

# Consumer & Investor behaviour Power of Change

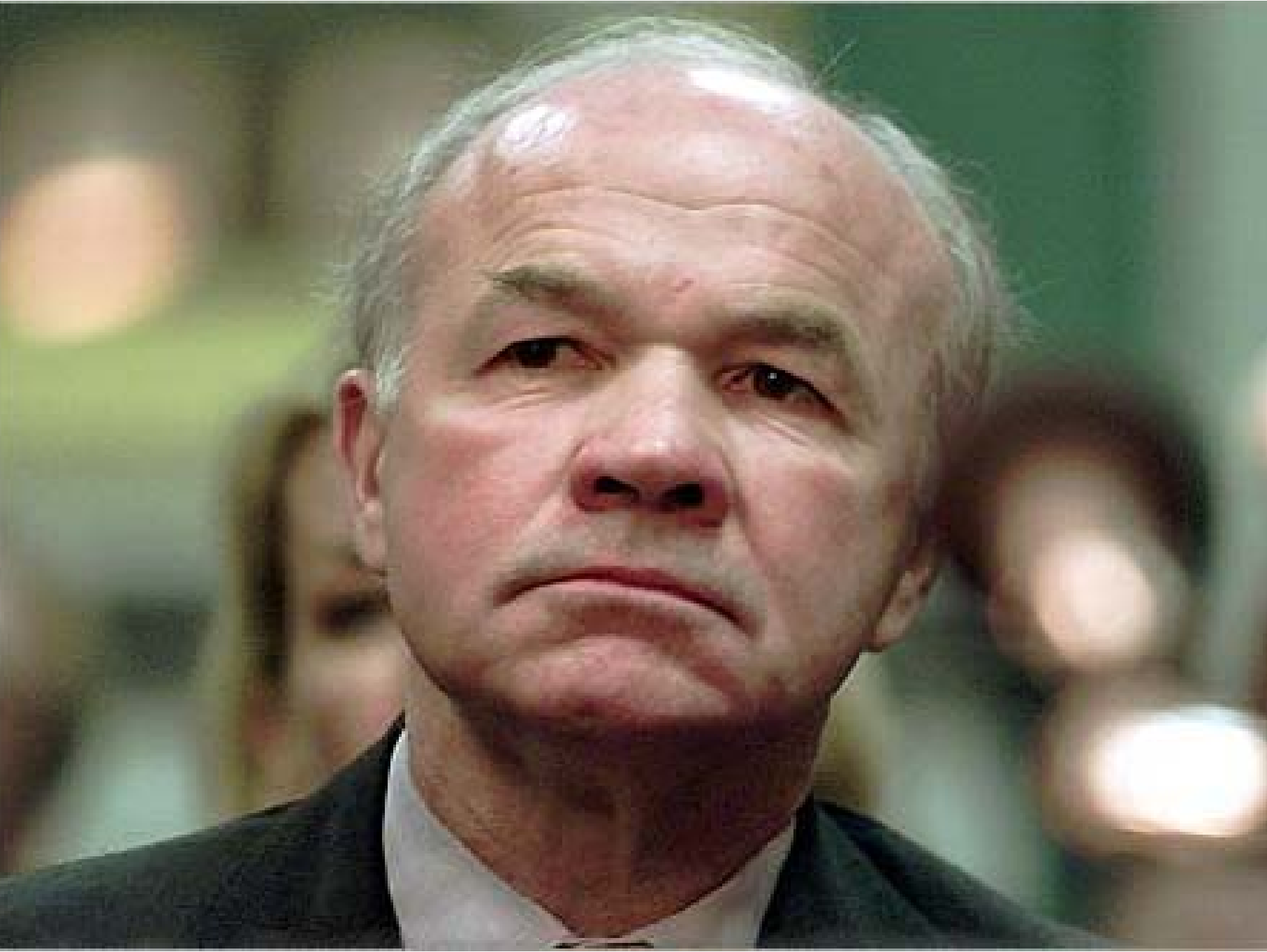
Academia Engelberg

Engelberg

10.10.2006

# Sustainability?

- Unifies 3 objectives:
  - Economical performance
  - Social development
  - Respect of the environment
- Corporate Responsibility towards „Stakeholders“





## Profit: do something “FOR”?

- Profit maximisation in the short term:  
a few beneficiaries only
- Profit optimisation in economical, social and environmental terms:  
benefits to many (stakeholders)

