



ENVIRONMENTAL SOCIAL GOVERNANCE REPORT

2019-20

Index

pg **01**

Foreword

pg **02**

Message from the
Managing Director &
Chief Executive Officer

pg **04**

About this Report

04 About ICICI Securities
07 Material ESG Matters at
ICICI Securities

pg **08**

Social

10 Empowering and Delighting
Customers
16 Empowering Business Partners
18 Employee Welfare and Growth
22 Contributing to the Prosperity
of Communities

pg **24**

Governance

26 Governance Architecture
31 Risk Management Framework
35 Responsible Business Practices

pg **36**

Environmental

38 Operating Responsibly for
a Greener World

pg **42**

Feedback



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www.icicisecurities.com

Our approach to Environmental, Social, Governance (ESG) reporting

At ICICI Securities Limited (ICICI Securities), we understand our duty as a responsible corporate to transparently disclose matters relevant to all stakeholders and ensure accountability to them. Through this report, we discuss how we are conducting our business responsibly while committing to make a difference to the communities and the planet as well as making a positive impact within our markets.

We cover information of our key stakeholders including investors, customers, regulators, business partners, employees and the communities. We strive to provide a comprehensive review of our impact and performance by providing ESG data of our operations in India. We have also mapped the impact of our operations with the United Nations Sustainability Development Goals. This report should be read in conjunction with our Annual Report FY2020 and Business Responsibility Report FY2020, available on the website, where we cover additional information relevant to our ESG performance, including financial data and corporate governance matters.

Foreword

At ICICI Securities Limited, we are guided by a common purpose – to help our customers secure their financial future and maximise wealth creation through a scientific approach, customised product offerings and best-in-class service. As we facilitate them in achieving their future financial goals by leveraging our innovative products, catering to specific needs and achieving responsible and sustainable growth, we create economic opportunity for our customers and foster their economic well-being. We invest in the right people and cultivate a diverse and inclusive work environment, serving our customers transparently, and strengthening the communities which we live and work in, to help more people share in the benefits of economic growth.

Our approach to ESG includes having robust governance systems and risk management and controls. We have also stepped up our commitment to sustainability by integrating it into our operations and consciously supporting the transition to a low-carbon and sustainable economy. Our Environment Policy focusses on bringing about a positive impact as a corporate citizen, firmly believing that every step taken today will go a long way in building a greener future.

In our maiden ESG Report, we have captured some of the key initiatives we have undertaken on this front. The ESG Report is designed to provide additional information on key non-financial topics such as our policies, practices relevant to

addressing material ESG issues, and practices for responsible and ethical business, as well as our stakeholders including our business partners, clients, employees, investors, community and the environment. The reporting of these parameters is becoming increasingly important to help relevant stakeholders better determine the performance of the Company. Our efforts underscore the degree to which our mission to drive inclusive growth has become a core tenet of our culture. Effective management of ESG matters is a key business fundamental for us, and we endeavour to improve each of the above areas as they underpin our long-term success and our ability to deliver value to our stakeholders.



Message from the Managing Director & Chief Executive Officer



We are looking to meaningfully scale our sustainability practices by integrating ESG principles in our business strategies and decisions.

Dear Stakeholders,

I am pleased to present to you our first Environmental, Social and Governance (ESG) Report. As part of the ICICI Group, ICICI Securities has a rich history of responsible and conscious business practices. We work to remain ahead of the curve in terms of our impact on the communities at large. It is no surprise then that over the last 25 years we have earned and retained the trust of all our stakeholders.

Having said that, we realise that as one of India's leading financial services firms with a rich cultural ethos, we must play a crucial role in driving positive change, while contributing to the well-being of all stakeholders associated with us. It is only by co-existing harmoniously with each of our stakeholders and growing together with them, that we can stay ahead of the dynamic markets and the ever-changing needs of our customers. It also has the potential to unleash multi-dimensional benefits of mitigating risks, enhancing our brand image, strengthening competitiveness and boosting employee morale. This way we can achieve long-term sustainable growth.

With this understanding, we, are now stepping up to bring together our multiple efforts and channelise them towards a larger, long-term vision. We are looking to meaningfully scale our sustainability practices by integrating ESG principles in our business strategies and decisions. We have begun the practice of defining, measuring and monitoring ESG parameters. We are also mapping our disclosures against the United Nations Sustainable Development Goals (UN SDGs) and have aligned our strategic commitments with these global objectives. I believe, the most important thing in achieving this will be driving a behavioural and cultural change within the organisation. An organisation and its people driven by purpose and responsibility can achieve these goals with greater enthusiasm and effectiveness.

Moving forward, we will focus on scaling our ESG performance higher by benchmarking against the global best practices. While a comprehensive study undertaken has helped prepare us our first ESG Report, it has also provided us with some great food for thought on actionable fronts which we are determined to take, going forward. We have set ourselves ambitious targets on reducing resource consumption, and have initiated actions on this front.

We are optimistic that our efforts will help us improve our standing as a responsible organisation and drive stakeholders' confidence in our business model and give them the satisfaction of associating with us. This is the right way forward to mitigate our risks and drive profitable growth.

We thank our stakeholders for their trust and confidence posed in us. We also look forward to your feedback and support in helping us identify the areas of improvement and maximising our impact.

Yours Sincerely,

Vijay Chandok

Managing Director & Chief Executive Officer

About ICICI Securities

Our Business

India's leading technology-driven digital financial services company with offerings spanning equity services, financial product distribution, investment banking and private wealth management.

Coverage and Presence

National coverage through 4,500+ ICICI Bank branches, 170 own branches, online presence, and 9,400 partners covering 800 cities in India.

₹ 17.25 bn[#]

Total revenue

~4.8 mn^{*}

Customers

₹ 2.1 tn^{*+}

Total assets of our clients

₹ 5.07 bn[#]

Contribution to the exchequer

₹ 3.54 bn^{#@}

Dividend paid

96,687 hours

of training provided, covering 94% of employees

3,790^{*}

Total number of employees

10 Fintechs

To be seed funded to promote the start-up culture, usher innovation and create jobs

**as at March 31, 2020*

#In FY2020

@after final dividend payout

₹ 100 mn

Contributed towards PM CARES Fund
for fighting COVID-19

50%

Independent Directors

Green initiatives

In FY2020, reduced Power Consumption by
~4,20,000 units, Flight and Train trips by 31%,
and Paper Consumption by 54%

Ambitious environment objectives

By FY2025, to reduce Energy and Paper
Consumption by 20% each; and Travel by 35%

Our business offerings

Business segment	Products and services
Retail Equity	Full suite of investment and trading solution – Equities, Derivatives, Currency, Margin Trading Funding
Distribution of Retail Financial Products	Mutual Funds, Gold Bonds, ETFs, NPS, Corporate FDs and Bonds, Insurance (Life, General and Business), Credit (Home Loans, Loan against Securities / Property Rental Discounting, Asset Financing)
Private Wealth Management	<ul style="list-style-type: none"> Equity, Fixed Income, Offshore and Alternate Investment solutions Value-added services like Protection, Mortgages & Loans, Portfolio Management Services, Tax Advisory, Estate Planning & Real Estate Business need engagements like raising equity capital, debt syndication and monetising asset
Institutional Broking	Equity brokerage service for domestic and international institutional clients including Block Deal, Algo Trading, Corporate Access, Investor Meets, and Equity Research
Issuer Services and Advisory*	Equity Capital Market, Debt Advisory, Mergers & Acquisitions, Advisory, Private Equity Services, Structured Products, and Restructuring Advisory

* Referred to as Advisory in our financial statement segments and as Corporate Finance business earlier

How we create and deliver value



Value for investors

- Business strategy for efficient and sustainable growth
- Strong leadership
- High return on equity business model

Value for customers

- Deep, multi-faceted relationships
- Multi-modal distribution architecture
- Products for all needs with sustained innovation
- Advanced technology platform for superior experiences and insights
- Customer service architecture
- Grievance redressal mechanism

Value for employees

- Diverse and inclusive workforce
- Attracting and retaining talent
- Training, development and mentoring
- Grievance redressal system
- Employee well-being and engagement activities
- Fairness in performance evaluation and assessment

Governance & Integrity

- Responsible governance
- Ethical practices and code of conduct
- Strong risk management and culture

Value for communities

- Natural calamity and emergency aid
- Sustainable livelihood generation
- Entrepreneurship development
- Healthcare and preventive healthcare
- Senior citizen welfare
- Educating and spreading financial awareness

