

# CEO ESG update

**Incorporating ESG into our investment process is enabling us to operate in line with our clients' values & priorities while working to deliver attractive performance. Erich updates us on two key developments for 2020.**



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Over the past year, environmental, social and governance (ESG) factors have been established as a strategic pillar for how BlueBay does business. Despite the challenges posed by the coronavirus pandemic, we are continuing our efforts regarding the incorporation of ESG practices into our investment process.

I'd like to highlight two notable areas of progress for 2020.

## **Effective & efficient ESG data infrastructure**

Following the launch of our formal issuer ESG evaluation framework, we embedded ESG data and research within our investment infrastructure, making it accessible for all investment professionals here at BlueBay.

We created a portal to house ESG data and metrics, which enabled their inclusion within our proprietary portfolio management and reporting tool, Portfolio Insight, and our investment decision platform, the Alpha Decision Tool.

As a result, credit and ESG research are now housed within a centralised in-house research platform for the first time at BlueBay. This illustrates our commitment to ensuring ESG is a core part of our credit research process, with ESG analysis formally and systematically feeding into our investment decisions. It also shifts mindsets from thinking of ESG as an enhanced investment risk management tool to also being a potential source of returns.

With investor interest and demand for ESG continuing to grow, I believe these steps position BlueBay to continue to be able to develop and deliver innovative fixed-income solutions which can meet our clients' values

and priorities at the same time as delivering attractive investment performance.

## **ESG integration as standard practice**

Continuing to ensure we are integrating ESG within our fundamental research and portfolio management processes as routine practice remains a priority.

Our issuer ESG evaluation framework is uniquely tailored to debt investing and we have continued to receive strong feedback for being innovative and progressive.

This year we assessed over 95% of our holdings across both corporates and sovereigns. This was not a small undertaking, but one that we are committed to ensure we maintain going forward.

The richness of ESG data and analysis we have produced is already proving insightful, prompting many discussions and greater engagement between teams and with our clients.

There is much still to do, but we maintain that 2020 remains important in setting the tone for the level of ESG ambition for the decade to come.

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