CODE OF CONDUCT FOR CFC FINLEASE PVT. LTD.

1. Introduction

CFC Finlease Private Limited (“the Company” or “CFC”), as a SEBI-registered ESG Rating Provider, is committed to the highest standards of integrity, transparency, independence, and professionalism. This Code of Conduct establishes the ethical and professional principles that govern the Company’s operations, its employees, and all associated persons.
The purpose of this Code is to safeguard the credibility of ESG ratings, enhance trust among stakeholders, and ensure full compliance with the applicable laws, regulations, and guidelines issued by the Securities and Exchange Board of India (SEBI).

2. Guiding Principles

The Company and its employees shall adhere to the following core principles:

1. **Integrity and Independence** – Conduct all activities honestly, objectively, and without bias or external influence.
2. **Transparency** – Disclose methodologies in a clear and accessible manner.
3. **Confidentiality** – Protect all proprietary, sensitive, and client-specific information obtained during business activities.
4. **Fairness and Non-Discrimination** – Provide ratings fairly without prejudice to any company, sector, or stakeholder.
5. **Accountability** – Ensure accountability to regulators, clients, investors, and society at large through responsible business practices.

3. Professional Conduct

- Employees shall comply with all applicable SEBI regulations, guidelines, circulars, and the Company’s internal policies.
- Employees shall avoid conflicts of interest and immediately disclose any potential conflicts to management.
- Ratings shall be issued only after due diligence, robust analysis, and adherence to established rating methodologies.
- Employees shall not accept any inducements, gifts, or favours that could impair professional judgment or independence.

As per Seventh Schedule, Regulation 28J –

1. CFC shall make all efforts to protect the interests of the investors.

2. CFC, in the conduct of its business, shall observe high standards of integrity, dignity and fairness in the conduct of its business.

3. CFC shall fulfil its obligations in a prompt, ethical and professional manner.

4. CFC shall, at all times, exercise due diligence, ensure proper care and exercise independent professional judgment in order to achieve and maintain objectivity and independence in the ESG rating process.

5. CFC shall maintain records to support its decisions.

6. CFC shall adopt and implement ESG rating processes that reflect consistent rating standards.

7. CFC shall not indulge in any unfair competition, nor shall it induce or induct the clients of any other ESG rating provider on assurance of higher or lower ESG rating.

8. CFC shall keep track of all important changes relating to the issuers or securities it rates and shall develop efficient and responsive systems to yield timely and accurate ratings.

9. CFC shall also monitor closely all relevant factors that might affect the environmental, social or governance characteristics of the rated issuers or their securities.

10. CFC shall, wherever necessary, disclose to the client, all possible sources of conflict of duties and interests, which could impair its ability to make fair, objective and unbiased ratings.

11. CFC shall ensure that no conflict of interest exists between any member participating in the rating analysis, and that of the person who is being rated or whose securities are being rated.

12. CFC shall not make any exaggerated statement, whether oral or written, to the client either about its qualification or its capability to render any services or its achievements with regard to the services rendered to other clients.

13. CFC shall not make any untrue statement, suppress any material fact or make any misrepresentation in any documents, reports, papers or information furnished to the Board, stock exchange or public at large.

14. CFC shall promptly inform the Board about any action, legal proceedings etc., initiated against it alleging any material breach or non-compliance by it, of any of the laws, rules, regulations to which it is subject, and of directions of the Board or of any other regulatory body.

15. CFC shall maintain an appropriate level of knowledge and competence and abide by the provisions of the Act, regulations and circulars, which may be applicable and relevant to the activities carried on by the ESG rating provider.

16. CFC shall ensure that there is no misuse of any privileged information including prior knowledge of ESG rating decisions or changes.

17. CFC or any of its employees shall not render, directly or indirectly any investment advice about any security being rated or about any rated person or the person whose securities are rated in publicly accessible media.

18. CFC shall ensure that any change in registration status or any material change in financials or in case of any penal action taken by the Board which may adversely affect the interests of clients or investors is promptly informed to the clients and any business remaining outstanding is transferred to another registered person in accordance with any instructions of the affected clients or investors.

19. CFC shall maintain an arm's length relationship between its ESG rating activity and any other activity.

20. CFC shall develop its own internal code of conduct for governing its internal operations and laying down its standards of appropriate conduct for its employees and officers in the carrying out of their duties within the ESG rating provider and as a part of the industry. Such a code shall provide for the maintenance of professional excellence and standards, integrity, confidentiality, objectivity, avoidance of conflict of interests, disclosure of shareholdings and interests, etc. Such a code shall also provide for procedures and guidelines in relation to the establishment and conduct of the officers and employees serving in the rating process.

21. CFC shall provide adequately empower its compliance officer to enable him or her to effectively discharge his duties.

22. CFC shall ensure that the senior management, particularly decision makers, have access to all relevant information about its business on a timely basis.

23. CFC shall ensure that good corporate policies and corporate governance are adopted and followed.

24. CFC shall not, generally and particularly, in respect of issuers or securities rated by it, be party to or instrumental for—
    (a) creation of false market;
    (b) price rigging or manipulation; or
    (c) dissemination of any unpublished price sensitive information in respect of securities which are listed and proposed to be listed in any stock exchange, unless required, as part of rationale for the rating accorded.

4. Conflict of Interest Management

- The Company shall maintain a robust framework to identify, mitigate, and disclose conflicts of interest.
- No employee shall participate in rating activities for entities where they hold a financial or personal interest.

5. Confidentiality

- All non-public information obtained during rating assignments shall be kept strictly confidential.
- Disclosure of confidential information is prohibited unless required by law or authorized by the Company.
- ESG rating outcomes and related information may be shared with other entities or competitors strictly in cases where such entities have subscribed to peer comparison or benchmarking subscription plans, as per agreed terms and conditions.

6. Compliance with Laws and Regulations

- The Company shall fully comply with the **SEBI** applicable amendments, circulars, and all other laws and regulatory guidelines relevant to ESG Rating Providers.
- Employees must keep themselves updated with regulatory requirements and comply at all times.

7. Responsibility to Stakeholders

CFC acknowledges its responsibility to:

- **Clients & Rated Entities** – Deliver fair, consistent, and transparent ESG ratings.
- **Investors & Market Participants** – Provide credible and reliable ratings to facilitate informed decision-making.
- **Regulators** – Maintain strict compliance and provide accurate disclosures as required.
- **Society** – Support sustainable finance and responsible business conduct through high-quality ESG assessments.
- **Benchmarking Subscribers** – Provide access to peer comparison, sectoral benchmarks, and ESG ratings of relevant entities as part of subscribed plans, while ensuring transparency and adherence to confidentiality agreements.

8. Monitoring, Reporting & Accountability

- Any violation of this Code by employees or associated persons shall result in disciplinary action, up to and including termination of employment or business association.
- Whistleblowing mechanisms will be in place for employees and stakeholders to report unethical practices without fear of retaliation.

- The Code will be reviewed periodically to ensure continued relevance and compliance with regulatory developments.

9. Review and Amendments

This Code shall be reviewed and amended from time to time by the Board of Directors. In case of any conflict between this Code and applicable laws/regulations, the latter shall prevail.