

GES Investment Services and UN Global Compact Communication on Progress 2008-2009

Our Commitment

GES Investment Services joined the UN Global Compact in 2004. Through our business practices we are continuously committed to bringing Environmental, Social and Governance (ESG) services to institutional investors and asset managers. In practice this means that we on a daily basis work to advance the ten UN Global Compact Principles in the areas of human rights, labour, environment and anti-corruption in relation to a number of quantitative and qualitative analysis services.

As a responsible corporate citizen GES Investment Services is also committed to, and a signatory of, the UNEP Principles for Responsible Investment (PRI). Furthermore, we actively promote the Global Reporting Initiative (GRI) amongst investors and companies.

Highlights and Achievements

- GES Investment Services participates in the Steering Committee of Eurosif's biodiversity and ecosystem services theme report. The report highlights business risks and opportunities in various industries.
- GES Investment Services joins the recently established Conflict Risk Network (CRN) as a founding member. By joining an effective engagement process and accessing in-depth research, we will further ensure that institutional investors and assets managers base their investment strategies on ESG issues and address global conflict risk.
- As signatory and member of the UN initiative Caring for Climate, President and Managing Director Magnus Furugård participates at the UN World Business Summit on Climate Change in Copenhagen, to help put forward recommendations for the next international framework on climate change.
- GES Investment Services certifies its business services against the new European Voluntary Quality Standard (VQS) for corporate sustainability and responsible investment research. The Standard has been specifically developed to promote quality in research routines within the companies that provide responsible investment research and ratings on companies.

Our External Practical Actions and Outcome 2008-2009

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 2008-2009, this has rendered us a 15 per cent increase in assets under our advice, now totaling EUR 350 billion.

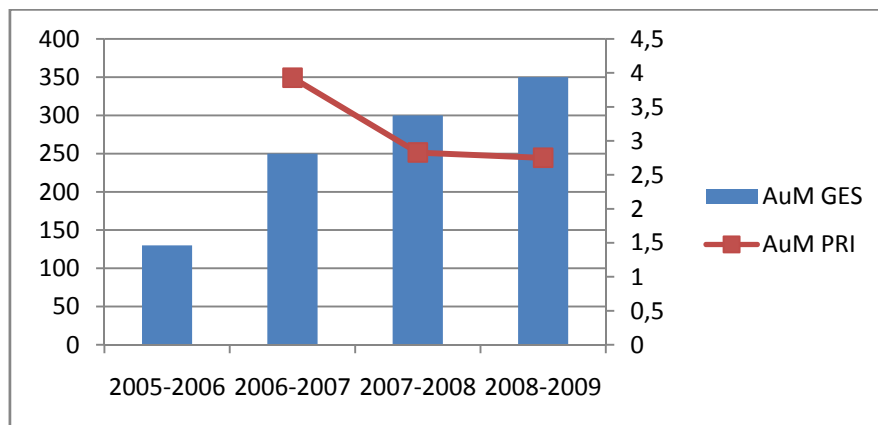






Diagram for assets under ESG advice at GES Investment Services compared to assets under management of PRI (Principles for Responsible Investments) according to the PRI Initiative Annual Report 2008

Although the market fell in 2008, GES Investment Services has significantly been able to maintain the same capital due to new client agreements.

On behalf of our clients, including more than 70 pension funds, banks and other investors, we perform ESG screening of more than 4.500 of the largest listed companies in the world. Where relevant we engage in dialogue and active ownership in order to improve performance. Our activities consist of company dialogue and meetings, resolutions and voting, as well as coordinating the work of several of our clients. During the course of years notable progress has been achieved with numerous companies regarding several of the UN Global Compact Principles, for example:

<i>Human rights</i>	2007-2008	2008-2009
	A company associated to human rights conflicts with indigenous people has agreed to a proposal from GES Investment Services' clients and other investors to conduct an independent human rights impact assessment.	A company conducting business in a non-self governing occupied territory has agreed, following discussions with GES Investment Services and investors, to review its legal position, continue investigation of alternatives, and consider ways to improve reporting and transparency.
<i>Labour rights</i>		
	A company associated to child labour has, in dialogue with GES Investment Services and in a meeting with one of GES Investment Services' clients, documented that they are addressing the problem and progress has been confirmed by other sources.	After negotiations between one of the world's largest corporate employers and an international union organisation, a global agreement on how to promote labour rights within the security services industry, has been established. According to the union, investor pressure, including active engagement by GES Investment Services and its clients, played a central role in convincing the company of a more constructive and proactive approach to the issue.
<i>Environment</i>		
	A company associated to severe ground water contamination has agreed to discuss with GES Investment Services how to report more transparently on their environmental liabilities and the plans for managing them.	A company associated to damaging waste disposal practices has improved transparency by providing GES Investment Services and investors with detailed environmental monitoring information and has invited investors to inspect the site. GES Investment Services has also assisted in the filing of a successful resolution aimed at improving environmental management.
<i>Anti-corruption</i>		
	A company associated to corruption has given GES Investment Services documentation of substantial measures undertaken to strengthen policies and procedures in order to avoid a recurrence.	Two companies associated to corruption have disclosed information to GES Investment Services on measures taken to strengthen anti-corruption policies and programmes, and to improve revenue transparency through active participation in the Extractive Industry Initiative.

Our Internal Practical Actions and Outcome 2008-2009

GES Investment Services has adopted an environmental policy. Travelling is our major environmental impact, and we uphold a travel policy recommending transportation by train when travelling less than 600 km. Using 2007 as the baseline, we are now accounting for CO2 emissions with an ambition to increase our efficiency by

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five per cent annually in relation to the increasing amount of assets under our advice (our Carbon Quota). In alignment with this, through a specially developed internal data base solution, we have facilitated better opportunities for employees to occasionally work from home. GES Investment Services' daily use of telephone conferencing instead of physical meetings is actually a prerequisite for being able to profitably run a company spread across Sweden, Denmark, Poland and Switzerland.

To be perceived as an attractive company both by the staff and society is an important success factor for GES Investment Services. In everything we do we take pride in being responsible – as individuals and as a company.



Magnus Furugård
President and Managing Director, GES Investment Services
11 September, 2009