INVESTORS’ RECOMMENDATIONS ON CORPORATE INCOME TAX DISCLOSURE

Investors would benefit from an enhanced level of corporate income tax related disclosure by companies. The following list includes the disclosure recommendations of a group of global investors who were brought together by the Principles for Responsible Investment (PRI).

The items listed in this document do not refer to other types of corporate taxes and contributions such as VAT, sales taxes or royalties.

Companies are encouraged to disclose information, addressing tax policy, governance and performance to the highest degree possible and with increasing quality over time. This information may be provided through multiple channels. These include a stand-alone tax policy, the proxy circular, the annual report or sustainability report and/or the company website. Companies should make an effort to cross reference these presentations in order to allow investors to evaluate a company’s tax strategy and exposure in context. To that end, investors would benefit from clear links between tax risks, tax strategy and performance, wherever possible.

GLOBAL INVESTOR TASKFORCE ON CORPORATE TAX RESPONSIBILITY

This document has been developed in collaboration with the following organisations:

- Alliance Trust plc (ATI)
- Arisaig Partners (Asia) Pte Ltd
- Bâtirente (advised by Æquo SES)
- Domini Impact Investments LLC
- ERAFP (French public service additional pension scheme)
- Legal & General Investment Management
- MFS Investment Management
- NEI Investments
- Rathbone Brothers plc
- Triodos Investment Management.
For a broader exploration of why aggressive tax strategies are material to investors, more information about red flags to look out for and the complete list of questions to consider asking companies, please read the full guide available here or contact:

Valeria Piani
Associate Director, ESG
Engagements
valeria.piani@unpri.org