

CODE OF CONDUCT

CARE ESG Ratings Limited
(previously known as CARE Advisory Research and Training Limited)



INTRODUCTION

CARE ESG Ratings Limited (formerly known as CARE Advisory Research and Training Limited) ("**CARE ESG**") is registered as an ESG Rating Provider ("ERP") under Category I as per Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999.

CARE ESG Ratings Limited is required to comply with the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999 and Master Circular for ESG Rating Providers dated July 12, 2023 issued by SEBI as amended from time to time.

This Code of Conduct is prepared in line with the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999 and as amended from time to time.

This Code would be applicable to all employees of CARE ESG. All the employees of the Company are expected to read and understand the Code of Conduct and follow these standards in performance of their duties and comply with all applicable laws, rules and regulations.

This Code is available on the website of CARE ESG.

All the employees of CARE ESG are required to comply with following provisions-

1. The employees will make all efforts to protect the interest of investors.
2. The employees are expected to observe high standards of honesty, integrity, dignity and fairness in the conduct of their business in the organisation.
3. The employees will fulfil their obligations in a prompt, ethical and professional manner.
4. The employees will, at all times, exercise due diligence, ensure proper care and exercise independent professional judgment in order to achieve and maintain objectivity and independence in the ESG rating process.
5. The employees will maintain records to support their decisions.
6. The employees will adopt and implement ESG rating processes that reflect consistent rating standards.
7. The employees will not indulge in any unfair competition, nor shall they induce or induct the clients of any other ESG rating provider on assurance of higher or lower ESG rating.
8. The employees will keep track of all important changes relating to the issuers or securities it rates and shall develop efficient and responsive systems to yield timely and accurate ratings.
9. The employees will monitor closely all relevant factors that might affect the environmental, social or governance characteristics of the rated issuers or their securities.
10. The employees will wherever necessary, disclose to the client, all possible sources of conflict of duties and interests, which could impair their ability to make fair, objective and unbiased ratings.
11. The employees will ensure that no conflict of interest exists between any member participating in the rating analysis, and that of the person who is being rated or whose securities are being rated.
12. The employees will not make any exaggerated statement, whether oral or written to the client either about its qualification or its capability to render any services or its achievements with regard to the services rendered to other clients.
13. The employees will not make any untrue statement, suppress any material fact or make any misrepresentation in any documents, reports, papers or information furnished to the Board, stock exchange or public at large.
14. CARE ESG will promptly inform the Board about any action, legal proceedings etc., initiated against it alleging any material breach or non-compliance by it, of any of the laws, rules, regulations to which it is subject, and of directions of the Board or of any other regulatory body.
15. The employees will maintain an appropriate level of knowledge and competence and abide by the provisions of the Act, regulations and circulars, which may be applicable and relevant to the activities carried on by CARE ESG.

16. The employees will ensure that there is no misuse of any privileged information including prior knowledge of ESG rating decisions or changes.
17. The employees will not render, directly or indirectly any investment advice about any security being rated or about any rated person or the person whose securities are rated in publicly accessible media.
18. The employees will ensure that any change in registration status or any material change in financials or in case of any penal action taken by the Board which may adversely affect the interests of clients or investors is promptly informed to the clients and any business remaining outstanding is transferred to another registered person in accordance with any instructions of the affected clients or investors.
19. Employees shall not, generally and particularly in respect of issue of securities rated by CARE ESG, be party to or instrumental for—
 - i. Creation of false market
 - ii. Price rigging or manipulation; or
 - iii. Dissemination of any unpublished price sensitive information in respect of securities which are listed and proposed to be listed on any stock exchange, unless required, as part of rationale for the rating accorded.
20. The analysts will ensure not to participate in any kind of business development activities including negotiations of fees with the issuer who is being rated or whose securities are being rated.
21. Employees involved in the ESG rating process will ensure that they or their dependents will not have ownership of the shares of the issuer.
22. CARE ESG will ensure to have prompt review of the ESG Ratings of the entities/ securities as and when any employee of the Company joins the respective issuer.

Review and Amendment

The Board reserves the power to review and amend this Code as and when required basis amendments in SEBI (Credit Rating Agencies) Regulations, 1999.

Penalty and Contravention of the Code of Conduct

Every employee of CARE ESG shall be individually responsible for complying with the provisions of this code. Any employee found violating the provisions of the code shall be subject to disciplinary action by the Company.