CLIMATE ENERGY FINANCE

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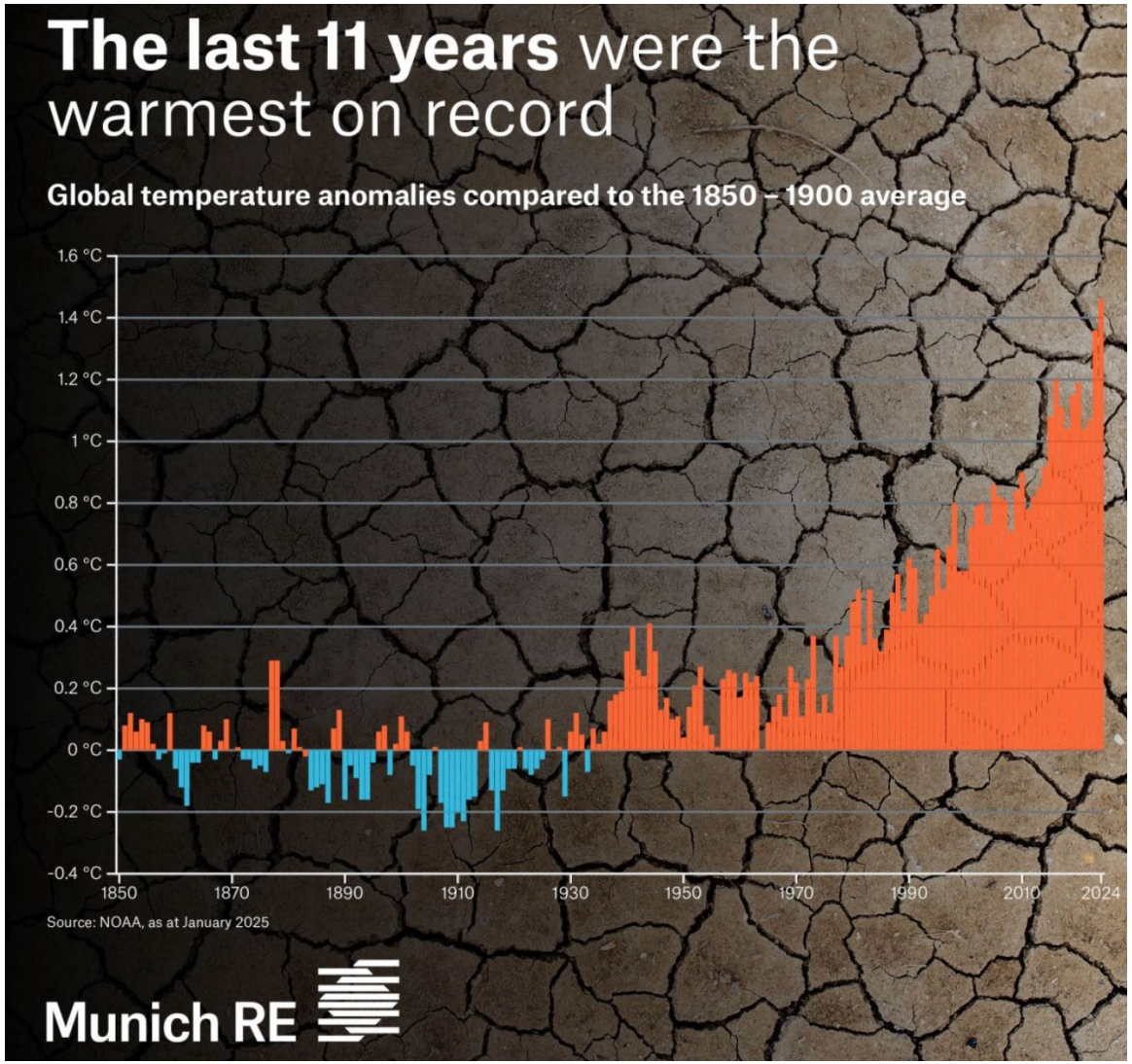
2026: ESG Outlook

