



Known knowns, Known unknowns & Unknown unknowns

The pillars are dense clouds of gas in the Eagle Nebula, a star nursery in the constellation Serpens, near Spaltarius. They were made famous by a dramatic 1995 [Hubble Space Telescope](http://news.nationalgeographic.com/news/2007/12/photogalleries/space-pictures/photo4.html) image (inset). <http://news.nationalgeographic.com/news/2007/12/photogalleries/space-pictures/photo4.html>

Sustainable Business:

What makes a
sustainable
~~business~~
ORGANISATION?

August 2010

Fish notice water last

1-2 \$ /day

Mbarara, Uganda



Garden

2-5 \$ /day

Kampala, Uganda



Garden

10-50 \$ /day

Cape Town, South Africa



Street

2-5 \$ /day

sustainability = sustainable development =
progress with risk/costs controlled

Sustainable Development of the Organisation

Sustainable Development
is a *whole of system* concept:

Your Organisation
in the context of *everything* else

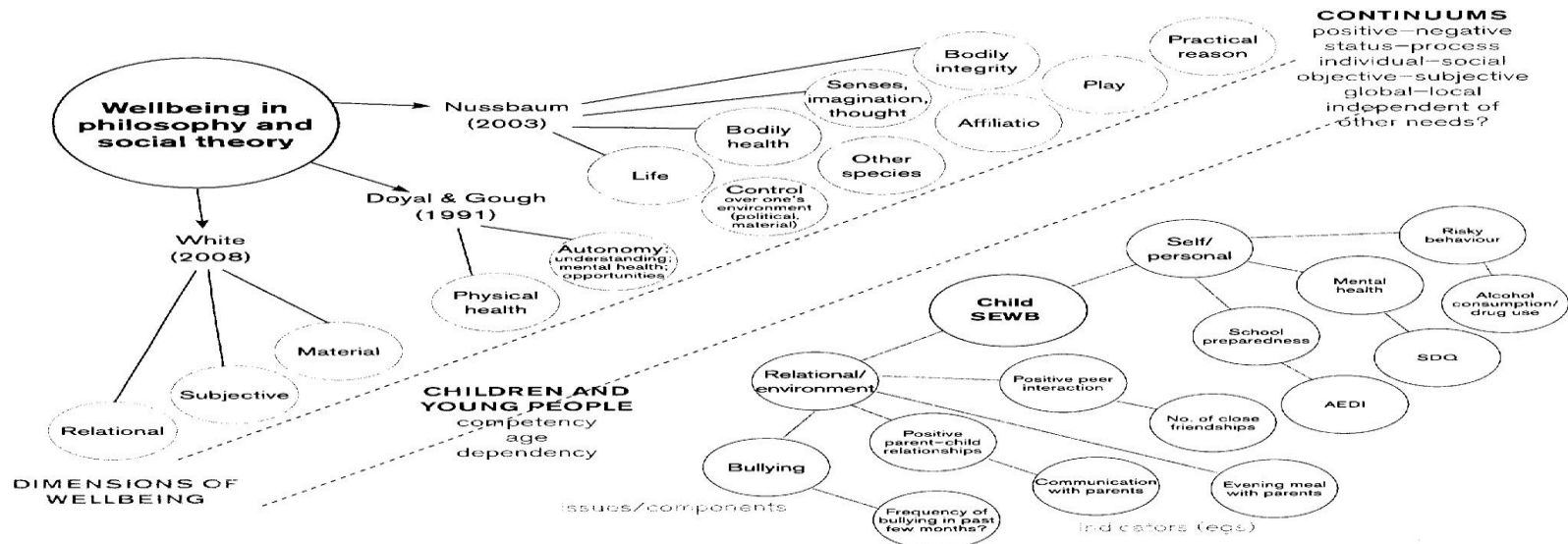
Mudmap for children – what about organisations?

This in turn suggests that indicators incorporate a number of *technical* (and potentially contradictory) properties:

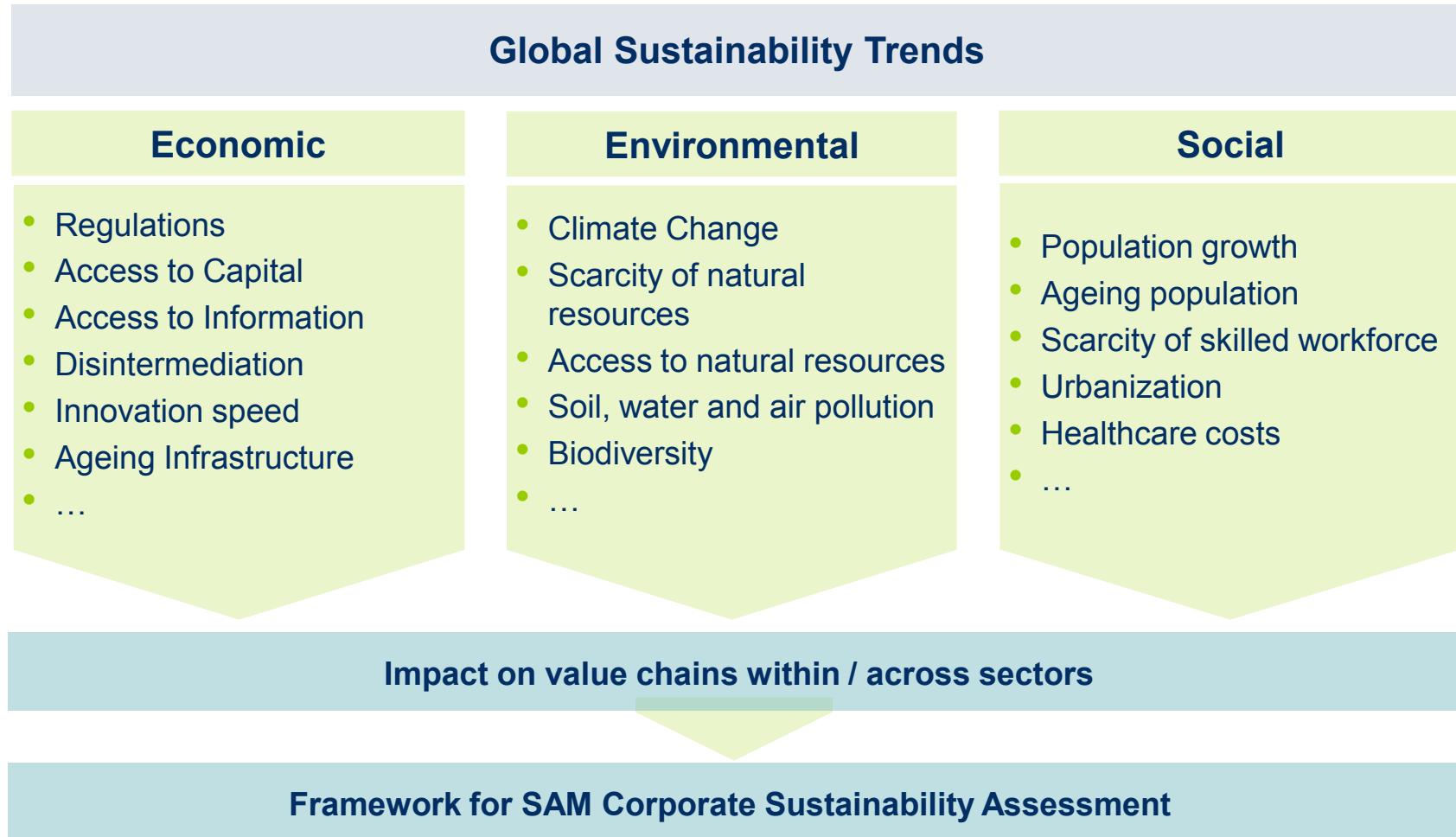
- they are formulated in consultation with children
- they measure positive achievement of 'the good life'
- they are consistently measured through time
- they are comparable with measures used elsewhere
- they are easy to understand.

