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SUMMARY

Sustainable development and finance

Fatality or opportunity?

The notion of sustainable development was used for the first time in a paper published by the UN's World Commission on the Environment and Development in 1987 known as the Brundtland Report: "Sustainable development is a development which meets the needs arising today without jeopardizing the ability of future generations to satisfy their own needs". ...

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SUSTAINABLE DEVELOPMENT AND FINANCE FATALITY OR OPPORTUNITY?

The notion of sustainable development was used for the first time in a paper published by the UN's World Commission on the Environment and Development in 1987 known as the Brundtland Report: "Sustainable development is a development which meets the needs arising today without jeopardizing the ability of future generations to satisfy their own needs". Two fundamental factors must be borne in mind. The first is the notion of "needs" which was set out in the 17 sustainable development objectives (SDO)¹ that were defined at the Rio Conference on Sustainable Development in 2012.

The second fundamental factor is to give all present and future generations the right to satisfy their own needs.

However, the notion of "need" is different in the case of people who have access to substantial financial resources than for those who struggle simply to survive from one day to the next. This dichotomy means that, depending on the values and priorities that we attach to life and satisfaction

of individual needs, investors who have the financial capability to change the world will not necessarily allocate these resources to the uses for which they are needed as a matter of priority for the community at large. However, looking at the SDOs, they are obviously all interconnected and investments must necessarily be channelled to reach each one of them.

Enabling all humankind to benefit from a quality of life permitting the pursuit of an occupation, giving access to leisure and life in society and, for those who so wish, gaining fulfilment through the perspective of permanence of a family, will bring peace to the world. That may be regarded as idealism; however, it does create social streams which fundamentally change our perception of life and gener-

ate economic cycles that may have a positive impact on society, the environment and the economy in general.

Finance as a bridge of opportunities

As far as the SDOs and consequently the Paris Accord are concerned, together with a finding that is becoming increasingly evident year on year concerning the deterioration of the environment because of a particular way of life, a growing number of stakeholders in finance are clearly beginning to regard sustainable investments as a commercial opportunity, while others view them as a means of buying a clear conscience. More and more are taking sustainable investments on board as an opportunity to deploy a new economy known as the "blue economy"².

(Continued on pages 2 & 3)



It is a proven fact that melting of the polar ice caps and glaciers, deterioration of soil quality which is becoming less and less arable, pollution of the oceans with plastic waste, cleaning out of ships' oil tanks among other factors are all bringing about the destruction of our living environment which human beings cannot possibly disregard.

Either we take the view that the glass is half empty and say that this is a fatality to which we must become reconciled or we say that the glass is half full and grasp the opportunities to create new jobs. There are all kinds of opportunities for research and development, job creation and income streams for all the stakeholders.

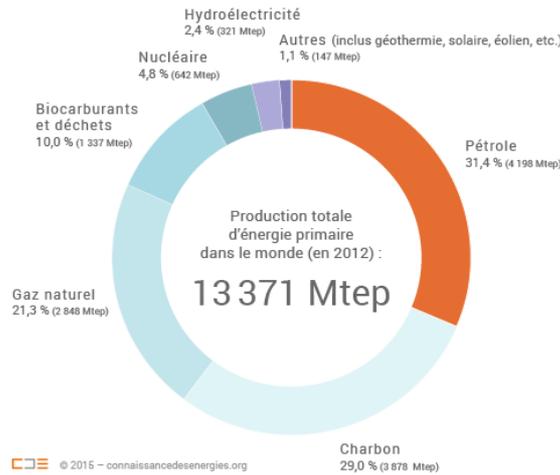
In a positive context, creating and building the future, finance must be regarded as a bridge for investors who realise that nothing can exist without a real economy.

In that perspective, the management of CONINCO Explorers in Finance SA has set out a formal definition of the notion of sustainable finance. This must not condemn, but on the contrary be channelled into the real economy, into businesses, enabling investors to safeguard and develop their capital resources. We have excluded a philanthropic approach because that is an individual choice which depends solely on the means at each person's disposal for specific uses that are a matter of personal preference.

The following chart outlines a philosophy which has been incorporated into all management and communication actions in this area. That notion is defined as follows:

The general concept of the sustainable finance approach encompasses in the first instance all the consumables generated by humankind. The term "consumable" refers to both intangible and tangible items.

