Persistent

See Beyond, Rise Above

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Persistent



Vasudhaiva Kutumbakam

The World is One Family

Environmental, Social and Governance (Sustainability) Report 2021-22

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"The world is one family" reflects our belief that the way we do business is inextricably linked to our sustainability goals which reinforce the trust our stakeholders place on us. This allows all of us to think and act more holistically and responsibly for the benefit of our people, our society, and our planet. This report is a testament to how this interconnectedness has been expressed over the past 32 years across our organization, allowing us to live our values and emerge as a more sustainable, ethical, and responsible organization.

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Message from the Chairman

It is my privilege to present to you our inaugural ESG Report.

Ever since our inception, we have been committed to maintaining the highest standards of ethics and integrity, and we believe that we must be socially responsible and accountable for our actions.

Global challenges around pollution, climate change and demographic polarization lead to inequitable distribution of food, water, healthcare, data security and privacy. In addition to being conscious and responsible, we must work together to find innovative technology solutions to address these global challenges. The society needs companies to act responsibly and solve these problems in our lifetime. We commit to doing our part.

This ESG Report provides a consolidate overview of our activities as a responsible corporate citizen in our sustainability journey. We believe that this report will encourage us to reflect, challenge us to find innovative solutions and inspire us to do more.

In line with the times, we have extended our definition of stakeholders and have gone beyond the narrow view that profits and shareholders' financial interest are the only objectives for the existence of the Company. Our Board has defined stakeholders to include employees, customers, vendors, suppliers, the environment, the society and of course the shareowners. Considering the importance of ESG and to ensure Board-level oversight, we have extended the charter of the Stakeholders Relationship Committee to include ESG.

Being responsible is the cornerstone of our ESG policy.

During the last two years, the pandemic has tested our resolve. While the Company and the software industry did well during the pandemic, not everyone was as fortunate. This report shares highlights of the support we provided to our stakeholders to help them overcome such difficult times.

We are committed to net zero Green House Gas (GHG) emissions by 2030 and have started to take concrete steps in this direction. Water is a crucial and scarce resource. We are committed to water stewardship and aim to reduce freshwater consumption and achieve 100% wastewater recycling in our owned campuses.

We have set challenging goals to increase diversity in the workplace and are committed to attracting and nurturing top-talent. #LifeAtPersistent aims to ensure work-life harmony and focuses on supporting employees and their families through physical, social, financial, and emotional well-being. We live in a world where continuous education is key to survival, and we are committed to investing in learning and development, ensuring that our investments are useful to all stakeholders.

We are known for our high standards of ethics and governance practices and continue to raise the bar.

I would like to thank 18,500+ Persistent employees worldwide for their unflinching support for our ESG goals. I am confident that this report will enthuse all our employees and stakeholders to do more and be a positive force in the world.

—

Anand Deshpande
Founder, Chairman and Managing Director

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Message from the CEO

It is my pleasure to share with you our first ESG Report 2021-22. This report highlights the Company's efforts to jointly work with our employees, clients, partners, and communities to be true stewards of the global resources we've been entrusted with.

The first key to corporate sustainability, is, of course, for your Company to achieve financial sustainability. Our resilient business model accompanied by an empowered workforce have helped us optimize our business operations during the pandemic and sustain our economic value through these hard times. This is evident through our industry leading 35.2% topline growth year-over-year for a fiscal year revenue achievement of US$ 765.6 Million in revenue.

Our business performance has resulted in a record-high stock performance, driving our market capitalization to $4.3 Billion, as of this writing.

These results would have been almost unimaginable as the pandemic began, and it's truly a testament to what we are capable of achieving when we work together to see beyond and rise above the challenges in front of us. This sense of connectivity — how we are all tied to and reliant on one another — inspired the theme for this year's ESG Report, *Vasudhaiva Kutumbakam*, or "the world is one family." This same connectedness and collaboration will be critical as we continue our sustainability journey, ensuring we surpass not just our financial goals, but our ESG goals as well.

Here's to a better, more vibrant year ahead.

—

Sandeep Kalra
Executive Director and Chief Executive Officer



Message from the Chief of Operations and Head of Sustainability

At Persistent, being aware and wanting to make a difference to the world we live in has been one of our core values. As a socially and environmentally responsible organization, we are fully committed to creating a positive impact for all our stakeholders.

Environmental, social and governance has always been close to our hearts and our journey has been ongoing for some time through our corporate social responsibility (CSR) programs, environmental initiatives, and ethical corporate governance. While we take pride in the progress we have made so far, we are aware of the long journey ahead in securing a better and brighter world for our future generations.

To properly assess and prioritize aspects of our company's ESG roadmap, we leveraged a third-party provider to conduct a Materiality Analysis.

This ESG Report details our vision and strategy to drive progress integrating ESG into our business. Our ESG vision is a step towards affirming our commitment as we call out the progress we are making as an organization. This will guide us and hold us accountable to deliver our ESG goals and drive our performance. We assessed our current ESG risks and controls and have carved out short, medium, and long term ESG goals. We detail our ESG progress using the internationally recognized Global Reporting Initiative (GRI) framework and the data presented in this report will set a benchmark for us to improve further.

We commit to promoting work-life harmony to help our people achieve professional and personal goals and to safeguard employee health and safety through holistic well-being programs ensuring physical, social, financial, and emotional well-being.

Our chairman has often said, 'profit is important for us, but that is not the reason we exist. Our corporate sustainability comes through our commitments to people and planet'. We believe in "One Persistent, One Family" as we endeavor to achieve inclusive growth for our stakeholders, along with a safer and better world for us all.

The last two years have taught us that there will always be new challenges along the way. While every challenge is a risk, it is also an opportunity to create a better future. Persistent is committed to being a catalyst for these positive changes. I hope you enjoy reading about them.

Please take time to go through our maiden ESG Report and share your feedback with us so that we can improve further.

—

Sameer Bendre
Chief of Operations and Head of Sustainability

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Highlights of the Year

Persistent employees worldwide rose to the challenge in so many ways in FY 2022, leading to impressive growth in revenue, market share, value creation and delivery.

