



CLIMATE AND GREEN ECONOMY FINANCING

Tracey A Weekes, FIA CFA

Manager, Financial & Strategic Investments

The National Gas Company of Trinidad and Tobago Limited



June 23, 2023

DISCLAIMER

This presentation contains information that is confidential to The National Gas Company of Trinidad and Tobago Limited and its affiliates (hereinafter “NGC”) and may not be reproduced or disclosed to any other entity or person, in whole or in part (whether in electronic, machine-readable format or otherwise), without the express prior written permission of NGC.

The information shared by NGC in this presentation shall be done on a without prejudice basis and without any liabilities to NGC whatsoever. The presentation has been prepared solely for information purposes only and shall have no legal effect. The information provided in the presentation shall not constitute or intend to constitute any acceptance of liability of any kind whatsoever by NGC. NGC shall have no liability whatsoever regarding the use of or reliance placed upon the information presented to any person present at this meeting or to whom the information is disclosed to.


NGC makes no representations or warranties, express or implied, as to the quality, accuracy and completeness of the information. Any action taken, opinions formed, or conclusions drawn by anyone on the basis of any or all such information shall be taken, formed, or drawn at the sole risk and expense of that person.



Climate Change **Impacts**

Climate Stressors


Higher temperatures



Changing hydrologic patterns



Rising sea levels



Hazards

Extreme heat events



Wildfires




Droughts



Inland flooding



Coastal flooding and erosion



Major Impacts

Public health risks




Damage to property and infrastructure



Life threatening events



Loss of biodiversity and impaired natural resources



What is **Climate Finance**?



It generally refers to **finance** for activities aiming to **mitigate** or **adapt** to the impacts of **climate change**

Why Climate Finance?



- To limit global warming
- to 1.5°C above pre-industrial levels
- requires clean energy and green infrastructure investments

US\$4 trillion annually by the year 2030





THE NATIONAL GAS COMPANY
OF TRINIDAD AND TOBAGO LIMITED

Climate Financing Key Insights

Global energy production is the main emitter of green house gases today.



75%

of greenhouse gas emissions caused by energy sector



83%

of primary energy comes from fossil fuels

To reach net-zero, clean energy must be massively scaled up.



505 GW

of new wind power needed per year by 2030



455 GW

solar PV needed per year by 2030

Unprecedented investment is needed to enable this transformation.



USD 4 T

investments in clean energy needed annually by 2030



~70%

of clean energy investments need to come from the private sector



25%

ADAPTATION

gets short-changed
in **climate finance**



PHOENIX PARK
GAS PROCESSORS LIMITED



LA BREA INDUSTRIAL
DEVELOPMENT COMPANY LIMITED



Trinidad and Tobago NGL Limited



NGC CNG
Company Limited






CORPORATION OF TRINIDAD AND TOBAGO

MEMBERS OF THE NGC GROUP OF COMPANIES

Subject to Disclaimer

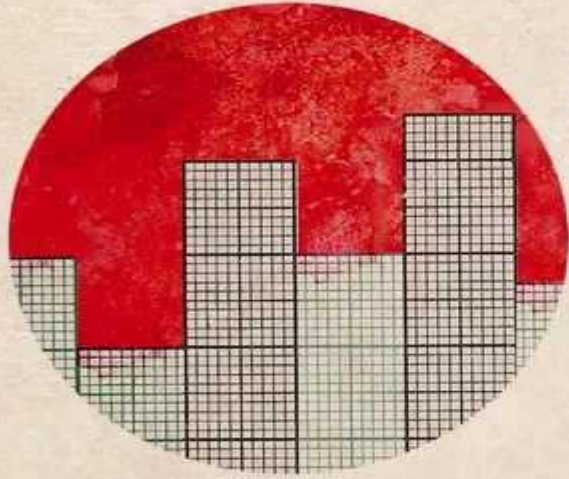
Clean Energy Outlook



Natural Gas	Petroleum	Coal
		
Composition: Carbon Hydrogen Nitrogen Sulfur Oxygen	Composition: Carbon Hydrogen Nitrogen Sulfur Oxygen Minerals	Composition: Carbon Hydrogen Nitrogen Sulfur Oxygen Minerals



