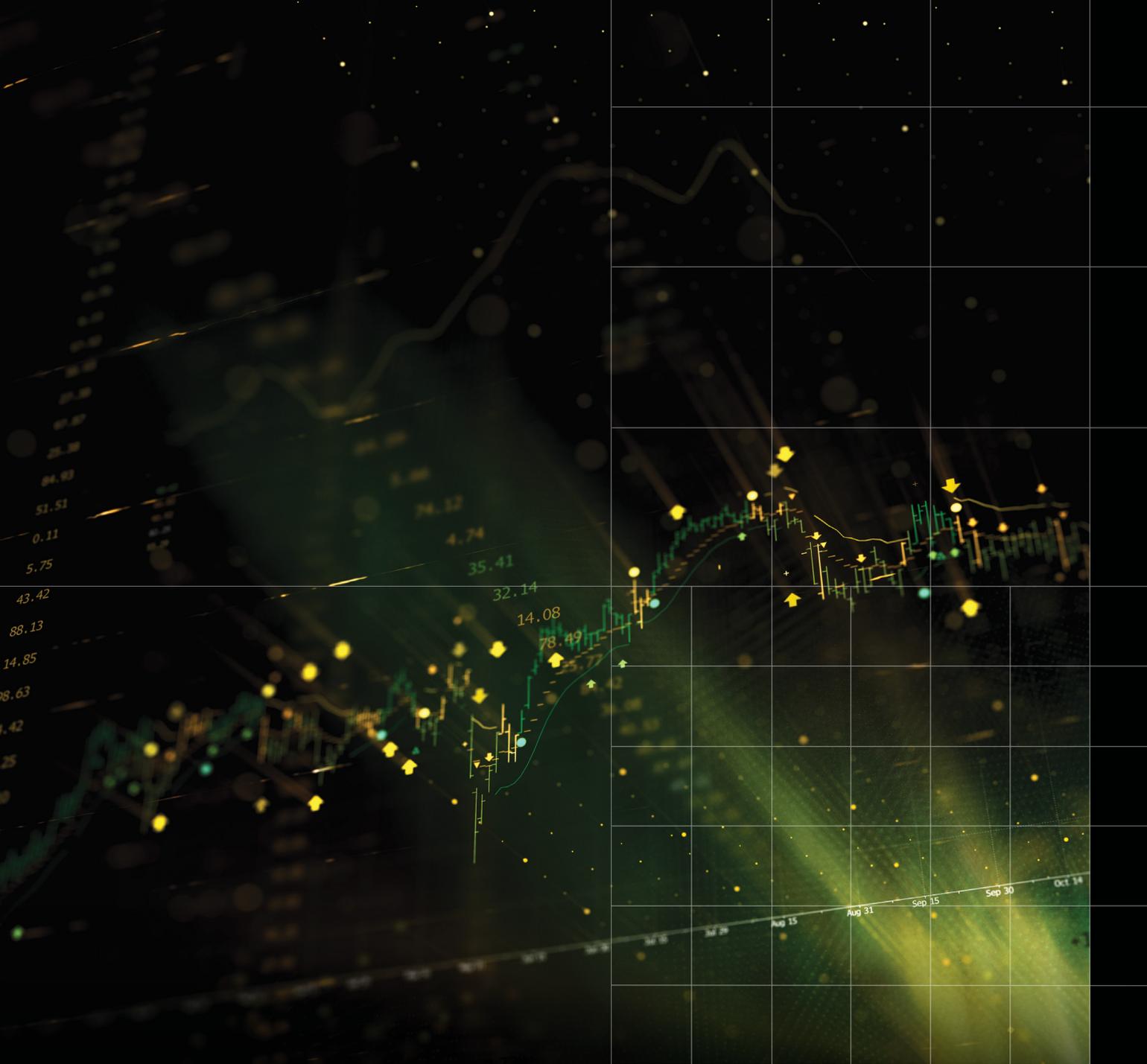


Sustainable finance solutions for the evolving European landscape.



Bloomberg



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A new era for sustainable finance in Europe.