Adherence to these political and technical principles suggests the need for widespread consultation, not least with children and young people themselves. This report could be seen as part of this process of consultation. In the following sections we explore in detail wellbeing in philosophy and social theory, applied approaches to children's and young people's SEWB, and the linkages between them.

Figure 1: From concepts to indicators



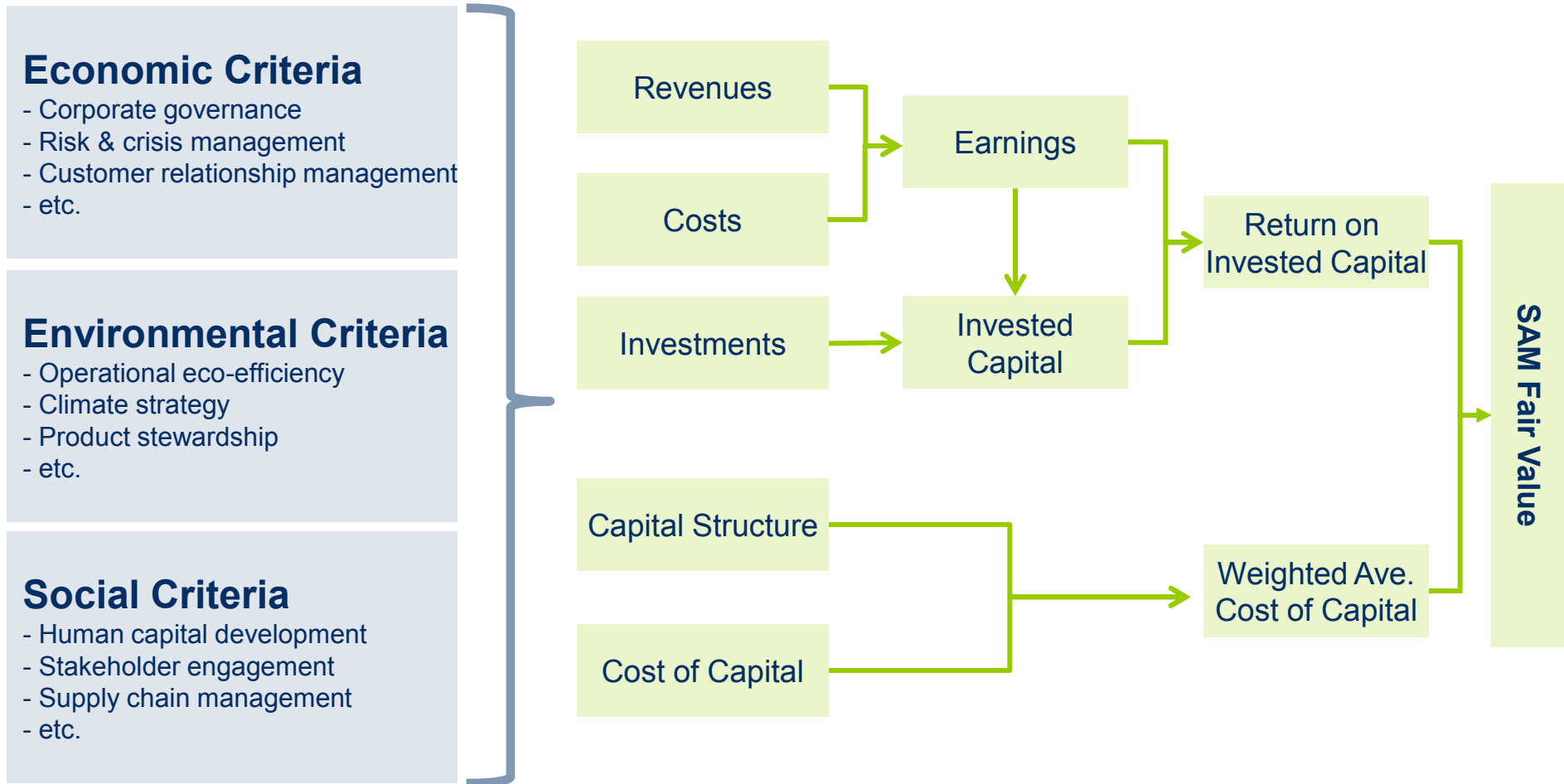
Everything else shapes your value creation capabilities



Source: SAM Research

Global financial services - "Sustainability - The way forward", January 2010

Have a good overview of your organisation.....



Outperformance from Sustainability

SUSTAINABILITY INVESTING PAYS OFF

Cumulative Outperformance in %



Source: SAM

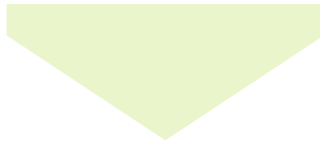
Description	
Scope:	DJSI Participants
Time frame:	2001-2008 (8 years)
Geography:	Developed markets
Sustainability metric:	SAM Sustainability score
Statistical method:	Portfolio back-testing
Restrictions:	Size, sector, region, neutrality

- SAM's sustainability data predictive power for stock-selection, reflected in the positive information ratio (0.5) of the portfolio consisting of sustainability leaders
- Added value generated by selecting sustainability leaders and avoiding sustainability laggards
- Value creation consistent and stable for the entire time period

Seize opportunity & minimise risk

Corporate sustainability ...

... is a business approach to create long-term shareholder value by seizing the opportunities and managing the risks that stem from sustainability trends and challenges.



