

# EFFICIENCY

21

SUSTAINABLE TOURISM

Zoom on Swiss initiatives

INTERVIEW

Olivier Ferrari invests in cleantechs

MOBILITY

The Hyperloop gets up to speed in Switzerland

BUILDING SITE WASTE

## Recycling on the right track



# “Profits tax exemption

must be granted for the first ten years of profitable operations

**to any new business** that pursues an activity with a 100% bearing on the energy and economic transition and has **a positive impact on the environment”.**

# Providing financial support for the cleantech boom

Through the cooperative investment company co-founded by him, Olivier Ferrari aims to create the biggest social network linked to the real economy and the environment.

Meeting with an investor who is not quite like any other.

INTERVIEW WITH ÉLODIE MAÎTRE-ARNAUD

PHOTOS: VANINA MOREILLON

Olivier Ferrari has been immersed in finance since the start of his professional career. Today he envisages sustainable investment light years away from a purely speculative approach. With a particularly strong personal commitment to conservation of the environment and driven by the determination to facilitate sustainable economic development, back in 2010 he co-founded a cooperative company whose aim was to provide financial support for the clean technology boom. No matter if this approach is less profitable in the short-term than traditional investment solutions.

His leitmotif? Action! “We are at an extraordinary watershed moment, no doubt just as important as the second industrial revolution”, he explains. “At the time we managed to take control of oil. Today, we have no choice: we must move on to something different”. And for him there can be no doubt that the matter is urgent: “2050 will be far too late, we must make a move right now! The technologies exist and we must do everything in our power to speed their industrialisation”. Because that is the stage at which problems often occur. In Switzerland, many public and private funds do in fact support innovation. But things are already becoming more complicated for entrepreneurs who have reached the pre-industrialisation stage and many of them are simply unable to finance mass production.

“Too few investors are willing to make the move and support these technological developments”, Olivier Ferrari regrets. He is not utopian and does not give lessons. Olivier Ferrari explains why and how he has taken this step.

**Tell us about the background to your incorporation of One Creation.**

After the Madoff affair and the subprime crisis, I felt a serious aversion for this professional environment in which I had always operated. Finance has become predatory. It has pulled money out of long-term projects, preferring instead to make a fast buck. People have forgotten that investment and speculation are only possible because real goods and services are being produced in the background.



### **Express biography**

Olivier Ferrari is a specialist in finance and sustainable development issues. As an author, lecturer and contributor to universities, a philanthropist and art lover, he heads up the Coninco Explorers in finance SA financial company. In 2010, he co-founded One Creation, a sustainable and responsible investment cooperative which is managed by him.

I wanted to get back to the real economy. And the idea of creating a cooperative society took hold very quickly. One Creation was founded in 2010. One, because we only have one planet and Creation which is the French acronym for this cooperative for environmental research and application of technologies induced from the natural order.

**“The potential for investment in cleantechs, especially in Switzerland, is greater than the available capital”.**

**Why did you choose the cooperative company form?**

Because this model enables principles of ethics and equity to be applied to the economy. 60% of all the One Creation associates are private individuals and 20% pension funds, while the remainder are family offices, private companies, philanthropists, professional associations and even one public authority. Whatever his particular participation may be, each associate has one vote. Our investments are based on the real economy. We need no models or algorithms and the cooperative derives its income directly from entrepreneurship, not from speculation. This is a genuine engagement and an enormous economic gamble! The fact of the matter is that when you join a cooperative as an associate you must be ready to take a short-term loss and wait for a return on your investment that will not be immediate. One Creation associates received their first income for the financial year 2014. In its early days, the cooperative suffered losses close to 20% of the subscription value! In the past eight years, we have had many different experiences: from the successful launch of a start-up to the failure of a project.

**In which types of company does One Creation acquire participations?**

Only in companies active in fields that have a positive impact on the environment. Our point of reference is the list of nine economic sectors defined as sustainable by the OECD back in the 1990s: renewable energies, energy efficiency, new ecological materials, environmental chemistry, environmental biology, environmental consultancy, sustainable transport, waste management and water management. We diversify our investments by taking participations in both listed and unlisted companies and also in start-ups in the form of shares or private equity. We also include the infrastructures which stabilise value and yield.