GREEN ECONOMY=



**LOW CARBON
GROWTH**



**RESOURCE
EFFICIENCY**



**SOCIAL
INCLUSIVITY**



PHOENIX PARK
GAS PROCESSORS LIMITED



LA BREA INDUSTRIAL
DEVELOPMENT COMPANY LIMITED



Trinidad and Tobago NGL Limited



NGC CNG
Company Limited

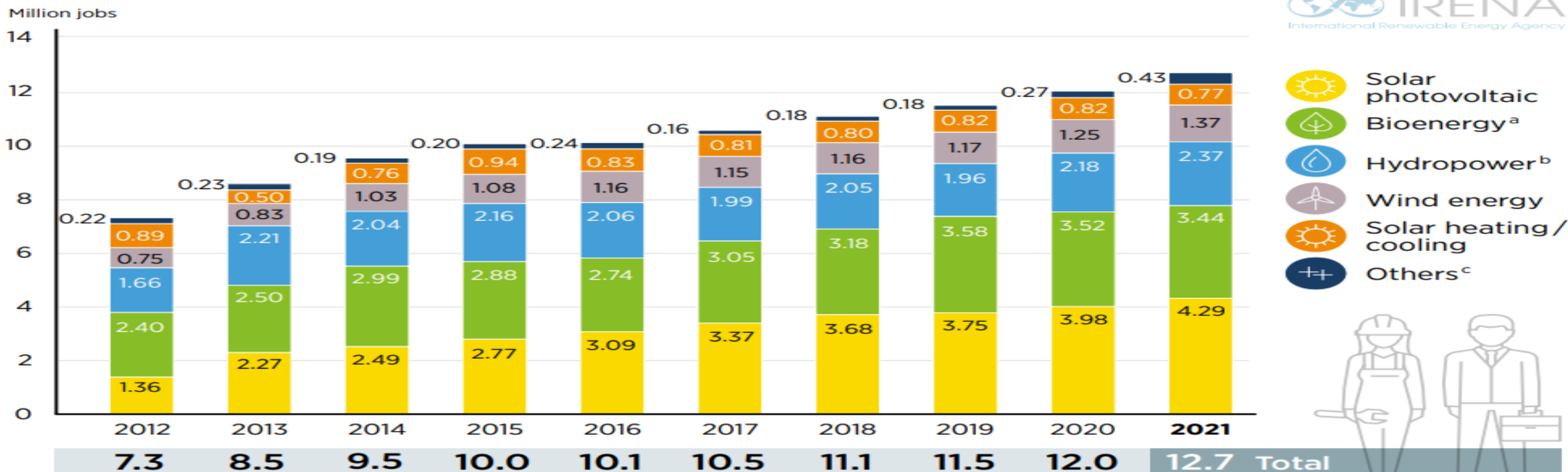


NATIONAL ENERGY
CORPORATION OF TRINIDAD AND TOBAGO

MEMBERS OF THE NGC GROUP OF COMPANIES

Subject to Disclaimer

Benefits of Green Economy



a Includes liquid biofuels, solid biomass and biogas.
b Direct jobs only.
c "Others" includes geothermal energy, concentrated solar power, heat pumps (ground based), municipal and industrial waste, and ocean energy.

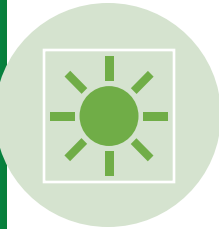
Source: IRENA jobs database.



MEMBERS OF THE NGC GROUP OF COMPANIES

Subject to Disclaimer

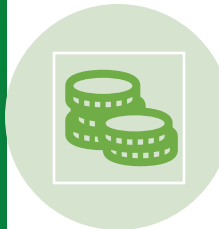
Financing the Green Economy



also known as
climate bonds



fixed-income
financial
instruments



used to **fund**
projects



provide **positive**
environmental
and/or climate
benefits





**THE NATIONAL GAS COMPANY
OF TRINIDAD AND TOBAGO LIMITED**



GREEN BONDS

MAIN USES



Renewable energy



Energy efficiency



Clean transportation



Responsible waste management



PHOENIX PARK
GAS PROCESSORS LIMITED



LA BREA INDUSTRIAL
DEVELOPMENT COMPANY LIMITED



Trinidad and Tobago NGL Limited



NGC CNG
Company Limited



CORPORATION OF TRINIDAD AND TOBAGO

MEMBERS OF THE NGC GROUP OF COMPANIES

Subject to Disclaimer

Green Bond Market – First Issuers



2007

EIB issued a **€600 million** bond with the focus on **renewable energy and energy efficiency**