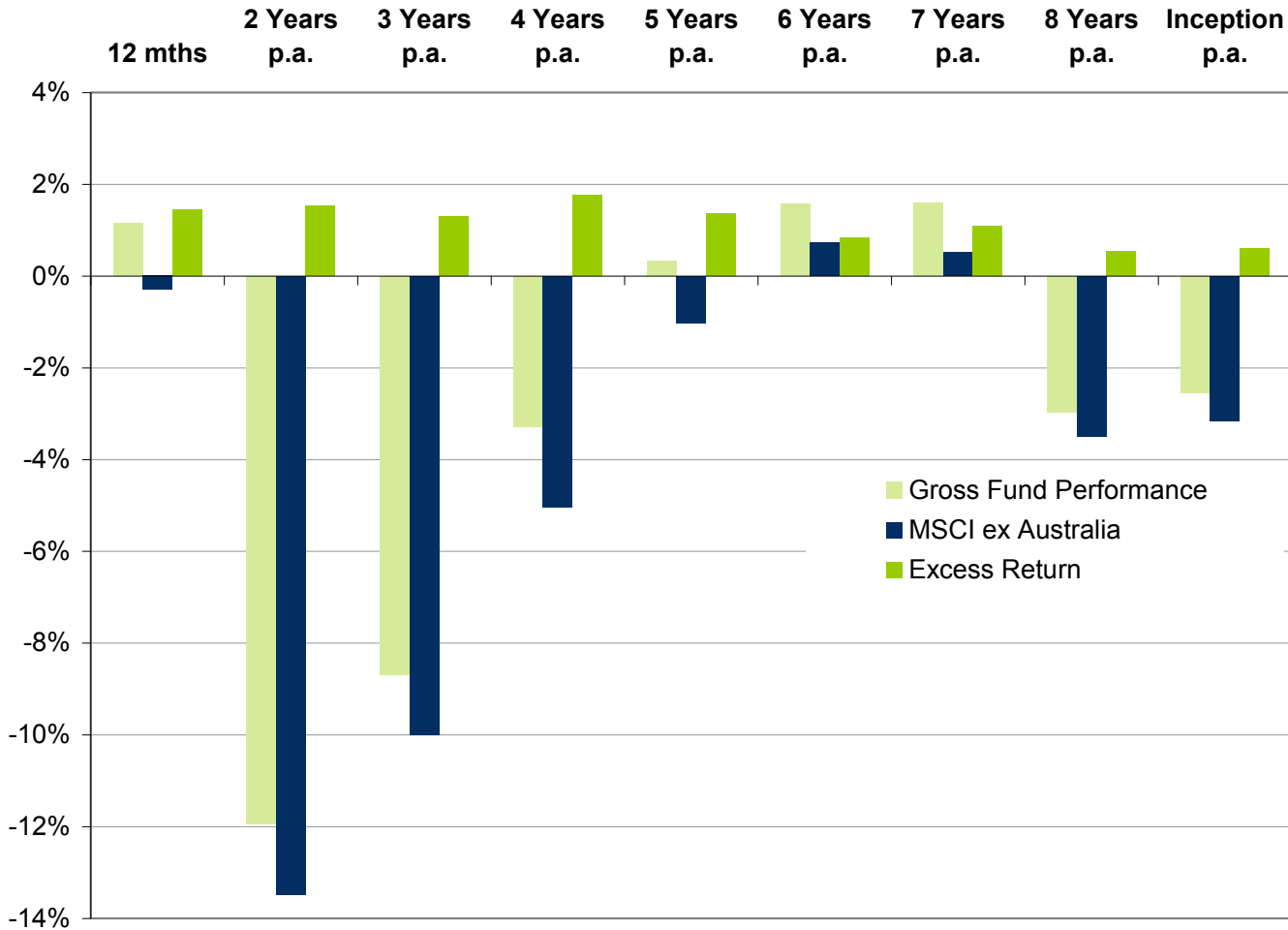
Sustainability investing ...

... is a long-term investment approach that integrates economic, environmental, and social considerations in the selection and retention of investments.

→ *The aim of sustainability investing is creating alpha*

Performance Vanguard Sustainable Leaders International Fund

Inception November 2001, performance up to December 2009



Global financial services: Restoring trust paramount to value creation

- Leadership, integrity
- Corporate strategy based on multi-stakeholder approach
- Balance between financial innovation, profit and risks
- Accountability for direct & indirect impact of business
- Key relational capital:
 - Customer
 - Employees
 - Society

Global financial services – Key characteristics of leaders

- Leading Global financial services recognize corporate sustainability as guiding business principle
- Global financial services in Australia started earlier than peers in integrating sustainability into their core business processes
- Multi-stakeholder engagement crucial to corporate strategy

 Westpac
Australia's First Bank

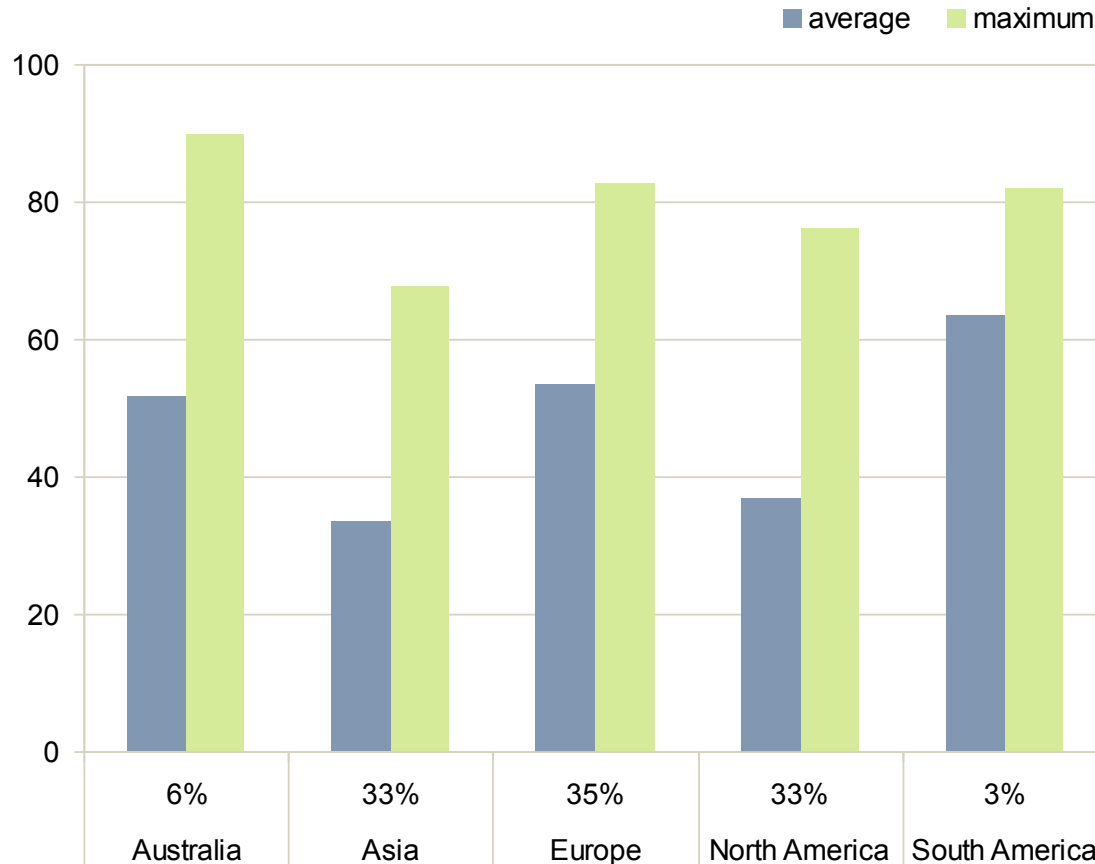
A fresh perspective...

