

Outsourcing Policy

Introduction

Resurgent ESG is committed to upholding the highest possible service standards and protecting the interests of all stakeholders through effective risk management in its outsourcing activities. This policy provides the guidelines and procedures in respect of outsourcing activities so that the level of operational, legal, reputational, and strategic risks would be reduced as far as possible.

Purpose

This Outsourcing Policy is consistent with the guidelines issued by relevant regulatory bodies and ensures that: The dedication of Resurgent ESG is ongoing quality delivery through effective governance, oversight, and control of outsourced activities. The aim of the present Policy Document is to assist in bringing an orderly approach toward outsourcing relationships for non-core activity areas so that such activities may be contracted out with the minimum level of disruption and without sacrificing the integrity and quality of Resurgent ESG operations.

Key definitions

Outsourcing: This means contracting with and utilizing one or several third-party service providers who undertake specific functions or processes that are non-core to core ESG rating activities and services of Resurgent ESG.

Third Party: A party (other than a subcontractor) to whom Resurgent ESG outsources certain activities.

Regulator: The Securities and Exchange Board of India (SEBI) or such other regulatory body.

Applicability of the policy

Outsourcing policy shall apply to all outsourcing arrangements undertaken by Resurgent ESG with service providers.

Activities that cannot be outsourced

Resurgent ESG shall not outsource any of the following core business activities:

ESG Rating Services: Any activities directly related to the assessment, and delivery of ESG ratings.

Analytical Functions: Activities relating to the analysis and assessment of ESG data and any critical decision-making processes impacting the ratings.

Compliance Functions: Compliance and regulatory reporting functions directly related to ESG services.

Activities that can be outsourced:

Activities non-core to the business operations, including but not limited to:

Business development support, Follow-up, tele-calling for customer data/feedback, HR, IT, Finance administration support, Data processing work, which does not impact the ESG rating output.

The activities specified above can be outsourced to third parties with regard to the conditions of this policy.

Activities not considered outsourcing:

The following activities shall not be regarded as outsourcing for the purposes of this policy;
One-time agreements with any third party for a specific activity

Consultants appointed on a temporary basis for a specialized position within Resurgent ESG for Housekeeping, catering, and other administrative arrangements.

Risk management practices for outsourced services:

Risk Assessment: Resurgent ESG shall undertake adequate risk assessment before entering into any outsourcing arrangement.

The following shall be considered:

Potential impact on financial, reputational, and operational performance, Backup arrangement and contingency in case of failure of third party, Legal and regulatory compliances and suitability of third party Any conflict of interest between Resurgent ESG and the Third party.

Due Care: The capability, reputation, and compliance status of a third party shall be duly reviewed through due diligence before engagement.

Outsourcing Agreement: All outsourcing relationships should be subjected to legally binding contracts that spell out the scope of services, levels of performance, confidentiality, and conditions of termination.

Confidentiality and Security: Resurgent ESG insists that each third-party service provider is frequently subject to, and acknowledges the use of, strict confidentiality and information security practices; sensitive information shall be given only on a need-to-know basis.

Business Continuity and Disaster Recovery: Resurgent ESG shall adopt a disaster recovery plan, ensuring that the outsourced activities can be sustained, or restored as soon as possible in case of disruption.

Conflict of interest:

To avoid conflicts of interest, clear lines will be drawn to distinguish Resurgent ESG operations from that of the third-party service providers. Conflicts of interest, if any, must be declared and revealed to senior management to take necessary measures.

Record keeping:

The records pertaining to the outsourcing arrangements must be centralized in one location for review by senior management and regulatory authorities when required.

Reporting requirements:

Resurgent ESG will report to the relevant regulatory authorities for any suspicious transactions or activities arising from outsourced services.

Monitoring and review of outsourced activities: Senior management will oversee and approve the different activities of outsourcing.

Reviews of outsourcing arrangements shall be made once a year, so that this policy is adhered to, and also the requirements prescribed by regulators are being followed.

Significant outsourcing decisions, along with related risks, will be informed to the Board of Directors.