To produce a consumable, whatever the level of the process concerned may be, energy must always be consumed. Its sources were spread as follows in the year 2012³:

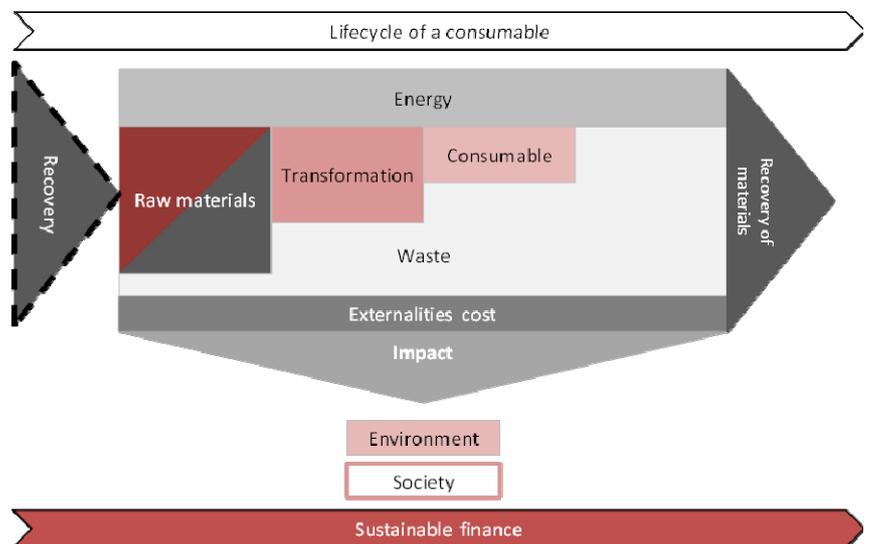


81% of this energy originates directly from fossil fuels; these include oil, coal and natural gas.

The first level of sustainable development consists, as a matter of priority, in the reduction of consumption by the users of these energies; secondly this 81% figure must be replaced by energies that are cleaner over their entire production cycle. The universe of opportunities to produce sustainable energies is provided by the sun, wind, the earth's heat, hydropower, tides and plant growth. Renewable energies generate little or no waste or polluting emissions. They play their part in the fight against greenhouse gas and CO₂ emissions into the atmosphere, while facilitating the prudent management of local resources and creating new employment opportunities. Solar energy (photovoltaic or thermal solar), hydropower, wind energy, biomass and geothermal are energies with inexhaustible

This amounts to an initial investment in what is in effect the first disruptive transformation of our economy.

The second level is that of a clean production and consumption cycle, i.e. ongoing life and an end to primary usage. As the above table shows (life cycle of a consumable), from the time when every good is first produced, a primary raw material is extracted from our planet's finite environment. In other words, we are clearly dealing with a finite stock of raw materials that are non-renewable as opposed to everything which falls within the domain of vegetation. Year on year, available stocks are diminishing and research is moving into more complex areas to track down new operational resources. This research leads to eradication of the primary forests, contamination of the ocean bed and pollution of our drinking water.



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Share value increase on 30.09.2018

30.09.2018	CHF
Estimated accounting value of one share (Art. 9 statute)	10'000.00
Result before tax per share	88.80
Result per share after tax	63.35
Estimated liquidation value of one share	12'038.58
Number of shares	1'200.00
Existing reserve fund	2'204'418.35
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 paid on 18.04.2018	417.50

The extraction of a raw material, its transformation to meet the need to produce finished products and the production of those finished products themselves results in the generation of what is habitually called "waste" today. The finished product at the end of its life cycle generally also becomes "waste" itself. Then, when we come to consider the notion of "waste", the second level of sustainable development takes on its full meaning. Each component of "waste" must be regarded not as such but as the potential source of a new material that can be reused (the second cycle). The consideration of this reintroduction into a reasoned economic cycle turns this into a reliable source, rich in opportunities for sustainable development. Its present accumulation in the environment makes it a source of strong growth.