Value for the planet

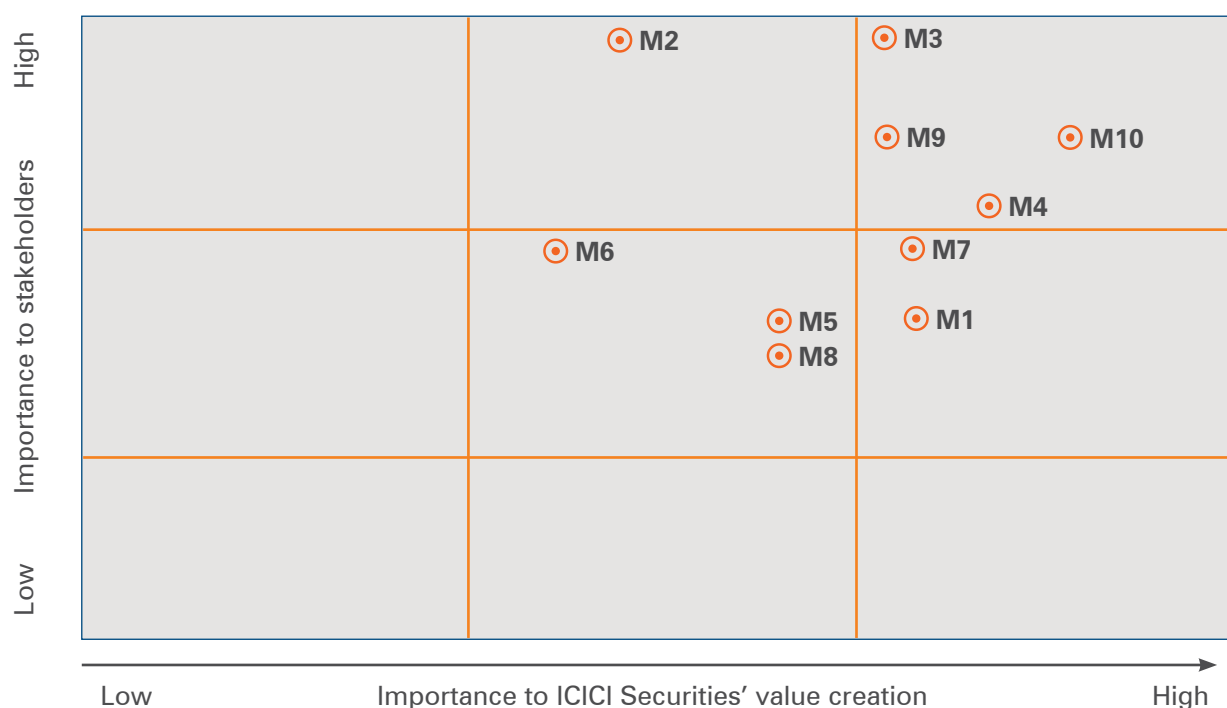
- Promoting a low-carbon economy
- Efficient energy management and use of renewables
- Reducing travel footprint
- Minimising paper usage
- Water and waste management

Read more on how we are engaging with our diverse stakeholders and responding to their needs on pages 24 and 25 of our Annual Report FY FY2020.

Material ESG Matters at ICICI Securities

We strive to identify and respond to existing and emerging matters that may pose a challenge to our business. These material ESG matters give us a better understanding of the impact of our business on the world around us, and how our value creation may be impacted by the stakeholders. Its effective management will enable us to drive long-term value for our stakeholders.

MATERIALITY MATRIX FOR ESG MATTERS



Social

Customers

- M1: IT Deployment and automation
- M2: Innovative and efficient customer service
- M3: Customer privacy and data protection
- M4: Innovative products

Employees

- M5: Employee engagement and well-being

Society

- M6: Community and social impact

Shareholders

- M7: Financial crisis / shocks

Environment

- M8: Climate change and sustainable practices

Governance

- M9: Ethical practices, anti-bribery and anti-corruption
- M10: Risk management



SOCIAL





Social

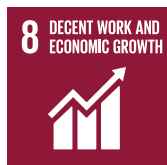
Governance

Environmental

Empowering and Delighting Customers

We facilitate customers in meeting their various financial goals through our diverse range of products and the value-added proposition of knowledge-led services and seamless engagement. We have also been at the forefront of adopting digital technology and launching pioneering initiatives to redefine customer experience.

UN SUSTAINABILITY GOALS ADDRESSED BY OUR CUSTOMER PROGRAMMES



4.8 million

Operational accounts

1.5 million

Overall active clients

FACILITATING ACCESSIBLE AND RESPONSIBLE PRODUCTS AND SERVICES

LIFECYCLE OFFERINGS FOR WEALTH CREATION

Our extensive product portfolio is designed to meet the varying needs of our diverse customers across their life cycle. Our diversified clientele comprises retail, affluent high and ultra-high net worth individuals (HNI and UHNI), foreign investors, corporates and the Government.

By ensuring accessibility of our services to all types of customers, irrespective of region, age and financial background, and by facilitating the ease of transactions, we democratise wealth creation for them. We also provide differentiated and hyper-personalised services, based on customer affluence, to serve the growing needs of high net worth individuals. Further, our partnership with fintechs has led to the introduction of unique products and services in the marketplace.

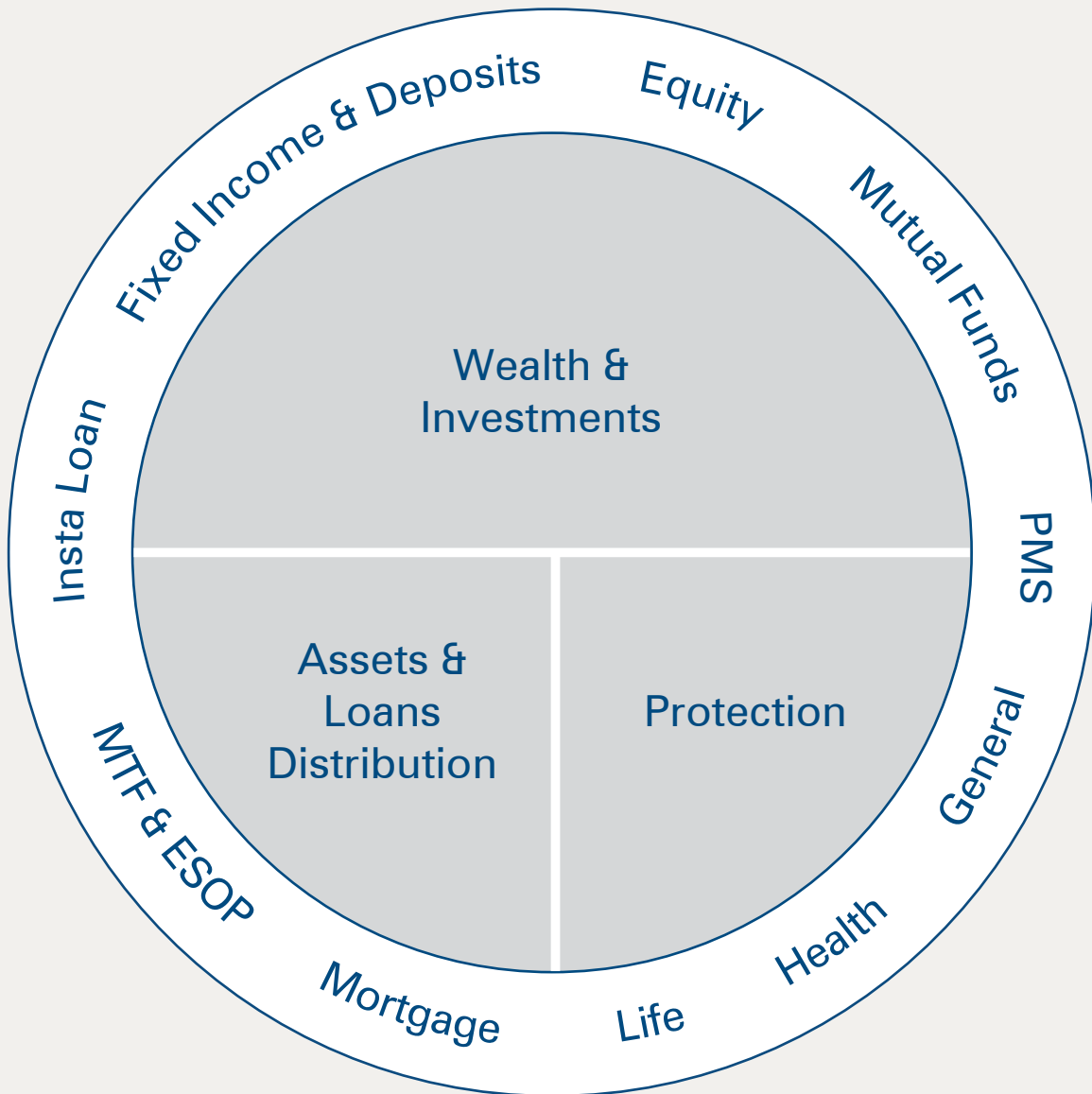
50% +

of our Private Wealth Management revenue is contributed by clients who have remained with us for more than 10 years

OUR COMPREHENSIVE OFFERINGS

All new products offered by the Company are approved by the Risk Management Committee and/or the Product Committee. The Committee assesses all new products from the perspective of various risks and their mitigants. All proposals which entail partnering with external service providers for offering services to clients are also approved by the Product Committee. Additionally, a product selection framework governs the range of products that can be distributed to our customers.

