



BLACKROCK

Challenges & Opportunities in
Financing the Sustainable
Development Goals

“

At BlackRock, we have an opportunity, a responsibility even, to make a positive difference to society.

”

Larry Fink

Private Markets: Impact Measurement is Difficult

Financial

- Clear Currency
 - Established Accounting Guidelines
 - Third-Party Auditing
-
- = Profit/Loss

Social

- No Clear Currency
 - No Accounting Framework
 - No Third-Party Auditing
-
- = ...?

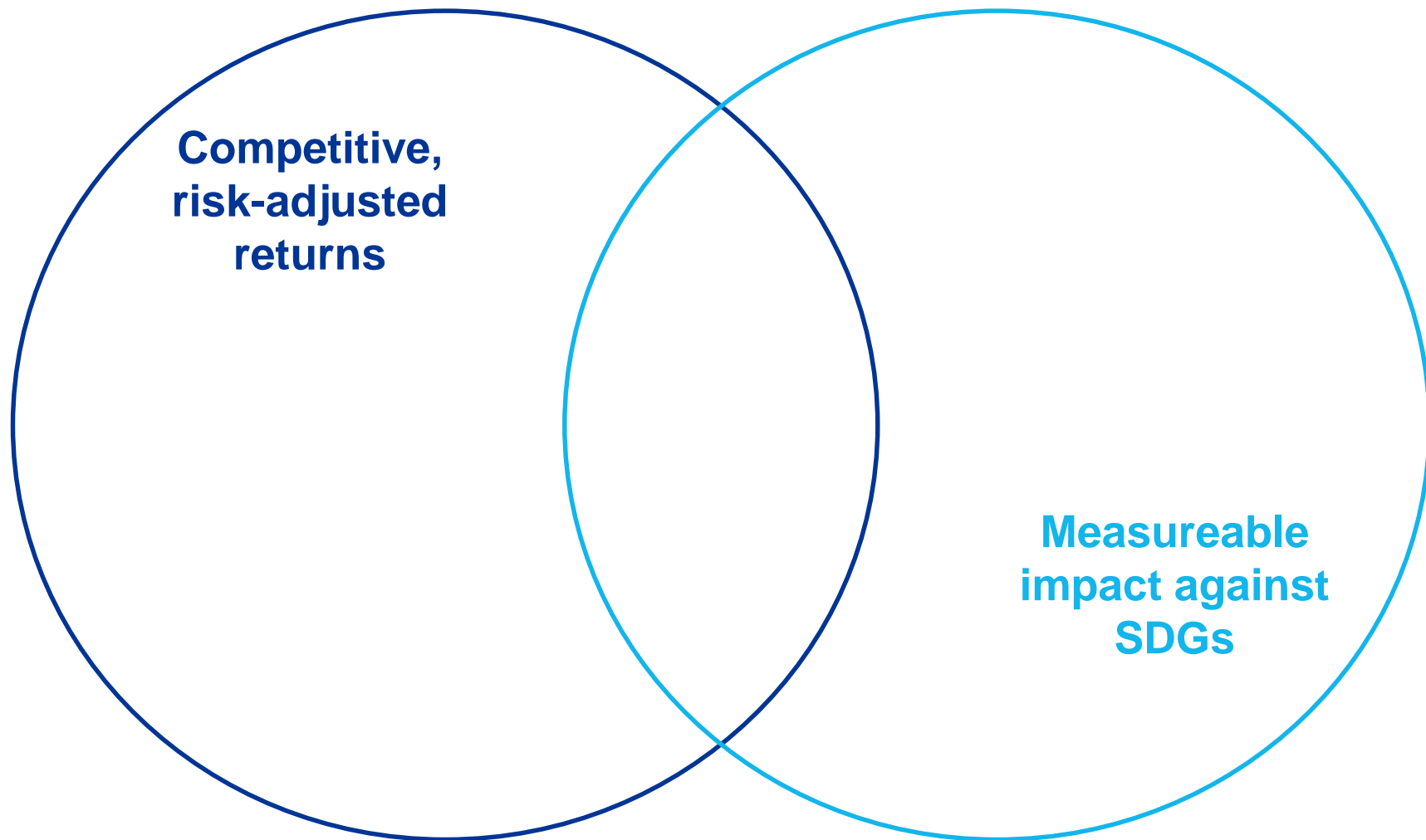
Public Markets: ESG Data is limited

- Intangible Assets: From 17% (1975) to 84% (2015) of S&P 500 Market Value*
- While ESG captures increasingly material investment information that is relevant to the SDGs:
 - Company reporting is still inconsistent and inadequate
 - Third-party data sources are still nascent and have limited history



