

**Cagliero (Banor): “In Italy, we are still in a greenwashing phase  
 There is respect, but the importance of the ESG phenomenon has not been fully  
 understood”**



*Massimiliano Cagliero, Managing Director and founder of Banor SIM*

Currently, in the world of asset management, at both a national and an international level, it is difficult to find topics that attract as much attention as sustainability. The integration of good practices in terms of environmental, social and governance factors continues to be a priority on the agendas of entrepreneurs and investors. A research project conducted by Banor sim and the Politecnico di Milano School of Management on the relationship between ESG and the yield spread of bonds on the European market underlines precisely these aspects, among others.

Today, the ESG paradigm effectively represents a compass capable of discerning long-term sustainability and therefore the competitive advantage.

The companies that give due attention to ESG factors, as stated in the research, are companies that manage their resources respecting environmental sustainability criteria whilst investing in innovation for growth. They believe in corporate social responsibility and seek new strategies for reducing business risk by establishing a communication channel with all stakeholders. “ESG is not just a fad, but an increasingly important part of the fundamental analysis of an issuer, for both equities and bonds”, explained **Angelo Meda**, the manager responsible for the Banor sim research project. “It is necessary to go beyond the individual filters that give a summary assessment of a company with a single rating and to differentiate the analysis as a function of the investment instrument in question and the investor’s time frame, assessing the impact that each of the three components have on the bond issuer and consequently on the financial instrument of the investment”, continued the manager in charge of the research project, also explaining that, from the bonds parts of the study, there was confirmation of the importance of ESG factors, with due attention to the single factors, but also the need to make a fundamental selection in order to beat the reference indices, as it is not possible to use a simple ESG filter to generate significantly higher performances.

“On the one hand, investors are increasingly demonstrating their desire to invest, taking into account environmental sustainability, social and good governance parameters”, explained **Giancarlo Giudici**, Professor at Politecnico di Milano and the study coordinator. “On the other hand, European policymakers are introducing a series of training and information requirements. It is therefore essential for asset managers to study the market and be ready for this new challenge”.

“In Italy, we are at the stage where the USA was seven years ago”, explained **Massimo Cagliero**, founder and Managing Director of Banor sim. “We have gone beyond the phase when many would follow a trend even though the importance of the underlying phenomenon has not yet been internalised and fully understood. Today, in the United States, there is in fact no major institutional mandate for which compliance with ESG criteria does not apply. In our country, we are still experiencing greenwashing, a sort of superficial respect for these requirements and moral suasion by market authorities. As we move forward, more players will distinguish themselves for being firm believers and for having had the courage and the foresight over the years to invest time and resources in research and in understanding correlations and the underlying dynamics”. (all rights reserved)

*Riccardo Bonetti*