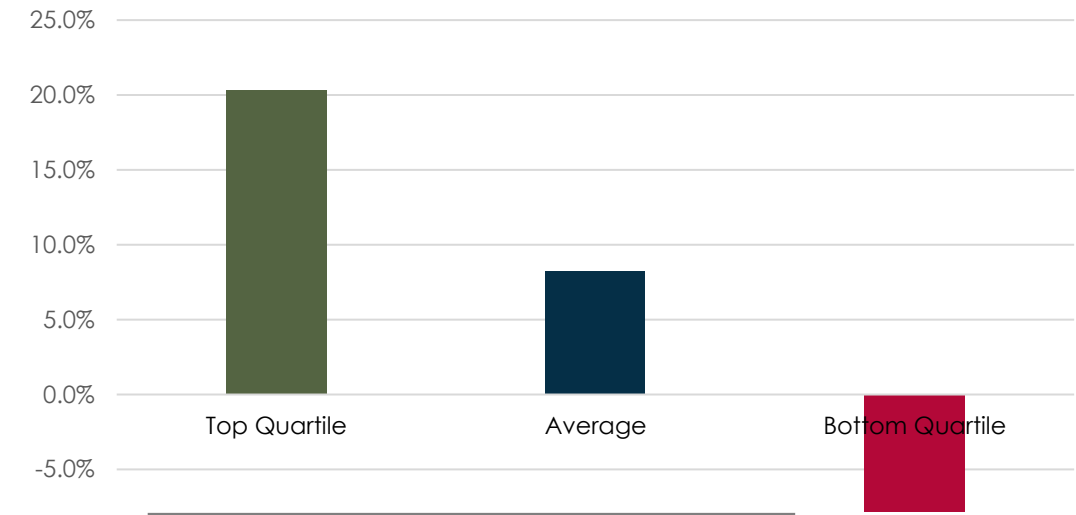
The consumer and investor focus on sustainability is creating risks... but also opportunities

Average organic sales growth (indexed to 100) of packaging companies with majority revenue from paper vs plastic based packaging (2016–2020)



Companies that generate majority of sales from paper packaging ~30% cumulative organic sales growth premium vs plastic over 5 yrs

2 year p.a. shareholder return of 20 largest Auto companies (by cars sold) ranked by 'clean energy opportunities' quartile



Autos with top quartile EV R&D expenditure + sales generated ~12% p.a. TSR above auto average and ~28% p.a. TSR above bottom quartile over last 2 years

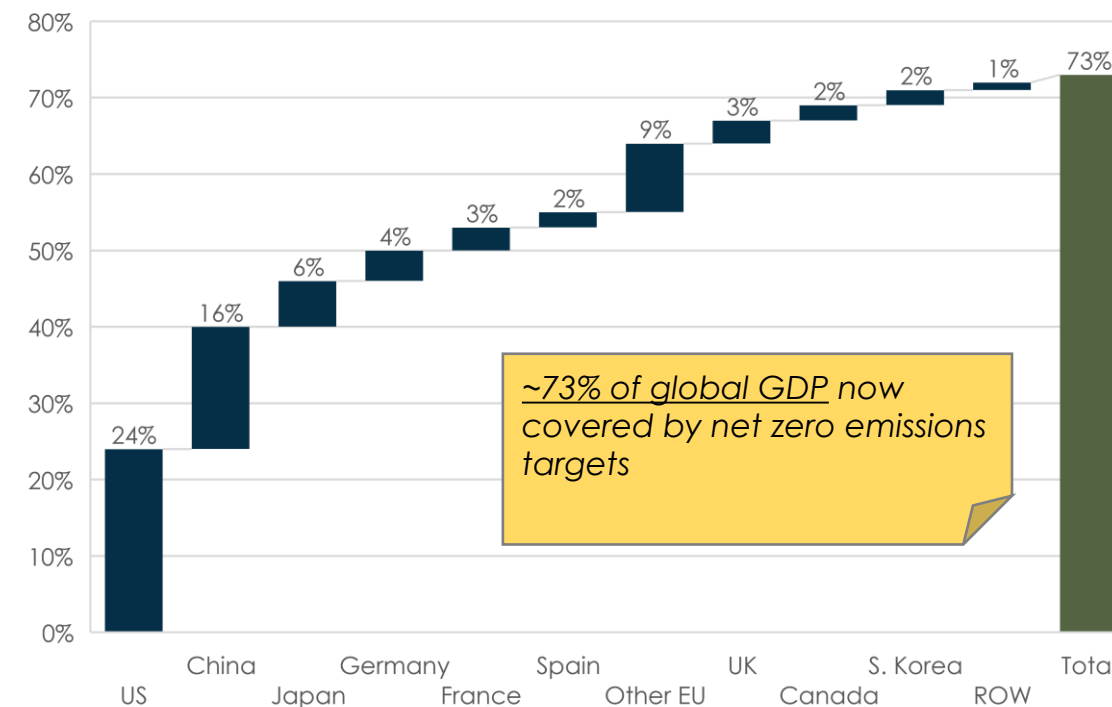
Policy targeting

Global policy targeting and stimulus are primarily targeting energy and transportation... but decarbonisation needs to be sequential – energy systems need to transition first