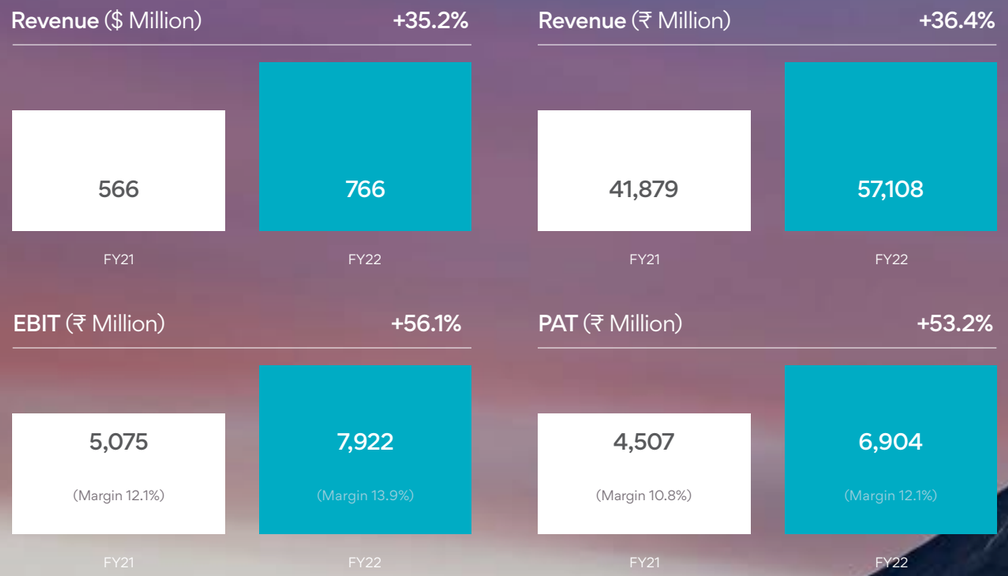


Figure 1: PSL's full year performance

We also experienced a 36% increase in our employee growth during the reporting period.

9,962	10,632	13,680	18,599
2019	2020	2021	2022

ESG Performance

Environmental

544 K
units of energy conserved YoY

22.3%
more water recycled, YoY

60%
electricity from Renewable Energy sources

59,500
Trees planted taking overall total to 79,290

Workforce

18,599
total workforce

3.6%
increase in employee participation in ESG activities

Social

100,042
beneficiaries impacted

₹ 115.5 M
spent on CSR activities

Operations

18 countries
operational presence

38
awards & recognitions

Economic

₹ 54,140 M
total assets

₹ 364,188 M
total capitalization, 129th rank as per market capitalization

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Environmental

Conserving our planet

91 M
liters of water recharged

60%
of electricity generated from renewable sources

2 MW solar rooftop

59,500
trees planted

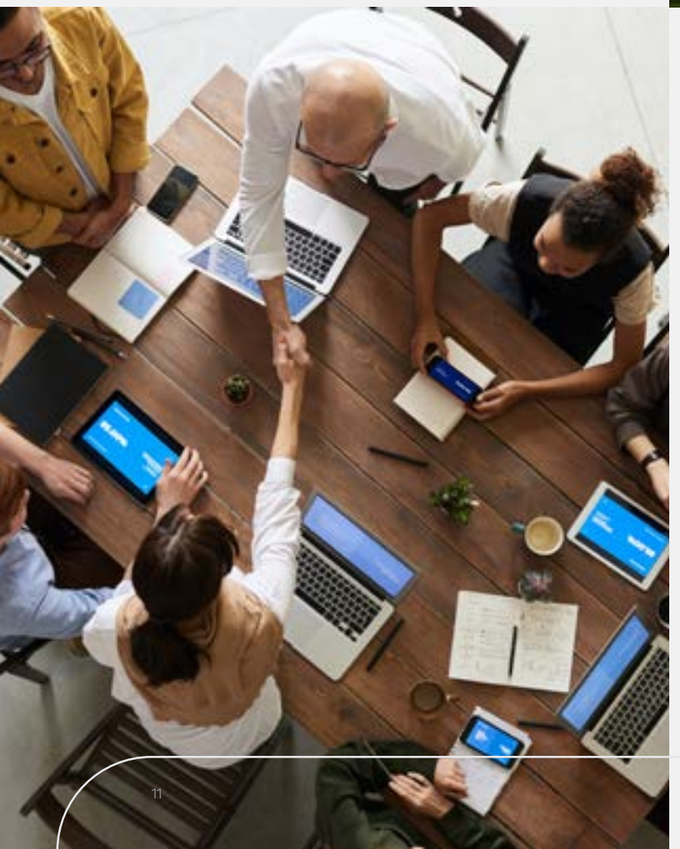
2.5 K t CO_2e
Reduction per year

ISO 14064
certified since 2015-16

2 Windmills, 2.1 MW each

6 K t CO_2e
Reduction per year





Governance

Leading with integrity

Code of Conduct
Fully committed to the Code of Conduct

7/11
Independent Directors on Board

2/11
Women

Social

(including Employee Welfare)

Nurturing our people, diversity & inclusion

39
Nationalities

31.4%
Women

1 M+
lives touched through our CSR initiatives

Work-life Harmony
Ensured with comprehensive employee welfare policies

Flagship social programs
Including hackathons to drive innovation and trainings to nurture talent



COVID-19 Relief Efforts

8 K+
Students supported under Education Bridging Learning Gaps Project

22 K+
Food ration kits to families

1 K+
Volunteering hours contributed by our employees

180
Oxygen concentrators, high flow oxygen machines, oxygen plants, ventilators

35
Hospitals, NGOs and government departments supported

569
Entrepreneurship programs supported

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Our ESG Ambitions

We are dedicated to working with our people, clients, partners, and communities to build a more equitable, sustainable and healthier world through the application of technology and engineering.

The ESG journey is a continuous and evolving process. There cannot be a hard stop or final destination. Instead our journey towards excellence is monitored and measured through our goals which is represented as our ESG roadmap. Our objective is to continue inspiring our internal and external stakeholders.

There are no shortcuts for success. Similarly, bold goals cannot be met overnight. In order to ensure that we attain a steady and continuous progress towards our goals, we have identified metrics which will lead us towards our goals.

We believe in working towards the greater good to ensure holistic growth for our business and the society. As a part of our ESG journey, we have also set targets that focus on our commitment towards creating a positive impact with regards to climate change, diversity and inclusion, and the well-being of our stakeholders.







