

Investors managing US\$3 trillion encourage participation in the UN Global Compact

27 March 2013 (company list updated 9 April 2013) - A coalition of 34 institutional investors managing approximately US\$3.3 trillion in assets are encouraging 1900 companies, located in 44 countries, to consider joining the <u>United Nations Global Compact</u> as part of the "PRI for Rio" collaborative engagement. Enhancing corporate sustainability was high on the agenda of the 193 Member States that attended the UN's Rio+20 conference in Rio de Janeiro, Brazil in June 2012. Following the Rio+20 event, a group of PRI signatories launched this engagement to further support the call for an increased focus on strategic sustainability among companies globally, calling it PRI for Rio.

The investors supporting this engagement, who are all signatories to the UN-supported Principles for Responsible Investment (PRI), are based in Australia, Europe, North and South America and include BNP Paribas Investment Partners, Boston Common Asset Management, Calvert Investments, Highclere International Investors, PGGM, Scottish Widows Investment Partnership, Sparinvest Holdings SE, Threadneedle Investments, Trillium Asset Management and Walden Asset Management.

Investors across the globe are increasingly evaluating companies' ability to address environmental, social and corporate governance (ESG) opportunities and challenges. A company's ability to identify and manage ESG issues has become a significant factor in shaping its financial performance. As a strategic initiative for businesses committed to integrating and disclosing a business strategy that takes into account the UN Global Compact's 10 principles in areas of human rights, labour, environment and anti-corruption, participation sends a signal to investors that a company is alert to the business implications of ESG issues. To date, approximately 7,000 corporate signatories in 135 countries have committed to the implementation, disclosure and promotion of the 10 Global Compact principles, making it the largest voluntary corporate responsibility initiative.

"Signing the UN Global Compact is, for the investors, an important proof of companies' commitment to meet and enact the values the UN Global Compact represents. At BNP Paribas Investment Partners we have established the UN Global Compact as the shared framework on ESG standards for all corporate holdings. We thus welcome this PRI engagement as a force for expanding these standards across companies". Christian Dargnat, Global CIO, BNP Paribas Investment Partners





"Calvert Investments regularly engages with companies and encourages them to join the UN Global Compact to further transparency and disclosure of their environmental, social and governance (ESG) impacts," said Bennett Freeman, Senior Vice President, Sustainability Research and Policy at Calvert Investments, a UNGC participant and PRI signatory. "As both a longtime UN Global Compact member and founding member of PRI, Calvert is pleased to participate in this broad initiative of institutional investors to encourage companies worldwide to join the UN Global Compact and begin incorporating the Ten Principles into their business practices."

"Becoming a member of the UN-supported PRI has made us think differently about the way we invest on behalf of our clients, excluding numerous companies from our portfolios that have little regard for environmental, social or governance issues". Ed Makin, CEO, Highclere International Investors.

"Company transparency and disclosure of ESG risks are vital for our ability to assess these in our investment decision-making process," said Per Noesgaard, Group CEO, Sparinvest Holdings SE. "Companies signing up to the UN Global Compact display a commitment to disclosing and addressing ESG risks in their business, which is definitely in our interest as a long-term asset manager."

"Pirelli has been an active member of the UN Global Compact since 2004. By adopting its principles as the foundation for our environmental, social and governance policies and making these the framework within which we develop our business strategy, we have found that we are making a profound, positive impact not only on all our stakeholders, but on our bottom line as well." Marco Tronchetti Provera, Chairman and CEO, Pirelli & C. SpA

The companies being invited to join the UN Global Compact were selected based on their inclusion in the FTSE All World Index. A sample of the companies can be found here.

Note to editors:

About the Principles for Responsible Investment

The United Nations-supported Principles for Responsible Investment Initiative (PRI) is a network of international investors working together to put the six Principles for Responsible Investment into practice. The Principles were devised by the investment community. They reflect the view that environmental, social and corporate governance (ESG) issues can affect the performance of investment portfolios and therefore must be given appropriate consideration by investors if they are to fulfil their fiduciary (or equivalent) duty. The Principles provide a voluntary framework by which all investors can incorporate ESG issues into their decision-making and ownership practices and so better align their objectives with those of society at large. More than 1,100 asset owners and investment managers from more than 50 countries, managing combined assets under management of more than \$32 trillion, are now signatories to the PRI.

About the PRI Clearinghouse

Established in 2006, the PRI Clearinghouse is the world's leading platform for investors to engage collaboratively with companies on their disclosure, management and performance on environmental, social



and governance (ESG) issues. It provides PRI signatories with a forum to share information about engagement activities they are conducting, or would like to conduct, with other investors, enabling them to pool their resources and influence. The Clearinghouse has hosted nearly 400 engagements for signatories on issues ranging from boardroom diversity and anti-corruption to carbon emissions reduction and water risk.

About the "PRI for Rio" Engagement

The UN Global Compact is a strategic initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption. With approximately 7,000 corporate signatories in 135 countries, participation in the Global Compact initiative has become a critical indicator of a company's ability to identify and manage environmental, social and governance (ESG) issues that are material to investors. To support further growth of the UN Global Compact, and reinforce that investors are taking note of corporate membership in business associations and similar organizations, this engagement is inviting 1900 listed companies to consider joining the UN Global Compact. 34 PRI signatories are involved in the PRI for Rio engagement.

