

# Nuvama Wealth Management Limited

## Environment, Social and Governance (ESG) Policy

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## 1. INTRODUCTION

Nuvama Group (“Company”, formerly known as Edelweiss Wealth Management), is dedicated to creating value for all stakeholders and strives to deliver world-class financial services and customer experience by upholding the highest standards of governance and risk management.

Nuvama's approach is to integrate its business strategy, processes, and disclosures with national and international Environmental, Social, and Governance (“ESG”) standards and frameworks. We believe that sustainable and responsible investing is essential for long-term value creation, while contributing to a more sustainable global economy.

## 2. POLICY COVERAGE AND APPLICABILITY

Our ESG policy guides our approach to incorporating ESG principles into business strategy and contribute to a sustainable and responsible financial ecosystem.

This Policy shall apply to all entities within Nuvama Group and extends its coverage to encompass all stakeholders across all our offices pan India.

Further, the Company shall endeavour to engage with service providers / value chain partners to encourage them to undertake ESG initiatives and comply with the requirement(s) of this Policy.

The ESG Policy is accessible to all the stakeholders on the company’s website.

## 3. OBJECTIVES

The Objectives of this Policy reflect the Company’s endeavour to become a climate conscious, socially responsible and well governed organization and are defined as follows: -

- Embed ESG considerations into core business strategies, processes, and decision-making
- Foster a diverse, inclusive, and safe workplace that promotes equality, fairness, and respect for all employees
- Uphold high ethical standards, compliance frameworks and transparent corporate governance practices to ensure strong accountability and robust risk management
- Deliver transparent and reliable information to all stakeholders
- Collaborate with industry stakeholders to advance ESG best practices and contribute to a more sustainable financial ecosystem
- To help formulate the company’s ESG roadmap, goals and targets and to define a mechanism to measure and monitor the ESG impacts

## 4. ESG VISION & MISSION

“Let's do it right: For people, planet, and profit” is our vision and serves as a framework for decision making to strive towards achieving the mission which aims to protect the planet, promote social well-being and uphold highest standards of ethical conduct and transparency.

Below is Nuvama’s Mission statement which reflects the organization’s commitment to address key areas -

**Empowering People:** Leveraging digitalisation to enhance financial well-being and promote social inclusion

**Protecting the Planet:** Fostering sustainable practices and environmental stewardship

**Driving Profit responsibly:** Embracing responsible practices to achieve sustainable transition and equitable growth

## 5. DO NO HARM STATEMENT

Nuvama is a socially and environmentally responsible organisation, encapsulating the principles of 'Do No Harm'. We pledge to act honestly, provide accurate information, safeguard assets, improve services continuously, uphold confidentiality, and never engage in activities that could harm clients' financial well-being. Our commitment is to safeguard our clients' interests while minimizing our environmental impact and promoting sustainability in all aspects of our operations.

## 6. ESG FRAMEWORK

The Company shall refer to applicable and relevant national and international ESG frameworks for identification of key focus areas, material ESG topics, integration of ESG into business and operations of the Company and reporting the Company's ESG performance.

The management shall be free to elect and apply all or any of the ESG frameworks as it may consider appropriate and relevant from time to time.

Additionally, the Company shall ensure compliance with applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any circulars issued thereunder and any other applicable laws from time to time, which require any ESG initiatives and / or disclosures and reporting by the Company.

## 7. ESG FOCUS AREAS

Nuvama aims to focus on the below ESG focus areas through this policy:

### 7.1 Ethics and Corporate Governance

The Company has implemented a strong and effective corporate governance system that encompasses the following key considerations:

- Optimum board composition, compensation and structure with diverse expertise and independent directors
- Transparent and comprehensive disclosure of financial performance, operations, and ESG practices
- Robust risk management framework to identify, assess, and mitigate potential risks
- Effective internal control systems to ensure compliance and safeguard the company's assets
- Code of conduct and ethics policies to promote transparency, integrity and responsible behaviour
- Regular evaluation of board performance and effectiveness
- Strong focus on shareholder rights and protection
- Active engagement and communication with stakeholders, including clients and employees
- Compliance with applicable laws, regulations, and industry best practices
- Commitment to responsible corporate citizenship, including social and environmental responsibilities

## 7.2 Risk Management

The Company has implemented a Risk Management policy for its different business operations. The objectives of the Policy can be summarized as follows:

- a. To safeguard the Company's and its subsidiaries'/associates' property, interests, and interest of all stakeholders;
- b. To manage risks with an institutionalized framework and consistently achieving desired outcomes;
- c. To implement appropriate methodology, processes and systems to monitor and evaluate risks associated with the business of the Company
- d. To protect and enhance corporate governance;
- e. To implement a process to identify potential / emerging risks;
- f. To implement appropriate risk management initiatives, controls, incident monitoring, reviews and continuous improvement initiatives and appraising Board and Risk Management committee;
- g. Minimize undesirable outcomes arising out of potential risks; and
- h. To align and integrate views of risk across the enterprise

The implementation of this Policy will be done by Risk Management Team. The Risk Management Committee will review, assess and oversee the implementation of risk management policies and practices.

