



InvestAssure

Sustainable value in emerging markets

March 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.

February Sample* ESG Alerts from Asia

- Santos, Australia**—reveals Eastern Star drilling pollution record
- Nanguo Garment, Cambodia**—mass fainting on the job
- Suzhou Nuo Sida Electronic, China**—child labour allegation
- Baoshan Iron & Steel, China**— six died in gas leak at subsidiary
- A&W Woods, China**—accused of selling toxic wooden flooring
- Tata Steel, India**—under fire for hazardous waste dumping
- Vedanta Resources, India**—protests met with violent response
- APP, Indonesia**—Greenpeace allege illegal cutting and pulping of ramin
- Morobe Mining, Papua New Guinea**—community seeks compensation
- Ricoh, Thailand**—54 workers dismissed for joining trade union

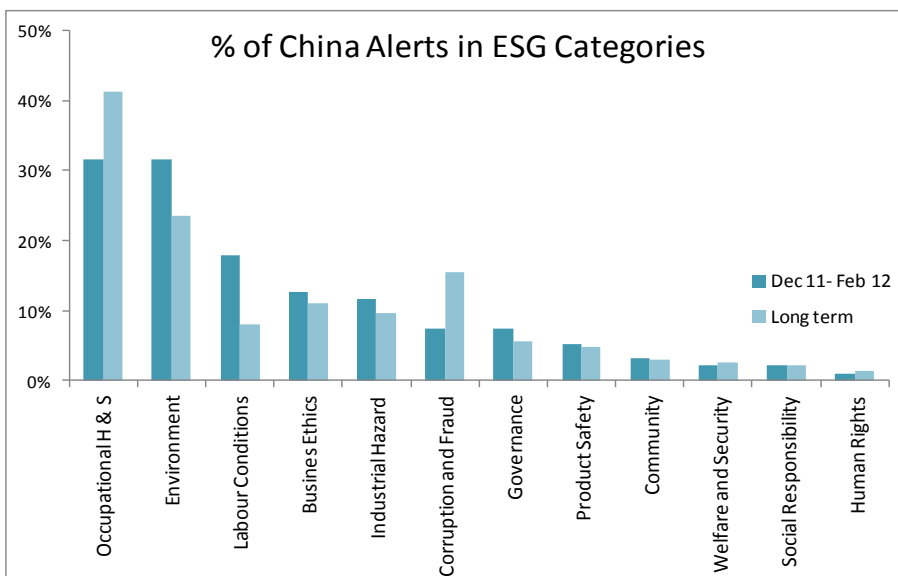
* Full InvestAssure reports provide more detailed alert descriptions

In February we recorded 92 fatalities in 12 incidents in the mining, chemicals, machinery manufacturing, electricity, petroleum and iron & steel sectors.

Environmental alerts across Asia were 50% up in February compared with our long-term average.

Big rise in Labour Disputes in China

Allegations relating to poor labour conditions in China more than doubled in Dec-Feb, +120% compared with our long-term monitoring record. This reflects an increase in disputes relating to wages, overtime and layoffs. We also saw more reports in China in Dec-Feb on the environment (+35%), but fewer reports on occupational H&S (-25%) and corruption and fraud (-50%)



ESG Risk Alerts

February total risk alerts 87

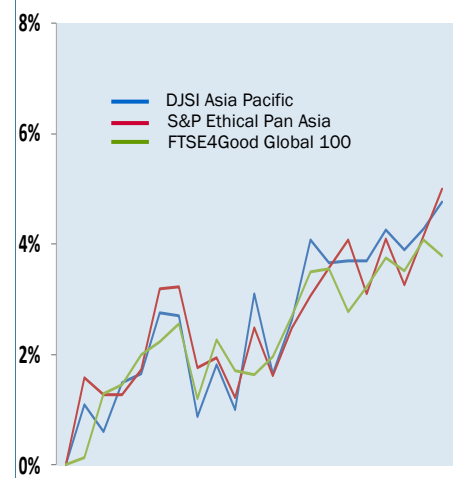
InvestAssure universe 2.2%

Recommendations:

- engagement 31
- urgent action 11

Dec-Feb total risk alerts 210

Ethical Markets – February



China Watch

China's 5-year plan highlights sustainability and reduction of rural-urban inequalities

Plan to cut air pollution by fine particulates by 2020.

Heavy metal pollution to be cut from major industries.

Labour union contacts to go public

Fortune China Top 100 Socially Responsible Companies

Chinese Multinationals improve corporate citizenship - WEF and Boston Consulting report