Over the past decade, many financial firms in Europe have begun using environmental, social and governance (ESG) data to help identify emerging investment opportunities and risks. Now, with the European Commission's new focus on boosting sustainable investment and transitioning to a low-carbon, more resource-efficient and circular economy, sustainability needs to be on the radar of all Europe-based financial firms.

Whether your goals are finding sustainable investment opportunities or preparing for potential regulatory changes, Bloomberg's sustainable finance solutions can help you navigate the rapidly evolving European economic landscape.

To learn more about these solutions, contact your Bloomberg account manager or euesg@bloomberg.net.

What's changing?

The European Union has committed to the objective of a more sustainable economy and society by adopting the Paris Agreement on climate change and the UN 2030 Agenda for Sustainable Development.

Under the EU's Non-Financial Reporting Directive, large public-interest companies with over 500 employees are required to disclose certain information on the way they operate and manage social and environmental challenges. In June 2019, the Commission published new guidelines on reporting climate-related information that follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). While the guidelines themselves are not binding, they create a new benchmark of what is expected. Companies can use the new guidelines for reports published in 2020, covering financial year 2019.

The EU Action Plan for Sustainable Finance outlines the Commission's strategy to reorient capital flows towards sustainable investment, manage financial risks stemming from climate change and social issues and foster transparency and long-termism in financial and economic activity in Europe. This strategy will lead to regulatory changes such as new, ESG-related financial disclosure requirements and amendments to existing rules under MiFID II, UCITS Directive, AIFMD, Solvency II and CRA.

The Commission has proposed the following legislative changes:

- **Taxonomy** – establish a framework to classify environmentally sustainable economic activities
- **Disclosure and duties** – require institutional investors and asset managers to disclose how they integrate ESG considerations into their investment processes
- **Benchmarks** – create climate transition and Paris-aligned benchmarks to help investors track the relative carbon impact of their investments and broaden the disclosure requirements across most asset classes to incorporate ESG factors
- **Sustainability preferences** – amend delegated acts to ensure that investment firms and insurance distributors take their clients' sustainability preferences into account considering updates to existing regulations such as MiFID II, AIFMD and UCITS



What investment areas do these changes impact?

- Investment funds
- Insurance-based investment products
- Private and occupational pensions
- Individual portfolio management
- Insurance and investment advice
- Debt capital markets
- Benchmark providers

What should impacted companies do?

Get ready. With potential regulatory changes around the corner, Bloomberg's sustainable finance experts suggest taking the following steps to prepare:

- Ensure that you have a trusted and reliable source of ESG data
- Consider how you will integrate ESG data into your policy and governance model, paying attention to organizational structure and senior accountability, to help prepare for the upcoming regulatory requirements
- Consider how you will build out reporting capabilities to inform internal and external stakeholders of sustainable opportunity or risk in your investment process
- Plan for how your firm will handle the disclosure requirements

Activating the financial sector

The EU is taking steps to help companies and investors integrate sustainability considerations into their financial decision-making.

EU Action Plan for Sustainable Finance

Reorienting capital flows towards sustainable investment, in order to achieve sustainable and inclusive growth

1. A unified classification system for sustainable activities
2. Standards and labels for sustainable financial products
3. Fostering investment in sustainable projects
4. Sustainability considerations in financial advice
5. Sustainability benchmarks

