



# **Ethical Practices at Persistent**

## **FY 2024-25**



# Ethics at Persistent Systems

## – Integrity in Action for Responsible Business

At Persistent Systems, our business is built on integrity, trust, and accountability. Our strong Code of Conduct and corporate governance policies reinforce the highest ethical standards and ensure strict regulatory compliance. These principles apply to all stakeholders, including directors, employees (permanent, temporary, and probationary), consultants, contractors, vendors, trainees, apprentices, and interns.

Every individual is responsible for upholding our ethical culture by adhering to the Code of Conduct and completing mandatory compliance training annually. We maintain a strict 'Zero-Tolerance' approach against unethical behaviour, with disciplinary actions, including termination, for any violations.

### Regulatory Compliance and Ethical Adherence

GRI 2-27 and 206-1

We have consistently maintained a strong compliance track record, proactively monitoring our practices to identify areas for improvement. Our commitment extends to fair wages, working hours, employee welfare, and human rights. We remained fully compliant with social and economic laws and regulations during the reporting period, with no instances of non-compliance. Additionally, we were not imposed with fines or settlements in the reporting year, nor have we been subject to any investigations related to anti-trust, anti-competitive, or monopoly practices.

### Conflicts of Interest

GRI 2-15

Persistent Group is committed to maintaining the highest standards of integrity and transparency. To prevent conflicts of interest, our directors and employees are required to avoid any business, relationship, or activity that may compromise Persistent's interests. Our policies and governance framework ensure strict adherence to these principles, reinforcing ethical decision-making across all levels of the organization.



For more details refer to

**Code of Conduct for Directors and Employees of Persistent Group**

### Compliance Tracking and Monitoring

GRI 2-16

At Persistent Systems, we ensure critical concerns reach the highest governance body through multiple channels, including periodic board meetings, committee reviews, and direct reporting mechanisms, to escalate significant issues related to business risks, ethics, compliance, cybersecurity, and other stakeholder concerns. Our whistleblower mechanism enables anonymous reporting, while regular risk assessments and audits reinforce accountability and swift action. In addition, we have implemented a robust web-based compliance tool to track and monitor statutory requirements globally. This tool enables us to ensure adherence to all applicable regulations by recording and reporting compliance status on time. A detailed compliance report generated from the tool is presented to the Board and Audit Committee during each quarterly meeting.

In FY 2024-25, there were no non-compliances, critical concerns, no penalties, or strictures from stock exchanges, SEBI, or any other statutory authority related to capital markets.

Board Oversight of Ethics Issues

The Ethics Committee, led by a Senior Officer (Head - Internal Audit) appointed by the Board, oversees the implementation and enforcement of the ethics policies and procedures. This committee handles various complaints related to insider trading, whistle-blower cases, sexual harassment, bribery, and anti-corruption. In addition, the committee reports any breaches or non-compliance to the Board, including conflicts of interest, monopoly practices, anti-trust violations, bribery, or corruption involving directors, key management personnel, and employees.

