



Edelweiss
Ideas create, values protect



RESPONSIBLE GOVERNANCE



GOVERNANCE OVERVIEW

At Edelweiss, governance is the cornerstone of everything we do. Our governance framework provides the strong foundation that serves to grow our business and fulfil our goals. It thus, enables us to support our stakeholders. Our policies and procedures consider all applicable laws and regulations, both domestic and global, to provide clear guidelines on the desired level of professionalism and conduct. We continue to refine and tighten our governance standards whereby we remain a fortified organisation with an impeccable governance culture and structures that ensure our longevity.

Senior executives across Edelweiss play a significant role in the development approval and updation of the organisation's purpose and value or mission statements, in addition to business strategies and policies, besides economic, environmental and social goals.

GOVERNANCE STRUCTURE

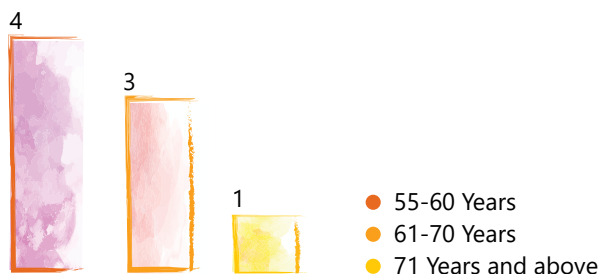
BOARD OF DIRECTORS

Our 8-member Board of Directors with diverse backgrounds bring to Edelweiss a rich, cumulative experience of 287 man-years. This diversity of backgrounds, skill sets, perspectives, experience and expertise enables us to operate optimally.

Board Composition (As on March 31, 2023)		
Executive Directors	Non-Executive Director	Independent Directors
Mr. Rashesh Shah (Chairman & MD)	Ms. Vidya Shah (Non-Executive Non-Independent Director & Chairperson, Edelweiss ESG Council)	Mr. Shiva Kumar
Mr. Venkatchalam Ramaswamy (Vice Chairman & Executive Director)		Mr. Biswamohan Mahapatra
Mr. Himanshu Kaji (Executive Director)		Mr. Ashok Kini
		Dr. Ashima Goyal

As on March 31, 2023, the Edelweiss Board consists of 8 Directors, of which four are Independent Directors including one woman. There is also one Non-executive Non-Independent woman Director and three Executive Directors. The Board has a majority of Independent Directors, who dominate and chair all the major Board Committees. All Board members strive for 100% attendance and active participation in board and committee meetings.