Climate Action

Net Zero climate action commitment to reducing GHG emissions by 2030 will be achieved by:

- Science based targets (SBTi)
- Sourcing **100% renewable energy**
- Using technology solutions
- Carbon offsetting

2026: Emit zero emissions from building operations

2028: Reduce **80% emissions** from our global operations including business travel and supply chain

2030: Net zero emissions

Water Stewardship

2028: Reduce freshwater consumption and achieve **100% wastewater recycling** in owned campuses

Increase ground water rechange and water storage capacities in water affected regions

Inclusive Workforce

2028: To include people of all genders, ethnicities, sexual preferences, religions and specially abled persons in our diverse workplaces

Achieve **35%** of female representation in the workforce with a special focus to increase women in the senior management

Employee Health & Safety

Ensure work-life harmony to achieve professional and personal goals

Maintain **zero accidents** in the workplace

Implement holistic well-being initiatives focusing on physical, social, financial and emotional health

Sustainable Livelihood

Touch lives to deliver high-impact programs in Education, Community Development and Health for diverse beneficiaries.

Attract and Nurture Talent

2023: Achieve learning coverage of **90%**

2024: Nurture long-term employees to get them ready for senior management roles

Ensure a healthy mix of internal & external talent

Value Chain Sustainability

By 2028: Enhance supplier standards of conduct and selection of **50% vendors** with focus on ESG performance

Ethical Conduct

2023: 100% training in code of conduct

Zero tolerance for unethical & non-compliant behavior

Risk & Compliance

To be recognized as industry leader in information security & cloud practices

Use information governance to effectively manage data privacy & security related risks

Human Rights

Protect the rights of all employees across all locations

Practice “One Persistent, One Family”

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Awards & Recognition

Technology

Leading IT analyst and advisory firms continue to recognize the client value we are delivering through our differentiated Digital Engineering expertise, growing partner ecosystem and enviable cloud portfolio.

ISG imagine your future®

Persistent won 4 ISG Star of Excellence Awards™ in 2021 for best-in-class CX:

- Analytics
- Intelligent Automation
- Manufacturing
- Salesforce

ISG Digital Case Study Awards™ recognized Persistent in partnership with LungLife AI for its AI and ML algorithms that help in accelerating cancer detection

Recognized as a Leader in ISG Provider Lens™ Archetype Report on Next Generation Cloud Services

Recognized as a Top 15 Sourcing Standout for Managed Services in the ISG Global Index™ "Booming 15" category for 9 consecutive quarters

zinnov ZONES

Won top positions in Zinnov Zones Engineering Research & Development Services 2021 ratings for the 9th consecutive year

Recognized as leader in Zinnov Zones 2021 Hyper Intelligent Automation Services

Everest Group RESEARCH

Recognized as one of the top 15 Engineering Services Providers of 2022 by Everest Peak Matrix®

outsystems

Named Partner of the Year in Americas for the "Creation and Delivery of Exceptional Solutions" for 3rd year in a row

ISG ShortList Q1 2021

Constellation Shortlist™ for Innovation Services and Engineering for 4th year in a row

Corporate

Our legacy of high corporate standards set us apart and position us as leaders in corporate governance. Our business ethics and operational excellence have been applauded across the industry.

Forbes

Persistent named in Forbes Asia's "Best Under A Billion" list

MEDA महाऊर्जा

Won 'Energy Conservation and Management' award in 16th Maharashtra Energy Conservation & Management Competition by Maharashtra Energy Development Agency

INVENTICON BUSINESS INTELLIGENCE

Won first place in 'Excellence in Sustainability' and first runner-up in "Emergency Preparedness & Business Continuity" at Inventicon Awards

dun & bradstreet

Won Dun & Bradstreet Corporate Award in ESG Performance (Services) category

Jalisco GOBIERNO DEL ESTADO

Persistent Mexico received the Jalisco badge for good labor practices and full compliance with labor regulations

People

Prestigious institutions across the world have recognized the strength of our culture and relentless focus on learning and development to help our people grow and our teams thrive.

SHRM HR EXCELLENCE AWARDS

Recognized for excellence in Learning and Development at the SHRM HR Excellence Awards

HRWorld.com

Won the Bronze Award for "Excellence in Team Building Engagement" from ETHRWorld

iNFHRA

Won "Corporate Vaccination Campaign" and "Hygiene @ Workplace" awards

LEAPVAULT your way to the top

TISS LeapVault CLO Awards:

- Best Corporate University
- Best Games Based Learning
- Best Quality Management
- Best Improvement Training Program

TrainIng APEX AWARDS

Our Learning & Development team won Training APEX Awards 2022

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About Persistent

Over the last 32 years, Persistent Systems Limited has grown to be one of the most trusted Digital Engineering and Enterprise Modernization partners in the market. We combine strong technical expertise, deep industry experience and extensive knowledge of the full software product lifecycle to help clients address the opportunities and challenges accelerated by the cloud-enabled, software-driven world.

The Company was incorporated as Persistent Systems Private Limited and was subsequently converted into a public limited company on September 17, 2007, with the name 'Persistent Systems Limited'. A new certificate of incorporation was also issued on September 28, 2007, from the Registrar of Companies, Maharashtra, Pune ('RoC'). The Company remains headquartered in Pune, Maharashtra, India, and manages its global presence across North America, Europe, Southeast Asia, Australia, and Africa.

Since our inception on May 30, 1990, the Company has grown significantly — most recently announcing FY22 revenue of $765.6 M, representing 35.2% Y-o-Y. Along with our growth, we've onboarded over 4,900 new employees in the past year, bringing our total employee count to 18,599, located across 18 countries. Throughout this exceptional growth, we've maintained strong employee satisfaction — over 94% of our employees approve of the CEO and 89% recommend working at Persistent to a friend. We are proud to share that based on this consistent top and bottom-line growth, Persistent was named, for the first time, to Forbes Asia's "Best Under A Billion" list in 2021.

Our offerings, proven solutions and robust partner ecosystem create a unique competitive advantage for our clients looking to accelerate their digital transformation journey. We work with many industry-leading organizations across the world including 14 of the 30 most innovative US companies as rated by BCG, 8 of the 10 largest banks in the US and India, and numerous innovators across the healthcare ecosystem.

