

## Policy for Dealing with Conflict of Interest for Investment / Trading (Trading Policy)

Last Reviewed on: 21st May, 2025	Version 2.0
----------------------------------	-------------

### **A. Preamble:**

- a) This Policy contains the procedures and restrictions to manage and prevent Conflict of Interest in trading / investment by ESGRisk.ai, its Access Persons and their Immediate Relatives either individually or jointly or as a member of a HUF.
- b) ESGRisk.ai and its Access Persons and their Immediate Relatives should ensure compliance with this Policy and also ensure compliance of:
  - i. The Securities and Exchange Board of India (Insider Trading) Regulations, 2015;
  - ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and
  - iii. Other laws relevant to trading in securities.

### **B. Applicability:**

The policy shall apply to investment / trading in securities by ESGRisk.ai, its Access Persons and their Immediate Relatives, either individually or jointly or as a member of HUF.

### **C. Definitions:**

#### ***i. 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. This Policy does not apply to Investments in Government Securities, units of Mutual Funds, gold, real estate, Government Savings Schemes, investments made through discretionary wealth management service providers, investments which are not in the nature of securities like insurance policies, provident funds, national pension scheme, etc.

#### ***ii. Access Persons***

Access Person" means all employees of ESGRisk.ai including independent members of the Rating / Appeal Committee, including their Immediate Relatives.

**iii. Immediate Relative & Dependents**

Immediate relatives & dependents shall mean and include spouse of the person (even if financially independent), parents, siblings, 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.

**D. Trading / Investment by ESGRisk.ai:**

ESGRisk.ai shall ensure that there is no actual or potential conflict of interest while making investment in any Securities. ESGRisk.ai shall not make any investments in Securities issued by companies which have been assigned ESG ratings by it.

**E. Disclosures**

- i. Initial Disclosure:** All Access Persons of ESGRisk.ai shall, within 7 working days of their joining, submit to the Compliance Officer a statement of holding of all securities held by him/her (including the securities held by his/her immediate relative).
- ii. Continual Disclosure:** Annually all Access Persons should submit his/her consolidated Statement of Holding of all securities (including the holding statements of their immediate relative) as on 31<sup>st</sup> March every year, within 30 working days from the end of the financial year. As regards, the MD/CEO/Whole-Time Director, he/she shall submit the Holding Statement/s, as stated above, to the Compliance Officer who shall place the same before the Board of Directors for their noting at the ensuing Board Meeting.

**F. Restrictions**

- All Access Persons of ESGRisk.ai are strictly prohibited from buying or selling any capital market instruments (except schemes of mutual funds) in India. The trade restrictions shall also apply to purchases in the primary market (Initial Public Offerings or IPOs).
- All Access Persons should refrain from taking positions in derivative transactions related to the securities of companies that have been assigned ESG Ratings by the Company.
- Access Persons of the Company shall not participate in the rating process of an entity/Securities of the entity in which he/she or his/her Immediate Relatives, owns Securities.
- All Access Persons are also prohibited from holding or trading in any securities issued by any other Indian ESG Ratings Provider and Indian Credit Rating Agency.
- Any person to whom the Policy applies, shall not make a statement, or disseminate information, which is misleading or false and is likely to induce

the sale or purchase of securities by any other person or is likely to influence the market price of securities.

#### **G. General Guidelines**

- The members of the Rating Team / Rating Committee shall upfront declare / disclose their interest, if any, to the Compliance Officer in the entities / securities / instruments / facilities that are considered for rating by ESGRisk.ai. In case of a Compliance Officer, he / she shall inform to Managing Director / CEO/ Whole-Time Director.
- Access Persons shall 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;
  - deal in securities while in possession of UPSI;
  - in any way contribute to manipulate the demand for or supply of securities in the market or to influence prices of securities;
  - communicate, counsel, or provide directly or indirectly any UPSI to others who can trade on such information.

#### **H. Compliance, Violation:**

- a) Compliance of this policy is a condition of continuance of employment with ESGRisk.ai. Any violation will be viewed seriously by ESGRisk.ai and shall be the ground for disciplinary action. This may include imposition of a monetary penalty for continuing default / non-compliance and / or termination from service with or without notice, as deemed fit by ESGRisk.ai.
- b) Submission of the information as required under this Policy in no way authorizes or ratifies the transactions executed earlier by the Access Persons.
- c) The information submitted by the Access Persons is for record and ESGRisk.ai is not responsible if they contravene the provisions of the -
  - i. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - ii. Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003
  - iii. Any other circular/regulation/guideline issued by SEBI from time to time.
- d) It is the policy of ESGRisk.ai to proactively cooperate with all Regulators and Law Enforcement Agencies in their investigations / action against any Employee / Access Person of ESGRisk.ai.

**I. Exceptions**

All requests for exceptions to this Policy should be directed to the Chief Rating Officer and the Compliance Officer for approval. The Compliance Officer in consultation with the Chief Rating Officer may grant exceptions if deemed appropriate and in compliance of the provisions of the Regulations. The Compliance Officer will maintain a record of documents in such events.

**J. Review:**

- a) The Management of ESGRisk.ai reserves all rights to make necessary changes to this Policy and inform such changes in writing by a general circular / e-mail to all the Access Persons. Such changes shall automatically form part of this Policy and shall be binding on all the Access Persons.
- b) All decisions taken by the Compliance Officer / MD / CEO / Whole-Time Director of ESGRisk.ai shall be final and binding on all the Access Persons. In this regard, no correspondence shall be entertained. No Access Person shall challenge, in a Court of Law or otherwise, any decision taken under this Policy.
- c) All information provided to ESGRisk.ai in compliance with this Policy shall be kept confidential and will not be shared, except on a “need-to-know” basis or as required by or under any law.