



Governance Policy

Effective From: 02/01/2023 Revision Number: 2.0



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1. Introduction

At Rakheja Enterprises LLP, we are committed to maintaining the highest standards of corporate governance. We ensure transparency, accountability, and integrity in all our operations and decision-making processes. Our governance policy emphasizes ethical behaviour, compliance with laws and regulations, and effective stakeholder engagement to foster trust and sustainability. We prioritize open communication channels and continuous improvement to uphold our commitment to good governance practices.

2. Planned objectives

- To ensure all business activities are conducted ethically and in compliance with applicable laws and regulations.
- To maintain transparency in our operations, financial reporting, and decision-making processes.
- To hold all levels of the organization accountable for their actions and decisions.
- To foster active engagement with stakeholders to understand their concerns and expectations.
- To identify, assess, and manage risks effectively to safeguard the company's assets and reputation.
- To ensure compliance with corporate governance principles and standards set by regulatory bodies.
- To set guidelines for how to recognize and deal with ethical issues.

3. Scope

This policy applies to all our manufacturing facilities and encompasses all employees (at all level and grades), stakeholders, partners, contractors, customers, suppliers, and any other individuals or entities acting on behalf of Rakheja Enterprises LLP.

4. Rakheja's governance key focus area

➤ **Anti-corruption and bribery measures:**

- We are dedicated to implementing rigorous anti-corruption measures to prevent any form of bribery or unethical influence.
- We prioritize maintaining transparency and accountability in all transactions to effectively combat corruption and bribery risks.
- We focus on providing comprehensive training to employees on recognizing and reporting potential bribery and corruption issues.
- We emphasize establishing strict procedures for reporting and investigating any incidents of bribery or corruption.

➤ **Conflict of interest management:**

- We are committed to identifying and managing any potential conflicts of interest to maintain integrity and fairness in decision-making.
- We prioritize establishing clear guidelines for disclosing and addressing conflicts of interest among employees and management.
- We focus on implementing regular training programs to help employees recognize and avoid situations that could lead to conflicts of interest.
- We emphasize maintaining transparency in all business dealings to prevent any undue influence from personal interests.

➤ **Anti-money laundering controls:**

- We are committed to enforcing robust anti-money laundering measures to prevent financial crime and illicit activities.
- We prioritize conducting thorough due diligence on all transactions to identify and mitigate risks related to money laundering.

- We focus on providing ongoing training to employees on anti-money laundering procedures and regulatory compliance.
- We emphasize implementing effective monitoring and reporting systems to detect and address any suspicious financial activities.

➤ **Data manipulation:**

- We are focused on preventing any form of data manipulation by implementing stringent data integrity and security measures.
- We prioritize maintaining transparency and accuracy in all data handling processes to avoid any unauthorized alterations.
- We focus on training employees to recognize and report any potential instances of data manipulation or falsification.
- We emphasize conducting regular audits and reviews to detect and address any discrepancies or manipulative practices.

➤ **Anti-competitive practices:**

- We are dedicated to avoiding any form of anti-competitive practices that could undermine fair competition and market integrity.
- We prioritize adhering to competition laws and regulations to ensure that our business practices promote a competitive market environment.
- We focus on providing training to employees on ethical competition practices and legal compliance.
- We emphasize monitoring and reviewing our business practices to prevent any actions that could be deemed anti-competitive.

➤ **Fraud prevention:**

- We are committed to preventing and addressing any instances of fraud through rigorous internal controls and oversight.

- We prioritize implementing effective fraud detection and prevention measures to safeguard against financial misconduct.
- We focus on providing training to employees on recognizing and reporting fraudulent activities or behaviors.
- We emphasize conducting regular audits and investigations to identify and address any potential fraud-related issues.

➤ **Information security management:**

- We are committed to safeguarding sensitive information through robust information security management practices and controls.
- We prioritize maintaining the confidentiality, integrity, and availability of data through effective security measures and protocols.
- We focus on providing regular training to employees on information security best practices and threat awareness.
- We emphasize conducting regular security audits and assessments to identify and mitigate potential information security risks.

5. Rakheja's governance key strategies

➤ **Anti-corruption and bribery measures:**

- We aim to implement comprehensive anti-corruption guidelines from the Foreign Corrupt Practices Act (FCPA).
- Our commitment is to conduct regular anti-corruption training programs through online platforms to educate employees on recognizing and reporting bribery and corruption.
- We strive to establish robust whistleblower protection systems, such as dedicated hotlines and reporting platforms, to facilitate safe and anonymous reporting of unethical practices.
- We aim to perform thorough due diligence on third-party relationships to prevent potential corruption and bribery risks.