We are disciplined in client focus across a select set of industries:



Our services have expanded over time to serve our clients' broader transformation agenda:

- Digital Strategy & Design
- CX Transformation
- Data & Analytics
- Software Product Engineering
- Enterprise Applications & Integration
- Cloud & Infrastructure
- Intelligent Automation
- Enterprise IT Security

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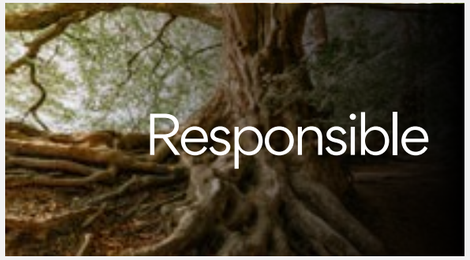
Culture at Persistent

Persistent believes strongly in its deeply-rooted culture and it is our constant endeavor to ensure that the Company sticks to its values in everything that it does.



We always want to be the first to transform new ideas into tangible business results while optimizing our use of resources. We are versatile in action and agile in thought because we believe it's important to do more with less. For us, ingenious solutions are the ultimate goal.

With our clients' and colleagues' best interests at heart, we act responsibly and communicate with clarity. Our global practice demands respect and openness towards each other, the communities around us, and the society at large. We take seriously the trust placed in us and work hard to earn it every day. We never make a promise that we cannot keep.





In the face of complexity and rapid change, we are determined to help our clients and our people around the world succeed. The road to joint success may be long but we're persistent where our competitors falter. Our optimism is infectious and helps clients trust in our abilities. Together, we build momentum towards our shared goals.

We meet every challenge with respect and confidence. We trust in our abilities and the difference we can make. We also understand the complexities of modern technology well enough to always keep learning. Every accomplishment and customer success adds to our ability and growth. They deserve to be talked about.



Economic Performance

India's economic landscape is rapidly changing. Businesses around the world realize the large role they have to play in solving some of these economic challenges, now more than ever before.

We aspire to build a nurturing community through our business operations and also by contributing toward economic growth and prosperity of our people. We constantly strive to ensure the growth of our company along with creating value for our stakeholders.

Our strong business model, empowered workforce and modern digital solutions have helped us optimize our business operations during the pandemic and sustain our economic value through these hard times. The pandemic opened new opportunities for tech companies to expand and innovate beyond limits. The increasing demand for talent in technology has led to a large surge in our hiring practices to ensure that we are a step ahead and equipped to lead our business.

To strengthen our talent retention practices, we invested in tools, training, and other platforms. Upskilling also contributes to our investments in our human resources. While the 'work-from-home' model enabled our employees to carry on business without interruption, we leveraged robust IT solutions to ensure security and privacy of data. While we continue to build our infrastructure, we are focused on adopting newer models and technology within the business to support our economic goals and capital opportunities and to ensure sustained growth in the coming years.

During the reporting period as of March 31, 2022, we had a net addition of 4,919 hires to our existing 13,680 employees. This is 36% higher as compared to the previous year across all our locations. In India, we successfully hired 1,710 new graduates through campus recruitment. Our company has generated an economic value of INR 4,916.8 Million during FY 2021-22. Our profit after tax amounted to INR 6,903.9 Million.

Standalone Financials		FY 2019-20	FY 2020-21	FY 2021-22	FY 2019-20	FY 2020-21	FY 2021-22
Economic Value Generated and Distributed (EVG&D)	Currency	Consolidated	Consolidated	Consolidated	Standalone	Standalone	Standalone
Economic value generated	INR Million	36,981.9	42,956.6	58,547	22,680.3	25,972.2	37,079.4
a) Revenues	INR Million	36,981.9	42,956.6	58,547	22,680.3	25,972.2	37,079.4
b) Operating costs	INR Million	6,833.4	5,878.5	6,502.8	4,366.2	3,221.6	4,429.8
c) Employee wages and benefits	INR Million	25,475.3	30,721.7	42,567.3	12,854.4	15,868.3	23,344.6
d) Payments to providers of capital	INR Million	1,133.3	1,127.9	2,105.4	1,343.2	1,108.2	2,055.9
e) Payments to government	INR Million	1,120.5	1,587.7	2,338.9	1,251.8	1,629.3	2,261.9
f) Community investments	INR Million	86.4	204.1	115.8	86.1	163.9	115.5

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Total	INR Million	34,648.9	39,519.8	53,630.2	19,901.8	2,1991.4	32,207.8
Economic value retained	INR Million	2,332.9	3,436.8	4,916.8	2,778.5	3,980.9	4,871.6

Table 1: Highlights of financial performance

The company has not faced any material changes and commitments affecting the financial position during the reporting period. We are consistently striving to innovate through our research and development (R&D) program. Our total expenditure on R&D during the reporting period was INR 230.5 Million. Our total dividend outflow during FY 2021-22 was INR 1,987.1 Million. We continue to value the contribution of our team in upholding and strengthening the business. We provide our employees benefits that include gratuity, leave encashment, long-service awards, and other benefits throughout the year based on performance bonus provisions apart from a competitive compensation. We also have the provisions of a superannuation fund and a provident fund plan where the company contributes towards employee benefits. The expense during the reporting period towards our defined contribution plan through the provident fund for our employees was INR 666.2 Million. Our total employee commitment was INR 666.2 Million during the reporting period.

As an enterprise practicing ethical governance, we believe in transparent taxation. Our tax strategy is reviewed and approved by the Chief Financial Officer (CFO). The company is focused on 100% tax compliance in all countries while staying updated with the latest development and changes in the tax laws. Our long-term group strategy is aligned with our business needs, ensuring full adherence to tax laws in each country where the group operates.

Our corporate tax team (Finance and Accounts) is accountable for compliance with the tax strategy. Identification, managing, and monitoring of the tax risks are done by frequent policy reviews and necessary changes wherever required. External consultants are obtained on a need basis for the same. Tax guidelines are regularly communicated to relevant stakeholders within the organization. Any exception/change in tax policy/guideline is duly evaluated and made with the approval of Group Finance Head and CFO.

