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EIRIS Code of Conduct

Approved

Revision History			
Revision No	Date	Changes	Author
1.0	30/06/07	Original draft approved by Board	Phil Baker
2.0	30/09/08	Amendments from Staff & Trustee feedback – approved by Board	Phil Baker

Introduction

EIRIS prides itself on its independence and integrity. It has a responsibility and is committed to ensuring that the work conducted by its staff demonstrates the highest possible standards of professionalism. This code of conduct provides guidelines on the standards of conduct expected by all EIRIS staff, including contractors, temporary staff and interns. EIRIS' research partners are also expected to act in accordance with it. Elements of the code have been part of EIRIS practice in preceding years, but are now formally codified here.

Awareness of code and breaches of it

Managers must ensure that staff are aware of their responsibilities in following the code. In the same spirit, staff must familiarise themselves with this code and ensure that its provisions are applied. All elements of the Code should be considered as applying to all staff members, although in practice some aspects of the Code, such as researching companies, will be more relevant to some staff than others.

Any queries regarding the implementation of the Code should be raised with the staff member's line manager. If this is not appropriate, then the matter should be taken up with the line manager's line manager. Failure to comply with the code could lead to the matter being addressed through EIRIS' disciplinary procedures.

Researching Companies

We must research companies objectively

Researchers will analyse and interpret data on companies honestly and impartially and in accordance with the properly approved EIRIS research methodology. Staff may not accept any inducement nor succumb to any pressure or manipulation from any source to assess companies in any way other than objectively. Any attempts to exert pressures on researchers should be reported to their line manager. The member of staff will then be given guidance by their line manager after he or she has investigated the matter (including hearing the views of any other staff members involved).

Conflicts of interest when researching companies

There are various situations that would prevent a researcher from analysing a particular company. These include:

- having worked for the company in question in the last six months
- having an immediate relation (spouse, partner, parent, sibling or offspring) who works for, or has a significant interest in, that company
- where the researcher holds shares directly in the company being analysed without having declared them to their line manager (see below)
- having a close relationship with the competitors of the company being researched

If a staff member is unsure whether a particular relationship with a company is a cause for concern they should raise it immediately with their line manager, who should consult with the compliance officer if necessary. A record must be kept of all potential conflicts of interest and how these are being managed. Perceived, potential and actual conflicts are all equally deserving of attention.

Equal treatment of companies

All companies must be researched in the same way following EIRIS' research methodology and associated guidelines. Companies must not be treated in a more favourable fashion due to any kind of special relationship with that company e.g. if the company is also an EIRIS client or a supplier of goods and services. If a

researcher believes a company is placing undue pressure on them, then they should refer the matter to their line manager.

Researching companies that are also clients

It is vital in these cases that clear working separations between the client team and the research team are maintained. Client team members must not liaise with company members such as the Head of CSR or Head of Sustainability or other corporate personnel who provide and communicate with EIRIS on the provision of data. This is the role of the research team. An exception may apply when it is appropriate for client team members to speak to corporate CSR staff to clarify if a company pension's scheme is interested in developing socially responsible investment approaches. If a staff member has any doubts they should consult with their line manager.

Conscientious objection

Where research and other related activities may conflict with an individual's personal beliefs or values, that individual may request not to undertake work in that area. Such matters should initially be raised with the person's line manager.

Knowledge of Companies

Share Ownership

EIRIS Ltd and the EIRIS Foundation shall not directly own shares in any companies that the organisation as a whole researches.

Researchers are forbidden from researching companies in which they directly own shares without declaring them to their line manager and the compliance officer. Declarations can be made in confidence. Where such ownership has been declared, they must discuss this with their line manager and compliance officer, who will take a view as to whether they should be allowed to research the company concerned, or whether the work should pass to another researcher. This decision will be recorded by the compliance officer. If, following a declaration of share ownership the researcher is allowed to continue to research that company, then the line manager shall arrange for double-checking of the completed research to be undertaken to ensure no undue bias or influence has occurred, and record the results of the checks.

Indirect share-ownership through diversified mutual funds is acceptable for the organisation and for members of staff. If the staff member has any doubts as to what may or may not qualify, they should speak to their line manager, who can consult with the compliance officer if necessary.

Insider Trading

Staff must never deal or encourage other people to deal in a company's securities on the basis of having non-public, price sensitive information. If staff gain such information through working at EIRIS they must keep it confidential and should in no circumstances use it for personal financial gain. If a member of staff is concerned that a company may have given them price-sensitive information which is not in the public domain, they should inform the Compliance Officer immediately and draw this to the attention of the company concerned.