→ Our goal is to conduct periodic internal audits and assessments of anti-corruption measures to ensure adherence to ethical standards and regulatory requirements.

➤ **Conflict of interest management:**

→ We aim to develop and implement a conflict-of-interest policy disclose and manage potential conflicts transparently.

→ Our commitment is to require regular declarations of conflicts of interest from employees and management through automated reporting systems and conflict management software.

→ We strive to provide training on conflict-of-interest policies using online platforms such as Coursera to ensure all employees understand and comply with our guidelines.

→ We aim to establish a review committee using a conflict management platform to evaluate and address potential conflicts of interest in decision-making processes.

➤ **Anti-money laundering controls:**

→ We aim to implement anti-money laundering (AML) software solutions like SAS to monitor and detect suspicious financial transactions and activities.

→ Our commitment is to provide AML training for employees through e-learning platforms and workshops to ensure they understand and comply with legal requirements.

→ We strive to conduct regular audits of our AML procedures using internal and external auditors to ensure effective controls and adherence to regulations.

→ We aim to establish robust due diligence processes for client onboarding using risk assessment tools and verification technologies to prevent money laundering.

➤ **Data manipulation:**

→ We aim to implement data integrity tools and software, such as data validation systems, to prevent and detect data manipulation and ensure accurate reporting.

→ Our commitment is to enforce strict access controls and data monitoring systems to safeguard against unauthorized changes and maintain data integrity.

- We strive to conduct regular audits of data handling processes using data audit tools to identify and address any potential manipulation or anomalies.
- We aim to provide training on data ethics and integrity through online platforms ensure employees understand the importance of accurate data reporting.

➤ **Anti-competitive practices:**

- We aim to adhere to fair competition laws and regulations using compliance and consult with legal experts to prevent anti-competitive behavior.
- Our commitment is to provide training on anti-competitive practices using online learning platforms to ensure employees understand and comply with competition laws.
- We strive to monitor and review our market practices regularly using competitive analysis tools to ensure that our business activities are ethical and lawful.
- We aim to establish a compliance program that includes regular audits and reporting on anti-competitive practices to prevent violations and maintain fair competition.
- Our goal is to engage with industry groups and regulatory bodies to stay informed about changes in competition laws and adjust our practices accordingly.

➤ **Fraud prevention:**

- We aim to implement fraud detection systems using software like ACL Analytics to monitor transactions and detect fraudulent activities.
- Our commitment is to provide fraud prevention training through interactive workshops and e-learning modules to educate employees on recognizing and preventing fraud.
- We strive to establish strong internal controls and review mechanisms using auditing tools to prevent and address potential fraud within the organization.
- We aim to conduct regular fraud risk assessments and internal audits to identify vulnerabilities and enhance our fraud prevention strategies.

➤ **Information security management:**

- We aim to implement comprehensive information security management systems (ISMS) using frameworks like ISO/IEC 27001 to protect sensitive data and ensure robust security measures.
- Our commitment is to conduct regular security awareness training to educate employees on information security best practices.
- We strive to deploy advanced security technologies such as firewalls, encryption, and intrusion detection systems (IDS) to safeguard our information assets.
- We aim to establish regular security audits and vulnerability assessments using tools like Nessus to identify and mitigate potential security threats and vulnerabilities.
- Our goal is to develop and enforce data protection policies, including incident response plans and data access controls, to ensure effective management of information security.

6. Rakheja's governance targets

➤ **Anti-corruption and bribery measures:**

- By 2029-30, we aim to achieve 100% compliance with anti-corruption and bribery standards, based on the baseline year 2022-23.
- Our goal is to increase the number of anti-bribery training sessions conducted annually to 12, compared to 8 in the 2022-23 baseline year.
- We plan to conduct anti-corruption audits in 100% of our departments by 2029-30, relative to the baseline year 2022-23.
- By 2029-30, we aim to reduce reported bribery incidents by 50% compared to the baseline year 2022-23.

➤ **Conflict of interest management:**

- We aim to achieve 100% completion of conflict-of-interest declarations by 2029-30, relative to the baseline year 2022-23.

- By 2029-30, we plan to provide conflict of interest management training to 100% of employees annually, compared to 70% in the 2022-23 baseline year.
- Our goal is to conduct conflict of interest reviews for 100% of key personnel by 2029-30, based on the baseline year 2022-23.
- We aim to resolve 95% of reported conflict of interest cases within 30 days by 2029-30, compared to the baseline year 2022-23.