Compliance with the tax governance and control framework is evaluated through the following ways:

- Persistent has a separate internal audit teamAll process controls within the tax team are evaluated on a quarterly basis by Internal Audit
- Persistent is subject to quarterly statutory audit in India; tax computation of all entities is reviewed by the statutory audit team
- All filings, representations, and tax payments are made after due approval of the Group Finance Head

We manage our stakeholder engagement and concerns related to tax by ensuring a timely response to all enquiries/notices from tax authorities, timely tax payment and maintaining complete transparency in representation of company matters before tax authorities. Country-by-country reporting is not applicable for us since our consolidated revenue is less than INR 64,000 Million. Details of entities and tax jurisdictions along with our profits and taxation practices are disclosed in our Annual Report for FY21-22.

	FY 2021-22	FY 2020-21	FY 2019-20
Current tax	2,322.9	1,774	1,354.7
Deferred tax (credit)	42.6	10.6	52.6
Total tax expense	(26.5)	(196.9)	(286.7)
Total	**2,338.9**	**1,587.7**	**1,120.5**

Table 2: Our tax contribution

At Persistent, we are aware that external elements beyond our control expose us to the existential threatsof climate changes. These have a long-term impact on our business, our people and our communities. Our supply chain is spread across various locations which are susceptible to the impacts of changing climate and weather conditions and unpredictable impacts on the urban landscape. These pose a threat to our infrastructure, supply chain, business expansion and growth prospects. Financially, our company is not directly impacted by climate change to a considerable extent since we offer technology-based services.

However, our procurement and supplies for the business in terms of expansions, purchases, commodities, and other items in use across our office spaces are faced with the negative impacts of climate change. We are working toward implementing several methods and tools for minimizing climate change across our operational locations. We are working towards greener energy consumption, and we look forward to ensuring sustainability across our supply chain. We have initiated our transition to renewable energy by setting up rooftop solar at our campus in Hinjawadi, Aryabhata-Pingala in Pune, and at Gargi Maitreyi in Nagpur. We have also installed two windmills of 2.1MW capacity each in Maharashtra, and combined with the rooftop solar, they contribute to 54% of total energy consumption.

At Persistent, we recognize government grants at a fair value and price. We adhere to the conditions where there is a reasonable and valid assurance that the Group shall comply with all conditions and terms attached to the grants received. Grants related to the purchase of assets are treated as deferred income and allocated to the income statement over the useful lives of the related assets. Grants related to expenses are deducted in reporting the related expenses in the income statement. We are tied up with government departments for term loans with a value of INR 5.6 Million.

Our Subsidiaries

- Persistent Systems Inc.
- Persistent Systems Germany GmbH
- Persistent Systems Malaysia Sdn. Bhd.
- Persistent Systems Pte. Ltd.
- Persistent Systems France S.A.S
- Capiot Software Private Limited
- Software Corporation International
- Aepona Group Limited
- Fusion360 LLC
- Persistent Systems Israel Ltd.
- Persistent Systems México S.A. de C.V.
- Capiot Software Inc.
- Persistent Systems S.r.l.
- Persistent Telecom Solutions Inc
- Aepona Limited
- Aepona Group Limited
- Persistent Systems Lanka (Private) Limited
- Capiot Software Pty. Ltd.
- Capiot Software Pte. Ltd.
- Youperience GmbH
- Parx Werks AG
- Data Glove IT Solutions Limitada
- Youperience Ltd.
- Parx Consulting GmbH

We have a vast supply chain which is broadly classified into IT and non-IT vendors. Non-IT vendors mainly include housekeeping, client support, printing and stationery, catering, courier services, event management, decorators, travel and accommodation, consultancies, electricals, construction and civil services. Our IT vendors are specific to all equipment, hardware and software required for our business and services. During FY2021-22 we engaged a total of 525 suppliers, out of which 113 suppliers were newly contracted. We spent around INR 2.9 Billion in FY2021-22 on our procurement practices.

Memberships and Associations

Persistent has always been active in the industry in terms of our associations and interactions. Meaningful connections provide a space for the exchange of ideas, practices, and solutions that encourages healthy growth and competition. We wish to spread our values through our connections as a member of the following trade and chamber associations:



Reporting Approach

Our first ESG Report contains quantitative and qualitative metrics on sustainability parameters between the reporting period April 2021 to March 2022. We shall be reporting on our sustainability endeavors and activities on an annual basis for the coming years, considering 2021-22 as the base year for reporting and data representation. We have included aspects of ESG and sustainability performance of our business in our Annual Report for FY21-22 and with the release of a separate sustainability report we now wish to highlight significant material issues for our business as well.

We have followed the Global Reporting Initiative (GRI) Standards: Core option while reporting on our sustainability practices and vision. A thorough analysis has been made with our leadership team along with a background assessment of the internal and external stakeholders. This is our maiden year of reporting and we have taken the first step towards ESG Reporting during the FY2021-22. In this report, we have not included any subsidiaries apart from our India operations during the reporting period. In our consolidated financial statements, we include all the wholly owned subsidiaries and step-down subsidiaries.

To compile the contents of this report, we examined various aspects such as corporate governance, environmental performance, and social performance of Persistent Systems Limited and its subsidiaries. This report encompasses our strategies and future goals towards high-quality sustainability practices and actions to be incorporated throughout our business operations. This report covers the performance of our business spread across seven major locations in India — Pune, Hyderabad, Nagpur, Verna, Mumbai and Bengaluru from April 2021 to March 2022.

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Reporting Framework

The standards referred to while making this report are Global Reporting Initiative (GRI) Standards: Core option. We have considered a few more regulatory boards while conducting a thorough analysis of the report which includes Business Responsibility and Sustainability Report (BRSR), Sustainability Accounting Standards Board (SASB), and United Nations Sustainable Development Goals (SDGs).

Reporting Boundary

The triple bottom line framework enables us to assess our performance with a broader perspective and create a more meaningful business impact. The geographical scope of our reporting includes all the company's operations in India. We have facilities in Pune, Bengaluru, Verna, Gurugram, Hyderabad, Mumbai, and Nagpur.

Approach to the Material Topics

A detailed material assessment was conducted prior to this report's development to help prioritize the ESG initiatives for the company and its internal and external stakeholders. Material topics have been prioritized based on the GRI Standards principles of relevance.

Forward Looking Statement

In this report, we have included a few forward-looking statements that define our expectations and plans based on reasonable assumptions and past performance. These are dependent upon industrial development, geographical market conditions, government policies, laws, regulations, and other incidental factors. Thus, these statements must only be considered as futuristic in nature due to variable factors affecting the outcome. The underlying assumptions could change significantly.

