



impak

The independent impact rating agency™



CODE OF CONDUCT

January 2020



**IMPACT
MANAGEMENT
PROJECT**



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1. CEO's statement

Dear stakeholders,

impak has had clear values and mission from its start. We have built strong relationships with our stakeholders by keeping close to those values and by doing business according to the highest ethical standards. Integrity, fairness, honesty and transparency guide all our actions.

In order to formalize these values and ensure compliance with the strictest standards, and despite the fact that impak Finance is not a credit rating agency and therefore not subject to CRA rules and regulations, we have decided to adopt the highest regulatory standards of the sector, in anticipation of expected future regulatory changes for extra-financial rating agencies.

In building our ratings it appeared that impak also should remain independent from issuers, risk rating agencies or financial institutions in order to ensure these principles be respected and to avoid even the appearance of any conflicts of interest.

This Code of Conduct is to be read in parallel with impak Finance's policies available on its website. In particular, impak Finance explains how its independence of judgement is maintained from its shareholders, rated entities, customers, and other parties; how conflicts of interest are avoided or handled in its Conflict of Interest Policy; and the principles guiding its rating methodology.

*Paul Allard,
Chief Ecosystem Officer*



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2. Introduction

impak Finance is committed to providing high quality, objective, independent and rigorous impact ratings across the world.

This Code of conduct contains the rules and principles that shall always govern impact rating activities. This Code is to be read in conjunction with impak Finance internal policies and procedures available on its website.

2.1 Scope

The Impak Finance Code of Conduct (hereafter referred to as the “Code”) applies to all Impak Finance Employees. Impak Finance Board of Directors undertakes to comply with the rules, principles and standards laid down in this Code of conduct and expect all impak Finance Employees to act in accordance with this Code and its related policies.

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

Impak Finance reviews 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 internally on Impak Finance’ shared drive and is publicly disclosed on Impak Finance’ website.

2.2 General Compliance Procedures and Assigned Responsibility

The Compliance Office is responsible for overseeing compliance with the Code and its related policies. The Compliance office must approve in writing the granting of exceptions to this Code.

All employees have the day-to-day responsibility to ensure that their peers understand the Code and its related policies and are updated on any changes. Employees are expected to raise concerns, and report any suspected violations of the Code, to the impak Compliance Office.

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



3. How we do Business

3.1 Professional Business Practices

As a partner to investors around the world, Impak Finance 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.

Impak Finance 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. Furthermore, if a local custom or policy is less strict than this Code, compliance with the stricter standards of this Code prevails.

3.2 Avoidance of Conflicts of Interest

Impak Finance has established and will maintain a Conflict of Interest Policy available on its website and ensure that its employees comply with such Policy.

Impak Finance should disclose actual and potential conflicts of interest in a complete, timely, clear, concise, specific and prominent manner.

impak Finance and its employees should use care and professional judgment to maintain both the substance and appearance of impak Finance and its employees' independence and objectivity.

impak Finance should operationally, and, if practicable, physically separate its impact rating business and its employee from any other businesses of impak Finance if that may present a conflict of interest.

3.3 Quality of the impact rating process

impak Finance has established and will maintain, document and enforce an impact rating methodology available on its website. The methodology should be rigorous and capable of being applied consistently.

In performing an impact assessment, analysts involved in the impact rating action should use the impact rating methodology established by impak Finance. The impact rating methodology should be applied in a manner that is consistent across all entities or organisations.

impak Finance should assign analysts who, individually or collectively (particularly where impact rating committees are used), have appropriate knowledge and experience for making an impact assessment of the type of entity or organisation being rated. impak Finance should ensure that it has and devotes sufficient resources to carry out, monitor, maintain and update high quality impact ratings.

3.4 Integrity of the impact rating process

impak Finance employees should be held to the highest standards of integrity and ethical behavior, and impak Finance should have policies and procedures in place that are designed to ensure that individuals with demonstrably compromised integrity are not employed.

impak Finance and its employees should not make proposals or recommendations regarding the activities of rated entities that could impact an impact rating of the rated entity outside of automatic, non-tailored recommendations published within and based on the impact statements it produces, including but not limited to proposals or recommendations about corporate or legal structure, assets and liabilities, business operations, investment plans, lines of financing, business combinations.



3.5 Restrictions on Communications

impak Finance has established and will maintain a Policy on Publication of ratings and Communications and ensure that its employees comply with such Policy.

impak Finance encourages its Employees to engage with social media to build awareness and momentum about impact investment, responsible investment and corporate social responsibility. Generic and pedagogic statements about impak Finance are allowed but any specific statement relating to issuers, ratings or controversies is prohibited, as well as any statement that would compromise the independence of impak Finance.

Employees should be aware that any message, expression or opinion, even if personal, disclosed by an impak Finance employee on social media can be associated with impak Finance's brand.

