

Insolvensrettens Dag 2025

Has there been a green
bubble - and has it burst?

MACE+Z

Michael Zöllner

27 March 2025

Has there been a green bubble - and has it burst?

- **Yes**, a green bubble has existed, and **yes**, it has burst
- Branding your company **green and sustainable** does not in itself add value any longer
- In a world with high uncertainty companies have to strengthen their focus on their resilience (security)
- The companies have to find the right balance between:
(i) sustainable transformation, (ii) compliance and (iii) capabilities

Michael Zöllner



Owner and founder of MACE+Z - sustainable finance, strategy and leadership

Former CEO | The Danish Green Investment Fund

Former Chief Sustainability Advisor | EIFO

+ 30 years of experience from the private financial sector

Msc Economics and Business Administration

It has been like a pendulum...

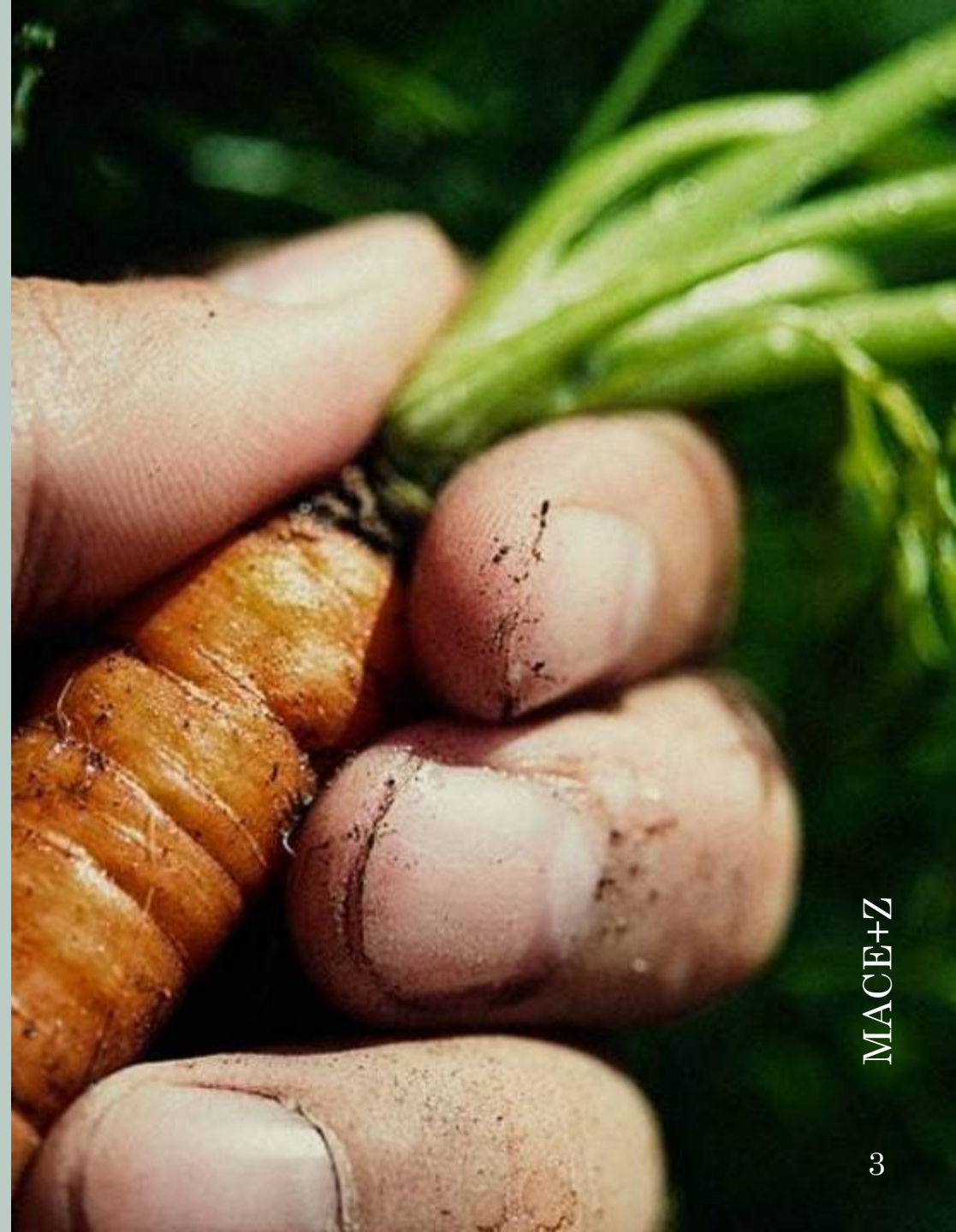