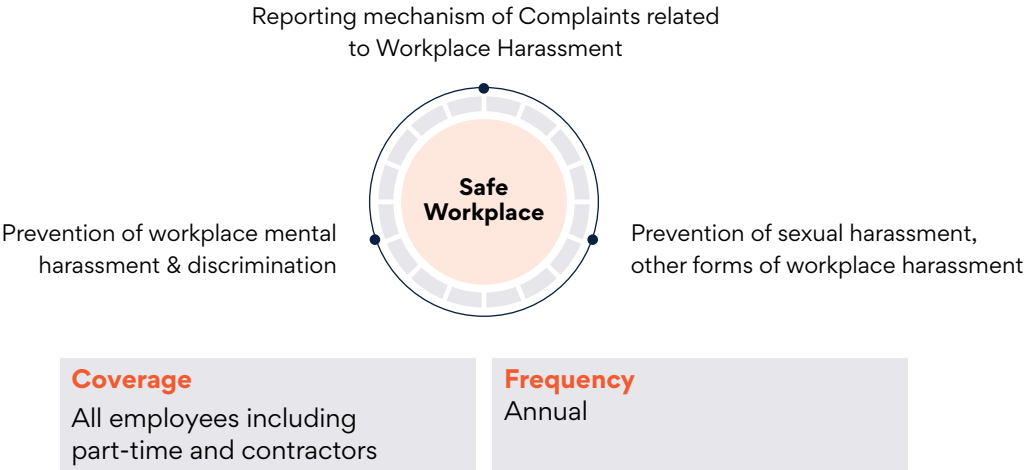
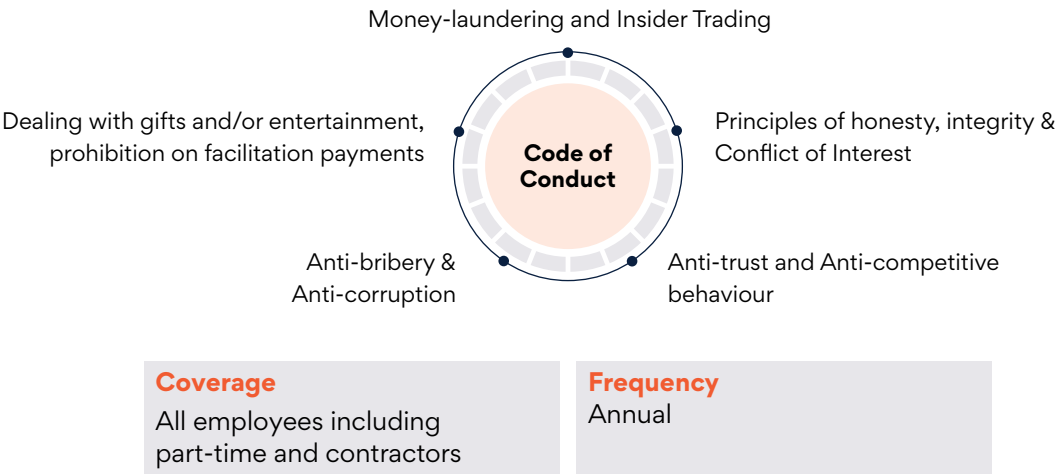
Evaluation of Ethical Practices (Internal & External Audit)

