



Responsible  
Governance



# Governance Overview

At Edelweiss, governance stands as the bedrock of our operations. Our governance framework forms a robust foundation essential for business growth and achieving our objectives, thereby supporting all stakeholders. Our policies and procedures meticulously adhere to

relevant laws and regulations, ensuring clear guidelines for professionalism and conduct. We consistently enhance and strengthen our governance standards to fortify our organisation and uphold a culture of impeccable governance, ensuring our sustained longevity.

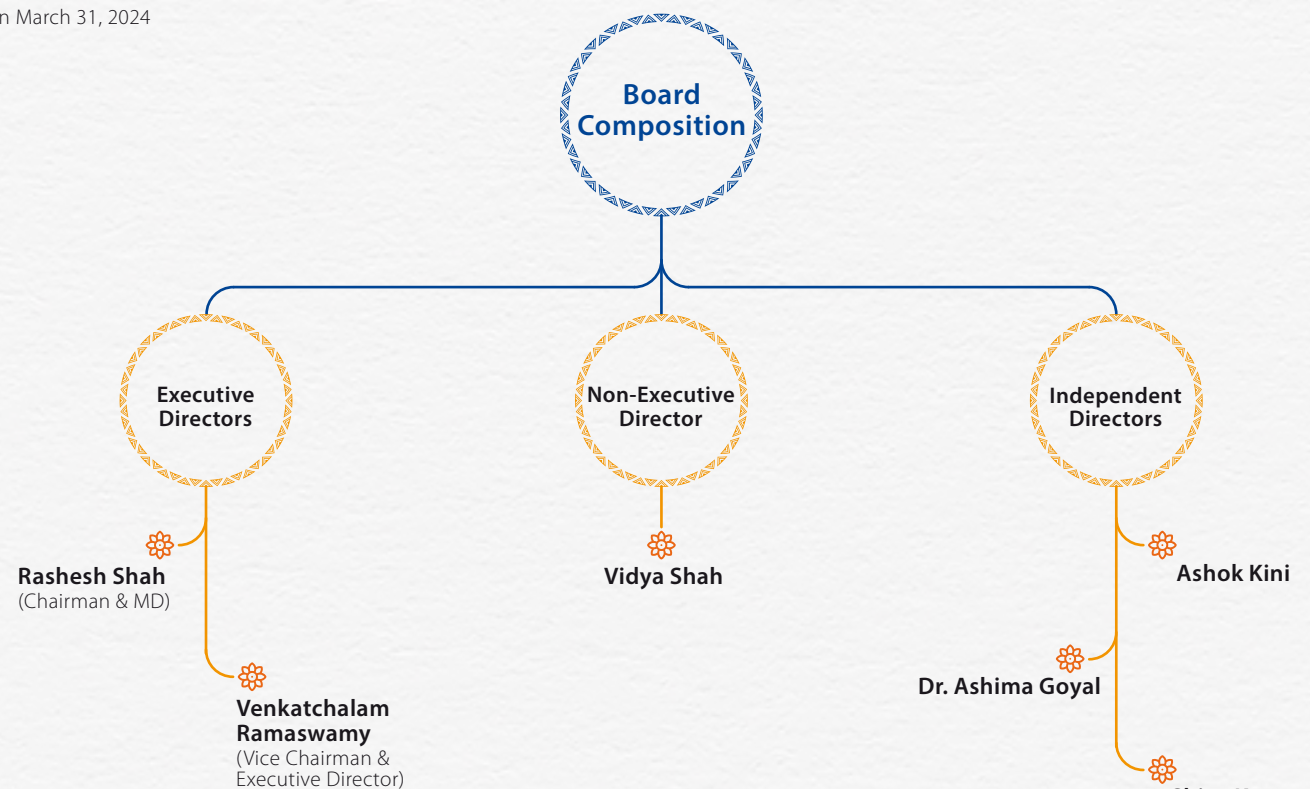
Senior executives throughout Edelweiss have a pivotal role in shaping and approving the organisation's mission statements, values, business strategies, policies, and goals pertaining to economic, environmental, and social aspects.

