



SCHOOL OF BUSINESS RESEARCH SEMINAR SERIES

Sustainable Retail Investing: Motivations, Portfolio Consequences and the Role of ESG Ratings

DATE: Friday 8 December 2023

TIME: 10:00am – 12:00pm

MEETING DETAILS: Learning Studio 78, Level 7, 1PSQ
& Zoom Online (Meeting ID: 867 0009 7080,
Password: 590666)

RSVP: COB, Thursday 7 December 2023

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PRESENTER:

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ABSTRACT:

This study examines whether, how and to what effect wealthy retail investors use sustainability information in their investment decisions. Using a proprietary dataset of investment holdings of wealthy European retail investors, we exploit a quasi-exogenous shock to the coverage of sustainability ratings available to investors and document a plausibly causal effect of these ratings on investment allocations. We find the preference for assets with high sustainability ratings to stem from non-pecuniary motives and that sustainability is not perceived as a luxury good. We further find that "ESG-minded" investors hold significantly concentrated and under-diversified portfolios, over-allocate to home stocks and hold on longer to unrealised losses than "ESG-agnostic" investors. The former seem to achieve their objectives of investing in more sustainable firms that have fewer social and governance incidents but also overweight carbon-intensive sectors.

BIOGRAPHY:

Amir's research examines the effects of companies' financial and non-financial information disclosures on capital markets and the mediating role of accounting standards and information intermediaries.

Amir's research has been published in leading academic and practitioner journals such as Journal of Accounting and Economics, The Accounting Review, Review of Accounting Studies, and Financial Analysts Journal. His work has been cited by the business press such as the Financial Times and the Guardian as well as in a variety of policy documents by the EU, Bank of International Settlements, IMF, World Economic Forum and by accounting standard setters.