

Internship at the GES' Stockholm office

When choosing my Erasmus practice I knew in which direction I want to develop my professional experience. I just had to find an organization or a company whose activities would concern internationally proclaimed laws and in connection with corporations' activities. I admit that it took me some time to do it...

Imagine a workplace, to which you go with smile on your face, and every moment spent there assures you that you made the right choice. That's how I feel.

An average day at GES begins with a review of websites and a search for information related to a specific company, i.e. whether it respects human rights, complies with labor standards, environmental laws and takes into account anti-corruption practices in its corporate policies.

When it comes to an incident of violation of these standards, both the company and its investors are informed. But first things first...

Each analyst at GES is assigned to a certain group of companies (both listed and unlisted on stock exchanges) whose compliance with international laws he or she monitors.

GES refers to most of the OECD guidelines and the UN Global Compact principles. When information about an incident appears, it is first evaluated in terms of severity or whether it is an incident of a systematic nature, as well as whether the company has immediately responded to the situation or worse – has tried to hide it.

The procedure described above is a preliminary categorization of the incident and gives it an appropriate status date. The next step to get more information is to contact the company which the incident concerns. It is done via email and telephone. Contacting the company aims to identify the position of the company in relation to the incident, i.e., how the company views the allegations, or whether it has taken or

intends to take any steps to remedy the situation, and to what extent it has implemented a policy or management system which settles the matter.

The company can cooperate with GES and explain the circumstances of the incident, which also helps to prevent similar situations in the future by developing appropriate policies regarding international law.

Unfortunately, it very often happens that the company does not respond to any attempts of contact. In such case, the matter is handled through contacting other sources, which are non-governmental organizations, think tanks, or other subjects of international law.

GES' main objective is to enable investors to invest funds in companies that respect human rights, environmental laws, labor standards and anti-bribery policies. GES also ensures that the capital put in the areas of conflict, or in countries where democracy is in the process of implementation, does not contribute to the severity of the conflict and does not support the ruling regime. The presence of the company, however, may influence development of such areas.

The best practice is to collaborate with the company and investors with the aim of having positive impact on business development in emerging markets.

The activities I have described here are a part of Corporate Social Responsibility (CSR) practices. The general concept of CSR is that a company assumes responsibility not only for the financial aspects of business, but also for social and environmental implications.

The recent financial and economic problems of Europe and the United States raise many questions about investing. In which areas is it worth to invest? Where can you make the most profits? Is investment in emerging markets profitable? What to invest in?

It turns out that a good option for investors are emerging markets - investing in any capital, except gold.

Why invest in emerging markets?

The ten fastest growing economies are the emerging market economies. Most financial institutions consider this market more risky for investors than the market of developed countries. One reason behind it is that there is a high risk associated with Environmental, Social and Governance (ESG) incompliance, that is bribery, corruption, pollution, exploitation of child labor, etc. Such risks may negatively surprise investors because companies generally are less prepared to reduce this kind of risk in a constructive way. However, nowadays, there are many companies operating in emerging markets preparing its own policies, management and reporting systems under ESG approach.

What is most important?

International investment institutions by owning shares of companies have the opportunity to engage in their activities, which may also positively influence building responsible approach to ESG in emerging markets. There is a chance for a new investment and with good growth potential, and investors may as well contribute to the development of the emerging markets.

One of my tasks as an intern in the GES' Stockholm office is to find solutions for the economy of the Democratic Republic of Congo which currently provides an excellent opportunity to develop local industry related to the extraction of minerals in the areas of conflict. The question to which I am trying to find an answer is: "What GES can do for investing clients, to ensure that their assets do not contribute to the severity of the prevailing conflict and that only certified minerals are distributed?"

The goal is high but within reach, especially since money can also positively influence an effective implementation of principles of democracy and contribute to the development of the region through employment of local population.

GES's motto is: "To make it a little bit better, everyday!" This applies to investors, corporations, companies, GES itself and the entire world. I think these two sentences perfectly express the whole idea of GES. They also well reflect the first part of this article describing my first few months of the internship in this company.