

GLOBAL STANDARDS ENGAGEMENT

Companies are expected to operate within international standards related to:

Human Rights



Society



Labor



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 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.

More than 20,000 companies from major world indices are currently monitored for incidents and this universe can be expanded with additional companies.



Coverage

We cover more than 20,000+ companies across the world with 380+ engagement cases on 280 companies in 2018.



Key Benefits

- 1. Demonstrate your commitment as a responsible owner**
Responsible investing goes beyond stock selection. 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 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 environment, human rights 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: Incident and risk analysis**
Sustainalytics consistently engages with ALL companies alleged of violating international norms to establish what actually occurred. Findings from the initial meetings are summarized in a incident analysis report followed by a risk analysis, which assesses the company's operational and company-specific risks.
- 4. Company report and action plan**
A clear action plan with measurable outcomes and milestones are 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 close and archive case.

Learn More About Sustainalytics

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