The following is a graphical representation of our offerings to meet the requirements of customers through their financial lifecycle, encompassing investments, protection, and borrowing.



Empowering and Delighting Customers

DELIVERING EXCEPTIONAL EXPERIENCES

Our differentiated client experience is about enabling them to satisfy all their needs with our products and services, and about building a business model with customer-centricity at its core. We use technology not just to provide a seamless experience to the customers, but also to leverage data that helps us create new insights for designing products and services relevant to each micro segment. We also have a multimodal service architecture – an online model for emerging affluent customers, and another online-cum-relationship model for the mass affluent, affluent, and private wealth customers.

We are committed to offer the highest standards of professional care and service to our customers. We have in place a robust mechanism to enable our customers to register their complaints. These are effectively managed through multiple touchpoints in a timely, robust and professional manner and in accordance with our internal customer processes as well as regulatory requirements. We also analyse complaints to take corrective measures and eliminate areas that may lead to customer detriment. We actively practise tracking of client satisfaction through a feedback mechanism to create an action-oriented learning culture for improvement.



Our multimodal service architecture



ICICI Bank Branches

4,500+

Own Branches

172
in 70+ cities

Online Presence

Over 26,000
pin codes in
India and over
150 countries

Partner Points of Presence

800+
cities in India

ENGAGING WITH OUR CUSTOMERS

We are responsive towards the needs and aspirations of our existing and potential customers, and strive to offer them the best experience. We ensure this through our Customer Service Council which is chaired by the Managing Director & CEO and with all Head of Departments as permanent members. The Council meets every month to review:

- Challenges faced by our customers across lifecycle (acquisition, onboarding and transaction) and systematically working towards ensuring superior experience
- Customer complaint trends
- Customer feedback through customer service initiatives, Voice of Customer (VOC), Net Promoter Score (NPS)
- Steps taken to enhance customer service quality and overall satisfaction levels
- Transforming of customer experience by digitising all manual and physical processes
- Report on social media interactions

Voice of Customer (VOC) of plays an extremely important role in getting insights on how customers feel about our products, processes and services. We measure and analyse VOC through different mediums such as – Transaction and Account opening VOC available on website, customer interactions at the Call Centre, Net promoter score.

VOC insights become an input parameter for us to enhance customer experience.

ENSURING KNOWLEDGE-BACKED INVESTING OVER 45 PRODUCTS AND SERVICES

We have a team of highly experienced and trained relationship managers and research team. Their financial knowledge base, technical know-how and domain expertise helps our customers in taking the right decisions related to their investment and finance-related matters. Going a step further, we are experimenting with artificial intelligence-based tools that can recommend suitable investment propositions to the customers.

307

Stock research coverage by our 42-member retail research team

282

Stock research coverage by our 37-member institutional research team

4,500+

research reports spanning industry, sector, thematic, macros, companies, and technical and derivative analysis released in FY2020

Empowering and Delighting Customers

New product launches



ICICI Direct Insta account

Completely digital account opening and trading on icicidirect.com by any bank customer.

 **ICICI direct Prime**

An annual subscription-based plan offering a package of privilege pricing, exclusive research, and higher eATM (payout within 30 minutes of selling stocks) limits per day.

'One Click Investments' products

Research-curated baskets of Mutual Fund schemes and stocks.

ETF-Intelligent Portfolios (EIP)

A unique investment product that invests in a multi-asset basket of Exchange Traded Funds.

SIP Protect

Free term life insurance cover on MF SIP investments.

Portfolio Management Services

Forayed into the financial products manufacturing space with launch of the proprietary Portfolio Management Services (PMS) for the Wealth Clients. The Active Index Portfolio is our maiden fund in this segment, which follows a passive two-factor model.

New research products

Stock Tales, Golden Portfolio – Midcaps, Quant Covered Portfolio, Weekly Expiry Options, and Automated Bank Nifty Strategy.

SERVING CUSTOMERS BETTER WITH TECHNOLOGY AND DIGITALISATION

DELIVERING ON DIGITAL

We continue to make sustained and significant investments in technology. Implementation of the most updated technologies helps us improve our services to our customers. At the same time, it makes our business more sustainable in terms of operational and cost efficiency, and improved risk management. Technology is helping us as well as our clients in making informed investment decisions. We are undertaking new digital initiatives focussed on empowering our customers with all the tools to fulfil their lifetime financial requirements, and facilitate online customer acquisition, on-boarding, and servicing. Our API architecture promotes expediting integration with diverse fintech players and other such partners.

TECHNOLOGY TRANSFORMATION

As a part of our strategy to leverage digital, we are increasingly incorporating advanced technologies to strengthen our competitive advantage.



Our digital excellence

- Pioneering icidirect.com platform by allowing any customer to open an account and begin trading
- Completely digitalised on-boarding including 20-minute tab-based instant account opening process for existing customers
- Chatbot and WhatsApp as client servicing options to provide 24/7 instant assistance using Artificial Intelligence
- Launched Automated Integrated Portfolio Evaluation, is a consolidated view of a client's portfolio, with risk behaviour and advisory
- Launched 'One Click' Investment Plan, a simplified research-based portfolio of MFs, ETFs and stocks
- Complete online ESOP funding and repayment tools

DIGITAL PLATFORM ROBUSTNESS



During the COVID-19 pandemic related market volatility in March-April 2020, our digital platform ensured unrestricted access, handled unprecedented peak processing of 3.2+ million orders and trades daily and served over 64,000 customers concurrently, nearly three times that of the pre-lockdown average.

Empowering Business Partners

Our business partners are crucial for our business growth. We are providing them with our technology and expertise to enable them to better serve the customers and prosper in the long run.

UN SUSTAINABILITY GOALS ADDRESSED BY OUR BUSINESS PARTNER PROGRAMMES

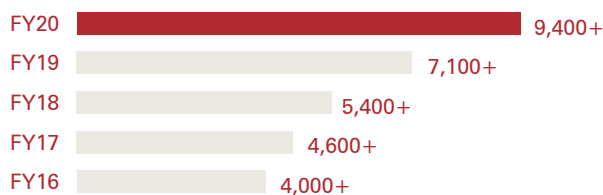


DELIVERING A VALUE-ADDED PROPOSITION

Our ability to attract more partners and deepen our relations depends on the value-added proposition and long-term growth opportunities that we can provide. We are continually investing in new products, services and technology to strengthen our brand and competitive positioning which in turn facilitates growth for our partners. Our robust open architecture B2B2C proposition enables them to easily integrate their customers with the platform and deliver superior experience. We also ensure providing necessary training and equipping them with the requisite tools to build their capability in marketing products and resolving customer queries.

As a result of this, our partner count has more than doubled in the past four years - from 4,000+ in FY2016 to 9,400+ in FY2020.

OUR GROWING PARTNER COUNT



OUR VALUE-ADDED PROPOSITION TO BUSINESS PARTNERS



- Digital access to all products
- Consistent launch of innovative products and services
- Robust technology infrastructure

EMPOWERING PARTNERS WITH TECHNOLOGY

We are helping our customers improve their business performance by making them equipped with robust technology. Some of the key technologies we provide include:

Dedicated mobile app

Our dedicated mobile app for business partners, especially independent financial associates (IFAs) and authorised persons (APs), enables our partners to serve customers efficiently and remotely. The app's unique feature of 'Push Transaction' allows pushing a Mutual Fund transaction to customers by pre-filling a digital form and sending it to the customer's app for approval and execution. The app also features a powerful dashboard and facilitates business partners to inform customers about market trends and opportunities in order to strengthen their relationships and drive business growth.

Partner portal

We have launched an upgraded version of our partners' portal to help them enhance their business. Coming with an intuitive and user-friendly interface and It has an intuitive and user-friendly interface with multiple business trackers. It features a dashboard that provides a holistic view of key business enablers such as client acquisition, activation, AUM, and a product-wise transaction summary. It enables sending notifications proactively through updates, promotions, payouts, and customer activation drives across products. It has a Business Partners Forum which allows them to get in touch with us to resolve queries.

Digital access to products

We operate in an open architecture model across investment products like MFs, corporate FDs, AIFs, and PMS. This ensures digital availability of all regulator-approved investment products to the customers of these business partners.

ROBUST DUE DILIGENCE AND CODE OF CONDUCT

We have a strong Code of Conduct for our partners that outlines the value and standards that are required to be followed by them. This not only ensures protection to our customers, it also helps our business partners in enhancing operational efficiency. We perform regular due diligence and support our partners, wherever necessary, to reinforce our policies and procedures.

SUPPORTING SMALLER PARTNERS

As a part of our strategy to tap the Tier I & II cities, we are increasingly focussed on adding more business partners in these regions. Our strategy helps us create more business opportunities in these regions.