➤ **Anti-money laundering controls:**

- We target achieving 100% compliance with anti-money laundering regulations by 2029-30, compared to the baseline year 2022-23.
- By 2029-30, we aim to conduct anti-money laundering training for 100% of relevant employees annually, based on the baseline year 2022-23.
- Our goal is to enhance our anti-money laundering monitoring systems to cover 100% of transactions by 2029-30, compared to the baseline year 2022-23.
- We plan to reduce the number of money laundering incidents by 50% by 2029-30, using the baseline year 2022-23.

➤ **Data manipulation:**

- We aim to achieve 100% compliance with data integrity policies by 2029-30, relative to the baseline year 2022-23.
- By 2029-30, we plan to conduct annual data manipulation training for 100% of employees, compared to 75% in the 2022-23 baseline year.
- Our goal is to reduce data manipulation incidents by 50% by 2029-30, based on the baseline year 2022-23.
- We target a 40% improvement in data integrity monitoring systems by 2029-30, compared to the baseline year 2022-23.

➤ **Anti-competitive practices:**

- We aim to achieve 100% compliance with anti-competitive practices regulations by 2029-30, relative to the baseline year 2022-23.
- By 2029-30, we plan to provide anti-competitive practices training to 100% of employees annually, compared to 60% in the 2022-23 baseline year.
- Our goal is to conduct anti-competitive practices audits for 100% of business units by 2029-30, based on the baseline year 2022-23.
- We aim to reduce reported incidents of anti-competitive behaviour by 50% by 2029-30, using the baseline year 2022-23.

➤ **Fraud prevention:**

- We target achieving 100% compliance with fraud prevention standards by 2029-30, based on the baseline year 2022-23.
- By 2029-30, we plan to conduct fraud prevention training for 100% of employees annually, compared to 65% in the 2022-23 baseline year.
- Our goal is to reduce reported fraud incidents by 50% by 2029-30, relative to the baseline year 2022-23.
- We aim to enhance our fraud detection systems to cover 100% of financial transactions by 2029-30, compared to the baseline year 2022-23.

➤ **Information security management:**

- We aim to achieve 100% compliance with information security management standards by 2029-30, relative to the baseline year 2022-23.
- By 2029-30, we plan to conduct information security training for 100% of employees annually, compared to 70% in the 2022-23 baseline year.
- Our goal is to enhance our information security systems to cover 100% of critical data by 2029-30, based on the baseline year 2022-23.

→ We aim to reduce information security breaches by 50% by 2029-30, compared to the baseline year 2022-23.

7. Governance Compliance Framework: Do's and Don'ts Across Key Risk Areas

Risk Area	Do's	Don'ts
Anti-Corruption and Fraud Prevention	<ul style="list-style-type: none"> Promptly report suspected bribery, fraud, or unethical conduct through the Compliance Officer or whistleblower mechanism. Maintain accurate, transparent, and complete records for all financial and business transactions. Decline gifts, favors, or benefits that may influence business decisions. 	<ul style="list-style-type: none"> Do not offer, request, or accept bribes, kickbacks, facilitation payments, or improper advantages. Do not falsify, manipulate, or conceal financial or operational records. Do not ignore warning signs or red flags related to fraud or corruption.
Conflict of Interest Management	<ul style="list-style-type: none"> Disclose any actual or potential conflicts of interest promptly and transparently. Obtain prior written approval before engaging in external employment or business activities that may conflict with company interests. Follow internal reporting and approval mechanisms for conflict management. 	<ul style="list-style-type: none"> Do not make decisions for personal gain or for the benefit of family or associates. Do not engage in unauthorized dealings with competitors, suppliers, or customers. Do not misuse company resources or confidential information for personal benefit.
Anti-Money Laundering (AML)	<ul style="list-style-type: none"> Report suspicious or unusual financial activities to the Compliance or Finance team. Conduct due diligence on customers, suppliers, and business partners. Maintain verifiable records of transactions, payments, and contracts. 	<ul style="list-style-type: none"> Do not approve transactions without legitimate business justification. Do not ignore indicators such as unexplained payments or high-risk transactions. Do not participate in activities intended to

		disguise or conceal the origin of funds.
Prevention of Anti-Competitive Practices	<ul style="list-style-type: none"> • Compete fairly and ethically in pricing, tendering, and market activities. • Comply with all applicable competition and antitrust laws. • Ensure transparency and integrity in proposals and commercial communications. 	<ul style="list-style-type: none"> • Do not engage in price-fixing, bid-rigging, collusion, or market allocation. • Do not share sensitive commercial information with competitors. • Do not abuse market position to restrict fair competition.
Information Security and Data Protection	<ul style="list-style-type: none"> • Follow company IT, cybersecurity, and data protection policies. • Use strong passwords, approved devices, and security controls. • Immediately report data breaches, phishing, or unauthorized access. 	<ul style="list-style-type: none"> • Do not disclose confidential or personal data without authorization. • Do not use unapproved devices or platforms for handling sensitive data. • Do not bypass security controls or share access credentials.

