

Low-carbon future 1.5°C

Rapid alignment with the Paris Agreement

Risks		Impact quantification	Timeline	Potential result
Transition	Policy and legal	<1% impact on business	1-3 years, 10+ years	To limit global warming to 1.5°C, all countries would need to substantively change emissions policies. Bloomberg's 2025 100% clean power plan will mitigate immediate policy risk; however, in the long term, our high-touch model for sales and account management may not be compatible. We are currently considering solutions for travel, some of which are already being utilized by our analytics desk.
	Technology	Planned technology spend occurs sooner than anticipated	1-7 years	Accelerated advances in technology are needed to achieve a 1.5°C scenario, potentially leading to more spending upfront to achieve our energy goals sooner. We may also become locked into higher-than-market rates for current contracts. However, these represent only 17% of our energy use, so we will transition the majority of our usage to renewable energy under new rates.
	Market	23% increase in capital investment and R&D for sustainability-related products	1-3 years	Demand for sustainable-finance tools and data will grow rapidly, leading to faster headcount increases in Data, R&D, BNEF, BI and Editorial & Research. Other groups may lose resources in the short term to cover hiring gaps and get products to market faster.
	Reputation	No risk to reputation	1-10+ years	As a current leader in corporate sustainability, our reputational risk under a low-carbon scenario is minimal. We engage in activities to stay at the forefront of building a low-carbon economy.
Physical	Acute	10% increase in capital investment at key facilities	1-10 years	A 1.5°C scenario may lead to fewer physical risks than other scenarios; however, due to the uncertainty of these risks, for new key facilities we add in the next decade, we would match the resilience measures already in use for higher degrees of physical risks. Even under the current climate, physical disruptions are occurring in new regions. The 2018 California wildfires impacted local office air quality, prompting us to provide air-cleaning measures which were unprecedented in that region.
	Chronic	<1% of an impact on business	4-7 years	Our business is not water-intensive, centered in climate-stressed regions or reliant on outdoor labor, so chronic physical changes that occur under a 1.5°C scenario would not be significant.
Opportunities				
	Resource efficiency and energy source	Additional \$12 million in avoided costs	1-7 years	If technology drives down renewable energy prices faster and further than expected, our transition to renewable energy by 2025 would allow us to avoid more energy costs and realize the changes sooner than less rapid transition scenarios.
	Products and services	23% increase in revenue from sustainability-related products and services over 10-year period	Most significant impact seen within 1-3 years	A 1.5°C scenario will bring about rapid changes in many industries, as well as an increased need for transparent climate-related risk and opportunity information from companies. Demand for products and services to address these changes would accelerate, with the most immediate impacts occurring in BNEF, which is already expanding industry coverage, and our newly available ESG enterprise data feed.
	Markets	12% increase in revenue from sustainability-related products over 10-year period	1-3 years	The significant expansion of green debt and emissions markets, as well as the development of green securitization and derivative markets needed in the near term to achieve a 1.5°C scenario, would lead to more client demand in the near future for tools to participate in these markets. Already in 2018, we saw a significant increase in issuance of green loans and have responded by providing more analysis and data on these instruments.
	Resilience	No discernible quantified impact	1-10 years	Investing in sustainable products, services and infrastructure, combined with our clients' dependence on us to provide tools for the changing markets, will strengthen our sustainability-focused business models.

Extreme global warming 4°C

Failure of the Paris Agreement

Risks		Impact quantification	Timeline	Potential result
Transition	Policy and legal	No discernible quantified impact	Europe: 1-3 years Other: 4-10 years	Policy changes may happen at different times across different geographies. Regardless, we will continue our path toward renewable operations and do not anticipate a meaningful impact.
	Technology	<5% decrease in costs avoided from using renewable energy technology	4-7 years	Renewable technology will not advance significantly, and renewable energy prices may not continue to decline as they have over the last decade. Costs avoided from using renewable energy may decline or take longer to realize.
	Market	Potential decline (% unknown) in long-term revenue growth rate from financial sector shock	8-10+ years	Extreme global warming would cause significant disruptions to financial markets, from banking to asset management and insurance. This would disrupt our core client base; if these financial institutions are not prepared with resiliency measures, it could impact our business as well.
	Reputation	No discernible quantified impact	1-10 years	Even in the absence of policies to promote a low-carbon economy, Bloomberg will continue to incorporate sustainability into our business operations and product offerings, so we do not anticipate reputational risk.
Physical	Acute	15% increase in capital investment at key facilities	1-10 years	Businesses may experience losses in productivity or working days due to severe weather events. While our contingency plans protect against a loss in revenue due to such events, we may need to increase spending on resiliency beyond what is needed in a low-carbon scenario.
	Chronic	<1% of an impact on business	4-7 years	The majority of Bloomberg's business dealings and operations are not in areas that are stressed by water or extreme temperatures; our own business is not resource-intensive, so chronic changes are not likely to have a large impact.
Opportunities				
	Resource efficiency and energy source	Minimal energy cost savings	8-10+ years	Renewable energy prices may stagnate, but climate stress may cause non-renewable resources to increase in price, ultimately leading to greater cost avoidance from our renewable operations.
	Products and services	<5% increase in revenue from sustainable finance products	4-7 years	Our clients invested in markets such as real estate and insurance will need new products to analyze potentially significant market changes. We currently offer tools such as MAPS, a geo-insight resource that helps investors analyze physical climate-change risks, and we will continue to develop products to capture increased demand.
	Markets	<1% increase in total product revenue	8-10 years	As markets such as real estate and commodities become more volatile, the need for timely, transparent data and market-driven news could potentially increase; however, this will not have a significant impact on our business, which already provides solutions for volatile markets.
	Resilience	<1% increase in value of physical assets	8-10 years	Our current resiliency practices have led us to build and renovate our buildings to extremely high physical-stress standards. If climate change continues on its current path, this investment in resilient infrastructure may increase the value of the real estate assets we own.