CEDA Webinar

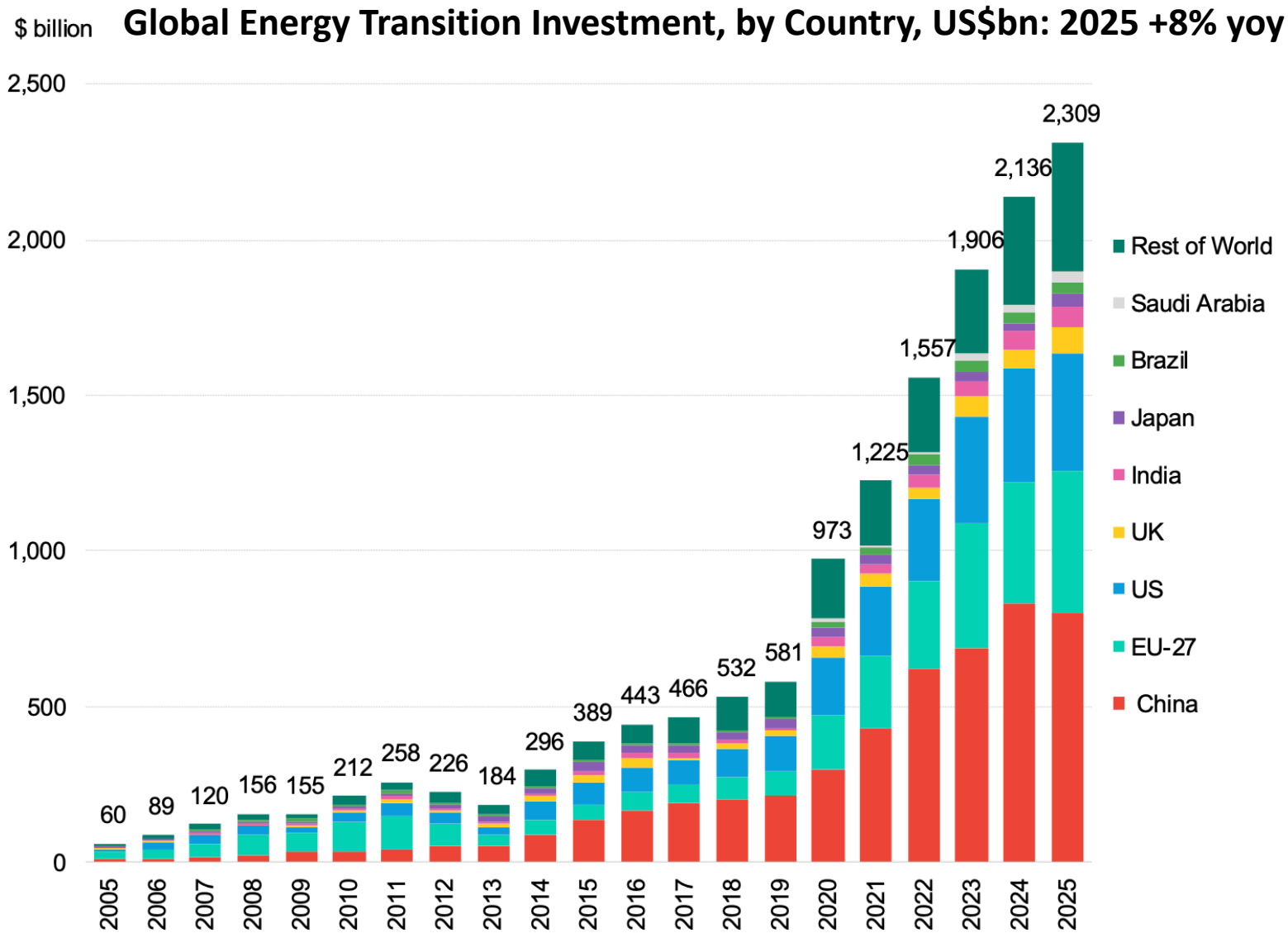
12 February 2026

CEF accepts the climate science

CEF is a public interest thinktank with no government or corporate funding

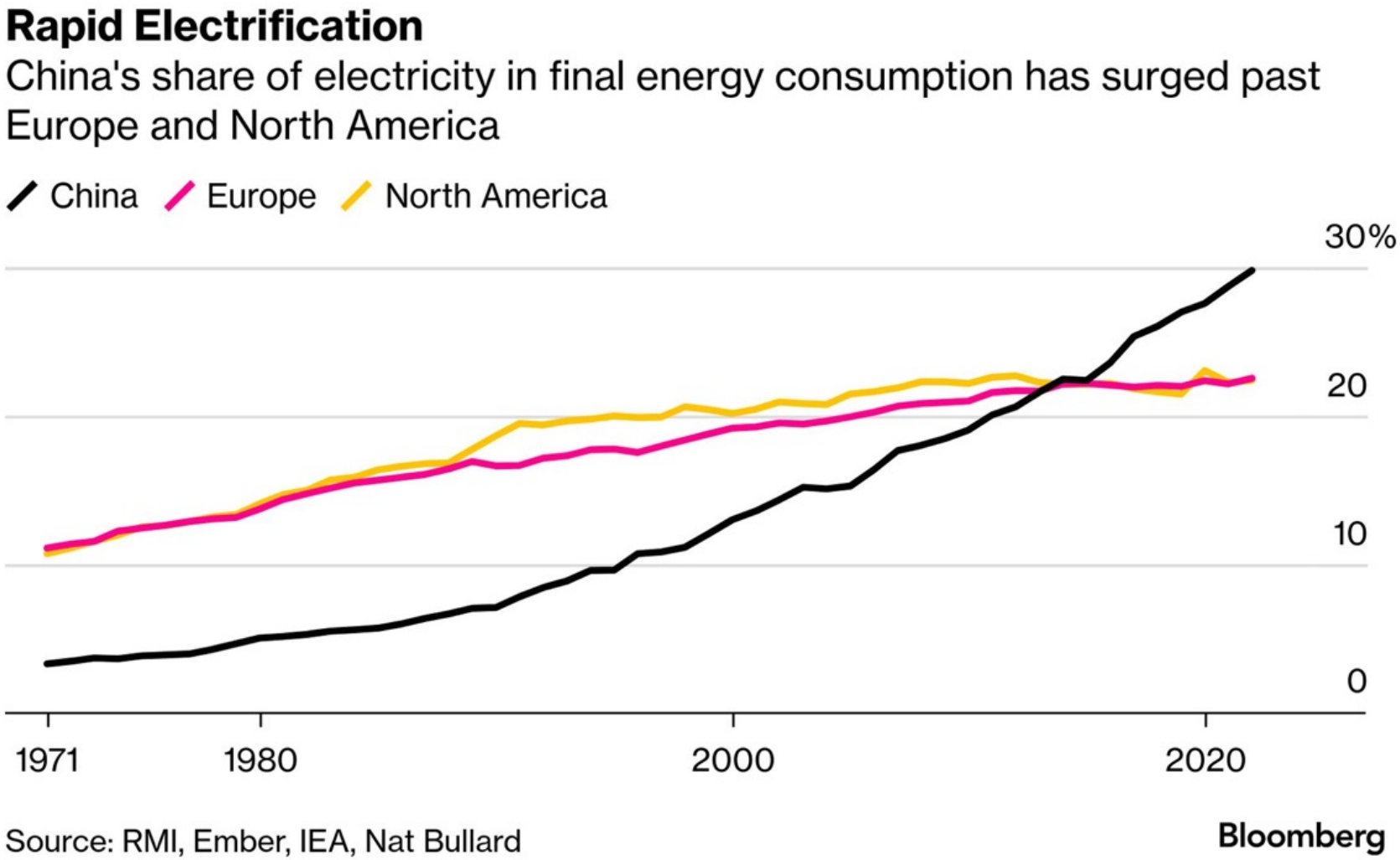


Renewables, EV & Grid outspend Fossil Fuels >2:1



Source: BloombergNEF, Energy Transition Investment Trends, January 2026

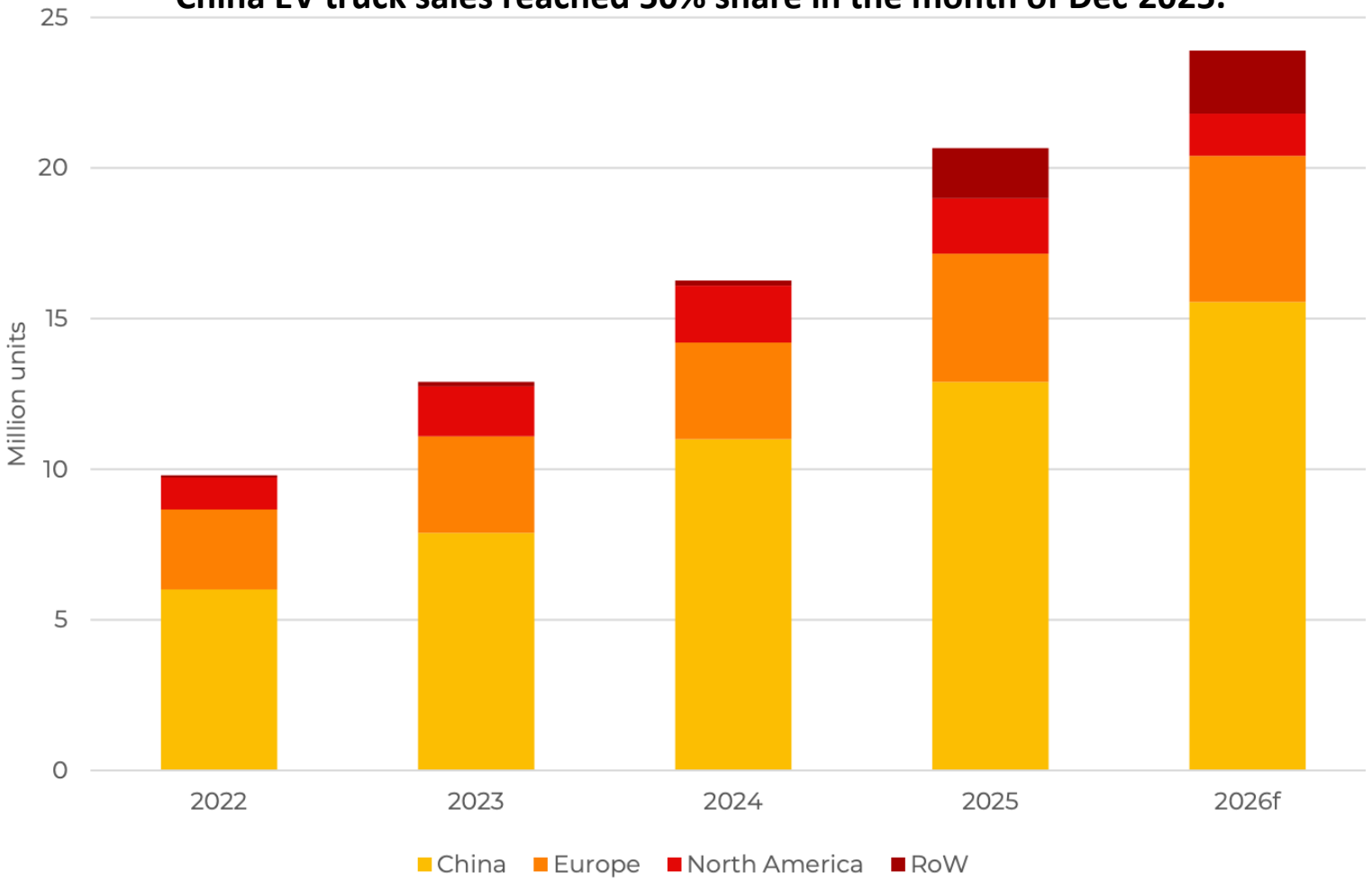
China is Moving in Decarbonisation, Rapidly



