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## **FOCUS RISPARMIO**

ESG Special

### **WHEN MANAGEMENT ESPOUSES SUSTAINABILITY**

To begin with it might have looked like a fad. But over the years sustainability has developed into much more than just the latest trend, as witnessed by the efforts made by governments on an international scale. We're not talking just about ethics here, but about respecting the environment and addressing the greenhouse effect and carbon emissions. All risk factors that slowly, slowly have been attracting the attention of the financial world too. Today, fund managers are increasingly taking companies' sustainability into account in their investment choices. This is evidenced by the latest Mercer survey, which found that 40% of European institutional investors include environmental, social and governance (ESG) factors in the criteria determining their portfolio strategies. And in Italy this figure rises to 46%. Investors' interest in ESG issues is growing too. Moreover, the performance of sustainable portfolios by no means suffers from a comparison with that of more traditional asset allocation strategies. In fact the opposite is true. A study conducted by Banor SIM and Politecnico di Milano in Europe revealed that from 2012 to 2017 companies with higher ESG ratings obtained better returns, with no significant difference in standard deviation. In short, the markets seem to reward companies that adopt good ESG practices. And we should never contradict the markets.