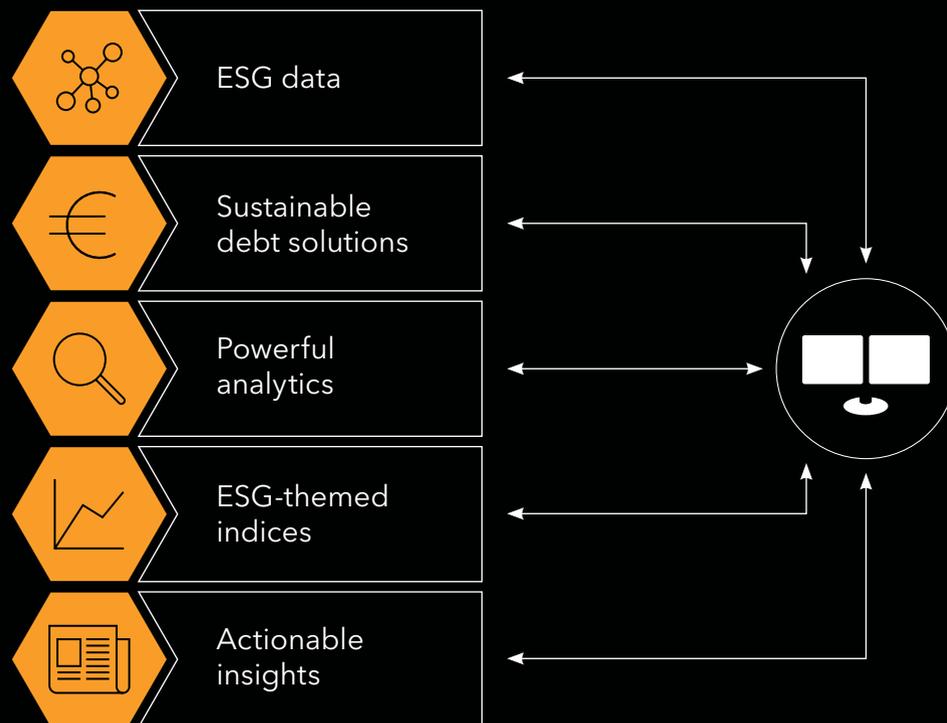
Mainstreaming sustainability into risk management

6. Sustainability in-market research and credit ratings
7. Institutional investors' and asset managers' sustainability duties
8. Prudential requirements for banks and insurance companies

Fostering transparency and long-termism in financial and economic activity

9. Disclosure and accounting
10. Corporate governance and attenuating short-termism in capital markets

Bloomberg sustainable finance solutions



How Bloomberg can help

The EU Action Plan and proposed legislation encourages investors and financial services companies to integrate ESG risk and opportunity analysis into every layer of their investment decision-making processes. Bloomberg provides data and analytics, indices, research and news to help business, finance and policy professionals assess sustainability-related risks and opportunities and report on sustainability performance.

ESG data

Make more-informed decisions with market-leading sustainability data

Enhance investment decision-making with Bloomberg's comprehensive environmental, social and governance (ESG) data. This scrubbed, verified and constantly updated data is available as a fully integrated feature of the Bloomberg Terminal and also as an Enterprise Data feed via Bloomberg Data License. Policy fields identify companies addressing sustainable risks and opportunities through their governance and operations.

Key features:

- **Comprehensive:** 11,500+ companies, over 900 fields of information captured with up to 10 years of history.
- **High-quality:** Data comes from corporate responsibility reports, annual reports and specific ESG releases, proxy statements and corporate governance reporting. Bloomberg verifies data with companies directly, upon company request, as well as in the course of certain internal data validation and governance processes.
- **Easy-to-use:** Risk management and modeling systems can easily digest Bloomberg ESG data. Underlying documentation is accessible with one click.

Sustainable debt solutions

Gain visibility into bonds and loans

Bloomberg provides market governance, research, data and analytics to help users identify and evaluate sustainable debt. Track green bond and loan announcements using the debt capital markets news channels on First Word (**FIRS <GO>**), which feature context and color provided by reporters and analysts around the globe. Search data on new sustainable debt deals in Bloomberg's fixed income database using Fixed Income Search (**SRCH <GO>**), which allows you to filter transactions by use of proceeds and alignment to International Capital Markets Association principles. The comprehensive database of deals is also searchable by debt arranger using League Tables (**LEAG <GO>**), allowing easy identification of the biggest players in the sustainable debt market.

Powerful analytics

Analyze ESG data from multiple angles

ESG data is fully integrated into Terminal applications designed for company analysis, including Financial Analysis (**FA <GO>**), Equity Screening (**EQS <GO>**), Relative Valuation (**RV <GO>**) and Portfolio & Risk Analytics (**PORT <GO>**), allowing Terminal users to seamlessly incorporate ESG into the investment process. You can also download the data into your own systems for analysis via API.

