

GENERAL NATURE OF COMPENSATION ARRANGEMENTS WITH CLIENTS

SES ESG Research Private Limited (“SES ESG”) is registered with the Securities & Exchange Board of India (“SEBI”) as an ESG Ratings Provider (“ERP”).

BUSINESS MODEL:

SEBI Master Circular for ESG Ratings Provider allows an ERP to choose either of the two business models:

- **“Subscriber-pays”** business model, where the ERP derives its revenues from ESG ratings from subscribers that may include banks, insurance companies, pension funds, or the rated entity itself.

OR

- **“Issuer-pays”** business model, where the ERP derives its revenues from ESG ratings from the rated entity, in terms of a written contractual agreement between such entity and the ERP, which may contain such provisions as may be specified by SEBI.

Accordingly, **SES ESG has chosen to follow “Subscriber Pays” business model**, wherein SES ESG will derive its revenues from:

- From subscribers of SES ESG ratings that may include banks, insurance companies, pension funds, or the rated entity itself (through Package subscription).
- ESG Research Reports / Data from subscribers that may include banks, brokers, insurance companies, pension funds, or the rated entity itself or any other entity. But not the rated entity itself for its ESG Ratings.

However, SES ESG shall not receive any revenue from any entity whose security are listed or proposed to be listed on a stock exchange recognized by the SEBI which conflicts with subscriber pays model i.e. SES ESG will not charge the Company for the issuing of such Company’s ESG Rating.

CREATION OF ANALYTICAL FIREWALLS:

SES ESG is dedicated to preserving the objectivity, integrity and independence of its ratings. The analytical firewalls are created to ensure that rating analysts are not involved in the sourcing of assignments, negotiations of fees or collection of fees from the issuers. The fee SES ESG receives, is not a factor in its analysis or rating opinion.

DISSEMINATION OF RATINGS FREE OF COST:

SES ESG does not receive payments from issuers or investors for using ratings for non-commercial purpose from its website i.e. www.sesesg.com

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