AGE COMPOSITION OF BOARD OF DIRECTORS





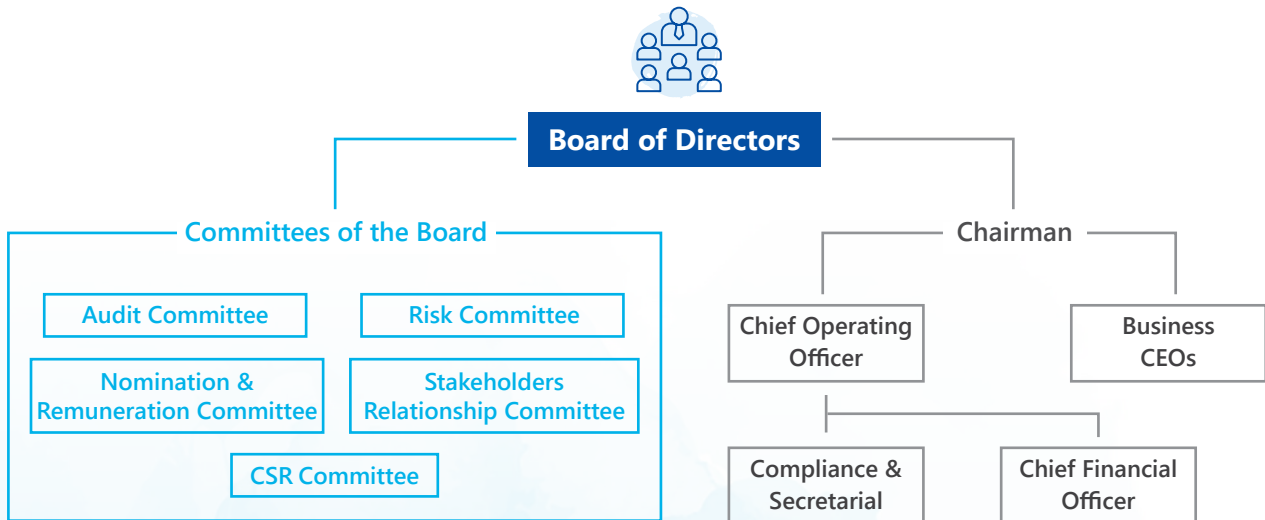
BOARD SELECTION, EVALUATION & REMUNERATION PROCESS

The Board is mindful of the ever-evolving dynamic business environment and the ongoing need for the appropriate combination of skill sets required at the Board level besides the periodical evaluation of the Board’s performance. The Board has constituted the Nomination and Remuneration Committee with the mandate to responsibly advise and guide the Board on matters such as:



BOARD COMMITTEES & ORGANISATION

The Board of Directors has constituted various Committees comprising of Executive Directors, Non-executive Director and Independent Directors to assist it in taking better decisions. The organisation structure is as follows:



ESG GOVERNANCE AT EDELWEISS

Edelweiss has established an ESG Council in FY20 to provide effective governance for addressing Environmental, Social and Governance (ESG) issues. The Council comprises heads of various enterprise units including human resources, administration, compliance and governance, marketing and corporate development and investor relations. The Council meets to oversee the Company’s ESG strategy and policies, review research documents and rate agency reports in order to embed sustainability across Edelweiss. The majority of the council members are women and collectively its members bring together a rich and diverse professional experience in managing key stakeholder relationships. Supporting the Council is a team of sustainability champions from various enterprise units who monitor and track performance on identified ESG parameters.



Our corporate social responsibility (CSR) programme that constitutes an important foundation of our business and corporate reputation, is implemented through our philanthropic arm, EdelGive Foundation (EdelGive). The Foundation aims to build a strong, efficient and high impact social sector by bridging the gap between the users and providers of philanthropic capital and knowledge, besides catalysing the exchange of ideas, skills, talents and resources among civil society, philanthropists, businesses and government. Edelweiss's ESG agenda is further augmented by a CSR Committee, which is primarily responsible for making decisions relating to economic, environmental and social issues. Ms. Vidya Shah, Non-executive Director of the Company has been appointed as the person responsible for the Company's ESG efforts. The Board is periodically apprised about the developments and progress on the ESG front.

LEGAL AND REGULATORY COMPLIANCE

All Edelweiss businesses operate in highly regulated sectors and demonstrate a strong commitment to upholding a keen culture of compliance, regulatory standards and remediation of escalations. We seek ways to enhance and embed governance and regulatory oversight of our control environment across Edelweiss. Some of them include:

- Each business within Edelweiss has an independent compliance function headed by a compliance officer who is responsible for identifying and addressing the risks presented by the business and ensure its operation within a sound control environment
- Adoption of an 'Edelweiss compliance' approach, ensures that the objectives of each business entity within Edelweiss are aligned
- Automation of regulatory compliance through technology-based applications
- Periodic review of regulatory compliances, directives of sectoral regulators and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 by the Board and its Committees
- Creation of e-learning modules on anti-money laundering regulations, prevention of insider trading, cyber security, and other relevant rules and regulations for all employees across Edelweiss

POLICY ADVOCACY

The financial services industry is subject to significant regulations. We therefore believe it is important to contribute our views and experience through consultation papers and exposure drafts, which may impact public policy and directly affect our customers, employees and the general public. To this end, we:

- Actively engaged with policy makers on women entrepreneurship ecosystem - EdelGive Foundation launched the #UdyamStree campaign as an initiative to boost women's entrepreneurial spirit and gradually create an ecosystem conducive to help women thrive. Under this campaign, a 'landscape study on women entrepreneurship', was launched by Shri Ram Mohan Mishra, Secretary, Ministry of Women & Child Development in April 2021. Shri Amitabh Kant, CEO NITI Aayog delivered the keynote address to highlight the importance of this initiative

RESPONSIBLE GOVERNANCE



- Engaged with NITI Aayog on investment in infrastructure sector in India - Ms. Alpa Jain, Senior Specialist (PPP and Infra) participated in the Global Investors Summit of Edelweiss Alternative Assets Advisors and shared perspectives on the Indian economy and alternative investment opportunities with a special focus on ESG in national monetisation pipeline with global investors
- As a thought leader in the financial services space, Edelweiss actively participated with the Government of India on policy matters
- Provided IPOs related insights which was part of the cumulative analysis of the Economic Survey of India

FRAMEWORKS AND POLICIES

CODE OF CONDUCT FOR EMPLOYEES

At the heart of our approach to good governance is our code of conduct. The Edelweiss Code of Conduct is designed to sensitise all employees about our philosophy, values, practices, culture and governing relations between Edelweiss companies and its employees. The Code outlines our commitment to each of our employees and sets out an ethical roadmap for the conduct of business.

All employees are required to acquaint themselves with the Code on joining Edelweiss and thereafter abide by its mandates on an annual basis. Employees are expected to take personal responsibility for observing the highest standards of integrity and conduct, and to report any violations without hesitation or fear of reprisal.

Non-compliance with the Code is subject to disciplinary action, which may include dismissal.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

Edelweiss conforms to the cardinal principles of integrity, transparency and trust which has been the basis for its progressive growth and all-round development.

Directors and senior management have together helped to shape the growth of the Company as they are jointly accountable for ensuring that the Company operates with the highest degree of personal and professional integrity, honesty, and ethical conduct.

The Edelweiss Code of Conduct for Directors and Senior Management is an overarching statement setting out an ethical roadmap for conduct of business. This is a comprehensive document that details all Edelweiss' policies.

CODE OF CONDUCT

- Conflict of Interest
- Anti-Bribery and Corruption
- Prohibition of Insider Trading
- Anti-Fraud
- Anti-Money Laundering and Counter Financing of Terrorism
- Whistle-Blower Policy
- POSH Policy
- Data Privacy
- Information Security



CONFLICT OF INTEREST

Our conflict of interest frameworks facilitate businesses by serving clients' best interests and ensure that the Company's interests do not, at any time conflict with our duty to clients. Edelweiss has implemented measures such as Chinese walls or information barriers, process of appropriate disclosures to clients, employee trading restrictions, etc., to ensure that conflicts are managed appropriately. We are one of the few organisations in the Indian business landscape that has made applicable a conflict of interest policy to its senior employees and directors, in addition to the Employees' Code of Conduct.

01 Personal Conflict of Interest:

Conflict at a personal level is deemed to arise when an employee's interest, whether directly or indirectly, is perceived to be inconsistent with or is in conflict with the business interest of Edelweiss, including, but not limited to personal dealings with clients, developers, vendors, suppliers, promoters, borrowers, connected parties, associates, counterparties, competitors, etc. We take declarations from senior level employees (SVP and above).

ANTI-BRIBERY & CORRUPTION

Our Anti-Bribery and Corruption, Gifts and Entertainment policy safeguards and promotes legitimate business throughout Edelweiss. It serves to prevent and prohibit corruption, bribery and similar acts in connection with Edelweiss and its businesses. This policy also establishes principles and guidelines on what constitutes normal and acceptable behaviour in relation to bribery and corrupt practices, and also defines what would be regarded as unethical, criminal, or contrary to good corporate governance and behaviour. The Gifts and Entertainment register provides a standardised method to record, notify, approve and monitor gifts and entertainment either received or provided by Edelweiss employees. Specialised communication and trainings are tailored for directors and employees. Edelweiss business entities are responsible for implementation of the controls required to lower the risk of bribery and corruption and ensure compliance. Legal contracts with third-party service providers and vendors contain the necessary provisions to mandate disclosure of any violation to the policy. We also conduct an annual assessment to monitor compliance with this policy.