Our First Social Impact Report



Global financial services – Majority lagging

Regional average of total corporate sustainability score, based on SAM sustainability assessment data 2009; number of companies 208 (banks & diversified financial services); maximum score = 100



Global financial services: Restoring confidence paramount

Business case financial services (selected criteria out of 22 criteria)

Challenges

- Leadership, integrity
- Corporate strategy based on multi-stakeholder approach
- Accountability for direct & indirect impact of business
- Relational capital:
 - Customer
 - Employees
 - Society

Quantifying preparedness

- Codes of conduct, compliance
- Customer relationship management
- Climate change governance
- Environmental/climate change related financial products
- Talent attraction & retention
- Code of ethics in investments

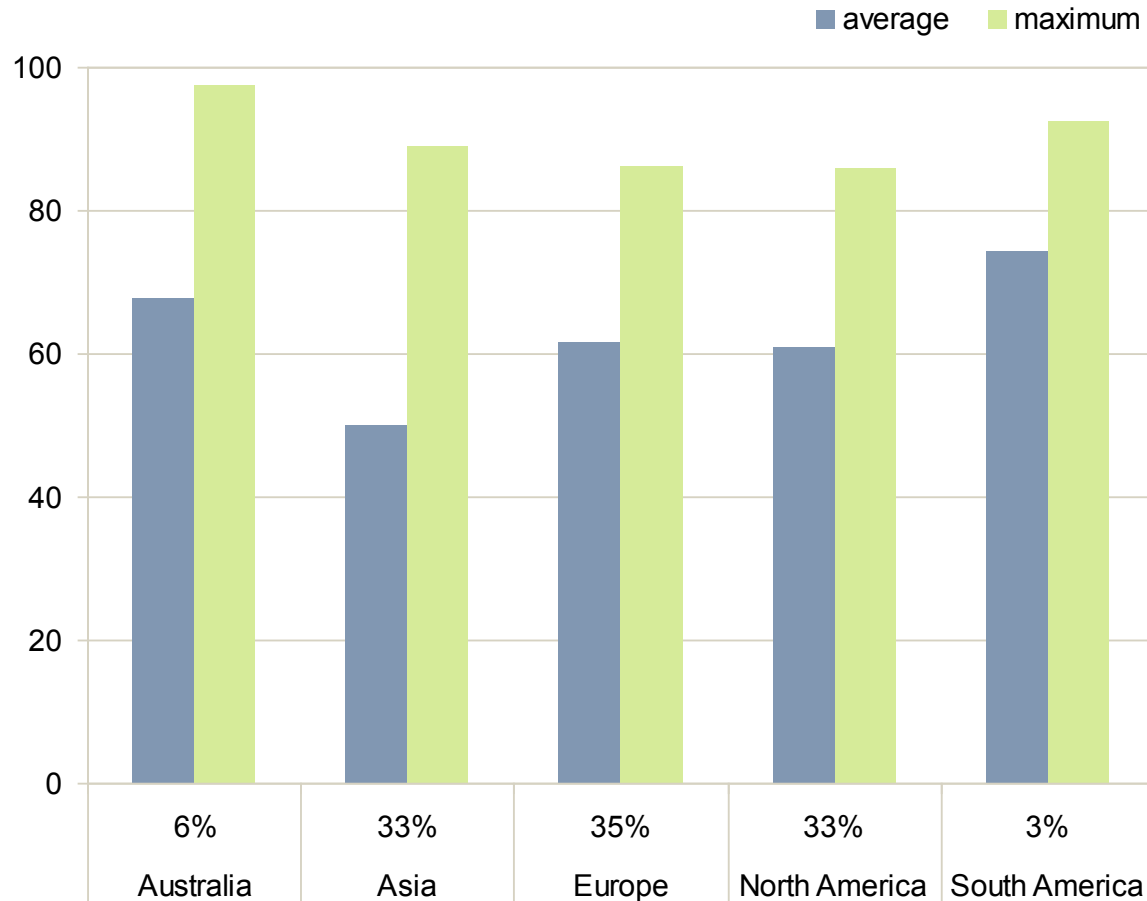
Global financial services – Top 10 in of corporate sustainability

As of December 2009: Australia: 6%, Asia: 33%, Europe: 35%, North America: 33%, South America 3%
Based on SAM sustainability assessment 2009; out of 208 companies, in alphabetical order

- Australia & New Zealand Banking Group (leading company)
- Banco Bilbao Vizcaya Argentaria
- Banco Bradesco
- Banco Santander
- Barclays
- Credit Suisse Group
- Itau Unibanco Holding
- National Australia Bank
- Nedbank Group
- Westpac Banking

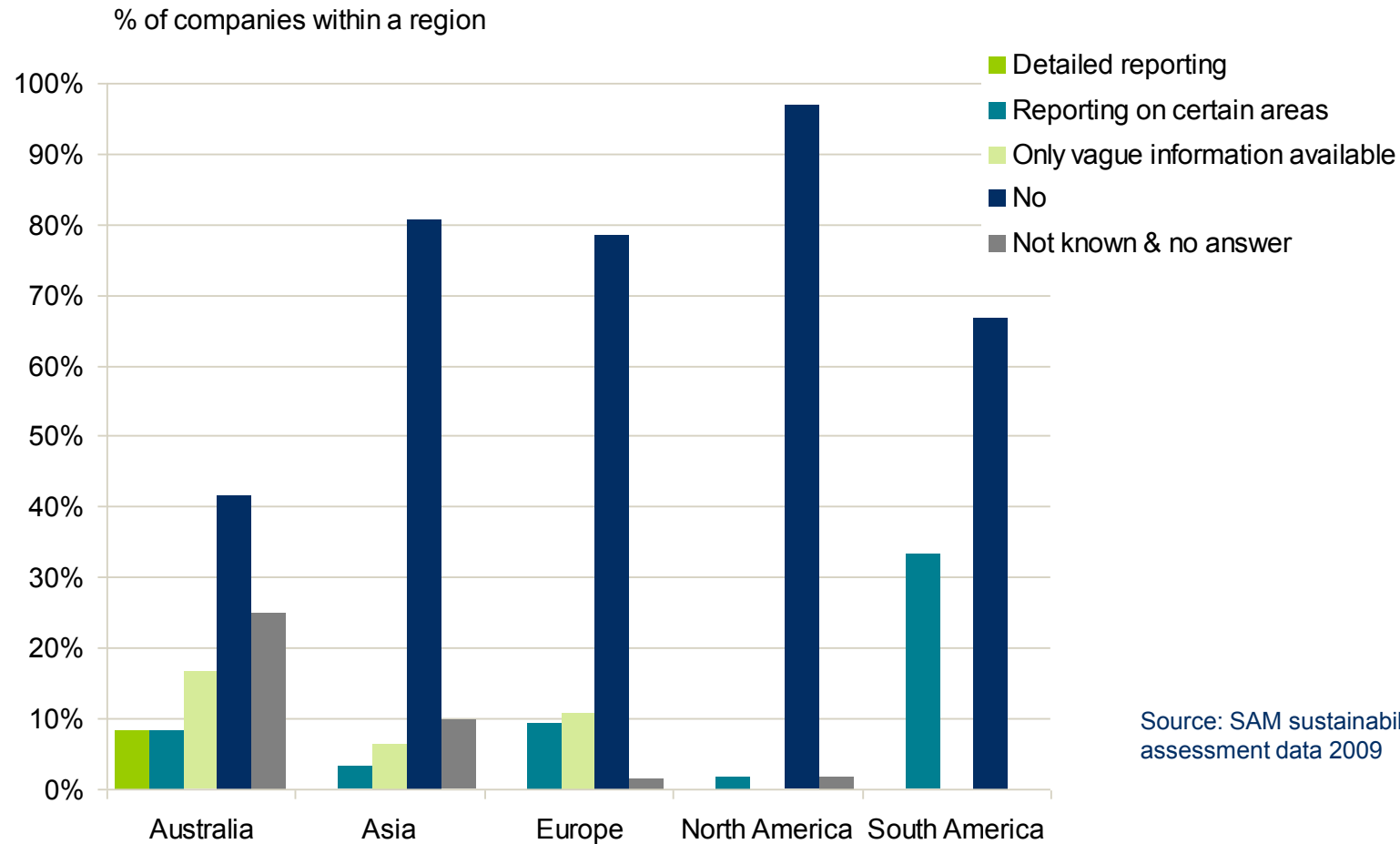
Codes of conduct – Australia and South America leading