**Positive
impact**

CO2-emissions
Climate
Biodiversity

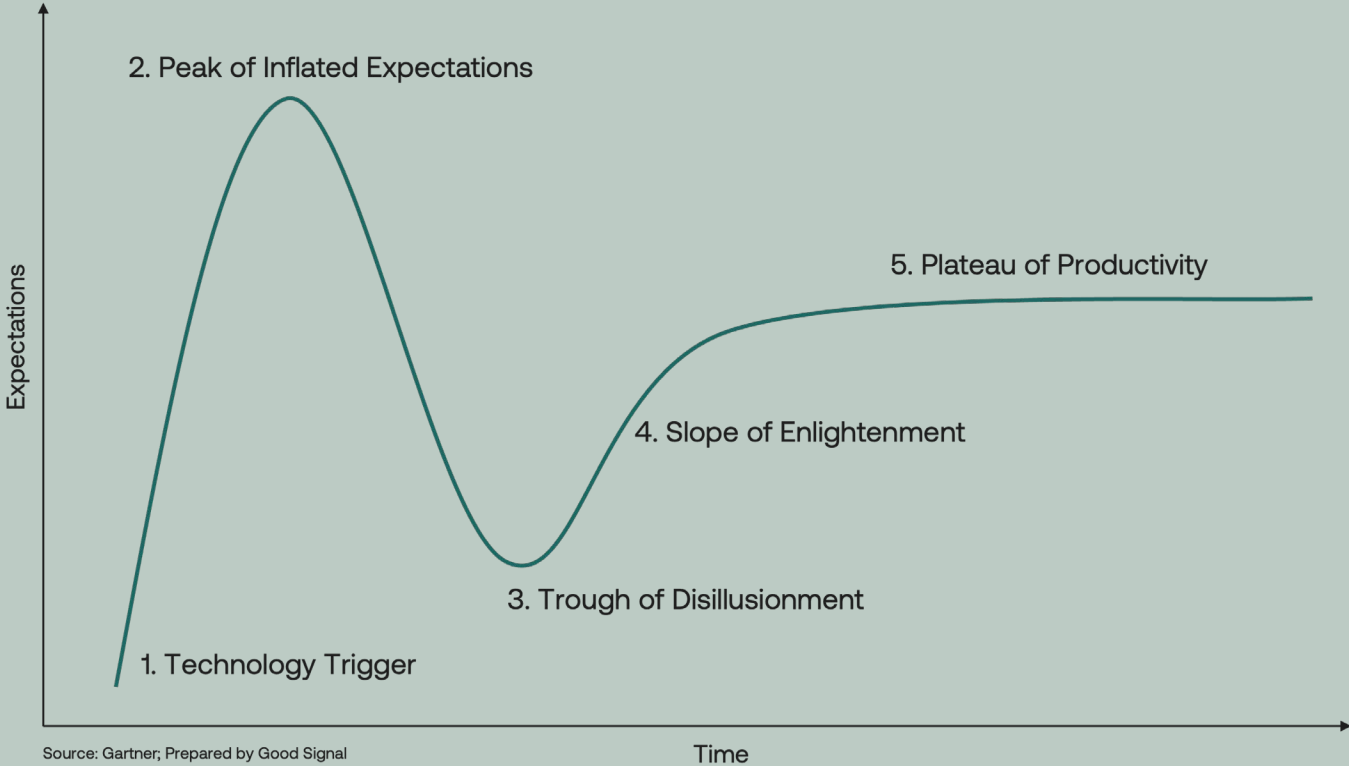


**Viable
business**

Financial return
Profitability
Stock price

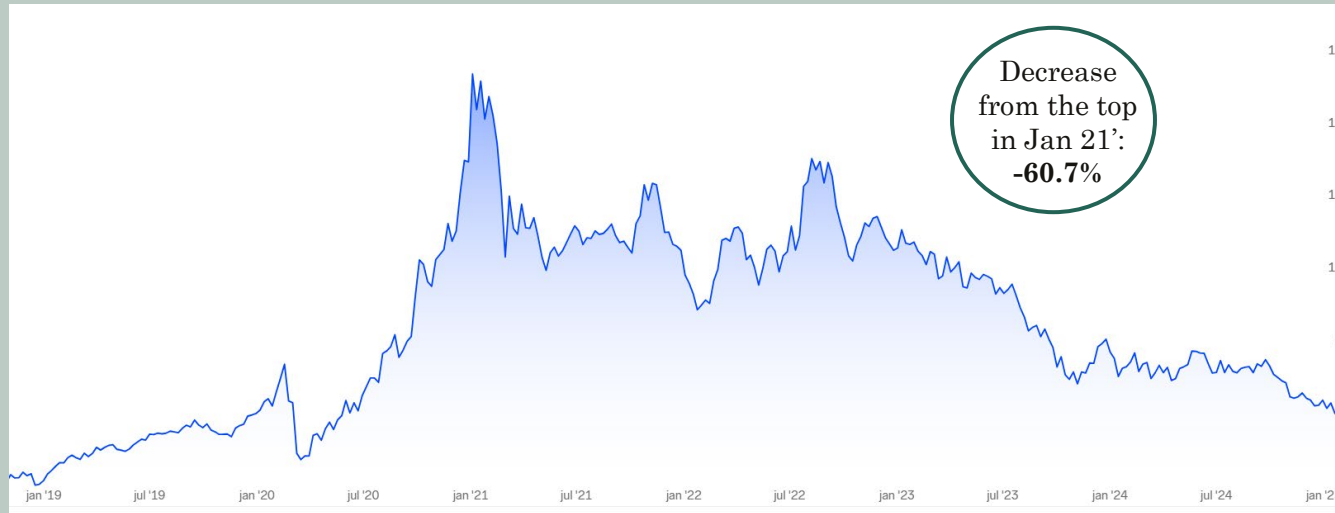


How could we explain a bubble?



Let the stock market tell the story

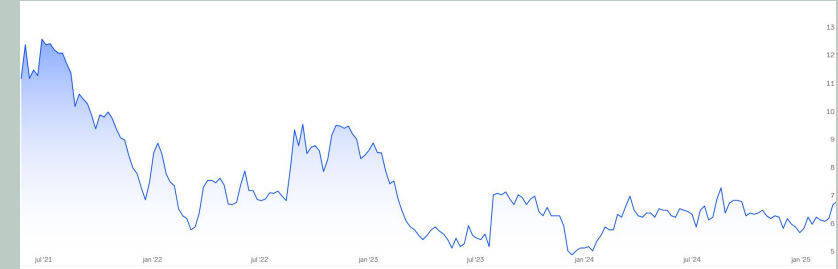
iShares Global Clean Energy ETF Development Jan 2019 – Mar 2025



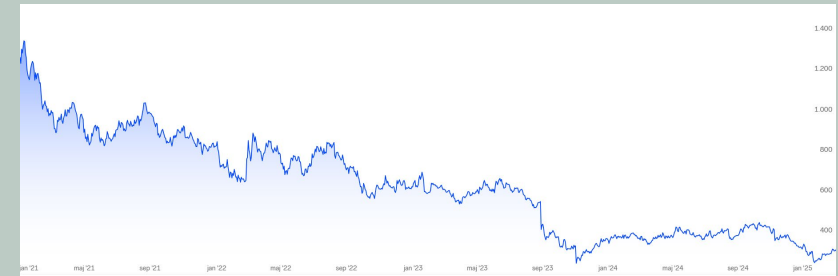
iShares Global Clean Energy ETF return in the period: 39.5%

The S&P 500 index' return in the same period: 121.8%

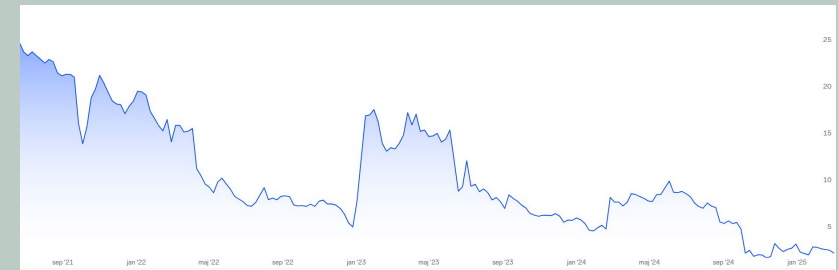
The iShares Global Clean Energy ETF: a passively managed fund that invests in the 100 largest publicly traded companies worldwide within clean energy production and associated technology, providing investors with diversified exposure to the renewable energy sector.



Donkey Republic A/S
Development 2021-2025: **-40,9%**



Ørsted A/S
Development 2021-2025: **-76,1%**



Green Hydrogen Systems A/S
Development 2021-2025: **-99,2%** - under restructuring

It does not mean that profitable business and green transition no longer go hand in hand

- Many examples of the synergy between profitable business and green transition
- Now it is much more integrated in the overall strategy and not any longer a ‘side car’
- Companies have to **do the right thing** – that includes still being sustainable

Arla – a great example

“For Arla, 2024 was a year of strong financial results as well as key progress on our sustainability journey (...)

With increased revenue and brands returning to growth, we strengthened our competitive returns to our 7,624 farmer owners, while at the same time continued our science-based and data-driven approach to reducing our carbon footprint across our value chain (...)