# Governance Structure

## Board of Directors

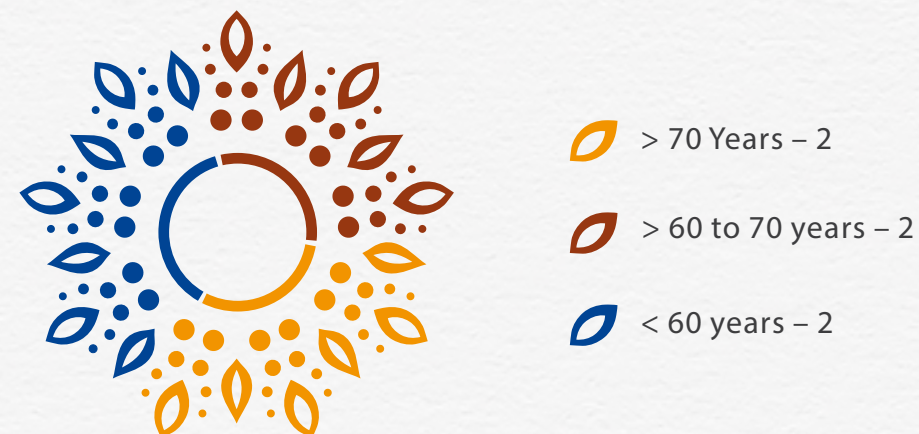
Our 6-member Board of Directors with diverse backgrounds bring to Edelweiss a rich, cumulative experience of ~230 man-years. This diversity of backgrounds, skill sets, perspectives, experience and expertise enables us to operate optimally.

As on March 31, 2024



As on March 31, 2024, the Edelweiss Board consists of 6 Directors, of which three are Independent Directors including one woman. There is also one Non-Executive, Non-Independent woman Director and two Executive Directors. Independent Directors 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