Regional average score, based on SAM sustainability assessment data 2009; number of companies 208 (banks & diversified financial services); maximum score = 100



Codes of conduct: Reporting on adherence

Majority of companies not reporting publicly on breaches



Source: SAM sustainability assessment data 2009

Codes of conduct: Reporting on adherence in practice

ANZ Banking Group's approach

In 2008 there were 525 serious breaches of the ANZ Code of Conduct across the Group. These mainly related to breaches of 'Abiding by the law and this code' and more specifically for breaching the ANZ Email and Internet Policy. The outcomes of these breaches were:

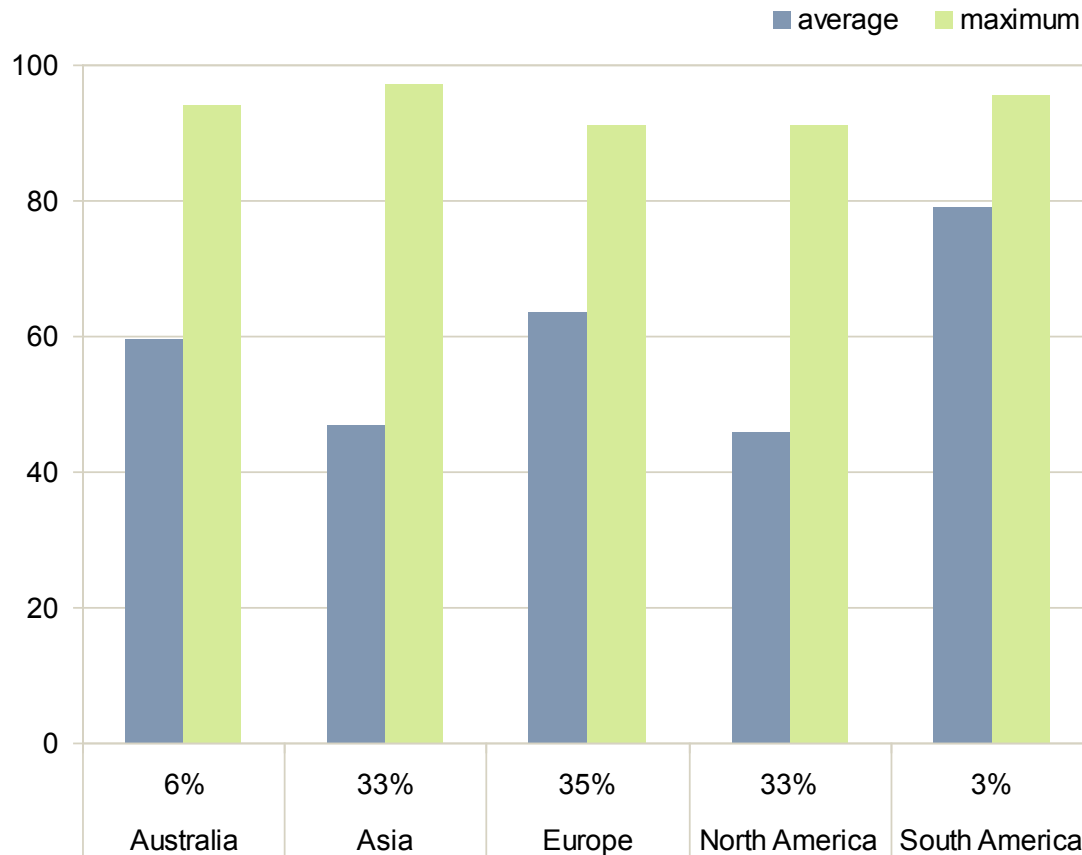
- 97 exonerated/no action
- 65 counselled
- 167 reprimands
- 38 resignations
- 147 dismissals
- 2 suspended
- 2 mutual separation
- 5 performance improvement
- 1 agreement to improve
- 1 training

Breaches of code of conduct	2008	2007
Australia	251	282
New Zealand	66	135
Asia Pacific	187	-
India	21	-
Other	0	-
Total	525	417

Source: anz.com

Customer Relationship Management: Asia, North America lagging

Regional average score, based on SAM sustainability assessment data 2009; number of companies 208 (banks & diversified financial services); maximum score = 100



Why customer relationship matters



Customer Experience: The cost of a poor customer experience is both significant and quantifiable.

**What if only 22% of your customers had a poor experience?
For this bank, it meant a potential loss of **\$3.56M****



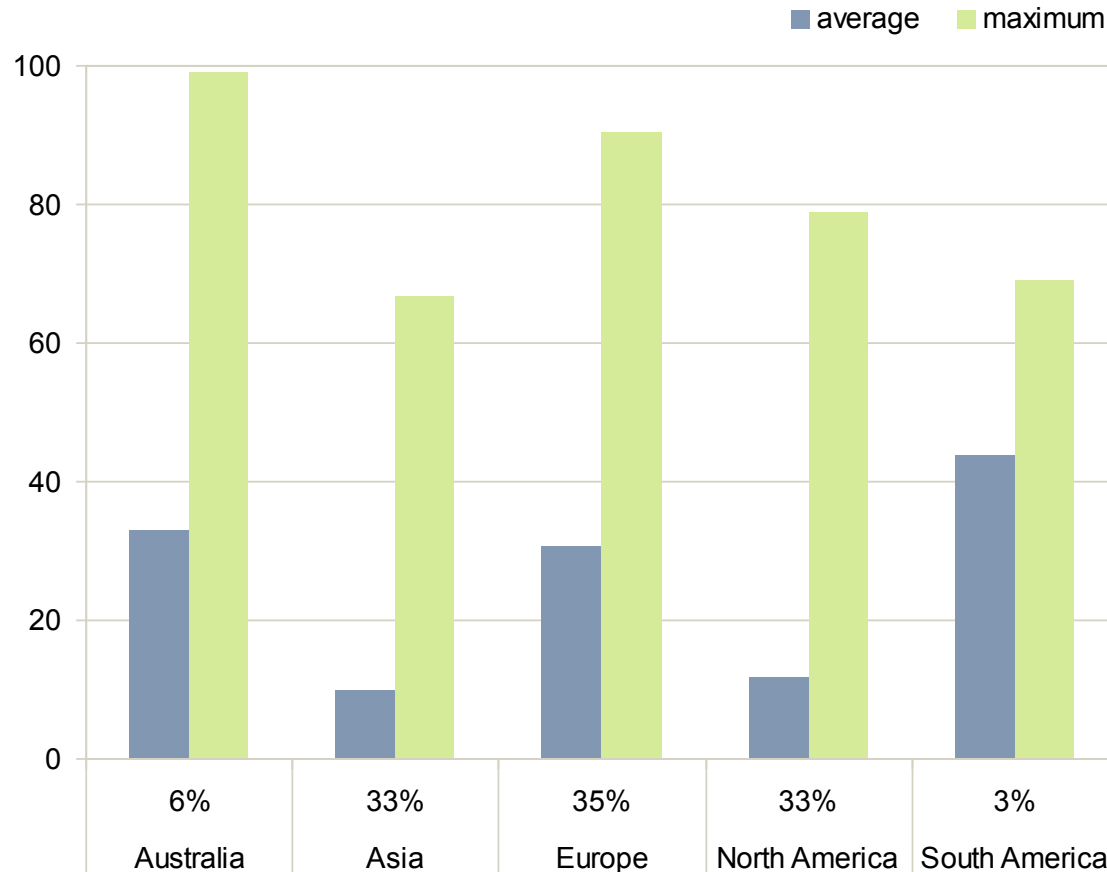
Source: Differentiating Your Bank From the Competition, Michael Hinshaw Managing Partner, MCorp, 2006