800

Cities and towns coverage through our business partners



Employee Welfare and Growth

ICICI Securities has always been a place for achievers, and this has driven our success over the years. We achieve this by providing our people with a diverse and inclusive culture, opportunities for growth, skill & personal development and an enabling work environment, well supported by progressive policies and benefits.

At ICICI Securities, human capital is one of the key resources to ensure business sustainability and growth. Over the years, we have created an experienced and talented pool of employees who are playing a key role in enhancing our business efficiency, devising strategies, setting up systems and evolving the business as per the industry's requirements. We provide regular skill and personnel development training to enhance employee productivity as well as follow a robust leadership potential assessment and leadership development process. This has enabled us to create a robust pipeline of personnel and leaders for critical positions, and thus ensure that the Company has sufficient cover within itself and within ICICI Group for all critical positions.

UN SUSTAINABILITY GOALS ADDRESSED BY OUR EMPLOYEE PROGRAMMES



CULTURE: THE DIFFERENTIATOR

Our culture and human capital are instrumental in our success. We enjoy a mutually valuable relationship with our employees. It is characterised by the investment we make towards providing challenging roles and assignments, opportunities for personal growth, relevant and timely performance support, training and an enabling environment. By striving hard, we have succeeded in creating a workplace which co-holds achievement orientation and care for all its stakeholders.

Our cultural ethos is built around leading change and innovation, continuous learning-unlearning and re-learning, taking end-to-end ownership and building trust. Constant innovation and challenging the status quo have been the key aspects of the Company's culture. We encourage our employees to act like entrepreneurs and take calculated risks, driving the Company's nimbleness and agility in reacting to changing market dynamics.

Our cultural ethos is embodied in our 10 DNA Anchors (Leadership Competencies) which details our expectations (in terms of leadership behaviours) from all employees. These DNA Anchors also articulate a set of behaviours called DYNAMIC behaviours which stands for Digital, Young, Nurturing, Agile, Mindful, Inclusive and Connected.

These competencies form our bedrock for robust leadership potential assessment and leadership development processes followed by the Company. These processes identify and groom leaders for the future and enable succession planning for critical positions. Culturally, we have created an ecosystem around the DNA Anchors which employees are expected to demonstrate in all engagements. All our people policies

and practices are designed around building a high-performance culture right from hiring the right cultural fit, managing performance and succession planning.

FOSTERING A DIVERSE AND INCLUSIVE WORKFORCE

It has been a long-standing strategy of the Company to recruit people from diverse sources and background. This ensures sufficient thought diversity which is required to create products and services that drive our competitive advantage in the marketplace. It also facilitates in challenging the status quo, which is one of the core cultural strengths of the Company.

The total workforce as at March 31, 2020 was 3,790. Of this, 47% are below the age of 30 years. The average age of an employee is around 32 years.

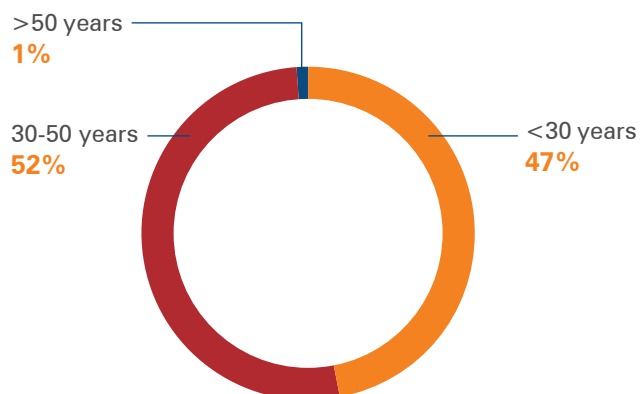
In FY2020, around 30% of the new hires were women, taking their proportion to 23% of the workforce as at March 31, 2020.

A total of 15% of the employee population were promoted in FY2020. Promotions awarded to women employees were 14% of the women population. Similarly, 15% of men were promoted in FY2020.

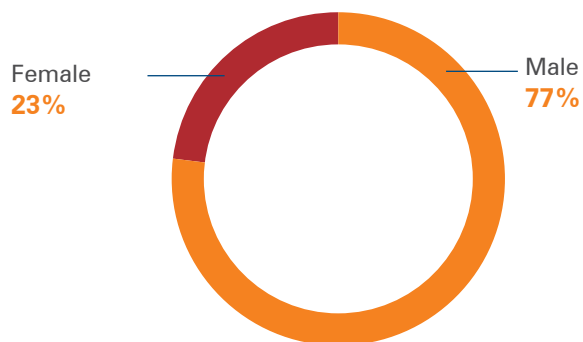


EMPLOYEE DIVERSITY

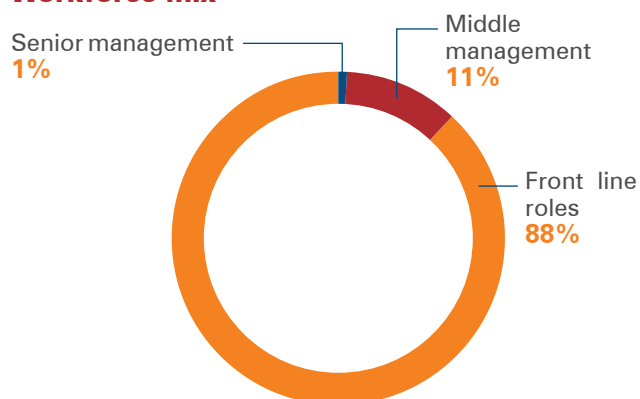
Workforce by Age



Workforce by gender



Workforce mix



Employee Welfare and Growth

CAPABILITY BUILDING

We invest in building employee capabilities to create an engaged, motivated and high-performing workforce. It ensures developing critical skills for existing roles as well as future career aspirations. We achieve this through various classroom and digital learning modules complemented with on-the-job and project-based learnings.

We ensure every new hire from management and graduate campuses undergo a 100-day assimilation programme to integrate them with our way of relationship management. The programme includes pre-joining engagements for building essential domain knowledge, a six-day extensive induction exercise and training on sales, behaviour, and domain interventions. Training on core products is done through our product learning suite – Blend – comprising classroom, e-learning and simulation-based training.

The new joiners are also provided a perspective-sharing platform – Winning Together – which involves engagements and felicitation of outstanding campus hires by a senior leadership team including the MD & CEO.

For senior and middle management, perspective-sharing workshops such as Leadership Mentoring Programme (to build adaptive leadership capabilities) and Leadership Engagement Series (to impart industry insights from experts) are held. Further, experienced relationship managers are provided with an advanced programme on creating relationship value. The first-time managers in sales and supervisory roles are offered a programme called 'iLead' to help them build effective self and team management skills. For the Investment Banking team, 'Reflection' sessions on business development, deal structuring and execution are conducted by internal subject matter experts, lawyers, and fund managers.

Training provided in FY2020

Heading	FY2020	FY2019	FY2018
Total Training hours*	96,687	81,534	56,482
Employees coverage	94%	88%	74%
Per employee training hours	26	20	14

*Aggregate number of training hours. This does not include man-hours invested on mandatory certifications done by employees.

FACILITATING A HEALTHY AND SAFE WORKPLACE

Basic safety

We provide periodic training on fire safety and conduct evacuation drills for floor marshals/ERT (Emergency Response Team) and employees across all the large offices. This is through tie-ups with vendors who educate and demonstrate use of fire-fighting equipment. For small branches, demonstration/training is conducted by regional infra managers along with online fire safety awareness sessions. All these activities are monitored to sensitise employees about fire safety norms and regulations.

Women safety

We have zero tolerance for harassment and discrimination against employees. The Company has a policy on Prevention of Sexual Harassment (POSH) and a formal process which ensures all complaints are dealt in a timely manner. Mandatory trainings for all employees is conducted periodically to create awareness. Additionally, women are trained on situation reaction and self-defence, and are updated on legal provisions relevant to their safety. We ensure circulating educative content on Health, Safety & Environment (HSE), women's safety, and road safety through our internal social networking platform.

HEALTHCARE SAFETY DURING COVID-19

Swift actions were taken by us during COVID-19 pandemic for the safety of our people. Advisories on safety measures were circulated across the organisation and a task force was formed to identify ways to ensure smooth functioning and safe work environment. Work from Home (WFH) was enabled for most employees with information security measures. For critical processes, where skeletal staff had to work from offices, all the safety guidelines prescribed by the authorities were followed. Further, regular fumigation and disinfection of all offices was carried out, hand sanitisers were installed and seating arrangements were changed to ensure social distancing. They were also provided with travel facility and face masks, wherever required. Our HR Managers, Business Heads and the Managing Director & CEO ensured regular interaction with the employees.