PROHIBITION OF INSIDER TRADING

At Edelweiss, we endeavour to preserve the confidentiality of unpublished price sensitive information (UPSI) to prevent any misuse of such information. Every promoter, director and employee who deals with UPSI has a duty to safeguard the confidentiality of all such information obtained in the course of their work at Edelweiss. Edelweiss strives to prevent any selective disclosure of UPSI. Accordingly, each promoter, director and employee of Edelweiss must endeavour to ensure equal access to information for all stakeholders and must not use his or her position or knowledge of the information to gain personal benefit or to provide benefit to any third party. All employees are trained on the requirements of the Code at the time of onboarding and thereafter on an annual basis.

ANTI-FRAUD

Edelweiss is committed to the highest ethical standards outlined in the code of conduct and espouses a zero-tolerance approach to fraud. Our Anti-Fraud policy mandates the standards for managing the risk of fraud, including training in addition to fraud detection and preventive measures. Our businesses implement procedures to prevent and facilitate early detection of fraudulent practices to protect customer interests and the Company. Incidents and allegations or suspicions of fraud are assessed and investigated. Edelweiss takes a fair and proportionate approach in administering disciplinary actions in instances of fraudulent behaviour.



ANTI-MONEY LAUNDERING AND COUNTER FINANCING OF TERRORISM (AML/CTF)

Edelweiss is committed to combat and stop any attempt made by a person or organisation to launder money obtained through drug trafficking, financing of terrorism and any other means of organised and serious crimes by any individual or entity. The Edelweiss policy provides detailed guidelines of the Company's AML/CTF programme. This programme includes a risk-based approach to conduct customer due diligence, client screening, ongoing monitoring, suspicious activity reporting, training and record keeping. Edelweiss uses comprehensive AML/CTF monitoring software and online tools to screen, risk profile and monitor customer activity. Edelweiss ensures that all its personnel abide by its AML/CTF policy framework and applicable laws, in addition to the rules and regulations in relation thereto. All employees at the time of joining Edelweiss and thereafter on an annual basis, are required to complete AML/CTF training.

WHISTLE BLOWER POLICY

At Edelweiss, we are committed to adhering to the highest standards of ethical, moral and legal conduct of business operations. Edelweiss believes in the conduct of its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour.

To create enduring value for all its stakeholders and in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated its Whistle-blower policy in addition to the existing Employees' Code of Conduct that governs the actions of its workforce. This financial year, we have received two complaints across businesses

POSH POLICY

Edelweiss is committed to establish and uphold a congenial, safe and fair work environment. The Company has adopted a zero-tolerance policy against any sexual harassment, which ensures that the workplace is free from discrimination, intimidation and sexual harassment of women.

This policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace is formulated on principles which are the cornerstone of the Edelweiss philosophy and ensure compliance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Act) and the Rules notified thereunder.

In line with our focus towards being 100% compliant with this Policy, Edelweiss proactively defines the POSH processes. The Company conducts sessions to build awareness through classroom sessions and interactive, engaging role plays.

Edelweiss, with keen emphasis on non-retaliation and maintenance of confidentiality, has successfully brought awareness among various employee groups to reach out to the Internal Complaints Committee (IC), or human resources or the people manager in case of any complaint.

To strengthen our IC, our businesses are focusing focus on regularly training the IC members.



