

RepRisk attends ESG Europe 2011 in Amsterdam

Sales representative Robert Klijn attended the two day ESG Europe conference in Amsterdam where specialists on responsible investment gathered for various discussions on related topics. The majority of the sessions were panel discussions led by Hugh Wheelan, Managing Editor of responsible-investor.com.

Dexia AM, one of the pioneers of responsible investing in Europe with some EUR 18 billion of SRI funds under management, was one of major issues discussed during the breaks. During the conference, participants received the news that parent firm Dexia has been struck down by the European sovereign debt crisis. Dexia will seek to sell off the fund arm.

On the first day, the presentation of Alex van der Velden, Head of Investment, Responsible Equity Strategies at PGGM Investments, was most rewarding. He has been building a new investment team and process along the UN Principles of Responsible Investment for the past three years. His team currently manages a concentrated portfolio of 15-20 companies focused on developed markets. It realised a 17 percent outperformance since inception.

Robert posed questions on how to involve mainstream portfolio managers, which is an area of considerable debate. The UN PRI, represented at ESG Europe 2011 by Chairman Wolfgang Engshuber, could be one of the organisations to lead the mainstreaming of ESG issues.

On the second day, leading figures from the responsible investment industry voiced their opposition to the European Commission's proposed Financial Trading Tax. Pension funds would move to investing in derivatives rather than directly. However, Faith groups such as the Methodist Church in the UK have welcomed the idea. It is intended to target high frequency trading – in the process raising up to EUR 55 billion a year for the European Union.

The keynote lecture of Noreena Hertz, Professor of Globalisation, Sustainability and Finance at Rotterdam School of Management, Erasmus University and the Duisenberg School of Finance, related to a new mindset that drives innovation and opportunity was impressive.

Harry Hummels, Managing Director at SNS Impact Investing and Professor of Ethics, Organisation and Society at Maastricht University, favours a radical change. He challenged the audience, asking who will be the new leader capable of changing the current mindset as Martin Luther did 400 years ago with his Enlightenment.