



## I DET HÅLLBARA FÖRETAGET VAD LETAR ÄGARNA EFTER?

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CSR Syd 2011-03-09

# GES INVESTMENT SERVICES®

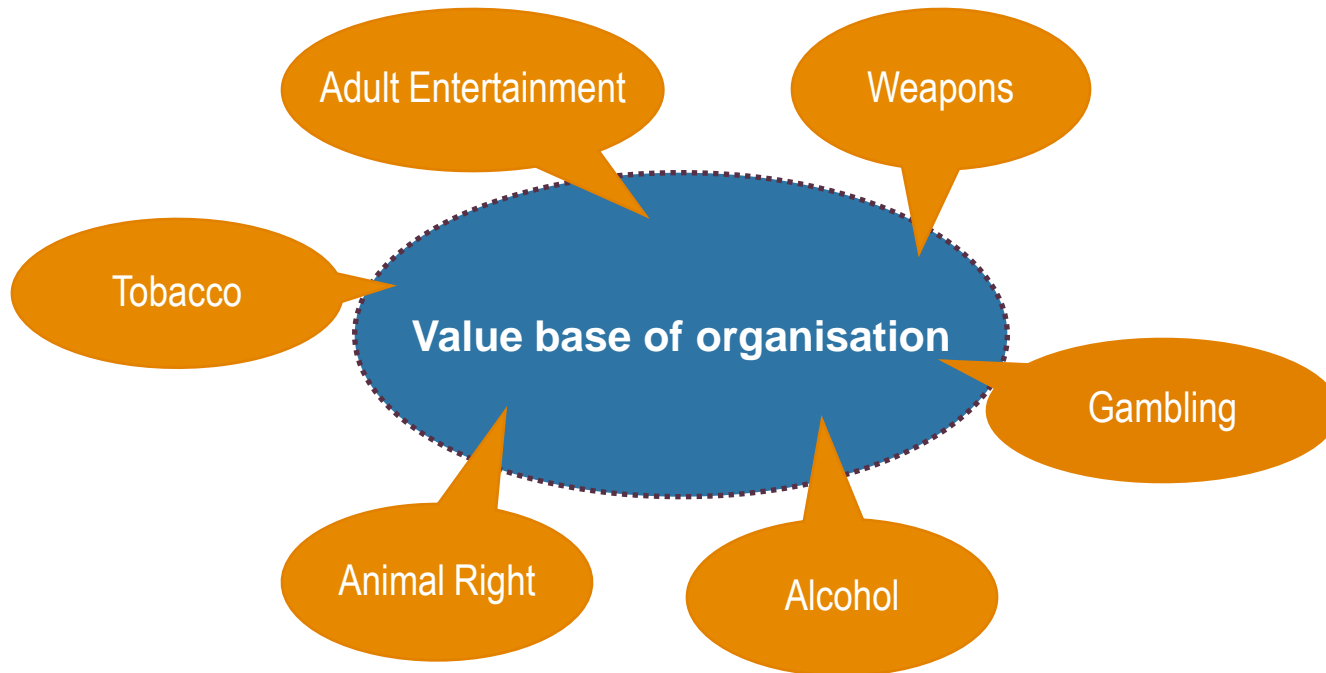
- **Business idea:** Global ESG Investment Research and Engagement – adding values to Asset owners and Managers
- **Year of Foundation:** 1992
- **Asset under Advice:** Approximately EUR 650 bn
- **Clients:** More than 70 large financial institutions
- **Organisation:** 41 employees in Sweden, Denmark, Poland and Switzerland
- **Partners:** MANIFEST in London, UK, SIRIS in Melbourne





## GES Controversial

# GES CONTROVERSIAL<sup>®</sup> - VALUE-BASED SCREENING





## GES Risk Rating

# GES RISK RATING<sup>®</sup> - CRITERIA

## Environment

- **Preparedness:**
  - Organization and routines
  - Policy and Programs
  - External Verification
  - Environmental Reporting
  - Supplier Evaluation
- **Performance**
  - Greenhouse gases
  - Energy use
  - Use of water resources
  - Travel Management
  - Remediation
  - Project Development
  - Hazardous waste
  - Emissions to air
  - + 8 more criteria

