

# Sustainable Values – Impact & Diversity

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Center for Social and Sustainable Products



# The goal of sustainability

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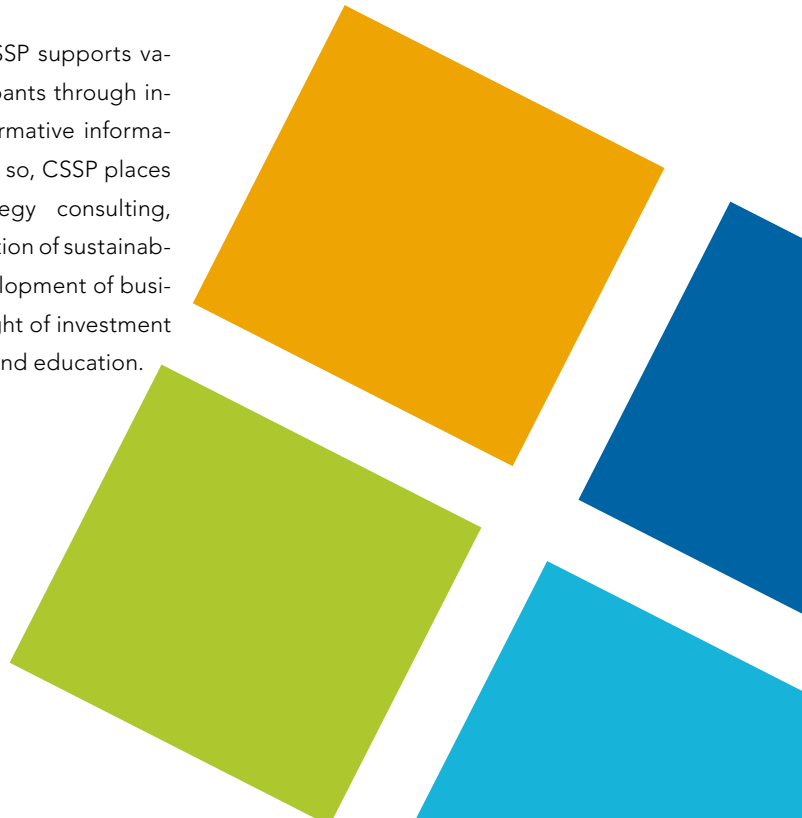
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The term “sustainability” carries special significance in today’s society. In particular, the concepts of socially responsible investments (SRI) and corporate social responsibility (CSR) characterise the growing interest in the media, markets and companies.

The big challenge lies in familiarising oneself with SRI and CSR’s diversity in order to use their potential for successful social, ecological and sustainable economic management. A specialised and competent navigator is therefore more important than ever. The Center for Social and Sustainable Products (CSSP) advise key players

in business and politics and promote transparency in SRI 2.0 – the next generation of sustainable investing.

For this purpose, CSSP supports various market participants through independent and informative information access. In doing so, CSSP places emphasis on strategy consulting, conception & evaluation of sustainable investments, development of business models, oversight of investment decisions, research and education.



# About us

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CSSP is an independent consultancy that has specialised in strategy and sustainability questions in the area of socially responsible investments as well as corporate social responsibility. CSSP places considerable emphasis on sustainable investments that are increasingly growing beyond the pure aspects of assets into a new generation of specific strategies and communities – so-called SRI 2.0. The focal points are new business models for capital investments (e.g. social business or philanthropic finance), web-based platforms for distributing information or non-listed investment securities directly connected to inves-

tors or capital objects (so-called non-quoted SRI including microfinance or climate protection investments).

CSSP considers itself to be a navigator in a constantly changing social, ecological and economic environment. For this reason, CSSP brings scientific and professional experts together to form a network of expertise. CSSP thus distinguishes itself by its interdisciplinary approach, specific know-how, many years of experience and independent consultation.

CSSP strives to promote market transparency through its business ac-

tivities and, in doing so, contributes significantly to realising sustainable social, ecological and economic environmental development. Bringing values to fruition through innovative and demand-actuated solutions is the guideline and maxim of CSSP.

At CSSP, sustainability is practised – from the inside out.

# Consulting

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CSSP serves as a partner for strategy and realisation questions in the area of socially responsible investments (SRI) and corporate social responsibility (CSR). The consulting focus of CSSP lies specifically in so-called, second-generation sustainable financial investments or SRI 2.0.

The subject of *“SRI 2.0 – the next generation of sustainable investing”* consists of:

- Non-listed investment titles with direct connection for impacting investors or capital objects (e.g. microfinance and renewable energy)

- New business models as well as asset management concepts for foundations and family offices (e.g. impact investing)
- Community building

This is closely linked with the corporate responsibility of value-oriented business management. The integration of ecological, social and governance aspects in corresponding management concepts is regarded as a win-win strategy to make companies future-oriented. Innovation and competitive advantages via versatility are in the forefront of this approach.

Using a disciplined and structured method, CSSP supports its clients in defining their client-specific goals, strategically developing their specific needs in the areas of SRI and CSR as well as in implementing them. Practice-oriented methods and the most modern, determined approaches permit targeted implementation. Three notable supporting core modules can be mentioned:

**Private Label Fund** – A personalised investment solution

Developing a strategy all the way to its implementation as a sustainability fund is at the forefront; the development of a classic investment fund continuing through to its innovative structure solution, based on the individual and respective needs.