Customer relationship management – key characteristics of leading companies

- Independent department in charge of customer complaints
- Focus on customer complaints handling
- Taking complaints as input for product enhancement
- Measures for customer in distressed situations, e.g. due to severe economic conditions, natural catastrophies
- Integrated CRM systems, i.e. independent of contact point – best service delivered to customer

Climate change governance – Leading companies in Australia

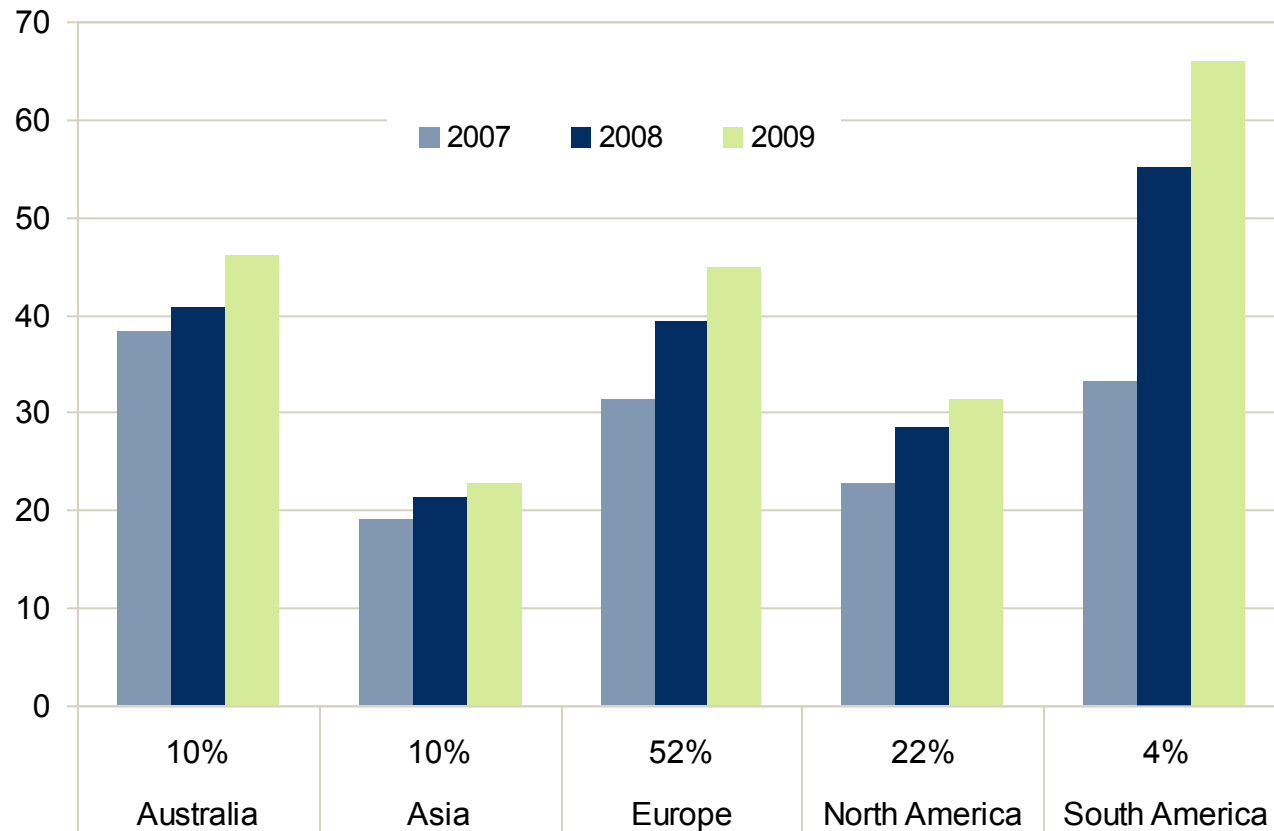
Regional average score, based on SAM sustainability assessment data 2009; number of companies 208 (banks & diversified financial services); maximum score = 100



Climate change governance – South America advanced

Historical comparison only for banks

Climate Change Governance
Regional average of 73 companies 2007 - 2009



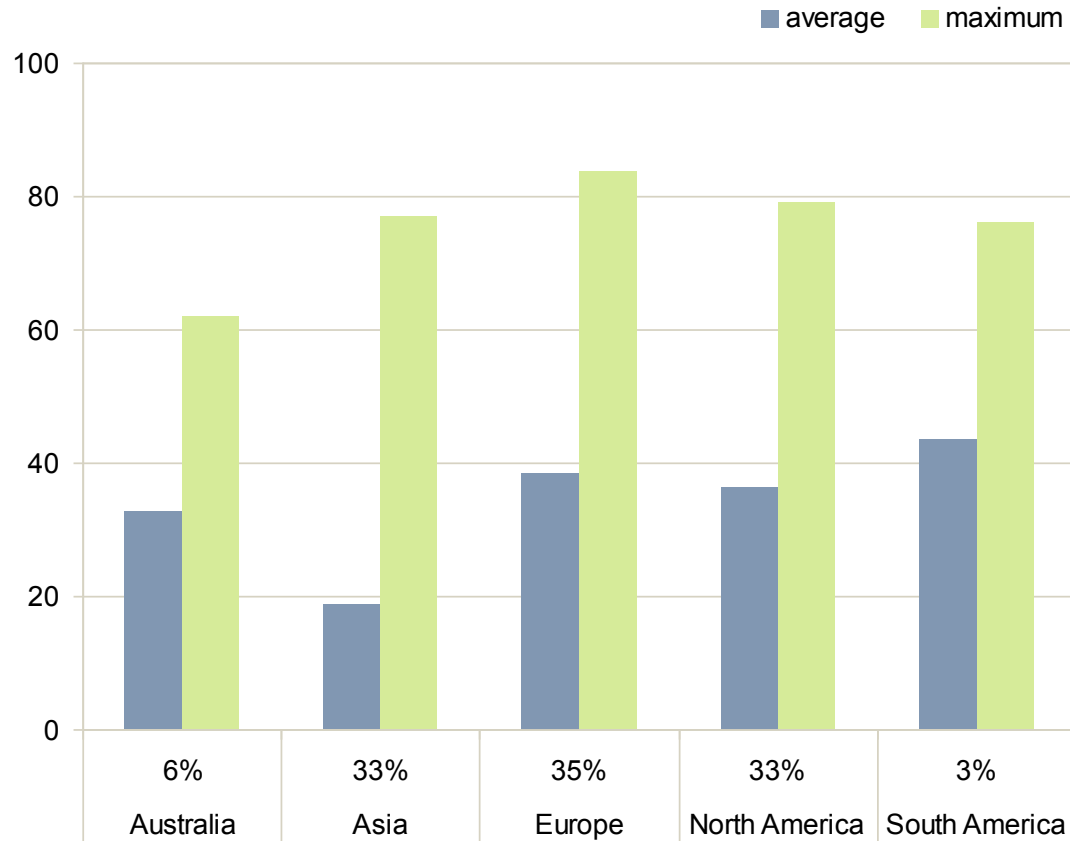
Source: SAM sustainability data 2007 - 2009