## Social

- **Employees:**
  - Discrimination
  - Freedom of association
  - Health & Safety
  - Working hours & wages
  - + 5 more criteria
- **Community:**
  - Use of security forces
  - Corruption
  - + 2 more criteria
- **Suppliers:**
  - Code of Conduct
  - Management system and Program
  - Performance evaluation

## Governance

- **Board Management & Control:**
  - Audit/ Compensation/ Nomination Committees
  - Board Composition and Independence
  - Board room diversity
- **Shareholder Rights:**
  - Equal voting rights
  - Ownership transparency
- **Transparency & Incentive:**
  - Audit firm costs
  - CEO compensation
  - Governance reporting

# GES RISK RATING® - RATING

The rating shows the company's ability to deal with the general risks that concern the type of activity and to comply with international norms and procedures.

- |  |           |  |
|--|-----------|--|
|  | 0 points: | No information or total failure          |
|  | 0,5:      | Indication of a policy                   |
|  | 1:        | Extensive policy                         |
|  | 1,5:      | Policy + program or policy + mgmt system |
|  | 2:        | Policy + program + management system     |
|  | 2,5:      | Progress evaluation                      |
|  | 3:        | Verification                             |

**COMPANY REPORT**  
GES RISK RATING

**Lundin Mining Corporation**  
ISIN: SE0001134529  
Country: Sweden  
Industry: Metals & Mining

<p><b>Environmental rating</b>      <b>Cc+</b></p> <p>Portfolio rank: 147<sup>th</sup> out of 275 Industry rank: 5<sup>th</sup> out of 5</p> <p>Lundin Mining scores clearly below portfolio average in the GES environmental risk rating. Compared to the five Metals &amp; Mining companies in the examined portfolio Lundin Mining places last.</p>	<p><b>Social responsibility rating</b>      <b>Cb-</b></p> <p>Portfolio rank: 98<sup>th</sup> out of 275 Industry rank: 4<sup>th</sup> out of 5</p> <p>Lundin Mining scores clearly below portfolio average in the GES social responsibility rating. Compared to the five Metals &amp; Mining companies in the examined portfolio Lundin Mining places second last.</p>
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**Environmental Profile**  
Lundin Mining is positioned in the red area in the GES Environmental Risk matrix, indicating that GES Investment Services has identified several potentially critical properties from an environmental point of view. It is very important that Lundin Mining immediately implements relevant basic measures in order to achieve an acceptable level of environmental protection in business operations.

**Social Responsibility Profile**  
Lundin Mining's position is within the orange area in the GES Social Risk matrix, indicating that GES Investment Services has identified potentially critical properties from a human rights point of view. It is recommended that Lundin Mining implements relevant basic measures in order to achieve an acceptable level of human rights protection in business operations.

**Environmental Profile**  
Lundin Mining has a below standard level of environmental preparedness, through its policies and management systems, and only to a very limited extent reports on these issues. There is very little information on that the company has managed to handle its most central environmental impacts and risks, in terms of energy use, GHG emissions and waste management. Since the company is mainly active in Sweden, relevant information on the company's performance should be available in compliance reports sent to environmental authorities. The company rating could improve substantially if this information were to be disclosed.

