

Media Release

**CORPORATE RESPONSIBILITY:  
INVESTORS GIVE NEW TWIST TO GOOD COP/BAD COP  
ROUTINE**

(London, 12 January 2009). A coalition of investors worth over US\$3 trillion has today launched an initiative to help police the corporate responsibility reporting of companies as diverse as Air France, GAP Inc and LVMH (Louis Vuitton Moët Hennessy).

The 38 members of the international investor coalition have written to the CEOs of 130 major listed companies which are signed up to the UN Global Compact, a set of 10 principles of corporate responsibility. By joining the UN Global Compact the companies commit to producing an annual corporate responsibility report known as a 'Communication on Progress' (COP).

Twenty-five of the companies have been praised by the investors for producing notably high-quality COPs, including Air France and Starbucks, while over 100 companies were identified as laggards by the investors for failing to submit a COP this year. Those companies that failed to produce COPs include GAP Inc, Severn Trent plc and LVMH.

The investors are all signatories to the UN-backed Principles for Responsible Investment (PRI) and include funds such as Aviva Investors, CalPERS and the New Zealand Superannuation Fund. The total assets under management of all signatories to the PRI are estimated at around US\$18 trillion (according to pre-crisis estimates).

Representing one of the collaborating investment institutions, Aviva Investors' Head of Research and Engagement, Steve Waygood, said:

*"There is now a critical mass of institutional investors who believe management of corporate responsibility or ESG issues is highly relevant to the long-term financial success of their investments. And the UN Global Compact's system of reporting, which demands the production of a 'Communication on Progress' (COP), provides an important way for the investment community to analyse a company's performance on those ESG issues".*

*"The UN Global Compact system provides investors with a universe of 'good COPs' and 'bad COPs'. Companies that produce a 'good COP' send a powerful message to a valuable audience of institutional investors. Those who have failed to submit a report will trigger alarm bells among investors who want real details about a company's business practices on ESG issues."*

This new initiative builds on a successful shareholder engagement last year that identified which UN Global Compact participants were leaders or laggards in their reporting of corporate environmental, social and governance (ESG) performance.

Last year's initiative resulted in over 32% of the companies identified as laggards subsequently submitting a Communication on Progress and improving their engagement with the UN Global Compact. A full list of companies that re-engaged with the Global Compact after last year's exercise is below. The status of all the companies from last year's engagement [can be found here](#).

The success of last year's exercise also played a part in stimulating the launch of the 'Seoul Initiative' in October 2008; a collaboration among 52 PRI signatories asking almost 9,000 listed companies to join the UN Global Compact.

James Gifford, Executive Director of the PRI added,

*"Taken together these two recent collaborations are evidence of the increased importance of environmental, social and corporate governance issues to mainstream institutional investors. The success of last year's investor collaboration with UN Global Compact participants shows that collaborative approaches to shareholder engagement can be effective. It sends a strong signal to the corporate world at this turbulent time that investors see a crucial link between ESG performance and financial performance".*

Steve Waygood, added,

*"As investors, we want to protect the integrity of the UN Global Compact, and ensure companies use their Global Compact participation as a framework to speak up about their daily business practices on environmental, social and corporate governance issues. The UN Global Compact should not merely be a statement of good intentions".*

#### Notes to editor

- **For more information contact Elliot Frankal, PRI communications manager on ++ 44 (0)7989 524780 or [elliott.frankal@unpri.org](mailto:elliott.frankal@unpri.org)**
- **The list of investors participating in this engagement are:** 27Four Investment Managers; Aviva Investors; APG; BC Investment Management Corporation; CalPERS; Calvert Asset Management Company; Care Super; Comité syndical national de retraite Bâtirente; Credit Agricole Asset Management; CPP Investment Board; DnB Nor Asset Management; Domini Social Investments; Ethix SRI advisors; F&C Asset Management; General Board of Pension and Health Benefits of the United Methodist Church; Guile Foundation; KLP; Stichting Ondernemingspensioenfondsn Services (Opf); Newton Investment Management; New Zealand Superannuation Fund; PGGM Investments; Robeco; Santa Fe Portfolios; Statewide Superannuation Trust; Syntrus Achmea Asset Management; The Central Church Fund of Finland; The Cooperative Asset Management; The Ethical Council (AP1, AP2, AP3, AP4, AP7); The Ethical Funds Company; Northern Ireland Local Government Officers Superannuation Committee; Threadneedle Asset Management; USS.
- This initiative is also supported by the University of St Andrews Endowment Fund.

