

GES Investment Services and UN Global Compact Communication on Progress 2009-2010

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 UNEP Principles for Responsible Investment (PRI) and the UN Caring for Climate, as well as a founding member of the Conflict Risk Network (CRN). 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.

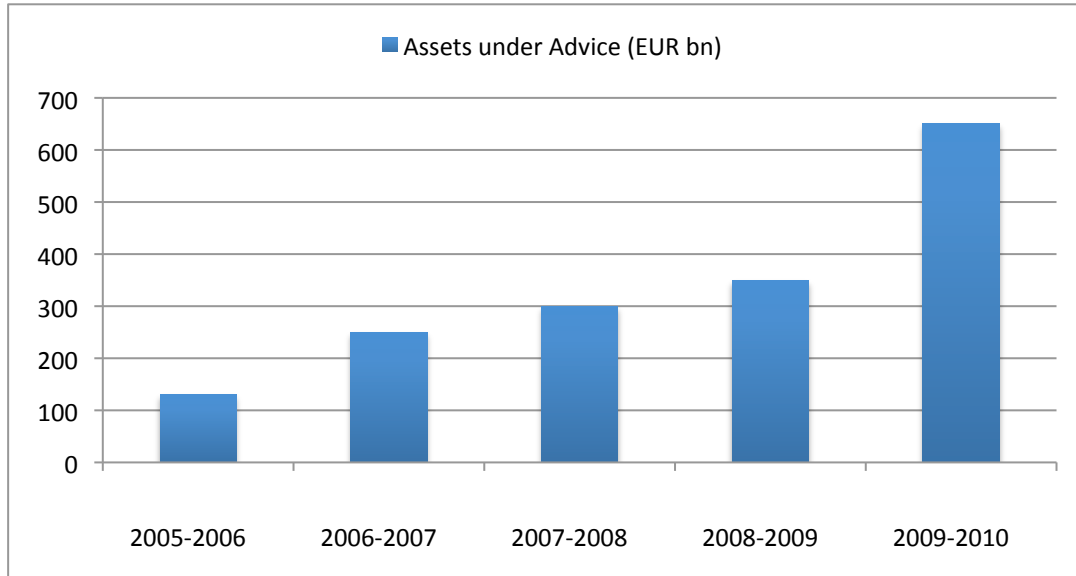
Highlights and Achievements

- In the midst of the UN Climate Change Conference in Copenhagen, December 2009, GES Investment Services published a study on climate change management in the European real estate sector, which received substantial European media attention.
- We have conducted two study tours with clients: one to India in order to gain insight into the risks and opportunities, which companies operating in India face with regards to environment and human rights; and one to Canada to learn more about the environmental and social risks of oil sands operations.
- During spring 2010, GES Investment Services became a member of the Sustainable Investment Forum for Germany, Austria, Switzerland and Liechtenstein - Forum Nachhaltige Geldanlagen (FNG) - and a founding member of the Finnish equivalent, FINSIF.
- We have demonstrated our support for the international initiative Emerging Markets Disclosure Project by signing its investor statement on corporate environmental, social and governance (ESG) disclosure in emerging markets.
- Together with a client and via the UNPRI Clearinghouse we initiated and led a joint investor call for international companies to take action on managing risks related to HIV/AIDS.
- As principal author, GES Investment Services has produced a sector report for Eurosif focusing on extractive sector ESG risks and opportunities, which will be launched at an event in the Netherlands on October 4, 2010.





Our External Practical Actions and Outcome 2009-2010

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 2009-2010, this has rendered us an 86 per cent increase in assets under our advice, now totaling EUR 650 billion.



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 last year notable progress has been achieved with a number of companies regarding several of the UN Global Compact Principles, for example:

<i>Human rights</i>	
	A company that GES Investment Services and clients engage with has committed to developing and implementing business management practices that will ensure "broader due diligence for human rights" consistent with the Ruggie framework for human rights and business.
<i>Labour rights</i>	
	A global framework agreement to improve labour standards is being implemented in a company's world-wide operations through a collaborative process with the union. The implementation process will take a few years but has already delivered concrete positive results in the first two countries: South Africa and India. According to the company and the union, investor pressure from e.g. GES Investment Services and its clients, played a central role in the development.
<i>Environment</i>	
	A company associated to environmental damage has adopted a responsible course of action by meeting national environmental standards, indentifying key risks and putting mitigation programs in place.
<i>Anti-corruption</i>	
	A company associated to corruption has provided GES Investment Services documentation of substantial measures and policies undertaken to strengthen its procedures and programs in order to avoid a recurrence.

Our Internal Practical Actions and Outcome 2009-2010

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 have surpassed the ambition with good margin. Our CO2 emissions actually decreased significantly in absolute terms while number of employees, number of clients and asset under advice all increased. This is very positive but no reason to settle down. We plan to revise

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our travel policy in order to reach full compliance and even better outcomes. Also we have increased our already successful efforts to promote telephone and video conferencing both internally and externally.



Magnus Furugård
President and Managing Director, GES Investment Services
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