Effective risk management is a critical aspect of this ESG policy, aimed at identifying and mitigating ESG risks. Nuvama focuses on addressing climate change, stakeholder engagement, community relations, regulatory compliance, transparency, and board accountability. By actively managing various ESG risks, Nuvama strives to enhance its resilience, protect its reputation, and align with sustainable practices, thereby creating long-term value.

## 7.3 Data Protection & Privacy

Nuvama is dedicated to safeguarding personal and sensitive information with robust data security measures. Our data governance structure ensures secure and efficient data management, supporting data-driven decision-making. ISO-27001 and 27701 certifications prioritize risk assessment, and we prioritize employee awareness through training and assessments. Upholding our fiduciary responsibility, we protect clients' data with strict confidentiality, integrity, and availability standards under our Information Security Policy.

## 7.4 Fair marketing and selling practices

- Provide clear, accurate, and timely information to customers regarding products, services, fees, and risks, fostering trust and informed decision-making.
- Promote and support the financial well-being of customers by providing appropriate and responsible financial advice, education, and access to suitable investment opportunities.
- Conduct marketing and communication activities with integrity, avoiding misleading or deceptive practices, and providing financial literacy to customers
- Build a secure brand image and reputation

## 7.5 Stakeholder Engagement

Nuvama is committed to fostering meaningful and proactive stakeholder engagement as a central pillar of its business approach. By regularly communicating with employees, clients, third parties/ partners, investors, communities, and regulatory bodies, Nuvama ensures that

their interests are carefully considered in the company's decision-making processes and business strategies. This open and transparent dialogue enables Nuvama to build strong relationships, foster trust, and promote collaboration with its stakeholders. Through this commitment to stakeholder engagement, Nuvama strives to create lasting value, while upholding principles of sustainability and responsible business practices.

**Employees** – Nuvama aims to engage its employees to promote inclusivity and diversity, empower their voices, provide a safe working environment and fair treatment and enhance overall organizational success.

**Clients** – Nuvama endeavours to establish enduring customer relationships based on trust, loyalty, and meeting their needs, thereby enhancing satisfaction and reliability.

**Communities** – Nuvama is committed to community impact through its dedicated CSR policy, promoting sustainable development, social well-being, and inclusivity. We actively engage in charitable initiatives, encourage employee volunteering, and prioritize sustainability. With our strong brand image of "Let's do it right," we aim to build trust, reliability, and ethical practices within the community, creating lasting positive change and contributing to their betterment.

**Regulatory bodies** – Nuvama actively engages with regulatory bodies to ensure compliance and foster constructive dialogue on relevant matters.

**Third parties/ Partners** – Nuvama values ethical and transparent relationships with Third Parties. We prioritize fair and ethical business practices, transparent communication, and collaborative partnerships for mutual success.

**Investors/ Shareholders** – At Nuvama, we prioritize transparency and open communication with our investors. We provide timely and accurate financial information, aiming to build trust and long-term relationships. Through regular shareholder meetings and updates, we create value and foster a mutually beneficial relationship based on trust and shared prosperity.

## 7.6 Grievance Mechanism

The Company has put in place a strong framework to address queries and concerns from stakeholders on any issues that they may face. Nuvama is committed to handling these matters systematically and in accordance with relevant protocols and regulations through an effective and transparent grievance mechanism that ensures the fair and timely resolution of any concerns or grievances raised by our stakeholders. We provide a structured and accessible process for individuals or entities to voice their grievances such as ethical concerns, environmental impact, social responsibility, or any other relevant issues. Nuvama's CRM system aims to address customer issues quickly and efficiently and is designed to ensure confidentiality, impartiality, and non-retaliation, allowing stakeholders to feel safe and empowered to come forward with their concerns.

## 7.7 Employee safety and well-being

- Prioritize employees' physical and mental health, safety, and well-being through robust protocols, training, and access to wellness programs and initiatives
- Nuvama prioritizes employee wellbeing, health (both physical and mental), and safety to create a productive workplace by offering comprehensive benefits, including Mediclaim, Life & Accident Insurance, and Personal Loan Benefits, maternity allowances, parental leave, and annual health check-ups to support our employees.

- In our endeavour to enhance employee engagement we have set up a feedback and grievance forum for employees and continue to foster a culture of open communication and feedback on all workplace issues
- We encourage initiatives for health and safety of employees and continue to reduce work related health and safety issues at all offices and locations
- Provide trainings and awareness sessions to employees on emergency preparedness

## 7.8 Talent attraction and retention

- Create a culture of continuous learning and Promote professional development and growth opportunities through training, mentorship, and career initiatives
- Foster work-life balance by encouraging flexible arrangements to enable physical and mental well-being
- Encourage open and transparent communication, valuing employee inputs and creating a culture of collaboration and inclusivity through regular employee engagement
- Provide comprehensive and ongoing training programs to empower employees with the knowledge and skills necessary for their professional development and success. Promote awareness and education on ESG principles and practices among employees through training programs, workshops, and communication campaigns, empowering them to contribute to sustainable development.
- Encourage employee engagement in social and community initiatives, supporting volunteering and sustainable development projects.
- Recognize and reward employees for exceptional performance.