Source: [Nat Bullard Annual Presentation]

Electric Vehicle Boom Continues Globally, But China Led

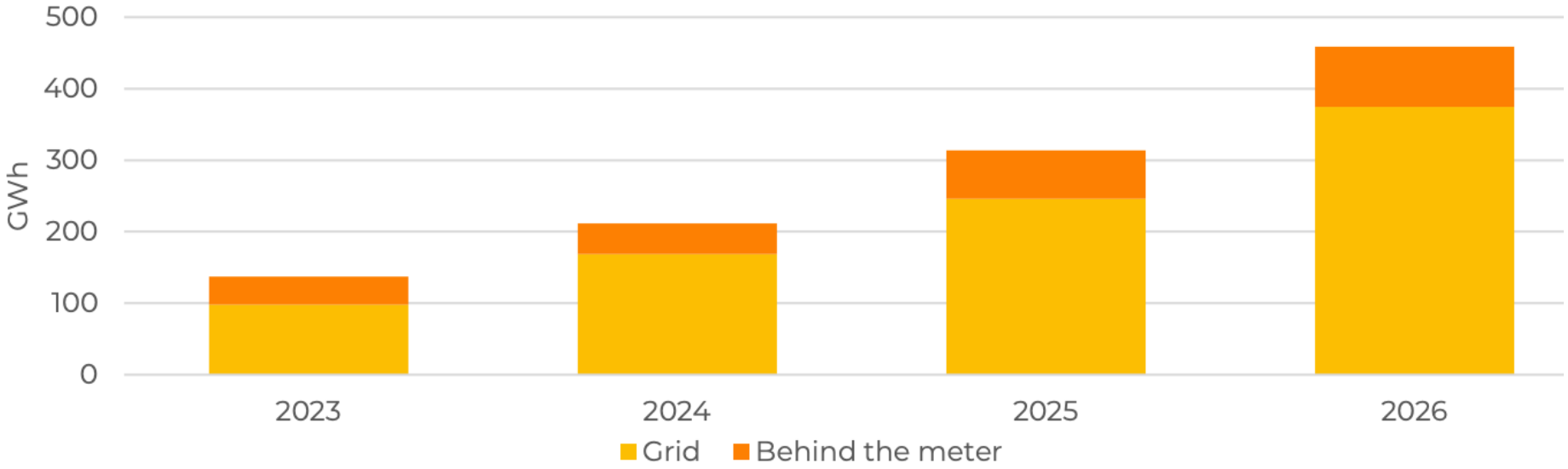
Overall passenger EV sales in 2025 totaled 20.7 million units, +20% yoy.
BMI forecasts 2026 growth to 23.9 million units, +15% yoy.
EU EV sales reached 50% share in the month of Dec'2025.
China EV truck sales reached 50% share in the month of Dec'2025.



