

## CLARITY AI CONFLICT OF INTEREST MANAGEMENT:

### Conflict of Interest Risk Inventory

<b>Conflict Risk Area</b>	<b>Examples of Potential Risks</b>	<b>Key Governance Measures</b>	<b>Relevant Control Types</b>
Ownership structure or controlling interests	If Clarity AI board members were also board members of another ESG rating provider outside the group	Identification and assessment of controlling interests; compliance oversight	Annual disclosure and attestation by board members; Annual shareholders interest review; Maintenance of conflicts of interest register
Commercial and business relationships	If a rated item is also a client, shareholder, investor, distributor, provider or other business partner, such dual role could create the appearance of undue influence on the ESG rating assigned to such rated item	Conflict assessment, separation of commercial and analytical functions, and implementation of appropriate safeguards	Non-discriminatory pricing policy; Pricing independent from ratings outcomes; Independent methodology approval; Independent ESG ratings approval; Conflict-of-interest onboarding reviews and escalation procedures;
Multiple-capacity relationships	An entity interacting with Clarity AI in more than one capacity (client and provider, client and distributor, client and shareholder), could create the appearance of preferential pricing.	Identification and assessment of overlapping relationships and implementation of appropriate safeguards	Non-discriminatory pricing policy; Conflict-of-interest onboarding reviews and, safeguards, escalation procedures; Conflict reviews, mitigation measures and oversight
Fee and compensation arrangements	Financial arrangements or pricing models could appear to create incentives to alter rating outcomes to retain clients.	Independence controls, conflict assessment and governance oversight	Pricing independent from ratings outcomes; Independent methodology and ESG rating approval; Compensation of analytical functions is independent from commercial performance.
Personal conflicts of interest	Financial interests, outside activities, previous employment	Mandatory conflicts of interest disclosures;	Periodic disclosures - at least annually and whenever the situation

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	or personal relationships of core ESG ratings personnel could affect perception on ESG ratings independence	Immediate recusal protocols, in case of a conflict of interest; Personal dealing restrictions; Conflicts of interest management requirements	changes; obligations and on-going monitoring by compliance
Gifts and hospitality	Benefits received by Core ESG ratings personnel could appear to impair their impartiality or independence	Restrictions on gifts and hospitality for personnel performing core ESG rating activities Disclosure, approval and monitoring requirements	Periodic disclosures - at least annually and whenever the situation changes and periodic review by compliance Periodic training and awareness programmes
Information access and handling	Unauthorized or cross-functional access to confidential, non-public or other sensitive information could appear to affect perception on analytical independence	Information barriers and confidentiality controls Role-based access controls, information barriers and need-to-know restrictions	Role-based access controls and need-to-know restrictions Periodic review by compliance

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*Clarity AI reserves the right to update this summary from time to time to reflect changes in applicable law, regulatory requirements, business activities or governance arrangements.*