2008

IBRD issued its first green bond for **US\$440 million**

2010, 2013

IFC issued an initial green bond in 2010 and a **US\$1 billion** bond in 2013

2020

Green bond market hits **US\$1 trillion**

2021

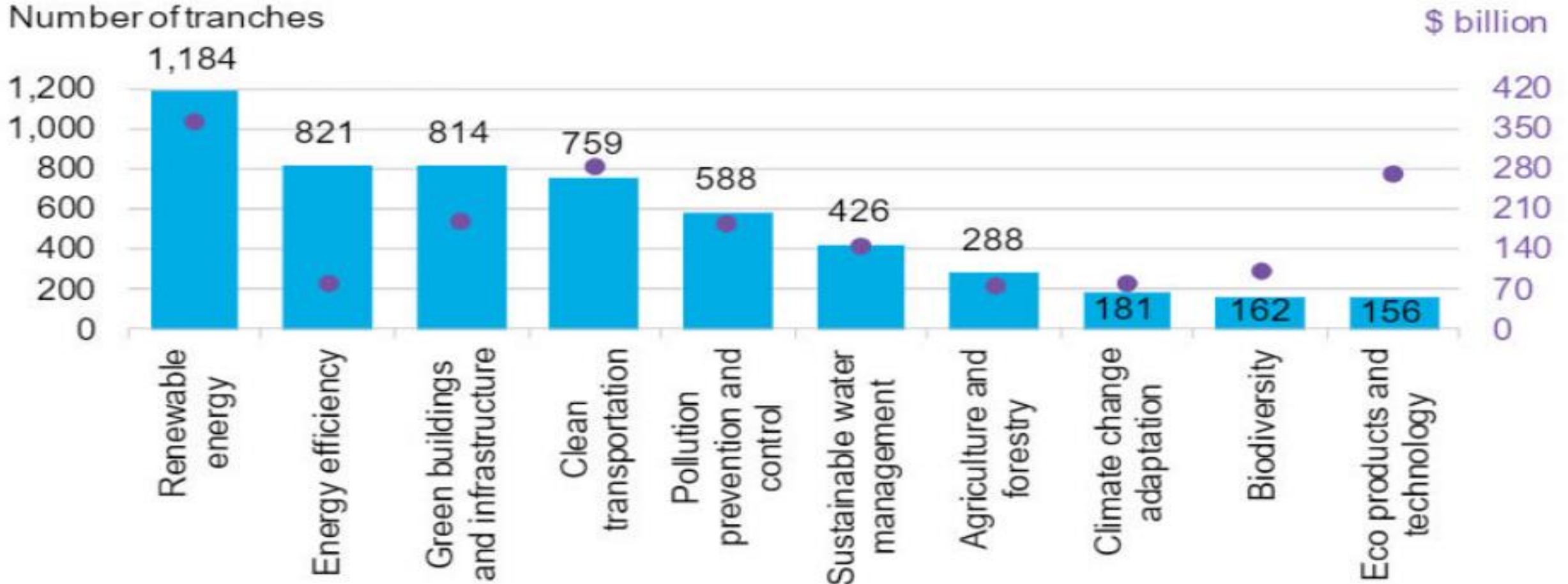
Green bond market hits **US\$1.5 trillion**





THE NATIONAL GAS COMPANY
OF TRINIDAD AND TOBAGO LIMITED

Green Bond Proceeds - 2022



MEMBERS OF THE NGC GROUP OF COMPANIES

Subject to Disclaimer

Green Bond Market - 2022



Issuer	\$bn
People's Republic of China	57.0
Federal Republic of Germany	26.4
European Union	26.0
French Republic	18.4
European Investment Bank	14.3
Kingdom of the Netherlands	13.0
United Kingdom of Great Britain and Northern Ireland	11.8
Fannie Mae	10.5
Republic of Italy	9.1
Republic of Korea	7.1

□ issuers:

- including **governments**
- **supranational institutions**, and
- **corporates** such as **institutional investors** and **financial institutions**
- Among corporate issuers **within the energy sector**
- **utility firms stand out as early adopters**
- motivated by their investments in renewable infrastructure
- **as part of their strategy to reduce greenhouse gas (GHG) emissions**

Source: BloombergNEF, Bloomberg LP. By parent issuer.