Notable global policy changes and support targeting energy transition introduced in 2020

Type	Location	Timeframe
'Green New Deal'	EU	2030
Ban on new sales of petrol and diesel cars	UK	2030 (brought forward from 2035)
Boost installed capacity of wind/solar to 1,200 GW	China	2030
Reduce emissions in energy sector to zero	USA	2035

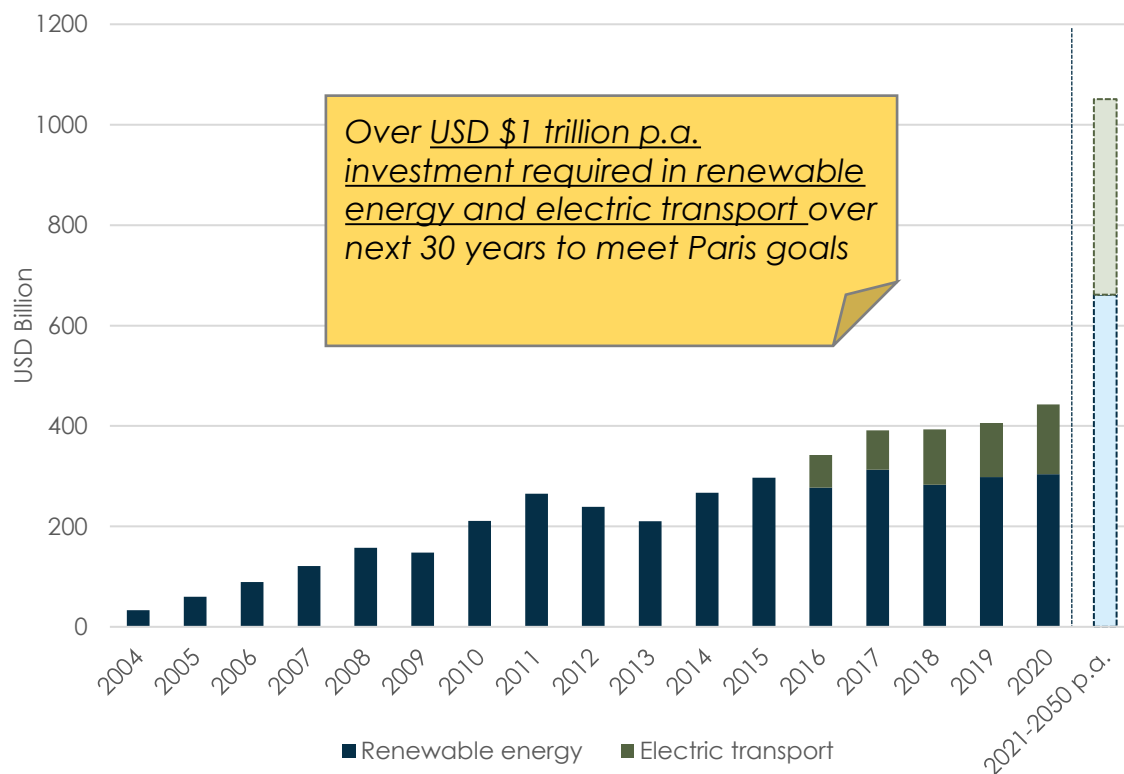
Global GDP covered by Net Zero Pledges



Green energy

To transition and meet the Paris agreement, the global investment in clean energy and electric vehicles will be multiples of that currently occurring. Resource demand to meet this will be significant.

Global investment in clean energy and electric vehicles (2014-2020) + estimated required p.a. investment to meet Paris Agreement (2021-2050)



Dominance of China in energy transition supply chain

Mineral	Key energy usages	China % of global market [production or finished goods] (2019)
Rare Earths (e.g. Dysprosium, Neodymium, Praseodymium)	Wind turbines, battery storage	~80%
Lithium, Cobalt, Manganese, Nickel	Battery storage	~50-90%
Graphite	Solar panel manufacturing, Battery storage	~64%
Vanadium	Alternative batteries, Nuclear power	~56%