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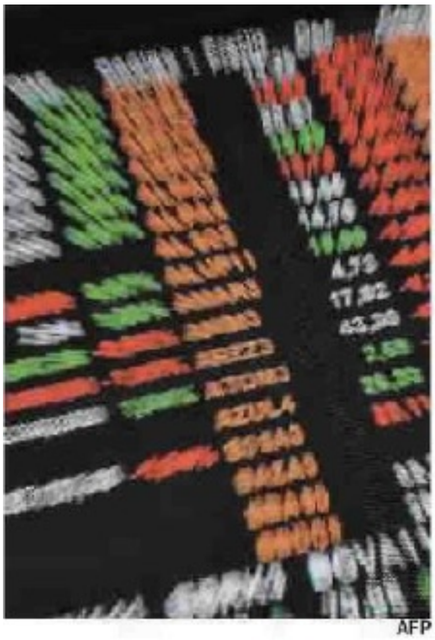
LA STAMPA

A study by Banor Sim

Securities benefit from a sustainable approach to investment



Is there a link between share performance and environmental, social and governance (ESG) criteria, i.e. a sustainable approach to investment? The answer comes from a study conducted jointly by Banor Sim, one of Italy's largest independent investment firms specialising in wealth management and advisory services for high net worth individuals, and the Milan Politecnico School of Management. The study examines the performance of Stoxx Europe 600 securities and ESG ratings from 2012 to 2017. The findings show that companies with good sustainability ratings in all three ESG areas are rewarded by the market. Specifically, industrial companies listed on the index that have a high ESG rating were the most efficient in increasing total sales and improving profit margins and dividend yields. Moreover, those companies also performed best on the market.

"Studies have revealed a correlation between better performance and applying ESG principles. In the US, this link is driven by flows as well. In the future, it will be hard to tell how far sustainability policies and the investment flows they generate affect a company's performance," explains Massimiliano Cagliero of Banor Sim. "In practice, it is important to acknowledge that a link does exist and that it triggers a virtuous circle in the real economy, encouraging listed companies to conform in order to attract investors. In a situation where investors will not be able to disregard these criteria, a sound analysis of the fundamentals and our value approach will be essential to create value over time".