

Policy on Separation or Firewall practices with the Non-Rating Entities

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1. ESG Risk Assessments & Insights Limited (ESGRisk.ai) is a wholly owned subsidiary of Acuité Ratings & Research Limited (Acuité), which is a Credit Rating Agency registered with SEBI. SMERA Ratings Private Limited (SMERA), is also wholly owned subsidiary of Acuité. Acuite & SMERA are both associates of ESGRisk.ai in terms of Regulation 2(1)(b)(iv) of the SEBI (Credit Rating Agencies) Regulations, 1999.
2. **Nature and extent of sharing of infrastructure, officials/employees or resources, if any, between the ESG Rating Provider (ERP) and the non-ERP entity, including specification on whether such arrangement is temporary:**

A. Human Resources:

ESGRisk.ai maintains adequate separation between its operations and that of the non-ERP entities in order to ensure that ESGRisk.ai does not violate any aspect of SEBI's Code of Conduct for ERPs.

No employee of the non-ERP entities shall work on any rating assignments, be privy to rating process, or have access to confidential analytical information.

The Chief Rating Officer (CRO) & Executive Director of ESGRisk.ai has been appointed as a Non-Executive Director on the Board of SMERA, an associate company.

B. Infrastructure

ESGRisk.ai has a designated office space for the exclusive use of its employees which is shared with its associate company. Non-ERP entities shall not have access to this office space. This arrangement is on-going in nature and not temporary.

ESGRisk.ai and the non-ERP entities will have separate firewalled virtual file servers, and analytical applications such that non-ERP employees do not have access to data and software and database applications meant for ESGRisk.ai's rating operations teams. This arrangement shall be permanent.

3. Measures taken by ERP to ensure the independence of its ESG rating process in view of the above arrangement with the non-ERP entity:

- a. ESGRisk.ai and the non-ERP entities will treat the rating / opinion of each other as they would treat that of any third-party organisation.
- b. Analytical team: The analysts of ESGRisk.ai shall not have access to fee related information of the mandates of the non-ERP entities.
- c. Employees of ESGRisk.ai shall not be affected or influenced by the existence of an actual or potential business relationship with the non-ERP entity(s).
- d. The non-ERP entities shall get access only to the live rating data (public information) like any external stakeholder / third-party organisation.
- e. This policy is complementary to the following guidelines / policies / rules that are currently in force and/or that may be amended/ adopted by ESGRisk.ai from time to time:
 - i. Gift Policy
 - ii. Confidentiality Policy
 - iii. Policy for Dealing with Conflict of Interest for Investment / Trading

4. Guidance to employees on sharing of information or resources, if any, between the ERP and the non-ERP entity in order to mitigate any potential or actual conflict of interest:

- a. While there are firewalls, ESGRisk.ai, in its training programmes shall also reiterate and reinforce the aspect that dealings with any of the associates i.e. the non-ERP entities, have to be conducted at arms-length basis as ESGRisk.ai would deal with any other third-party organisation.
- b. Employees of ESGRisk.ai have to annually reaffirm their understanding of important and critical policies to ensure confidentiality, objectivity, independence and avoidance of conflicts of interest.