

# Board Composition Scores

Analyze governance risk and opportunity

Environmental, social and governance (ESG) data is increasingly critical to financial decision making, with the 2008 financial crisis and numerous accounting scandals resulting in increased focus on the role of corporate boards in providing proper leadership and oversight.

Understanding the dynamics of board composition can help identify risks and opportunities for investors. Strong, high functioning boards whose members trust and challenge one another and engage directly with senior management on critical issues are now a requirement for well-run corporations.

## Quickly evaluate board composition

Combining data from the Bloomberg Terminal with insight from Bloomberg Intelligence and Bloomberg Law, Bloomberg Board Composition Scores provide quantitative, transparent analysis on approximately 4,350 companies across all sectors and regions.

Board Composition Scores enable investors to assess how well a board is positioned to provide diverse perspectives and proper oversight of management, as well as to assess potential risks in the current board structure.

## Key features

- **Transparent scoring** – Investors can view and analyze all the data driving each Board Composition Score, making the scores useful for a wide range of analyses and reporting.
- **Data driven** – Board Composition Scores are powered by Bloomberg's industry-leading management and board level profiles data.
- **Decision-useful** – Each Board Composition Score is driven by financially material and business-relevant issues based on insight from Bloomberg Intelligence and Bloomberg Law in addition to corporate governance codes, industry standards, and third-party experts.
- **Scoring taxonomy** – For each score, data fields are organized into a clear hierarchy of issues and sub-issues so that users know which Board Composition data fields best describe which risks and opportunities.
- **Integrated workflow** – Board Composition Scores fields are designed to be easily incorporated into proprietary analyses. Clients will soon be able to leverage scores across a wide range of Bloomberg Terminal functions including our equity screening tools, research management and portfolio solutions. Clients will also be able to license the data for enterprise use.

The scores rank the relative performance of companies across four key focus areas:

- **Diversity** – Gender and age diversity
- **Refreshment** – Entrenchment and balance of tenures
- **Director roles** – Overboarding of directors, chairman and CEO
- **Independence** – Independent board leadership and director independence

Board Composition Scores.  
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The screenshot shows the Bloomberg Intelligence ESG Dashboard. The main table displays Board Composition Scores for various energy companies. The columns represent the years 2015 through 2019. The rows list companies such as Neste Oyj, PGS ASA, Oil Search Ltd, ShawCor Ltd, Southwestern Energy Co, Vermilion Energy Inc, Royal Dutch Shell PLC, Grupa Lotos SA, Enerplus Corp, Crescent Point Energy, Chevron Corp, Suncor Energy Inc, Williams Cos Inc/The, Birchcliff Energy Ltd, and TOTAL SE.

Security Name	Country	2019	2018	2017	2016	2015
Neste Oyj	Finland	8.82	8.37	5.92	6.42	6.68
PGS ASA	Norway	8.78	8.75	9.00	8.89	7.29
Oil Search Ltd	Australia	8.43	8.60	6.66	6.09	6.17
ShawCor Ltd	Canada	8.27	7.43	7.69	7.86	7.73
Southwestern Energy Co	United States	8.20	8.14	7.67	7.34	6.98
Vermilion Energy Inc	Canada	8.11	8.13	7.38	6.48	5.70
Royal Dutch Shell PLC	United Kingd...	8.07	7.99	7.90	7.36	6.88
Grupa Lotos SA	Poland	8.02	7.33	7.52		
Enerplus Corp	Canada	7.99	7.88	7.63	7.75	7.54
Crescent Point Energy ...	Canada	7.97	6.56	6.10	6.24	6.12
Chevron Corp	United States	7.96	7.77	7.42	7.81	6.79
Suncor Energy Inc	Canada	7.96	7.07	6.67	7.33	7.13
Williams Cos Inc/The	United States	7.96	7.86	7.22	7.39	8.67
Birchcliff Energy Ltd	Canada	7.94	7.83	7.01	6.14	4.81
TOTAL SE	France	7.94	7.80	7.79	7.65	6.20
Source: Bloomberg. Click here for more details.						

**BI ESG <GO>** – To view Board Composition Scores, open the BI ESG Dashboard and select ESG Scores from the Data Library.

Fields that contribute to Board Composition Scores are updated in close to real time and are linked to individual profiles. Data such as age, gender, work experience and other board roles are linked to each profile for complete transparency and aggregated at the company level. These fields can be found on the Terminal via **MGMT <GO>** and **FA ESGG <GO>**.

The screenshot shows the Bloomberg Terminal interface for Royal Dutch Shell PLC. It displays various metrics related to Board Composition, comparing the company's performance to its peer companies. The metrics include the number of directors, percentage of non-executive directors, diversity (percentage of women), average age, age range, entrenchment (average tenure), and overboarding (average number of boards served).

Metric	Value	Peer Avg
# Directors	11	13
% Non-Exec Directors	82	85
% Women Directors	45	38
Average Age	63	60
Age Range	20	27
Average Tenure (Years)	4.33	4.71
# Directors > 5yr Tenure	5	6
# Directors > 10yr Tenure	0	1
Average # Boards Served	1.00	0.67
Highest # Boards Served	2	2
% Exec Dirs on 2+ Boards	0	19
% Non-Exec Dirs on 3+ Boards	0	4

**MGMT <GO>** – Find data on Diversity, Refreshment and Director Roles and drill down into data on individual board directors, including gender and tenure.

### Access rigorous quantitative analysis

The Issues, Sub-Issues, and Fields that make up Board Composition Scores can be accessed and analyzed using the Bloomberg ESG Disclosure Tracker at **BESG <GO>**, under ESG Data.