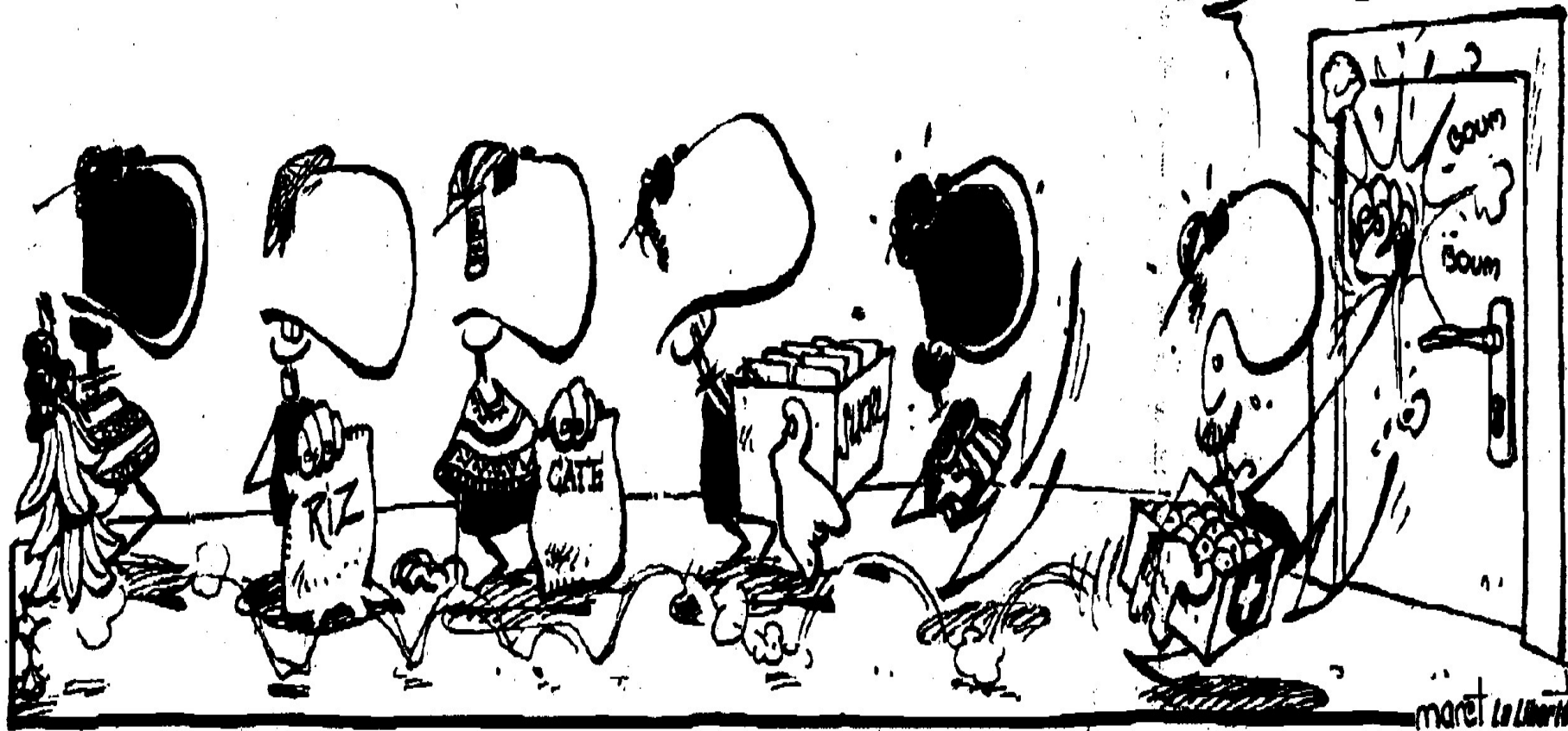
# Put again the church in the middle of the village

- What is our reason for BEING?  
Human?
- What is the role of the economy?  
Purpose of our lives? or instrument for human development?
- Who has got the power?  
Sharholders? Or consumers?

# LE MAN IN BLACK MARCHÉS SUISSES EN DIFFICULTÉS

PARDON!  
EXCUSEZ!  
LAISSÉZ PASSER!  
MERCİ!  
C'EST POUR UNE URGENGE!

