

GES Investment Services Communication on Progress 2010-2011 to UN Global Compact

Our Commitment

GES Investment Services joined the UN Global Compact in 2004 and we are strongly committed to its ten Principles on human rights, labour rights, environment and anti-corruption. This is also reflected in our Mission Statement, Code of Conduct and Independence Policy, as well as in our overall dedication to sustainable development, which the company was founded upon in 1992. In practice, this is demonstrated in our daily work of providing institutional investors and asset managers with Environmental, Social and Governance (ESG) services.

GES Investment Services is a signatory of the UN Principles for Responsible Investment (PRI) and the UN Caring for Climate. Furthermore, we actively promote the Global Reporting Initiative (GRI) amongst investors and companies and have certified our business services against the European Voluntary Quality Standard (VQS) for corporate sustainability and responsible investment research.

Our External Practical Actions and Outcome 2010-2011

Our premier opportunity to make a difference is through our services. They are based on international norms as expressed in the UN Global Compact Principles and the OECD Guidelines for Multinational Enterprises. The philosophy behind GES Investment Services' services is essentially that all international norms agreed upon between countries and their multilateral organisations are of importance to companies operating in those countries and that they eventually will be judged in accordance with these norms by the authorities, the public and their representatives, NGOs, media, etc. Therefore, these agreements serve as a reasonable foundation for evaluating companies.





During 2010-2011, the impact of our advice has increased due to several factors:

- GES' number of clients has grown to more than 80* pension funds, banks and other investors.
- Their amount of assets under our advice has risen to EUR 700 billion*.
- We have more than doubled the number of companies that we screen to over 11,000 of the largest listed companies in the world.

But most importantly, we have significantly increased the number of companies with whom we are currently conducting extensive engagement in order to improve performance, now totalling 120. The engagement activities consist of e.g. company dialogue and meetings, resolutions and voting, as well as coordination of the work of several of our clients.

* As per 2011-06-30

During the last year notable progress has been achieved in GES' engagement efforts with a number of companies regarding several of the UN Global Compact Principles, for example:

<i>Human rights</i>	
	An international company has responded proactively to investor engagement efforts and decided to pull out of their most controversial operations in the Occupied Palestinian Territories (OPT) on the West Bank. Reportedly, the decision was based on a thorough review with input from various sources, including GES Investment Services.
<i>Labour rights</i>	
	An energy company associated to an accident killing 75 workers has provided GES Investment Services with detailed information on measures taken to improve safety procedures. It is also in the process of meeting GES' recommendation to adopt a policy and management system on health and safety. Furthermore, the company has established a compensation plan as well as long-term support programs for the families of the victims.
<i>Environment</i>	
	A company associated to a major oil spill has improved safety standards and management systems to ensure the safety of their operations. GES Investment Services is currently in dialogue with the company regarding best practice for impact studies on local fishing communities, which will form the basis for remediation and compensation activities.
<i>Anti-corruption</i>	
	A company associated to systematic corruption has demonstrated "extraordinary cooperation" with authorities and excellent response to investors' concerns. It has provided GES Investment Services with documentation of substantial measures undertaken to strengthen its procedures and programs in order to avoid a recurrence, e.g. implementation of a global compliance program including a mandatory contractual anti-corruption clause for suppliers and an anonymous whistleblower hotline.

Our Internal Practical Actions and Outcome 2010-2011

As travelling is our major environmental impact, we are accounting for CO2 emissions from transports with an ambition to increase our efficiency by five per cent annually in relation to the amount of assets under our advice (our Carbon Quota). Since last Communication on Progress, we can conclude that we are on track regarding increased carbon efficiency: the assets under advice continue to outgrow our carbon emissions. We have a strong focus on reducing travelling to a minimum and have worked actively to replace travels with Skype/video/phone meetings by providing technical solutions and training. This makes regular and frequent distance meetings a natural work method at GES, both internally and externally, which enables us to continue expanding our business without increasing our travelling to the same extent.

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We have also taken significant measures to lower our second largest environmental impact, energy consumption, by reducing the amount of IT equipment that we use and by leasing computers from a company that takes life cycle responsibility, thereby further cutting our CO2 emissions and preventing pollution from production and waste.



Magnus Furugård
President and Managing Director, GES Investment Services
September 8, 2011