POSH Synopsis – FY23

No. of POSH cases across businesses	6
Total no. of certified IC members across businesses	89
IC awareness & training for IC members	<p>Digital learning – Employees have been trained on POSH awareness via digital medium. The core module creates awareness among employees about their rights and obligations in accordance with law and serves to make them compliant.</p> <p>All employees at the time of joining Edelweiss and thereafter on an annual basis, are required to complete online trainings on Prevention of Sexual Harassment.</p> <p>Training hours – 217</p>

TRAINING

Edelweiss conforms to the key principle of positive discipline, which prompts an employee or an Edelweiss company to observe all the rules, regulations and procedures that are deemed necessary for its smooth working. Edelweiss works to ensure that its employees treat all stakeholders, customers and third parties fairly and without bias or discrimination. We have a robust disciplinary mechanism which helps to set and maintain satisfactory standards of conduct within Edelweiss, and in doing so, ensures that all employees are treated fairly and consistently. Edelweiss employees comply with the rules – not from the fear of retaliation but from the desire to work, accept responsibility and be capable of directing themselves to achieve common organisational objectives.

On-boarding Courses – All employees at the time of joining Edelweiss and thereafter on an annual basis, are required to complete trainings on anti-money laundering and counter financing of terrorism (AML/CFT), prevention of sexual harassment, prohibition of insider training and whistle blower policy through our internal learning module.

AML

Edelweiss is fully committed to combat any money laundering activities through drug trafficking, terrorism (terrorist financing) or any other means of organised and serious crimes by any individual or entity. Towards this goal, Edelweiss has established robust processes and procedures of internal control aimed to prevent and impede any attempt of money laundering and terrorist financing through use of services offered by the organisation.

New joiners are assigned these learnings as a mandatory course –

- Nearly 78% of our total employees have completed this course in the previous financial year

SHIELD

Shield is a compliance course which covers ABC framework, prohibition of insider training, information technology policy. This is an e-learning module to ensure among employees an awareness of the organisation's compliance policies. New joiners are assigned to undertake Shield as a mandatory course. Nearly 71% of the employees have completed this course in the previous financial year.



RISK MANAGEMENT

RISK MANAGEMENT PHILOSOPHY

The risk landscape for businesses around the world is evolving rapidly. As a large financial services organisation operating in a complex industry, Edelweiss is exposed to various risks. To showcase our commitment to risk management, we have included risk in our 13 guiding principles, thus making it a part of our culture.

We follow a philosophy of ‘individual and collective responsibility’ in risk management, which ensures that every individual at Edelweiss ‘owns the risk’. Risk education and awareness programmes also help to improve and maintain our risk culture.

RISK MANAGEMENT STRUCTURE

Our Board has formulated a Risk Management policy to manage risks. The Board has delegated the responsibility of risk management to the Risk Committee. The Committee devises risk management frameworks and plans for identification, evaluation and assessment of risks. The risk management frameworks along with our policies, prescribe a comprehensive set of protocols for conducting our business activities.

RISK MANAGEMENT FRAMEWORK

We have adopted the ‘Eleven risk framework’ across Edelweiss to ensure that we have the capability to identify, quantify and monitor risk events.

11 RISK FRAMEWORK

Business Risk	Credit Risk	Market Risk	Liquidity Risk
Regulatory Risk	Reputation Risk	Technology Risk	Operation & Process Risk
People Risk	Fraud Risk	Physical & Infrastructure Risk	

Each risk event is mapped to one or more of these 11 risk vectors. Businesses follow incident/exception reporting mechanism to ensure that any deviations to the policies and processes are reported in a timely manner. Reported incidents are classified as high, medium and low. Key exceptions across all the businesses get reported to the board. Our internal audit team provides independent assurance on the effectiveness of the risk framework and recommends control improvements.