Climate change governance - Key characteristics of leading companies

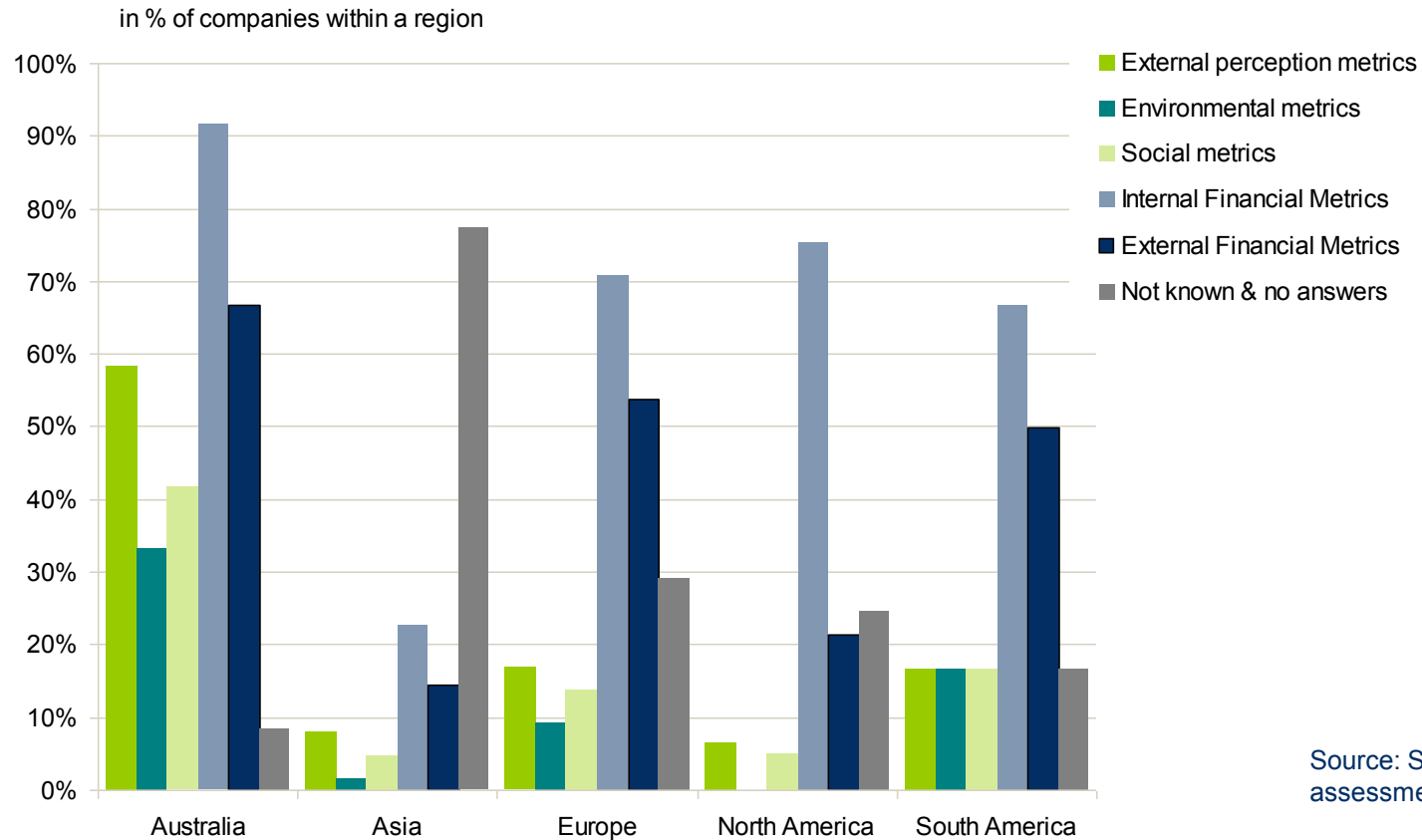
- Management framework, e.g. member of executive management responsible to promote climate change, regular review of climate strategy
- Fundamental research related to climate change, e.g. estimates on costs to mitigate, adapt to climate change at company, sector level
- Climate change aspects integrated in risk management tools, such as
 - Due diligence processes impacting pricing
 - Integration in company, valuation
 - Sensitivity analysis of lending/investment portfolios related to carbon, water
- Database/information system on carbon credit price, extreme weather events, tools to evaluate carbon exposure

Climate change – Business opportunities recognized

Regional average score, based on SAM sustainability assessment data 2009; number of companies 208 (banks & diversified financial services); maximum score = 100

