



InvestAssure

Sustainable value in emerging markets

February 2012

ESG Update

www.investassure.net

InvestAssure monitors the web for incidents and allegations of unethical corporate behaviour and poor environmental, health and safety performance in emerging economies. Our monthly **Update** provides insights into events and trends for investors and supply chain managers.

January *Sample** ESG Alerts from Asia

- Pan Pacific Copper, Japan**—fire shuts down smelter
- Dongguan Chuangying Toy Factory, China**— wages unpaid
- Machino Plastics, India**—fire kills two
- Yonglong Food, China**—fake peanut oil
- Xstrata, Philippines**—environmental permit denied
- Jet Fair, China**—sweatshop conditions found
- Riau Andalan, Indonesia**—logging concession disputed
- Hyundai, South Korea**—employee sets fire to himself
- DVC Bokaro Power PLant, India**—corruption investigated

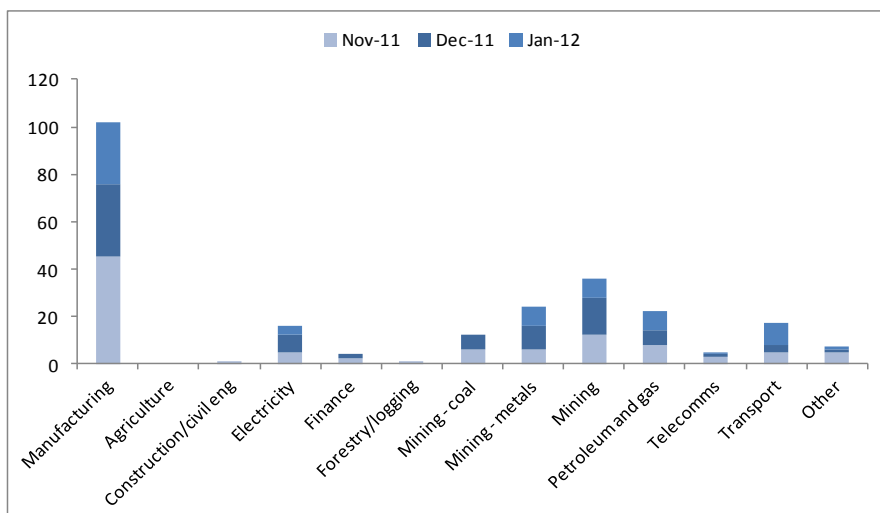
* Full InvestAssure reports provide more detailed alert descriptions

In January we recorded 10 *fatalities* in 6 incidents in China, India and Indonesia—in mining, chemicals, plastics and iron & steel sectors.

30% of January alerts related to the *environment*, vs a long-term average of 25%. *Industrial hazards* were involved in 20% of alerts, vs a long-term average of 5%.

Which sectors are in the news in Asia?

210 risk alerts in **Nov-Jan** related to the following business sectors.



Key manufacturing sub-sectors were electronics and IT (19%), chemicals and plastics (17%), metals (14%) and food & beverage (10%)

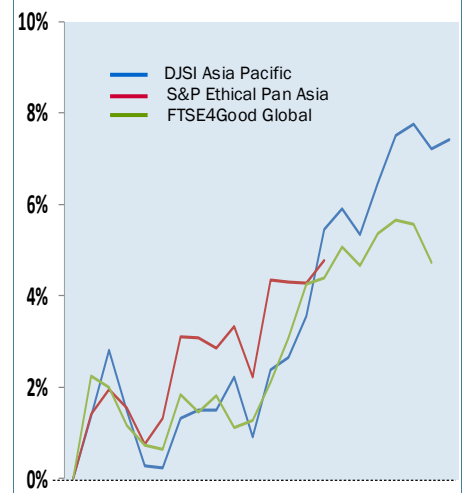
ESG Risk Alerts

January total risk alerts 56
 InvestAssure universe 1.5%
 Recommendations:

- engagement 7
- urgent action 7

Nov-Jan total risk alerts 210

Ethical Markets – January



China Watch

- Milk** Tainted Chinese dairies turn to foreign cows
- Pepsi** Tropicana contains fungicide
- Xinyi Zijin Mining** Victims of dam collapse claim US\$ 1.4 mill
- Zhongrun** Does pollution pay in Mongolia?
- Apple** iPad storm brewing