Benchmark Minerals Intelligence, A Turning Point for Critical Materials? January 2026

Battery Boom Accelerates Globally, But China Led

In 2025, BESS was the fastest growing battery demand market, with 315GWh installed across the grid and behind the meter (BTM) markets. In 2026, BESS is set for another record year, with BMI forecasting 450GWh set to enter operation globally (+42% yoy). BESS system pricing hit new lows with project tenders in China hitting US$63/kWh

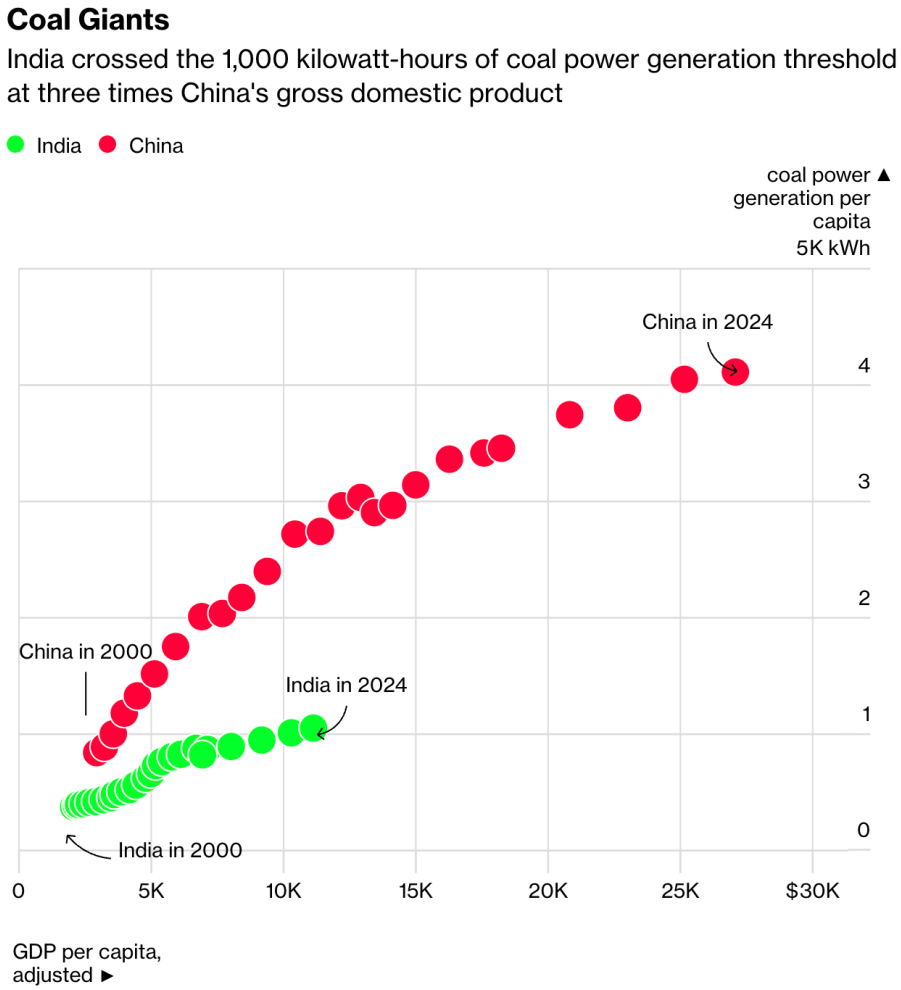


Source: Benchmark BESS Forecast

Benchmark Minerals Intelligence, A Turning Point for Critical Materials? January 2026

