

GLOBAL STANDARDS ENGAGEMENT

Companies are expected to operate within international standards related to:

Human Rights



Labour Rights



Environment



Business ethics



When companies don't adhere to these standards, incidents may occur that result in reputational damage and destroy shareholder value.

Sustainalytics' Global Standards Engagement is an incident-driven engagement service triggered by violations of internationally recognized standards that offers investors a collaborative tool to support responsible ownership. Investors can follow and take part in Sustainalytics' engagement dialogues, as well as extract information that is essential for investment decision-making and client reporting.

The engagement process builds upon the findings from Sustainalytics Global Standards Screening research on companies' compliance with international norms on environmental, social and governance (ESG) issues related to the UN Global Compact, the OECD Guidelines for Multinationals as well as various conventions on human rights, labor, the environment and weapons.

Sustainalytics' initiates engagement with companies that are, or have been, involved in systematic business misconduct issues or in an isolated issue that has severe consequences for the environment or society. A change objective is set for every engagement case in order to actively influence companies to address identified problems or risks and opportunities.



Coverage

We cover more than 20,000 companies across the world with 199 incident-based engagement cases on 186 companies in 2021.



Key Benefits

1. Demonstrate your commitment as a responsible owner

Responsible investing goes beyond stock selection and exclusions. Today, institutional investors are expected to take steps to being active and engaged shareholder that views corporate accountability as a path to achieving greater long-term value.

2. Manage reputational risks

Let us help you manage reputational risks by applying a compliance-focused approach to engaging with companies that are watchlisted or non-compliant with international norms.

3. Collaborate and pool resources

Determine your level of involvement, for example, by taking an active part in engagement dialogues, conference calls and teaming up with other investors.

4. Track progress with live, fully-transparent updates

Access the latest updates on our fully-transparent web-based platform where you can find the most recent email correspondence, meeting minutes and more.



How it Works

1. Systematic monitoring of companies for incidents

As part of our Global Standards Screening, we monitor more than 700,000 news items or 60,000 media and NGO sources on a daily basis to identify potential incidents involving a universe of over 20,000 companies across the globe.

2. Research and assessment

Once an incident has been flagged, our global research teams start gathering facts and assesses the incident against a set of international conventions and guidelines for the human rights, labour rights, environment and business ethics. International standards include the United Nation's Global Compact, the OECD Guidelines for Multinationals, UN Guiding Principles, human rights conventions, labor rights conventions, environmental conventions and weapons-related conventions.

3. Engagement dialogue

Sustainalytics consistently engages with ALL companies alleged of violating international norms to establish what actually occurred. Findings from engagement meetings are summarized in meeting notes that are available on Sustainalytics' client platform.

4. Company report and action plan

A clear action plan with measurable outcomes and milestones is drawn up to achieve the desired outcomes. A follow-up dialogue is arranged to further investigate the case, which is presented along with a full company profile in the online platform.

5. Reporting and case closure

Sustainalytics measures engagement by both the company's response and progress. Rigorous criteria are employed to assess whether to resolve or archive the cases.

Learn More About Sustainalytics

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