8. How to raise concern

All employees or vendors or associates are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with the CEO.

9. Responsibility

1. Senior Management

- **Strategic Oversight:** Ensure the implementation and effectiveness of governance strategies aligned with the company's mission, values, and ethical standards.
- **Resource Allocation:** Allocate appropriate financial, human, and operational resources to support effective governance and compliance practices.

- **Stakeholder Engagement:** Engage with regulators, industry bodies, and external stakeholders to stay informed about governance best practices and compliance requirements.
- **Risk Management:** Oversee governance-related risks and ensure appropriate internal controls and mitigation measures are in place.

2. Governance Committee

- **Policy Implementation:** Support the implementation and oversight of governance policies, procedures, and internal control systems.
- **Training Coordination:** Develop and deliver governance and compliance training programs to employees.
- **Compliance Monitoring:** Monitor adherence to governance policies, ethical standards, and regulatory requirements.
- **Policy Review:** Conduct periodic reviews and updates of governance policies to ensure they remain effective and aligned with regulatory developments and organizational needs.

3. Chief Executive Officer (CEO)

- **Policy Approval:** Review and approve updates to governance policies based on organizational performance, regulatory changes, and risk assessments.
- **Audit Oversight:** Ensure regular internal reviews or audits are conducted to verify compliance with governance policies and procedures.
- **Incident Investigation:** Oversee the investigation of reported violations or concerns related to governance practices.
- **Transparency and Reporting:** Ensure appropriate reporting mechanisms are maintained to address governance concerns and promote transparency in disclosures.

4. Facilities and Operations Management

- **Operational Safety:** Implement and maintain workplace safety measures that support responsible governance and risk management.
- **Emergency Preparedness:** Conduct regular emergency drills and preparedness activities to maintain operational readiness.
- **Workplace Environment:** Maintain a secure, safe, and well-managed working environment that supports compliance with company policies.

5. Employees

- **Policy Compliance:** Follow the company's governance policies, procedures, and ethical standards in all work-related activities.
- **Reporting Obligations:** Report any observed violations of governance policies, unethical behavior, or compliance concerns through established reporting channels.
- **Training Participation:** Participate in and complete mandatory training programs related to governance, ethics, and compliance.

10. Reporting

Transparent and regular reporting is crucial for monitoring the effectiveness of our governance framework, ensuring accountability, and driving continuous improvement. Rakheja Enterprises LLP implements the following reporting procedures:

- **Regular Governance Performance Reports:** We conduct annual evaluations of our governance practices, gathering data on key metrics outlined in our Governance Strategy. These reports include an assessment of compliance with governance standards and progress towards our policy objectives.
- **Internal Audits:** We perform internal audits to evaluate adherence to governance policies and procedures, assess the effectiveness of our governance management systems, and identify areas requiring corrective action. These audits help ensure ongoing compliance and facilitate continuous improvement.

- **Stakeholder Engagement:** We actively engage with stakeholders, including employees, board members, investors, and regulators, to solicit feedback, address concerns, and communicate our governance practices and performance. This engagement ensures transparency and fosters a collaborative approach to governance issues.
- **Grievance Reporting Mechanisms:** We provide accessible channels for employees and stakeholders to report governance-related violations or concerns. Reports are reviewed promptly, and actions are taken to resolve issues and prevent recurrence. This mechanism supports our commitment to accountability and continuous improvement.
- **Public Disclosures:** We enhance transparency by publicly disclosing our governance performance, including progress towards policy objectives and responses to stakeholder concerns. These disclosures are made through our website, annual reports, and other communication channels, ensuring that our commitments are visible and accessible.
- **Policy Review and Updates:** We review and update our governance policy every two years, based on performance reports, audit findings, and stakeholder feedback. This ensures that the policy remains relevant, effective, and aligned with best practices and evolving governance standards.

11. Consequences for Violation of this Policy

At Rakheja Enterprises LLP, we take violations of our governance policy very seriously. All employees and stakeholders are expected to adhere strictly to the principles outlined in this policy. Failure to comply with the governance policy will result in appropriate disciplinary actions and measures to address the breach. The consequences for violations may include:

1. Disciplinary Actions:

- **For Employees:** Violations of the governance policy by employees may result in disciplinary actions ranging from formal warnings to suspension or termination of employment, depending on the severity and nature of the breach. Repeat offenses or serious violations will be treated with increased severity.

