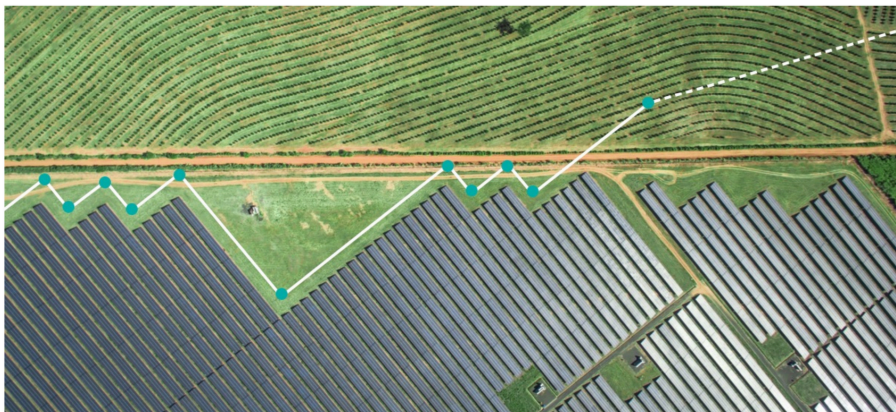


The Future of ESG Investing

Bloomberg Media's Sustainable Future Study reveals where the sustainable investment landscape is headed next



ESG assets will hit \$50 trillion by 2025, representing more than a third of the projected \$140.5 trillion in total global assets under management, according to Bloomberg.



Bloomberg Media's Sustainable Future Study, sponsored by Mubadala, delivers a comprehensive global view of the sustainable investing landscape, and what to expect by the end of the decade, based on our survey of nearly 800 business decision makers.



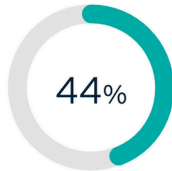
Globally, our research finds broad alignment across global markets that sustainable investing is a high priority for fund managers today and in 2030. Around the world, fund managers are convinced of the link between ESG and a company's shareholder value, and this link is a key input for investment decisions.



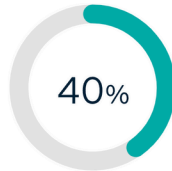
The Rise
of ESG Investing

Global business leaders across all industries anticipate strong growth in ESG assets, and they are making investments in ESG with the same bottom line-driven focus as their non-ESG investments. A resounding 71% of global business leaders believe that, "Eventually, no investment decisions will be made without considering ESG."

Top 3 Motivations for Considering ESG



Greater Returns



Social Responsibility

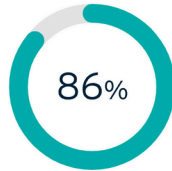


Greater Opportunity for Disruptive Change

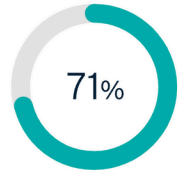
Global Momentum Behind ESG



Sustainable investments will increase by at least 20% in the next five years.



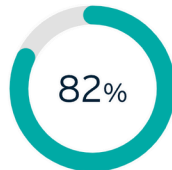
Investment is a powerful driver of a more sustainable future.



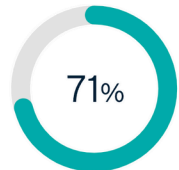
Eventually no investment decisions will be made without considering ESG.

The vast majority of respondents see ESG as an important consideration when making investment decisions in their own organizations, even among non-ESG fund managers.