Our well-established FarmAhead™ Check, introduced in 2020, provides farmers insights into their climate impact, while the Incentive rewards proactive measures directly through the individual milk price.

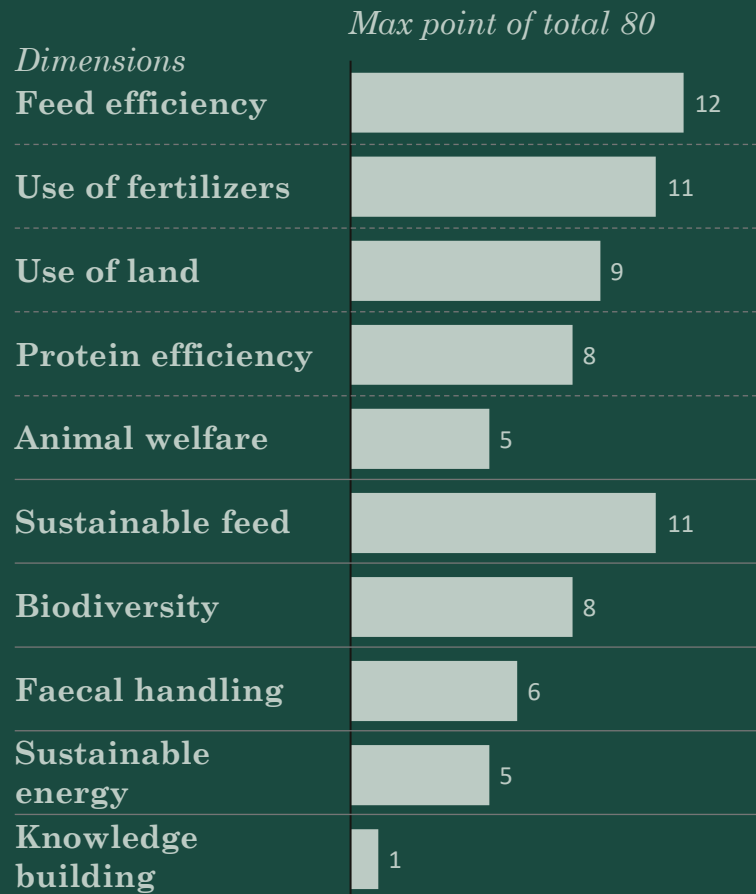
The points based FarmAhead™ Incentive continues to drive change, with the average number of points increasing from an average of 50 to 53 from the introduction in 2023 to 2024.”

Source: Annual Report 2024 Arla Foods

The Arla "Climate model"

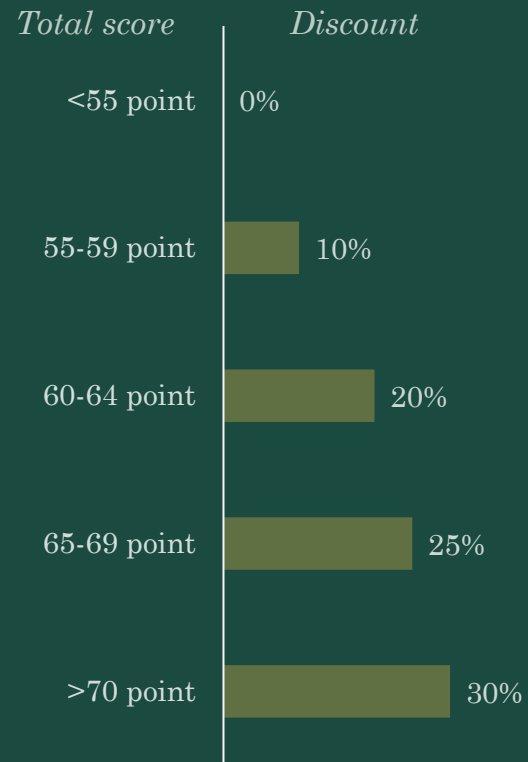
The Arla "Climate model"

Higher climate score = higher price Arla pays farmer



The financial sector introduces a "discount ladder"

The higher the score, the higher the discount on the interest margin



The average score for Danish milk producers (delivering to Arla) are currently 53 points

Green transition and viable business go hand in hand – and include biodiversity



Less organizational burden for both dairies, milk producers and the financial sector



Helps the agriculture sector to mitigate the consequences of the coming CO2 tax - just decided in the Danish Parliament



Support the green transformation of the agricultural sector and secure the right investments

It is – more than ever - about having the right approach

The needed sustainable transformation



Increased resilience or security

The necessary compliance

The demanded capabilities





Many thanks

MACE+Z

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