Key Benefits of Issuing **Green Bonds**



Broader Investor Base and Greater Demand

Issuers can diversify their bondholder base by attracting investors focused on being “green”



Enhanced Brand Image and Increased Visibility

Enhances image and brand awareness in a market



Reinforces Green Commitment and Increases Drive to Achieve Targets

Investors will require issuers to follow through on green goals



Possible Cost Savings

Given the high demand, these bonds are usually oversubscribed, which may result in better pricing



Encourages Formalisation of Green Goals and Policies

Issuers will be required to formalise green goals and policies





THE NATIONAL GAS COMPANY
OF TRINIDAD AND TOBAGO LIMITED

“GREENIUM”

- namely the **premium paid by investors** in green bonds vis-à-vis comparable conventional bonds
- is mostly driven by **increased demand from institutional investors** and
- **limited supply** from green bond issuers
- based on the logic that **investors are willing to pay extra or accept lower yields in exchange for a positive sustainable/environmental impact**



PHOENIX PARK
GAS PROCESSORS LIMITED



LA BREA INDUSTRIAL
DEVELOPMENT COMPANY LIMITED



Trinidad and Tobago NGL Limited



NCC CNG
Company Limited

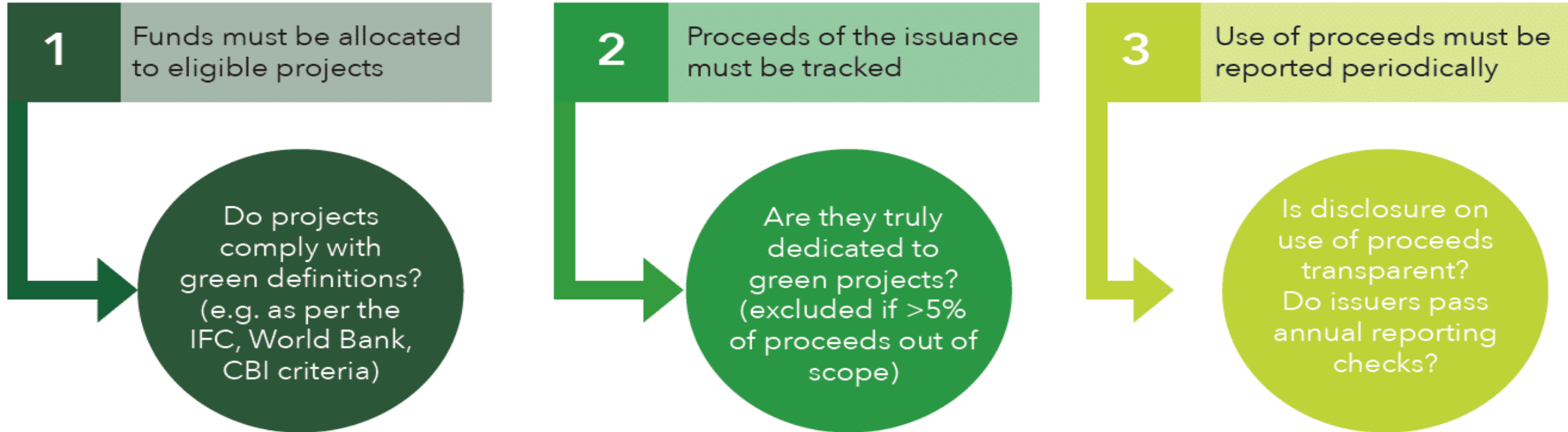


National Energy
CORPORATION OF TRINIDAD AND TOBAGO



Are your Bonds truly Green?

