


## A framework for evaluating ESG claims:

|   | Category 1   | Category 2  | Category 3   |
|---|--|---|--|
| Alignment between financial objectives and public & social good |  <p><i>High</i> <span style="float: right;"><i>Low</i></span></p>  |   |  |
| Examples  | <ul style="list-style-type: none"> <li>• Electric vehicles</li> <li>• Solar panels</li> <li>• Offshore wind</li> </ul>   | <ul style="list-style-type: none"> <li>• Green hydrogen</li> <li>• Direct carbon capture</li> <li>• Industrial technologies</li> </ul>  | <ul style="list-style-type: none"> <li>• Broadly speaking, many “Social” topics (affordable housing, education, etc.)</li> </ul>   |
| Availability of private capital                                 | <ul style="list-style-type: none"> <li>• Significant private capital available</li> <li>• Attractive financial returns</li> <li>• Technologies are scalable, risk is low</li> </ul>  | <ul style="list-style-type: none"> <li>• Moderate private capital available</li> <li>• Unclear financial returns</li> <li>• Depends on investment thesis of party</li> </ul>  | <ul style="list-style-type: none"> <li>• Limited private capital available</li> <li>• Unattractive financial returns</li> <li>• Requires significant financial trade-offs</li> </ul>   |
| Implication   | <ul style="list-style-type: none"> <li>• <b>Limited engagement required</b></li> <li>• Can rely on private sector to engage actively and further accelerate the solutions to tackle the issues that fall within this category</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Strengthen alignment</b> between financial objectives and public &amp; social good through greater engagement across segments (civil society, customers, advocacy groups, government)</li> <li>• <b>Drive down green-premium</b> of technology through cross-sector partnerships and big investors willing to take a risk to scale the solutions (e.g., Breakthrough Energy)</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Mandate private sector</b> engagement through regulation, market incentives (taxes/tariffs)</li> <li>• <b>Do not rely on private capital</b> – other segments prioritize these topics (non-profits, government, etc.)</li> </ul> |