

CARE ESG RATINGS LIMITED
(Formerly known as CARE Advisory Research and Training Limited)

Policy for dealing with Conflict of Interest

A. Introduction

CARE ESG Ratings Limited ("CareEdge-ESG" or "the Company") is committed to ensure that the Company and its employees do not have any conflict of interest in the ESG assignments undertaken. To ensure this, CareEdge-ESG has in place a comprehensive policy for dealing with Conflict of Interest in Investment /Trading.

B. Applicability of CareEdge-ESG's Policy for dealing with Conflict of Interest in Investment/ Trading

The policy shall apply to investment / trading in securities by CareEdge-ESG, Employees of CareEdge-ESG, ESG Rating Committee Members and Members of the External Review Committee.

C. Definitions

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

Access and/or Persons	Persons Designated	shall include:- a) All the employees; b) All the Whole time Directors of the Company, if any; c) Immediate relatives of all the above persons and any other person as specified from time to time.
CARE ESG or the Company		means CARE ESG Ratings Limited (formerly known as CARE Advisory Research and Training Limited), an ESG Rating Provider ("ERP") registered with the Securities and Exchange Board of India ("SEBI").
Client		includes any entity who avails or proposes to avail the services of CARE ESG Ratings Limited.
Compliance Officer		means any senior officer designated so and reporting to the Board, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Insider Trading Regulations") and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules of preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the Policies specified under Insider Trading Regulations.
Dealing in Securities		means an act of buying, selling, subscribing, pledging, revocation of pledging or agreeing to buy, sell, subscribe, pledge, revocation of pledging or deal in any securities by any person either on his behalf or on behalf of others.
Dependent		shall include the Immediate Relatives of an Access Person as well as Persons with whom such Access Person shares a Material Financial Relationship.
Employee		means every employee of the Company.
ESG Rating Committee Members		includes all such employees who are members of the ESG Rating Committee which considers proposals for assigning ESG ratings & assigns ESG ratings.

Immediate Relative	<p>means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person or consults such person in taking decisions relating to trading in securities.</p> <p>Spouse is presumed to be an 'immediate relative' unless rebutted so.</p>
Securities	<p>for the purpose of this Policy shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956.</p> <p>This Policy does not apply to Investments in Government Securities, Mutual Funds, gold, real estate, Government Savings Schemes, ETF, Gold & Silver ETFs, Index Funds, Index based derivatives, Interest Rate Derivatives, Equity Index Derivatives, Interest Rate Futures, Currency, Commodities, RBI Bonds, RBI Relief Bonds, Capital Gain Bonds, Interest Rate Derivatives, Sovereign Bonds including Sovereign Gold Bonds, investments which are not in the nature of securities like life insurance policies, provident funds, Deposits in Public Provident Fund, National Savings Schemes, National Pension Scheme, ULIPs, Fixed Deposits kept with Banks, etc.</p>
Trading	<p>means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.</p>
Trading Day	<p>means a day on which the recognized stock exchanges are open for trading.</p>
Working Day	<p>shall mean any working day of the Company.</p>
Unpublished Price Sensitive Information	<p>means any information, relating to clients of the company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –</p> <ul style="list-style-type: none"> (i) financial results; (ii) dividends; (iii) change in capital structure; (iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; (v) changes in key managerial personnel.
Generally Available	<p>means accessible to the public on a non-discriminatory basis</p>
Restricted List	<p>all Clients of the Company and shall also include all the Clients:</p> <ul style="list-style-type: none"> i who are rated by the Company and such rating is either live or; ii whose ESG rating is in process or; iii whose ESG rating has been done but the same is not accepted by the Client and such unaccepted rating is not yet published or; iv whose ESG rating has been accepted but not yet published or; <p>whose ESG rating has been withdrawn and a period of six months has</p>

	not elapsed from the date of publication/communication of the withdrawal of such Rating.
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D. Dealing with Conflict of Interest in Investment/Trading and Disclosures thereof:

The Policy is enumerated below:

