

## Sustainalytics' approach to meet requirements applicable for proxy advisors

Industry Requirements	Sustainalytics Approach
Sustainalytics has looked, for reference, into the applicable requirements for proxy advisors in different jurisdictions, including but not limited to US, UK and EU (including into the requirements of the Best Practice Principles for Providers of Shareholder Voting Research & Analysis 2019, although not a signatory thereof), to inform its approach as per the current overview	<ul style="list-style-type: none"> <li>✓ Published <b>Code of Ethics</b></li> <li>✓ Published <b>Key Business Principles and Practices</b></li> </ul>
<b>1. Disclosure of research methodology and an applicable “in-house” voting policy:</b>	
a) the essential features of the applied methodologies and models;	<ul style="list-style-type: none"> <li>✓ Published ESG <b>Voting Policy Overlay</b></li> <li>✓ Published Voting Policy Overlay <b>Methodology</b></li> <li>✓ Process description (<i>internal document</i>)</li> </ul>
b) the main information sources that are used;	<ul style="list-style-type: none"> <li>✓ Published <b>Sources of information</b></li> </ul>
c) the procedures put in place in order to ensure quality of research, advice and voting recommendations and qualifications of the involved staff;	<ul style="list-style-type: none"> <li>✓ Publish <b>short bios of the experts/ team</b></li> <li>✓ Quality assurance approach (<i>internal document</i>)</li> <li>✓ Process description (<i>internal document</i>)</li> </ul>
d) whether and, if so, how the proxy advisor takes national market, legal, regulatory and company-specific conditions into account;	<ul style="list-style-type: none"> <li>✓ Published ESG <b>Voting Policy Overlay</b></li> <li>✓ Published Voting Policy Overlay <b>Methodology</b></li> </ul>
e) the essential features of the voting policies applied for each market	<ul style="list-style-type: none"> <li>✓ Published ESG <b>Voting Policy Overlay</b></li> <li>✓ Published Voting Policy Overlay <b>Methodology</b></li> </ul>
<b>2. Policy regarding the prevention and management of potential conflicts of interest</b>	
a) the policy regarding the prevention and management of potential conflict of interests	<ul style="list-style-type: none"> <li>✓ Published <b>Policy on managing institutional conflicts of interest (Abstract)</b></li> <li>✓ Disclosure system of conflicts of interest in the voting recommendations</li> <li>✓ Policy on managing personal conflict of interest (<i>internal document</i>)</li> </ul>
b) Client disclosure (a process put in place to identify and disclose) of any identified potential conflicts of interest or business relationships that may influence the preparation of their research, advice or voting recommendations and the actions they have undertaken to eliminate, mitigate or manage the actual or potential conflict of interests.	<ul style="list-style-type: none"> <li>✓ Published <b>Policy on managing institutional conflicts of interest (Abstract)</b></li> <li>✓ Process description (<i>internal document</i>)</li> <li>✓ Disclosure system of conflicts of interest in the voting recommendations and process description</li> </ul>
<b>3. Whether the proxy advisor has dialogues with the companies which are the object of their research, advice or voting recommendations and with the stakeholders of the company, and, if so, the extent and nature thereof.</b>	<ul style="list-style-type: none"> <li>✓ Disclosure of engagement activities in the voting recommendations and process description</li> <li>✓ Published Voting Policy Overlay <b>Methodology</b>, describing how engagement signals are relevant/ embedded into the voting recommendations.</li> <li>✓ Process description regarding updates to the vote recommendations following feedback from issuers, if any (<i>internal document</i>)</li> </ul>