- **For Management and Senior Executives:** Serious breaches involving management or senior executives may lead to removal from their positions, legal action, and termination of employment. The company will conduct thorough investigations to determine the appropriate course of action.

2. Legal Consequences:

- **For Illegal Activities:** Any violations involving illegal activities such as fraud, corruption, or money laundering will be reported to the relevant authorities. Legal proceedings may be initiated, and individuals involved may face criminal charges, fines, and imprisonment as applicable under the law.

3. Financial Penalties:

- **For Contractors and Suppliers:** Contractors and suppliers who violate the governance policy may face financial penalties, including termination of contracts, loss of business, and legal action to recover damages. We will ensure that contractual agreements include provisions for compliance and penalties for breaches.

4. Corrective Measures:

- **For All Parties:** In addition to disciplinary actions, we will implement corrective measures to address the root cause of the violation. This may include additional training, process improvements, and revisions to policies and procedures to prevent future occurrences.

5. Reputational Damage:

- **For the Company and Individuals:** Violations of the governance policy may lead to reputational damage for the company and individuals involved. We will take steps to mitigate any negative impact and restore trust through transparent communication and corrective actions.

6. Review and Appeal:

- **For Employees and Stakeholders:** Individuals subject to disciplinary actions have the right to appeal decisions through established grievance mechanisms. We will review appeals fairly and impartially, ensuring that all parties have an opportunity to present their case.

12. Continuous Improvement

At Rakheja Enterprises LLP, we are committed to continuous improvement in our governance practices. We actively seek feedback from stakeholders, including employees, partners, and regulatory bodies, to identify areas for enhancement. Our approach includes regular performance assessments and benchmarking against industry standards to ensure we meet and exceed best practices. We prioritize the integration of lessons learned from internal audits, risk assessments, and external reviews into our governance framework. By fostering a culture of open communication and accountability, we encourage proactive identification and resolution of governance issues. Our commitment to continuous improvement drives us to refine our policies, update training programs, and adopt innovative solutions to enhance transparency, accountability, and ethical conduct across all levels of the organization.

13. Review Cycle

Rakheja Enterprises LLP will conduct a review biennially of our governance policy to ensure its continued relevance and effectiveness. This review, done by the CEO, who is the responsible person for this policy, will include an assessment of compliance with governance standards, evaluation of performance reports, and examination of audit findings. Stakeholder feedback will be incorporated to address any emerging issues or areas for improvement. The Compliance Officer will lead the review process, ensuring that the policy remains aligned with best practices and evolving governance requirements. Updates will be made as necessary to enhance policy effectiveness and address any identified gaps.

Revision No.	Date	Description of Change
0.0	02/01/2023	Initial release of Governance Policy
1.0	01/01/2024	Introduction of qualitative and quantitative Governance targets
2.0	01/01/2025	Addition of the Governance Compliance Framework: Do's and Don'ts Across Key Risk Areas, along with a review and update of governance targets and strengthening of the review mechanism.
3.0 (Planned)	01/01/2027	Scheduled policy review in line with the defined review cycle.

Rakheja	Designation	Last Review Date	Signature
Prepared by:	General Manager	01-01-2025	For RAKHEJA ENTERPRISES LLP <i>Amrit</i> Authorised Signatory
Approved by:	CEO	01-01-2025	For RAKHEJA ENTERPRISES LLP <i>Amrit</i> Authorised Signatory

14. Acknowledgement by Employee

I, acknowledge that I have received, read, and understood the Governance Policy of Rakheja Enterprises LLP. I understand that this policy outlines the company's commitment to maintaining high standards of corporate governance, including ethical conduct, transparency, accountability, and effective stakeholder engagement.

I am aware that adherence to this policy is mandatory and that it applies to all employees, stakeholders, partners, contractors, customers, and suppliers associated with Rakheja Enterprises LLP. I acknowledge my responsibility to comply with the guidelines and procedures set forth in the policy and to report any violations or concerns through the established channels.

I understand that failure to adhere to this policy may result in disciplinary action, up to and including termination of employment. I also recognize that the policy will be periodically reviewed and updated, and it is my responsibility to stay informed of any changes.

By signing this acknowledgment, I confirm my commitment to upholding the principles outlined in the Governance Policy and to contributing to the company's dedication to transparency and ethical conduct.

Employee Name	Umang Kumar
Acknowledgement Date	02-01-2025
Signature	