Importance of ESG as Investment Consideration

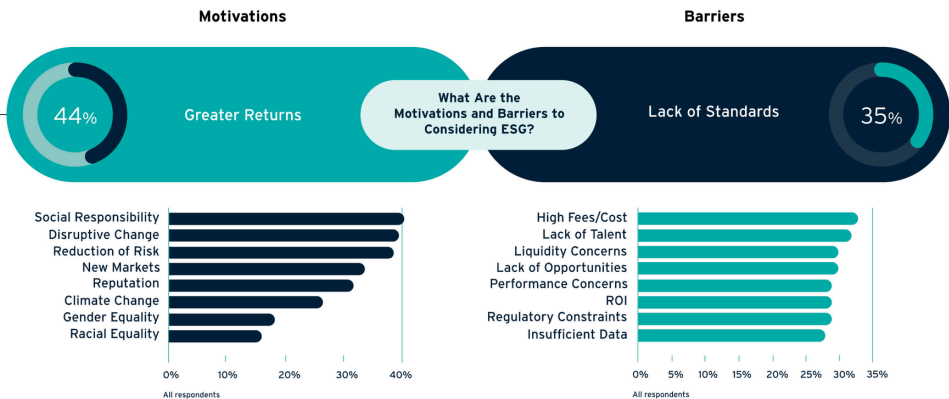


ESG Fund Managers



Non-ESG Fund Managers

While the study finds great enthusiasm for ESG investments, the lack of defined standards to assess performance is a barrier to investment in this sector. This focus on clearly defined standards marks a significant change in the sustainable investment landscape, where, historically, high cost and fees had been the main barriers to investment.



Industries Leading the World in ESG

According to the study, 32% of all respondents believe that renewables and clean energy yield the highest ROI today, and the same number believe this will be true for 2030—the highest value for any investment area.

But investors may be too focused on the most obvious ESG investments, and could be missing an opportunity to take a more holistic approach to sustainable investing.

At 27%, ESG fund managers see the highest ROI opportunity today in Financial Services, compared to 10% of Chief Sustainability Officers, 7% of government officials, and 13% of non-ESG fund managers.

Venture capital leaders stand out for their confidence in Life Sciences Tools and Services (16%) and Mobility (10%).

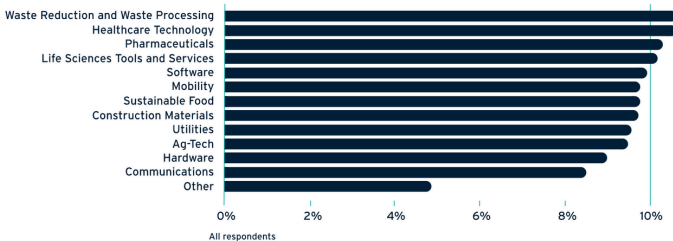
Expected Percentage of Increased Investment in 5 years



Financial Services



Renewables and Clean Energy



ESG Fund Managers

VS.

Non-ESG Fund Managers

Software 41%
 Hardware 38%
 Education Tools & Services 46%

Fund managers expect increased allocations in these investment areas

Software 30%
 Hardware 29%
 Education Tools & Services 31%

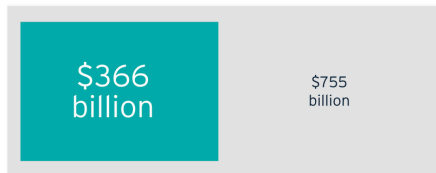


The Road Ahead for ESG

When we break down ESG and evaluate which element contributes most to shareholder value, Environmental carries the bulk of the weight today, and Renewables and Clean Energy receives the highest portfolio allocations.

BloombergNEF estimates that \$2.1 trillion of investment is needed in the energy transition from 2022-25, nearly three times last year's level. In addition to renewable energy projects, this figure includes electrified heat, energy storage and nuclear power.

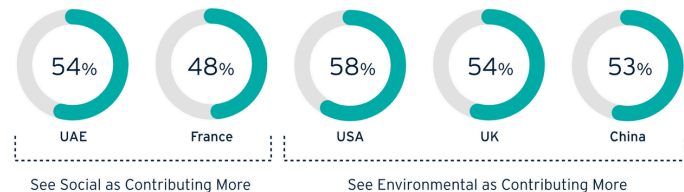
Renewable Energy Projects make up \$366 billion of the total \$755 billion in global spending on the transition to low-carbon energy in 2021.



Source: BloombergNEF

But while the world feels dominated by the Environmental factors in ESG investing today, our study shows increasing consideration of the Social factors that evaluate a company's impact on customers, employees, local communities and society in general. By 2030, many investors believe that Social will contribute more to shareholder value than Environmental.

Growth of Social as Investment Consideration 2030 Projection



The global momentum behind ESG contributing to shareholder value is undeniable. ESG is a decision-making factor across all investments, not just ESG-oriented investments, and investors need to widen their view of sustainable investing. As our study shows, there are many opportunities for increased ROI in sectors not traditionally associated with sustainability. Any organization or country that ignores ESG risks being left behind.