Contact Point for Feedback and Queries

We would appreciate hearing your thoughts regarding our report.

Please contact
Amit Atre
Company Secretary
+91 20 670 36909
companysecretary@persistent.com



Stakeholder Engagement

Stakeholder engagement is an essential aspect of our entire sustainability agenda. We respect the views and opinions of our stakeholders towards the business to enable us grow and succeed through their guidance and learnings. We ensure transparent communication with all our stakeholders to facilitate and gain their trust for the smooth functioning of our business operations. We endeavor to minimize any gaps in communication through our proactive approach to build resilience throughout our business and associates. Our approach to the stakeholder engagement is driven by three key aspects contributing to our success — to build resilience, relationships and to reinvent. We uphold the rights of our employees to exercise their freedom of association and collective bargaining and are supportive of employees who are covered under this.

As a part of our sustainability strategy, we conducted various activities to involve our stakeholders. Our aim is to identify key priority areas for our stakeholders across the broad topics of environmental, social and governance. Our key stakeholder groups include, but are not limited to:

- Customers
- Shareowners
- Vendors and suppliers
- Society at large
- Employees and their families

These stakeholders were identified based on their impact on the business, and vice-versa. Stakeholder prioritization was informed by business priorities and the impact of business activities on stakeholders.

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The table below illustrates our mode and frequency of interactions with our stakeholders during the reporting period:

Key Stakeholder Groups	Mode of Engagement	Frequency of Engagement	Key Expectations
External Stakeholder Groups			
Customers	\ Events* \ Survey**	\ Need based \ Periodically	\ Product quality and safety \ Product availability
Shareowners	\ Stock exchange filings \ Shareholders' survey \ Annual General Meeting	\ Need based \ Quarterly \ Annually	\ Keeping Shareholders informed \ Compliance requirement \ Shareholders' engagement
Vendors and Suppliers	\ Suppliers meet \ Mutual visits \ Monthly meetings with leadership \ Events	\ Monthly \ Quarterly \ Annually and \ Need based	\ Maintaining service standards
Society at large	\ Events \ Campaigns	\ Periodically	\ Fulfilling social responsibility
Internal Stakeholder Group			
Employees and their families	\ Monthly and quarterly meet \ Personal review and visits \ Surveys \ Trainings \ Annual day \ Events	\ Monthly \ Quarterly \ Annually and \ Need based	\ Personal development \ Health and safety \ Grievance resolution mechanism

Table 3: Stakeholder Interaction modes & frequency

*Physical events were suspended owing to COVID-19 restrictions and safety protocols, but we have reinstated them wherever feasible

** Surveys are now conducted both online and offline based on feasibility, to ensure safety and follow COVID-19 protocols

Materiality Analysis

In order to properly prioritize which aspects of company's ESG efforts are significant to stakeholders, Persistent conducted a Materiality Analysis

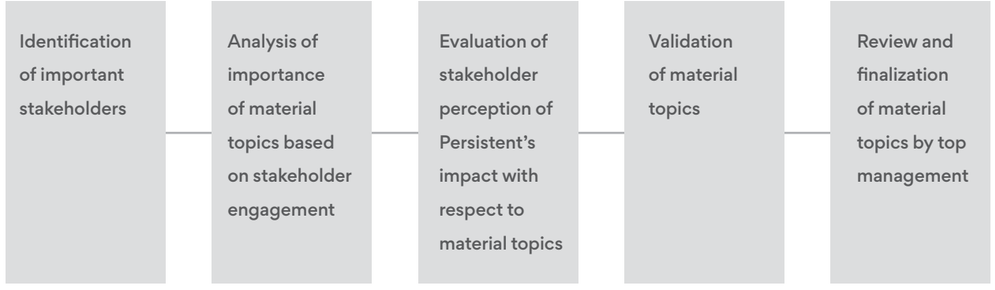


Figure 8: Steps of Materiality Assessment

This Materiality Analysis included feedback from investors and suppliers, discussions with other organizations, and feedback from Persistent employees. While reviewing the material issues for the business we took the following into account:

\ Groups of stakeholders, their expectations and needs and impact of these expectations on business performance
\ Substantial risks that may have an impact on business and customer relationships in the current year and in the future
\ Relevant regulation, legislation and values, policies and commitments
\ Previous year's financial performance and progression

The responses we received were then normalized to minimize the chance of bias. This facilitated the categorization of the topics into medium, high, and very high categories. Through the assessment we successfully identified 12 material topics broken down into each of the ESG categories:



Figure 9: Key Material Topics

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Out of all the essential topics, nine are of high importance and of relevance to the organization, and have been prioritized through the assessment:

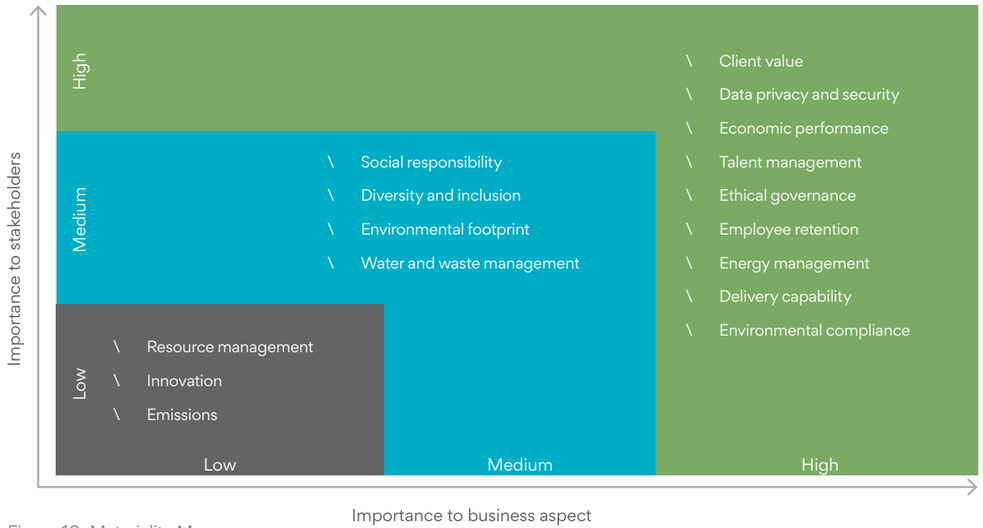


Figure 10: Materiality Map

Material Topics	GRI Disclosures	Materiality Boundary
Corporate governance and ethics	GRI 205, 206, 402, 405, 406, 408, 409, 410, 412, 416, 418, 419	Internal
Talent management & reskilling	GRI 401, 404	Internal and External
Social responsibility	GRI 102-12, 102-29, 413	Internal and External
Client value and satisfaction	GRI 418, 416,	Internal and External
Diversity and inclusion	GRI 405	Internal
Environmental compliance	GRI 307	Internal and External
Employee health, safety and well-being	GRI 402, GRI 403, GRI 412	Internal
Water management	GRI 303, 306	Internal
Waste management		
Economic performance	GRI 207	Internal
Environment, energy and emission management	GRI 302, 305	Internal
Data privacy and security	GRI 418, 102-18, 102-15	Internal and External

Table 4: List of material topics and topic boundaries

As determined through the materiality analysis, the material topics have been prioritized as focus areas for the business and sustainability journey of Persistent.

The above materiality assessment has set the premise for the ESG strategy and roadmap of Persistent that will facilitate the activities and efforts towards achieving its sustainability goals. The roadmap and ESG strategy will guide the activities while focusing on the sustainability agenda and goals that Persistent has set out in its vision and ambition for the coming decade. From the materiality assessment, it can be observed that the nine high priority topics of client value, data privacy and security, economic performance, talent management, ethical governance, employee retention, energy management, delivery capability and environmental compliance are of utmost importance and relevance to Persistent. Persistent will eventually focus on other topics that are material and important to the business from the management and business imperative, such as environmental footprint, social responsibility, diversity and inclusion, innovation, water and waste management, resource management and emissions.

Environmental Aspects

Environmental footprint

We at Persistent are always committed to work towards our environmental goals for the betterment of society and preservation of our planet. We believe in enhancing our clean technology across operations to ensure sustainable practices while minimizing the negative impacts on nature. We intend to align our entire business strategy in line with our sustainability agenda to follow a holistic approach in implementing our goals and vision. As a responsible business, our actions have always been aligned towards offering innovative solutions while building on our sustainable activities to create a positive impact across our business and society.

'Ingenious' — one of our core values — stands for doing more with less. In doing so, we believe in being versatile in



2 MW solar rooftop

Reducing – 2.5 K t CO_2e per year

Figure 22: Solar rooftop at Persistent Bhageerath

2 windmills

2.1 MW each, reducing 6 K t CO_2e per year



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Figure 23: Solar rooftop at Persistent Systems Ltd. - Aryabhata-Pingala

action and agile in thought. Our Environment, Health, and Safety (EHS) Policy provides guidelines on conserving and preserving the environment and continually improving our EHS performance. We believe in innovation to minimize our carbon footprint across operations. We have incorporated energy emission reduction initiatives through the transition towards renewable energy sources such as solar and wind energy. This enables us to aim for our goal of achieving Net Zero. In our actions to safeguard the environment and work towards preserving and conserving natural resources, we have undertaken several initiatives:

- **Watershed and rainwater harvesting projects across rural Maharashtra**
- **Tree plantation drives in suitable locations**
- **Initiatives and awareness campaigns on plastic-free campuses**

We firmly believe in getting certified for our responsible actions towards society and the environment. Our facilities across India have been certified to ISO 14001:2015, ISO 45001:2018, and ISO 14064:2006 is now upgraded to ISO 14064:2018 by American Global Standards (AGS) specifically for GHG inventory. We have successfully implemented an organization-wide system for recording our integrated sustainability data across the three spheres of our initiatives. This helps us quantify and measure recorded data in real-time and examine it from a bird's eye view. Our integrated data management system enables us to monitor, record, and analyze our sustainability initiatives in a more efficient manner. We have ensured complete promptness in terms of maintaining compliance and have not faced any issues of non-compliance with regards to environmental laws and regulations applicable to our company.

We are continuously monitoring all relevant key performance indicators (KPIs) in the sphere of energy, water, and waste management to record and analyze our performance on an annual basis. Our strategic CSR initiatives and programs supplement our organization-wide initiative to minimize any negative impact that our business may have on the environment. It helps us build and maintain a strong foundation for our net positive impact on the society and the environment. We maintain records of all our initiatives to ensure traceability and accountability for the same. Our Annual Report for FY21-22 highlights information pertaining to our activities and initiatives. We cannot measure if we do not monitor and in turn, cannot track our progress. Hence, we have a well-established and structured mechanism of monitoring our activities, measuring progress, and appraising the senior management on the developments and analyzing the impacts of sustainable activities during quarterly board meetings.

Climate Action

Energy and Emissions Management

Our targets

- Emit zero emissions from building operations by 2026
- Reduce 80% emissions from our global operations including business travel and supply chain by 2028
- Net zero emissions by 2030

The impact of climate change accelerated by global reliance on fossil fuels was evident this past year, resulting in extreme weather fluctuations, severe storms, flooding, heat waves and drought around the globe. As a global digital company completely dependent on a consistent and efficient supply of electricity for our processes, we must have a reliant source of energy. Our prospects and business continuity are dependent on a continuous energy supply. Moving forward, we intend to be responsible and self-reliant in terms of electricity generation for our business operations.

We believe that effort begins with conservation, hence Persistent encourages all employees, vendors, and other stakeholders to act dutifully and use energy efficiently. We have been using various energy saving devices and systems, which help us in conserving energy thus resulting in significant savings in our cost towards energy. Our Company has made the necessary disclosures in our Annual Report for FY21-22 in terms of Section 134(3) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. Carbon management and contribution towards sustainable development provides us with some of the greatest opportunities towards sustainability. Our energy usage is greatest in our servers across offices. However, our objective has always been to be a responsible corporate citizen. We have taken steps to reduce carbon footprints by taking energy conservation measures. During the pandemic, there has been substantial reduction in travel by air and road, especially personal vehicles, thus lowering the carbon footprint during the reporting period.

Our total energy consumption during FY 2021-22 was 9,536.1 MWh. Our direct energy consumption within the organization includes total electricity consumption, renewable electricity (green power), electricity from the grid, and electricity from the Diesel Generator (DG) set.