India is adopting Zero Emissions Solutions, Fast

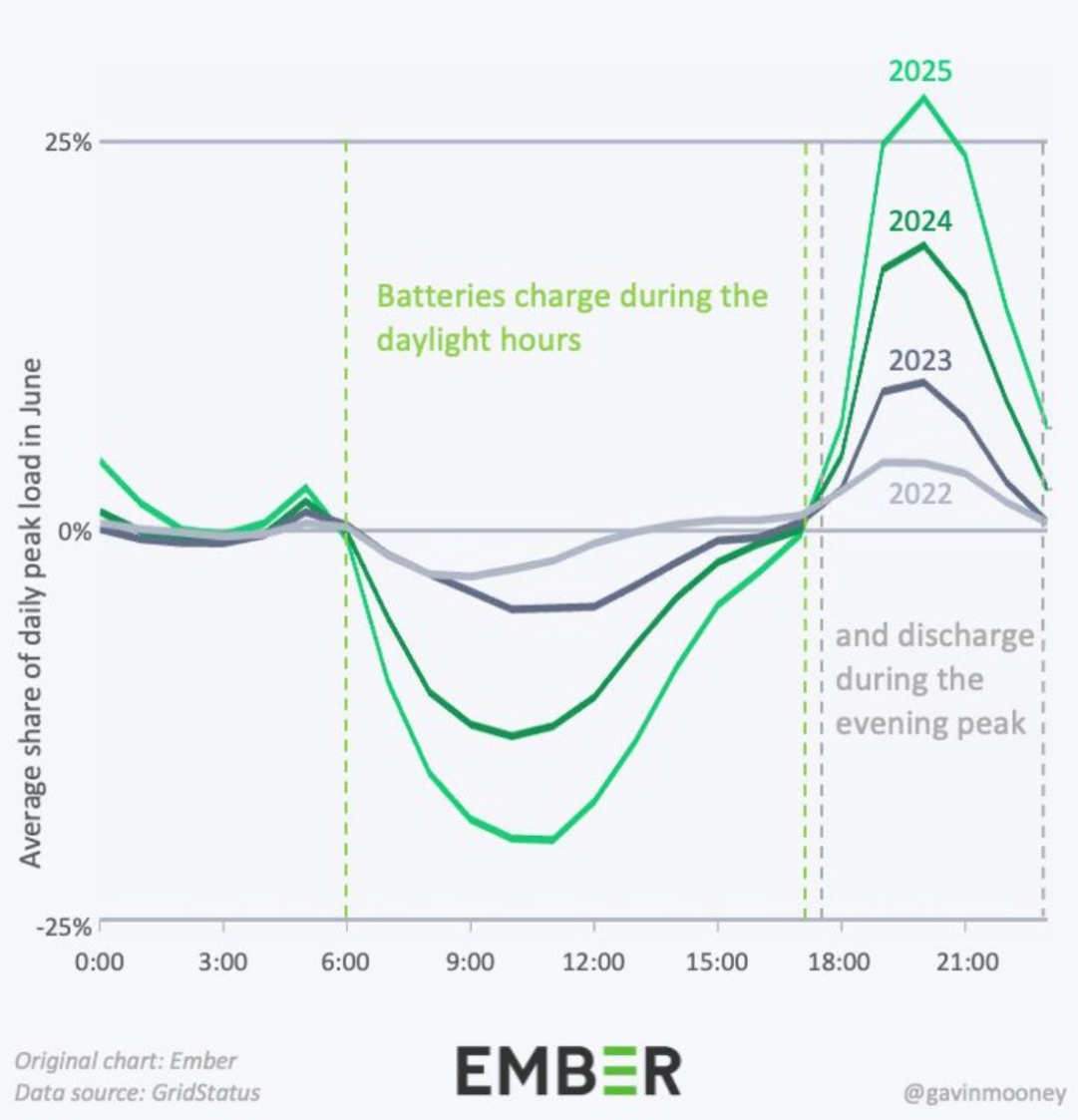
India is well behind China in terms of economic development, but the path is very different, and less energy / emissions intensive.
India added 48GW of RE in CY2025 (+70% yoy)



Source: EMBER, World Bank, January 2026

Global Cleantech Investment is Accelerating

Solar + BESS + V2G => Accelerated Energy System Transformation: California



Source: Gavin Mooney, Kaluza

China is Moving in Decarbonisation, Rapidly

China is still adding flexible coal power plants (too much!), but utilization rates are down to average just 47% in CY2025, balancing ever more VRE! China deployed 446GW of renewable energy capacity in CY2025, +20% yoy. China deploys as much VRE every 5 days as Australia does each year.

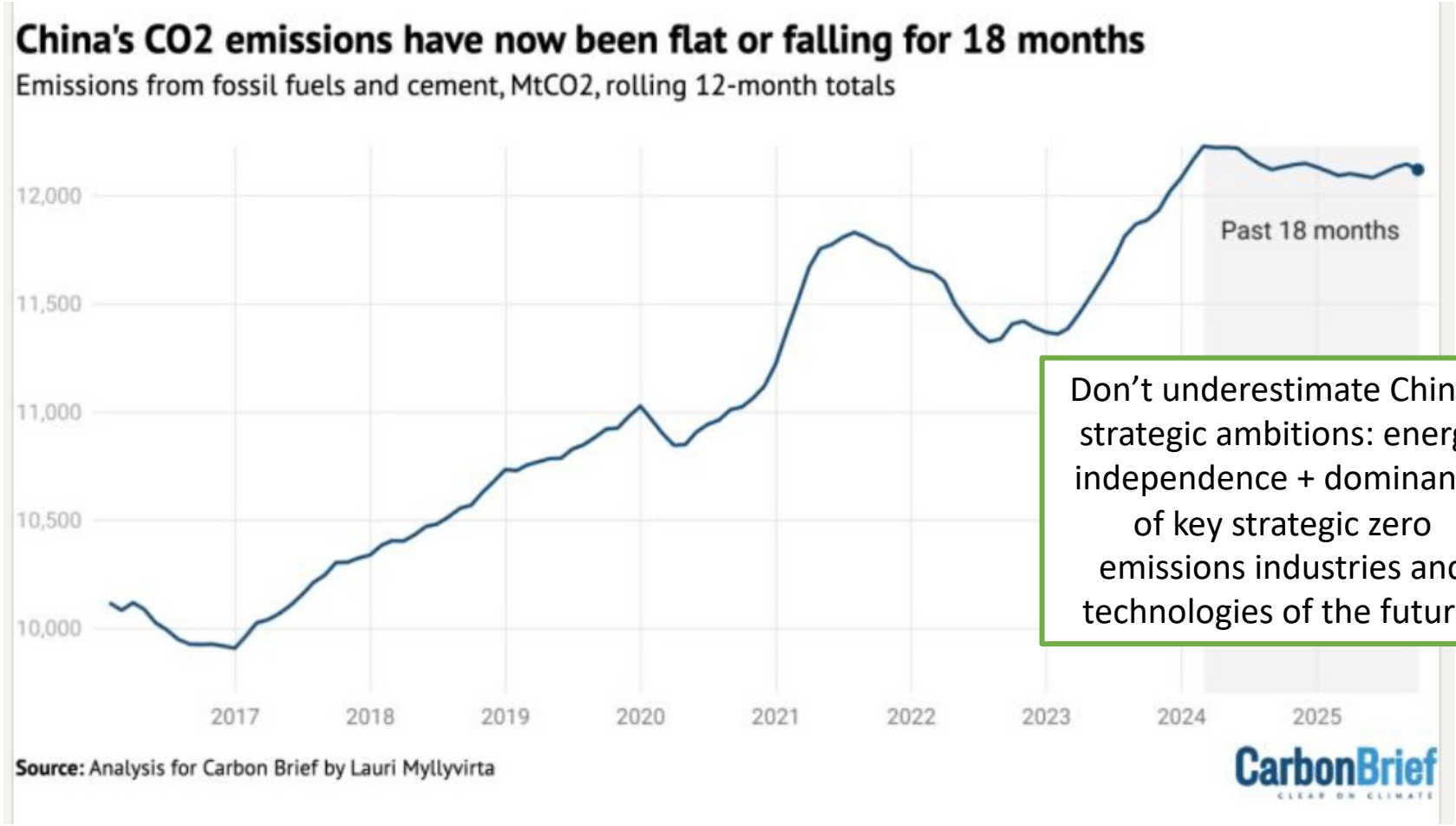
New Capacity Installed in China in CY2025 (GW)

