

The company's money: invest rather than speculate?

20th November 2009 / Auditorium / 06.30 pm

Moderator:

Alan FUSTEC

President - Goodwill Management
(France)

Speakers:

Léopold BEAULIEU

President - Fondation (Canada)

Dominique MOORKENS

CEO - Alcopa (Belgium)

Rodney SCHWARTZ

Founder – Catalyst Fund Management &
Research et CEO – ClearlySO (UK)

applied to the company – responsible finance.

- From the perspective of a responsible investor.

- What is the core of their responsibility?

- What freedom does the investor have to make trade-offs for the return on investment?

- Today, we could hear many companies claiming to be sustainable while projecting 15% growth.

- Investors take risks, that is why they are remunerated the way they are. A responsible investor does not look for quick gains. You cannot seek a 15% growth in an economy that only grows 2 – 3% annually. Then, when you implement a socially responsible policy, you have all the necessary conditions to develop non-material capital. Such capital can account for almost 75% of the capital. We need ethics around this. How do you apply these principles of responsible investments?

Responsible Investment

The speakers were asked several questions related to the meaning they give to responsible investment.

- What can be called socially sustainable responsible investment? Who are these investors?
- Have you identified yet a main difference between the standard investor and the socially responsible investor when taking risks?
- Do you think the shareholder's will is to make socially responsible investments?
- How do you consider this notion of separation of profit?

Key insights that came out of all the questions were:

- Things are changing; therefore ISO 26000 will deal with triple bottom line applied to the company and social responsibility

Speakers Present Their Perspective of Responsible Investments

Leopold Beaulieu, President Fondation (Canada)

June 1995: the foundation was created by the National assembly – Fondation CSN. It is a fund that combines tax credits of an investment fund to maintain and create jobs as well as a registered investment tool. The foundation bases its actions on the three pillars of sustainable development – economy, society and environment.

Supported over 200 small companies. Under the form of special loans or investments within the companies. About 200 SMEs and 35 specialized funds. For example, we helped reorganize a site that had been

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abandoned and that created jobs in a district.

Fondation wants to put in place 60% of the average net assets. Also a financial partner in a number of investment projects. Also helps fund entrepreneurs who have the project of creating a company. Can also help companies to integrate sustainable development in their projects.

Respect the environment and respect people are the corporate values of Fondation.

Beyond the regulation aspect to govern the finance industry differently, we have to redefine the way we produce and the way we do business. The current crisis shows us the limits of the model we have right now. These new regulations we see on financial transactions are paramount. We also have to give back and be responsible. The institutions are a place where we can share best practices and there is a real social rally around this idea. Consumers, citizens, workers all have expectations around this.

Rodney Schwartz, CEO ClearlySO (UK)

Catalyst Strategy Advisors is a fund management company seeking to raise a 40 million pound fund to back high quality social business which offer at least market returns. Health and wellness, Education, ethical consumerism and energy efficiency. Clear measure of social impact and is managed by a team of professionals.

ClearSo: A social business marketplace. Designed to help social businesses over the internet connecting them with investors and vendors (service such as lawyers, bankers, accountant etc).

- o Visibility
- o Access to capital

- o Discounts on professional products and services
- o Social business ecosystem
- o Strong traffic growth
- o About 600 businesses on the site now (17% of customers on the site are now international). Announced our first global expansion in Canada this week.

Key clients we are working with:

HCT Group: Community Transport. Operates buses in London, Yorkshire etc since 1982. Owned by Hackney Community who takes 30% of last year's profits and reinvests it in the community. E.g. back into school programs or a travel program for seniors etc.

Ethical Property company: Green, Cost-Effective Promises for Social Change Organizations. Triple bottom line and they share the returns with stakeholders.

The Green Thing. Great content, fun and sex to get people to behave sustainable. In a year they have saved between 1 and 5 million tons of CO2 emissions. E.g. people sign on and then they turn their lights off early this week etc. A British phenomenon to shift behaviour. Charity set up. Funded by grants etc.

Dominique Moorkens, CEO Alcopa (Belgium)

Did a visioning and missioning exercise within our family business, Alcopa. We wish to have responsible shareholders, subsidiaries and workforce.

Seven Ethical Values that are part of the DNA of our family and our subsidiaries (80) in the 10 countries we are in.

1. Honesty

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2. Team spirit – whole is more than the sum of the parts.
3. Respect – accepting differences.
4. Communication
5. Family story and our roots
6. Will to undertake/ passion
7. Concern for future generations

The shareholder has clearly set the framework for enterprises limiting the boundaries within the work that must be done.