EMPLOYEE ENGAGEMENT AND WELL-BEING

We promote an open work culture where employees can freely raise and discuss issues. This is achieved through bi-quarterly visits by a HR Manager and the senior management across all branches and offices. Each HR manager ensures establishing a deep connect with at least 250 employees on the ground. Apart from this, 'CEO Connect' sessions are conducted regularly where MD & CEO along with senior leaders engage with employees on important organisational themes, agenda and other such initiatives. Our internal social networking platform – i Network – facilitates in strong engagement among employees and provides information on various topics.

We also conduct various events and activities including CycleOn, Zumba, Carrom, Cricket matches and Table Tennis tournament under the banner of 'Xcitement Unlimited @ I-Sec'. We have tie-ups with various hospital networks for assistance on regular health check-ups and wellness campaigns etc. Health-related reading material is published regularly on our i Network.

Compensation provided to employees is fair and competitive as benchmarked with peers in the Banking & Financial Services Industry. In addition to statutory benefits like Provident Fund and Gratuity, we also provide the National Pension Scheme and other benefits like Mediciam, Group Personal, Accident coverage and Term Life Insurance to the eligible employees.

We encourage employees to take at least a minimum number of annual leave days every year, including mandatory block leaves for employees in certain functions. To facilitate care for the new-born child, maternity and paternity leave is provided along with the additional option of sabbatical for women employees. We have empanelled crèches across the country for providing crèche facilities to our women employees. Our employee-friendly policies, including Work from Home (WFH) options, empower the employees to manage their work and personal priorities.

CycleOn

CycleOn is the annual cycling tournament which is arranged for the employees and their families in Mumbai. FY2020 marked the sixth season of CycleOn with more than 700 employees and business associates (including their friends and family members) attending the event. CycleOn symbolises our value proposition of a greener tomorrow and celebration of moving ahead together with our families and business associates. CycleOn is conducted in 3 race categories viz. 21 kms, 7 kms and 1 km for kids up to the age of 12 years.



Contributing to the Prosperity of Communities

We are creating sustainable livelihood opportunities, supporting innovation, and undertaking wellness initiatives in the societies around which we operate. Our ability to understand and address societal issues meaningfully underpins the success and sustainability of our operations. ICICI Foundation for Inclusive Growth, ICICI Group's CSR arm, has been a key partner in our social initiatives as we strive for prosperous communities.

UN SUSTAINABILITY GOALS ADDRESSED BY OUR SOCIAL AND ENVIRONMENTAL PROGRAMMES



ICICI Securities intends to provide seed funding to 10 Fintech start-ups to incubate their ventures aimed at ushering innovation and creating jobs.

ICICI FOUNDATION FOR INCLUSIVE GROWTH

We have partnered with ICICI Foundation to promote sustainable livelihood by providing vocational skill development training to the underprivileged. During the year, the foundation undertook nationwide skill development and rural livelihood generation activities which impacted many lives.

FACILITATING JOB CREATION BY PROMOTING START-UPS

Our community is facing a major challenge of underemployment and the lack of preparation for a structural change happening in the labour market which shall have far-reaching implications on future workforces. We believe that Fintech has the potential to address these challenges. With their innovative products and services, and efficient business models facilitating low cost and higher productivity, they can catalyse economic growth through greater market participation while ushering innovation and job creation.

To promote Fintech start-ups, we have partnered with IIM Bangalore's N S Raghavan Centre of Entrepreneurial Learning (NSRCEL) which is amongst the oldest incubator cells in the country. Through the programme, we entail to reach out to talented individuals having ideas, screen and select the most promising ones, mentor them through academicians and industry experts, and incubate their ventures. We intend to provide seed funding to 10 out of the 25 shortlisted start-ups by FY2020-21.

HEALTH AND WELLNESS PROGRAMMES

Our wellness programme is targeted at senior citizens. We have collaborated with Vision Foundation of India (VFI), a non-government not-for-profit charitable trust to fund cataract surgeries of 1,389 underprivileged senior citizens in FY2020. We have also initiated a programme to provide an opportunity of 'Active Ageing' to senior citizens at old-age homes having limited to no outdoor facilities. Focussed on this, an old-age home has been identified in Gurdaspur, Punjab where we plan to build an open gymkhana and a vegetable garden. It will be designed as a model old-age home that can be replicated across the country.

We provided support during the COVID-19 pandemic to control the spread of the virus. As an immediate preventive measure, through ICICI Foundation, protective kits – 532 litres of sanitisers and 1,550 N95 masks – were provided to the police personnel in Mumbai and Maharashtra. A contribution of ₹ 100 million was also made towards the PM CARES Fund in April. Further, we partnered IIT Kanpur and Nocca Robotics (technology development partner) for developing invasive, affordable and indigenised ventilators for critical care of COVID-19 patients. The ventilator's design was conceptualised to facilitate large scale manufacturing at multiple sites by making use of easily available materials.

532 litres of sanitisers and **1,550** N95 masks were distributed to police to combat spread of Novel Coronavirus

EMPOWERING WOMEN

We have associated with the World Wide Fund for Nature's (WWF) women empowerment programme – Hameri – that aims to create livelihood opportunities by training women on community-based food processing and handicraft enterprises. The initiative also trains women to reduce their dependency on forest natural resources to promote environment conservation. Until now, we have held 10 consultation meetings to reach out to women Self Help Group (SHG) members across 17 villages in Uttarakhand to discuss their experiences and way forward. The programme is intended to be completed by FY2021.

EDUCATION AND AWARENESS

We have trained 435 candidates for NISM exam across Mumbai, Vadodara and Surat through our Siddhika – IFA initiative. Of these, 261 candidates have passed and have progressed to AMFI.

We have also undertaken a project to spread awareness on the importance of drafting a Will through our 'iCan iWill' initiative.

₹ 100 million

Contributed towards PM CARES Fund to fight Coronavirus





GOVERNANCE



Social

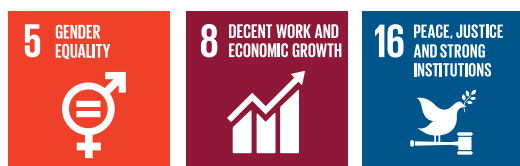
Governance

Environmental

Governance

We have embedded responsible governance, integrity and ethical behaviour into our business practices. They underpin our ability to meet our responsibility to stakeholders, society and environment across every action, procedure and policy. Our Board of Directors (Board) are actively involved in ensuring that we have the right strategy, policies and risk management to identify growth opportunities and deliver long-term value.

UN SUSTAINABILITY GOALS ADDRESSED BY OUR CORPORATE GOVERNANCE INITIATIVES



OUR APPROACH TO GOVERNANCE

At ICICI Securities, we believe that sound corporate governance mechanism is critical to retain and enhance stakeholders' trust. We have ensured encompassing regulatory and legal requirements into our corporate governance philosophy to ensure having high business ethics, effective supervision and enhancement of value for all stakeholders.

We consider stakeholders as partners in our success and are committed to maximising their value. We are committed to exercise overall responsibilities rigorously and diligently and manage affairs in a manner consistent with corporate governance requirements. Our corporate governance philosophy is based on the independence of Board and separation of its supervisory role from the executive management. We ensure our Board Committees comprise majority of Independent/Non-executive Directors and chaired by Independent Directors.



GOVERNANCE ARCHITECTURE

Board composition and diversity

Our Board is constituted in compliance with the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). As required under the Listing Regulations, we have disclosed in our Directors' Report the expertise that our Directors possess.

Our Board as at March 31, 2020 comprised eight Directors – four Independent (including one Independent Women Director), two Non-executive Non-independent and two Whole-time Directors. Except the Managing Director

& CEO and the Executive Director, all other Directors including the Chairman of the Board are Non-executive. There is a clear segregation of responsibility and authority between the Directors and the executive management. The Managing Director & CEO and the Executive Director oversee implementation of strategy, achievement of the business plans and daily operations.

We recognise the importance of Board diversity for bringing in different thoughts, perspectives, knowledge and skills to be competitive. Our Board has distinguished individuals with each of the Directors having the requisite core skills/expertise/competence as well as vast experience and knowledge in various diversified functions and fields. The Board has a right blend of dynamism, leadership and experience. The Independent Directors are Board members of various reputed companies including listed entities and they provide their treasured inputs and guidance at the Meetings of the Board that help us pursue our strategic goals.

Our Board functions either as a full Board or through various Committees constituted to oversee specific areas. The mandatory Board Committees include Audit Committee, Nomination & Remuneration Committee (NRC), Stakeholders Relationship Committee (SRC), Corporate Social Responsibility Committee (CSRC) and Risk Management Committee (RMC). These are constituted in compliance with the provisions of the Act and Listing Regulations. The Board of Directors of the Company meets at regular intervals to discuss and decide on business policies and strategies apart from other business.

In addition to the above referred mandatory Board Committees, there are other Committees/Councils/Forums which have been constituted with defined terms of reference, viz., IT Risk and Information/Cyber Security Committee, Compliance Committee, Commitment Committee, Investment Committee, Product Committee, Process Approval Committee, Customer Service Council, Product Governance Forum and Operations Committee.

