

## **CARE ESG RATINGS LIMITED**

### **(FORMERLY KNOWN AS CARE ADVISORY RESEARCH AND TRAINING LIMITED)**

## **CONFIDENTIALITY POLICY**

### **a) Introduction**

**CARE ESG Ratings Limited ("CARE-ESG or the Company") (formerly known as CARE Advisory Research and Training Limited) is committed to maintain confidentiality of all non-public information including that received from a rated entity and non-public information about an ESG rating action.** The purpose of this policy is to protect any information that is not in public domain and proprietary and/or confidential to CARE-ESG.

### **b) Applicability of CARE's Confidentiality Policy**

CARE-ESG's Confidentiality Policy shall be applicable to all employees of CARE-ESG and its ESG Rating Committee members, unless specifically excluded.

All employees working at CARE-ESG are legally and morally bound to protect confidentiality of any non-public information that they may come into contact with during the course of their work. An employee will not, at any time during his/her employment with the Company or thereafter, divulge any of the affairs of the Company to any other company, person(s), without previous written consent of the Company. He or she shall also not use or attempt to use any information acquired by him / her in the course of his/her employment for personal benefit in any manner.

### **c) Definitions**

The terms/abbreviations which are used in this Policy shall have the following meanings/ descriptions:

**CARE-ESG or "the Company"**: Means CARE ESG Ratings Limited ("formerly known as CARE Advisory Research and Training Limited"), a wholly owned subsidiary of CARE Ratings Limited (CARE), a public limited company incorporated under the Companies Act, 2013 and an ESG Rating Provider ("ERP Provider") registered with the Securities and Exchange Board of India.

**Client**: Means any Issuer who is rated by CARE-ESG and includes any such assignment related to ESG Rating, green bond certification, any other ESG grading product, or research activities done by CARE-ESG.

**Confidential Information** : For the purpose of this policy shall be any information which is not available in the public domain and shall include but not limited to: any document, email ,information, discovery, invention, improvement, patent specification, formulations, plans, ideas, books, accounts, data, reports, drafts of documents of all kinds, correspondence, client information, lists and files, decisions, information about Employees or suppliers, strategies, drawings, recommendations, designs, office precedents, policies and procedures, budget and financial information in any form, i.e. physical, electronic, electromagnetic or otherwise is commercially valuable such as trade secrets, confidential information and proprietary information concerning products and services (both those already in the market and those being developed) are special, valuable and unique assets of CARE-ESG and shall

include information procured or received from the clients of CARE-ESG during various business engagements shall also be considered as confidential in nature.

**Issuer:** Means a company that is proposed to be rated by CARE-ESG and includes any such assignment related to ESG Rating, green bond certification, any other ESG grading product or research activities done by CARE-ESG.

**Securities:** Has the meaning assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 and also includes instruments and loans/ facilities provided by banks as clarified by SEBI vide circular no. CIR/MIRSD/3/2012 dated March 01, 2012.

**ESG Rating:** Means an opinion about an issuer or a security, regarding its Environment, Social & Governance (ESG) profile or characteristics or exposure to ESG risk, governance risk, social risk, climatic or environmental risks, or impact on society, climate and the environment, that are issued using a defined ranking system of rating categories, by a ESG Rating Providers and used by the issuer.

**Grading products:** These include products which are different from ESG Rating products and have different grading/rating scales. These are essentially driven by the market's need and involve relative assessment within a particular industry and/or on specific parameters pertaining to environment, climate, social and governance.

**RBI:** Reserve Bank of India

**SEBI:** Securities and Exchange Board of India

**Employee:** Shall include:

- All the Directors of the Company
- All the employees
- Trainees
- Employees on deputation and
- Any other person as specified from time to time.

**Director:** Means a member of the Board of Directors of the Company

**Disclosure:** Includes any implicit or explicit written or oral communication of information in the possession of the Company and/or employee.

**d) Maintaining confidentiality of issuer/client data and of the ESG rating process**

During the ESG rating process, CARE-ESG's employees and ESG Rating Committee members receive confidential and non- public information from issuers or clients. It is imperative that all employees and ESG Rating Committee members who come in contact with such information maintain its confidentiality.

**Employees/ESG Rating Committee members shall use the information only for the purpose of rating/grading activities and for such other services as provided by CARE-ESG.** They shall take all reasonable steps to protect confidential and/or material non-public information from fraud, theft,

misuse, or inadvertent disclosure. Further, the employees shall disclose the information to other employees only on a **"need-to-know"** basis. Recipients of such information must also respect that the information has been given to them in confidence.

Confidential information about issuer/client shall also not be disclosed to any employee of CARE-ESG's group companies (including holding company i.e. CARE Ratings Limited, subsidiaries, associates and joint ventures of CARE-ESG, if any).

