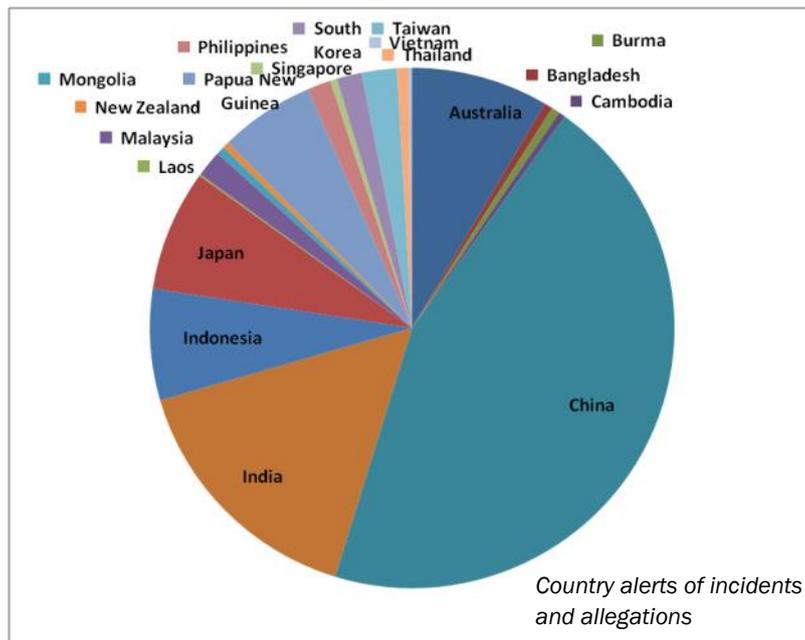




**InvestAssure** monitors over 4,000 companies for incidents and allegations of unethical behaviour and poor environmental, health and safety performance in emerging economies.

## Annual Analysis of Corporate Incidents and Allegations Reveals Map of Asian ESG Risks

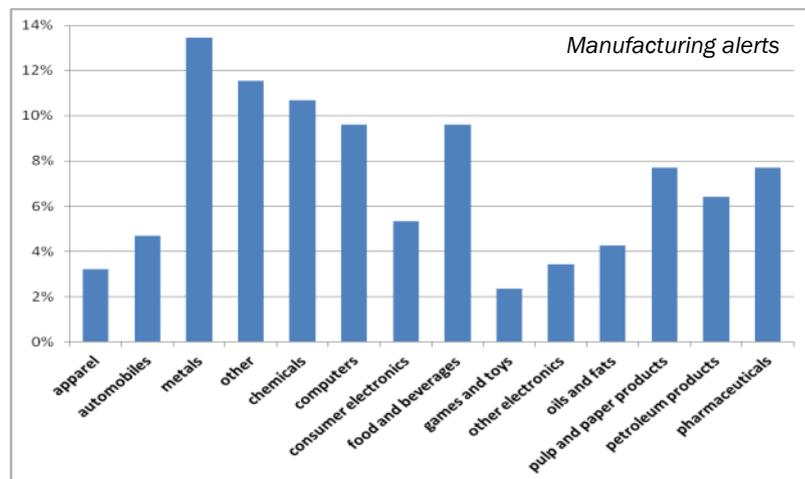


About 50% of all allegations and incidents we recorded across Asia in 2012 were related to the **environment** or **occupational H&S**, whilst 15% were linked to an aspect of **business ethics** or **corruption**.

**China** was by far the biggest source (45%) of reported incidents and allegations. Over 50% of China alerts came from manufacturing. In **India** 40% of alerts came from manufacturing. In **Indonesia** 30% related to the paper industry and 25% to manufacture of oils.

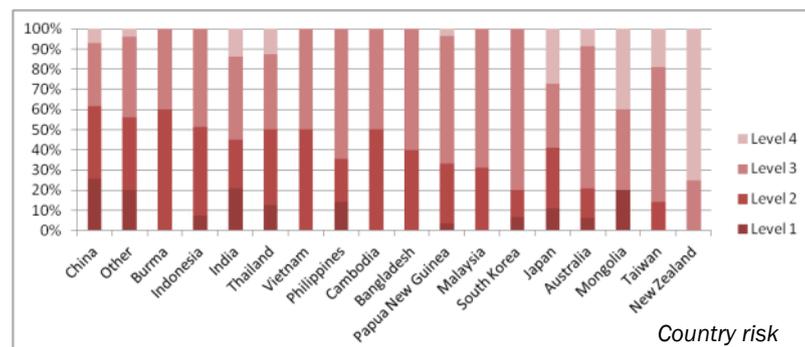
Petroleum and mining impacts on the environment and communities were most significant in **Papua New Guinea** and **Australia**. In **Japan**, the electricity sector remains a very significant focus of media reports and community concern.

Within the **manufacturing sector** distribution of incidents and allegations across sub-sectors, varied significantly by country. Overall, across Asia, **metals and chemicals production** accounted for 25% of manufacturing risk alerts—H&S and environmental issues being most significant. **Computers and electronics** accounted for nearly 20% of alerts, caused mainly by H&S, labour and environmental concerns. Product safety was a key cause of alerts in **pharmaceuticals, food and beverages**, accounting for 10% of alerts. The **paper, oils and fats** supply chains continued to be significant sources of attention for environmental and community issues. Labour issues were significant in the **apparel, games and toys** sectors, which accounted for 5% of manufacturing alerts.



Allegations and incidents varied in terms of their seriousness and consequent risk from a business perspective. By rating them on a risk scale of 1 (highest) to 4, we derived **country risk rankings**.

Highest (riskiest) across all sectors was China, followed by Burma, Indonesia and India. Least risky were New Zealand, Taiwan, Mongolia, Australia and Japan. These rankings can change significantly depending on which sector is of interest.



Of the ~4,000 companies we monitor, the **top 100 most reported companies** accounted for 40% of cumulative risk-weighted alerts in 2012.