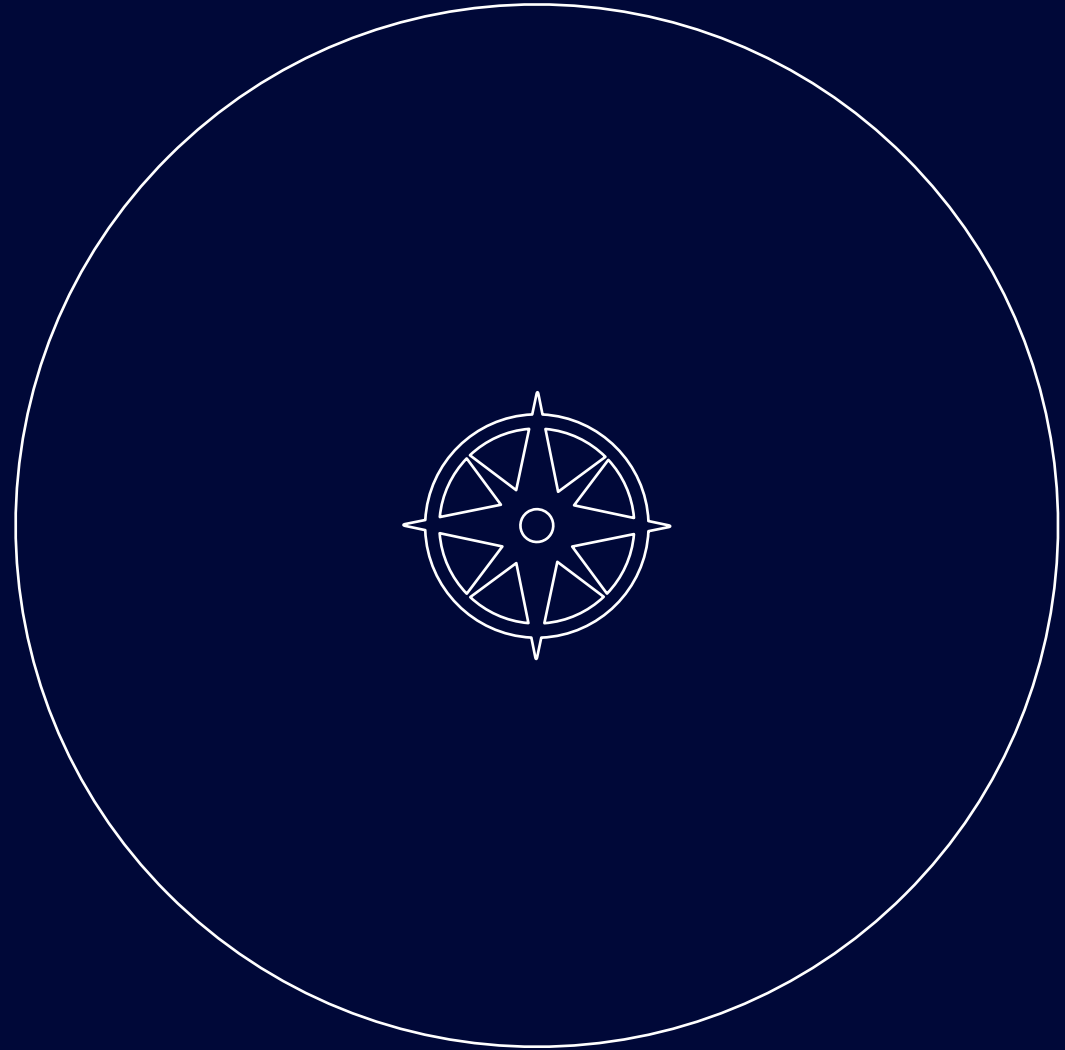


Boosting Stocks with Smiles



Happy Employee
Happy Customer
Happy Investor

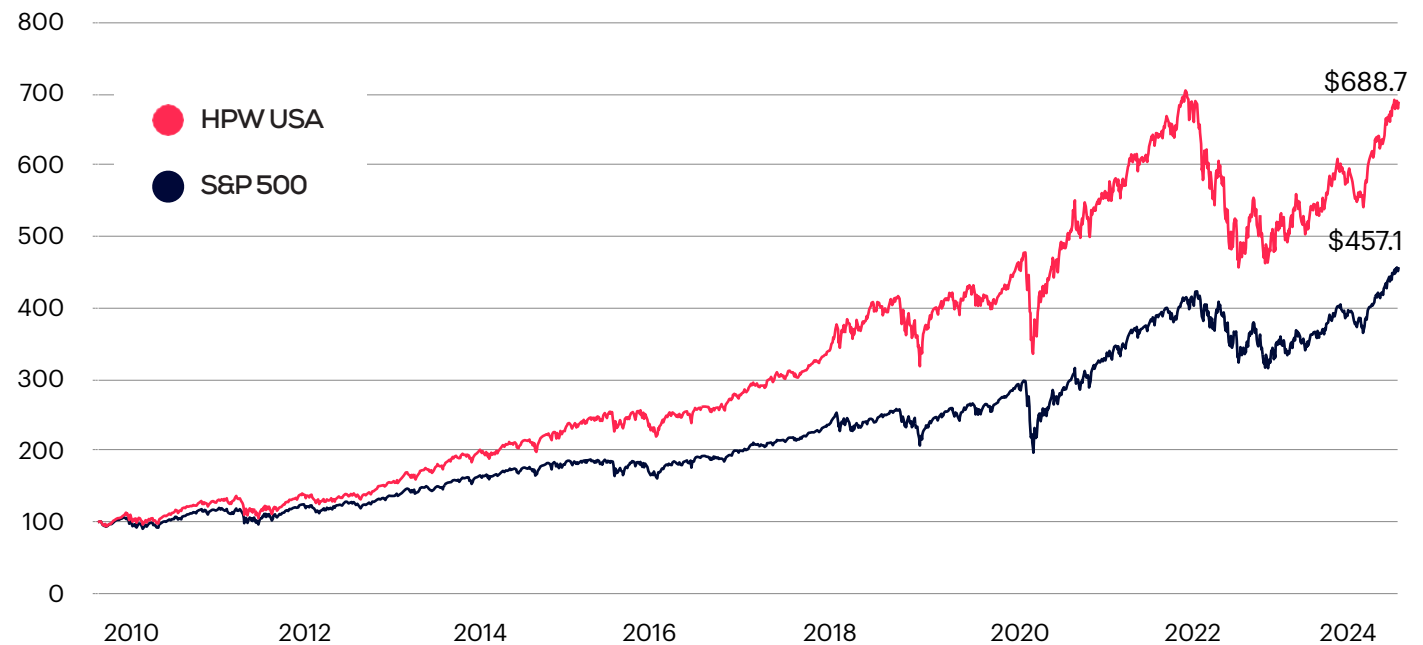




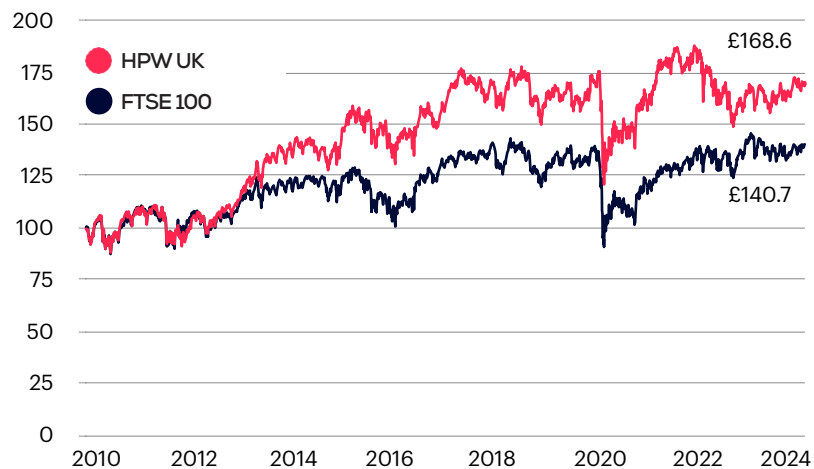
In an era where metrics increasingly dictate business success, the critical role of a positive workplace culture in enhancing financial performance demands thorough examination. Despite a wealth of anecdotal evidence and a deep intuitive understanding pointing to the positive effects of a strong workplace culture, many senior leaders still perceive investments in employee happiness as mere expenses. This view restricts the scope of investment in human capital, resulting in a dearth of workplaces where true happiness prevails. To alter this perception, a greater number of exemplary instances and compelling statistical evidence are essential.

In pursuit of demonstrating the concrete effects of employee happiness on financial outcomes, HPW embarked on a detailed analysis of the long-term financial performance of entities listed on the HPW Index compared with those on major indices across the stock markets of the USA, United Kingdom, Germany, France, and Canada. This involved calculating the return on investment for equal amounts of the respective country's currency invested in the stocks of these exchanges from 2010 and evaluating the financial standing in 2024. Benchmark indices such as the S&P 500 in the USA, FTSE 100 in the United Kingdom, DAX in Germany, CAC 40 in France, and S&P/TSX Composite in Canada were utilized for comparison.

