

**COMPLIANCE REPORT WITH RECOMMENDATIONS OF
THE INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS (IOSCO)**

This Report is being prepared in accordance with Clause 20.6 of Master Circular for ESG Ratings provider issued by SEBI dated 16th May, 2024.

- **20.6.1.1. Recommendations for ESG ratings products providers specified in IOSCO report FR09/21 dated November 2021. ([Weblink](#)) [2021]**
- **20.6.1.2. Good practices for ESG rating providers specified in IOSCO call for action dated November 2022. ([Weblink](#)) [2022]**

IOSCO RECOMMENDATIONS / REQUIREMENT OF GOOD PRACTICES	SES ESG COMPLIANCE STATUS
<p>2021: “ESG ratings and data products providers could consider adopting and implementing written procedures designed to help ensure the issuance of high quality ESG ratings and data products based on publicly disclosed data sources where possible and other information sources where necessary, using transparent and defined methodologies.”</p> <p>2022: “GP1: Adopting and implementing written policies and procedures designed to help ensure the issuance of high quality ESG ratings and data products based on publicly disclosed data sources, where possible and other information sources where necessary, using transparent and defined methodologies”</p>	<p>Compliant with the recommendation. SES ESG has timely disclosed Methodology / Evaluation Model document(s) on its website. Further, SES ESG has adequate system and policies in place to ensure issue of quality ESG ratings; and it relies only on publicly available information.</p> <p>[Policy on Source of Information for ESG Ratings; Guidelines on Roles and responsibilities of the ESG Rating Team etc.]</p>
<p>2021: “ESG ratings and data products providers could consider adopting and implementing written policies and procedures designed to help ensure their decisions are independent, free from political or economic interference, and appropriately address potential conflicts of interest that may arise from, among other things, the ESG ratings and data products providers’ organizational structure, business or financial activities, or the financial interests of the ESG ratings and ESG data products providers and their officers and employees.”</p> <p>2022: “GP2: Adopting and implementing written policies and procedures designed to help ensure that their decisions are independent, free from political or economic interference, and appropriately address potential conflicts of interest.”</p>	<p>Compliant with the recommendation. SES ESG has written Policy on Disclosure and Managing Conflict of Interest; and Policy for dealing with Conflict of Interest in investment trading by employees.</p>
<p>2021: “ESG ratings and data products providers could consider identifying, avoiding or appropriately managing, mitigating and disclosing potential conflicts of interest that may compromise the independence and</p>	<p>Compliant with the recommendation. SES ESG has written Policy on Disclosure and Managing Conflict of Interest; and Policy for dealing with Conflict of Interest in investment trading by employees.</p>



<p>objectivity of the ESG rating and ESG data products provider's operations." 2022: "GP3: Identifying, avoiding, or appropriately managing, mitigating, and disclosing potential conflicts of interest."</p>	<p>SES ESG derives its income through subscription packages or subscriber (not following issuer pay model as prescribed by SEBI).</p>
<p>2021: "ESG ratings and data products providers could consider making adequate levels of public disclosure and transparency a priority for their ESG ratings and data products, including their methodologies and processes to enable the users of the product to understand what the product is and how it is produced, including any potential conflicts of interest and while maintaining a balance with respect to proprietary or confidential information, data and methodologies" 2022: "GP4: Making adequate levels of public disclosure and transparency a priority for their ESG ratings and data products, including their methodologies and processes."</p>	<p>Compliant with the recommendation. SES ESG has published information on its methodology / evaluation model document on its website; and also published FAQs to further understand SES ESG ratings. Further, SES ESG also publish ESG ratings on its website for information of general public.</p>
<p>2021: "ESG ratings and data products providers could consider adopting and implementing written policies and procedures designed to address and protect all non-public information received from or communicated to them by any entity, or its agents, related to their ESG ratings and data products, in a manner appropriate in the circumstances." 2022: "GP5: Adopting and implementing written policies and procedures designed to address and protect all non-public information received related to their ESG ratings and data products."</p>	<p>Compliant with the recommendation. SES ESG uses only authentic public information as per its policy on Source of Information for ESG Ratings for determining ESG Ratings. Further, SES ESG has Confidentiality policy in place.</p>
<p>2022: "GP6: Improving information gathering processes with entities covered by their products. "</p>	<p>Not Applicable as SES ESG uses only authentic public information as per its policy on Source of Information for ESG Ratings for determining ESG Ratings. Further, SES ESG has adequate system in place to gather public data. The information is not collected from covered entities on a bilateral basis.</p>
<p>2022: "GP7: Responding to and addressing issues flagged by entities covered by their ESG ratings and data products while maintaining the objectivity of these products."</p>	<p>Compliant with the recommendation. SES ESG provides opportunity to the rated entity to provide its view point. For this purpose, SES ESG has Policy for appeal by rated entity which is disclosed on its website.</p>

The compliance status Report has been prepared to the best of knowledge.

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Mukesh Solanki

Compliance Officer

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