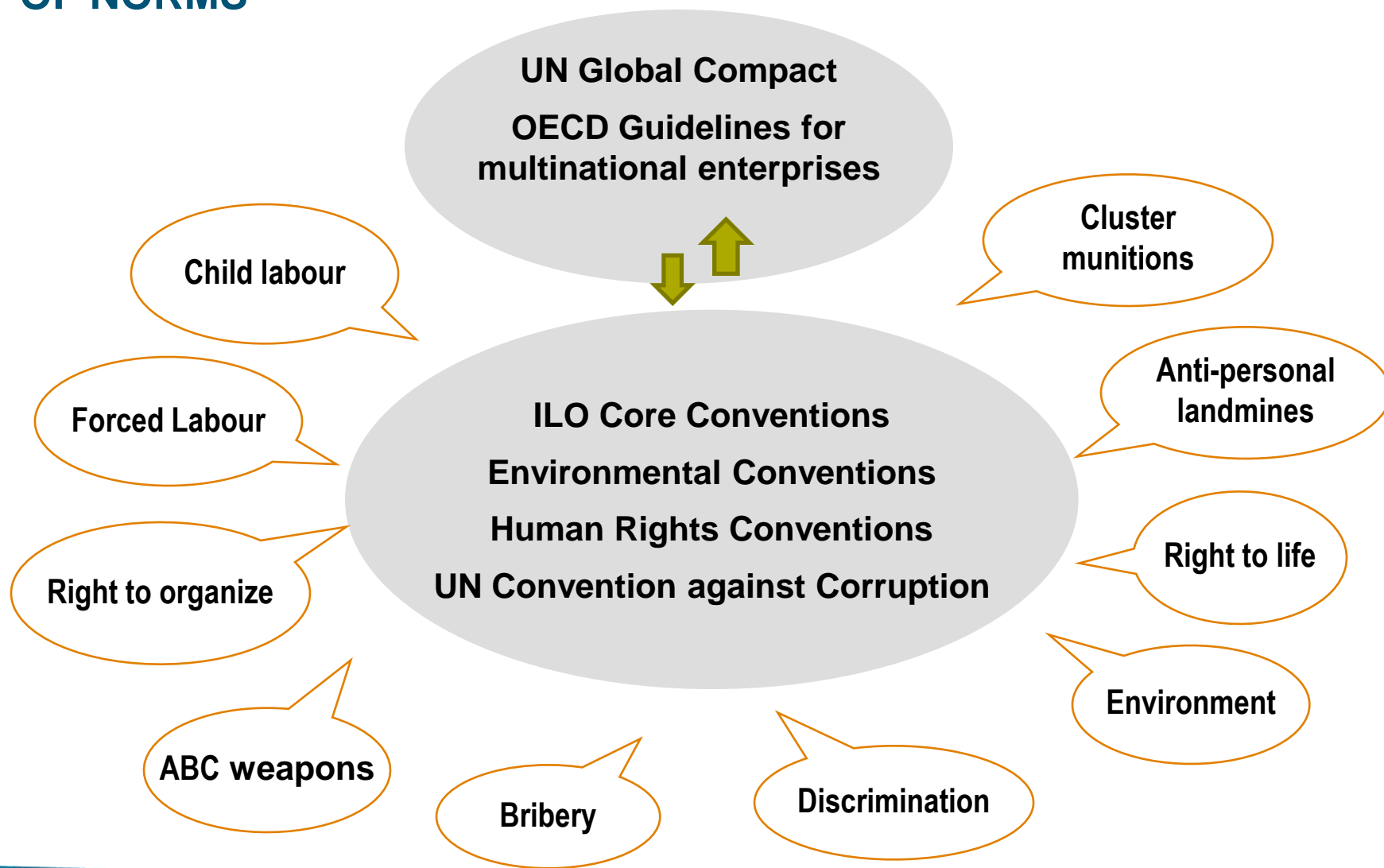
**Social Responsibility Profile**  
Lundin Mining has a slightly below standard level of social preparedness, through its policies and management systems, and to some extent reports on these issues. A policy and a program are in place, addressing health and safety issues. No other explicit policies have been identified. No operations are being conducted in high risk countries.

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## GES Normbased Screening and Engagement