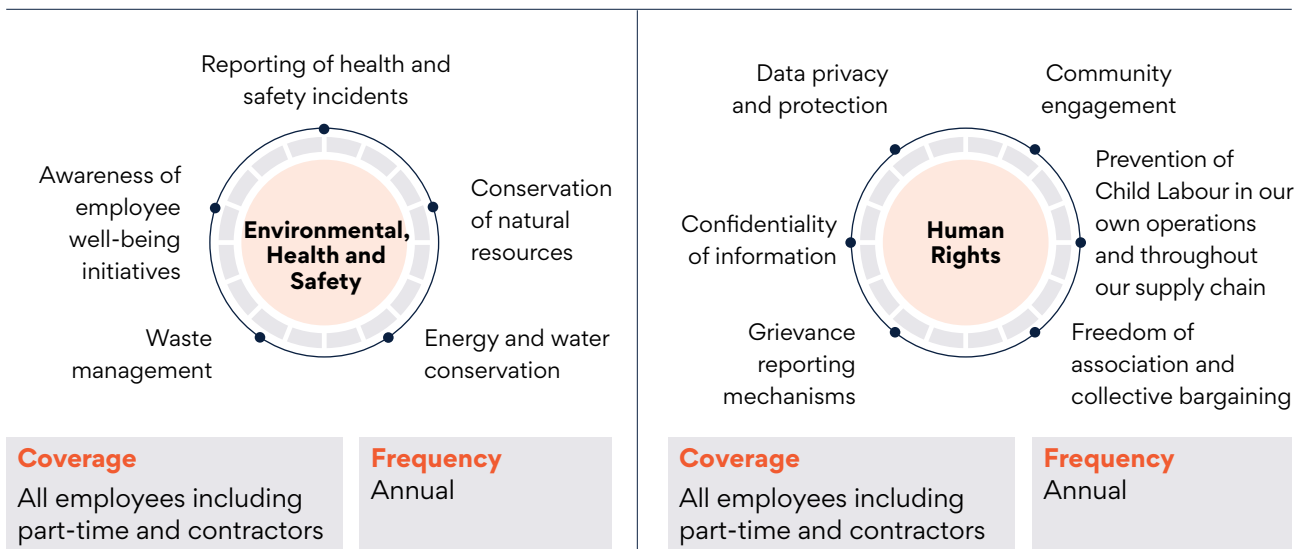
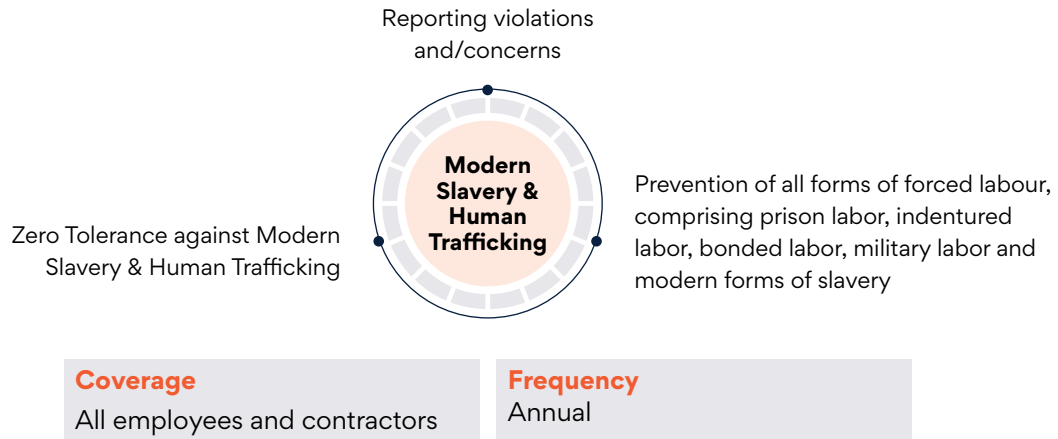
To uphold the highest standards of integrity, our ethics policies are reviewed and approved by key Board committees, including the Stakeholder Relationship and ESG Committee, Risk Management Committee, Audit Committee, and CSR Committee. Robust internal monitoring mechanisms and periodic assessments help identify and address ethical concerns proactively.

Additionally, third-party audits are conducted to evaluate our ethics policies, systems, and procedures. The findings from these audits are reported to the respective committees, reinforcing our commitment to transparency, accountability, and continuous improvement in ethical business conduct.

Ethics and Code of Conduct Trainings

Persistent Group remained steadfast in upholding the highest standards of business conduct, integrity, and ethics across its global operations. As part of our compliance and awareness training program, all permanent employees, including contractors, part-time employees and Directors, are required to complete the Annual online training module covering the following topics and provide formal acknowledgement:





## Commitment to Anti-Bribery & Anti-Corruption

GRI 205-1, 205-2 and 205-3

At Persistent Group, we uphold the highest ethical standards and enforce a zero-tolerance approach to corruption, fraud, and unethical business practices. Our operations are guided by principles of honesty, integrity, and accountability across all global locations, strictly prohibiting:

- Bribery & Kickbacks – No direct or indirect financial or non-financial inducements.
- Facilitation Payments – No unofficial payments to expedite processes.
- Political & Social Contributions – No unauthorized financial or in-kind support.
- Money Laundering & Corruption – Strict prohibition with rigorous monitoring.
- Gifts, travel, hospitality, and reimbursement of expenses – Gifts given or received, if they exceed the token gifts, prior written approval necessary.
- Charitable Contributions and Sponsorship – Persistent Systems may extend sponsorship only for a legitimate purpose to a bona fide recipient and in compliance with the applicable laws.