Our Board is adequately equipped to understand and handle the evolving business dynamics of all the businesses in which the Company operates. This includes the stock broking (retail and institutional), distribution of

financial products (mutual funds, insurance, sovereign gold bonds, ETFs, corporate FDs and bonds), wealth management, investment banking and issuer services and advisory. They ensure that appropriate strategies are articulated for the long-term benefit of the Company.

Board Diversity

	March 31, 2020
Number of Board Members	8
Number of Executive Directors	2
Number of Non-Executive Directors	6
% of Independent Directors on the Board	50
% of Women Directors on the Board	12.5

Director's appointment

We have in place a Nomination & Remuneration Committee (NRC) approved policy on Directors' appointment and remuneration. It includes the criteria for determining qualifications, positive attributes and independence of a Director. The NRC evaluates the composition and vacancies arising in the Board and considers the requisite special knowledge or expertise possessed by the candidate.

Compensation structure

We have a Compensation Policy, framed under NRC's guidance, to determine compensation for the Whole-time Directors, Key Managerial Personnel, Senior Management and all other employees. It ensures effective governance and drive meritocracy under a prudent risk framework. We follow a philosophy of meritocracy and KPIs have been defined for determining performance.

For the Whole-time Directors, the NRC has oversight over payment of compensation based on their actual performance on key performance indicators (KPIs) against norms. The KPIs include both quantitative and qualitative aspects. The NRC also assesses organisational performance.

Independent Directors are paid profit-related commission and sitting fees for attending meetings of the Board and its Committees. Non-executive Non-independent Directors

Governance

do not draw any remuneration from the Company. Non-executive/Independent Directors are provided with reimbursement of expenses for attending Board/Committee meetings, official visits and participation in various forums on behalf of the Company.

In FY2020, the ratio of remuneration to Managing Director & CEO (Vijay Chandok) and Executive Director (Ajay Saraf) to that of median fixed pay of employees was 104:1 and 53:1 respectively.

For more details on remuneration to directors and key managerial personnel, refer to pages 68, 94 and 95 of our Annual Report FY2020.

Board performance evaluation

We have in place a framework for evaluating the performance of the Board, Directors and Chairman. The Board undertakes to evaluate the performance of the various mandatory committees based on the assessment of the compliance with the terms of reference of

the Committees.

The performance evaluation of the Directors, the Board and Committees of the Board are conducted through circulation of questionnaires. These are designed to assess the performance based on parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees. It also evaluates the quality, quantity and timeliness of information flow between the management and the Board that enable the Board to effectively and reasonably perform their duties. The evaluation criteria for the Directors (including Independent Directors) was based on their participation, contribution and offering guidance to and understanding of the areas that were relevant to them in their capacity as members of the Board.

Board of Directors: Qualification, Experience and Expertise

Director	Qualification	Experience and expertise
 <p>Mr. Vinod Kumar Dhall, Chairman (Independent Director)</p>	<ul style="list-style-type: none"> L.L.B. (Delhi University) M. Sc (Allahabad University) 	<p>Past roles</p> <ul style="list-style-type: none"> Worked at high levels in the government (policy and executive levels) as an Indian Administrative Service (IAS) Officer First Member and Chairman (acting) of the Competition Commission of India (CCI) Secretary, Ministry of Corporate Affairs, GOI Vast experience in economic and industrial matters and regulatory experience including as Member, SEBI and in Insurance Chairman/CEO of public sector companies Worked with United Nations organisations <p>Present roles</p> <ul style="list-style-type: none"> Arrangement with reputed law firm (Platinum Partners) to advise clients on matters relating to competition law On the Boards of several leading listed and unlisted public companies <p>Directorship in other companies - 3</p> <p>Expertise Corporate Affairs, Competition and Corporate Law, Finance & Banking, Economic Regulation, Business Strategy, Business Management, Insurance, Investment Banking</p>

Director	Qualification	Experience and expertise
 Mr. Ashvin Parekh, Independent Director	<ul style="list-style-type: none"> FCA AICWA ACS 	<p>Past roles</p> <ul style="list-style-type: none"> Experience in business strategies, corporate planning, institutional strengthening and business transformation across industries like banking, insurance, pension and capital markets both globally and domestically <p>Present roles</p> <ul style="list-style-type: none"> Designated Partner of Ashvin Parekh Advisory Services LLP Director of ICICI Lombard General Insurance Company Limited and ICICI Securities Primary Dealership Limited <p>Directorship in other companies - 2</p> <p>Expertise Business Strategy, Corporate Planning, Institutional Strengthening, Business Transformation, Technology, Finance, Business Management, Portfolio/Asset Management, Project Management, Legal and Regulatory</p>
 Mr. Subrata Mukherji, Independent Director	<ul style="list-style-type: none"> B.A. (Eco) M. Sc. Economics (London School of Economics) Master of Management Studies (Mumbai University) 	<p>Past roles</p> <ul style="list-style-type: none"> 40 years of experience in the Banking and Financial Service Industry Worked with ICICI Group across various companies in different positions viz., MD & CEO, Chairman, President, etc. <p>Present role Independent Director of the Company</p> <p>Expertise Business Strategy, Banking & Finance, Investment Banking, Economics, Business Management, Venture Capital</p>
 Ms. Vijayalakshmi Iyer, Independent Director	<ul style="list-style-type: none"> Post-graduate in Commerce and Economics, University of Mumbai Fellowship of CAIIB of Indian Institute of Banking and Finance 	<p>Past roles</p> <ul style="list-style-type: none"> Executive Director of Central Bank of India Chairperson and Managing Director of Bank of India Whole Time Member (Finance and Investment) in the IRDAI <p>Present roles</p> <ul style="list-style-type: none"> Advisor and Executive Director of BFSI Sector Skill Council of India Non-Executive Independent Director on the Boards of various listed and unlisted Public Companies <p>Directorship in other companies - 9</p> <p>Expertise Business Strategy, Banking & Finance, Investment Banking, Insurance, Business Management, Technology, Human Resources Development, Portfolio/Asset and Project Management, Risk Management</p>
 Mr. Anup Bagchi, Non-Executive Director	<ul style="list-style-type: none"> Post-graduate diploma in management, Indian Institute of Management, Bangalore Engineering from the Indian Institute of Technology, Kanpur 	<p>Past roles</p> <ul style="list-style-type: none"> Worked with ICICI Group in various roles in retail, corporate, treasury and investment banking <p>Present roles</p> <ul style="list-style-type: none"> Executive Director of ICICI Bank Limited since February 1, 2017 Heads the ICICI Foundation for Inclusive Growth <p>Directorship in other companies - 5</p> <p>Expertise Business Strategy, Retail Banking, Retail Broking, Information Technology, Rural and Inclusive Banking, Corporate Banking and Investment Banking, Treasury Control and Services, Financial Services, Business Management, Capital Markets, Small & Medium Enterprise</p>

Governance

Director	Qualification	Experience and expertise
 Mr. Pramod Rao, Non-Executive Director	<ul style="list-style-type: none"> B. A. LL. B (Hons), National Law School of India University, Bangalore 	<p>Past roles</p> <ul style="list-style-type: none"> General Counsel for Citi India cluster (July 2013 till mid-August 2018) and was responsible for the Legal & Secretarial functions within Citi India cluster (incorporating Bangladesh & Sri Lanka). He also oversaw Citi Security & Investigative Services (CSIS) and chaired the Citi India Diversity Council and was a member of various internal management and oversight committees. IndusLaw, a law firm as a resident partner, overseeing its Banking and Finance practice. He joined IndusLaw in 2012 and was instrumental in setting up the firm's office in Mumbai. Worked with ICICI Bank for over 15 years. In August 1996, he joined the erstwhile Industrial Credit & Investment Corporation of India Ltd (erstwhile ICICI, which subsequently in a reverse merger became ICICI Bank) upon obtaining B.A.LL.B (Hons) degree from the National Law School of India University, Bangalore (NLSIU) after a brief stint at Mulla and Mulla Craigie Blunt & Caroe. He then rose to become the General Counsel of ICICI Bank in December 2005 and served in that capacity until April 2012. During the course of his career at ICICI Bank, Mr. Rao has overseen the legal function for all segments of ICICI Bank. During his time there, he also advised the Board of Directors and various Board constituted committees and served on the Board of Directors of various ICICI group companies. <p>Present roles</p> <ul style="list-style-type: none"> Group General Counsel of ICICI Bank Limited and oversees the legal function for the ICICI Group (From August 2018) <p>Directorship in other companies - 2</p> <p>Expertise Banking and Finance Laws, Competition and Corporate Law, Finance & Banking, Economic Regulation, Financial Services, Business Management, Capital Markets, Corporate Governance, Law & Technology, Corporate Project & Structured Finance, Restructuring, Insolvency & Bankruptcy, Joint Ventures</p>
 Mr. Vijay Chandok, Managing Director & CEO	<ul style="list-style-type: none"> Master's in Management Studies, Narsee Monjee Institute of Management Studies (NMIMS), Mumbai Bachelor's in Mechanical Engineering from IIT (Banaras Hindu University), Varanasi (formerly IT-BHU) 	<p>Past roles</p> <ul style="list-style-type: none"> Worked for ICICI Group across corporate, retail and rural banking roles Executive Director of ICICI Bank Limited, responsible for its International Banking, Small and Medium Enterprises (SME), global markets and commercial banking businesses <p>Present roles</p> <ul style="list-style-type: none"> Managing Director & CEO of the Company Member of Secondary Market Advisory Committee of SEBI and Advisory Committee of BSE Limited Trading Member of Advisory Committee of National Stock Exchange of India Limited Co-Chairman of FICCI Committee on Capital Markets <p>Expertise Business Strategy, SME Banking, Retail Broking, Commercial Banking, International and Corporate Banking, Retail and Rural Banking, Business Management, Capital Markets, Private Equity Fund Management</p>
 Mr. Ajay Saraf, Executive Director	<ul style="list-style-type: none"> Chartered Accountant Cost & Works Accountant Graduate from Calcutta University 	<p>Past roles</p> <ul style="list-style-type: none"> He has over 26 years of experience Worked with ICICI Bank Limited for approximately nine years in corporate banking and SME banking verticals Worked with American Express Bank Limited <p>Present roles</p> <ul style="list-style-type: none"> Executive Director of the Company Heads the Company's investment banking and institutional equities divisions <p>Expertise Investment Banking, Institutional Broking, Corporate Banking, SME Banking, Business Strategy, Business Management, Finance</p>

