



# ESDS Sanction Compliance Policy



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## Distribution List

Name	Job Title	Email Id
All ESDS employees	ESDS Employees COO, COE Compliance Head Departmental SPOC	<a href="mailto:missionpeople@esds.co.in">missionpeople@esds.co.in</a> <a href="mailto:coeforum@esds.co.in">coeforum@esds.co.in</a> <a href="mailto:compliance@esds.co.in">compliance@esds.co.in</a>

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Applicable Document and References

- None



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## Abbreviations

R&D	Research & Development
IaaS	Infrastructure as a Service
SaaS	Software as a Service
WAF	Web Application Firewall
VPN	Virtual Private Network
VTM	Vulnerability and Threat Management (VTM)
STPI	Software Technology Parks of India
AML	Anti-Money Laundering
CTF	Counter-Terrorist Financing
UN	United Nation
EU	European Union
US	United States
CTO	Chief Technology Officer
COO	Chief Operating Officer
COE	Center of Excellence
CSP	Cloud Service Provider
HOD	Head of Department
SPOC	Single Point of Contact
BU	Business Unit

enabling futurability..

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## 1. Introduction

### 1.1 About Us

ESDS Software Solution Limited is an India-based provider of cloud services, data center infrastructure, and a wide range of technology solutions encompassing Infrastructure as a Service (IaaS), Software as a Service (SaaS), and Managed Services. The Company has evolved from a web hosting service provider into an AI-enabled cloud, managed services and data center infrastructure and solutions partner, supporting both government and enterprise clients.

With a team of 1,027 professionals, including a 103-strong R&D team, ESDS Software Solution Limited is committed to providing scalable and secure solutions through its vertically integrated business model. The Company has four interlinked Tier III-certified data centers in Nashik, Maharashtra; Navi Mumbai, Maharashtra; STPI-Bengaluru, Karnataka; and STPI-Mohali, Punjab; enabling strong cloud and colocation services such as public, private, hybrid, and industry-specific community cloud platforms.

ESDS Software Solution Limited has developed some of its own indigenous proprietary products in-house, including its flagship product eNlight Cloud platform, eNlight WebVPN, eNlight WAF, VTMscan, Low code Magic, IPAS, and Famrut, among others. These products are the Company's emphasis on indigenous development and technology indigenization, in line with national agendas such as 'Make in India' and 'Digital India'.

Sustainability remains an integral part of the working philosophy of ESDS Software Solution Limited, with continuous investment in energy-efficient infrastructure and green practices. With innovation complemented by sustainability and digital empowerment, ESDS is committed to enabling India's digital transformation journey while ensuring data protection and sovereignty.

### 1.2 Vision

We are committed to creating lifetime customer relationships by delivering World Class Managed Data Center Services and Cloud Enabled Services.

### 1.3 Mission

We co-create values for our customers by:

- 1 billion – touching lives of 1B+ people
- 1 billion – connecting 1B+ smart devices
- 1 billion – unicorn in Make in India Advanced technology
- 1 billion – Growing 1B+ trees.

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## 2. Purpose

To comply with the economic and trade sanctions laws and regulations, anti-money laundering laws and regulations, the trade sanctions laws of the United Nations (UN), European Union (EU), United States of America (US), as well as all applicable sanctions laws and regulations (including import and export control regulations) in the jurisdictions which we operate.

## 3. Policy Statement

ESDS is committed to acting legally in all its business dealings wherever it operates. As part of this, we must all exercise due diligence to ensure that we and those that we do business with observe all sanctions laws applicable to our worldwide operations. This Sanctions Policy outlines the actions that are required to ensure that the Company complies with Sanctions and that it does not contract or engage with countries, regions, industries, organizations or individuals which are the target of such sanctions.

## 4. Objective

ESDS is committed to acting legally in all of its business dealings wherever it operates. As part of this, we must all exercise due diligence to ensure that we and those that we do business with observe all sanctions laws applicable to our worldwide operations.

This Sanctions Policy outlines the actions that are required to ensure that the Company complies with Sanctions and that it does not contract or engage with countries, regions, industries, organizations or individuals which are the target of such sanctions.

## 5. Scope

This policy applies to all ESDS employees, departments, and business units across all regions in which the company operates. It includes all activities involving customers, suppliers, service providers, consultants, partners, and any other counterparties. It is applicable to all new and existing relationships, transactions, and engagements that may be subject to or potentially impacted by international sanctions, laws and regulations.

## 6. Measures

- A. This policy sets out the minimum standards in which ESDS must comply with to meet the above obligations. This includes:
- Screening customers and transactions against global sanctions lists.
  - Prohibiting or restricting business activities or transactions or commencing customer relationships that we believe may violate the applicable sanction laws, whether directly or indirectly; or involve individuals, entities or vessels listed on an official sanctions list
  - Blocking or rejecting business activities or transactions where we are obligated to do so under the applicable sanctions laws and regulations

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- B. On a risk-based approach, Company will screen customers and transactions against global sanctions lists (including but not limited to UN, EU and US sanction lists). Given the volume of transactions and the fact that the scope of sanctions is highly sophisticated and constantly changing, the screening process will be carried out through IT systems with the assistance of the compliance solutions offered by third-party service provider(s) which provide updated database containing global sanctions lists and other risks data and filtering services. Screening will be performed by the concerned SPOC nominated by the business unit head from time to time upon account opening, creation and execution of transactions and/or other circumstances that we deem appropriate according to our policy.
- C. The company will prohibit or restrict business activities or transactions or commencing customer/vendor/third party relationships that we believe may violate the applicable sanction laws, whether directly or indirectly; or involve individuals, entities or vessels listed on an official sanctions list.
- D. The company will not tolerate any breach of this policy that could jeopardize the soundness and integrity of our Company. Any suspicious transactions should be reported immediately to the compliance team by sending an email at [compliance@esds.co.in](mailto:compliance@esds.co.in) and if applicable, to the respective BU head. Where necessary, we will also report breaches of sanction laws to relevant regulatory authorities.
- E. The effectiveness of this policy will be monitored regularly. Procedures and practices will be reviewed, and further practical guidelines may be issued with a view to ensure compliance with sanction laws and regulations.

