



InvestAssure

Sustainable value in emerging markets

Web Monitoring Investments and Supply Chains for Ethical Risks

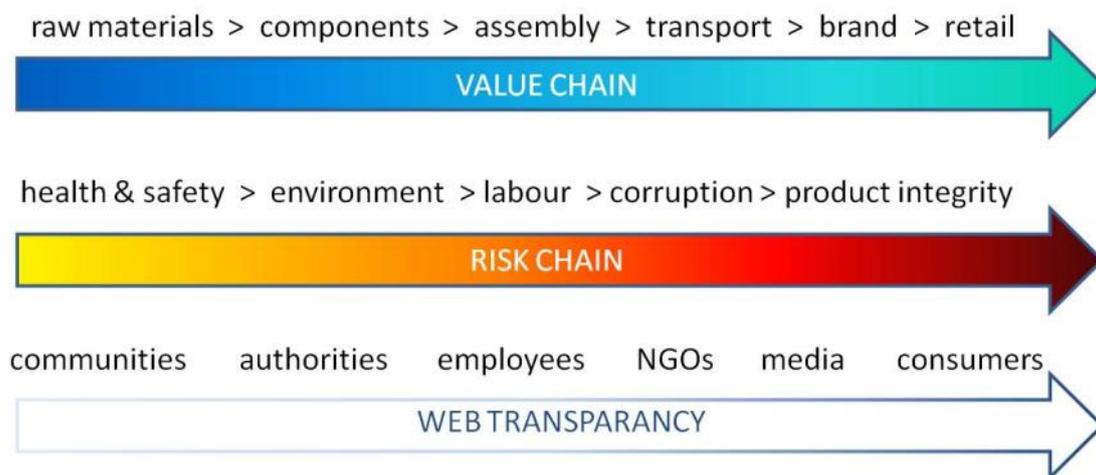
Responsible Investing and Sourcing require assurance and early warning of problems.

NIMBUS provides year-round monitoring of web news to keep you informed.

4,500 companies monitored, database of 3,500 risk alerts in four years

Go East, Go Green. Investors are following manufacturing and looking east to Asia. At the same time we are seeing growing demands for responsible investment and sourcing. But are these trends compatible? Asia has great growth potential, but also many more Environmental, Social and Governance (ESG) risks than in the west.

ESG Risk Chain becoming transparent. The internet is providing a live channel for drawing media, NGO and consumer attention to ESG incidents and allegations. Exposures in electronics, apparel, toys, palm oil, logging etc. have successfully woken public sensitivities to poor working conditions, human rights abuses, corruption, environmental damage, unsafe products, etc. This presents procurement managers, investors and corporate risk departments with a dilemma - the value chain comes with a complimentary risk chain which is no longer so easy to hide from.



Measuring up to the promise is hard. It's easy to offer responsible investments and sourcing. Easy to set standards, screen policies and self-disclosed governance structures. But how about actual performance? Factory audits are the standard approach but they've proven all too easy to prepare for... and cheat. Documents can be forged, employees briefed, auditors bribed. And what happens between annual audits in any case? Do factories voluntarily disclose bad performance and accidents? No. This is a great source of unmanageable risk. but the truth usually gets out and ends up somewhere on the internet. That's where Nimbus can help.

Nimbus - your web eyes and ears all year round. If communities, NGOs and other stakeholders can report, discuss and target your suppliers or investees on the web - shouldn't you be there listening? Ignorance is no longer an acceptable excuse - if it's on the web, you'll be expected to know. Instead of waiting for bad news to hit you, better to see it coming and be prepared. We uses customised web scanning software to identify reports of ESG incidents and allegations across Asia – monitoring English news as well as local web sites from India across to Korea and down to Australia. Our Asian researchers then qualify, assess and categorise these reports before uploading to our database, each



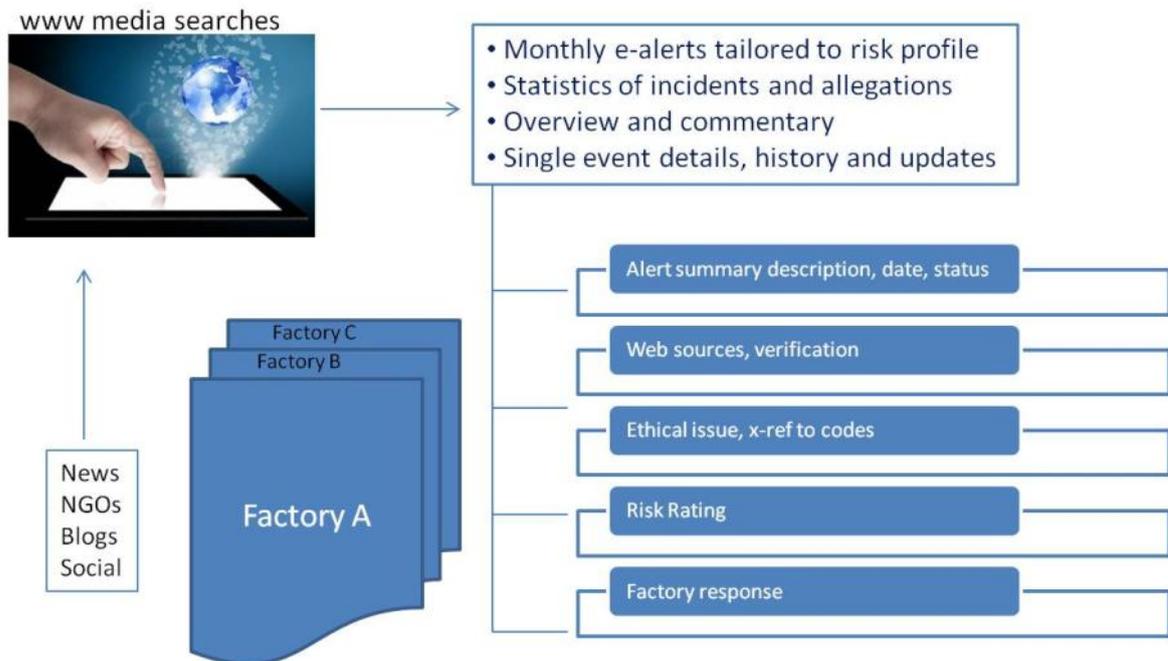
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The NIMBUS database of corporate ESG incidents and allegations reveals the scale of impacts which lie further up the value chain, away from the consumer interface. Mining impacts account for nearly a quarter of all monitored ESG risk-weighted alerts, equal to manufacturing of metals, chemicals and electronics combined.