The following specific practices shall be adopted by all employees/ESG Rating Committee Members:

- 1) Employees/ESG Rating Committee Members shall not discuss confidential information in a manner that they can be heard by others. Employees/ESG Rating Committee Members shall especially take precautions while conducting discussions in public places, which inter alia include buses, taxis, autos, trains, airplanes, elevators, subways, malls, restaurants etc. Further, employees/ESG Rating Committee Members will also exercise caution while talking on mobile phones while in public places.
- 2) Employees shall ensure that all issuer/client data, their analytical notes and workings are appropriately maintained so that the same are not subject to fraud, theft, misuse or inadvertent disclosure. Employees should file all data available in hard copy in the respective issuer's/client's files and store the hard files at the designated locations; data available in soft form shall be maintained on the server in the appropriate locations.

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password. Employees shall follow the guidelines for maintenance of electronic records and systems as may be prescribed by the Compliance Officer from time to time in consultation with the person in charge of the IT department.

Further, employees shall not leave loose sheets of data on their desks and also lock their laptops/ desktops/ tablets with passwords when not in use.

- 3) ESG Rating data shall not be shared with the non-ESG rating employees of CARE-ESG.
- 4) No employee/ESG Rating Committee Members shall disclose issuer/client data to any third party without the written permission of the Company and issuer/client as the case may be. However, any information can be disclosed to a judicial, legislative or regulatory authority like SEBI, RBI, Government authorities, court of law etc. if they so desire. In such cases, the information shall be disclosed to the judicial, legislative or regulatory authority only under the supervision of the Compliance Officer.
- 5) Employees/ESG Rating Committee Members are prohibited from disclosing their views on rating/ rating recommendations to the issuer/client and any third party.

Employees/ESG Rating Committee Members are also prohibited from disclosing any information about the ESG rating committee deliberations, including, but not restricted to, the opinion of the individual rating committee members or the fact that they agreed/disagreed with the analyst recommendations or the fact that a case has been referred by the Internal Rating Committee to

the External Rating Committee, etc. Only the final rating decision of the rating committee shall be communicated to the issuer/client (in all cases) and disseminated to the public at large as per the Company's standard policy.

- 6) No employee of CARE-ESG shall disclose any unaccepted ESG Ratings (except the details which are published by CARE-ESG on its website) and unpublished accepted ESG Ratings or unpublished ESG Rating actions to any third party. Such information can only be disclosed to a judicial, legislative or regulatory authority like SEBI, RBI, Government authorities, court of law etc. if they so desire. In such cases, the information shall be disclosed to the judicial, legislative or regulatory authority only under the supervision of the Compliance Officer.
- 7) Only authorized employees can discuss the rationale behind any ESG Rating action which is in public domain with the investors, media or other third parties. While doing so, care should be taken that discussion pertains to only the information which is in public domain. No employee is allowed to disclose non-public information about any issuer/client to the investors, media or other third parties.
- 8) At times investors, media or other third parties may approach CARE-ESG's employees to find out the impact of a latest development on the ESG Rating of an issuer/a client. Employees are prohibited from giving any indication or assurance as to what the ESG Rating action will be, including the timelines of the ESG Rating action. Further, if an ESG rating action has already been taken, but has not been disseminated to the public by CARE-ESG, employees are prohibited from disclosing such information to the investors, media or other third parties.
- 9) Employees/ESG Rating Committee Members are prohibited from using any unpublished issuer/client information or unpublished ESG rating actions for any personal benefits or for the benefit of others. Employees/ESG Rating Committee Members must strictly adhere to the "**Code of Conduct for Directors, ESG Rating Committee Members and Employees of CARE-ESG**".
- 10) No confidentiality agreements may be signed with the issuers/clients without first consulting the Compliance Officer.

**e) Maintaining confidentiality of non-public information pertaining to CARE-ESG**

Please refer to "Code of Conduct for Directors, ESG Rating Committee Members and Employees of CARE-ESG" for details on the same.

**f) Use of personal electronic devices and email accounts**

Employees are prohibited from using their personal electronic devices or email accounts for storing, transferring or disclosing any confidential issuer/client data or data pertaining to the ESG rating process or data pertaining to CARE-ESG, except as laid out in the IT Policy.

**g) Clarification/ interpretation of CARE-ESG's Confidentiality Policy**

In case of any clarifications/ interpretation of this policy, the employees should contact the Compliance Officer.

**h) Violation of CARE-ESG's Confidentiality Policy**

Any violation of the above policy will be viewed very seriously and stern action may be taken, which may, inter-alia, include summary suspension from the services of CARE-ESG.

**i) Review**

This Policy shall be subject to review by the Board of Directors on a periodic basis and in accordance with any regulatory amendments.

**j) Amendments to the Policy**

The Board of Directors of the Company may review the Policy as and when it deems necessary.