For example, you can use Bloomberg's Equity Screening function (**EQS <GO>**) to generate investment ideas related to environmental, social or governance criteria. By screening climate-related characteristics such as greenhouse-gas emissions, investors can generate and evaluate an investible universe that expresses a view on the financial implications of climate change. This list of companies can then be viewed throughout Terminal applications, including portfolio analysis, benchmark tracking, historical studies, backtesting and news alerts.

97) Formula		98) Actions		99) Backtest		Equity Screening	
My Recent Screens		BNEF New Energy Exposure Rating (EMEA)				As Of 10/09/2019	
11) Tobacco		Screening Criteria					
12) AI for TCFD		31) Exchanges	32) Sectors	33) Country of Domicile			
20) All Saved Screens		34) Indices	35) Portfolios/Monitors		45) More Categories		
Popular Screens		Add Criteria					
21) Global Infrastructure							3) Fields
22) High CDS Spreads							
23) Insider Buyers							
24) Quality Screen							
25) SZSE SEHK Northbou...		Selected Screening Criteria					Matches
26) Value Screen		Security Universe					1213429
30) More Screens		51) Trading Status: Active				425452	⊗
		52) Security Attributes: Show Primary Security of company only				91338	⊗
		53) Country of Domicile: Western Europe, Middle East & Africa, Eastern Eu...				30007	⊗
		54) BNEF New Energy Exposure Rating has data				1538	ⓘ ⊗
		Display Only Fields				1538	
		55) Country Full Name				1538	ⓘ ⊗
		56) T12M Revenue				1538	ⓘ ⊗
		57) 5 Year Annualized Total Return - Current				1538	⊗
		58) Add screening criteria					
							1) See Results WATC »

Combine Bloomberg ESG and financial data with security screening to generate unique investment ideas.

For a deeper exploration of ESG-related risks and opportunities, Bloomberg also offers a number of standalone ESG analytics. These tools include:

Bloomberg ESG Performance Scorecard

Generate custom, transparent ESG scores to understand company and portfolio ESG performance for any equity or corporate bond portfolio with the ESG Performance Scorecard (XLTP XSCR <GO>). Scores are calculated based on company performance on the Environmental, Social and Governance pillars and tailor-made weighting for integration into portfolio analysis via PORT <GO>.



