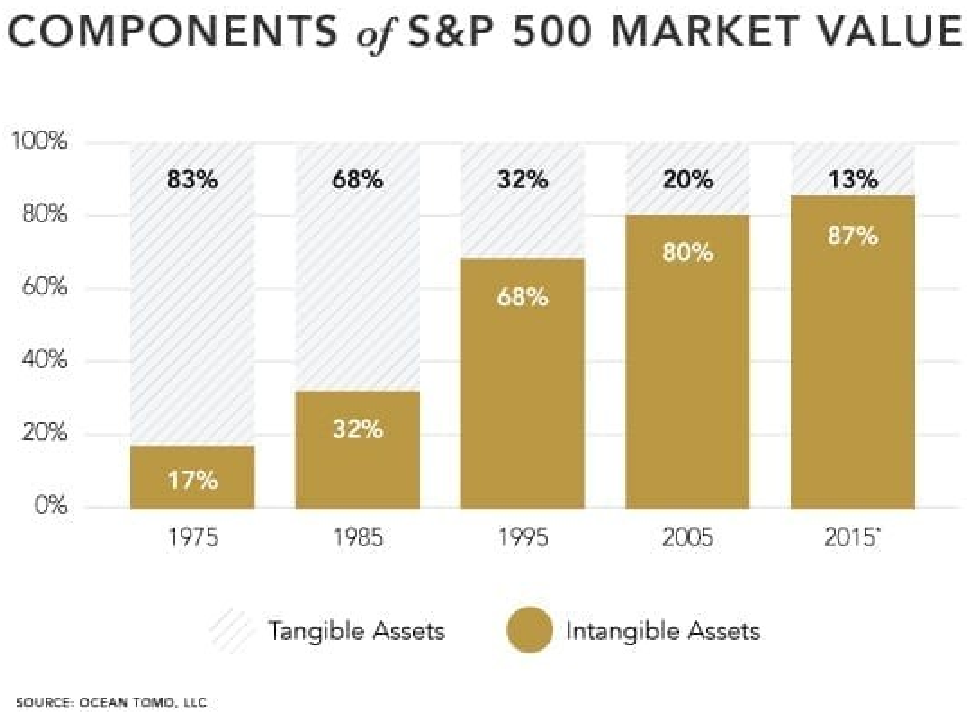
17% to 87% intanglibe asset value



Intangible assets drive most value

https://oceantomo.com/insights/ocean-tomo-releases-2015-annual-study-of-intangible-asset-market-value/

https://www.mckinsey.com/mgi/overview/in-the-news/the-rise-of-intangible-capitalism

Overall picture

Boards in Europe tend to be more stakeholder focused compared to boards in the US because of differences in **corporate governance models** and **cultural attitudes towards the role of business** in society.

In Europe, there is a tradition of a more "social market" approach to capitalism, where the state, civil society, and private enterprise **are seen as partners** in creating a well-functioning economy.

This approach emphasizes the importance of stakeholder engagement and the creation of value for all stakeholders, including employees, customers, suppliers, and the wider community.

In contrast, the US has a more **shareholder-centric model of corporate governance**, where the primary goal of the board is to **maximize shareholder value**. This approach prioritizes the interests of shareholders over other stakeholders and can lead to a narrow focus on short-term financial results.

Furthermore, European companies often have a more long-term orientation, with a focus on **sustainability and the environment**, and this can lead to a more stakeholder-oriented approach. The US, on the other hand, has a culture that values **entrepreneurship, innovation, and risk-taking**, which can lead to a more short-term focus on financial performance.

Overall, while there are certainly exceptions and variations, these cultural and institutional differences can help explain why boards in Europe tend to be more stakeholder-focused compared to boards in the US.

