



Navigating the Shift from Fossil Fuels: *Capital Realignment for the Energy Transition*

Wednesday, February 21, 2024

11:00 AM - 12:00 PM EST, 4:00 - 5:00 PM UTC



Chris Ito

CEO
FFI Solutions



Bruce Usher

Professor
Columbia Business School &
Columbia Climate School



David Root

Head of Client Engagement
FFI Solutions



Agenda

- **Welcome and Introductions**

- **Discussion:** Chris Ito and Bruce Usher

Challenges and opportunities in the shift away from a fossil fuel-driven economy

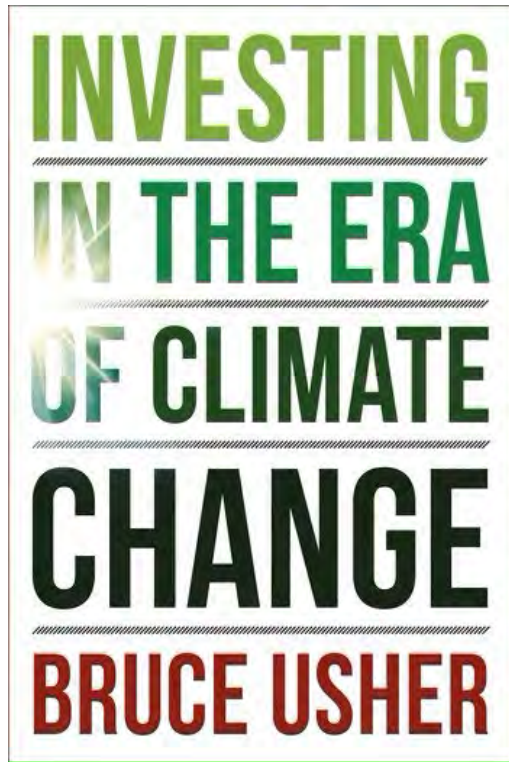
- **Demonstration:** David Root

FFI Solutions' Transition Intelligence Platform

Making informed capital allocation decisions on traditional energy companies

Bruce Usher

Professor, Columbia Business School & Columbia Climate School



Investing in the Era of Climate Change

Columbia Business School Publishing, October 2022

“A confluence of trends is driving capital away from fossil fuels and other polluting industries and toward companies and projects implementing climate solutions.

These trends are accelerating, providing the best and perhaps only remaining opportunity to avoid catastrophic climate change...

Like climate change, these trends have been slow to develop and poorly understood, but the momentum among investors is increasingly visible.

As Hemingway famously wrote, wealth will be won and lost ‘gradually and then suddenly.’”

Climate Investing Best Practices

- Beware of Greenwashing (intentional or not)
- The Trend is your friend
- Avoid businesses anticipating a change in human behavior
- It's better to be early than late
- All the normal investing rules still apply

The Transition Away From Fossil Fuels is Beginning

The energy sector is a main focal point for exploring portfolio decarbonization, but most investor tools for analyzing transition contain biases, and are limited in terms of industry-specific data and functionality



Divergent Transition Strategies

Fossil fuel companies are responding to the energy transition in different ways, with varying levels of commitment and actions that, to date, generally imply a belief in continued demand.



“Unbiased” Data & Ratings

Investors need more nuanced information on individual companies to make informed decisions that reflect their own unique views on the nature and pace of the energy transition and what constitutes the “right” transition strategy.



COP28 Agreement to “Transition Away”

COP28 signaled the global acknowledgement of the need to transition the global economy away from fossil fuels, which will cause investors to further scrutinize transition plans of traditional energy companies.

Institutional investors are taking stock of energy companies’ transition activities and considering non-binary approaches to addressing fossil fuel exposure in their portfolios.