Gigawatts (GW)	Dec'2025 Total Capacity	Jan-Dec'25 Net Adds	% Share of new adds	% yoy change in net adds	Dec'25 Net Adds for month
Fossil Power	1,539.0	95	17%	75%	16.8
Hydropower	448.0	12	2%	-16%	3.1
Nuclear Power	62.5	2	0%	-58%	-
Wind Power	640.0	119	22%	50%	37.4
Solar Power	1,201.7	315	58%	14%	40.5
Total capacity	**3,891.3**	**543**	**100%**	**27%**	**97.8**
Renewable Energy adds		446	82%	20%	81.0
Zero Emissions Capacity Adds		448	83%	20%	81.0

Source: National Energy Administration; CEF Estimates

China’s electrification leadership drives decarbonisation

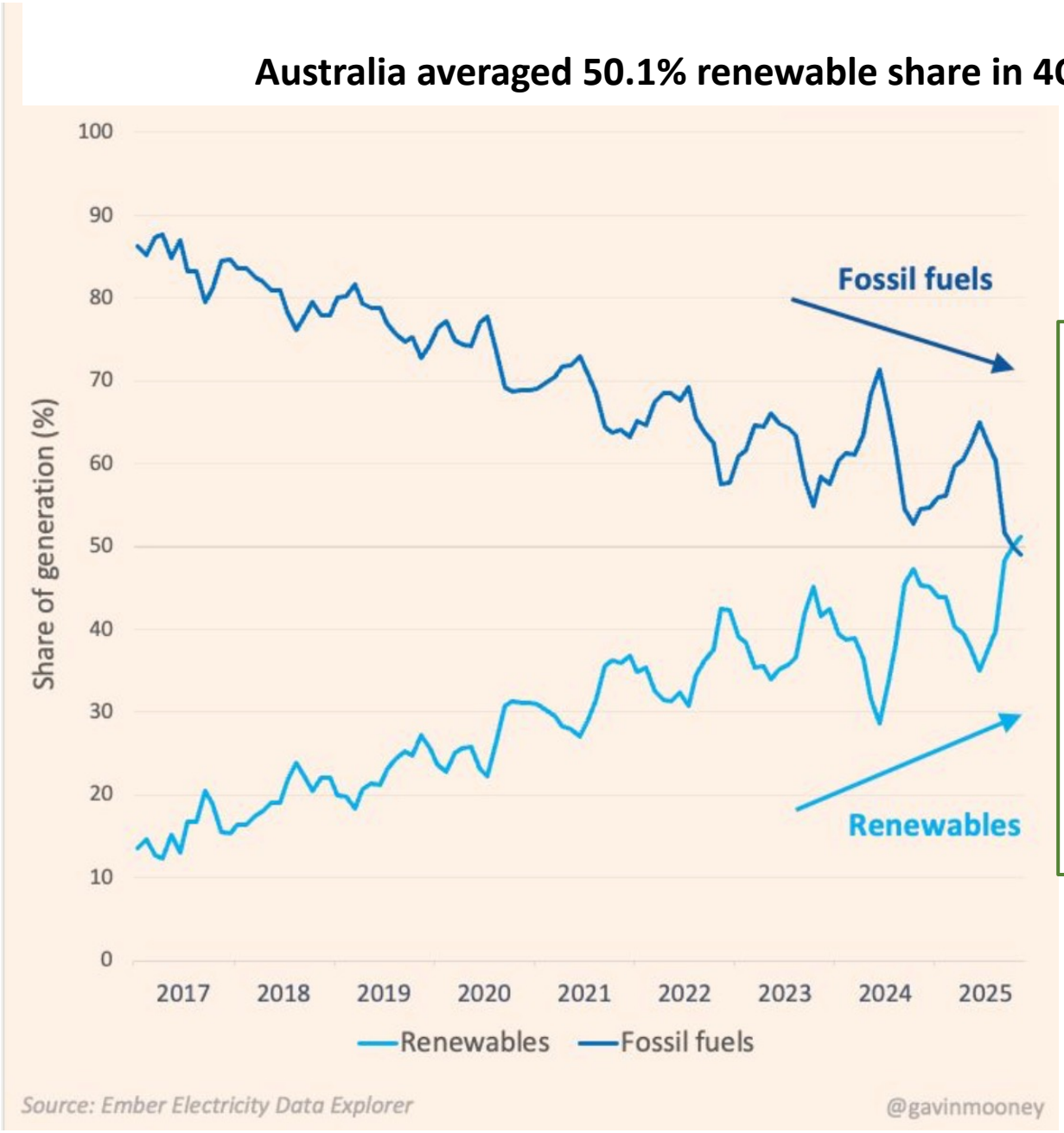
China’s electrification is about energy security i.e. permanently reducing reliance on imported fossil fuels. Combined with lower steel and cement production => national emissions in China have plateaued.



