

POLICY FOR DEALING WITH CONFLICT OF INTEREST IN INVESTMENT / TRADING BY SES ESG RESEARCH PRIVATE LIMITED, ACCESS PERSONS AND OTHER EMPLOYEES

1. Introduction:

This document describes the policy, procedures and restrictions to manage Conflict of Interest in investment / trading by SES ESG Research Private Limited (“SES ESG”), Access Persons and other Employees.

2. Applicability:

The policy shall apply to investment / trading in securities by SES ESG, Access Persons connected to SES ESG and in case of disclosures to all employees of SES ESG, carried out either individually or jointly for self/dependents.

3. Definitions:

For the purposes of this document, the terms below shall have the following meanings:

a) Securities

“Securities” for the purpose of this Policy shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof except units of a mutual fund (including exchange traded fund). This Policy does not apply to investments in the nature of Insurance, Provident Fund, National Savings Schemes, Kisan Vikas Patra, gold, real estate, etc.

b) Dependents

‘Dependents’ means the employee's dependent spouse, dependent children and anyone who is financially dependent on the employee.

c) Access Persons

The term “Access Persons” referred to in this document includes officials of ERP appointed as Chief Executive or by any other designation (such as CEO/MD/President or by whatever name called who are performing functions similar to those of the Chief Executive), the employees of ERP doing the function of analyst, or compliance, or heads of the departments or divisions or any other employee as decided by ERP.

4. Trading/Investments by Employees/Access Persons of SES ESG:

• **Disclosures**

- Upon entering employment with SES ESG and thereafter on an annual basis, every Employee/Access Person of SES ESG must submit to the Compliance Officer a Holdings Statement with respect to the details of the applicable securities held by him/her (including the securities held by his/her dependents).
- An Employee/Access Person of SES ESG shall within seven days submit his/her Holdings Statement as on the date of joining SES ESG and thereafter submit his/her holding statement annually as on March 31st within the next thirty days.

- On completion of any and every material transaction of applicable securities, the Employees/Access Person shall furnish the transaction details within seven days from the date of transaction to the compliance officer for record.

For the purpose of this policy, any shareholding / transaction in excess of the following limits based on latest market price shall be deemed to cast a potential conflict of interest:

- In excess of ₹ 1 lacs per entity for each employee (excluding directors);
- In excess of ₹ 5 crores per company for each director.

- **Prior Approval for transactions**

- Each Access Person must obtain prior written approval to enter into a material securities transaction. This includes all material transactions of the Access Person and his/her dependents.
- An Access Person shall obtain such approval from the Compliance Officer.
- The Compliance Officer shall obtain such approval from the Managing Director or CEO or relevant position of SES ESG.
- On receipt of the approval, the trade must be executed within seven days from the date of approval. If the trade is not executed or partially executed within seven days, then the Access Person of SES ESG must report the decision for not executing the transaction and if the requirement for executing the transaction persists take prior approval for the transaction again.
- In case of Initial Public Offering / proposed to be listed, if the entity is not proposed to be rated by SES ESG, then no prior approval shall be required.

- **Restricted list**

- In order to prevent trading in client securities based on UPSI, SES ESG shall restrict trading in securities of certain companies and designate such list of companies as a restricted list.
- SES ESG shall put such companies on the restricted list where SES ESG has a material business relationship and/or is privy to UPSI.
- When a company is on the restricted list relevant to a business group, trading in securities of that company shall be blocked or dis-allowed at the time of pre-clearance.
- All Employees/Access Persons are also prohibited from holding or trading in any securities issued by other Indian Credit / ESG Rating companies.

5. General Guidelines:

- The members of the Rating Team / Committee shall upfront declare / disclose their interest, if any, to the Compliance Officer in the securities / instruments / facilities that are considered for rating by the SES ESG. In case of Compliance Officer, he / she shall inform to Managing Director or CEO.
- The employees' involved in the ESG rating process and their dependents do not have ownership of the shares of the issuer.
- Employees shall:
 - at all times maintain high standards of integrity in the conduct of their business;
 - ensure fair treatment of their clients and not discriminate amongst them;

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- make appropriate disclosure to the clients of possible sources or potential areas of conflict of interest which would impair the ability to render fair, objective and unbiased service
- not enter into any transactions in securities while handling a rating of an issuer company or client in respect of such security so as to avoid any conflict;
- not deal in securities while in possession of UPSI;
- not in any way contribute to manipulate the demand for or supply of securities in the market or to influence prices of securities;
- shall not communicate, counsel, or provide directly or indirectly any UPSI to others who can trade on such information.
- Each Employee should be free from any interest or influence that would make it difficult to give SES ESG the Employee's best efforts and undivided attention.
- Effective measures will be implemented to reduce opportunities for conflict such as information technology barriers to block or hinder the flow of information from one department to another when such flow of information is inappropriate.

6. Violation:

- Violation of the applicable provisions of the guidelines shall be ground for disciplinary action. Submission of the information as required of this document in no way authorizes an Employee/Access Persons of SES ESG to continue insider trading or ratifies the transactions executed earlier.

The information submitted by the Employee of SES ESG is for record and SES ESG is not responsible if the Employee contravenes the provisions of:

- a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- c) Any other circular/regulation/guideline issued by SEBI from time to time.
- Employees/ Access Persons who violate the applicable provisions of this document will be subject to disciplinary action by the company.
- Any penal action by SES ESG shall not preclude the Securities and Exchange Board of India (SEBI) from taking any action in case of violation of any of SEBI's regulations.
- It is the policy of SES ESG to proactively co-operate with all Regulators and Law Enforcement Agents in their investigations including those involving its Employees.

Any data provided to SES ESG to comply with this document will be kept confidential and will not be shared, except on a "need-to-know" basis or as required by law