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Innovation Fuels Techs' Reputation Despite Corruption Scandals

Covalence Technology Hardware Industry Report 2008

Innovative green and social products greatly contribute to the ethical reputation of technology hardware companies, while labour, legal, institutional and production-related challenges are rising, states a report published today by Geneva-based research firm Covalence – Covalence Technology Hardware Industry Report 2008.

In Covalence cross-sectors EthicalQuote ranking Technology Hardware recently lost the 1st rank against Automobiles & Parts, after months of media pressure related to corruption scandals at Siemens and Samsung.

Interesting is the high quantity and diversity of criteria involved in the positive results of the Technology Hardware industry. It is tempting to think that this modern, young, naturally innovative industry presents an equally innovative CSR dynamics.

Criteria gaining weight last year or showing a supplement of positives compared to the cross-sector benchmark are: 10. International Presence (Recycling, CSR awards & rankings, Carbon/GHG ↓ emissions & mitigation efforts); 11. Joint Ventures (Energy, Carbon/GHG ↓ emissions & mitigation efforts, Education ↓ student grants, academic research); 23. Intellectual Property Rights (Patent disputes, Eco-Friendly Patent, Energy); 28. Product Social Utility (Hyperconnectivity, Global health ↓ health, food & poverty relief, Green phone, Recycling, Energy, Digital Divide). 32. Waste Management (e-waste, recycling, Energy) 33. Eco-Innovative Product (Energy, Recycling, Climate Change);

Considering negative criteria affecting the ethical reputation of Technology Hardware companies, social and legal concerns come first. Criteria 38. Anticorruption Policy, 18. Downsizing, and 25. Fiscal Contributions received many negative news. Corresponding issues were: Legal ↓ lawsuits, class-action, settlements ; Job cuts ; Tax controversies; Human Rights issues. More specifically: Siemens corruption scandal ↓ allegation, probe, fine; Samsung corruption scandal ↓ tax-evasion, stock manipulation, government bribes; Patent disputes; Cisco Brazil tax fraud; Privacy.

Looking at the historical EthicalQuote ranking within the Technology Hardware industry: leaders are Hewlett-Packard, Intel Corp, and IBM, while Siemens AG, Nortel Networks, and Taiwan Semiconductor are last. During the last 12 months, the best performers were Intel, IBM and Dell. Siemens and Samsung each lost more than 100 points last year.

More information on Covalence Technology Hardware Industry Report 2008:

- > [Extract: Covalence Technology Hardware Industry Report 2008](#)
- > [Offer & Order form: Covalence Technology Hardware Industry Report 2008](#)
- > [Public version of EthicalQuote](#)

About Covalence

Covalence' s ethical quotation system is a reputation index based on quantifying qualitative data, which are classified according to 45 criteria such as *Labour standards*, *Waste management*, *Product social utility* or *Human rights policy*. It is a barometer of how multinationals are perceived in the ethical field.

The system integrates thousands of documents found among media, enterprise, NGO and other sources, for producing the EthicalQuote curves. These curves measure the historical evolution of the reputation of companies regarding ethical issues. They are created through the cumulative addition of positive news (documents coded as "ethical offers", which are weighed as +1, curve ascends) and negative news ("ethical demands" weighed as -1, curve descends). The Reported Performance measure is given by cumulating positive news only.

This tool received the Cantonal Sustainable Development Prize (Geneva) in 2004 and prompted Covalence among the finalists of the Social Entrepreneur of the Year 2005 award organised by the Schwab Foundation. Covalence research is also distributed by Reuters, Thomson Financial and Bloomberg.

Covalence is closely monitoring 18 sectors including 550 companies that are classified as the largest market capitalizations in the Dow Jones World Index. Covalence is a limited company that was founded in Geneva in 2001 by six persons with political science and finance backgrounds.

Online information: Covalence company and methodology

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