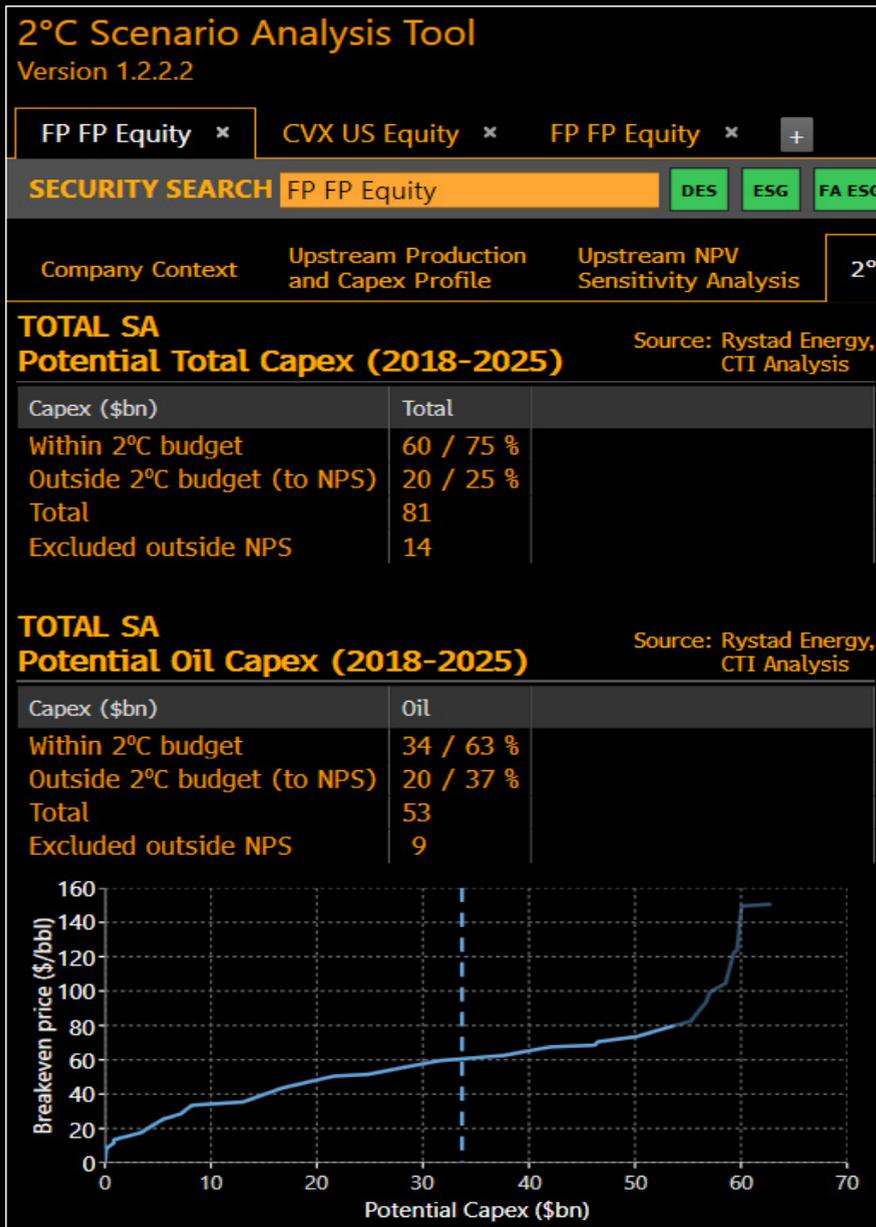
Generate custom ESG scores for companies to better understand sustainability performance.

Carbon Footprint Tool

Identify concentrated carbon risks in investment portfolios with the Carbon Footprint tool (XLTP XPCF <GO>). Bloomberg's Portfolio Carbon Footprint Tool in Excel connects with PORT <GO> and follows multiple recommended methods to calculate a portfolio's footprint and compare it to a benchmark or another portfolio.

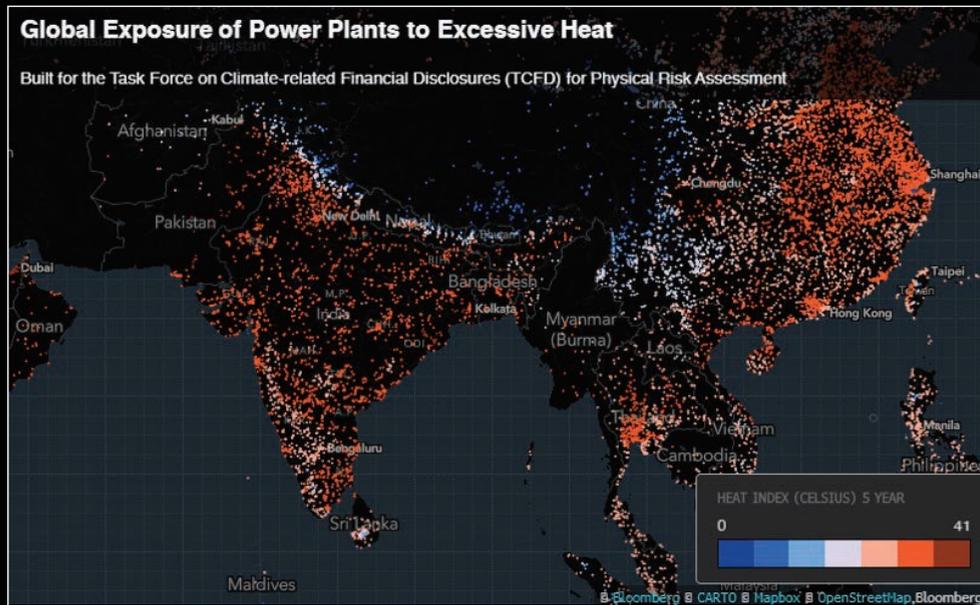
2D Scenario Analysis Tool

Evaluate potential future capex at risk in the oil and gas industry under a 2° Celsius scenario with the 2D Scenario Analysis Tool (APPS TRACK <GO>), created by Carbon Tracker and powered by Rystad Energy's asset-level data. The model can evaluate scenarios reported by companies themselves or can be used to identify opportunities in companies already transitioning to low-carbon strategies.



