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## Sustainable Companies Beat Out Competitors As Markets Tighten



Feb. 11, 2009 - Companies with a commitment to sustainability are outperforming their peers during the current financial crisis, according to a new report.

The study, by management consulting firm A.T. Kearney, looked at 99 companies identified as having a strong commitment to sustainability, comparing their performance with industry averages. The sustainable companies emerged as clear leaders in the financial markets, the researchers found.

Specifically, in 16 of the 18 industries studied, companies committed to sustainability outperformed industry averages by 15% over the six months from May through November 2008. "From a market capitalization perspective, this superior performance averages out to \$650 million in protected market capitalization per company," the researchers note.

The report identifies four common characteristics among the market winners:

1. A focus on long-term strategy, not just short-term gains
2. Strong corporate governance
3. Sound risk-management practices
4. A history of investment in green innovations

Our study indicates that the market rewards specific companies, says Dr. Daniel Mahler, author of the study. These common characteristics among the leading companies show that sustainability goes far beyond the narrow definition of being environmentally friendly.

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