

## General Nature of Compensation Arrangements with Rated Entities

ICRA ESG Ratings Limited (*formerly known as Pragati Development Consulting Services Limited*) ("ICRA ESG") is generally appointed and compensated by the Rated Entity for ESG Ratings

The rating compensation (rating fee) has no bearing on the ESG Rating assigned, or on the processes, analytical or otherwise, associated with the ESG rating actions.

ICRA ESG maintains separation between its rating and commercial activities (includes sales & marketing activities) to prevent commercial considerations from compromising the integrity or independence of its ESG Ratings.

ICRA ESG also maintains integrity of its businesses by ensuring objectivity, confidentiality and proper use of client information.

Analysts are involved in rating process or development of procedures/methodologies used for providing ESG Rating. Commercial employees are responsible for business development, sales & marketing and discussions on rating fees with existing/ prospective clients. Commercial employees do not participate in the ESG Rating process.

The rating fee consists of an initial rating fee, which is determined and generally charged upfront (prior to ESG Rating being assigned), and an annual surveillance fee, which is charged for monitoring the assigned ESG Rating over the life of the rated instrument / debt obligations or till such time that the ESG Rating is withdrawn, whichever is earlier. The annual surveillance fee is payable if the initial ESG Rating is accepted and/ or used by the concerned Rated Entity.

ICRA ESG's rating fee is based on factors including the type, size and complexity of the entity or the instrument/ debt obligation being rated. ICRA ESG may consider using an alternative fee structure for large, group or cluster-based and such other Rated Entities. For rating of entities/ debt obligations that have a unique/complex structure or require considerably greater analytical effort, ICRA ESG reserves the right to charge a fee higher than that charged for other entities/ products of similar size. ICRA ESG makes its fee schedule available to clients on request. ICRA ESG reserves the right to modify its fee schedule when circumstances so warrant.

Currently, ICRA ESG does not charge any fee or receive any compensation from its Rated Entities for disseminating their ESG Ratings and the related analysis/ commentary. Such dissemination is usually done through channels including, but not limited to ICRA's website and its publications besides the media. However, ICRA ESG may charge an investor, intermediary or a third party for sharing research or aggregated data prepared/generated by ICRA ESG, as permitted under the regulations.

Note: ESG Ratings are different from credit ratings.

### Defined Terms

#### ESG Rating

"ESG ratings" means opinions published by the Company, using a defined ranking system of rating categories, about an issuer or a security, regarding its Environmental, Social, and Governance ("ESG") profile or characteristics or exposure to ESG risk, governance risk, social risk, climatic or environmental risks, or impact on society, climate and the environment.

#### Rated Entity

A Rated Entity means any entity rated by ICRA ESG or any entity that issues securities/instruments which are rated by ICRA ESG or any entity that is seeking an ESG Rating from ICRA ESG.

Contact us for any feedback or comments at [enquiryesgratings@icraindia.com](mailto:enquiryesgratings@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[ceo.esgratings@icraindia.com](mailto:ceo.esgratings@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 AM to 6:00 PM)

### About ICRA ESG Ratings Limited:

ICRA ESG Ratings Limited ("ICRA ESG") is a Category-I ESG Ratings Provider (ERP) licensed by the Securities and Exchange Board of India. We provide comprehensive ESG assessments, offering a holistic view of an entity's state and progress towards sustainability. Our approach covers not only the conventional metrics but also incorporates a nuanced evaluation of an entity's commitment to and transition towards sustainability.

ICRA ESG is a wholly owned subsidiary of ICRA Limited (ICRA), one of India's leading Credit Rating Agencies, with a track record of over three decades. Moody's Investors Service is ICRA's largest shareholder.

### Registered Office:

B-710, Statesman House 148, Barakhamba Road, New Delhi – 110001

### Branch Offices:

**Gurugram:** Building No. 8, Second Floor, Tower A, DLF Cyber City, Phase II, Gurugram, Haryana – 122002.

**Mumbai:** Fourth Floor, Electric Mansion, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025.

ESG ratings should not be treated as a recommendation to buy, sell, or hold the rated debt instruments of the Issuer. ESG ratings are subject to a process of surveillance, which may lead to a revision in ratings. An ESG rating is a symbolic indicator of ICRA ESG's current opinion about an Issuer or a debt instrument, regarding its ESG profile or characteristics or exposure to ESG risk, governance risk, social risk, climatic or environmental risks, or impact on society, climate, and the environment. Please visit our website [www.icraesgratings.in](http://www.icraesgratings.in) or contact any ICRA ESG office for the latest information on ESG ratings outstanding. All information contained herein has been obtained by ICRA ESG from sources believed by it to be accurate and reliable, including from the rated Issuer. ICRA ESG however has not conducted any audit of the rated Issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA ESG in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA ESG or any of its group companies may have provided services other than ESG rating to the Issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA ESG shall not be liable for any losses incurred by users from any use of this publication or its contents. ESG Ratings are different from credit ratings.