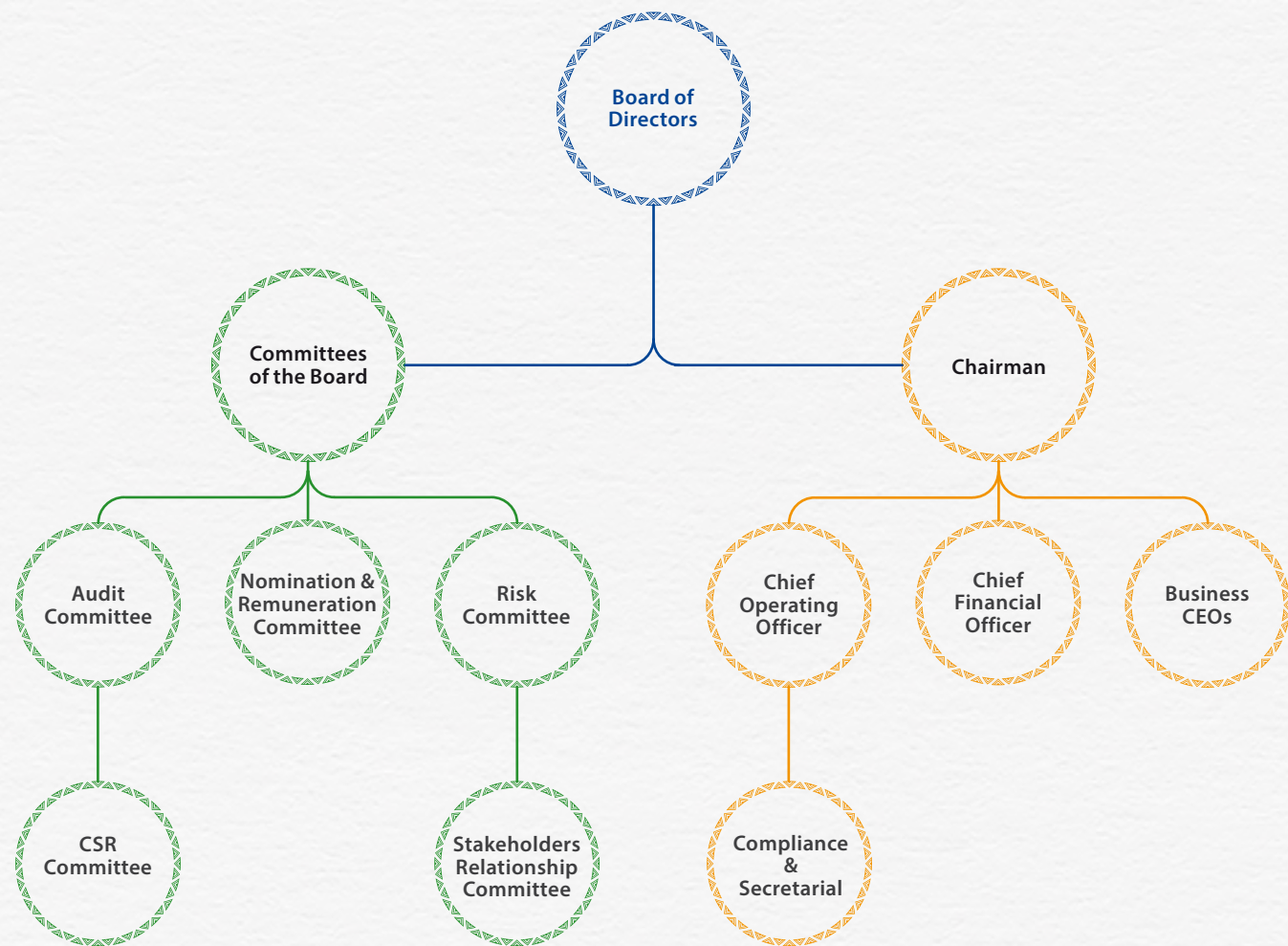
## Board Selection, Evaluation, and Remuneration Process

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. All Board Members strive for 100% attendance and active participation in board and Committee meetings.

- Formulating the policy on the criteria for determining qualifications, positive attributes and independence of a Director and for performance evaluation of Directors
- Assessing the diversity of skills required on the Board and devising the policy on procedures to be adopted for the appointment of Directors
- Evaluating and approving the adequacy of compensation plans, policies, programmes, and succession plans for key positions in the Company
- Developing and upholding the corporate governance policies and guidelines as applicable to the Company



## Board Committees and Organisation



## ESG Governance at Edelweiss

In FY20, Edelweiss established an ESG Council to ensure effective governance in addressing Environmental, Social, and Governance (ESG) issues. Comprising heads from various enterprise units such as human resources, administration, compliance and governance, marketing,

corporate development, and investor relations, the Council convenes to oversee the Company's ESG strategy, policies, review research documents, and assess agency reports to integrate sustainability across Edelweiss. The Council, predominantly composed of

women, collectively brings diverse professional experiences in managing crucial stakeholder relationships. Supporting the Council are sustainability champions from different enterprise units who monitor and evaluate performance on identified ESG metrics.



Our Corporate Social Responsibility (CSR) programme, integral to our business and corporate reputation, is executed through our philanthropic entity, EdelGive Foundation (EdelGive). The Foundation aims to strengthen the social sector by facilitating the exchange

of philanthropic capital and knowledge, fostering collaboration among civil society, philanthropists, businesses, and government. Edelweiss's ESG initiatives are further reinforced by a CSR Committee tasked with decision-making on economic, environmental, and social

issues. Ms. Vidya Shah, a Non-Executive Director, has been appointed to oversee the Company's ESG efforts, with the Board regularly briefed on ESG developments and progress.

