

Divest or Engage?

Strategies for Responsible Investing

Downing College | University of Cambridge | 28 October 2019

About the event:

Pension fund beneficiaries increasingly expect that the savings entrusted to them are invested responsibly. Students, faculty and alumni expect the same for university endowments. Retail funds marketed as sustainable enjoy large inflows, especially in Europe. Most institutional and retail investment managers have made a public commitment to sustainable and responsible investing (SRI).

How should asset owners and investment managers incorporate environmental, social and governance (ESG) criteria into their strategy? Is active management superior because fund managers can select companies with best practices and avoid companies with poor ESG records? Do index funds engage sufficiently and what impact do they have? Should funds divest from businesses or sectors whose products or conduct are deemed unacceptable?

This conference, co-hosted by the **Centre for Endowment Asset Management (CEAM)** and the **European Corporate Governance Institute (ECGI)**, will bring together the latest academic thinking and research to address questions of how best to incorporate ESG concerns into investment portfolios.

Organisers:

Marco Becht, Solvay Brussels School, ECGI and CEPR
Elroy Dimson, University of Cambridge and ECGI
Andrew Ellul, Kelley School of Business, Indiana University and ECGI and CEPR
Oğuzhan Karakaş, University of Cambridge and ECGI
Vaska Atta-Darkua, Cambridge Judge Business School

Registration:

To register for this event, please click on the following link:

<https://cambridgejudgebusinessschool.formstack.com/forms/divestorengage>

Preliminary Programme | 28 October 2019

08:50 – 09:15	Registration
09:15 – 09:20	Welcome Marco Becht , Solvay Brussels School for Economics and Management and ECGI
09:20 – 11:00	Session 1: Setting the scene (chaired by Marco Becht, Solvay Brussels School for Economics and Management and ECGI)
09:20 – 10:10	Introduction Speaker: David Chambers , University of Cambridge, Judge Business School Speaker: Elroy Dimson , University of Cambridge, Judge Business School and ECGI Discussant: Carole Ferguson , CDP Reading: <i>To Divest or to Engage? A Case Study of Climate-Change Activism</i> . David Chambers, Elroy Dimson and Ellen Quigley (2019). Available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3464027
10:10 – 11:00	ESG Rating Disagreement and Stock Returns Speaker: Rajna Gibson , University of Geneva and ECGI Discussant: Oğuzhan Karakaş , University of Cambridge and ECGI Reading: <i>ESG Rating Disagreement and Stock Returns</i> . Peter Schmidt, Rajna Gibson, Philipp Krueger, and Nadine Riand (2019). Available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3433728
11:00 – 11:20	Break
11:20 – 13:00	Session 2: Thought leadership in responsible investing (chaired by David Chambers, University of Cambridge, Judge Business School)
11:20 – 12:10	The Firms' Reaction to Changes in the Governance Preferences of Active Institutional Owners Speaker: Vicente Cuñat , London School of Economics and ECGI Discussant: Ola Mestad , University of Oslo Reading: Aguilera, Ruth, Vicente Bermejo, Javier Capapé, and Vicente Cuñat (2019). <i>Firms' Reaction to Changes in the Governance Preferences of Active Institutional Owners</i> . Available at https://ecgi.global/working-paper/firms%E2%80%99-reaction-changes-governance-preferences-active-institutional-owners
12:10 – 13:00	Survey on Sector Exclusions



european corporate governance institute

Centre for
**Endowment Asset
Management**



UNIVERSITY OF
CAMBRIDGE
Judge Business School

Speaker: **Vaska Atta-Darkua**, University of Cambridge, Judge Business School

Discussant: **Marco Becht**, Solvay Brussels School for Economics and Management and ECGI

13:00 – 14:00

Lunch

14:00 – 15:40

Session 3: Voice and exit (chaired by Bang Dang Nguyen, Cambridge Judge Business School)

14:00 – 14:50

Corporate Governance through Voice and Exit

Speaker: **Julian Franks**, London Business School and ECGI

Discussant: **Michael Viehs**, ESG Integration, Hermes Investment Management

Reading: Marco Becht, Julian Franks, and Hannes Wagner (2019). *Corporate Governance Through Voice and Exit*. Available at <https://ecgi.global/working-paper/corporate-governance-through-exit-and-voice>

14:50 – 15:40

Coordinated Engagements

Speaker: **Elroy Dimson**, University of Cambridge, Judge Business School

Discussant: **Jocelyn Brown**, RPMI Railpen

Reading: Elroy Dimson, Oğuzhan Karakaş, and Xi Li (2019). *Coordinated Engagements*. Available at: www.ssrn.com/id=3209072

15:40 – 16:00

Break

16:00

Session 4: Panel Discussion (chaired by Richard Robinson, Paul Hamlyn Foundation)

16:00 – 17:00

Panel Discussion:

Panellists:

Lesley Sherratt, Trustee, Medical Research Foundation

Aled Jones, FTSE Russell

George Dallas, International Corporate Governance Network

Jane Firth, Border to Coast Pensions Partnership Ltd

17:00

Concluding remarks (David Chambers) followed by networking reception