

Press Release - CareEdge Group receives license from SEBI to offer ESG Ratings

May 3rd, 2024: CARE ESG Ratings Limited (CareEdge-ESG) (formerly known as CARE Advisory Research & Training Limited), a wholly owned subsidiary of CARE Ratings Limited, has received approval from the Securities and Exchange Board of India (SEBI) to function as a Category I ESG Ratings Provider (ERP). Having received the registration under the *SEBI (Credit Rating Agencies) Regulations, 1999¹* on May 2, 2024, CareEdge-ESG will commence its environmental, social and governance (ESG) rating activity.

Commenting on the development, **Mehul Pandya, MD & Group CEO, CareEdge, said: “With the use of ESG ratings, sustainable growth journey of businesses can get an independent viewpoint. A business can now assess its relative position and take action to strengthen its sustainability policies & practices. Investors and stakeholders have adopted new perspectives on ESG-based reporting, and performance, both domestically and internationally. With SEBI's ERP regulations & license, non-financial ratings will change for the better, guiding the Indian economy towards sustainability”.**

CareEdge-ESG is a premier ERP that envisions being the catalyst of change for a sustainable future with the most credible ESG assessments. CareEdge-ESG has built a comprehensive framework that sources its key indicators from domestic and global standards, tuned to India-specific context. CareEdge-ESG's assessments are based on an evaluation of more than 700 data points. The assessment model is based on indicator-level materiality approach to defining weights.

“While CareEdge-ESG's India-specific approach to ESG ratings takes into account the challenges pertinent to Indian companies, SEBI's ERP regulation addresses the country's demand for businesses to transition to sustainability” said Rohit Inamdar, CEO of CareEdge-ESG.

He further said, **“With our detailed and nuanced ESG assessments, CareEdge-ESG will empower stakeholders to make knowledgeable decisions about sustainability, fostering positive transformation and stakeholder trust.”**

The growing importance of non-financial reporting is predicated upon the strong correlation between sustainability practices and the long-term success of a business enterprise. CareEdge-ESG's ratings will enable the issuer to discern steps towards the betterment of its sustainability performance by comparing itself to industry benchmarks and by gauging its relative standing amongst its peers.

CareEdge-ESG is part of the CareEdge Group which is a knowledge-based analytical group offering services comprising Ratings, Analytics, Consulting and ESG Ratings. Established in 1993, the parent company CARE Ratings Ltd (CareEdge Ratings) is India's second-largest rating agency with a global footprint and has over three decades of track record of rating companies across diverse sectors and holding leadership positions in high-growth sectors.

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¹ SEBI/LAD-NRO/GN/2023/136 and SEBI/HO/DDHS/POD2/P/CIR/2023/ 121