

THE NEWS

ONE CREATION

YEAR 2018 | N° 45

28.02.2018

SUMMARY

Perception -

Reality

Knowledge is the key to action

Held each year in March, the Geneva Motor Show heralds new developments in the automobile industry with models that are set to revolutionise this market in the near future. ...

(see the article opposite)

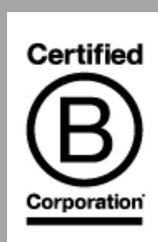
IN THIS EDITION

Perception - Reality Knowledge is the key to action 1 - 4

SAVE THE DATE 2

Share value increase on 28.02.2018 3

Contact 4



PERCEPTION - REALITY

KNOWLEDGE IS THE KEY TO ACTION

Held each year in March, the Geneva Motor Show heralds new developments in the automobile industry with models that are set to revolutionise this market in the near future.

The market for electric vehicles is a defining feature of competition between the different manufacturers. While this is certainly a welcome phenomenon, can it really be a meaningful response to the problem of CO2, which is said to be the

principal cause of climate change affecting our planet?

During its life cycle, an electric car can emit as much carbon as a diesel-powered vehicle; adopting a positive and objective approach, the frequency of use of this vehicle must also be taken into consideration and will influence the conclusions concerning the impact of the lifecycle concerned. An electric car would need to have covered between

50,000 and 100,000 km on the road before it begins to produce less CO2 than a vehicle fitted with an internal combustion engine. That number is equivalent to between 15 and 30 km a day, 365 days a year, for 10 years! Taking on board the ecological cost of production, allowance must also be made for the impact of the mining of rare metals which are used to manufacture the batteries. China is the main source of this raw material which has to be refined and transported to production plants across the world. That being so, carbon emissions from this particular component of the electric car are by no means negligible. The upshot is that to manufacture a car of this type, three to four times more energy is needed than to make a conventional vehicle, with the proviso that this is still a young manufacturing industry. So we are not dealing with a "zero emission" car.

(Continued on page 2)



SAVE THE DATE

Next General Meeting

Wednesday, 11 April 2018

at the Alpha-Palmiers Hotel, Lausanne

5:00 pm: Associates

6:00 pm : Guests



(Continued from page 1)

The fact is that before being driven for its first kilometre, CO2 emissions are distinctly higher than those of a conventional car.

The main interest of electric vehicles is for urban mobility. The possibility of recovering kinetic energy when the vehicle is braked brings a substantial improvement in efficiency. An electric motor is much lighter than an internal combustion engine; that enables enough space to be found to install a battery. The reduction of emissions in urban use is probably the greatest advantage of this means of transport, especially of late, now that the use of diesel engines is to be banned from major European cities because they release minute particles that are so harmful to health.

For many years, consumers were encouraged to buy diesel on ecological grounds. But today diesel engines are condemned and laws will be enacted to ban them. Today, the responsible consumer is being encouraged to buy an electric or hybrid car: he is confused and all of us

are rightly asking to what extent in fact it is the lobbies that decide which particular technologies will turn out to be a “financial” success.

What about the source of the electric power that is needed? Depending on the way in which the electricity used at the charging terminal is generated, this energy will have a different economic impact. In the case of France, for example, nuclear power plants are the country’s main source of electricity. In Germany, a high proportion of energy during the nuclear transition phase comes from lignite; this is coal of very poor quality. In the United States, oil is part of the power generation mix and benefits from a high level of State “subsidy”. Are we dealing with “nuclear”, coal or oil fuelled cars? We move on from one paradigm to another without finding any effective answer to the need to reduce our dependence on fossil fuels. What we have done first and foremost is to relocate pollution to the countries which are looking to grow richer quickly to catch up with the Western standard of living.

In this context, it would be an illusion to believe that atmospheric pollution is confined to a specific geo-location and that the pollution of others spares us.

When looking at the electric power generation mix, electric cars can be seen to benefit instantly from the acquired improvements. Given the growing share of electricity generation represented by renewable energy sources, there is no need to wait for a new generation of vehicles to become available to strengthen the impact on CO2 reduction. That is not the case with petrol-engined cars which consume the same fuel throughout their life cycle.

Toxic products are used to extract rare earths and are discharged into the natural environment without any form of protection. They will contaminate the subsoil and rivers beyond the oceans until one day they will even be found in the seafood products that we consume. Arable land becomes barren and impossible to cultivate while the local populations are hit by various kinds of cancer.

Share value increase on 28.02.2018

28.02.2018	CHF
Estimated accounting value of one share (Art. 9 statute)	10'000.00
Result before tax per share	72.13
Result per share after tax	51.24
Estimated liquidation value of one share	12'190.73
Number of shares	1'147.00
Existing reserve fund	1'834'206.11
2014 Dividend paid on 15.04.2015	350.00
2015 Dividend paid on 28.04.2016	250.00
2016 Dividend paid on 10.04.2017	359.00
2017 Dividend Estimation	417.00

Moving on to thoughts on their societal impact, electric or hydrogen-fuelled cars imply a reduction in our dependence on oil. That also brings potential for major conflict reduction in some parts of the world.