Source: Ocean Tomo Intangible Asset Market Value Study, 2017

Sustainable Investing: Research & Insights are Still Early Stage



Private Markets: Industry Standards are Emerging



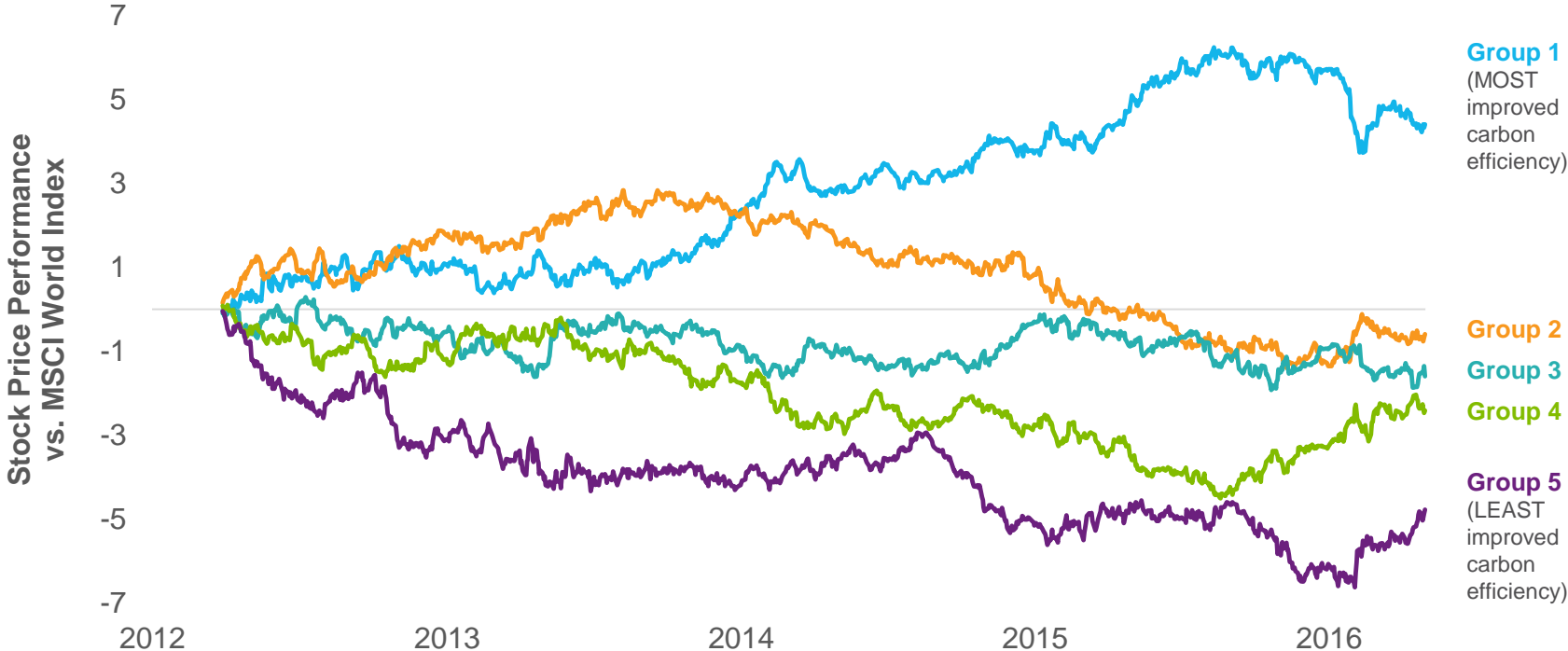
*Gold standard:
open source
and transparent*

Public Markets: ESG Data is Rapidly Improving



Research & Insights: Increasing Links Between ESG & Performance

Efficiency Improvement: Equity Performance by Carbon Intensity 2012-2016



Sources: BlackRock Investment Institute, ASSET4 and MSCI, July 2016. Notes: The analysis above calculates the carbon intensity of all MSCI World companies by dividing their annual carbon emissions by annual sales. Companies are ranked and bucketed in five quintiles based on their year-over-year change in carbon intensity. We then analyze each quintile's stock price performance versus the MSCI World Index. Most improved means the 20% of companies that posted the greatest annual decline in carbon intensity. Data are from March 2012 through April 2016. The example is for illustrative purposes only. Past performance is no indication of future results.



BLACKROCK