 **MAX HAVELAAR**  
COMMERCE ÉQUITABLE



# Why companies show interested in integrating in their strategy sustainability principles?

- For image/reputation purposes
- To answer consumers demand for more transparency
- To answer the investors demand (financial analysts and media role)
- Because companies see sustainability as a competitive advantage
- Because top managers believe in it



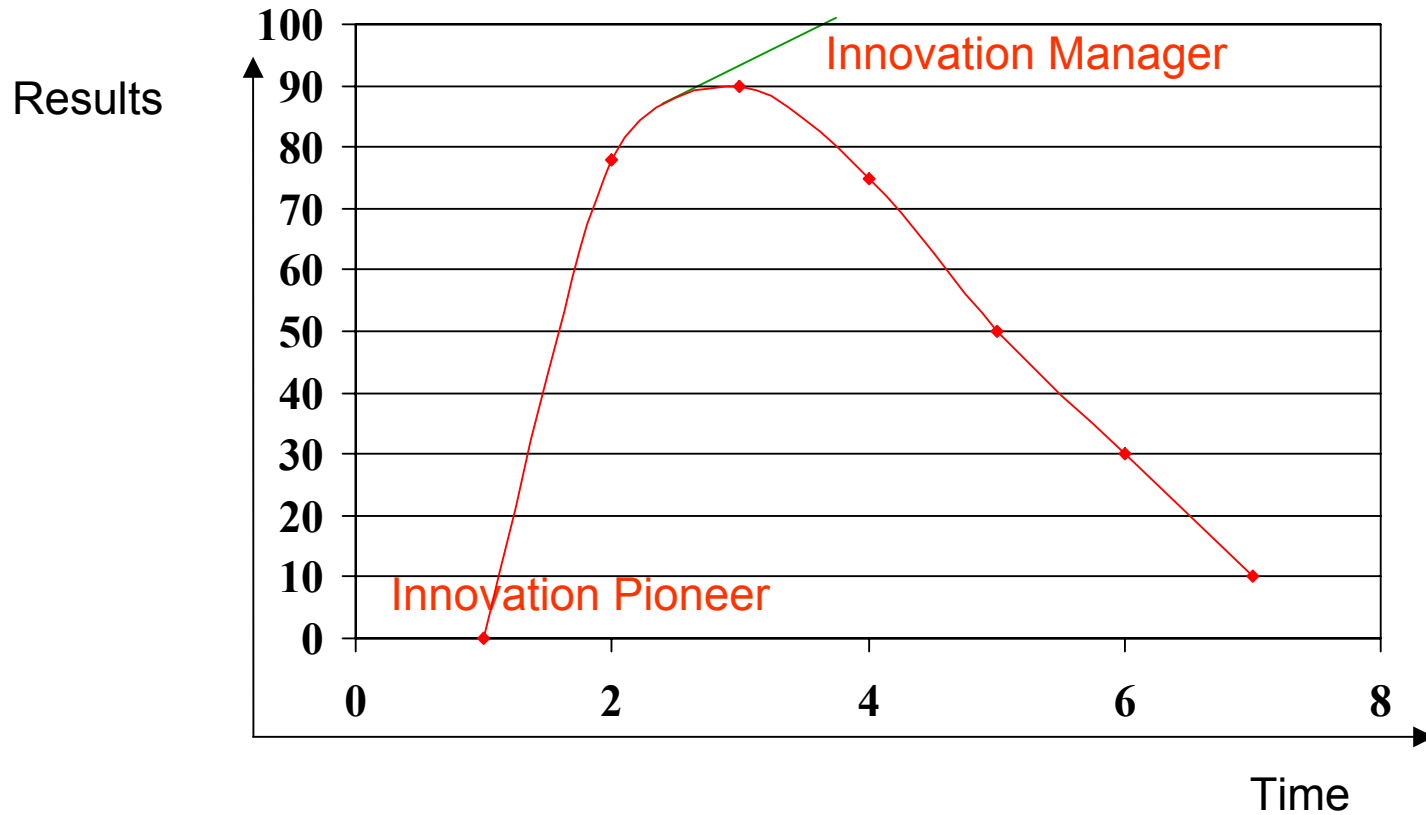
# Examples

- Family companies
- Companies quoted at the stock exchange: Products or services

