



RI TRANSPARENCY REPORT

2019

PIRC Limited

About this report

This report is an export of the individual Signatory organisation responses to the PRI Service Provider Reporting Framework during the 2019 reporting period. It shows your responses to mandatory indicators, as well as responses to voluntary indicators that your organisation has agreed to make public. You will be able to access the public RI Transparency report of your organisation and that of other signatories on the [PRI website](#).

The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is an **Index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Index

The Index summarises the response status for the individual indicators and modules. It can be used by stakeholders as an 'at a glance' summary of reported information and to identify particular themes or areas of interest.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator.
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Index

Organisational Overview			
Indicator	Short description	Status	Disclosure
OO 01	Basic information	✓	Public
OO 02	Reporting year	✓	Public
OO 03	Signatory category and services	✓	Public
OO 04	Other offerings/business activities	🔒	n/a
OO 05	Breakdown of ESG coverage	✓	Asset mix disclosed in OO 06
OO End		✓	-

Strategy and Governance			
Indicator	Short description	Status	Disclosure
SG 01	Responsible investment policy	✓	Public
SG 02	Norms used to develop policies	✓	Public
SG 03	Policy offerings to clients	✓	Public
SG 04	ESG/RI in business offerings	✓	Public
SG 05	Outsourcing of services	✓	Private
SG 06	Providing training/education	✓	Public
SG 07	Applying, advancing and promoting the PRI principles	✓	Public
SG 08	Actions taken to promote responsible investment	✓	Public
SG 09	Long term trends	✓	Public
SG 10	Interaction with asset owners	🔒	n/a
SG 11	Aligning approach with investor goals	✓	Public
SG 12	ESG recommendations not aligned with investor goals	✓	Public
SG 13	Seeking feedback from clients	✓	Public
SG 14	Managing conflicts of interest	✓	Public
SG End		✓	-

Research and Data Provision			
Indicator	Short description	Status	Disclosure
RDP 01	Product type	✓	Public
RDP 02	Sources for research and/or rating	✓	Public
RDP 03	Stakeholder input	✓	Public
RDP 04	Up-to-date assessment and ratings	✓	Public
RDP 05	Balanced research and assessment	✓	Public
RDP 06	Consistency and comparability	✓	Public
RDP 07	Emerging ESG issues and trends	✓	Private
RDP 08	Client use of outputs	✓	Private
RDP 09		-	n/a
RDP End		✓	-

PIRC Limited

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01

Mandatory

Public

Descriptive

OO 01.1 Select the location of your organisation's headquarters.

United Kingdom

OO 01.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2 - 5
- 6 - 10
- 11 - 50
- >50

OO 01.3 Indicate the regions where you have offices.

- Africa/Middle East
- Asia (excluding Japan & Korea)
- Australasia
- Canada
- Continental Europe
- Japan & Korea
- Nordic
- South America
- UK & Ireland
- US

OO 01.4 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

17

Reporting Year

OO 02

Mandatory

Public

Descriptive

OO 02.1 Indicate the year end date for your reporting year.

30/09/2018

Signatory category and services

OO 03

Mandatory

Public

Gateway

OO 03.1

Indicate which of the following categories reflect your core offering or main business activity:

- Reporting
- Active Ownership Services
- Investment consultancy
- Research and Data Provision
- Other, specify (1)
- Other, specify(2)

OO 03.2

Indicate any other business activities that your organisation offers. Indicate whether you wish to report on these business areas.

- Reporting
- Active Ownership Services
- Investment consultancy
- Other, specify (3)
- Other, specify (4)
- None of the above

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Strategy and Governance

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Policy on ESG beliefs

SG 01

Mandatory

Public

Gateway

SG 01.1

Describe how your organisation's philosophy incorporates environmental, social and governance factors, and the link to your business offerings.

PIRC is a research provider specializing in a holistic approach to corporate governance and governance of Environmental & Social issues. Although our main focus is analysis on governance, we are currently expanding our coverage on other environmental and social factors, to cover a greater range of sustainability disclosures, in particular diversity at all levels and the governance of sustainability at board level.