Don’t underestimate China’s strategic ambitions: energy independence + dominance of key strategic zero emissions industries and technologies of the future.

Source: CarbonBrief; https://www.carbonbrief.org/analysis-record-solar-growth-keeps-chinas-co2-falling-in-first-half-of-2025/

Australia is Half-way to 82% Renewables by 2030



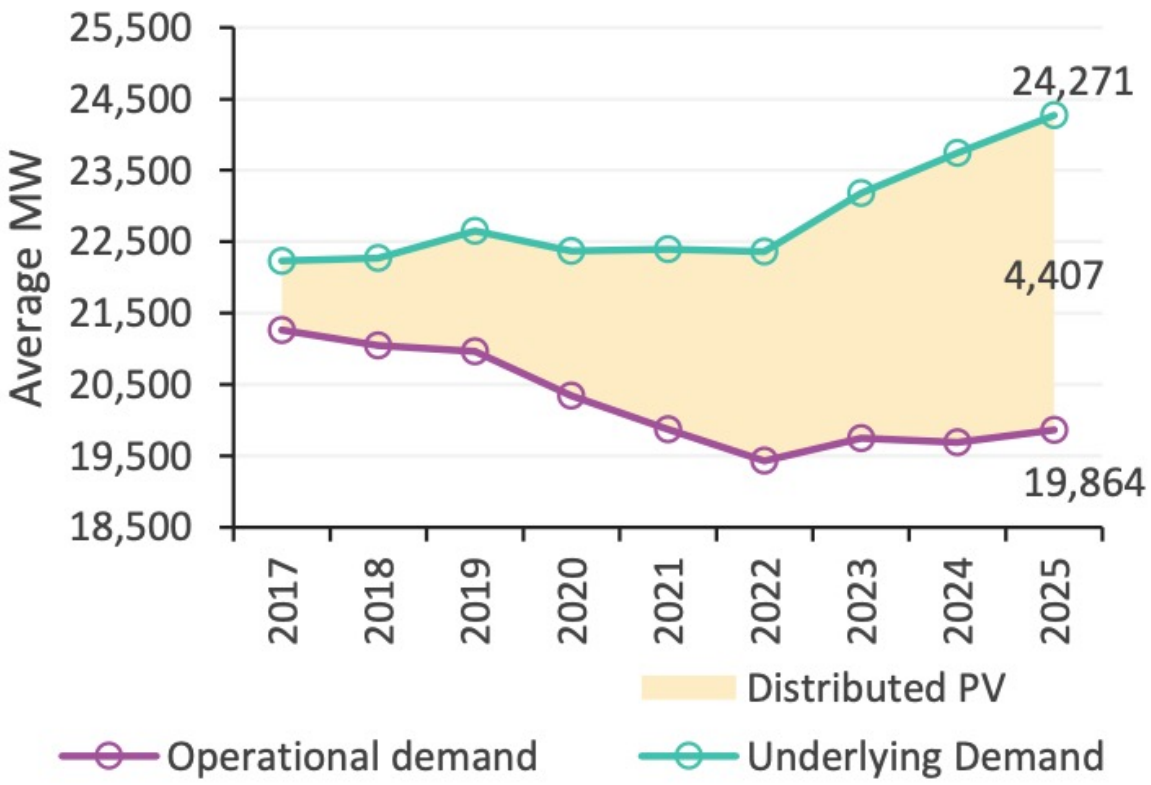
For the NEM, the month of Jan'2026 was 'only' 49.1% renewables share, a slight decline vs the 49.9% average for the 4QCY2025 (and 50.1% average nationally).

But then January 2024 was only 39.3% renewables share – so a near 10% share increase yoy for the month. Not bad in that context!!!

Australia is Half-way to 82% Renewables by 2030

Figure 3 Underlying demand grew to a new Q4 high

NEM average underlying and operational demand – Q4s



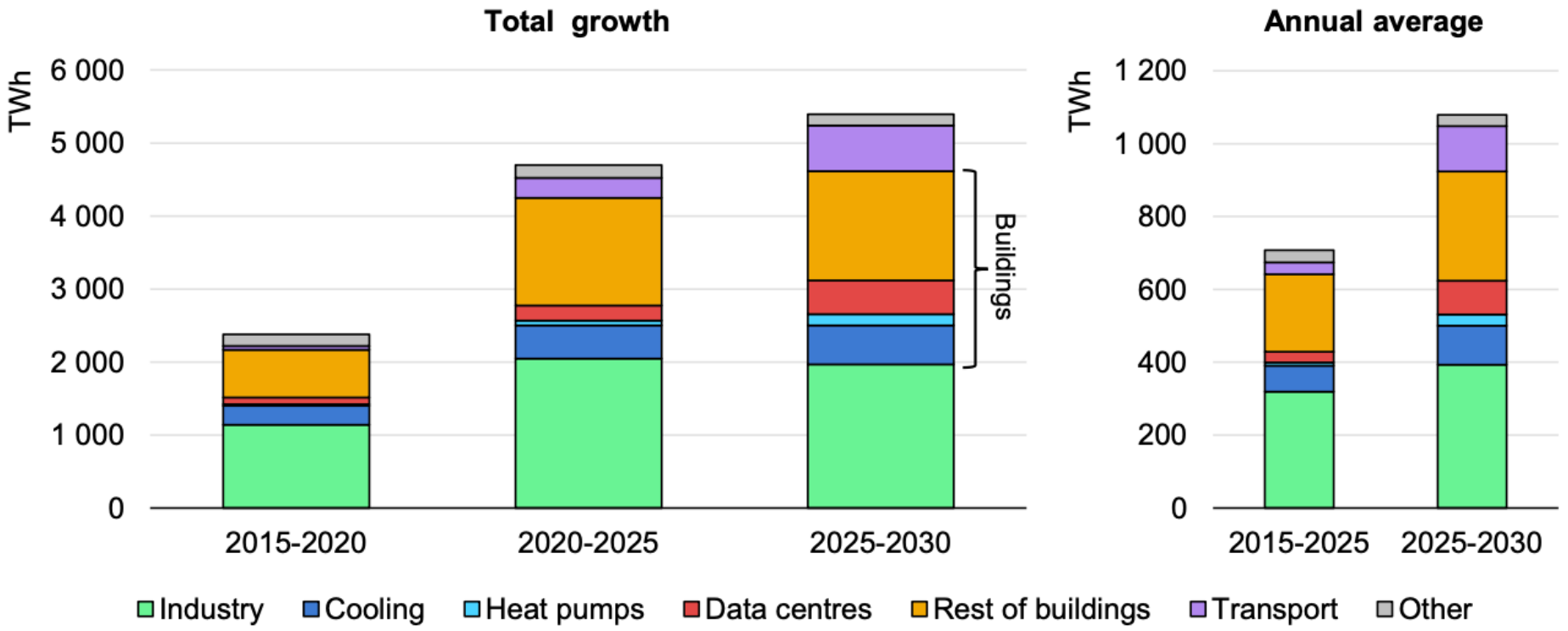
AEMO: Total 4QCY2025 NEM generation averaged 25,064MW (+3.1%), with renewables (incl. storage) exceeding 50% of the quarterly energy mix for the first time (51% up from 46% in 4Q2024).