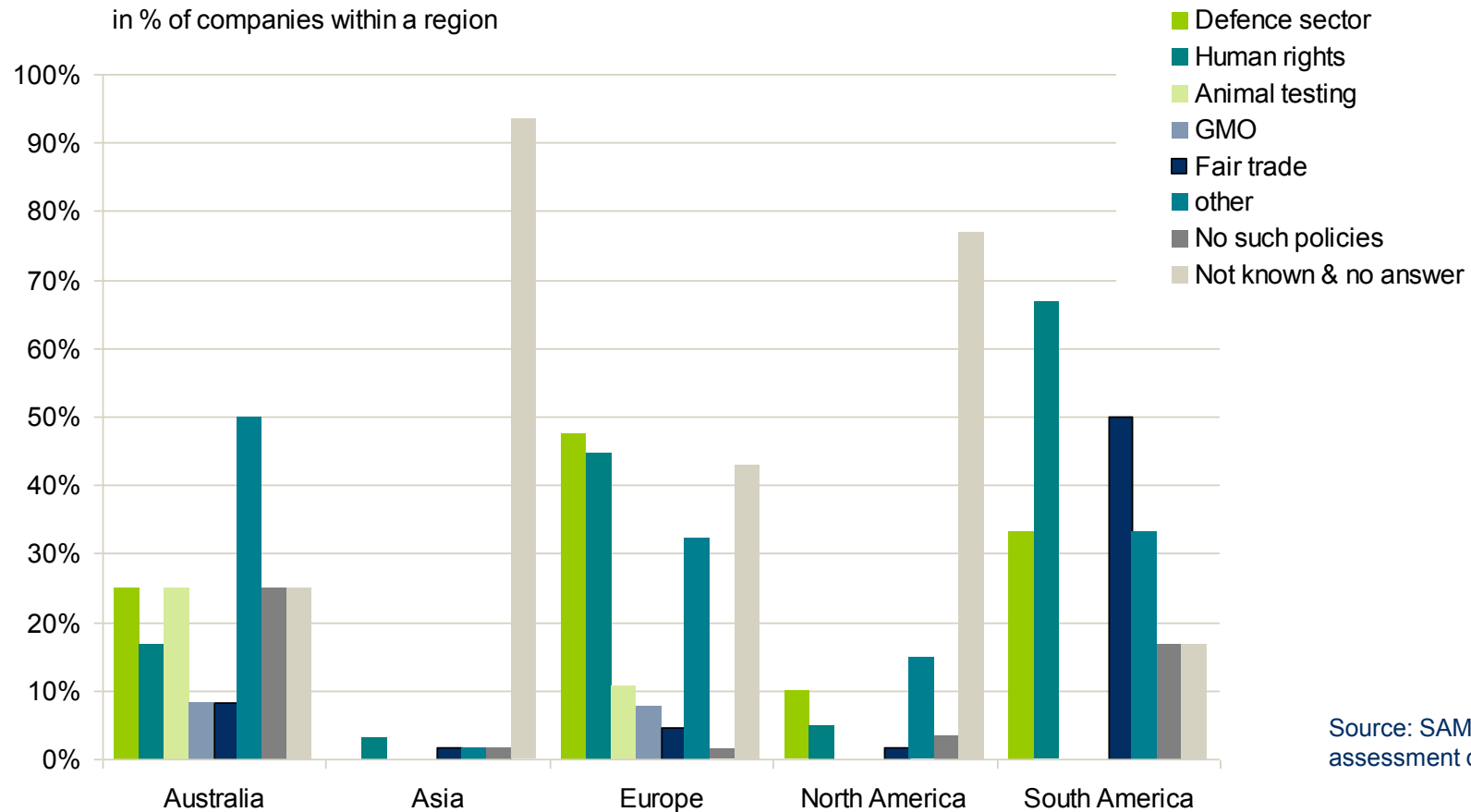


Talent attraction & retention – Focus on non-financial metrics



Source: SAM sustainability assessment data 2009

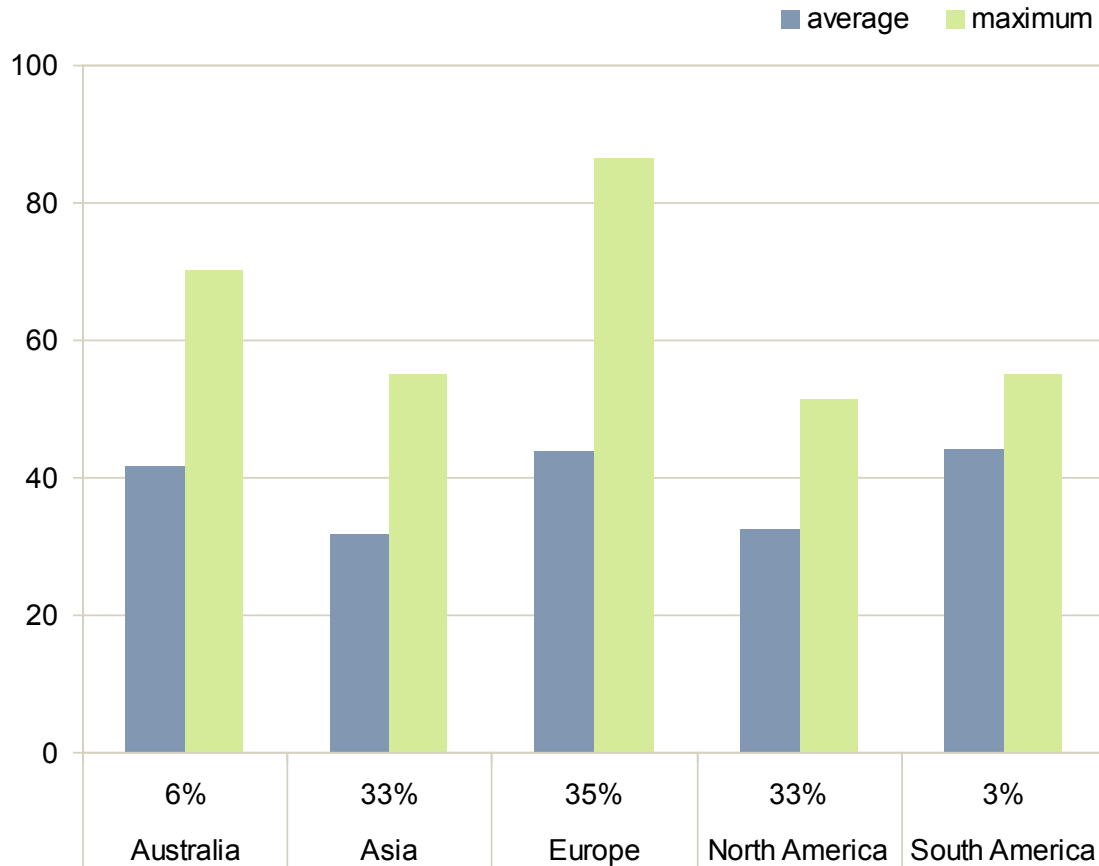
Areas covered – GMO addressed in Australia, Europe



Source: SAM sustainability assessment data 2009

Code of ethics in investment/financing decisions

Regional average score, based on SAM sustainability assessment data 2009; number of companies 208 (banks & diversified financial services); maximum score = 100



Global financial services: The sustainable way forward – Trustworthy & fair business partner

- Demonstrate leadership and integrity
- Balance between financial innovation, profit and risks
- Corporate strategy based on multi-stakeholder approach
- Accountability for direct & indirect impact of business
- Strong relationship with:
 - Customer
 - Employees
 - Society

Business opportunities – Mortgages beyond green

Building for the Future – with the Credit Suisse Minergie Mortgage

Climate change has become one of our greatest challenges. This is why sustainability considerations are becoming more and more important whenever anything new is created nowadays.

Credit Suisse committed to effective climate protection at a very early stage: It was the first major Swiss corporation to operate on a carbon-neutral basis. All new building work is thus carried out in strict compliance with Minergie standards. And, whenever possible, the same goal is pursued in renovations. For the same reason, we also offer a special range of mortgages to help you finance your Minergie projects, regardless of whether you are planning a purchase or a new building.

A Standard for the Future

Minergie, Minergie-P and Minergie-Eco are quality labels for new and renovated properties. All three standards denote more living comfort and less energy consumption; each of them sets different requirements for the construction methods. For example, they define the insulation factor for the building envelope, the type of air renewal (comfort ventilation), the overall



Innovation in Agri-business



Rabobank Group

Home Investor relations Press Products & Services Food & Agribusiness Research **CSR** About us

Overview

Policy

Themes

Products and Services

Ethics and Issues

Stakeholder dialogue

→ **Case studies**

Dilemmas

Ethics

Business operations

Rabobank Foundation

Case Study: Greenhouse horticulture, from bulk energy user to energy supplier!

The greenhouse horticultural sector is traditionally known as a bulk user of energy. But the sector is very busy putting an end to this.



Through innovative technical solutions, greenhouses can be transformed from energy users to energy suppliers. In this transformation process, Rabobank can fulfil the role of catalyst.

 Greenhouse horticulture

Other case studies include:

- Financial services and human rights
- Climate compensation credit card: an innovative combination
- Sustainable development of the housing market.

Source: www.rabobank.com

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