



THE GLOBAL
COMPACT

ECO:FACT
Environment and Finance

Communication on Progress

Year: 2010

STATEMENT OF CONTINUED SUPPORT

ECOFACT became a signatory to the Global Compact Principles in 2008. Since then, ECOFACT has committed itself to ensuring that the Global Compact's ten principles are an integral part of the company's management, strategy, culture and daily operations. Hereby, we report on our commitment to and the application of these Principles.

2010-07-15, Raul Manjarin, Managing Partner

Contact: Raul Manjarin

Email: manjarin@ecofact.com

Phone: +41 44 350 60 60 **Fax:** +41 44 350 60 20

Brief description of nature of business

ECOFACT is a consulting boutique specialized in the management of environmental, social and reputational risks, mainly in the financial sector. ECOFACT is based in Zurich and leverages a global network of sector and issue specialists.

Our key competencies lie in translating non-traditional risks into relevant analyses and practical strategies for business. We provide reputational, environmental and social risk management solutions for the financial industry. Our client base consists of global and European commercial and investment banks, the leading development banks, insurance companies, and governmental agencies. We handle consulting projects, long-term mandates, and case portfolio assessments. Thereby we help financial professionals to assess financial, reputational and ethical risks resulting from the breach of international standards. We support our clients in drafting documents that provide them with clear guidance for day-to-day business decisions and to understand whether a specific financial product, transaction or client presents reputational risks to the institution. ECOFACT also established the Forum on Reputational Risk Management in Banking to provide a platform for dialog and knowledge exchange on common and best practices in reputational risk management.

PRINCIPLE 1	BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS
Actions	Actions realized
	<p>Business potentially can have positive or negative impacts on human rights, as for example forced labor, child labor and the right to union representation. We support our clients in developing policies and guidelines that address social risks and help financial professionals to assess the potential impact of their day-to-day business on human rights.</p> <p>Furthermore, our risk assessments support financial institutions to understand whether their businesses (e.g. specific clients or transactions, investment in specific sectors or countries, financial products) comply with international standards, such as the Equator Principles and the corresponding standards of the World Bank Group. This also allows us to derive strategies for our clients to mitigate negative impacts and address opportunities for the advancement of their business by promoting human rights.</p>
	<p>We believe that employees are more productive, if they are treated with respect and are given a fair and just remuneration for their work. For us, the balance between work and leisure time is one key to good and efficient work. Therefore, we respect different working styles and make an effort to create a comfortable working environment for our employees. When hiring new employees, we go beyond national requirements on issues like holidays and social security coverage.</p> <p>When our company intends to do business in a new country abroad, we carefully assess the human rights situation within this country. If we decide to start business within a new country, we usually go beyond possibly insufficient legal requirements for employers and provide our</p>

	<p>employees with more comprehensive social security coverage as required by national law to ensure the respect for human rights in our direct employment. This is also ensured by a frequent direct contact to our employees in our country of origin and abroad. We also feel committed to support our employees and protect them from human rights abuses, if the situation on their home country worsens. We believe that our actions are an opportunity to help raise standards in countries where the enforcement of human rights issues is not yet sufficient.</p> <p>During the last year, no violations of human rights occurred within our company.</p>
--	---

PRINCIPLE 2	BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES
Actions	<p>Actions realized</p> <p>We do not want to be complicit in human rights abuses of any kind by knowingly providing assistance or support for any actions that perpetuate abuse. Since ECOFACT helps companies to understand and mitigate social, environmental and reputational risks, an awareness of human rights issues is inherent in all our actions. By helping our clients to develop effective policies and guidelines on human rights issues, we help to promote the respect for human rights beyond our own actions and thus to mitigate human rights abuses by our clients. We condemn human rights abuses and help our clients to become more aware of potential impacts their actions can have on human rights issues. ECOFACT provides information that allows its clients to correctly assess a situation in which human rights are abused and thus allows them to draw adequate conclusions and take appropriate actions.</p> <p>We will not do business with companies or government bodies that are accused of human rights violations, unless our projects will help to improve the conditions of affected people and help the client to avoid human rights violations in the future.</p>