## 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

Engaged with NITI Aayog on investment in infrastructure sector in India - Ms. Alpna 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

Central to our approach to effective governance is our code of conduct, the Edelweiss Code. This code is crafted to familiarise every employee with our philosophy, values, practices, culture, and the relationships governing Edelweiss companies and their employees. It articulates our dedication

to each employee and provides a moral framework for conducting business.

Upon joining Edelweiss, all employees are required to familiarise themselves with the Code and subsequently adhere to its principles annually. Employees are expected to personally uphold the

highest standards of integrity and behaviour, and are encouraged to report any breaches without hesitation or fear of retaliation. Non-compliance with the Code is subject to disciplinary action, which may include dismissal.

### Code of Conduct for Directors and Senior Management

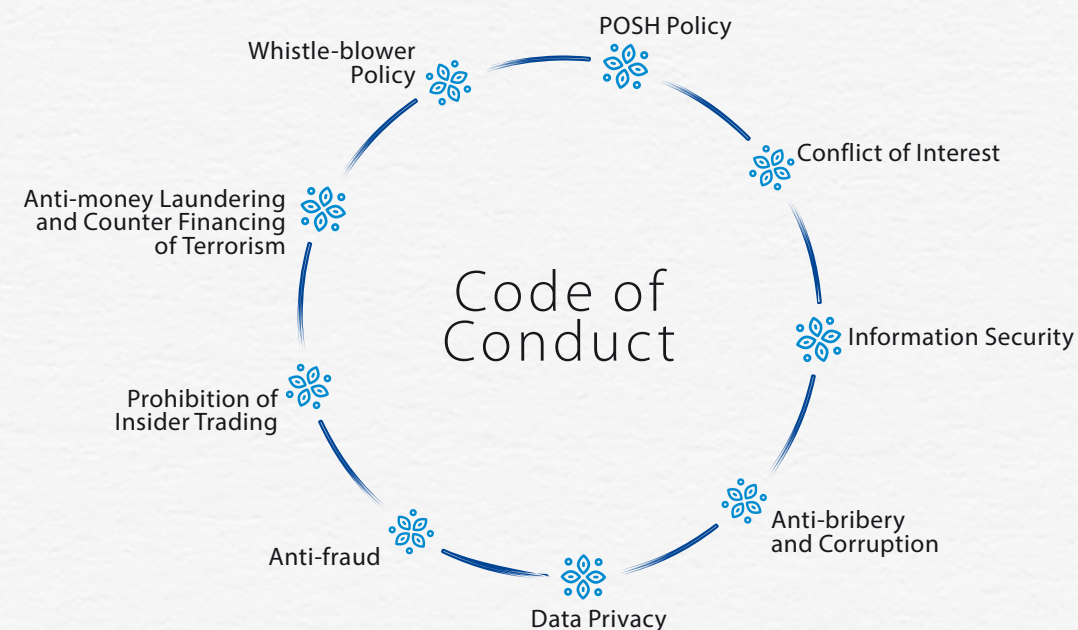
Edelweiss adheres strictly to the fundamental principles of integrity, transparency, and trust, which have underpinned its continuous advancement and holistic progress.

Directors and senior management play a pivotal role in steering the Company's growth, sharing collective responsibility to uphold the highest standards of personal and professional integrity, honesty, and ethical behaviour.

The Edelweiss Code of Conduct for Directors and Senior Management serves as a comprehensive guideline outlining the ethical framework for conducting business. This document encompasses all of Edelweiss' policies in detail.



## Code of Conduct



### Conflict of Interest

Conflict at a personal level arises when an employee's interests, whether direct or indirect, may conflict with the business interests of Edelweiss. This includes personal dealings with clients, developers, vendors, suppliers, promoters, borrowers, connected parties, associates, counterparties, competitors, etc. Declarations are required from senior-level employees (SVP and above).