Working with Clients

Fair Competition

New business should be competed for vigorously but fairly. No attempts should be made to mislead clients, potential clients, business partners, competitors or the SRI community as a whole. Bribes, gifts, gratuities etc should not be given or accepted

in order to secure new business. From time to time EIRIS staff may reasonably entertain clients or potential clients such as paying for a basic or inexpensive meal. A register of entertainment provided or accepted will be maintained. If a staff member is in doubt about whether a bid to a particular client falls foul of the code of conduct, they should speak to their line manager.

Working with asset owners and their fund managers

In these cases a different account manager should deal with each party in order to avoid conflicts of interest.

Fund Guide and other Guide production

The production of the EIRIS Fund Guide must remain the responsibility of the Market Development team, not the client team, to avoid conflicts where we are analysing the funds of our clients. Whilst the client team will be kept informed of the development and methodology of the Guide, it is not allowed to influence these. An exception is made where a given client wishes to use the information to distinguish between the various fund offerings in the market and makes comments as a user of the service. The client team may contact clients or others listed in the EIRIS Fund Guide to ensure that our records are up-to-date and accurate. From time to time EIRIS – particularly the Market Development team - may also conduct other research on its own behalf, or that of clients. This could include assessments of how well fund managers undertake responsible investment for charities, pension plans or others. In such cases the same general rules apply as to the production of the Fund Guide.

Working with Suppliers

Gratuities

Staff should generally not accept (or offer) gifts, services, discounts, gratuities or other gains from (or to) people who conduct business with EIRIS. However, there may be exceptions where to refuse acceptance could give offence e.g. small gifts of nominal value. If staff are in any doubt about whether they can accept a gift after reading this code they should consult their line manager. A gifts register will be maintained. For more substantial gifts, such as a box of wine, a general policy of sharing or auctioning the item is adopted, with any financial benefit being donated to charity.

Purchasing policy

EIRIS has an ethical purchasing policy. This is designed to meet the kind of expectations which many of EIRIS' clients would be likely to vote for if asked and so mitigate any likely source of reputational risk to EIRIS. This policy should be adhered to at all times.

External Relations

Public statements

Public statements should only ever be given by those authorised to do so as per EIRIS' media policy. EIRIS has designated media spokespeople who are fully aware of the media policy. When others are delegated to speak to the media, then they are to be fully briefed as to what they may or may not say. Unauthorised comments that may be construed as representing the official views of EIRIS must not be made by any member of staff.

Publications

The production of publications should always follow the EIRIS publication approval process to ensure the information is in a form approved for public distribution.

Organisational Issues

Personal Records

All processing of personal data must comply with the terms and principles of the Data Protection Act 1998.

Confidential Information

Staff working across the organisation have the potential to acquire confidential information about companies, clients, suppliers and individuals. Confidential information must not be shared outside EIRIS without express permission from the organisation/individual concerned. Internally confidential information shall not be shared beyond what is required to undertake the work. A separate confidentiality clause is included in each employee's statement of employment particulars.

Conflicts of interest

EIRIS is committed to not taking part in any activity which would create an unmanageable conflict of interest for the organisation or individuals within it. The steps that EIRIS takes to avoid and/or manage conflicts of interest will be available on request.

Whistle blowing procedures

EIRIS has an established whistle blowing policy which is available in hardcopy from the Personnel Manager or electronically on the staff noticeboard.

Compliance and monitoring

The compliance officer for the code is the Personnel Manager, who has overall responsibility for its implementation, monitoring and training requirements. Registers shall be maintained for entertainment, gifts, shareholdings, and declared conflicts of interest.

The code will be incorporated into recruitment procedures. It will be drawn to the attention of all short-listed candidates and included in generic person specifications.

The Code is considered to be part of the employee's statement of employment particulars. Staff will be expected to sign off their acceptance to be bound by the Code.

Compliance and monitoring will also be reviewed with the member of staff's line manager at least once a year. The compliance officer will send a questionnaire to all staff once a year, asking them to declare any potential conflicts of interest. Staff should however declare any new potential conflict of interest arising after the questionnaire has been completed at the time it arises, rather than waiting for the next annual questionnaire.

Revised October 2008

The initial statement was agreed and approved on behalf of the Board on 4 June 2007.