## 6.1 What are sanctions?

- A. Sanctions are measures imposed by governments and international bodies (such as the United Nations)
- B. To restrict dealings with certain countries, entities and individuals (Designated Person/ Significant shareholder). They take various forms, including:
- Broad prohibitions on dealings with or within certain countries, individuals or corporate entities
  - Trade restrictions, including arms embargoes and prohibitions on exports of certain equipment
  - Financial sanctions, such as asset freezes and prohibitions on financial transactions; and travel bans.
- C. Both the targets of Sanctions and nature of the restrictions imposed by Sanctions are subject to change on a regular basis, and therefore such sanctions need to be checked.

For example: US sanctions can also be applied to transactions that touch or concern the United States, including those that take advantage of the US financial system (e.g. dollar-denominated transactions) and those that involve US companies and individuals or US-origin items. The United States has also implemented so-called “secondary sanctions” against certain countries – for example, Iran, Russia– that directly apply to non-US companies and individuals who engage in specific kinds of transactions with those countries. These Sanctions provide for the imposition of a range of measures designed to exclude non-US Person violators from the US economy.

Please note that Sanctions apply to individuals – not just companies.

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- D. Significant Shareholder" means, with respect to any Counterparty, the owner of 50% or more of the beneficial interest in such Counterparty.
- E. "Counterparty" means any person or entity the Company receives funds or economic resources from including any person, supplier, contractor, sub-contractor, agent, intermediary, bank or other financial institution, merger and acquisition party, or other person or entity with which the Group conducts or may conduct business.

## 6.2 What Is Company's Sanctions Process?

- A. To ensure compliance with sanctions regulations, ESDS implements a screening process for its counterparties. The objective of this screening process is to ascertain whether a proposed counterparty is listed on assets freeze list or may be owned or controlled by such an individual or entity. ESDS employs the Member Check (AML/CTF) tool to conduct sanctions screening, enabling the company to screen all pertinent sanctions lists with a single search function
- B. This screening process should be conducted for all new customers, suppliers, employees, consultants and/or service providers. Additionally, it is imperative that timely screening is also performed for existing customers and service providers, and this process should be executed in a proper and systematic manner. BU head should confirm every six months that sanction screening is performed by all the existing customer, service provider, supplier etc. (the certification is attached as Annexure A).

## 6.3 Raise Concerns

If you become aware that ESDS or one of its affiliate has inadvertently become involved in any business contrary to applicable Sanctions, you should either notify the Chief Operations Officer as soon as possible for further guidance or report this through Email at [getintouch@esds.co.in](mailto:getintouch@esds.co.in) so will allow the Company an opportunity to deal with the issue and correct it, ideally before it becomes a violation of law or a risk to the Company's reputation.

## 6.4 Non-Compliance

The company will consider non-compliance of this Policy as a serious matter warranting disciplinary action, up to and including dismissal, where allowable by law. Violations of Sanctions can also have legal consequences for individuals involved, including severe monetary fines and imprisonment.

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## 6.5 When in doubt, seek guidance

- A. If you are ever unsure of how to react to a situation or whether certain conduct may be improper or contrary to the Policy, you should always seek guidance from the Chief Operations Officer of ESDS by sending an email at [getintouch@esds.co.in](mailto:getintouch@esds.co.in). If you have any questions about this Policy, please contact the compliance department by sending an email at [compliance@esds.co.in](mailto:compliance@esds.co.in)
- B. This Policy may be amended and updated from time to time. The latest version of this Policy can be obtained upon request from the Compliance Department and is available on the Company's Intranet and website.

## 7. Policy Review

This policy must be reviewed annually, or upon any major system, regulatory, or threat landscape change.

## 8. Reference SOP/ Policies

N/A



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## Annexure: Certificate of Compliance Confirmation

BU Head Name: [Full Name]  
Region: [Specify the Region]  
Products (if any): [List any relevant products]  
Date Range: \_\_\_\_\_ to \_\_\_\_\_

In my capacity as BU Head, I hereby confirm that our business unit has diligently conducted a sanctions screening Process within the specified date range. This process involved checking the list of attached customers, service Providers consultants, employers, and suppliers.

I am pleased to report that our screening efforts, performed using the Member Check (AML/CTF) tool, have yielded no indications of sanctions against any of the entities listed in the attached document. This outcome reaffirms our commitment to compliance with sanctions regulations and maintaining the integrity of our business relationships.

As BU Head, I take full responsibility for overseeing this compliance process in our region for the attached customer under our purview. We have executed this screening process systematically and thoroughly to ensure that our business operations align with regulatory requirements.

This Certificate of Compliance is issued as a testament to our dedication to upholding the highest standards of compliance and conducting business in an ethical and responsible manner.

Date: [Date of Issuance]  
Signature: Printed  
Name: [You're Full Name]  
Title: Business Unit Head,

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