Source: International Capital Markets Association





❑ “Green” credentials have been **overstated**

❑ **Making false, misleading or unsubstantiated claims about the positive environmental impact of project**



DID YOU KNOW?

Greenwashing techniques



COLOURS

Definition
Using colours and images to suggest that the product is eco-friendly, when in fact there are very little differences

If it looks green, it's not necessarily green!

❑ “Green” credentials have been **overstated**

❑ **Making false, misleading or unsubstantiated claims about the positive environmental impact of project**



❑ **Social bonds fund projects** which provide access to **essential services, infrastructure and social programmes** to **underserved people and communities**, for example:

- ❑ **Access to essential services such as healthcare and education;**
- ❑ **Basic infrastructure such as clean drinking water, sanitation and electricity;**
- ❑ **Access to affordable housing; and**
- ❑ **Job creation and employment generation**





THE NATIONAL GAS COMPANY
OF TRINIDAD AND TOBAGO LIMITED



Sustainability bonds used to
**finance projects which bring
clear environmental and socio-
economic benefits**



PHOENIX PARK
GAS PROCESSORS LIMITED



LA BREA INDUSTRIAL
DEVELOPMENT COMPANY LIMITED



Trinidad and Tobago NGL Limited



NGC CNG
Company Limited



NATIONAL ENERGY
CORPORATION OF TRINIDAD AND TOBAGO

MEMBERS OF THE NGC GROUP OF COMPANIES

Subject to Disclaimer



THE NATIONAL GAS COMPANY
OF TRINIDAD AND TOBAGO LIMITED



Sustainability-linked bonds provide financing to issuers who commit to **specific improvements in sustainability outcomes**