Transition Intelligence Platform

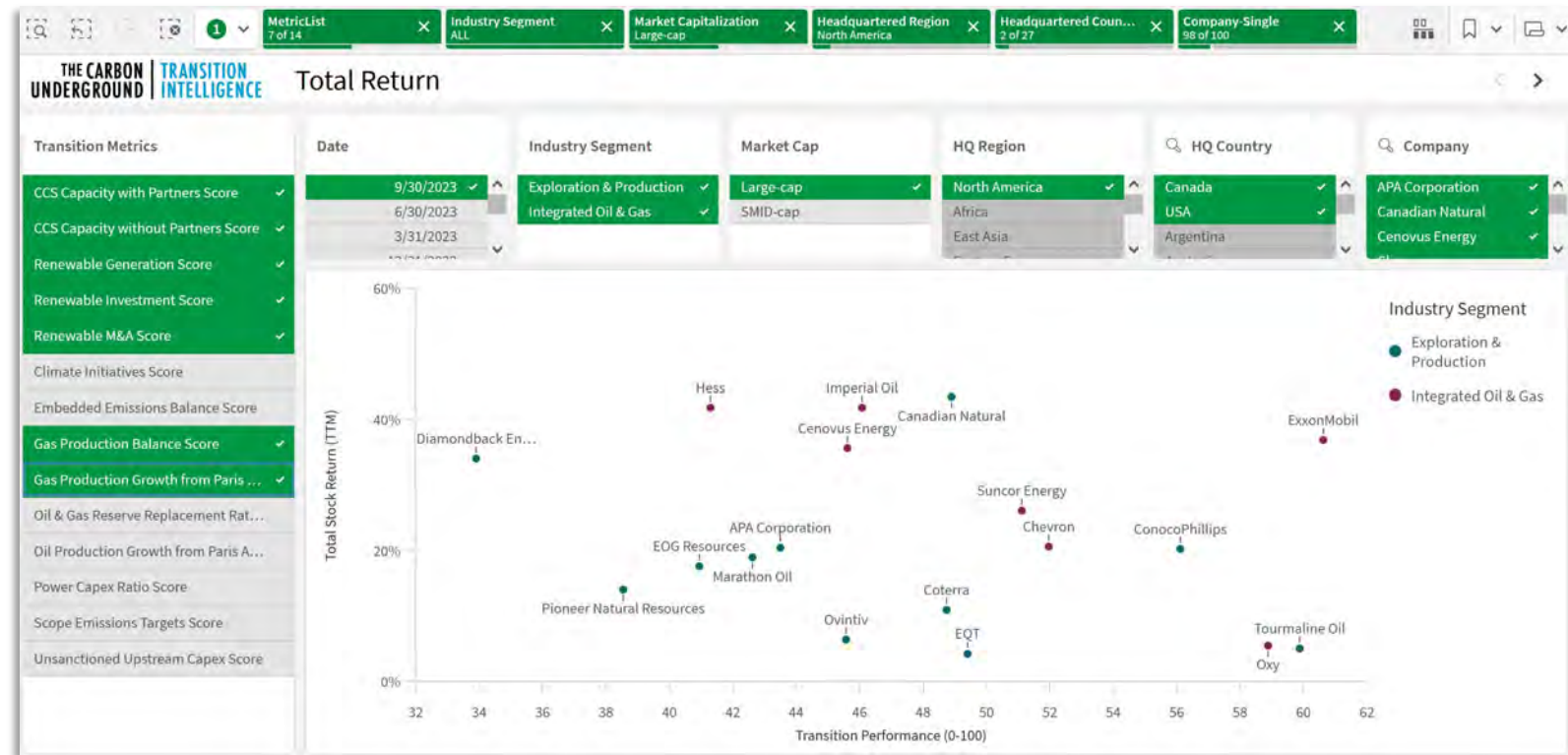
Our cloud-based analytics enable user-defined assessments of energy company transition plans that integrate investors' views on the energy transition

- Over 25,000 data points
- 12 key metrics
- Fully Transparent

Create baskets to evaluate investment opportunities among peers.

Select transition metrics and analyze companies based on *your institution's views of:*

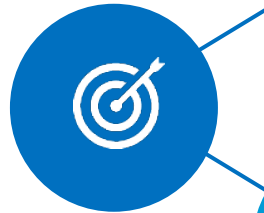
- Importance of industry-specific criteria
- Prospects for specific technologies
- Scale and pace of the energy transition.



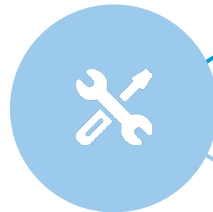
Sector-Specific Data & Metrics

Comprehensive coverage of the world's top publicly-listed fossil fuel reserves-owners that enables investors to monitor and evaluate how these key companies are transitioning to a low-carbon economy

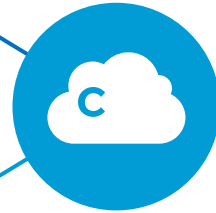
Emissions reduction commitments,
including timeframe, GhG Protocol coverage,
baseline year, and target basis