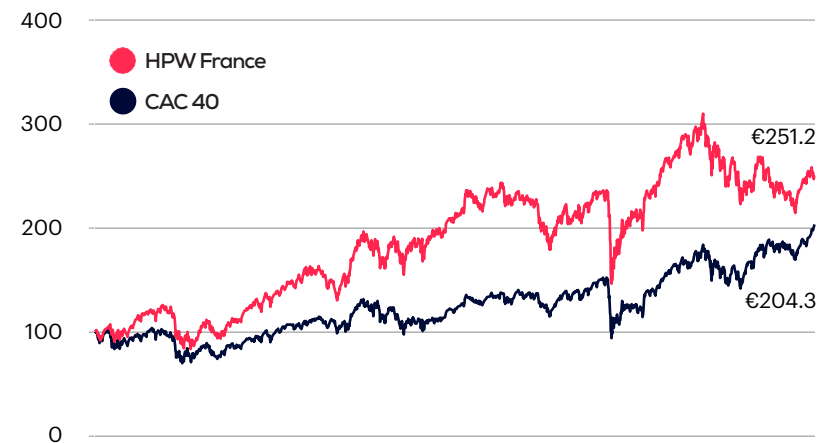
The outcomes are highly revealing: In the USA, HPW Companies outdid the S&P 500 by 50.7%. In Germany, they beat the DAX by 98.1%, and in Canada, they went beyond the S&P/TSX Composite by 91.0%. In the USA, Germany, and Canada, companies known as Happy Workplaces (HPW) have shown strong financial performance in economies that are growing quickly or have a wide range of industries. On the other hand, in France and the United Kingdom, HPW Companies also performed better than the main stock indexes, surpassing the CAC40 by 22.9% and the FTSE 100 by 19.8%. This suggests that even in economies that are growing more steadily, workplaces that prioritize happiness tend to do better financially. Overall, across various economies, whether they're rapidly expanding or more stable, the trend is clear: companies that invest in employee happiness not only enhance their workplace environment but also see significant financial benefits.



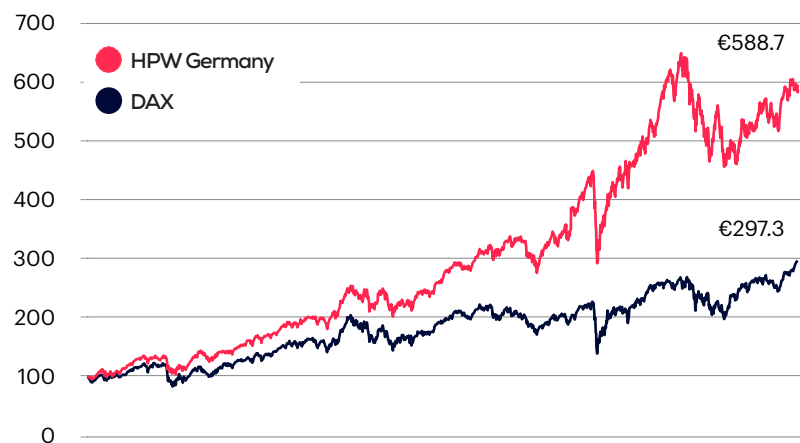
United Kingdom



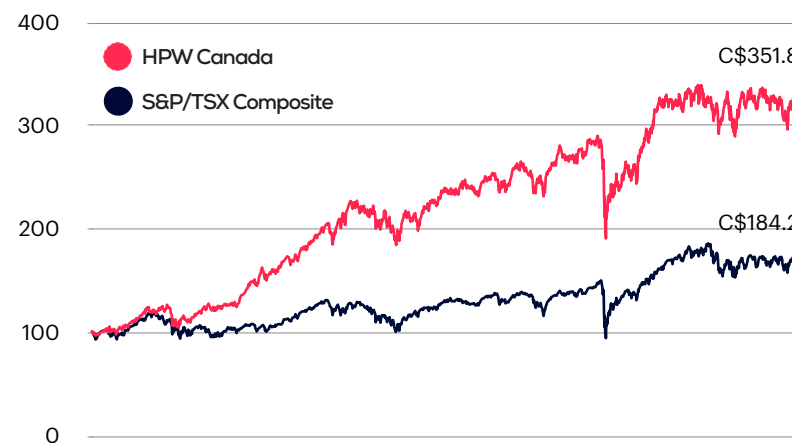
France



Germany



Canada



*The high correlation between workplace happiness and stock market returns does not prove causation.



Creating Shared Value

The longitudinal analysis conducted across the stock exchanges of five major economies not only reaffirms the intuitive belief that a positive workplace culture significantly boosts financial performance but also supplies robust statistical proof of the remarkable outperformance of Happy Workplaces relative to general market trends.

The evidence indicates that organizations that give precedence to employee happiness not only realize higher levels of engagement among their workforce but also attain superior financial growth.

This engenders a virtuous cycle wherein enhanced financial results facilitate further investments in employee well-being, propelling ongoing growth and prosperity.

This analysis serves as a clarion call for business leaders to view employee happiness not merely as a moral duty but as a strategic necessity for financial success.