The biggest problem with electric cars remains their batteries, in terms both of the material used to make them and recycling. At this stage, it is essential for industry not to rest on its laurels and for research and development to continue so as to reduce or even cancel out these damaging effects. As this discussion shows, the electric car is presented as an innovation in the cause of economic transition but comes with an ecological cost and a cost to human health which goes beyond the mere emission of CO₂ by our conventional vehicles. However, it is important not to generalise because we must not focus solely on these negative aspects.

Rather than painting a bleak picture, new technologies will enable battery efficiency to be increased.

At some point in the future, production of the batteries will no longer need so much rare earth and the life cycle of these vehicles will be lengthened. In other words, the process of energy transition is self-evidently not a matter of easing our own conscience, but represents a real economic opportunity.

Taking a detached view, when everyone wants to own an electric car, the market for these vehicles will expand with a change from "old" models to new versions accompanied by a better environmental conscience: production will increase steadily to meet growing individual demand. We are hastening a change of concept accompanied by the notion of an improvement which brings a shift from dependence on the oil-producing monarchies to a dependence on China, the source of 83% of all the world's rare earths. In other words, the value creation chains will be shifted from the West to China with all the accompanying loss of jobs and R&D. This presents a challenge for change in

the automobile industry and the need to assess the political risk.

Can a movement that has reached such an advanced stage be reversed?

Yes. Take the example of the hydrogen motor. Toyota has focused on this totally clean technology as a source of vehicle propulsion energy. Especially as this same power can be produced locally by solar panels, wind turbines and other alternative energy sources from which electric vehicles also benefit to some extent. In general terms, a fuel cell mixes hydrogen with oxygen from the ambient air to generate electricity and power a motor.

The production of this highly inflammable gas and its transfer to the vehicles themselves consumes energy. But the ultimate hope is that this will one day be produced from renewable sources, such as solar or wind energy.

Other people believe that hydrogen can be made from waste water.

ONE CREATION

Quai Perdonnet 5
CH-1800 Vevey
T +41 (0)21 925 00 33
www.onecreation.org

DIRECTION

Olivier Ferrari - CEO
T +41 (0)21 925 00 33 - oferrari@coninco.ch

Sabine Giammarresi-Mabillard - Director of the Collective Investment Department
T +41 (0)21 925 00 38 - sgiammarresi@coninco.ch

Laura Petoud - Manager Sustainable development
T +41 (0)21 925 09 35 - lpetoud@coninco.ch

Elisa Benito - Sustainability analyst
T +41 (0)21 925 00 43 - ebenito@coninco.ch

BREAKING NEWS

We are pleased to announce that the ONE CREATION Cooperative Branch, CONINCO Explorers in Finance, is also B Corp™ Certified.



The B Corp Certification attests to the high level of social and environmental performance of the company's commercial activity. Today, it brings together nearly 2,400 companies worldwide who have chosen to redefine success in business.

ONE CREATION*Think Sustainable*

(Continued from page 3)

Yet another future technology with a positive impact on the environment.

Unlike internal combustion engines which are fuelled by petrol, fuel cells only produce electricity, heat and water. They generate none of the polluting emissions that are responsible for climate warming. In other words, hydrogen could be used not just to power cars, trains, trucks or coaches but also to supply electricity to houses and heat them. In that case, combined applications of technologies might be imagined which will make each building totally independent in energy use terms.

It follows that we must not blindly accept all that the market seeks to impose upon us and perhaps by taking a different look at the sub-

ject, for instance by opting for hydrogen cars and in the case of certain countries by speeding up the use of electric cars (depending on the method of power generation in those countries), we might also bring about a genuine change in the development of our society and in the inheritance that we will hand on to our children. Future generations will then have reason to be grateful to us.

Today, most hydrogen-powered vehicles simply bring about a relocation of emissions and not a reduction, but that could change with a cleaner electricity generation mix and power plants that produce hydrogen from renewables.

To successfully implement a sustainable energy transition and reduce the risks, a combination of electric, hybrid and hydrogen vehi-

cles must be encouraged. In urban areas, the introduction of shared mobility models is tending to confirm a solution that is set to gain still more ground in future.

The use of oil must be reserved for other sectors where the energy transition is still a long way from becoming a reality, e.g. in air transport where improvements can be brought about by the use of third generation biofuels, albeit still only on a very small scale and on condition that the change does not take place to the detriment of those primeval forests that still exist today.

Elisa Benito / Olivier Ferrari