

GOVERNANCE

Ethics at Persistent Systems

- Building an ethical and responsible business through upholding Integrity, Trust and Compliance

Building a strong foundation of ethical conduct is paramount at Persistent Systems. Our dedicated Ethics Policy and Code of Conduct have established a clear and comprehensive guide for all the directors and employees of Persistent Systems and subsidiary companies, including permanent and temporary employees, employees on probation, consultants, contractors, contract labour, vendors, trainees, apprentices and interns ensuring we comply with all relevant regulations and laws.

Every employee plays a vital role in upholding this culture of integrity by adhering to ethical codes and completing mandatory compliance training. We take any instance of fraudulent behaviour seriously, with disciplinary action up to and including termination a possibility for those who violate these principles.

CORPORATE GOVERNANCE HANDBOOK

Our Policies & Codes

Persistent has proactively and voluntarily prepared the Corporate Governance Handbook encompassing set of guidelines and policies with respect to composition of the Board of Directors and Committees of the Board, meetings of the Board of Directors and Committees of the Board, Managerial Remuneration, Code of Conduct, Whistle Blower Policy, Risk Management Policy, Internal Control Procedures etc., being adhered to by the Company. The Corporate Governance Handbook is updated on an annual basis at <https://www.persistent.com/investors/corporate-governance/>

Board Oversight of Ethics Issues

Ethics Committee

The workings of ethics policy is monitored by the Ethics Committee. The committee, chaired by a Senior Officer (Head - Internal Audit) nominated by the Board, oversees various complaints including insider trading, whistle-blower cases, sexual harassment, bribery, and anti-corruption. The committee reports breaches and cases of non-compliance to the Board. These breaches may involve conflicts of interest, monopoly practices, anti-trust, bribery, or corruption among directors, key management personnel, and employees.

Whistle-blower Policy

The Board of Directors of the Company has adopted a Whistle-blower Policy for employees and stakeholders. The employees are encouraged to report to the Whistle-blower Administrator, if they observe any fraudulent financial or other information or conduct those results in the instances of unethical behavior, actual or suspected violation of the Company's Code of Conduct and the Ethics Policy. The Board of Directors has appointed the Chairman of the Audit Committee as the Whistle Blower Administrator.

The whistle-blower policy and practices provide adequate safeguards against victimization of employees who report to the Whistle-blower Administrator. The policy also provides for direct access to the Chairman of the Audit Committee.

Ethical Practices and Code of Conduct training

The Persistent Group is committed to follow the highest standards of business conduct, integrity, responsibility, and ethics across its global operations. As a part of compliance and awareness program at Persistent Systems, all permanent employees including contractors, part-time and Directors of the company are required to go through on-line module on following and provide Sign off:

- Code of Conduct
- Modern Slavery & Human Trafficking
- Safe Workplace

Audit of Ethical Practices

Ethics policies have been approved by the respective committees of the Board, including the Stakeholder Relationship and ESG Committee, the Risk Management Committee, the Audit Committee, and the CSR Committee. Internal monitoring and regular assessments are in place to detect any issues related to ethical practices. In addition, our ethical practices, policies, systems, and procedures are audited annually by internal audit function and by a third party once in 3 years covering 100% of our operations and the reports are submitted to the committee. This ensures that we are adhering to the highest standards of ethical conduct in all our business operations.

Assessment for risks related to corruption

We have identified two processes which are the most susceptible to and have an inherent risk of bribery and corruption. An annual fraud risk assessment including corruption risk is being conducted for both these areas. Also, for other medium and low risk (corruption) areas, assessments are conducted once in 3 years via operational Internal Audit reviews. Therefore, we are covering 100% of our operations for assessment of corruption risk and business ethics. There were no money laundering and corruption cases reported during the year.

Policy Influence

Our active participation in trade and industry associations allows us to stay informed about industry developments, contribute to policy discussions, share our perspectives and insights to research undertaken and foster collaboration within the business community.

- Persistent has committed to set near-term and long-term company-wide emission reductions in line with the SBTi. Our strategy involves near-term and long-term initiatives to align with the goal of limiting global temperature rise to 2°C aligned to Paris agreement.

- Persistent has joined United Nations Global Compact as a part of its commitment to being a responsible organization.
- Persistent has not undertaken any lobbying activities during the current year, however, if a situation so arises, we are committed to lobbying in accordance with the relevant guidelines in line with the Paris agreement.

Process for Reporting complaints

Employees are provided multiple channels through which complaints can be raised to the respective redressal committees. These are proactively communicated to the employees through internal channels.

Whistleblower channel for reporting complaints is available for internal as well as external stakeholders including customers, suppliers and other third parties. Complaints including anonymous can be raised using the below mediums:

Online Complaints:

Email: whistleblower@persistent.com

 [whistleblower](#)

Offline Complaints: Ms. Anuja Ramdasi, Head – Internal Audit, Persistent Systems, Pingala, 9a, Aryabhata-Pingala, 12, Kashibai Khilare Path, Marg, Erandwane, Pune, Maharashtra 411004

Toll-free Helpline Numbers. India: 18002100165
USA: 18336058476

Grievance Redressal

At Persistent, our commitment to maintaining a safe and ethical workplace is unwavering. As we grow globally, it's crucial that everyone has a straightforward, structured way to address concerns or grievances. Its scope covers permanent employees, contract employees, retainers, consultants, trainees, and interns. We have set up a collaborative Grievance resolution framework for handling of grievances. This framework ensures operating guidelines, addressing roles and responsibilities, formal resolution of grievances swiftly and fairly, confidentiality and appropriate record keeping. During this process, the complainant will be protected and there will be no retaliation. Disciplinary actions in case of breach are initiated and reporting of breaches to the Board and statutory disclosures is followed as per the process.

Ethics Committee

Composition of the committee:

The Ethics Committee is chaired by the Head – Internal Audit and includes other members having diverse area of expertise to represent broad business functions. The composition of the Ethics Committee at Persistent Systems is as per below:

1. Head - Internal Audit
2. Company Secretary and Compliance Officer
3. Deputy General Counsel (India Legal Head)
4. Head - HR Business Partner
5. Delivery Head/ Delivery Partner
6. External Ethics Consultant

The responsibilities of the Ethics Committee involve the following:

- Review quarterly investigation reports of independent investigation teams and provide recommendations concerning ethical issues wherever required.
- Provide a consolidated overview regarding Ethical Practices to the Audit Committee and Board of Directors of Persistent.
- Direct and manage the updates and changes to the Code of Ethics as required and ensure that policies, guidelines, and standards are effectively communicated to all employees, sub-contractors and consultants through training programs and other communication initiatives.