PRINCIPLE 3	BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING
Actions	<p>Actions realized</p> <p>ECOFACT is committed to recognize the right of all personnel to join and form trade unions for the protection of their interests and the right for a collective agreement where this is desired by our employees, while they do not have to fear any kind of intimidation.</p>

PRINCIPLE 4		BUSINESS SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR
Actions	Actions realized	
	ECOFACT is committed to support the elimination of all forms of forced and compulsory labor. Since a resort to forced or compulsory labor is a factor of severe social and reputational risk, ECOFACT is very aware of countries and sectors where those are more likely to occur and promotes the elimination of forced and compulsory labor through its business products.	

PRINCIPLE 5		BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR
Actions	Actions realized	
	ECOFACT condemns the illegal use of child labor and any kind of child exploitation in the world. We do not want to get involved with companies using child labor. The awareness of this issue is very high in our company since it is a severe concern that is carefully considered in our risk assessments or screening tools. Through our actions we help to promote an understanding of the importance of the abolition of child labor.	

PRINCIPLE 6		BUSINESS SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION
Actions	Actions realized	
	ECOFACT is committed to respect and promote the elimination of discrimination throughout all human resources aspects i.e. hiring, payment, equal employment opportunities and promotion decisions. We believe that diversity is very fruitful for the productivity of our employees and do not practice any form of discrimination based in age, sex, religion, origin or trade-union membership.	

PRINCIPLE 7	BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES
Actions	Actions realized
	<p>Besides providing assessments and consulting for reputational and social risks, ECOFACT's services include environmental risk management solutions. Thus it is obvious that our company follows a precautionary approach to environmental challenges and supports the promotion of environmental responsibility. Our approach is based on a strong awareness of the importance of the protection of the environment throughout our company and includes actions that reduce the use of resources like paper, power and heating. We save energy by making sure to buy the most energy efficient product when acquiring new products. Furthermore, we purchase 100% of our electricity from renewable sources (solar energy and hydro power).</p>

PRINCIPLE 8	BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY
Actions	Actions realized
	<p>ECOFACT commits itself to promote greater environmental responsibility through its business activities and within the company itself. As a company that provides risk management solutions, we strongly encourage our clients to adopt policies and guidelines, as well as strategies that include a clear commitment to environmental protection and sustainable management. Specific examples of our actions include the development of environmental risk procedures and frameworks, the support of our clients in revising their sustainability policies, the assessment of transactions against international environmental standards, and the assessment of financial products against environmental risks and impacts. Another important channel through which we promote environmental responsibility is the training of financial professionals on environmental issues.</p> <p>Furthermore, with the Forum on Reputational Risk Management in Banking, we provide a platform for dialogue and knowledge exchange on reputational risk management, which explicitly addresses environmental and social issues.</p>

PRINCIPLE 9		BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES
Actions	Actions realized	
	<p>ECOFACT supports the development and diffusion of environmentally friendly technologies. Through actions such as the training and support of our clients on issues for sustainable financing, the development of environmental risk frameworks and the assessment of investments against their potential of having negative impacts on the environment we promote the investment into environmentally friendly technologies.</p> <p>Additionally, we also encourage the development of environmentally friendly technologies by purchasing the most energy efficient equipment and by covering 100% of our electricity needs from renewable energies (solar energy and hydro power).</p>	

PRINCIPLE 10		BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY
Actions	Actions realized	
	<p>As a member of Transparency International, ECOFACT supports one of the leading organizations committed to work against corruption. Additionally, ECOFACT management will not tolerate any form of corruption, including extortion and bribery by any employee and strictly enforce compliance with national law on these issues. ECOFACT also promotes this principle throughout its clients by building awareness for the reputational risk that is inherent in any actions contrary to this principle.</p>	