

Sustainable Finance:

*Finance for Survival,
Sustainability for Success*

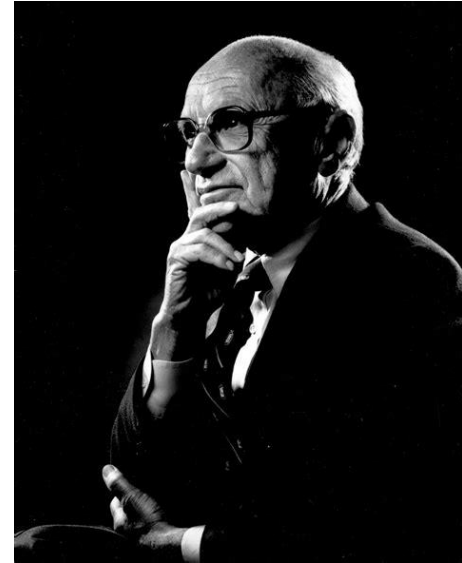
Prof. Dr Hakan Lucius

Research: Sustainability based Outperformance

“The only social responsibility of
business is to increase its profits”

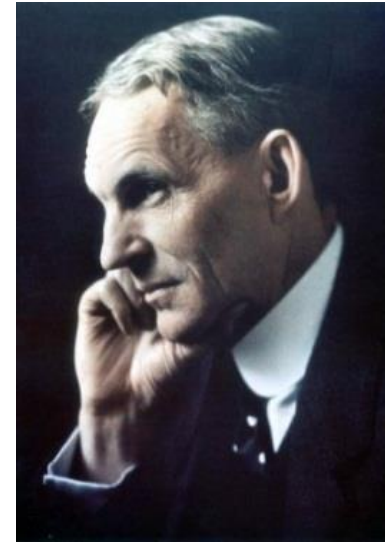
Milton Friedman

(New York Times, Sept. 13, 1970)



“No business will survive if not making a profit. But it will neither survive if it will just want to make a profit.”

Henry Ford



The Social Responsibility of Management, New York, 1950

- a better **place to work** in
- a better **company to sell** to
- a better **company to buy** from
- a better **neighbour** in the community

Financial Times` Front Page, 20 August 2019

“The Business Roundtable placed shareholders as one of five stakeholders alongside
customers,
workers,
suppliers, and
communities
in a new statement of purpose.”

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Do sustainable companies, as per the SASB materiality table, outperform ?

- Measurement Challenge

 - Researched each company individually,
no single database, comprehensive evaluation

- Cut-out the “benefit-of-hindsight” bias

 - Evaluated 37 multinationals’ sustainability performance during 2017
and only thereafter, looked at 24 month performance (2018 to 2020)

Research: Sustainability based Outperformance

| Portfolio | Annual Stock Price Growth |
|---|---------------------------|
| Overall Portfolio | 8.8% |
| Poor Performance on Material Aspects | 0.1% |
| Strong Performance on Material Aspects | 10.5% |

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Thank you !

Prof Dr Hakan Lucius