

# GLOBAL STANDARDS SCREENING

Companies are expected to operate within internationally accepted norms and standards related to:

## Human Rights



## Society



## Labor



## Environment



Investors are under increased scrutiny to be able to identify companies that fail to live up to these standards, when taking investment decisions and monitoring portfolio companies, and avoid reputational damage and decrease in shareholder value.

Sustainalytics' Global Standards Screening (GSS) assesses companies' compliance with the United Nations' (UN) Global Compact Principles. It identifies companies that are violating or are at risk of violating these Principles, by assigning one of the following three statuses – Non-Compliant, Watchlist or Compliant. The nature and scope of impact on stakeholders is one of the primary ways we determine this. GSS also provides information on related standards such as the Organisation for Economic Co-operation and Development's (OECD) Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as their underlying conventions.

Investors use GSS to support their due diligence in taking investment decisions, to pro-actively manage reputational and potential financial risks and to fulfill clients' ESG and screening and engagement mandates.

Finally, the GSS forms the basis of Sustainalytics' Global Standards Engagement (GSE) a separate services investors can subscribe to whereby we engage with non-compliant companies on their behalf.



## Key Features

### Coverage

Over 20,000 issuers

### Assessment Scope

- Companies are assessed against the UN Global Compact's 10 Principles, which cover the areas of Human Rights, Labour Rights, Environment and the Business Ethics
- Non-Compliant, Watchlist, or Compliant

### Outlook

An indication of whether we expect an improvement or a deterioration in the Assessment Status (Positive – Negative – Neutral)



## Key Benefits

### 1. Improve reputational risk management

Enhance your portfolio's long-term performance by pro-actively identifying and managing business conduct related risks.

### 2. Align your portfolio to international norms and standards

Identify companies that violate, or are at risk of violating, the Global Compact's internationally recognized Principles on human rights, labor, environmental stewardship and business ethics.

### 3. Gain an in-depth understanding of incidents

Access qualitative analyses of incidents that highlight company accountability, severity of impacts and the quality of company management responses from the perspective of relevant international standards. Monitor progression of a company's status and analysis.

### 4. Respond to responsible investment mandates

Expand your product suite to cover the fourth largest responsible investment strategy and respond to new client mandates.

### 5. Demonstrate your commitment as a responsible owner

Leverage our research to support your engagement efforts or subscribe to our Global Standards Engagement service and let us engage with Non-Compliant companies on your behalf.



## How it Works

### Systematic monitoring of companies for incidents

We monitor 700,000 news items from more than 60,000 media and NGO sources on a daily basis in order to identify potential incidents for a universe of over 20,000 issuers across the globe.

### Incident and Global Standards Assessment

Incidents are assessed against international standards to determine severity of impacts on stakeholders and the environment, company accountability, and company management response. Companies are assigned one of the following three statuses – Non-Compliant, Watchlist or Compliant.

### Approval by a dedicated committee

Proposals for and changes in assessments are reviewed and approved by a dedicated committee of senior representatives from the Research, Product Management, and Quality Control teams.

### Optional Global Standards Engagement service

Investors can subscribe to Sustainalytics' Global Standards Engagement (hyperlink to website) (GSE), a service whereby we engage with portfolio companies on behalf of our clients to resolve the issues and improve the company's future ESG performance and risk management. Investors can track measurable outcomes and milestones in real time via the online platform. GSE also provides detailed information on dialogues with companies, which can be used to further support investment decisions and reporting.



## Delivery Options

### Online Client Platform

Online screening and portfolio tools via Global Access.

### Onscreen & PDF Reports

Onscreen and PDF reports via Global Access.

### Data Services

Access data feeds through (S)FTP or an API solution.

### Offline Excel Reports & PDF Reports

Offline excel file containing approx. 4,500 companies covering all major indices.

## Learn More About Sustainalytics

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