# Investment: the Norwegian model

- Advisory Board in « ethic in business » at the Norwegian Central Bank
- Norges Bank administers pension funds essentially coming from the gas and oil industry:
  - 196 Billion EURO: 2<sup>nd</sup> worldwide
  - 0.3% stocks traded worldwide: 3200 companies
  - ROI: 11,1% ou 20 Billion Euro
- Ethical Guidelines for pension funds + exclusion criteria, ie. Weapons, etc.
- Pressure on companies where social and/or environmental codes of conduct are not respected, and/or insufficient good practices in the corporate governance

# Life cycle of a product/service/enterprise

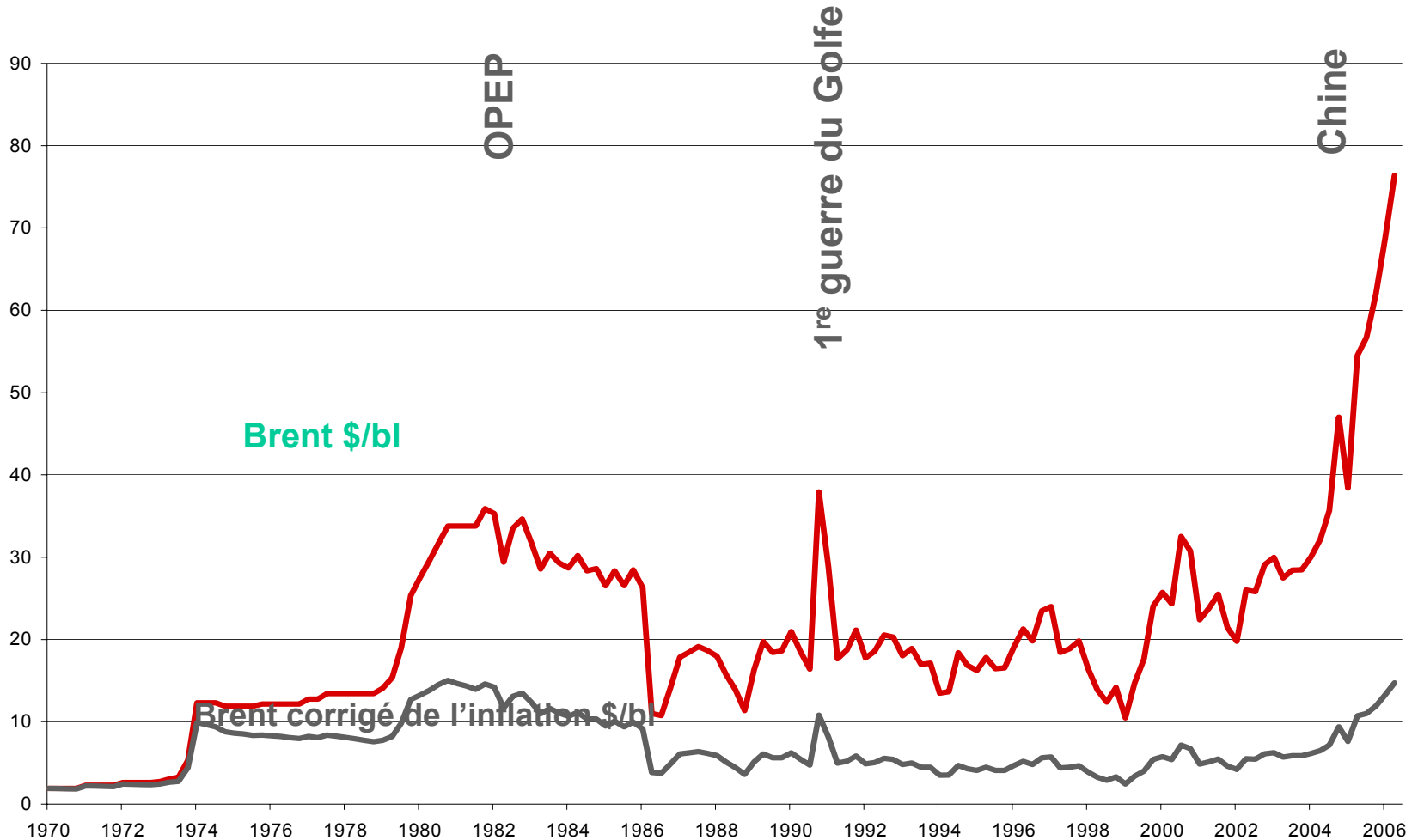


## Example : Hubbert's curve USA

### Oil production USA

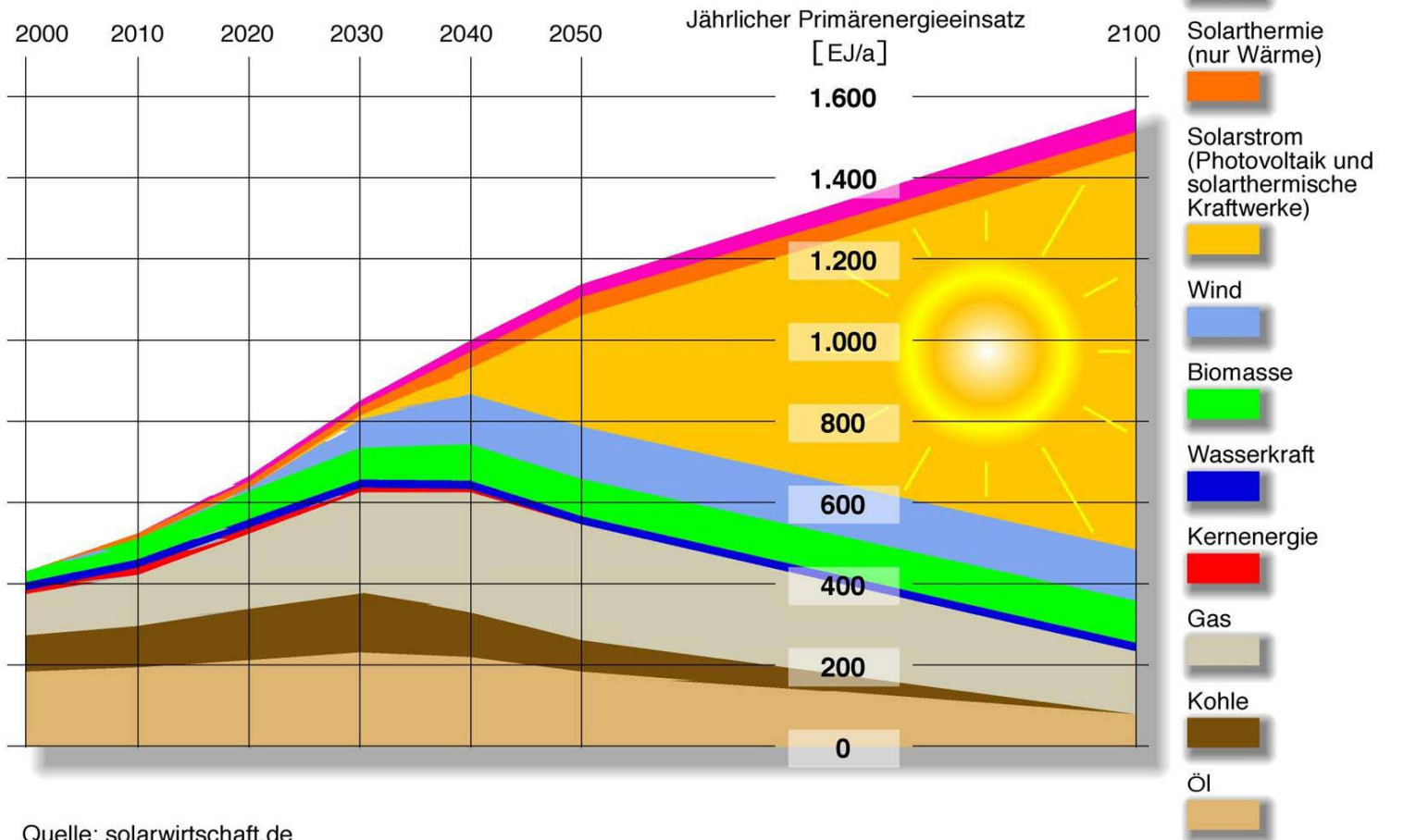


# Oil price : China and the Hubbert's Peak



# Evolution to 2100: energy composition

Prognose des Wissenschaftlichen Beirates der Bundesregierung  
Globale Umweltveränderungen



