

# CEO's Statement

Sustainalytics has built strong relationships with our stakeholders by providing outstanding products and service, and doing business according to the highest ethical standards, wherever we operate and whatever the situation. Our commitment to principles such as of fairness, honesty, independence, integrity, and transparency have long underpinned our decisions and actions.

As I've discussed previously, it's sometimes difficult to communicate these principles across a growing micro-multinational like Sustainalytics. That's why I've talked about the appeal of The Golden Rule ("Do to others as you would like them to do to you") to guide our day-to-day interactions with one another and with stakeholders. This simple, but powerful, phrase transcends nationalities, faiths and belief systems – it is universal.

Nevertheless, given our position as an industry leader it is important that Sustainalytics develops a more formal Code of Conduct. But it is the responsibility of each of us to ensure that the Code becomes more than just words on a page or screen. Each of us must not only read the Code, but also adhere to its letter and spirit.

Sustainalytics' culture and reputation are defined by our actions and the decisions we make every day. Through our own individual commitment to the Code, we uphold Sustainalytics' legacy and ensure our future as the premier ESG research provider in the world.

Michael Jantzi  
CEO  
Sustainalytics

## Introduction

### Scope

The Sustainalytics Code of Conduct (hereafter referred to as the "Code") applies to all Sustainalytics **Employees**.[\[1\]](#)

Employees are required to review and sign the Code upon hiring and annually thereafter. Non-compliance with the policies and procedures in the Code can result in disciplinary action up to, and including, termination of employment.

This Code supersedes all other regional Codes in place at the time of its establishment. Sustainalytics will revise the Code at least every two years, or as required. The Executive Team has ultimate authority and oversight of the Code.

The Code is available on the Sustainalytics' intranet and publicly on the corporate website.

## Compliance Mechanisms

The **Compliance Manager** is responsible for overseeing compliance with the Code and its related policies. The Human Resources, Legal, and Operations (HRL0) team provides support to the Compliance Manager, as required. The Compliance Manager must approve in writing the granting of exceptions to this Code.

**Managers** have the day-to-day responsibility to ensure that their direct reports understand, and are in compliance with, the Code and its related policies. Employees are expected to raise concerns, and report any suspected violations of the Code, to their Manager who, in turn, reports those concerns or suspected violations to the Compliance Manager. If the concern or alleged violation involves a Manager, then employees should report directly to the Compliance Manager by sending an email to the designated email address, [compliance@sustainalytics.com](mailto:compliance@sustainalytics.com).

Alternatively, reports may be made anonymously via a survey (accessible only to Sustainalytics employees). The information provided by the employee will be treated as confidential and privileged to the extent feasible and permitted by applicable laws. However, employees who report compliance concerns are encouraged to identify themselves when making such reports so that an investigation can be conducted with a full factual background and without any delay.

The Compliance Manager conducts investigations of each reported violation. Any retaliation against Employees reporting on (perceived) misconduct is prohibited and could result in disciplinary action up to, and including, termination of employment.

## Conduct in the Workplace

Sustainalytics is committed to equity and fairness. The company strives to implement these principles in all aspects of its operations, including its employment practices and business relationships.

In its recruiting, hiring, retention and promotion practices, Sustainalytics does not discriminate against any individual on the basis of gender, race, ethnicity, place of origin, religion, political affiliation, sexual orientation, age, marital status or physical disability. Sustainalytics does not tolerate discrimination or harassment of any kind in its workplace, including that which occurs at off-site business-related activities. Sustainalytics' non-discrimination policy is detailed in the Global Employee Handbook.

## How We Do Business

### Professional Business Practices

As a partner to investors around the world in developing and implementing responsible investment strategies, Sustainalytics aims to showcase integrity and transparency across its global business activities. Employees are expected to act in an ethical manner and demonstrate integrity, competence, diligence and respect for all of the company's stakeholders.

Sustainalytics is committed to complying with global and regional laws and regulations. Where a conflict exists between local laws and the Code, the stricter requirements are observed, with compliance with the law being the minimum required. However, if a local custom or policy conflicts with this Code, compliance with the Code prevails.

### Quality and Integrity of the Research Process

In order to support the quality and integrity of our products and services, Sustainalytics strives to be transparent regarding the manner in which our offerings are presented and shared with clients. Sustainalytics is committed to providing clients and prospects with information about our research and rating methodology, details with respect to

information sources used, and providing a clear separation between facts and analysis.

Sustainalytics' research process involves the collection and analysis of information made available by third parties, including civil society, corporate, government, industry association, investor, media and regulatory sources. To ensure the production of high-quality objective analysis, Employees are required to act with prudence and observe transparent accreditation when handling such information.