SG 01.2

Indicate whether you have policies that formalise the incorporation of your ESG beliefs in your business offerings.

Yes

SG 01.3

Indicate the components/types of your internal policy and provide the URL and/or an attachment of the document/s if they are publicly available.

Policy components/types

Policy setting out your overall ESG/RI approach

Public availability

URL

Attachment

Not publicly available

Formalised guidelines on environmental factors

Formalised guidelines on social factors

Formalised guidelines on corporate governance factors

Public availability

URL

Attachment

Not publicly available

Formalised guidelines on engagement approach

Formalised guidelines on (proxy) voting approach

Public availability

- URL
- Attachment
- Not publicly available
- Other, specify (1)
- Other, specify (2)
- None of the above

SG 01.4

Indicate how these are put into practice internally across the organisation.

- Regular employee training on RI/ESG
 - Regular RI/ESG policy awareness building for employees
 - Establishment of policy review committee/team
 - Remuneration linked to achieving ESG objectives
 - Annual performance incentives
 - Other, specify (1)
 - Other, specify (2)
 - Other, specify (3)
- No

SG 02

Mandatory

Public

Descriptive

SG 02.1

Indicate what frameworks and guidelines you have used to develop your organisation's policies. Tick all that apply.

- UN Principles for Responsible Investment
- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- UN Sustainable Development Goals
- International Bill of Human Rights
- International Labour Organisation Conventions
- IFC Performance Standards
- United Nations Convention Against Corruption
- OECD Principles of Corporate Governance
- OECD Guidelines for Multinational Enterprises
- GRI standards
- Other, specify (1)
EU directives and regulations: EU Audit Directive, Non-Financial Disclosure Directive, Global Data Protection Regulation
- Other, specify (2)
Local corporate governance recommendations

Other, specify (3)

Local board diversity legal quotas, or recommendations; EC initiative on 40% female on board by 2020.

None of the above

SG 03	Mandatory	Public	Descriptive
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SG 03.1	Indicate whether you offer standard, off the shelf, policies to clients as part of your product offerings, and/or whether you create tailored versions for individual clients.
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	Off the shelf	Tailored
Asset class-specific RI guidelines	<input type="checkbox"/>	<input type="checkbox"/>
Sector-specific RI guidelines	<input type="checkbox"/>	<input type="checkbox"/>
Screening/exclusions policy	<input type="checkbox"/>	<input type="checkbox"/>
Engagement policy	<input type="checkbox"/>	<input type="checkbox"/>
(Proxy) voting policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
RI guidelines set out within the Investment Policy Statement (IPS)	<input type="checkbox"/>	<input type="checkbox"/>
RI guidelines set out in a freestanding RI policy	<input type="checkbox"/>	<input type="checkbox"/>
Multi-year RI implementation project plan	<input type="checkbox"/>	<input type="checkbox"/>
Conflict of interest management policy	<input type="checkbox"/>	<input type="checkbox"/>
Stockbroker allocation policy	<input type="checkbox"/>	<input type="checkbox"/>
Securities lending policy	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (1)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

SG 03.2	Provide a brief description of the key elements, any variations, or exceptions applying to these policies.
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All of our voting recommendations are based on ESG factors, mostly governance concerns.

SG 04	Mandatory	Public	Descriptive
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SG 04.1	Briefly describe how you include ESG/RI factors as part of your business offerings.
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Business area

	Research and Data Provision
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	How you include ESG/RI factors
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Our voting recommendations to clients are based on a range of environmental, social and governance factors, with most analysis on governance. We take an all-round approach which includes the oversight of governance of sustainability within the board of directors, as well as the disclosure of non-financial indicators.

SG 04.2	Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for ESG/RI within the organisation.
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Roles present in your organisation	Oversight/accountability for ESG/RI	Implementation of ESG/RI
Board	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chief Executive Officer (CEO), Chief Financial Officer (CFO)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chief Operating Officer (COO), Chief Information Officer (CIO)	<input type="checkbox"/>	<input type="checkbox"/>
Other chief-level staff	<input type="checkbox"/>	<input type="checkbox"/>
Other heads of department	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; text-align: center;">Please specify</div> Heads of Research	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; text-align: center;">Please specify</div> Heads of Research
Dedicated ESG/RI staff	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (1)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

SG 04.3

Indicate how you ensure ESG/RI expertise for the roles where there are RI oversight/accountability or implementation responsibilities.