### Anti-bribery & Corruption

Our Anti-bribery and Corruption, Gifts and Entertainment policy safeguards and promotes legitimate business practices across Edelweiss. It aims to prevent and prohibit corruption, bribery, and similar acts within Edelweiss and its operations. This policy sets principles and guidelines for what constitutes acceptable behaviour regarding bribery and corruption, defining actions that are

unethical, criminal, or against good corporate governance. The Gifts and Entertainment register provides a standardised method to record, notify, approve, and monitor gifts and entertainment received or provided by Edelweiss employees. Specialised training and communications are tailored for directors and employees. Edelweiss business entities are

responsible for implementing controls to mitigate bribery and corruption risks and ensure compliance. Legal contracts with third-party service providers and vendors include provisions mandating disclosure of any policy violations. An annual assessment monitors compliance with this policy.



## Prohibition of Insider Trading

At Edelweiss, we prioritise safeguarding the confidentiality of unpublished price-sensitive information (UPSI) to prevent its misuse. Promoters, directors, and employees handling UPSI have a duty to

maintain its confidentiality. Edelweiss ensures there is no selective disclosure of UPSI, aiming to provide equal access to information for all stakeholders. No individual should use their position or

information for personal gain or to benefit third parties. Employees receive initial training on the Code upon joining and annual updates thereafter.

## Anti-fraud

Edelweiss upholds the highest ethical standards outlined in its code of conduct and adopts a zero-tolerance policy towards fraud. Our anti-fraud policy establishes standards for managing fraud

risks, including training and measures for detection and prevention. Business units implement procedures to prevent and detect fraudulent practices early, safeguarding customer interests and the

Company. Incidents or suspicions of fraud are thoroughly investigated, and appropriate disciplinary actions are taken as per policy.

## Anti-money Laundering and Counter Financing Of Terrorism (AML/CTF)

Edelweiss is dedicated to combating and preventing money laundering, terrorism financing, and organised crime activities. Our AML/CTF policy outlines the Company's detailed program, including risk-based customer due diligence, client

screening, ongoing monitoring, suspicious activity reporting, training, and record-keeping. Edelweiss utilises advanced AML/CTF monitoring tools to screen and monitor customer activities based on risk profiles. Compliance with

the AML/CTF policy framework, relevant laws, rules, and regulations is mandatory for all employees, who receive initial and annual AML/CTF training.

## Whistleblower Policy

Edelweiss is committed to conducting business operations with the highest ethical, moral, and legal standards. Our Whistleblower policy, in compliance with the Companies Act, 2013 and SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015, encourages fair and transparent conduct. This policy supplements our Employees' Code of Conduct and

facilitates reporting of concerns. This year, we received no complaints across our businesses.



## POSH Policy

Edelweiss is dedicated to fostering a congenial, safe, and equitable work environment. We have adopted a zero-tolerance policy against sexual harassment, ensuring workplaces are free from discrimination, intimidation, and sexual harassment of women. Our Prevention, Prohibition, and Redressal of Sexual Harassment at Workplace policy adheres to principles of fairness and

complies with The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 and its rules.

In our commitment to fully comply with this policy, Edelweiss proactively defines and implements POSH processes. We conduct awareness-building sessions through classroom training and

interactive role plays. Emphasising non-retaliation and confidentiality maintenance, we have successfully raised awareness among employees to report concerns to the Internal Complaints Committee (IC), human resources, or their people manager. Regular training of IC members strengthens our processes.

### POSH Synopsis – FY24

No. of POSH cases across businesses	04
Total no. of certified IC members across businesses	92

IC awareness & training for IC members - 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. 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.

## Training

Edelweiss adheres firmly to the principle of positive discipline, emphasising adherence to all necessary rules, regulations, and procedures for smooth operations. We ensure that our employees treat all stakeholders, customers, and third parties impartially and without bias or discrimination. Our robust disciplinary framework helps

establish and maintain high standards of conduct within Edelweiss, ensuring fair and consistent treatment of all employees. Employees at Edelweiss adhere to these rules not out of fear of reprisal, but out of a shared commitment to responsibility and self-direction towards achieving organisational goals. Upon joining Edelweiss and annually

thereafter, all employees undergo training on anti-money laundering and counter financing of terrorism (AML/CFT), prevention of sexual harassment, prohibition of insider trading, and the whistleblower policy through our internal learning platform.