The point of friction of this cycle of consumption / reintroduction / consumption nevertheless runs up against a financial difficulty. To the extent that "waste" is commonly discarded "in the natural environment" and the cost of the consequences of that act not even included in the initial price, the outcome is that the raw material of the primary cycle is less expensive than the recycled material. Therefore, it is important politically for the cost of external factors to be taken on board in the whole cycle of consumables production using a raw material taken from the

resources available on our planet. In that way, the cycle illustrated in the first graphic above can be defined. That approach enables these first cycle raw materials to be reused with a direct positive impact both on the environment and on society at large. Nature that is no longer sullied by the refuse of human activity creates a form of "education" which substantially alters the perception of our habitat in general and represents a major step towards respect for our fellow human beings and recognition of our responsibility to hand a better world down to future generations.

That is where the notion of impact can be considered with its positive influence both on the environment and on society. By considering such a cycle, we therefore find ourselves confronted with a social, environmental and governance responsibility that is both proven and affirmed.

In this context, sustainable finance is not just a specific particularity nor yet a fatality, but the source of financing of a development cycle integrated into the workings of our society with all the positive effects that this creates from the societal and...economic points of view. The consideration of sustainable development holds out opportunities for the deployment of investments which bring a real return.

¹<http://www.undp.org/content/undp/fr/home/sustainable-development-goals/background/>

²The blue economy is an economic model designed by the Belgian entrepreneur Gunter Pauli which aims to satisfy basic needs while valorising things that are available locally and taking its inspiration from the living world, founded on the principles of the circular economy and regarding waste as a valuable material. Blue refers to the colour of the sky and oceans to contrast with the green economy.

³<https://www.connaissancedesenergies.org/fiche-pedagogique/chiffres-cles-production-d-energie>

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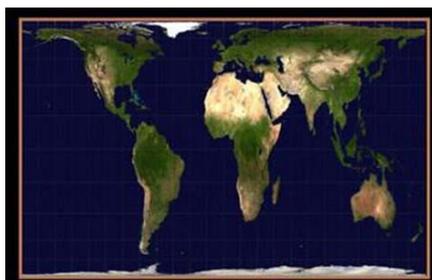
PERCEPTION / REALITY

Planet earth, a living space that is unique in the solar system and host to a rich life which depends on a complex equilibrium that we cannot afford to damage.

Some people maintain that global warming is a “fiction” invented by scientists and politicians seeking notoriety. For others, the “end of the world” is approaching and we can do nothing to change the events that are unfolding.

Perception and reality contrast in many ways and we must always look for the right meaning of the discourse somewhere between the two extremes. To portray the way in which we are influenced by the messages that reach us we have illustrated below the world map based on which our perception of planet earth and its component parts shape our knowledge of this universe⁴:

spaces of our planet fundamentally changes the relationships of strength which will develop in future. To illustrate this concept, we have set out below a world map that differs from the familiar Mercator’s projection; it is more realistic and introduces a new standard. This map has been adopted by the public schools of Boston in Massachusetts in the United States. The “Gall-Peters” projection has been adopted by the United Nations and is regarded as more accurate.



While this vision of the world guides the minds of each and every one of us, the search for proven proportions for the

The way in which the continents and more specifically Africa have been redrawn is significant. Africa has 1.216 billion inhabitants (2016). According to some forecasts, this population is likely to exceed 2.5 billion in 2050 and pass the 4 billion mark in 2100. Respecting all due proportions, Africa represents roughly the size of the United States, India, China, Western Europe and Great Britain. In other words, countries whose population currently exceeds 3 billion.

The challenges facing humankind are therefore still more apparent because, according to this new map, desert zones are now extensive in Africa and the Sahara alone has grown by nearly 10% in just under a century. Identified causes include both an evolution of natural climate cycles and also to some extent climate change brought about by human beings.

The challenges of technology must therefore be taken up as a matter of priority to satisfy exponentially growing needs. These are all opportunities for economic development and the creation of new technologies.

https://hitek.fr/bonasavoir/regarder-monde-projection-mercator_810

ONE CREATION Cooperative in concise numbers		
Listed participations		43
Unlisted participations	Invested	5
	Under study in 2018	14
	Files set aside in 2018	9
	Files dormant at present	12
	Sold since the inception	1
Jobs created		152
Infrastructure		1
Number of associates		62
Equity capital		12'000'000