
SHAREHOLDER RIGHTS DIRECTIVE

Transparency of Proxy Advisors Disclosure/Compliance Statement Institutional Shareholder Services¹

Effective: 21 June, 2019

Institutional Shareholder Services (ISS) is pleased to provide the following Disclosure/Compliance Statement in support of the members of its group (the “ISS Group”) which have obligations under the laws and regulations of European Union member states implementing the provisions of the Shareholder Rights Directive (“SRD”), relating to the transparency of proxy advisors.

Code of Conduct

ISS notes that we provide proxy advisory services in accordance with and by reference to the Best Practice Principles for Shareholder Voting Research & Analysis (the “Principles”).

By way of background, the Principles were first launched in March 2014 by the Best Practice Principles Group (the “BPPG”), a group formed in February 2013 to promote greater understanding of the corporate governance and ESG research and support services provided to institutional investors and other capital market participants. ISS is pleased to have been a founding member of the BPPG and to have participated in the development and publication of the Principles.

The three core elements of the Principles are: (i) maintaining a high level of service quality, (ii) disclosure of policies that address potential or actual conflicts of interest, and (iii) publication of policies for communication, with issuers, shareholder proponents, other stakeholders, the media and the public.

The Principles, along with associated guidance on their application, can be found [here](#) on the BPPG’s public website.

Report on the Application of the Code of Conduct

Consistent with the BPPG’s expectations and in accordance with the SRD requirements, ISS publishes a Principles Compliance Statement which reports on the manner in which ISS applies the Principles. ISS’ most recent Principles Compliance Statement is dated 19 April, 2017 and remains a current statement of the ISS Group’s approach to the application of the Principles. The ISS Group’s Principles Compliance Statement can be found [here](#) on ISS’ public website. It is also available on the BPPG’s public website.

As confirmed in our Principles Compliance Statement, ISS complies with each of the Principles and the related guidance and ISS’ practice is not to depart from those Principles.

¹ This Disclosure/Compliance Statement applies to all members of the Institutional Shareholder Services group who are subject to EU Shareholder Rights Directive requirements applicable to Proxy Advisors.

Information Regarding Accuracy/Reliability and Conflicts of Interest

In addition to affirming our commitment to the Principles, our Principles Compliance Statement provides extensive information about the manner in which we conduct our business, including steps we take to ensure the accuracy and reliability of our offerings.

These extensive disclosures include information about (a) our proxy voting policy frameworks and methodologies for assessing issues and issuing vote recommendations; (b) the sources of information we rely upon to conduct our work; (c) the procedures we've implemented to ensure the quality of our work product and the suitability of the staff that perform this work; (d) the manner in which our proxy voting policy frameworks account for local market and company specific conditions with respect to the companies we cover; (e) our protocols for engaging with the companies we cover and other stakeholders; and (f) our extensive policies and procedures regarding the prevention, management and mitigation of potential conflicts of interest.

Beyond our Principles Compliance Statement, we'd also like to refer interested stakeholders to the variety of information on these same topics which we make available on our public website. We refer in particular to the "Policy Gateway" and "Compliance" sections of the ISS website which can be accessed at www.issgovernance.com.

Amongst other items, the Policy Gateway section of our website includes copies of our current and historical proxy voting guidelines, an overview of the process we undertake to develop and apply those policies and a discussion of our policies and practices for engaging with companies and other relevant stakeholders.

The Compliance section also supplements our Principles Compliance Statement with links to information that we think is helpful and informative to many different stakeholders, including our internal Code of Ethics, our General Code of Conduct and a Due Diligence Compliance Package.