## 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.

Nearly 85% 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, and Information Technology policy. This is an e-learning

module to ensure an awareness of the organisation's compliance policies among employees. New joiners are assigned to undertake Shield as a

mandatory course. Nearly 90% of the employees have completed this course in the previous financial year.

## Risk Management

### Risk Management Philosophy

The global business environment is rapidly evolving, presenting diverse risks for organisations worldwide. As a significant player in the financial services sector, Edelweiss operates within this complex landscape and faces multiple risks. Demonstrating our dedication to

effective risk management, we have integrated risk into our 13 guiding principles, embedding it deeply within our corporate culture. At Edelweiss, we embrace a philosophy of 'individual and collective responsibility' in managing risk, where every member takes

ownership of the risks they encounter. We also prioritise risk education and awareness programs to enhance and sustain our risk-aware culture.

### Risk Management Structure

The Company has established a robust risk management framework. The Board has entrusted the Risk Committee with the responsibility for overseeing risk

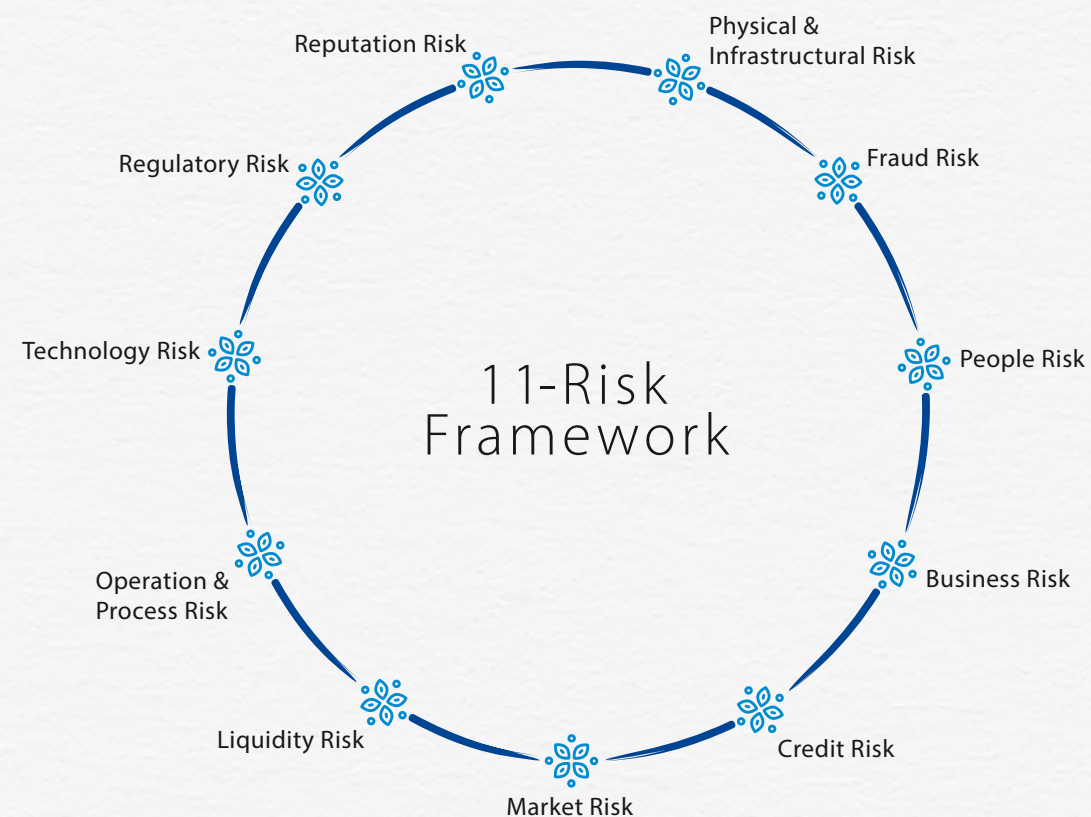
management. This Committee designs frameworks and strategies for identifying, evaluating, and assessing risks. These frameworks, combined with

our policies, provide a comprehensive set of protocols for conducting our business operations.