- Last year's exercise: In January 2008, a group of 20 investors wrote to 103 companies. 25 of these were congratulated as 'active participants' who had fulfilled the disclosure requirement of the UN Global Compact, known as a Communication on Progress. A total of 78 companies were identified as having failed to adhere to those requirements. Of those 78 companies at least 17 responded to the investor engagement by becoming 'active participants'. Therefore, around 20% of the companies contacted by the coalition subsequently submitted a COP and are now listed as active members by the Compact. The 17 companies who responded positively were: APS Holding Spa; PAE, a Lockheed Martin Company; Agbar - Sociedad General de Aguas de Barcelona, S.A.; AB Klaipėdos Kartonas; Acegas-Aps S.p.A; ARC International; ArcelorMittal; Cairo for Investment and Development; Caja de Ahorros del Mediterraneo; Credomatic Panama; Empresa de Telecomunicaciones de Pereira S.A. E.S.P; Exacompta Clairefontaine; Premier Oil Plc; Steria S.A.; SVI Public Company; Unibail-Rodamco; Wienerberger AG; Elektro Eletricidade e Servicos S.A.; Sopra Group; Colas; Publicis Groupe S.A.; The State Trading Corporation of India; Hindustan Petroleum Corp. Ltd.; Grindex; PKN Orlen S.A.; Barloworld
- At the 2008 PRI annual event in Seoul, a group of investors set out their intention to repeat the process. They also launched the 'Seoul Initiative' to ask all listed companies to sign up to the UN Global Compact. Full details of this separate but related initiative can be found online by [clicking here](#).
- **Principles for Responsible Investment (PRI)**  
The Principles for Responsible Investment, convened by UNEP FI and the UN Global Compact, was established as a framework to help investors achieve better long-term investment returns and sustainable markets through better analysis of environmental, social and governance issues in investment process and the exercise of responsible ownership practices. The PRI currently has over 470 signatories, with around US\$18 trillion of assets under management. The Principles themselves, a full list of signatories and more information can be found at [www.unpri.org](http://www.unpri.org).
- **UN Global Compact**  
Launched in 2000, the UN Global Compact brings business together with UN agencies, labour, civil society and governments to advance ten universal principles in the areas of human rights, labour, environment and anti-corruption. Through the power of collective action, the Global Compact seeks to mainstream these ten principles in business activities around the world and to catalyze actions in support of broader UN goals. With over 5000 participating companies and hundreds of other stakeholders from more than 120 countries, it is the world's largest voluntary corporate citizenship initiative. Once a company has made a commitment to the Global Compact, it is expected to make the ten principles part of its strategy, culture and daily operations. However, it is not possible for the Global Compact Office to actively monitor and assess the extent to which this takes place. As a result, the company is required to publish in its annual financial report, or similar public document, a description of the ways in which it is supporting the Global Compact. This description is known as a Communication on Progress (COP). Failure to submit a Communication on Progress puts the company at risk of being identified as "non-communicating". More at: [www.unglobalcompact.org](http://www.unglobalcompact.org).
- **United Nations Environment Programme Finance Initiative (UNEP FI)**  
UNEP FI is a unique global partnership between UNEP and the private financial sector that works closely with approximately 180 financial institutions to develop and promote

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linkages between sustainability and financial performance. Through regional activities, a comprehensive work programme, training and research, UNEP FI carries out its mission to identify, promote and realize the adoption of best environmental and sustainability practice at all levels of financial institution operations. More information: [www.uneppi.org](http://www.uneppi.org)