Information on committee meetings and attendance can be read on pages 56 and 61-65 of our Annual Report FY2020.

RISK MANAGEMENT FRAMEWORK

We have a comprehensive system of risk management, compliance and internal controls which ensures identification, measurement, and mitigation of various risks as well as compliance to all regulatory requirements.

Our Compliance Policy necessitates the Compliance Officer to obtain a certificate of regulatory compliance from respective business heads on a quarterly basis. We also have in place the Operational Risk Review of processes for respective businesses and the Risk Based Compliance Monitoring of various assessment units. Based on these, the Managing Director & CEO submits quarterly compliance certificate to the Audit Committee and the Board.

During FY2020, we conducted audits through our internal audits as well as through reviews by our regulators and other entities like BSE Ltd., National Stock Exchange and specialist IT firms. No major issue was highlighted in these audits and reviews.

For addressing our risks, we have robust policies, procedures and standards. Our Board oversees the Risk Management Committee, frames and reviews risk management processes and controls. Our risk management system operates on a 'three-line of defence' approach:

- **First line** – Operational departments assuming primary responsibility for their own risks and operate in line with policies approved by the Board or Board Committees.
- **Second line** – Specialised risk management and compliance departments who employ specialised methods to identify and assess risks faced by the operational departments, and provide them with risk management tools and methods. They also facilitate and monitor the implementation of effective risk management practices, internal control and compliance, report risk-related information and promote the adoption of appropriate risk prevention measures.
- **Third line** – Internal Audit department and External Audit functions who undertake periodic monitoring

and evaluations of the risk management, internal control and compliance activities.

Our policies set forth limits, mitigation strategies and internal controls for risks impacting us. These include policy on corporate risk and investment, liquidity risk management, operational risk management, outsourcing, fraud risk management, information technology risk management, information security management, cyber security & cyber resilience, business continuity and surveillance.

We ensure all new products and services are approved by Board Committees apart from Risk Management Group, Compliance and Operations Groups and dedicated Process Approval Committee to mitigate risks emanating from market launch. Margin-based products or those entailing credit or market risk are approved by our Risk Management Committee. Approval for all other new products is given by Product Committee.

Report on secretarial audit and independent audit can be read on pages 101 and 130 and Risk Management on pages 36-39 of our Annual Report FY2020.

Information security and cyber risk management

Data theft has been rising rapidly in recent times and comes at a significant cost to consumers and businesses. The impact of these events can impact our business, relationship with customers and our brand reputation.

We have invested in building a stable, secure and reliable technology system to prevent data theft. It is supported by a framework designed to manage customer privacy and information security, safeguard our assets and business, and ensure compliance to applicable laws. We also have a robust 3-tier recovery system and strong business continuity processes.

We are strengthening cyber risk management by focussing on having good information that can be used by executives and other stakeholders to make informed decision-making. Important positions have been created for a focussed approach – Chief Information Security Officer (CISO) to drive cyber security initiatives and

Governance

compliances and Head-Risk Officer to ensure that there are commensurate processes to assess, identify, and reduce information security risk and cyber security risks.

We have an Information/Cyber Security Committee (IT Risk Committee) to review matters pertaining to IT risk including information security. It analyses and monitors

risks associated with our different business activities. The Committee also reviews the implementation of measures and practices for protecting our cyberspace against cyber-attacks, threats and vulnerabilities. The MD, ED, Chief Technology Officer, Head of Risk Management and a representative from business are members of the IT Risk Committee.

CYBER SECURITY POLICIES



- Code of Conduct and Business Ethics: Protect confidentiality of proprietary and sensitive information
- Code of Conduct for Prevention of Insider Trading: All employees sign confidentiality undertaking to ensure confidentiality of UPSI (unpublished price sensitive information)
- Cyber Security and Cyber Resilience Policy: Lays down measures and practices to protect organisation's cyberspace, especially customer data against cyberattacks, threats and vulnerabilities
- Information Security Management Policy: For operationalising information security management process by outlining a structure for oversight over the implementation of Information Security controls
- Social media guidelines, privacy protection standards



We ensure protection of investors' rights by having strong protocols to ensure confidentiality of all unpublished price sensitive information (UPSI). All such information can only be shared with the approval of Chief Investment Relationship Officer and by authorised personnel. External parties are to sign confidentiality clause and have minimum controls to protect data.

Data leaks are prevented by ensuring sharing only through laptops in Company domain and through secured application. Controls and tools are in place to prevent phishing and malware attacks. Use of removable storage devices are strictly prohibited.

Creating cyber security awareness

We practise providing cyber threat, data security and operational control advisories to Board members, key managerial personnel, employees and our business partners to strengthen our cyber security. During the COVID-19 related lockdown when our employees were working from home, we undertook several measures to ensure the highest level of cyber security. This included sending awareness mailers and conducting phishing drill. Some of the initiatives undertaken included:

- Awareness mailers issued to officials
 - o Maintaining confidentiality of business confidential and customer personal details
 - o Not leaving official system/device unattended
 - o Not sharing NT ID/ Password/ VPN PIN / meeting links (with unauthorised person)
 - o Controls while using communications applications included disabling file transfer and recording facility on guest machines, recording only with HOD approval and meetings to be locked to prevent uninvited person
- Phishing drills were conducted and phished employees and their HODs were sensitised

HOW WE ARE STRENGTHENING CYBER SECURITY



- Sustained investments in upgrading system
- Strengthening the breadth, depth and capabilities of cyber security team
- Employee awareness and cross-functional collaboration
- Engagement with experts
- Regular review of information security framework:
 - o SEBI mandated Half Yearly Systems Audit and Cyber Security Audit
 - o Annual Application Control Reviews covering Vulnerability Assessment and Penetration Testing (VAPT assessments) by IAD through external firms
 - o Annual audit of network security, database security & web servers having common infrastructure by Internal Audit Group of Bank
 - o Periodic Application Security Life Cycle (ASLC) and VAPT assessments by the Information Security Group of ICICI Bank



Ensuring customer data privacy

Trust is the foundation of our business. We remain committed to being transparent on client data usage. We ensure using personal and financial information only for the purposes communicated in our client agreements and ensure obtaining their consent to use it for any other purpose. We regularly assess responsible use of data to create value for our stakeholders and ensure privacy protection. We also engage with experts to ensure the rights of every individual is respected and the data is safeguarded. Alongside, we are investing in industry-leading data management approaches and emerging techniques to advance data privacy. We have clear policies in place on how we collect, use, share and protect customer information. We benchmark our data management and privacy practices to the global best practices.

Various data security protocols practised by us include:

- Logical access management to allow access to applications only with necessary approvals
- Rights to send mail outside ICICI Group only with approval
- Restriction on access to personal websites/social sites (only whitelisted sites allowed) and external media (USB) employees
- Hardening of Laptops to disable various accesses
- Remote access to the organisation's network through secured connectivity
- Data Loss Prevention (DLP) monitoring in place for all outgoing mails
- Mobile Device Management through an application to prohibit copying of data
- Prompt withdrawal of accesses to systems and mailing rights (outside ICICI Group) of resigned employees

RESPONSIBLE BUSINESS PRACTICES

We have appropriate policies on Anti-Bribery & Anti-Corruption, Code of Conduct and Business Ethics, Whistle Blower, Prohibition of Insider Trading, Preventing Fraud and Anti-Money Laundering as mandated by regulations. The Group Code of Conduct and Business Ethics is based on professional and ethical standards which is required to be adopted by all our employees and Directors. It emphasises on fair employment practices, diversity and competition, prohibition of harassment and intimidation, and safety at the workplace. We are an equal opportunity employer and provide a safe and enabling workplace. We are also governed by the Code of Conduct for Stock Brokers issued by SEBI which cover aspects such as integrity and fairness to clients.