Principles:

- **Compliance:** understand and strictly observe impak Finance's Code of Conduct
- **Identification:** when discussing impak Finance or its business, always identify clearly who you are and what your role is in impak Finance. Use a disclaimer of responsibility if applicable (see next bullet).
- **Disclaimer** - employees should not express personal opinions on behalf of their role at impak Finance. If you publish any information in a personal context, you must use a disclaimer along the following lines: "The views expressed on this site are my own; the views do not necessarily reflect the views of my employer and shall under no circumstances incur its responsibility".
- **Responsibility** - before publishing information or opinions about impak Finance, or your role in impak Finance, you must ensure that you are authorized to do so by the Communications Manager.
- **Relevance** - content of external messages must not bring impak Finance into disrepute or involve impak Finance in political or partisan controversies, and must be relevant to impak Finance's business.
- **Confidentiality** - never disclose commercially sensitive or private information about impak Finance in your social media contributions. Dissemination of impak Finance's internal proprietary or confidential material is prohibited. In addition, talking about revenues, future products, pricing decisions, unannounced financial results or similar matters is prohibited.
- **Respect:** Don't use ethnic slurs, personal insults, obscenity, or behaviour that would be unacceptable in an impak Finance workplace. Always consider the privacy of others and avoid discussing topics that may be defamatory e.g. politics and religion.
- **Copyright:** Ensure you are not infringing copyright rules.

3.6 Record keeping

impak Finance should maintain internal records that are accurate and sufficiently detailed and comprehensive to reconstruct the impact rating process for a given impact rating action. The records should be retained for as long as necessary to promote the integrity of the impak Finance impact rating process, including to permit internal audit, compliance, and quality control functions to review past impact rating actions in order to carry out the responsibilities of those functions.

3.7 Prohibition of acceptance of money, gifts or favours

impak Analysts and persons closely associated with them, shall not solicit or accept money, gifts or favours from anyone with whom impak Finance does business. This shall apply to any tangible favor or gifts, other than business supplies (such as pens and note pads) or food and beverage of a value exceeding 50 Euros or 100 Canadian Dollars. In case of receiving an unsolicited gift or favour from a person or entity with which impak Finance does business, including a rated entity or related third party, impak Analysts shall report to the impak Compliance Officer who shall advise on the appropriate procedure to follow. In case of any doubts about this prohibition, impak Analysts shall refer to the impak Compliance Officer.

For research-related visits and field trips to rated entities, employees are required to seek approval beforehand from the Compliance Manager. The estimated value of company-paid trip expenses (including travel and lodging costs, food and entertainment, etc.) should not exceed 2,000 EUR or 3,000 CAD annually. The Compliance Manager maintains records on trips to rated entities to ensure compliance with this restriction.



Employees are permitted to entertain clients or prospects during the course of their ordinary business activities, provided this entertainment is not greater than 100 EUR or 150 CAD per person.

3.8 Confidential data, insider trading and tipping

3.8.1 Confidential information obtained during the rating process

When rating /researching companies and forming an opinion, Impak Finance does not sign any confidentiality agreement with rated entities. Impak Finance does not collect, ask for, or use any information that would be identified by an issuer as information that is not to be disclosed to stakeholders, or that would be identified as being privileged, non-public, secret, confidential or sensitive. It is a position of principle that is firm and clear, and which must not be subject to exceptions. It has a triple purpose:

1. Prevent legal risks related to the access, possession, or dissemination of privileged information;
2. Respect the principle of equal treatment between the companies under review and avoid asymmetry of information when forming our opinions for clients;
3. Make the analysis comply with our methodology, which defines impact, social and environmental responsibility as a corporate commitment to be accountable to stakeholders through sincere, accurate, complete and accessible information.

3.8.2 Confidential information obtained from clients

In the course of regular business activities, Impak Finance 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 have a significant impact on the market price of the company's securities or to be considered as relevant by reasonable investors in their investment decision-making.

Insider Trading and Tipping are prohibited for all employees. Any Employee found to have engaged in this type of activity will be subject to disciplinary action up to, and including, termination of employment. Impak Finance 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 Impak Finance but also after employment termination while in possession of material non-public information.

3.9 Handling of confidential data

Confidential client data is shared with internal staff only on a need-to-know basis and is not made available to the wider company. Confidential client data is not shared with third parties unless express permission is given by the client to do so.

3.10 Fair Dealing

Impak Finance and its employees commit to fair dealing towards clients, prospects and rated entities or related third parties without bias or discrimination. Where different products or service levels are available, Impak Finance takes reasonable efforts to ensure the service level provided is appropriate and in line with the product and/or service selection.

3.11 Data protection

Impak Finance commits to comply with the strictest regulations concerning the processing of personal data in force in all countries where Impak Finance operations. Impak Finance complies with GDPR for instance.





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