## 11- Risk Framework

We have adopted the 'Eleven-risk Framework' across Edelweiss to ensure that we have the capability to identify, quantify, and monitor risk events.



Each risk event is categorised under one or more of our 11 risk vectors. Our businesses adhere to an incident and exception reporting mechanism to ensure timely reporting of any deviations

from policies and processes. Reported incidents are classified as high, medium, or low priority. Significant exceptions across all business units are reported to the board. Our internal audit team

independently assesses the effectiveness of the risk framework and proposes enhancements to controls.



## 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 and third parties
- 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 the privacy of personal information.

## Security and IT Governance

During the peak of the COVID-19 global pandemic, the cyber security landscape reached a critical juncture that forever altered its trajectory. The widespread adoption of remote work significantly expanded attack surfaces, introducing

numerous new vectors and increased opportunities for disruption. In response to this evolving and challenging environment, we have shifted from the traditional castle-and-moat security model to a zero-trust security model.

This approach mandates rigorous identity verification for every person and device attempting to access resources on our private corporate network, regardless of their location within or outside the network perimeter.



The proliferation of cloud-scale infrastructure and easily accessible attacker tools such as PowerShell, Mimikatz, and Cobalt Strike, coupled with anonymous payment methods like Bitcoin, has empowered threat actors of all sizes. Therefore, enhancing our cloud security framework and governance at Edelweiss remains a top priority for the

upcoming year. We have already deployed advanced security solutions for data classification, data protection, data loss prevention, advanced threat protection, and zero-day protection. For customer data, we have implemented stringent measures, ensuring all data is properly identified and encrypted both at rest and in transit. Data protection

and privacy will remain focal points in the year ahead.

In terms of IT governance, our focus will continue to be on standardising processes and strengthening governance practices to achieve optimal efficiency while managing risks and ensuring compliance.

No cases of loss of customer data and breaches of customer privacy were reported in FY24.

## Supplier Relationships Management

Edelweiss collaborates with a diverse network of suppliers and vendors across various levels of our workflow ecosystem. Our supply chain partners include ITES and IT-centric product and service providers, human resource service providers, as well as vendors offering outsourced services such as physical security and utilities. Additionally, we engage vendors involved in the maintenance and expansion of our physical infrastructure. To ensure responsible procurement practices, we have established comprehensive Enterprise Procurement guidelines that incorporate environmental, social, and governance considerations. These guidelines are currently being implemented.

As a responsible corporate entity, Edelweiss places significant emphasis on environmental sustainability, human rights, adherence to labour laws, and safety standards throughout our supply chain. We mandate all vendors and partners to adhere strictly to standardised environmental norms and sign a Suppliers Code of Conduct. This code outlines compliance with applicable environmental laws, regulations, and standards governing business conduct. Each vendor partner commits to upholding these standards, whether by omission or commission.

All vendors must register on our dedicated vendor platform, following

thorough Know Your Vendor (KYV) checks. Procurement requestors are required to develop green procurement plans, detailing products, equipment, and criteria for implementation. These plans undergo evaluation to ensure feasibility, regulatory compliance, cost-effectiveness, and environmental benefits.

Edelweiss' KYV norms encompass the entire vendor lifecycle, encompassing onboarding, contract management, performance assessment, and exit procedures.



 **For more information:**

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

Website: [www.edelgive.org](http://www.edelgive.org)

Write to us at: [edelgive@edelgive.org](mailto:edelgive@edelgive.org)



---

[www.edelweissfin.com](http://www.edelweissfin.com)