


NET-ZERO / "CLIMATE TECH": SUMMARY



- ❑ The issue is clear: anthropogenic CO₂ emissions (GHG¹) leading to heat trap in the earth's atmosphere, resulting in warming and greater climate volatility
 - ❑ The Paris Climate Agreement (2015) and increasing activism have put tackling carbon emissions front-and-centre; a broad-based technological, regulatory and financial movement is afoot to achieve Net-Zero² emissions – the “Carbon Economy”
 - ❑ This differs from historical efforts (esp. #1 “offsetting emissions”³) in that it is direct, broad (initiatives, geographies) and more reliant on self-sustaining enablement (vs. only governmental initiatives)
 - ❑ While #2 “reducing emissions” (renewable energy, energy efficiency, electrification) is deflecting the trajectory, they are insufficient (heat & transport) and facing their own challenges (storage)
 - ❑ #3 “eliminating emissions” (carbon-negative solutions) is back on the agenda via (increasingly viable) carbon capture, storage & utilisation (CCUS⁴)
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- ❑ A host of promising “eliminating” approaches (to complement nature-based sinks) are emerging, e.g. DAC⁵, BECCS⁶
 - ❑ There is a small but growing number of carbon-focused (“ClimateTech”) investment funds, but much of the current interest comes from generalist cleantech / sustainability / impact funds
 - ❑ “Carbon” alone isn’t yet a theme to drive M&A (exits) and few meaningful pure-play companies exist; however, as the subsector grows corporate activity will increase

¹ GHG = greenhouse gases; ² e.g. EU Green Deal (2019) Net-Zero by 2050; ³ e.g. EU ETS scheme; ⁴ carbon capture utilisation & storage; ⁵ DAC = direct air capture; ⁶ BECCS = bioenergy with carbon capture & storage (BECCS)