Wholesale electricity prices across the NEM averaged $50/MWh in 4QCY2025, a $39/MWh (-44%) reduction from 3Q2024.

Source: AEMO QED 4QCY2025

Datacentres are Incremental to Electrification

Global electricity demand growth by sector and end-use, 2015-2030

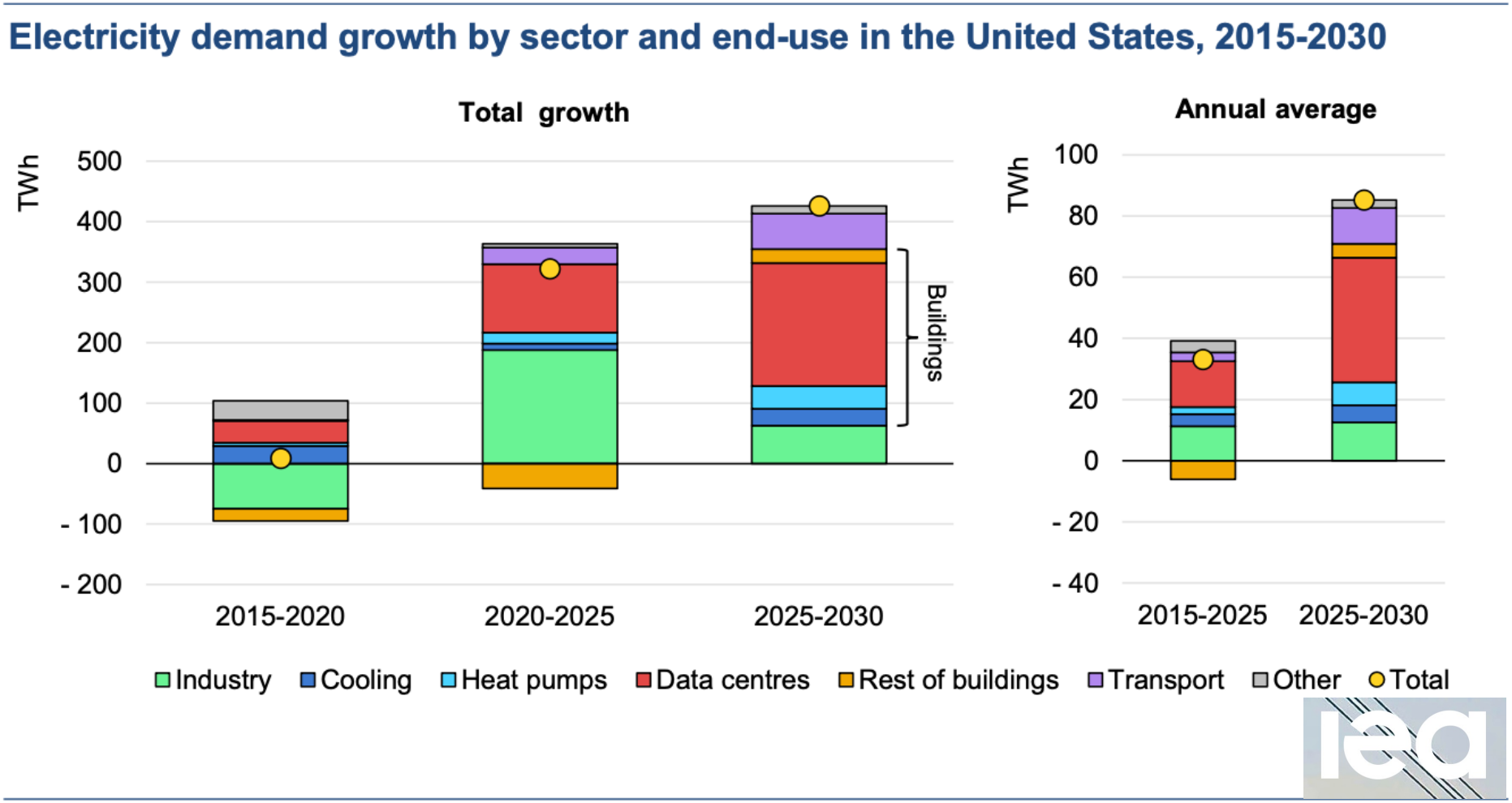


Data centres are all the buzz in 2026 in capital markets. Data centres add to the electrification of everything, but they are part of the story. EVs are a far bigger impact. It is important we ensure data centres enable more firmed renewables, rather than absorb existing capacity and drive energy prices up.

Source: IEA Electricity 2026, 6 February 2026

Datacentres are Incremental to Electrification

Except in the US



Source: IEA Electricity 2026, 6 February 2026