Geo Insights

Assess climate-related risks and opportunities with Bloomberg's advanced mapping technology. **MAPS <GO>** allows users to overlay geographic, financial and environmental data sets from the Terminal (including up-to-the-minute data from the World Bank, the World Resources Institute, the U.S. Geological Survey and others) and generate thought-provoking visuals and insights into the impact of climate change on an investor's assets, portfolio and industry. A growing number of companies are using Bloomberg's mapping tools to help them disclose the potential impacts of climate change on their businesses, in line with recommendations from the FSB Task Force on Climate-related Financial Disclosures (TCFD).



Map risks to power plants.

ESG-themed indices

Measure asset performance on ESG factors

Measure risk and return against Bloomberg's independent and unbiased ESG-themed benchmarks. Bloomberg's indices are available on the Terminal via **INP <GO>** and **IN <GO>** or for enterprise use via Bloomberg Data License. The Technical Expert Group on Sustainable Finance recently recommended a set of ESG disclosure requirements for benchmark administrators, including disclosure on alignment with the Paris Agreement. When the EU adopts these disclosure requirements, expected in mid-2020, Bloomberg is committed to meeting them.

Bloomberg Barclays MSCI ESG Indices

Bloomberg partners with MSCI ESG Research, a leading provider of environmental, social and governance data, to produce the Bloomberg Barclays MSCI ESG Fixed Income Indices, the market's first and most comprehensive collection of fixed income indices incorporating measures of ESG risk. The core ESG fixed income family includes indices focused on three different ESG methodologies: Socially Responsible (SRI), Sustainable and ESG-weighted. We also offer a family of Green Bond indices for climate-focused and impact investors.

Bloomberg SASB ESG Indices

Created in collaboration with the Sustainability Accounting Standards Board (SASB) using R-Factor™, an ESG scoring solution developed by State Street Global Advisors, this index family focuses on the subset of ESG factors most likely to materially impact the financial condition or operating performance of companies in a given industry. It includes U.S. large cap equity and investment-grade corporate bond ESG indices.

Actionable insights

Generate ideas and enhance investment strategies

Use in-depth research on the Terminal to drive idea generation, identify material ESG issues by industry and inform investment strategy decisions. Stay on top of market-moving ESG news stories with Bloomberg Media.

BloombergNEF

BloombergNEF (BNEF) leverages the world's most sophisticated data sets to create clear perspectives and in-depth analysis that frame the financial, economic, and policy implications of industry-transforming trends and technologies. BNEF's primary research includes long-term forecasts, data and tools on sustainable debt markets, clean energy, advanced transport, digital industry, innovative materials and commodities. BNEF content is available on the Terminal via **BNEF <GO>** or can be accessed through a web-based subscription.

The screenshot displays the BloombergNEF website interface. At the top, there is a navigation bar with the following items: BloombergNEF, Flagship, Sectors, Countries, Companies & Assets, Investment, and Bloomberg Anywhere. Below the navigation bar, the page is divided into two main sections: 'Themes' and 'Datasets & Tools'. The 'Themes' section features five cards with images and titles: 'Corporate Renewable Energy Procurement' (with an 'Updated' tag), 'How to Implement TCFD' (with a 'New' tag), 'Materials for Sustainability and the Circular Economy', 'Sustainable Finance', and 'Understanding Climate Risk'. A 'more Themes' link is located at the bottom left of this section. The 'Datasets & Tools' section lists several tools: 'Sustainable Debt Data Tool', 'Clean Power Purchasing Data Tool', 'Circular Economy Policy Database', 'Corporate Power Emissions Tracker (CPET)', and 'Science-Based Targets Data Tool'. A 'more Datasets & Tools' link is located at the bottom of this section.