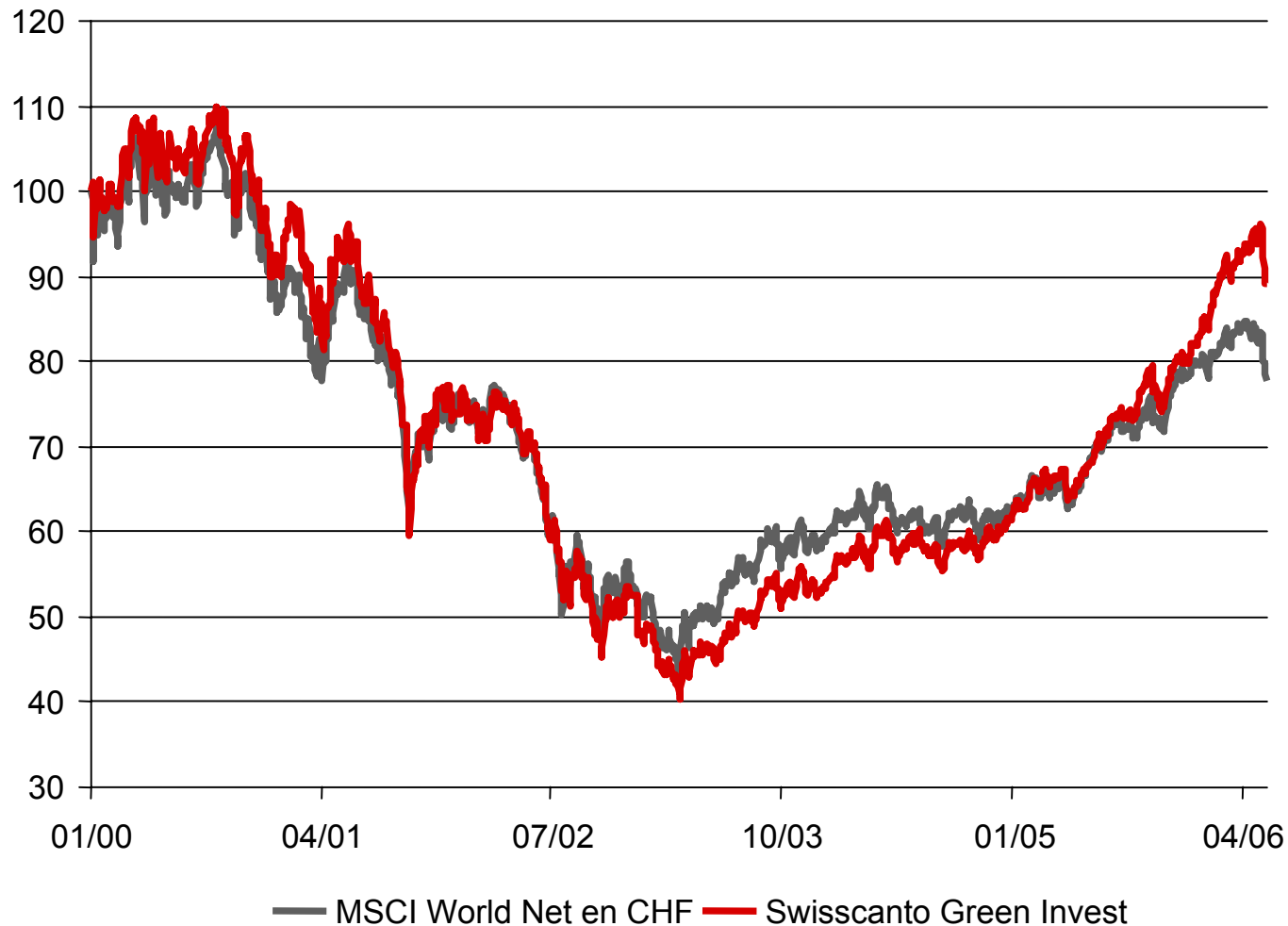
## Leaders sustainability 75%

OEST ELEKTRIZITATSWIRTS-A	3.46
JOHNSON & JOHNSON	3.30
PROCTER & GAMBLE CO	3.20
BANK OF AMERICA CORP	3.10
3M CO	2.70
SKF AB-B SHARES	2.02
CITIGROUP INC	2.01
INTL BUSINESS MACHINES CORP	2.01
ING GROEP NV-CVA	1.93
GLAXOSMITHKLINE PLC	1.92

## Pioneers sustainability 25%

SOLARWORLD AG	5.89
BWT AG	1.49
CONERGY AG	1.47
REPOWER SYSTEMS AG-REG'D	1.16
GAMESA CORP TECNOLOGICA SA	1.13
SOLAR-FABRIK AG	0.82
VESTAS WIND SYSTEMS A/S	0.71
CITRON AG	0.68
INIT INNOVATION IN TRAFFIC S	0.66
KURITA WATER INDUSTRIES LTD	0.64