**Third Fund Selection** – The optimal selection and integration of sustainable investments

Evaluation of traditional as well as alternative sustainable investments – be it in the form of an umbrella fund concept or as a new module in asset management.

**CSR** – Corporate social responsibility

Developing sustainability strategies and their performance measures – next to communication – creates key challenges that require backing from competent external partners.

As a direct point of contact, CSSP oversees the project's implementation and thus forms the interface for all involved parties before and during the realisation of the respective project solution. Our key factors for

a client-centred and need-based implementation lie in the combination of innovative technologies with effective analytical tools.

# Investment controlling – the key to success

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When it is not just about defining financial goals but rather attaining them, investment controlling plays a befitting key role in sustainable success. It monitors whether and to what degree the managed assets are achieving the agreed upon goals. Investment controlling enables our clients to closely rate the manager's performance.

We have therefore specialised especially in the observation and scrutiny of sustainable portfolios and/or asset classes. The many years of experience of all of our team members ensure that the focus will remain constant in

this rapidly growing market, because sustainability means more than just being sustainable.

On the basis of a defined investment strategy and an organisation aligned with it, we continually monitor the investment process. If deviations are determined, we decisively localise their causes and develop proposals for effective measures. In terms of sustainability and effectiveness, we view investment controlling as a constant rather than just a reporting date's requirement. So it can serve as a considerable component of the risk management.

If requested by the investor, we also assume the monthly controlling functions and support the investor with an efficient conducting of the required committee meetings. We also carry out a comprehensive performance review quarterly. The outcome of the respective tests will be presented within the framework of our investment controlling reports. In terms of good governance, we view the client as a partner whom we support at any time by tangible recommended actions or the implementation of processes.

For CSSP, investment controlling

does not simply exist for compiling and scrutinising performance figures. Instead, we support our clients actively through its rating and interpretation. We offer modern investment controlling that subsists from various modules that can be selected and combined based on need and request. In the process, both quantitative analyses are carried out and the qualitative aspects of the asset manager are continuously evaluated. Through this scalability, professional controlling can be opened up to private clients.

CSSP's strategic investment control-

ling concept is based on a fundamental approach that combines professional reporting and monitoring with active support, contributing to a distinct added value for the client.



# Rating – the information

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The requirements for the transparency of financial products are continually increasing. In addition to institutional clients, retail clients, as well as other stakeholders, have an interest in getting an objective valuation of their investments. This has been made difficult by conventional rating definitions, which have drastically lost their significance due to current market fluctuations.

New models and viewpoints are required in order to meet future requirements – without forgetting the ones proved in the past. Therefore, our scientifically based rating concept

combines investment perspectives from the vantage point of sustainable economic management. Thus, sustainability does not serve the purpose of being merely a current catchphrase, but rather it conveys CSSP's philosophy. The concept describes the fundamental philosophy of the entire economic management.

CSSP's rating is based on a comprehensive list of criteria that combines product-specific characteristics (structure, investment process, portfolio, etc.) with objective social and ecological values. CSSP's rating team, comprised of interdisciplinary emplo-



yees from several fields enabling an effective symbiosis, helps the client make a substantiated and objective assessment:

- CSSP rating promotes the dissipation of the information asymmetry between the investment product and the potential investor and the establishment of trust;
- provides objective support in the decision-making process; and
- enables adequate capital market assessment as regards social and ecological criteria.

A recognised quality standard and the processes based on it, as well as the continual update of the internal data bank, guarantee both a high-degree of significance and up-to-date analyses.



# Education

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Financial experts believe that sustainability implemented through investments has the potential to become a huge trend in the coming years. Financial markets already offer various asset classes and investment styles. The mostly high product complexity, particularly in the area of SRI 2.0, places high demands on the qualification of, among others, financial advisors, portfolio managers as well as institutional investors. The same is true for sustainability as a concept and strategy for business management (as well as for CSR concepts). Here too there exists a great deal of complexity in being able to exhaust operative potential.

CSSP recognises qualification both in the investment case as well as in the business case of sustainability (CSR) as a success-critical core competency. For this reason, it offers specialised courses that are conducted over one or more days and consist of two groups:

- In specialised courses, practice-oriented information is provided that teaches competencies for implementing the marketing/sales and asset management of sustainable investments. In the area of sustainable company management, the focus is on subjects such as communication, data management as well as strategic company

management. The modular setup and the integration of respected professional partners result in a demand-actuated and modern qualification.

- Qualifications in business and investment cases of sustainability are also offered as customised products. The methods, content and goals of the qualification courses are determined through a discussion with the client.

# Research

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*"It is time to reinstate moral reflection in financial thinking, as is done in other sensitive areas (biology, medicine and others). Finance is not an abstract mathematical theory but truly a social structure with a deep impact on the system and the individuals in the system." (Cossin, MIT Sloan Management Review, Winter 2009)*

In science and practice, the prevalent trend suggests that beyond purely economic connections, causations and processes, there are values and value enriching elements of economic management such as responsible action, good corporate governance, moral reflection and the regard of others. These values cannot just be limited to image brochures and PR

activities if they want to be believable. Scientific research is able to point this out from highly qualified and multifaceted contributions spanning the course of decades. In the area of its substantive emphasis – sustainable investments and corporate social responsibility – CSSP further devotes itself to practical and accompanying research. This takes place through a network linking renowned universities, research groups as well as public and private funding organisations.



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