PHOENIX PARK
GAS PROCESSORS LIMITED



LA BREA INDUSTRIAL
DEVELOPMENT COMPANY LIMITED



Trinidad and Tobago NGL Limited



NGC CNG
Company Limited

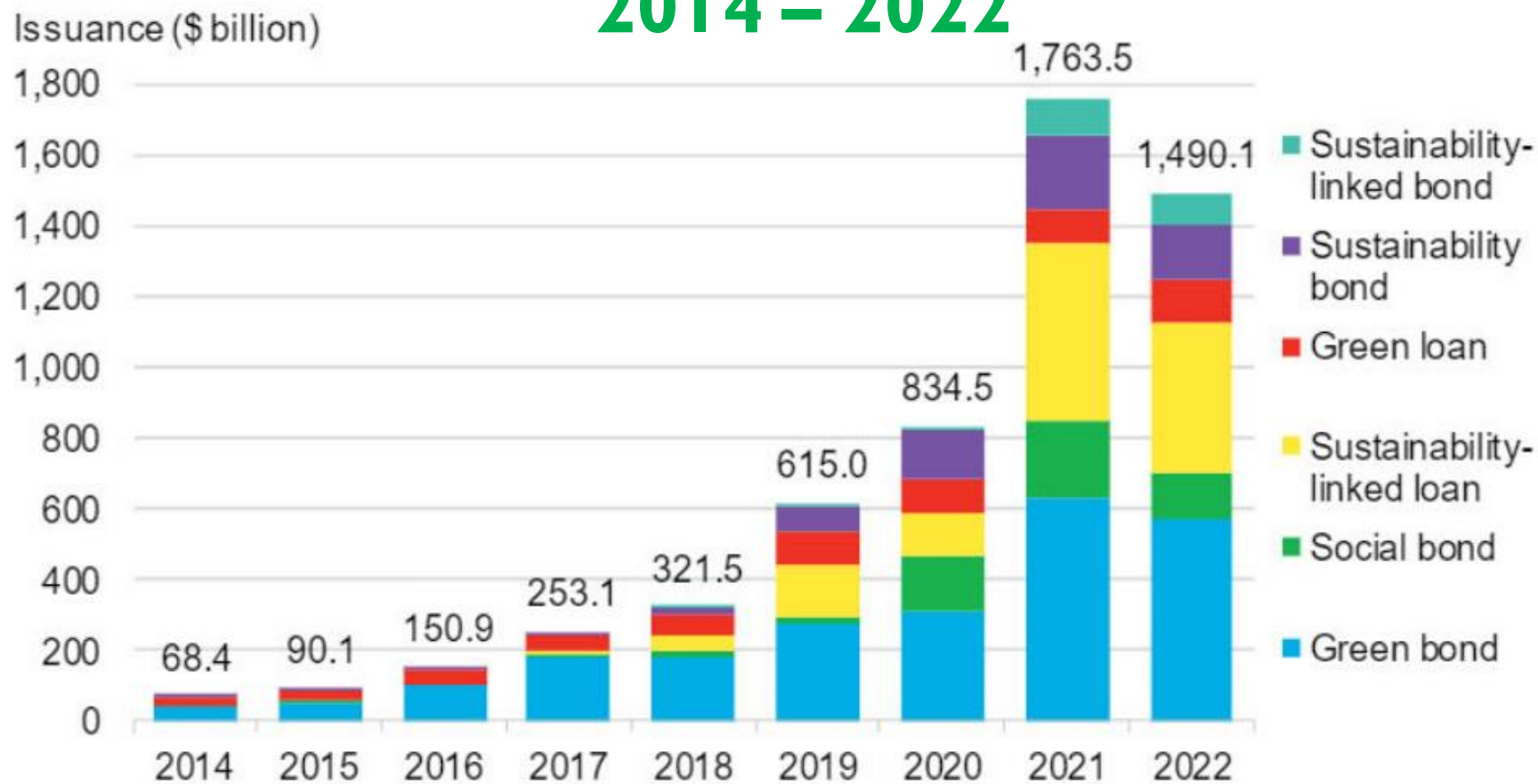


NATIONAL ENERGY
CORPORATION OF TRINIDAD AND TOBAGO

MEMBERS OF THE NGC GROUP OF COMPANIES

Subject to Disclaimer

Annual Sustainable Debt Issuance 2014 – 2022



Source: BloombergNEF, Bloomberg Terminal

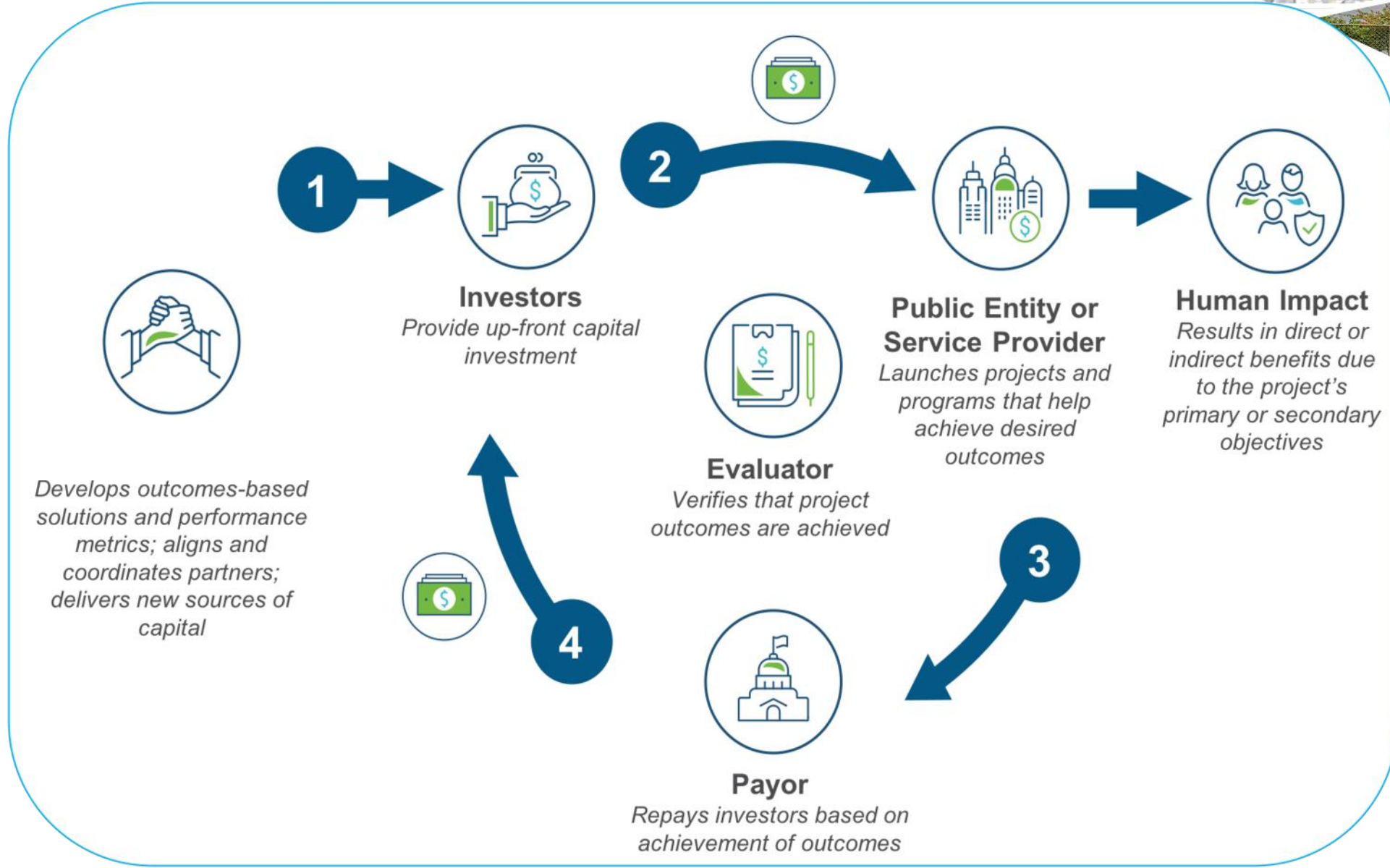


MEMBERS OF THE NGC GROUP OF COMPANIES

- The sustainable debt market has grown exponentially since 2014
- 2022 was the first year issuance declined year-on-year
- Green bonds continue to be the largest category, with **US\$571.9 billion** issued in 2022
- To-date, more than **US\$2.4 trillion-worth** of green bonds have been brought to market



“Pay for Success” Bond



Financing Commitments for Green Economy



Republic Financial Holdings

US\$200 Million

by 2025 to support actions that would help achieve major climate finance goals

Scotiabank.

US\$280 Billion

by 2030 to low-carbon, sustainable business

CREDIT SUISSE 

US\$336 Billion

of sustainable financing over the next 10 years

Goldman Sachs

US\$750 Billion

across investing, financing and advisory services by 2030