Sr. No.	Principles	Key Highlights
1	Segregation between Rating and Business Development Team	Rating Analytical and Business Development Team will be a separate team and shall operate independently. Both teams will have separate reporting line. Necessary firewall in terms of data access etc. shall be in place.
2	Governance- Board and CEO role	<ul style="list-style-type: none"> i. CEO shall not be a member of the ESG Rating Committee. ii. Board of Directors shall not participate in any Rating Committee Meeting and its processes.
3	Restrictions on holding securities by Rating Employees (which includes Analyst, Group Head, Rating Head and Chief Rating Officer)	<ul style="list-style-type: none"> i. Cannot invest in/hold the securities either on his/her behalf or on behalf of others, whose ESG rating assignments are handled by them or who were part of the team of Designated Employees, who are handling such assignment. ii. Can invest in Securities other than (i) above, after taking the prior approval of the Compliance Officer. No opposite transactions allowed for a period of six months.
4	Restrictions on holding securities by Other Employees	<ul style="list-style-type: none"> i. Cannot invest in/hold the securities whose ESG Rating has been done by CareEdge-ESG. ii. Can invest in securities other than (i) above after taking the prior approval of the Compliance Officer. No opposite transactions allowed for a period of six months. iii. The Compliance Officer can invest after taking the prior approval of the CEO.
5	Restrictions on holding securities by ESG Rating Committee (RC) Members	<ul style="list-style-type: none"> i. Cannot invest in/hold the securities whose ESG Rating has been done by CareEdge-ESG after ESG rating is assigned by the Committee. ii. Cannot invest in/hold the securities either on his behalf or on behalf of others whose ESG Rating assignments are handled by them or who were part of the team of designated employees who are handling such assignments.

		<ul style="list-style-type: none"> iii. The Independent External Members of the RC will not participate in the discussion for assigning ESG rating to the entities in which he/she or their dependents holds any investment.
6	Restrictions on holding securities by External Review (Appeal) Committee	<ul style="list-style-type: none"> i. The Independent Member of External Review Committee (ERC) will disclose their investment, if any, to CareEdge- ESG at the time of their appointment. ii. ERC members will not participate in the discussion for assigning ESG rating to the entities in which he/she or their dependents holds any investment or is a Director. iii. Cannot invest in those securities which are referred to them for review (appeal) for a period of 6 months after ESG rating is assigned by the Committee.
7	Others	<ul style="list-style-type: none"> i. ESG Rating Fees shall not be linked to the outcome of ESG Rating Assignment. ii. Analytical compensation shall not be linked to the ESG Rating Fees. iii. Assignments will be conducted by the team and final rating will be assigned by the committee thereby incorporating multiple opinions and eliminating any individual bias. iv. Neither the Company nor any Access Person shall take, either directly or indirectly, any undue advantage of any Unpublished Price Sensitive Information that they may have about any client of the Company. v. Access Persons shall not participate in the rating process of an entity/Securities of the entity in which he/she or his/her Immediate Relatives and/or HUF, owns Securities.
8	Provisions relating to disclosures	<ul style="list-style-type: none"> i. If the Security or the issuer of such Security is not included in the Restricted List, pre-clearance may be approved. ii. The approvals, if any, granted to the employees of the Company for the purpose of dealing in Securities of an entity shall be valid for seven trading days from and including the date of approval. iii. Any person, who becomes an employee of the Company shall submit a statement of holding of all securities, including NIL statement, to the Compliance officer or

		<p>Chief Executive, as the case may be, within 7 working days of joining the Company.</p> <p>iv. All employees of the Company shall submit the following details to the CEO/Compliance Officer, as the case may be:</p> <ul style="list-style-type: none"> a) Details of purchase or sale transactions effected, if any, within 7 trading days from the date of transaction. b) A consolidated statement of holding of all securities within 30 days from the end of the Financial Year. c) The members of the ESG Rating Committee shall upfront declare/disclose their interest, if any, to the Chief Executive Officer or Compliance Officer, as the case may be, as per the policy of the Company, in the securities /instruments/ facilities that are considered for ESG rating by the Company.
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Disclaimer

The ESG ratings or Score assigned by CARE ESG Ratings Ltd (CareEdge-ESG) are opinions about an issuer or a security, regarding its ESG profile and relative position in managing ESG Risk through disclosures policies and performance. and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CareEdge-ESG has based its ESG ratings score based on information obtained from reliable and credible sources. CareEdge-ESG does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities who are rated by CARE-ESG have paid a fee, based on the complexity of rating assignment. CareEdge-ESG or its subsidiaries/associates/promoter may also be involved with other commercial transactions with the entity. CareEdge-ESG is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CareEdge-ESG.