Sustainalytics provides **Companies Subject of Our ESG Research** the opportunity to provide feedback whenever substantial changes are made to our assessments, including but not limited to, material changes to event assessments, exclusion from indices maintained by Sustainalytics, and changes in Global Compact Compliance Service status.

Sustainalytics seeks feedback from each of the **Companies in our Core ESG Universe** as a regular component of the research and/or updating process.

## Independence and Objectivity

Sustainalytics aims to provide independent analysis, devoid of undue influence by external sources. Accordingly, analysts conducting research for ESG ratings are part of the Research Products team, while separate teams have primary responsibility for commercial and sales activities. This separation aims to minimise the potential influence of commercial relations on Sustainalytics' products and services with respect to ESG ratings, indices, and screening.

### *Mechanisms to Support Research Integrity and Independence*

Employees:

- assigned to work on a Company Subject of Our ESG Research in which they have **Direct Ownership of Stock in the Company** must notify their Manager and the Compliance Manager. In turn, the Manager might choose to assign the work to a different analyst. If work cannot be assigned to a different analyst, Sustainalytics conducts additional fact-checking.
- assigned to work on a Company Subject of Our ESG Research in which they have a relationship through which they **Derive a Benefit** must be disclosed to the Manager and the Compliance Manager. In turn, the Manager might choose to assign the work to a different analyst. If work cannot be assigned to a different analyst, Sustainalytics conducts additional fact-checking.

- assigned to work on a Company Subject of Our ESG Research in which they could have a **Personal Conflict of Interest** must be disclosed to the Manager and the Compliance Manager. In turn, the Manager might choose to assign the work to a different analyst. If work cannot be assigned to a different analyst, Sustainalytics conducts additional fact-checking.
- are obligated to notify the Manager and the Compliance Manager of any potential Personal Conflicts of Interest, conflicts with work responsibilities, and/or negative impact to Sustainalytics' reputation that could arise as a result of participation in **Ancillary Positions**.
- are prohibited from giving or accepting anything that can be construed as a **Bribe or Kickback** under any circumstance.
- are required to seek approval beforehand from the Compliance Manager for research-related visits, field trips and the like to Companies Subject of our ESG Research.
- are required to report the receipt of a **Gift** to the Compliance Manager.
- may entertain clients or potential clients during the course of their ordinary business activities, provided this entertainment is not greater than €200 per person.
- will not make misrepresentations or otherwise give false impressions about Sustainalytics' products and services.
- will not engage in **Plagiarism**. They are required to use third-party information and properly cite sources in accordance with guidelines compiled for each product and service.

## Insider Trading

In their business activities, Sustainalytics and its employees may become aware of **Material Non-Public Information**. Material non-public information refers to information that is not publicly available and is reasonably expected to either have a significant impact on the market share price of a certain company or be considered as relevant by reasonable investors in their investment decisions.

Sustainalytics' employees are prohibited from the following:

A. **Tipping**, which implies the provision of any material non-public information to another individual and/or company before such information has been generally disclosed to the public, other than during the necessary course of business, whether or not the other individual/company uses or is reasonably expected to use the information

for trading purposes;

B. **Front-running**, which refers to employees trading in the products or securities of a company with knowledge of a material non-public information.

C. **Trading**, in the products or securities of a company until two business days after such material non-public information has been publicly disseminated.

Any Employee found to have engaged in this type of activity will be subject to disciplinary action up to, and including, termination of employment. Sustainalytics will also report such activity to local authorities as required by local laws and regulations.

Employees are expected to observe such obligations not only during their employment with Sustainalytics but also after employment termination while in possession of material non-public information.

## Fair Dealing

Sustainalytics commits to fair dealing towards clients and prospects, avoiding discrimination. Where different products or service levels are available, Sustainalytics takes reasonable efforts to ensure the service level provided is commensurate with the product and/or service selection.

## Confidentiality

Sustainalytics takes reasonable efforts to preserve confidential client data. Employees will not share confidential data outside the organisation without express permission from the relevant client.

## Social Media

Sustainalytics encourages its Employees to engage with social media to build awareness and momentum about responsible investment and corporate social responsibility. To leverage the full beneficial potential of social media, and to mitigate any problems or misunderstandings that may arise due to social media use, Employees are required to adhere to the company's Social Media Policy.

# How We Manage Potential Organizational Conflicts of Interest

As highlighted throughout this Code, Sustainalytics is committed to the standards of competence, integrity, and transparency across its global business activities.

Sustainalytics avoids entering into commercial relationships that might jeopardize the company's integrity and research independence. If an Employee believes a specific client relationship (or prospective relationship) presents a potential conflict, they should bring the issue to the attention of the Compliance Manager. In addition, an Employee may opt out of a specific client relationship (or prospective relationship) without consequence if it presents a potential conflict.