# PRODUCT BASED ON INTERNATIONAL NORMS - BROAD SCOPE OF NORMS



# GES NORM AREAS

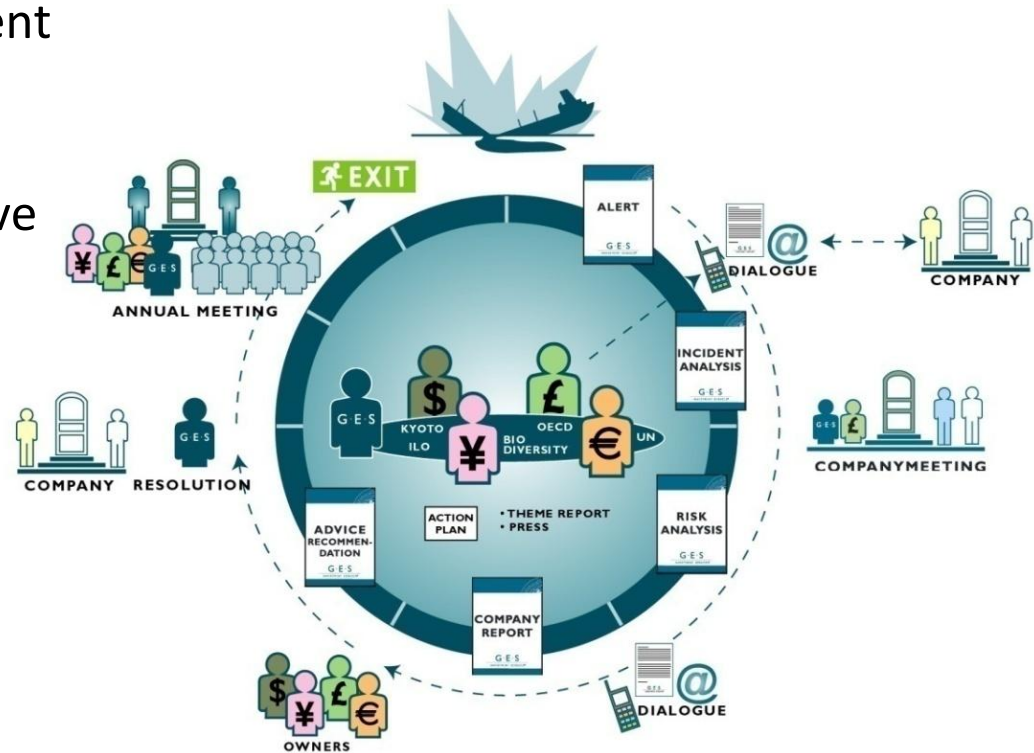
- ▶ Environment
- ▶ Human Rights
- ▶ Labour Rights
- ▶ Corruption
- ▶ Inhumane Weapons



# WHAT IS ENGAGEMENT?

Engagement:

- Factfinding vs engagement dialogue
- Private vs Public
- Individual vs Collaborative
- Proactive vs Reactive



# HOW TO MEASURE SUCCESS?

## Progress and Response

## Revision Criteria

- The violation has ceased
- The company has adopted a responsible course of action
- The company has taken a proactive and precautionary approach
- The company's action is verified



### “ Investors prompted Sodexo to address inhumane conditions for detainees

GES Newsletter  
December 1, 2008

**Institutional investors played an important role in making Sodexo, one of the largest food services and facilities management companies in the world, to act on systematic human rights abuses at a detainee centre in the UK. Through a constructive dialogue led by the Swedish responsible**

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### “ Major progress in engagement with Wesfarmers

GES Newsletter  
November 10, 2009

**GES Investment Services has, together with its clients Ilmarinen, KLP and Folksam, made important progress in its engagement with Australian retailer Wesfarmers. The company's subsidiary CSBP recently responded to investor concerns by announcing a decision to invest in new technology, which will enable the company to successively reduce its reliance on phosphate rock from occupied Western Sahara, a trade that is considered to be in violation of international norms on human rights.**

In July 2009, Ilmarinen, on behalf of Nordic Engagement Cooperation (NEC), and GES Investment Services arranged an investor group meeting with Wesfarmers and its subsidiary CSBP to discuss the sourcing of phosphate from occupied Western Sahara. This trade is in violation of e.g. the UN Global Compact Principle 1 on human rights, since it funds Morocco's occupation of the territory and currently takes place in disregard of the wishes and needs of the people of Western Sahara. The meeting was coordinated together with the UN PRI Clearinghouse.

Recently, Wesfarmers announced a decision to invest in new technology, which will enable the company to use phosphate rock from sources other than the occupied area. The company estimates that the development of the new technology will take approximately two years, starting before the end of 2009.

# GES INVESTMENT SERVICES® - TRENDS

## General trends

- UNPRI
- Equator Principles
- ESG Risk management
- Evaluation/Engagement/Exclusion

## Engagement trends

- Collaborative engagement
- Proactive engagement
- Voting

## Thematic trends

- Climate Change
- Water Scarcity
- Eco System Change
- Extractive Industry Focus
- Emerging Markets – Supply Chain
- High Risk Markets, i.e.. Burma, Sudan