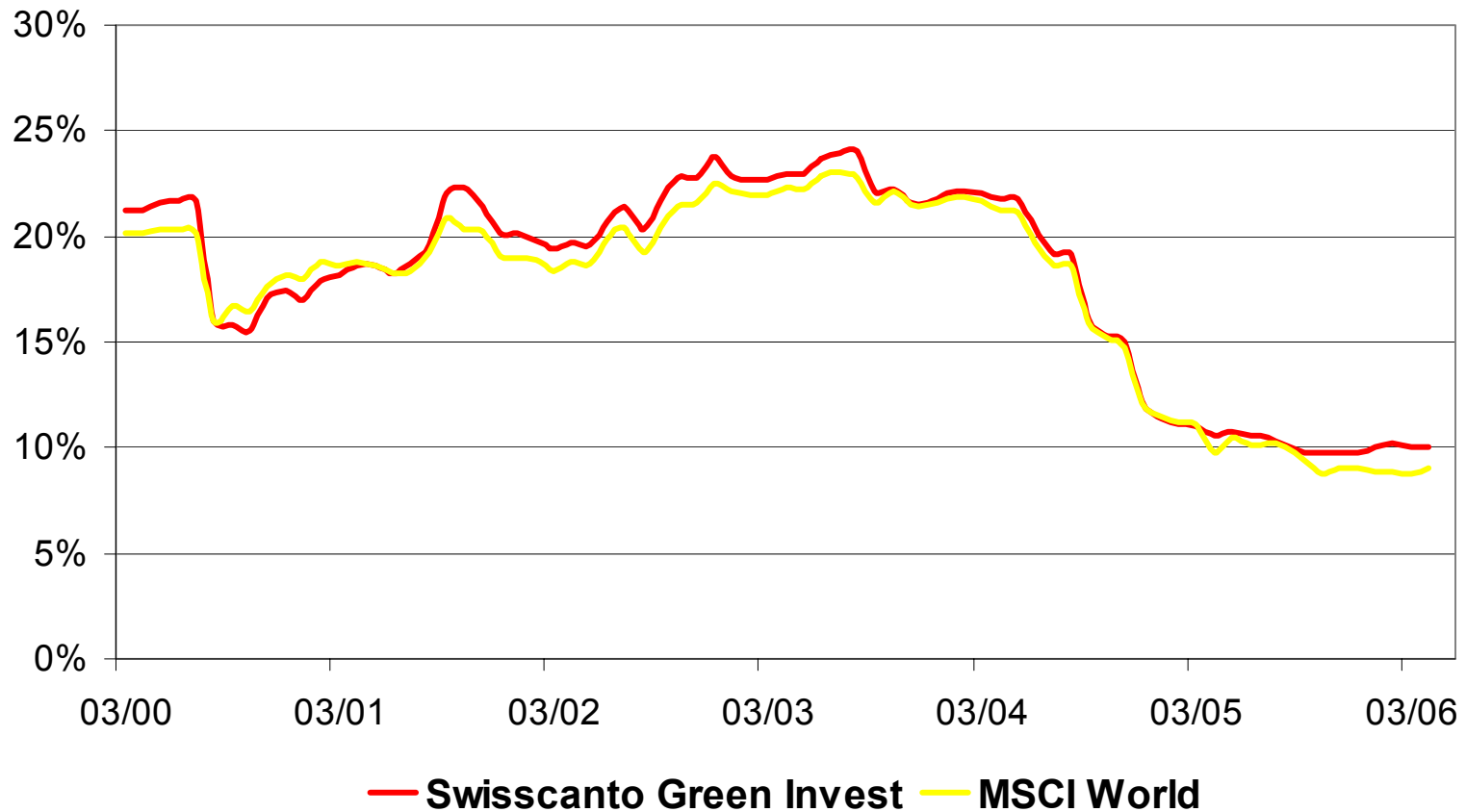
# Performance Green Invest vs. MSCI World (net)





# Global risk equal or inferior vs. MSCI World

**Volatility (over 2 years)**



A large white cross is centered on a solid red background. The year '2015' is written in a black, serif font across the horizontal bar of the cross.

2015

” Don’t ever think that a small group of conscious and dedicated people aren’t able to change the world. In fact this is the way it always happened!”

Margaret Mead