

24 September 2018

QN economia-lavoro

Higher yields and sound investments. Banor promotes responsible companies.

A study by Banor SIM on over 800 listed companies shows that socially responsible companies with a high environmental, social and governance (ESG) rating achieve above-average performance.

by Andrea Telara

MILAN

Is it worth investing in socially responsible companies that pay attention to protecting the environment and respecting human and workers' rights, business transparency and governance? That's the question that formed the backdrop to a conference in Milan on 20 September 2018 at the Forum per la Finanza Sostenibile. The event was inspired by a recent study jointly produced by Politecnico di Milano and Banor SIM, one of Italy's leading investment firms specialising in wealth management.

The report analysed the performance, from 2012 to 2017, of 882 stocks on the Stoxx Europe 600 index, which includes some of the biggest companies listed on European exchanges. Banor SIM's study demonstrated that socially responsible companies with a high ESG rating performed better than the average in terms of both their financial results and their performance on the financial markets. With satisfactory results for investors who had bought their stocks. In short, doing business in accordance with certain ethical principles ultimately rewards companies.

Illustrating the research, Matteo Bonaventura, an analyst at Banor SIM, pointed out how important it is for companies to draw up reports providing complete information on the sustainability of their business. This would give investors a useful tool to make better choices.

"Our research was based on the fundamental value-creation drivers for companies", said Bonaventura. "These are the same fundamental factors that investors would like to have at their disposal to make the best decisions on how to allocate their capital". "This consideration applies first and foremost to small and medium-sized enterprises (SMEs), which are the backbone of the Italian economy. But SMEs still aren't present in significant numbers on the stock and capital markets", adds Borsa Italiana's Alessandra Franzosi, one of the speakers at the conference. Another speaker, Giancarlo Giudici, who teaches at the School of Management of Politecnico di Milano, focused on the benefits that companies can obtain by adopting ESG standards.

"More and more companies are adopting these good practices internally, in the conviction that this will give them a competitive advantage in the medium-to-long term". Another speaker expressed the same view. Arianna De Leo, head of the Strategic Philanthropy unit at UNICEF Italia, focused on the need to lend greater weight, within the ESG rating, to social factors such as respect for human rights or children's rights, given that aspects linked to transparent governance and protecting the environment have thus far been predominant. And on the subject of children, in 2017 UNICEF launched a joint project with Banor. The recently created UNICEF class of the Banor Sicav Euro Bond Absolute Return fund donates part of Banor's fees to support the "Fighting Child Mortality" campaign.



GREEN GUARANTEE STRATEGIES

Left, Matteo Bonaventura, analyst at Banor SIm: "Companies need to report on their sustainable business".