Explore primary research on industry-transforming trends and technologies.

Bloomberg Intelligence

Bloomberg Intelligence (BI) provides Terminal users with in-depth analysis, commentary and data sets on 140 industries as well as the government, credit and litigation factors that impact decision-making. At **BI ESG <GO>**, dedicated ESG analysts within BI offer independent, data-driven insights into sustainability themes such as climate change, water use, corporate governance and safety.

BI CO2 Forecasts

Gain insight into the scope and scale of carbon reduction efforts among industries and companies globally with the CO2 Forecasts data library (**BI Carbon <GO>**) from Bloomberg Intelligence. CO2 Forecasts provides investors with a proprietary tool for tracking and estimating the decarbonization efforts of 500+ companies through 2030. Associated research notes for the data can be found on **BI ESG <GO>**.

The screenshot displays the Bloomberg Intelligence ESG Dashboard (BI BESGG) interface. The top navigation bar includes 'Actions', 'Directory', 'Export', 'Settings', and 'Bloomberg Intelligence'. Below this is a search bar and the dashboard title 'ESG Dashboard (BI BESGG)'. The main content area is divided into several sections:

- Research:** Features an 'Outlook (Click to see more) »' section with a thesis: 'As ESG Gains Traction, Companies Must Respond: THESIS: Environmental, social and governance interest should continue to grow, supported by expanding investor demand, gains in ESG indexes and new rule-making. Increased competition and...'. It also includes 'Key Indicators' and 'Latest' data points.
- Data Library:** Lists various research categories such as 'Macro', 'Company', 'ESG Scores', 'Theme Scores', 'CO2 Forecasts', 'Proxy Tracker', 'Voting (Japan)', 'Activists', and 'New Energy'.
- Featured Research:** A list of research items with titles and dates, such as '1) Unlocking Gender Diversity's Value' (10/24) and '2) Sustainable Development Goals Topic Primer' (10/24).
- Operating Stats (Median):** A table of key metrics including '31) World CO2 (mil.)' at 33.68k, '32) China' at 9.42k, '33) United States' at 5.02k, and '34) European Union' at 3.44k. Other stats include '35) S&P 100 CEO Pay' at 8.02M, '36) Carbon/Sales' at 2.61, '37) Energy/Sales' at 7.69, '38) Water/Sales' at 11.04, '39) % Women on Board' at 23.08, '40) % Ind. Director' at 90.00, '41) Sustainalytics ESG' at 47.06, and '42) DJSI World 80 TR' at 89.78.

Access independent insights from dedicated ESG analysts on the BI ESG dashboard.

Third-party research

View ESG research from a variety of sell-side banks, brokers and independent providers on the Terminal via the Bloomberg Research Portal (**RES <GO>**). Content includes single stock, industry and thematic ESG analysis, as well as multimedia content and research from ESG events and conferences. Bloomberg also provides a research contribution mechanism for producers of ESG research.

Bloomberg news and media

Monitor Bloomberg's real-time news and comprehensive coverage of the critical environmental and social issues on the Bloomberg Terminal and all of our media platforms: digital, print, TV, radio and live events. On Terminal, keep up to date with ESG events and debates daily (**NI ESGDAILY <GO>**) and weekly (**NI GOODBIZ <GO>**), and catch up with the latest deals and trends in the green and sustainable bond market using (**FIRS <GO>**) and (**NI ESGBONDWRP <GO>**). With more than 170 ESG-specific news codes on the Terminal, users can search and set company and portfolio alerts for up-to-the minute breaking news and analysis.

About the Bloomberg Terminal.

Since 1981, business and financial professionals have depended on the Bloomberg Terminal® for the real-time data, news and analytics they need to make the decisions that matter. The Terminal provides information on every asset class — from fixed income to equities, foreign exchange to commodities, derivatives to mortgages — all seamlessly integrated with on-demand multimedia content, extensive electronic-trading capabilities and a superior communications network.



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