

Unethical companies suffer in the long run

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Companies behaving badly suffer in the long run, according to research from the Swiss Federal Institute of Technology. "Is dirty business more efficient than ethically sound business?" asked Julian Kölbel, a masters student in the department of management, technology and economics at ETH. He looked for a correlation between negative publicity on environmental and social issues and a company's share price.

Using a reputational risk index compiled by Ecofact, Mr Kölbel found companies scoring highly in the index (critical press coverage) outperformed in the short term but underperformed over a longer period.

This underlines the need for more information. HSBC Global Markets has launched a climate change research facilitation programme by which fund managers can access research on climate change from Ernst & Young, New Energy Finance, Risk Management Solutions and the UK Met Office through HSBC, which operates a commission sharing agreement with these partners.

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