Our policies ensure an organisational set-up whereby employees are empowered to report their grievances without any fear of victimisation and reprisal. Every complaint registered under these policies is handled with utmost care and confidentiality.

For more details on our corporate policies, visit [here](#).

Whistle Blower Policy

Our Whistle Blower Policy has set up a mechanism that enables employees to report about potentially illegal and/or unacceptable practices without fear of victimisation and reprisal. It aims to administer good governance practices and ensure that serious concerns are properly raised and addressed.

Prevention of Sexual Harassment (POSH)

We have a robust policy on POSH and a formal process for dealing with harassment or discrimination complaints. We ensure that all complaints are resolved within defined timelines and mandatory training is provided to all employees to create awareness. We have zero tolerance towards any such incidences and aim to ensure a safe and healthy workplace for all employees irrespective of their gender, caste, religion and sexual orientation. In FY2020, we conducted 195 batches of POSH training covering 1,961 employees including all new hires and refresher trainings. During the year, two POSH cases were reported, and both were disposed of. No complaints were pending as at March 31, 2020.

Related party transactions

We have a Board approved policy for related party transactions which provides for identification of related party transactions, approvals by the Audit Committee/ Board of Directors/Shareholders, reporting and disclosure requirements in compliance with the Act and Listing Regulations. During FY2020, all transactions executed by the Company with related parties were on arm's-length basis and in ordinary course of business.

More details on related party transactions and related parties can be read on pages 54, 97, 167 and 168 of our Annual Report FY2020.

98%

Of customer complaints received in FY2020 have been resolved



ENVIRONMENTAL



Social

Governance

Environmental

Operating Responsibly for a Greener World

At ICICI Securities, we recognise the risks and opportunities posed by the impact of our operations on the environment. We are striving to reduce this by measuring and improving environmental performance across all our offices. We are also analysing and developing an understanding that environmental factors may have on our business.

UN SUSTAINABILITY GOALS ADDRESSED BY OUR SUSTAINABILITY PROGRAMMES



Being a financial services organisation, our environmental impact and carbon footprint is inherently low. It is limited to the extent of natural resources we consume and how we reduce, recycle and reuse them. Although we do not measure our carbon footprint, we are undertaking measures, wherever possible, to contribute towards a cleaner and greener world. We have set ourselves an ambitious environmental agenda to become a model in our industry by focussing on digitising processes across the organisation, minimising paper, energy and water consumption, eliminating use of plastics and increasing the use of renewable energy.

Our ambitious
environment objectives
for FY2025



20%

Reduction of energy consumption

20%

Reduction in paper consumption

35%

Reduction in travel

ENVIRONMENTAL POLICY

Our Environmental Policy lists out our approach towards bringing about positive impact as a corporate citizen in the society. It covers our environmental performance, employee engagement, its implementation and review, and our initiatives towards energy and water management, steps taken towards reducing carbon emission and our policy to reduce, reuse and recycle.

For more information, please visit [here](#).

ENERGY MANAGEMENT

We have undertaken several initiatives towards reducing our energy consumption. We practise conducting regular electrical audit and implementing rectification of the observations. Some of the key energy-efficiency measures undertaken include:

- Upgrading to LED lightings, ensuring effective functioning of critical electrical systems, air balancing of HVAC Systems to plug air conditioning wastage.
- Installation of sensor-based lighting system in common areas at large corporate offices.
- Replacement of 562 old 36-watt lights with 283 energy savings 36-watt LED lights at two of our larger corporate offices which has resulted in energy savings of 2,22,000 units.
- Replacement of two separate UPS (2 x 40 KVA and 2 x 60 KVA) spread across two floors at Corporate office with one centralised 2 x 60 KVA UPS with efficiency of 60% during full load. This helped in reducing power required to charge the UPS and its batteries, resulting in savings of ~91,000 units in FY2020.
- Installation of solar panels at our registered Corporate Office in Mumbai which produced ~35,000 units of green power in FY2020. We are additionally undertaking feasibility analysis to identify other large offices where renewable solar energy can be implemented.

REDUCING WATER CONSUMPTION

~4,20,000 units

YoY reduction in power consumption in FY2020

We recognise the importance of water as a scarce resource. While our water consumption is primarily for drinking and sanitation purposes, we are undertaking measures like putting visual reminders, installing water-efficient fixtures and sensor-based urinal flush fittings and sensitising employees to avoid wastage. Our next focus area is to install rainwater harvesting facility across large offices for which feasibility analysis is being conducted.

REDUCING CARBON FOOTPRINT

Reducing and optimising travel

We have implemented automated end-to-end travel process through Online Booking Tool and increased usage of audio/video conferencing for meetings to reduce the overall number of trips, which in turn has reduced traffic and pollution. Digital conferencing has resulted in a decline in the number of trips (flight and train) in FY2020 by 31% to 3,678. Our focus on remote working necessitated by COVID-19 is helping us further curb trips. We encourage carpooling and also provide bus services to the employees. We have tied up with an electric car operator, which will further help us in reducing fossil fuel-based travelling.

Reducing paper consumption

We have implemented strong measures for digitising processes to reduce the need for paper. Minimising the usage of paper across offices is an ongoing activity. Initiatives like automation and process tweaks to reduce paper usage in the processing of bills, checklists, claim sheet, along with measures such as duplex printing and password-protected printing, have resulted in savings of ~6,000+ reams of paper. Our paper consumption in FY2020 declined by 54% over FY2019. To further this approach, paper cups at the Pantry have been replaced by ceramic cups.

We also encourage the use of digital communication to go green. This has resulted in a steady decline in the Annual Report copy printing from ~30,000 in FY2018 to ~17,000 in FY2019. During FY2020, with the relaxation granted by MCA and SEBI to send the Annual Reports through e-mail to the Shareholders, no physical copies will be printed.

Operating Responsibly for a Greener World

54%

YoY reduction in paper consumption in FY2020

31%

YoY reduction in travel (flight + train) in FY2020

94%

Of our MF transactions take place digitally

97%

Of our equity transactions take place digitally

96% +

Digital contract notes and digital invoices raised

MANAGING WASTE EFFICIENTLY

We have eliminated plastic by commencing the use of glass bottles and discarding the distribution of plastic folders for stationery supplies. We use 100% biodegradable plastic garbage bags above 50 microns for collection/disposal of dry and wet waste.

We are also ensuring eco-friendly disposal of e-waste which includes computers, servers, scanners, printers, and fax machines. For old UPS batteries, we have engaged with empanelled battery vendors for safe disposal by an authorised dismantler or recycler. In FY2020, we did not generate any e-waste related to computers and electronic peripherals.

SENSITISING EMPLOYEES

We believe that behavioural change is the key to achieving long-term and sustainable positive impact on the environment. We are undertaking various initiatives to spread awareness among the employees. This includes organising the “Environmental Week” on World Environment Day and starting the ‘Save Trees Save Earth’ initiative which focuses on planting of trees. We have also implemented an organisation-wide Go Green drive, whereby all our electronic assets remain off when not in use, and the Go Paperless drive.

GO GREEN

We are undertaking organisation-wide initiative – Go Green – to move beyond today towards building awareness and consciousness of the environment, our nation and our society.





CONCEPTUALISING GREEN OFFICES

Our vision is to conceptualise every large future office as a model eco-friendly and sustainable establishment. While setting up our offices, we adopt sustainable practices with respect to energy, water and waste management. We have incorporated certain criteria such as the availability of natural light, ventilation source for renewable energy, rainwater harvesting and others, in seeking future offices. These offices would also practice procuring green office supplies and limit plastic usage with zero usage of single use plastic and encourage green commuting like car-pooling, provide employee transport facility, and work from home options.

REDUCE, REUSE AND RECYCLE

- Recycle paper
- Reduce plastic consumption
- Maximise reuse of office assets
- Use of biodegradable materials
- Segregate dry and wet waste for large offices
- Dispose off electronic waste through e-waste vendors



Feedback

At ICICI Securities, having initiated our ESG journey, we continue to be strongly focussed on strengthening our ESG performance across all parameters. By doing so, we aim to address the sustainability challenges faced, operate sustainably to mitigate the environmental impact and do business in a responsible manner with the highest levels of ethical practices, while ensuring the interests of all our stakeholders.

We thank you for your interest in this report and welcome your feedback to help us improve our disclosures and ESG performance. You may reach out to us at corporate.communications@icicisecurities.com for the same.





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