Our anti-corruption and anti-bribery policies endorsed by Board of Directors apply to all stakeholders, including employees, directors, vendors, and business partners, ensuring ethical business conduct at every level. These policies and procedures undergo regular third-party audits to maintain compliance. 100% of relevant stakeholders, including the Board of Directors and business partners, received training and communication on anti-corruption and anti-bribery policies and reporting of breaches during FY 2024-25.



For more details, refer

**Anti-Corruption and Anti-Bribery Policy**

## Risk Assessment & Compliance Monitoring related to Corruption

We have identified two high-risk processes most vulnerable to bribery and corruption. To mitigate these risks, we conduct an annual fraud risk assessment, including corruption risk, for these areas. Additionally, medium- and low-risk areas undergo assessments every three years through operational internal audit reviews, ensuring comprehensive risk monitoring and compliance. This structured approach ensures 100% bribery and corruption-related risk assessment coverage across all operations, reinforcing our commitment to ethical business conduct and proactive risk management. There were no reported cases of money-laundering or corruption during the reporting period.

## Grievance Mechanism

GRI 2-25 and 2-26

As we continue to expand on a global scale, we recognize the importance of providing a structured and transparent mechanism for addressing concerns and grievances. Our Grievance Resolution Framework applies to all stakeholders, including permanent and contract employees, retainers, consultants, trainees, and interns, customers, communities, supplier & partners, investors & shareholders and any other interested parties. This framework ensures clear operating guidelines, defines roles and responsibilities, and facilitates a fair and timely resolution process while maintaining confidentiality and proper record-keeping. We uphold a strict non-retaliation policy, ensuring protection for complainants throughout the process. Any breaches result in appropriate disciplinary action, with reporting to the Board and statutory disclosures as per the defined governance process.

## Whistleblower Policy

GRI 2-25 and 2-26

Our Whistleblower Policy enables employees and stakeholders including external / third-parties to confidentially report any fraudulent activities, unethical behaviour, or suspected violations of Persistent System's Code of Conduct and Ethics Policy.

The Board of Directors has appointed the Chairman of the Audit Committee as the Whistleblower Administrator. All stakeholders, including permanent and contract employees, retainers, consultants, trainees, and interns, customers, communities and NGOs, supplier & partners, investors & shareholders and any other interested parties can directly report concerns to the Whistleblower Administrator, ensuring accountability and prompt action. The policy includes robust safeguards to protect whistleblowers from retaliation, and it also allows direct access to the Chairman of the Audit Committee to reinforce an open and secure reporting mechanism. The Whistleblower mechanism on our website details various options for complainants to lodge their grievances related to Anti-Corruption & Anti-Bribery, Fraud, Conflict of Interest, Harassment, Money Laundering, Insider Trading, Health and Safety, unsafe act, unsafe conditions, office accident etc. This is a completely confidential mechanism. Our internal grievance mechanism also boasts of a completely confidential reporting process for our employees.



For more details, refer

**Whistle Blower Policy**



**Whistleblower Administrator**



**Chairman of Audit Committee**

## Confidential Reporting & Handling of Complaints

Employees, contractors and stakeholders have access to multiple channels to report concerns, ensuring transparency and accountability. Our Whistleblower channel is open to both internal and external stakeholders, including employees, customers, suppliers, communities, NGOs and other third parties. The Individual Investigation team address the concerns raised on the Whistle Blower channels. The investigation team follows standard procedures and framework

approved by the Board. Also, post investigation completion, the Investigation report, reviewed by the Ethics Committee for approval on the recommendation for execution of the recommendation. These reporting mechanisms are actively communicated through internal platforms for all employees and to our stakeholders through website, emails & contractual agreements. Complaints, including anonymous submissions, can be raised through the following mediums:

<b>Online Reporting</b> Email: <a href="mailto:whistleblower@persistent.com">whistleblower@persistent.com</a>  <b>Raise Online complaints</b> <a href="#">click here</a>	<b>Offline Reporting</b> Mailing Address: Ms. Anuja Ramdasi Head – Internal Audit Persistent Systems, Pingala 9a, Aryabhata-Pingala, 12, Kashibai Khilare Path, Marg, Erandwane, Pune, Maharashtra 411004	<b>Toll-Free 24/7 Helpline Numbers</b>  India: 18002100165 USA: 18336058476  Toll-Free reporting channel is operated by third party and the complaints can be recorded in local languages.
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Refer to

**Reporting of Breaches in ESG Factsheet page 229**

## Disciplinary Action

Disciplinary action will be at the discretion of the Ethics Committee and will be decided on a case-to-case basis. Appropriate disciplinary action up to and including termination from the services and/or appropriate legal action will be taken against:

1. Persons who act in contravention of the provisions of the policy.
2. Persons who engage in concealment/ destruction of evidence.
3. Persons making repeated frivolous complaints.
4. Persons engaged in repeated offenses based on the seriousness of the issue.
5. Breach of confidentiality.





## Policy Advocacy, Policy Influence, and Political Contributions



### Industry Engagement and Policy Advocacy

At Persistent Systems, we actively participate in industry and trade associations to stay informed about regulatory developments, contribute to policy discussions, and advocate for sustainable business practices. Our engagements enable us to align with global sustainability frameworks such as the Paris Agreement while fostering collaboration on industry-wide challenges.



### Commitment to Climate-Aligned Advocacy

Persistent Systems recognizes the role of corporate advocacy in shaping sustainable policies. Our public policy engagement strategy is guided by executive-level accountability to ensure that our lobbying activities and trade association memberships align with the Paris Agreement and broader climate commitments.



### Alignment with the Paris Agreement

We are committed to ensuring that all policy advocacy efforts align with international climate goals. Persistent Systems has set near-term and long-term Company-wide emissions reduction targets in line with the Science Based Targets initiative (SBTi). Our strategy focuses on limiting global temperature rise to below 2°C, reinforcing our commitment to sustainable business practices. Additionally, as a proud member of the United Nations Global Compact (UNGC), we continue to strengthen our corporate responsibility in climate action.



### Governance Framework for Public Policy Engagement

GRI 415

- Persistent Systems has a structured governance framework overseeing lobbying activities and trade association memberships to ensure alignment with our ESG commitments.
- Accountability extends up to the executive level, ensuring policy engagements reflect our sustainability and climate goals.



### Review and Monitoring of Policy Engagements

- Persistent Systems has a defined process to assess whether our public policy engagements and lobbying activities align with the Paris Agreement and our ESG commitments.
- This applies to both direct lobbying activities and trade association engagements, ensuring consistency with our climate strategy.
- If discrepancies arise, we engage with associations to drive alignment or reconsider participation in cases of continued misalignment.



### Transparency and Public Disclosure

GRI 2-4

- Persistent Systems publicly discloses climate policy positions and trade association activities to ensure transparency in advocacy efforts.
- We are committed to enhanced climate-related lobbying disclosures, ensuring stakeholders have visibility into how our engagements contribute to a net-zero future.
- Our policy engagement framework applies to all jurisdictions where we operate.



For more details, refer to our Governance Framework for **Public Policy Engagement**



### Political Contributions and Lobbying Expenditures

GRI 415-1

- Persistent Systems does not engage in direct or indirect political contributions, lobbying expenditures, or funding for political campaigns or candidates.
- Our support for trade associations and tax-exempt groups is aligned with our ESG principles. We do not contribute to organizations whose activities conflict with our sustainability commitments. During the reporting period, we contributed INR 2.92 Mn to trade associations or tax-exempt groups that support responsible business practices and policy advocacy.



For more details refer

**ESG Factsheet Page 212**



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