- Staff training on ESG/RI incorporation
- Including ESG/RI knowledge factors in personal development goals
- Having development plans that aim to enhance ESG/RI knowledge of certain departments/teams/individuals
- Including ESG in selection requirements when hiring new employees
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- Other, specify (4)

SG 04.4

Indicate whether your organisation has any ESG/RI linked incentives for its employees.

- Yes
- No
- Not applicable, we ensure that employees incorporate ESG/RI into services through other mechanisms.

SG 06**Mandatory****Public****Descriptive****SG 06.1**

Indicate whether you provide training/educational services on ESG/RI. Tick all that apply.

- Board/trustee training
- Investment manager training
- Regulatory bodies/authorities or public policy makers
- Corporate executive training
- ESG analyst training
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- Other, specify (4)
- None of the above

SG 06.2

Describe the main components of your training/educational services on ESG/RI and any variations depending on the group you provide training/education to.

PIRC hosts free seminars and conferences for clients discussing all aspects of the ESG work that PIRC provides. PIRC also attends trustee meetings presenting on ESG issues. PIRC provides a one day training course for clients on all aspects of the contents of a PIRC Corporate Governance report.

SG 06.3

Describe whether these training/educational services include any commercial elements.

PIRC provides publications to clients in support of its' ESG work in the form of global voting guidelines, responses to consultations in relation to the ESG agenda, a weekly client newsletter PIRC Alerts highlighting upcoming ESG issues. PIRC also provides clients with in depth ESG policy papers.

SG 07	Mandatory	Public	Descriptive
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SG 07.1	Describe how your organisation applies, advances and promotes the PRI Principles.
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We incorporate ESG issues into the investment analysis and decision-making processes of our clients, by providing ESG-based voting advice on resolutions at General Meetings. In order to do this, we review appropriate disclosure on ESG issues by the entities in which our clients invest. In addition, we are active in responding to public consultations as well as participating in other activities such as organising client seminars and speaking at conferences, where we promote the implementation of ESG principles among issuers and across peers.

SG 08	Mandatory	Public	
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SG 8.1	Indicate which of the following actions your organisation has taken to promote responsible investments during the reporting year, independently of collaborative initiatives.
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- Provided or supported education or training programmes for clients, investment managers, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoken publicly at events and conferences to promote responsible investment
- Written and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Written and published articles on responsible investment in the media
- Policy engagements and other interactions
- Other, specify
- None of the above

SG 09	Mandatory	Public	Descriptive
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SG 09.1	Indicate which of the following long-term trends are addressed in your product outputs.
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- Changing demographics

SG 09.2	Explain how this long-term trend affects your product outputs.
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Diversity and the changes related to diversity have been and remain some of the core challenges for the corporate governance agenda. There is growing pressure for companies to disclose a full breakdown (including pay) of the number of men and women employed at all levels, and to have gender-related policies integral to corporate strategy. We closely monitor local guidance and regulations, and constantly adapt our guidelines, in order to ensure the most relevant trends in diversity are captured in our analysis.

- Climate change
- Resource scarcity
- Technology developments

SG 09.2

Explain how this long-term trend affects your product outputs.

We are constantly monitoring the governance of data security: the more technological advances there are in capturing, retaining and using data, the more we expect corporate boards to be aware and to implement and report on related policies and practice.

- Other, specify (1)
- Other, specify (2)
- None of the above

SG 11**Mandatory****Public****Descriptive****SG 11.1**

Describe how you typically align your organisation's philosophy and approach to ESG/RI with your investor clients' goals.

- Describe
- This is not relevant for my organisation

SG 12**Mandatory****Public****Descriptive****SG 12.1**

Describe what steps you take, if any, when your ESG recommendations are not in line with your investor clients' goals.