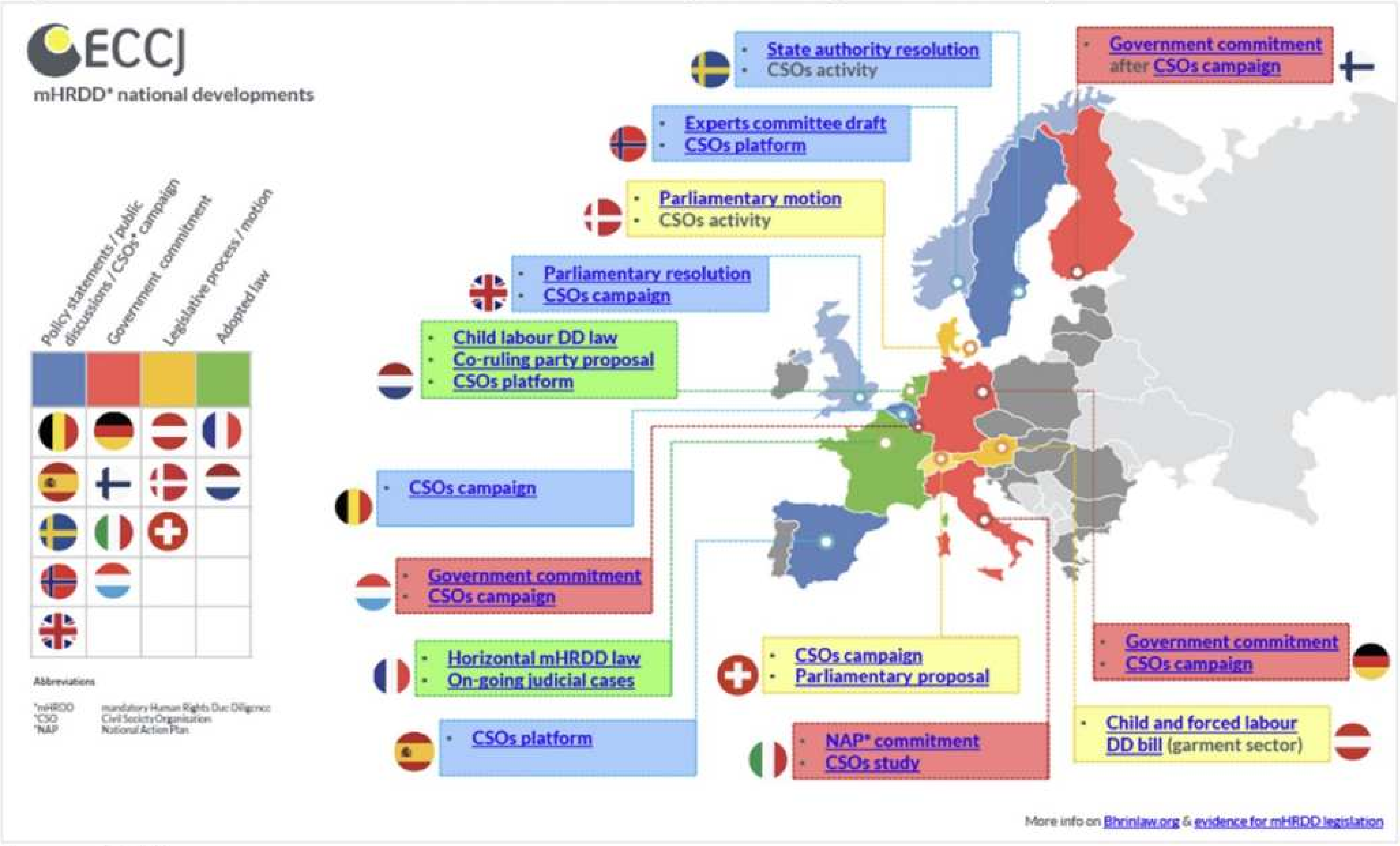
Corporate governance model – UK

Post IPO, regulatory forces come into action, ensuring stakeholder value creation:

- **Board structure:** not all can be shareholding directors
- **Reporting:** ESG reporting; reporting on fair employment policies
- **Evaluation / Audits:** e.g. sub-committees to the board to nsure fair renumeration policies
- **Financial Institutions:** increasingly investing in companies with high ESG

https://athenaalliance.medium.com/the-rise-of-stakeholders-not-just-shareholders-and-what-it-means-for-the-modern-board-and-38a9f640e48d

Figure 3. Status of examination of mandatory due diligence in Europe



https://www.mitsui.com/mgssi/en/report/detail/__icsFiles/afieldfile/2021/04/22/2102d_shimada_e_2.pdf

Dimension	Shareholder model	Stakeholder model	Integrated model
Goal	Shareholder value	Stakeholder value	Integrated value
Optimisation	FV	$STV = FV + SV$	$IV = FV + SV + EV$
Stakeholders	Shareholders	Current stakeholders	Current and future stakeholders
Assumptions	• Shareholder, as residual claimant, 'owns' the company and deserves control • Serving the interests of other stakeholders is instrumental to shareholder value	• Managers act in the interest of the company on behalf of financial and direct stakeholders	• Managers act in the interest of the company on behalf of financial, social and ecological stakeholders
Implications	• Shareholder value provides clear guidance for decision-making and accountability • Social and ecological value considerations come second, if considered at all	• Multiple goals suggest unclear guidance and require balancing rules for decision-making and accountability • Financial and social value considerations incorporated • Ecological value considerations come second, if considered at all	• Multiple goals suggest unclear guidance and require balancing rules for decision-making and accountability • Financial, social and ecological value considerations incorporated
Note: FV = financial value; SV = social value; EV = ecological value; STV = stakeholder value; IV = integrated value.			

Source: Schoenmaker, Schramade and Winter (2022)

https://blogs.law.ox.ac.uk/blog-post/2022/12/corporate-governance-beyond-shareholder-and-stakeholder-models