US\$400 Billion

in sustainable financing by 2025

citi®

US\$1 Trillion

to sustainable finance by 2030

JPMORGAN CHASE & Co.

US\$2.5 Trillion

To address climate change and sustainable development by 2030



PHOENIX PARK
GAS PROCESSORS LIMITED



LA BREA INDUSTRIAL
DEVELOPMENT COMPANY LIMITED



Trinidad and Tobago NGL Limited



NGC CNG
Company Limited

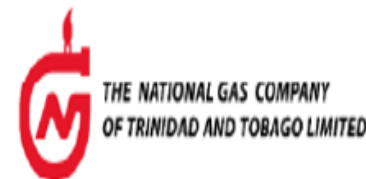


National Energy
CORPORATION OF TRINIDAD AND TOBAGO

Green Financing Partnerships



Government of the Republic of Trinidad and Tobago
MINISTRY OF PLANNING AND DEVELOPMENT



Where finance and green technologies meet





THE NATIONAL GAS COMPANY
OF TRINIDAD AND TOBAGO LIMITED

Any Questions



PHOENIX PARK
GAS PROCESSORS LIMITED



LA BREA INDUSTRIAL
DEVELOPMENT COMPANY LIMITED



Trinidad and Tobago NGL Limited



NGC CNG
Company Limited



National Energy
CORPORATION OF TRINIDAD AND TOBAGO

MEMBERS OF THE NGC GROUP OF COMPANIES

Subject to Disclaimer



CLIMATE AND GREEN ECONOMY FINANCING

Thank You!

Tracey A Weekes, FIA CFA

Manager, Financial & Strategic Investments

The National Gas Company of Trinidad and Tobago Limited



June 23, 2023

MEMBERS OF THE NGC GROUP OF COMPANIES