- Describe
- This is not relevant for my organisation

SG 13**Mandatory****Public****Descriptive****SG 13.1**

Indicate whether you seek feedback from clients on your RI/ESG services and product offerings

- Yes

SG 13.2

Describe how you use this feedback in your RI/ESG services and product offerings.

We share policy changes with our clients annually, prior to any changes being applied in analysis of general meeting resolutions for client reports. In addition, we provide analysis and associated voting advice based on particular environmental and social -related factors with clients who have bespoke voting policies.

- No

SG 14**Mandatory****Public****Descriptive****SG 14.1**

Indicate whether your organisation has a policy for managing potential conflicts of interest.

- Yes

SG 14.2

Describe how you manage potential conflicts of interest.

PIRC is regulated by the Financial Conduct Authority and all employees are required to complete a declaration of interests. Public disclosure of the conflicts of PIRC's conflict of interest policy is by means of the Stewardship Code Statement and PIRC's compliance statement with the Best Practice Principles for Providers of Shareholder Voting Research & Analysis, both of which are on the PIRC website.

Voting Services

We recognise that PIRC is in a position of trust and should act at all times in the best long terms interests of its clients. One of our principles of best practice is the disclosure of conflicts of interest. PIRC has taken the business decision that to avoid conflicts of interest, we should not seek to provide services to both issuers and shareowners. Therefore PIRC only provides services to shareowners and does not work for, or consult to, public companies. This means the potential for conflicts of interest rarely arises with regard to the research carried out on client portfolios.

However, we do recognise the potential for conflicts of interest to arise, and PIRC will disclose in reports to voting services clients if it perceives a conflict to exist, for example if PIRC has advised the proponents of a shareholder resolution. Other conflicts of interest may arise through business, financial, personal or other interests. PIRC will generally identify any conflicts that may arise if it is selected to provide services for shareowners. It will then identify if they are manageable and will implement measures taken to avoid the conflict.

PIRC is regulated by the Financial Conduct Authority and all employees are required to complete a declaration of interests. PIRC internally reviews its conflicts of interest policy and has incorporated this into its internal HR manual. Public disclosure of the conflicts of interest policy is by means of the Stewardship Code Statement and PIRC's compliance statement with the Best Practice Principles for Providers of Shareholder Voting Research & Analysis, both of which are prominently displayed on the PIRC public website.

Engagement Services

Engagement services clients are frequently present in engagement meetings, with PIRC staff. In relation to its own staff, PIRC follows the same conflict of interest approach outlined above in respect of each engagement. For clients, in engagement meetings, in practice this is often simply addressed by stating the nature of the connection that may be perceived as a conflict of interest, and if this is acceptable to the company representatives, the meeting can progress. As a matter of course, in engagement meetings, it is clarified that PIRC staff are only there to represent the client's agenda. PIRC has also worked with one engagement client to establish a code of conduct for them that covers conflicts of interest. Part of the conflict of interest clause contained within this code includes disclosure when they must declare conflicts of interest and in which fora.

SG 14.3

Describe how you ensure that company employees do not derive any personal gain from the use of information collected during your work process.

Staff holdings must be periodically reported to the compliance officer; in addition, each report for clients goes through a checking process managed by at least two people at different levels.

No

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Public version

Research and Data Provision

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Product level

RDP 01

Mandatory

Public

RDP 01.1 Indicate your product type. Tick all that apply.

- Analysis
- Benchmarking reports
- ESG ratings
- Credit ratings
- ESG indices
- Raw data
- Second party opinion on green or social bonds
- Surveys
- Other, specify

RDP 01.2 Indicate whether you make any of your products publicly available.

- Yes, all products
- Yes, some products
- No, we do not

Research/process level

RDP 02

Mandatory

Public

RDP 02.1 Indicate the types of sources you use for research and/or ratings of companies/sectors/geographies or similar. Tick all that apply.

