Sustainability & ESG Data at Bloomberg L.P.

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Bloomberg’s sustainability strategy is to redefine what it means to be a ‘sustainable business’

Phase I 2007-2013 we focused on internal operations, pursuing several broad goals.

Phase II focuses more *externally* to leverage everything we do that differentiates us while bolstering our internal efforts:

- Senior leadership are well educated on sustainability issues
- Bloomberg’s unique market role creates an opportunity to lead
- We seek to be a model for sustainability by aggressively *pursuing philanthropic, operational and product integration*

We want to institutionalize our efforts to focus on ‘sustainable value creation’ for us and our partners, establishing Bloomberg as the leading force behind sustainable business & finance

Our mission and goals reflect our belief that ‘sustainability’ is an economic and moral imperative for the 21st century firm
Our current path leverages our philanthropic tradition with a focus on operations and products.

- **Good Citizenship**
  - *Responsive support for local environmental issues that engage and educate employees*

- **Operational Impact Mitigation**
  - *Transform operations to improve efficiency, reduce costs, mitigate risk and benefit society/environment*

- **Competitive Leadership**
  - *Strategic support for business development of market-based solutions to sustainability challenges*

Bloomberg’s Sustainability effort today

1990 2000 2010 -> (accelerated effort) -> 2020
Sustainability issues will drive significant change and prompt a broad range of responses; Bloomberg will be impacted.

- **Economic (Macro / Micro)**
  - Risk Management
  - Market Development
  - Economic cost / opportunities will drive technology development

- **Policy (Regulatory / Legal)**
  - Global, Regional, Local
  - Social change & action will influence policy, markets
  - Policy / Regulation implementation will have economic consequences

- **Technology (Abatement / Opportunity)**
  - New Industries
  - New technology will have social implications

- **Social (Consumer / Other)**
  - Market Development
  - Social change & action will influence policy, markets
Phase II extends our efforts externally to our product and customers

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<tr>
<th>Areas of Service/Activity</th>
<th>- Principal Customers: <strong>External</strong></th>
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<tr>
<td>Primary Function: <strong>Integrate Sustainability</strong> considerations into all <strong>products/services</strong></td>
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<td>■ Core Terminal</td>
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<td>■ Equities / Portfolio Analytics</td>
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<td>■ Commodities, Fixed Income</td>
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**Philanthropy**

Leverage our Philanthropic assets to partner with thought leading NGOs to accelerate the sustainability integration into business and investment decisions.
A coordinated, aggressive unique approach to align operations, product and philanthropy to amplify our ‘sustainable impact’

BSUSTAINABLE

Demonstrate that integrating sustainability into BUSINESS decisions makes sense

Demonstrate that integrating sustainability into INVESTMENT decisions makes sense

Support efforts to develop standards and methodologies that enable both of the above

Operational Excellence

Financial Integration

Market Development

Operational Excellence

Financial Integration

Market Development

Operational Excellence

Financial Integration

Market Development

Operational Excellence

Financial Integration

Market Development

Operational Excellence

Financial Integration

Market Development

Emissions Reduction Investments
Sustainable Finance Product Strategy
SASB: Sustainability Accounting Standards Board
Combining Product with Citizenship

**Product**
- **Core Financial Product**
  - Product: Environmental, Social & Governance (ESG) Environmental & Carbon Markets
- **News & Multimedia Assets**
- **Industry Verticals / Off-terminal**
  - Bloomberg New Energy Finance (BNEF) / BNA/ BGOV, new acquisitions

**Citizenship**
- **BGREEN**
  - Sustainability: BGREEN education campaigns Departmental Operating Guidelines
- **Employee Education / Awareness**
  - Professional Development: Wellness (BWELL) Learning, Leadership & Diversity (LL&D): Best of Bloomberg (BOB)
- **Community Engagement**
  - Philanthropy: Membership /Grants / Sponsorships
- **Thought Leadership / Standard Setting**
  - Corporate: In-kind research assistance Joint project development / policy engagement
Our sustainability product makes the whole greater than the sum of our parts

Screening
Corporate Engagement
Integration
Sustainability Reporting

The Bloomberg Sustainability Strategy team collaborates with Bloomberg product groups to analyze opportunities adjacent to their core competencies that enhance their offering by adding sustainability-related news, content and analytics when and where it makes sense.

The team works with business leaders to drive strategy development, conduct competitive and customer assessments, define products, business models as well as financial plans.

Guiding Principles Synergies

- Brand Building
  - Projects demonstrate innovation, sustainable solutions and position BLP as a thought leader
- New Markets
  - New environmental markets will emerge in coming years and Bloomberg will be well positioned
- Risk Management
  - Unique data sets and analysis in sustainability risk have applications across business units
- Enhanced Content
  - Emerging sustainability issues in news, new data and analytics are becoming increasingly important
- New Customers
  - New customer / user types like CSOs, governance specialists, consultants, ngos, academics and others
Corporate citizenship includes a focus on thought-leadership in sustainability

Data
News
Analysis

Bloomberg philanthropy is extending the notion of capital beyond the financial.

The lack of actionable data results in capital markets that are unable to integrate sustainability considerations and as a result allocate capital to inefficient and often environmentally damaging effect.

Bloomberg LP and Philanthropies offer in-kind and financial support to develop business and market solutions to sustainability challenges.

Guiding Principles Synergies

- Standards are critical to creating a common framework for measurement and management
- Disclosure and transparency create accountability and data sets for benchmarking
- Available, standardized data enables research and analysis that drives best practices and improvement
- Robust methodologies are needed for valuing environmental and social capital
- A collaborative approach with multiple stakeholders to accelerate solutions is critical
SRI Strategies

SRI Assets by Strategy and Region

- Impact/community investing
- Sustainability themed reporting
- Positive/best-in-class screening
- Norms-based screening
- Corporate engagement and shareholder action
- Integration
- Negative/exclusionary screening

Source: Global Sustainable Investment Review: “2014 Global Sustainable Investment Review”

ESG Integration 117% growth 2012-2014
ESG Geographic Coverage

...with 20.4% global coverage based on 10,782 companies

Total Companies Covered by Country

Data as of 12/31/2014

* of total number of listed companies in country
Bloomberg ESG DATA trend

The number of users, and the amount of ESG data queried, is growing at a very similar rate to the trend in ESG integration.
Conclusion

The increasingly proactive trend in ESG “activism” requires robust solutions that support all levels of engagement:

Industry Trends, as reflected by Bloomberg usage, illustrate the strength of Bloomberg data and its practical applications:

• Corporate Engagement
• Sustainability Reporting
• Screening
• ESG Integration