



InvestAssure

Sustainable value in emerging markets

January 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.

December Sample ESG Alerts from Asia

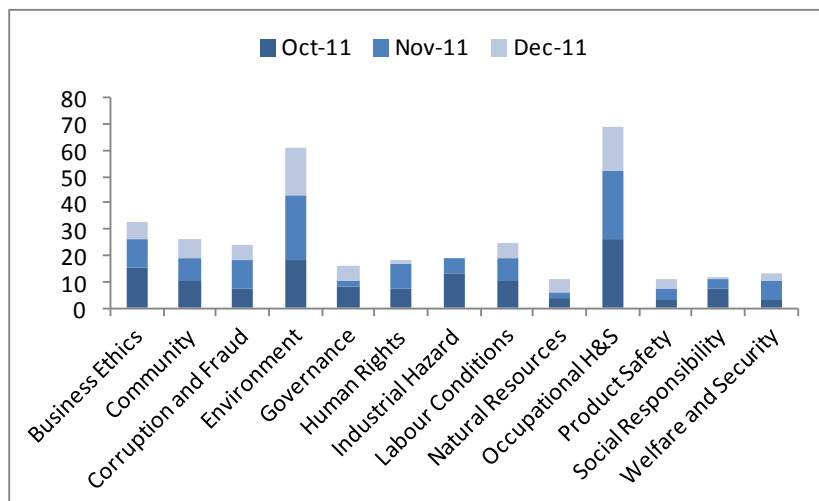
- Silva Inhutani Lampung**, Indonesia—security forces abuses
- Shenyang Coal Trade**, China—miners die in explosion
- Tokyo Electric Power**, Japan—radioactive waste leak
- Jiangxi Copper**, China—community health claims
- Chinalco Ruimin**, China—chemical spill
- Pohang Steel**, India—Violent clashes
- Meiji**, Japan—Baby milk contamination
- ZTE**, Philippines—Kickbacks to Arroyo?
- MCC**, Papua New Guinea—permit to dump toxic waste in sea

Nanjing Water Supply and Conservation office has used **Chinese 'Twitter', Weibo** to urge **Sinopec Nanjing Chemical Industries** to pay 80 million Yuan charges for sewage treatment. 10 tweets did the trick.

A new report from Eyes on the Forest alleges that **Asia Pulp & Paper** continues to mislead the public about its role in destroying rainforests and critical tiger habitats

Trends in ESG Impacts in Asia

The graph below shows how **232 incidents and allegations** in **Oct-Dec 11** related to different categories of ESG impact.

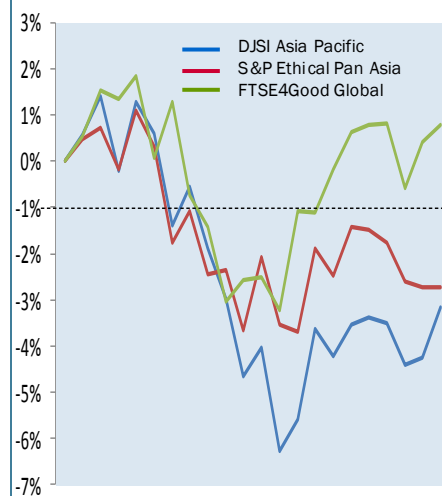


We recorded **45 fatalities** in December, in 12 alerts, relating to mining, electricity supply and manufacturing—IT, automotive, pharmaceutical, food and transportation.

ESG alert statistics

- December total alerts: **67**
- InvestAssure universe: **1.8%**
- Recommendations:
 - engagement **26**
 - urgent action **12**

Ethical Markets – December



China Watch

- Walmart** pulls Enfamil Newborn powder after Missouri baby dies.
- ConocoPhillips** sets up compensation fund.
- Hitachi** - hundreds strike against low salary in Shenzhen.
- Toys** - human cost of Christmas
- Evian**— water quality not pure enough for China
- Rare earth projects** China tightens environmental controls
- Heavy metals** pollute a tenth of China's farmland