Bloomberg ESG Disclosure Tracker										Quarters					
Materiality-driven Disclosure Score (0-100)										2015	2016	2017	2018	2019	
Environment										75%	75%	75%	75%	0%	
Social										30%	25%	25%	10%	0%	
Governance - Board Composition										100%	100%	100%	100%	100%	
Pillar	BI Issue Priority	ESG Issue	Sub-Issue	Field	Field Name	In NEW BGC ESG Score	Disclosure Factor	Unit	Disclosure Frequency	2015	2016	2017	2018	2019	
1	1	Refreshment	Board Refreshment	UR633	Average Board Tenure	WATCH	W	Years	Daily	5.53	6.59	7.30	8.30	5.57	
				UR675	# Board Members Serving > 5 Years	Y	A	Count	Daily	6.00	6.00	6.00	7.00	5.00	
				CG670	# Board Members Serving > 10 Years	Y	A	Count	Daily	2.00	3.00	4.00	4.00	3.00	
				UR634	Tenure of Longest Serving Board Member	WATCH	W	Years	Daily	11.75	12.75	13.75	14.00	13.00	
				UR693	Number of Board of Director Changes During FY	WATCH	W	Count	PtY	4.00	1.00	1.00	4.00	5.00	
				CG670	Date of Last Board of Director Change	WATCH	W	Date	PtY	11/2/2015	6/8/2016	4/5/2017	10/18/2018	10/28/2019	
				CG690	Chairman Tenure	Y	A	Years	Daily	0.75	1.75	2.75	3.75	0.42	
				ES063	% Independent Directors*	Y	A	%	PtY	30.00	30.91	63.33	75.00	75.00	
				ES205	Percentage of Non-Executive Directors on Board	Y	A	%	PtY	30.00	30.91	31.67	31.67	31.67	
				ES274	Former CEO or its Equivalent on Board	WATCH	NA	Y/N	PtY	N	N	N	N	N	
	1	Independence	Board Independence	Board Leadership Independence	ES273	Independent Chairperson	Y	A	Y/N	PtY	N	N	N	N	N
					CG600	Executive Chair (Y/N)	WATCH	NA	Y/N	Daily	1.00	1.00	1.00	1.00	0.00
					ES089	CEO Duality	Y	A	Y/N	PtY	Y	Y	Y	Y	Y
					UR653	CEO Founder (Y/N)	WATCH	NA	Y/N	Daily	0.00	0.00	0.00	0.00	0.00
					ES160	Independent Lead Director	Y	A	Y/N	PtY	Y	Y	Y	Y	Y
					ES163	Passing Director	Y	A	Y/N	PtY	N	N	N	N	N
					ES301	% of Independent Directors on Audit Committee*	WATCH	W	%	PtY	100.00	100.00	100.00	100.00	100.00
					ES302	Independent Audit Committee Chairperson	WATCH	NA	Y/N	PtY	Y	Y	Y	Y	Y
					ES314	% of Independent Directors on Nomination Comm	WATCH	W	%	PtY	100.00	100.00	100.00	100.00	100.00
					ES315	Independent Nomination Committee Chairperson	WATCH	NA	Y/N	PtY	Y	Y	Y	Y	Y
1	Diversity	Age Diversity	Age Diversity Policy	ES098	Board Age Limit	WATCH	W	Years	PtY	70.00	70.00	70.00	70.00	70.00	
				CR612	Board Average Age	Y	A	Years	Daily	60.30	61.09	61.00	61.25	61.25	
				CG611	Board Age Flange*	Y	A	Years	Daily	19.00	20.00	20.00	28.00	28.00	
				CG683	Chairman Age	WATCH	W	Years	Daily	48.00	48.00	48.00	51.00	73.00	
				CG600	Chief Executive Officer Age	WATCH	W	Years	Daily	48.00	48.00	43.00	51.00	50.00	
				UR627	% of Board Members that are Women*	Y	A	%	Daily	30.00	27.27	25.00	33.33	26.00	
				CG623	Chairman or Equivalent a Woman	Y	A	Y/N	Daily	0.00	0.00	0.00	0.00	0.00	
				UR613	% Non-Executive Directors on Executive Committee	WATCH	W	%	Daily	0.00	0.00	0.00	0.00	0.00	
				CG655	% CEO on Compensation Committee?	WATCH	NA	Y/N	Daily	0.00	0.00	0.00	0.00	0.00	
				1	Director Roles	Board Roles	UR658	Avg # of Public Comp. RCD Serves as RCD (Fw-CF)	Y	A	Count	Daily	1.11	0.50	0.82
CG673	W. # of Public Comp. RCD Serves as RCD (Fw-CF)	Y	A				Count	Daily	4.00	4.00	3.00	3.00	3.00		

1. Run ESG data against a chosen company ticker
2. See how a company compares to industry peers on materiality-driven disclosure
3. View Board Composition Issues, Sub-Issues and Fields, adjusted by country of issue

Each data field is scored on a scale from 0-10 (higher is better), with values determined by a rigorous quantitative model informed by Bloomberg research in conjunction with industry experts. Values are aggregated using a weighted generalized mean (p-mean), to reward across-the-board excellence and penalize less consistent performance between the four key Issues and nine Sub-Issues. Factors such as firm age, board size, board structure and country of issue are also considered.

### Learn more

For more information about Bloomberg's ESG Scores and broader sustainable finance solutions, contact your account representative.

### Take the next step.

For additional information, press the <HELP> key twice on the Bloomberg Terminal®.

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