**How do start-ups active in the cleantech sector set about raising funds and financing their industrialisation?**

There are just a few sources: personal or family savings, banks and private equity. But the banks turn in higher profits from financial products than by financing projects. And investment funds focus more on biotechs, IT or medtechs than on cleantechs where the return on investment is far less rapid. Unfortunately, for want of money, some entrepreneurs are obliged to pull out. Others arrange for their business to be bought up, often by foreign capital.

**How do you choose the companies in which to invest?**

We have several ways of acquiring participations, in particular through platforms which support innovation and chambers of commerce. These players enable us to remain permanently in touch with the real economy and there is so much to do! The potential for investment in cleantechs, especially in Switzerland, far exceeds the available capital. Our financial analysts make a stringent evaluation of the files submitted to us, looking in particular at the pertinence and potential of the developed product in relation to the market. For their creators, this is a highly emotional event. For our part, we apply very stringent criteria to build a portfolio of sustainable participations.

**Can you give us a few examples of Swiss start-ups in which you have acquired participations?**

We invested just over 500,000 francs in the DEPSys company which is active in smart grid management. I might also quote the H. Glass business that has developed transparent and coloured solar cells. Among other projects, we have likewise taken a 40% participation in the Ponzio Solar SA company; this has built an autonomous eco-district in the Canton of Vaud (*see page 33*).

**How far are you willing to go in your investments?**

For the time being, as a risk spreading measure, our cooperative can invest no more than 600,000 francs in a single project, i.e. 1/20<sup>th</sup> of the liquidation value of the present equity capital. Our ambition is to achieve an equity capital of 100 million. That would enable us to make investments of up to 5 million francs in any one business. That figure of 5 million corresponds to what may be termed the “tunnel of death”. We find in fact that if a company is unable to raise that amount in Switzerland it will be bought up

**“Investment funds are more interested in biotechs, IT and medtechs than in cleantechs where the return on investment is much slower”.**

by foreign capital; production and some decision-making centres will then be transferred beyond our frontiers.

**One hundred million francs: a very ambitious target!**

It is equivalent to 10,000 associates, each putting up 10,000 francs, the minimum participation required to join our cooperative and provide financial



## “We want to turn One Creation into the biggest social network linked to the real economy and the environment”.

support for businesses that have embarked on the energy transition. We already have one associate who has put up 5 million francs. We would need to add another 20! We want to make One Creation the biggest social network linked to the real economy and the environment. Our cooperative was awarded B Corp certification in 2017. That qualification is granted to businesses which set themselves a number of environmental or social targets and satisfy stringent criteria in the area of governance. The Thomson Reuters Foundation for its part cited us as a model sustainable cooperative in its most recent report on philanthropy and social entrepreneurship. And on 12 June last we became the B Corp winner of the “Best for the World” prize.

The companies that have been awarded this distinction belong to the highly restricted circle of the 10% of top-scoring certified companies among the 2,400 businesses certified across the world. These awards are powerful tools to accelerate change.

### **You said a moment ago that 2050 is too distant a horizon to change things..**

Yes, we really need to step on the accelerator! For example, the Swiss Confederation might grant profits tax exemption for the first ten years of profitable operations to any new business supporting an activity with a 100% link to energy and economic efficiency and a positive impact on the environment. That would be a far greater incentive than subsidies to speed matters up! On the investors side, we must not get the method wrong either. In particular, it is a mistake to divest shares in companies that are

active in fossil fuels!

### **Go on investing in companies which do business in fossil fuels?**

#### **That will shock many people...**

No, you must be pragmatic. Better to remain a shareholder in these big corporations and act as such at general meetings by advocating a policy change towards new horizons. Of course, as an investor this approach does mean giving up some profits for the time needed for investments linked to the transition to be recouped... So we always come back to the same thing: the vital need to move away from purely speculative finance and reconnect finance with reality. Change takes time. We must learn again how to make long-term investments.