- Your organisation's independently collected data from public sources
- Regulatory sources
- Information from NGOs and other stakeholders
- In-person meetings or calls with company or industry representatives
- Primary data (self-reported from companies or other organisations)
- Secondary data (from other research provider databases)
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

RDP 02.2 Indicate how ESG factors are incorporated into your research and/or rating methodology

- Identifying exposure and risk to ESG factors
- Considering responses to self-assessment questions on ESG
- Assessing current and future capacity to manage or mitigate ESG risks
- Assessing past and potential future performance on ESG factors
- Assessing alignment and compliance to different policies and regulations
- Assessing alignment and compliance explicitly to the Sustainable Development Goals (SDGs)
- Assessing current and future positive ESG impacts
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

RDP 02.3 Describe how you define materiality and how this is captured in your research and/or rating methodology as well as final product.

For PIRC, whatever raises ‘red flags’ on governance structures or procedures at a company is ‘material’ for analysis, particularly if we consider it may cause serious consequences for the company and its shareholders.

Each proposal on company ballots is screened against our guidelines. These guidelines are reviewed annually, before being circulated for discussion with clients.

RDP 03

Mandatory

Public

Descriptive

RDP 03.1

Describe how you actively include input and information, wherever possible, from relevant stakeholders or interested parties, in the research process or in reaching assessment conclusions.

We base our research on publicly available information, which includes regulatory information and information available on companies’ websites. When we receive information not directly sourced from the company, such as that provided by stakeholder analysis and reports, we consider whether to include this in our reports. Whether or not this information is included is based: first, on the fact checking of the accuracy of such statements, and we only use the verified factual content of these reports; and second, whether such information is material for the analysis i.e. if it raises concerns about governance at the company and has the potential to lead to serious consequences for the company and its shareholders.

RDP 04

Mandatory

Public

Descriptive

RDP 04.1

Indicate how you ensure that your ESG assessment of companies/ sectors/ geographies or similar is up-to-date and that new information is incorporated or new assessments are conducted at reasonable intervals.

- Regular update cycles (annual or more frequent)
- Allowing assessments/ ratings to be adjusted at any time by your organisation
- On-going alerts systems in place for new events and information that might have implications on the original assessment/ ratings
- On-going monitoring of possible controversies and compliance to conventions, regulations and similar
- Providing tools for companies/ sectors or others to update the researcher, rating agency or data provider with new information
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

RDP 05**Mandatory****Public****Descriptive****RDP 05.1**

Indicate how you typically ensure a balanced approach to your research methodology and assessing/rating of companies/sectors/geographies or similar. Tick all that apply and explain your approach to each option.

Type of indicators

- Balancing quantitative and qualitative indicators
- Balancing management/process oriented indicators and performance indicators

Explain your approach

In assessing companies' corporate governance and corporate responsibility standards against our best practice guidelines, we always consider the company's adherence to their own principles when dealing with controversies, in their reporting, and actual implementation in practice. Lack of evidence of monitoring or implementation of company policies, would be considered material in our analysis of the effectiveness of sustainability and ESG policies within the company.

- Balancing reference to past and current performances, such as whether the rating object's performance is improving or deteriorating
- Balancing environmental, social and governance indicators
- Balancing self-reported and public data

Explain your approach

In assessing companies' corporate governance and corporate responsibility standards against our best practice guidelines, we always consider the company's adherence to their own principles when dealing with controversies, in their reporting, and actual implementation in practice. Lack of evidence of monitoring or implementation of company policies, would be considered material in our analysis of the effectiveness of sustainability and ESG policies within the company.

- Other, specify (1)
- Other, specify (2)
- None of the above

RDP 06.1

Describe the control processes in place to ensure quality of research.

The allocated researcher has the main responsibility for collecting material and data, relevant for the production of the initial report. All reports are checked by another staff member prior to publication. After publication, reports are sent to issuers via automated mail.

In some cases (e.g. companies in all FTSE listed companies) we send the report to the issuer prior to publication, and include in the report comment on the response from this engagement. Issuers can respond at any time. Where factual errors are pointed out, changes are made to correct the report. A dedicated web page is provided on the PIRC web site for company comments.

A third level of quality control is performed prior to issuing bespoke reports.