## 7.9 Diversity and equal opportunity

Nuvama is fully committed to diversity and inclusion in the workplace. We value the strength of a diverse workforce and strive to create an inclusive environment where everyone is respected and embraced.

- Uphold respect, fairness, and equality for all employees, fostering a discrimination-free and inclusive work environment
- Embrace diversity and inclusion, providing equal opportunities during hiring, career advancement and fair compensation.
- Uphold high ethical standards, integrity, and confidentiality and respect human rights.
- Prohibit discrimination and harassment through our Equal Opportunity Policy and we actively promote diversity in governance bodies and ensure gender pay parity. Nuvama has zero tolerance for conduct which can be classified as harassment (such as rude or insulting comments, intimidation, bullying, or hostile work environment to name a few), sexual harassment (as defined in our policy on Prevention of Sexual Harassment and by law) and discrimination.
- Encourage open and transparent communication, valuing employee inputs and creating a culture of collaboration and inclusivity through regular employee engagement.

## 7.10 Protection of Human Rights

Nuvama upholds high ethical standards, integrity, confidentiality and prioritizes human rights by respecting and promoting fairness, equality, and safety for its employees and stakeholders. The company fosters an inclusive work environment, encourages open communication, and collaborates with various stakeholders, including local communities and human rights organizations, to address potential issues effectively and uphold human rights standards.

## 7.11 Commitments to maintain Operational Eco-efficiency

The organization is committed to maintaining proper governance and oversight of the below procedures in its operations:

- Minimize the environmental impacts of our physical operations by measuring, managing, monitoring, and controlling energy consumption, emissions, waste generated, and water consumed across its offices through environmental friendly initiatives
- Actively work to implement energy-efficient technologies
- Create guidelines and control mechanisms to reduce environmental footprint.
- Comply with environmental laws, regulations, and standards
- Involve employees in promoting eco-efficiency and provide training and awareness programs
- Embrace digital solutions to reduce paper usage and enhance efficiency
- Sensitize stakeholders on environmental topics and involve them in promoting eco-efficiency by providing training and awareness programs
- Partnering with organizations to advance sustainable development

## 8. ESG GOVERNANCE MECHANISM

Nuvama aims to have an ESG governance structure that will ensure effective implementation and oversight of our sustainability initiatives. Our leadership will monitor and drive ESG integration across departments, fostering collaboration and accountability. Through cross-functional collaboration and training programs we will embed ESG principles into core strategies and operations. This structure will promote transparency, collaboration, and responsible decision-making, enabling us to manage ESG risks, drive sustainable growth, and create long-term value for stakeholders.

Additionally, the Board will assess the ESG strategy and evaluate its impact through responsible practices.

The company's Governance structure for ESG shall include –

**Board of Directors** - The Board of Directors have an overarching responsibility of setting the course for ESG journey of the Company and driving the ESG agenda. The Board shall provide effective oversight and strategic leadership for prudent ESG performance.

**ESG Committee**: The ESG Committee represents the Board and is responsible to review and monitoring of the ESG initiatives, policies and processes and assess the performance of the Team. It shall also recommend any proposed changes for approval by the Board; and review statutory performance obligations on Sustainability/ESG if any

**ESG Team**: The ESG Team shall oversee effective implementation of ESG initiatives and in the process design and conduct periodic programs for capacity building to create awareness about ESG and sensitize the employees on ESG initiatives, issues, risks and opportunities. It shall lead the process of building a conscious ESG culture by encouraging the employees and relevant stakeholders to contribute to the Company's ESG Vision. shall.

**Employees**: Every employee of the Company shall endeavour to inculcate ESG principles in their operations and shall support the Company in achieving its ESG Vision & Mission through active participation in the implementation of the ESG initiatives.

## 9. REVIEW OF ESG POLICY

Periodic monitoring and evaluation of ESG performance is a crucial practice for Nuvama to ensure its operations comply with laws and regulations, align with industry best practices and are in line with sustainable and responsible business practices. Through regular assessments in these areas, Nuvama can track progress, identify strengths, gather diverse perspectives and uncover areas for improvement. This process enables informed decision-making, facilitates necessary adjustments, and supports the refinement of strategies to continuously enhance ESG performance.

Through this comprehensive evaluation and periodic revision process, Nuvama maintains policies that are robust, responsive, and aligned with its values and objectives.

<b>Version</b>	<b>Review Date</b>	<b>Owner</b>	<b>Approver</b>
Version 1	July 2024	ESG Committee	Board of Directors