



Global Compact Compliance and Risk Monitoring

Identifying and monitoring company compliance to international standards like the United Nations' Global Compact enables investors to reduce risk and improve performance. Companies that do not incorporate issues such as the environment and human rights into their decision making are exposed to severe reputational risks, while companies leading the way on these issues gain a competitive advantage.

But how does an investor track and evaluate the compliance risk of a company or a portfolio against the Global Compact's ten principles? While some tools provide subjective ratings, institutional investors work with ASSET4 because it provides objective and transparent information for an expanded view of risk management including extra-financial issues.

Investors need an in-depth picture of a company's level of performance or exposure for each of the ten principles, which cover human rights, labour standards, the environment and anti-corruption. The ASSET4 *Global Compact Compliance and Risk Monitoring Tool* allows investors to quickly and easily know if a company:

- Is a signatory of the Global Compact.
- Has controversies linked to it associated with specific Global Compact principles.
- Has controversial news stories linked to the Principles published recently or in the last three fiscal years.

In addition, users can:

- Compare the performance level (policy score) of a company's Global Compact related policies and processes to its peers within a portfolio, industry, sector or country.
- Read the latest controversial news articles related to the Principles.
- Evaluate the breadth and depth of a company's Global Compact related policies, processes and controversies.

For over 2400 global companies, the Summary section shown below gives investors an overview of each company's level of compliance to each of the ten Global Compact principles as well as access to the most recent controversial news story.

GICS Industry	Policy Score	Controversies	Linked to Principle Numbers	GC Signatory	No. Years Signatory of GC	Number of Recent Controversial News	Publication Date	Link To Recent News
Diversified Telecommunication Serv.	36%	Yes	10	Yes	-	1	03/28/2009	"Cartel court fines Telekom Austria EUR 15 million."
Machinery	34%	No	-	No	-	-	-	-
Hotels, Restaurants & Leisure	61%	No	-	No	-	-	-	-
Containers & Packaging	80%	Yes	7,10	No	-	1	07/22/2009	Armor Settles Cadbury's Packaging Cartel Claims
Insurance	81%	No	-	No	-	-	-	-
Health Care Equipment & Supplies	77%	No	-	No	-	-	-	-
Airlines	89%	Yes	10	No	-	1	07/07/2009	Qantas fined in Canada air cargo price-fix scheme
Insurance	37%	Yes	7	No	-	-	-	-
Metals & Mining	97%	Yes	2,3,6,7,10	Yes	9	3	08/08/2009	US class action against Rio Tinto clears hurdle
Diversified Financial Services	7%	No	-	No	-	-	-	-
Diversified Financial Services	30%	Yes	10	Yes	3	2	04/08/2009	EU exec probes state aid for Fortis unit ABN AMRO
Commercial Banks	96%	No	-	No	-	-	-	-
Metals & Mining	96%	Yes	2,3,6,7,10	Yes	4	1	09/30/2009	Norway gov't fund blacklists world's biggest gold producer
Diversified Telecommunication Serv.	58%	No	-	Yes	2	-	-	-
Pharmaceuticals	29%	Yes	10	No	-	4	03/17/2009	Wellbutrin Antitrust Suit To Proceed On Most Claims
Commercial Banks	85%	Yes	10	No	-	-	-	-
Metals & Mining	93%	Yes	5,7,10	No	-	1	07/30/2009	Guatemala Goldcorp in spat over cyanide imports
Auto Components	82%	Yes	3,10	No	-	2	03/17/2009	Continental Strongly Refutes Allegations
Chemicals	61%	Yes	7	No	-	1	04/20/2009	Leak reported at Lanxess
Specialty Retail	13%	Yes	3,6	No	-	1	06/23/2009	CVU scales up Carphone fight
Food & Staples Retailing	91%	Yes	2,5,7,10	No	-	5	07/23/2009	Tesco, Morrison Say They Won't Give Up M&A, Price-Fixing F
Aerospace & Defense	27%	No	-	No	-	-	-	-
Health Care Equipment & Supplies	58%	Yes	10	No	-	-	-	-

The Human Rights, Labour Standards, Environment and Anti-Corruption sections provide an in-depth look at company policies, processes and performance. Both qualitative and quantitative values are included. The Recent and Historical News sections provide access to available articles covering controversial news stories concerning the companies. A portion of the Anti-Corruption tab is shown below.

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.					
Does the company have a policy to avoid bribery and corruption at all its operations?	Does the company have a general, all-purpose policy regarding business ethics?	Does the company describe processes in place to avoid bribery and corruption practices at all its operations?	Does the company describe processes in place to improve general business ethics?	Number of controversies published in the media linked to business ethics in general, political contributions or bribery and corruption in the last 3 fiscal years (see 3FY Reference file).	All real or estimated penalties, fines from lost court cases, settlements or cases not yet settled regarding controversies linked to business ethics in general, political contributions or bribery and corruption in the last 3 fiscal years (see 3FY Reference file). Shown in local currency of company.
Bribery and Corruption Policy	General Business Ethics Policy	Bribery and Corruption Processes	General Business Ethics Processes	General Business Ethics Controversies	General Business Ethics Controversy Costs
Yes	Yes	Yes	Yes	4	10,500,000
No	Yes	No	Yes	-	-
Yes	Yes	No	Yes	1	1,798,561
Yes	Yes	Yes	Yes	2	-
Yes	Yes	Yes	Yes	-	-
Yes	Yes	Yes	Yes	2	65,000,000
Yes	Yes	Yes	Yes	4	1,640,000,000
Yes	Yes	Yes	Yes	-	-
Yes	Yes	Yes	Yes	3	17,500,000
No	Yes	No	Yes	-	-

Key criteria we monitor under four categories covering the ten principles of the Global Compact.

- Human Rights**
- Critical Countries Policy
 - General Human Rights Policy
 - Indigenous People Policy
 - Supply Chain Human Rights Policy
 - Supply Chain Human Rights Processes
 - Critical Countries Processes
 - Human Rights Contractor Processes
 - Critical Countries Controversies
 - Human Rights Controversies

- Labour Standards**
- Freedom of Association Policy
 - Announced Layoffs
 - Forced Labour Policy
 - Child Labour Policy
 - Child Labour Controversies
 - Diversity and Opportunity Policy
 - Work Life Balance Processes
 - Family Friendly Processes
 - Diversity and Opportunity Controversies

- Environment**
- ISO 14000 Certification
 - Environmental R&D Expenditures
 - Spills and Pollution Controversies
 - Product Impact Media Controversies
 - Public Health Controversies
 - Biodiversity Controversies
 - Environmental Controversy Costs
 - Environmental Investments Initiatives
 - Water Recycle Initiative

- Anti-Corruption**
- Bribery and Corruption Policy
 - General Business Ethics Policy
 - Bribery and Corruption Processes
 - Political Contributions Processes
 - Indirect Economic Impact Processes
 - WEF Partnering Against Corruption Initiative
 - General Business Ethics Processes
 - Business Ethics Controversies
 - Anti-Competition Controversies