The Compliance Manager evaluates each issue utilizing a set of guidelines, including (but not limited to) the following criteria:

- Is the relationship/transaction consistent, both in letter and in spirit, to the principles of integrity and independence?
- Will Sustainalytics' reputation for integrity and independence, or for fair dealing and impartiality towards clients, be jeopardized because of the relationship/transaction?
- Do we believe that Sustainalytics' stakeholders would view the relationship/transaction as being consistent, both in letter and in spirit, to the principles of integrity and independence?
- Would Sustainalytics be comfortable if news of the relationship/transaction was profiled in the media?
- Is the relationship/transaction consistent with what would be expected from an ethical industry leader?

## Schedule One: Definitions

"Acted in Another Capacity" refers to instances in which Sustainalytics has provided

services to a Company Subject of Our ESG Research (see below), such as the provision of consulting services for the development of an ESG investment policy or sustainability intelligence (for non-financial institutions).

**"Ancillary Positions"** refers to all paid and unpaid activities that are not part of the job the employee performs at Sustainalytics, including but not limited to: working for a different employer; board directorships; leadership positions with voluntary, advocacy and/or political organizations; and/or independent consulting.

**"Bribe or Kickback"** is any inducement that is provided to: (i) elicit unethical, dishonest or illegal behaviour (or may leave the impression that it is provided with this purpose); or (ii) may affect or appear to affect an Employee's (see below) objectivity, judgement or ability to act in the best interest of Sustainalytics.

**"Companies in our Core ESG Universe"** are those securities for which Sustainalytics creates a full profile and ESG rating (often referred to as a "Type A" profile).

**"Company Subject of our ESG Research"** refers to securities assessed for any of the products/services included as part of Sustainalytics' offering.

**"Compliance Manager"** is the Global Director, Human Resources, Legal, and Operations (HRL0).

**"Conflict of Interest"** exists where personal, occupational or financial considerations may affect or appear to affect an Employee's (see below) or Research Partner's (see below) objectivity, judgement or ability to act in the best interest of Sustainalytics.

**"Derive a Benefit"** includes, but it not limited to, remuneration or compensation agreements, bonus programs, commissions, any financial incentives, or related relationships such as holding external positions/board directorships.

**"Direct Ownership of Stock"** is defined as having an equity stake of 1% or more in a security and/or the direct ownership in a fixed income instrument or derivative in said security. For clarity, owning a security through a mutual fund, pooled portfolio, unit trust and the like, is not covered by this definition.

**"Employee/Employees"** refers to all Sustainalytics' employees, including temporary



staff, interns, and contractors.

"**Gift**" includes, but is not limited to, cash, cash equivalents (gift card, voucher, etc.), entertainment, or other items with a value of €100 or greater (individually or collectively) that may affect or appear to affect an Employee's or Research Partner's (see below) objectivity, judgement or ability to act in the best interest of Sustainalytics. Gifts or equivalent valued at more than €100 are considered the property of Sustainalytics.

"**Global Employee Handbook**" was prepared to help: (i) uphold the company's human resources strategy globally; (ii) guide relationships between Sustainalytics and employees, and between employees; (iii) make Sustainalytics' HR policies transparent to employees, ensure consistency of practice, and provide a fair and equitable workplace for current and future employees; (iv) ensure compliance with applicable legislation; and (v) provide staff with the freedom to access information as needed. The Global Employee Handbook is a companion document to local Employee Handbook documents.

"**Managers**" are those individuals to whom Employees report.

"**Material Non-Public Information**" refers to information that is not publicly available and is reasonably expected to either have a significant impact on the market share price of a certain security or to be considered as relevant by reasonable investors in their investment decisions. This includes, without being limited to, information not yet released to clients about screenings, rankings or indices developed by Sustainalytics or in which Sustainalytics participates.

"**Personal Conflict of Interest**" exists where personal considerations may affect or appear to affect an Employee's or Research Partner's objectivity, judgement or ability to act in the best interest of Sustainalytics. Personal considerations include, but are not limited to, religion, political affiliation, or citizen activism.

"**Plagiarism**" is the use of another person's work, including but not limited to, ideas, opinions and theories, as well as reports, models and charts, without citation or acknowledgement.

"**Social Media Policy**" is a document that, among other things, outlines ten easy-to-

follow guidelines that provide helpful and practical advice to Employees when operating on the Internet as an identifiable employee of Sustainalytics.

**"Transactions Involving the Company Subject of Our ESG Research"** encompasses relationships in which Sustainalytics has engaged in transactions involving the Company Subject of Our ESG Research. This includes financial institutions in commercial relations with Sustainalytics.

[\[1\]](#) Please refer to Schedule One for the definitions associated with selected terms or phrases (these are bolded in the text when first referenced).