DATA PRIVACY

At Edelweiss, our commitment to data privacy and security is the cornerstone of the confidence and trust that our customers, employees and partners have reposed in us. We value and maintain this trust through numerous initiatives

- Implementation of data privacy policy and processes to ensure adequate safeguards for collection, receipt, possession, storage, dealing, handling, processing and protection of personal information/data and sensitive information/data of our customers and third parties
- Enabling firewalls, intrusion detection systems, network monitoring, encryption and other tools to prevent and detect cyber security attacks
- Institutionalised information technology standards to ensure that operational controls match our information security objectives
- Reviewing and assessing data security standards and controls of third-party vendors, including data security and encryption
- Embedding privacy-related provisions in contracts with third-party vendors that handle customer data
- Educating employees on data security responsibilities through security awareness sessions, security alerts, bulletins and trainings for specific teams such as IT and System Administrators
- In the process of embedding the data privacy programme in the enterprise-wide risk management framework
- We are in the process of ensuring that customers' personal information remains private and confidential by employing 'privacy by design' in our product development

Privacy training sessions for employees will be undertaken to understand their commitment towards privacy of personal information.

SECURITY & IT GOVERNANCE

At the height of the COVID-19 global pandemic, the threat landscape reached a critical tipping point that changed cybersecurity forever. The new work-from-home reality brought about exponentially greater attack surfaces to introduce an untold number of new vectors and infinite opportunities for disruption. In order to cater to this changing and challenging landscape, we have moved away from the traditional castle-and-moat security model to zero trust security model. This new model requires strict identity verification for every person and device trying to access resources on a private corporate network, regardless of whether they are sitting within or outside of the corporate network perimeter.

Cloud-scale infrastructure and widely available attacker tools (PowerShell, Mimikatz and Cobalt Strike) developed for legitimate use, when combined with anonymous payment via Bitcoin, are tilting the playing field and arming threat actors of all sizes. Hence, enhancing the cloud security framework and governance at Edelweiss will continue to be a priority area during the year.

Further, we have already implemented state-of-the-art security solutions for data classification, data protection, data loss prevention, advanced threat protection, zero-day protection etc. For customer data, we have gone the extra mile where all our customer data is well identified and encrypted at rest and in-motion (from storage to transmission). Data protection and privacy will continue to be the focus area for the year ahead.

Regarding IT governance, we will continue to focus on process standardisation and strengthen our governance practices to ensure the right balance of efficiency, risk and compliance.

No cases of loss of customer data and breaches of customer privacy were reported in FY23.



SUPPLIER RELATIONSHIPS MANAGEMENT

Edelweiss works with a diverse chain of suppliers and vendors at all levels of the workflow ecosystem. Our supply-chain partners primarily include ITES & ITES-centric products and service providers, human resource services, providers for various outsourced services such as physical security, utilities services, and vendors involved in the maintenance and/or expansion of our physical infrastructure. We have framed comprehensive Enterprise Procurement guidelines that incorporate important environment, social and governance issues and mandate the teams to carry out procurement in accordance with these guidelines that are currently in the implementation phase.

As a leading corporate citizen, Edelweiss emphasises the importance of environmental sustainability, human rights and labour laws, safety and adherence to standardised environmental norms by vendors and partners at all stages. We have a mandatory vendor sign-off on a Suppliers Code of Conduct that specifically enumerates vendor compliance with all applicable environmental laws, regulations and standards with respect to the conduct of business. All acts of omission and commission by vendors and suppliers are covered under this undertaking obtained from each vendor partner.

All vendors are required to be registered on our vendor platform, subsequent to an in-depth Know Your Vendor (KYV) checks. Procurement-requestors are required to prepare a Green Procurement plan to identify the products, equipment and criteria to which the plan will be applied. The requestor teams also evaluate the feasibility of implementation, regulatory and legal compliance requirements, cost of ownership under various options and benefits to the environment.

The KYV norms adopted by Edelweiss cover all stages of the vendor lifecycle, from onboarding to contract management to performance evaluation and even exit.

For more information:

EdelGive Foundation's Annual Report: [Here](#)

Website: www.edelgive.org

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www.edelweissfin.com