Fossil fuel and power **capex** trends
and IEA scenario alignment



Fossil fuel, clean energy and
cleantech **M&A** and **Investments**



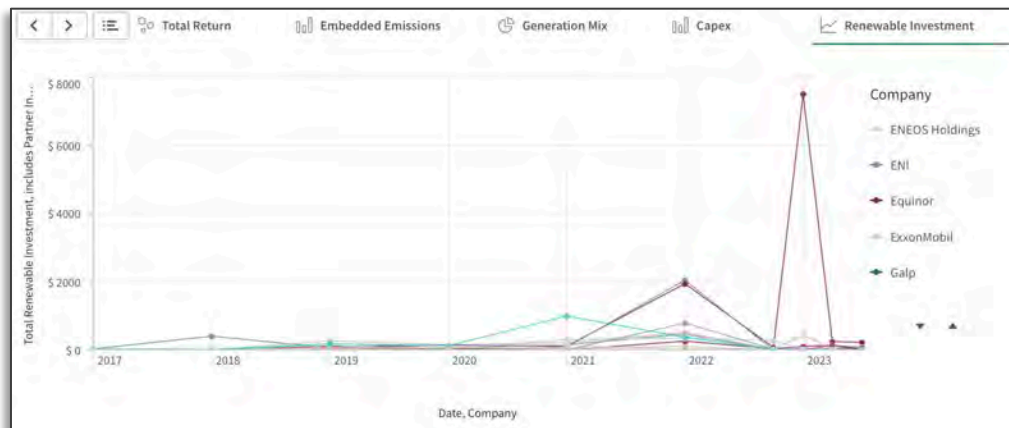
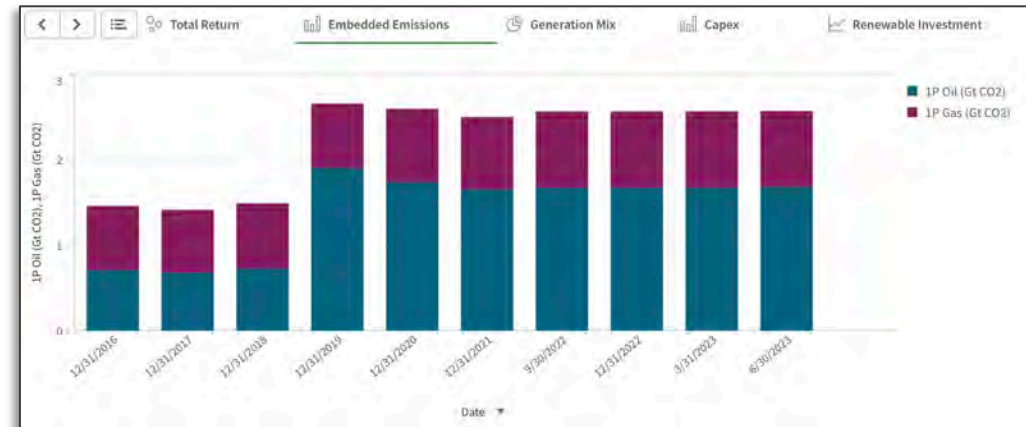
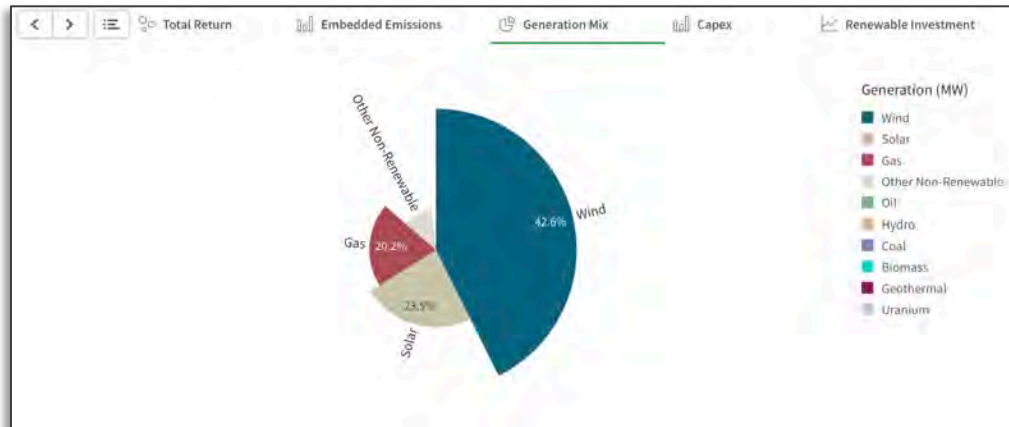
Fossil fuel **production**, **reserves** and
Scope **emissions trends**



Sustainability initiatives membership

Dynamic Visualizations Built on Rich Fossil Fuel Company Data

Covering assets, operations, investments, and corporate strategy



6/30/2023

Company	Climate Commitments	Scope Emissions Targets	Embedded Emissions Balance	Renewable Investment	Renewable Generation	Filtered Metrics Company Rank	Overall Company Rank
Chevron	98	92	47	38	46	1	34
Oxy	98	92	25	38	38	2	46
ExxonMobil	98	30	36	38	37	3	21
Suncor Energy	50	92	6	38	37	4	48
Hess	85	30	17	38	37	5	75
Cenovus Energy	50	30	14	38	37	6	81
Imperial Oil	50	30	6	38	37	7	82

Thank You for Attending

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