Year	Place	Total Electricity Consumption kWh	Renewable Electricity (Solar Green Power) kWh	Electricity from Grid + Windmill kWH	Electricity from DG kWh
2021-22	Maharashtra	79,17,905.1	10,65,913	68,08,563.3	43,428.8
	Goa	6,30,644	0	6,12,950	17,694
	Hyderabad	3,70,223.4	0	3,70,223	0
	Karnataka	6,17,316	0	6,17,316	0
2020-21	Maharashtra	83,05,903.2	9,61,081	72,99,346.2	45,476
	Goa	6,50,365	0	626,290	24,075
	Hyderabad	4,43,808.4	0	443,808.4	0
	Karnataka	6,79,979	0	6,79,979	0

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2019-20	Maharashtra	113,39,148.5	6,87,096	104,13,765.2	2,38,287.3
	Goa	8,50,607	0	8,23,670	26,937
	Hyderabad	6,99,942	0	6,99,942	0
	Karnataka	11,11,313	0	11,11,313	0

Table 5: Electricity Consumption from Various Sources

Our Company is ISO 14064: 2018 [Green House Gases (GHGs) Monitoring and Reduction] certified for India operations and facilities, including global travel. We are one of the few IT companies in India to be thus certified (latest version). Our yearly target is 3% reduction in GHG emission, which we have been surpassing each year. We have reduced over 27% of our carbon footprint during the last five years.

Upgrading air conditioning systems

- Existing air conditioning system (AC's) based on R-22 gas replaced with energy efficient inverter-based ACs based on environment friendly gases R-32/R-410/R-407C
- Energy saving of 17%

Equipment optimization

- Regulated and optimized the schedules of lifts, vending machines, ventilation system, HVAC system etc. as per occupancy

Energy efficiency

- CFLs replaced by LEDs
- Ozonators in AC
- Optimum temperature in ACs as a SOP
- Upgrading ACs to VRV technology
- Practicing "switching off when not in use"

Figure 24: Energy efficiency initiatives

To improve the energy efficiency of our facilities across India, we are incorporating energy saving measures like double wall construction, Low-E glass for facades and windows, maximum use of natural light and ventilation, underdeck insulation, etc.

Our Company has a revamped EHS Policy that we follow with utmost strictness and diligence. Our policy assists in the implementation of the management framework when incorporating environmental, health and safety practices across our operations. We review and upgrade the EHS practices wherever necessary on a regular basis so that our employees and management stay ahead and ensure safe practices.

Persistent has been conducting several tree planting initiatives, based on a thorough analysis of the optimal location and selection of tree species to ensure that these investments are in harmony with the location and deliver the best possible performance. We have planted 79,290 trees to date.

Investment in renewable energy sources

We have been preaching and practicing sustainability in all possible areas. 60% of our total energy requirement is met through solar and wind energy.

Renewable energy initiatives undertaken by the Company:

2 MW
capacity of rooftop solar plant projects

4.2 MW
capacity of windmill projects

44,352 kWh
saved per annum through our thermal solar water heaters for our cafeterias and gym

Sr. No.	Rooftop solar location	Capacity in kWp
1.	AR-PG Facility, Pune	320
2.	Hinjawadi Facility, Pune	415.2
3.	Gargi–Maytree Nagpur	206.5
4.	Bhageerath, Pune	105.1
5.	Charak–Bhaskar, Verna, Goa	389.4
6.	Pune Railway Station, Pune	160
7.	Nampally Railway Station, Hyderabad	228
8.	Tarachand Hospital, Pune	63
9.	Swa-Roop Wardhinee (NGO)	108
10.	Matru Seva Sangh (Nagpur)	30
	Total	**2,025.1**

Table 6: Information for solar rooftop power plants

Location	Capacity in MW
Nandurbar	2.1 MW
Jath	2.1 MW

Table 7: Information on windmill plants

During the reporting period, the overall energy intensity for the business operations was 0.7 t CO_2e/FTE. Through various technological interventions and increase in process efficiency, we have reduced energy consumption by 5,43,964 kWh in the reporting year. This has resulted in the overall absolute emissions reduction of approximately 495 t CO_2e. We are extremely committed to the transition towards renewable energy to minimize our consumption of non-renewable sources of energy.

We intend to increase our clean energy portfolio, thus contributing to the national and global mitigation efforts to curb the average temperature rise below 1.5°C. We are truly committed to our transition into a low-carbon economy. During the reporting period, we have successfully monitored and recorded our GHG emissions across operations and created an

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inventory report for the same. Our direct GHG emission sources include:

Sr. No.	Emission source	Description
1.	Emissions due to diesel in DG sets	All the DG sets owned/controlled by Persistent are included in this category
2.	Diesel in company cars	All the vehicles owned by Persistent are included in this category
3.	Petrol in company cars	All the vehicles owned by Persistent are included in this category
4	Refrigerants	All air-conditioning units owned/controlled by Persistent included in this category
5	Fire extinguishers	All fire extinguishers at various office locations. The refilling of fire extinguishers is included in this category

Table 8: Sources of emission

The indirect GHG emissions include indirect emissions from imported energy, transportation, products used by Persistent, and other indirect emissions associated with the use of products from the organization and other sources.

	Direct GHG Emission (Scope1)			Indirect Emission (Scope 2)			Indirect Emission (Scope 3)		
Region	2021-22	2020-21	2019-20	2021-22	2020-21	2019-20	2021-22	2020-21	2019-20
Maharashtra	830.7	1,294.3	84.8	5,333.9	6,039.5	9,576.7	649.1	171.7	3,301
Goa	43.5	76.6	25.9	482.4	518.2	749.5	12.1	10.6	22.6
Hyderabad	68.9	25.1	0.0	293.5	367.2	636.9	0.0	0.0	0.0
Bengaluru	0.0	0.0	0.0	487.7	562.6	1011.3	0.0	0.0	0.0
Total	**950.1**	1,403.1	111.2	**6,597.5**	7,487.5	11,974.5	**661.2**	182.3	3,323.6

Table 9: Scope 1, 2 & 3 emissions of Persistent Systems Limited

There is higher indirect GHG emission arising from the Aryabhatta-Pingala and Hinjawadi office locations in Pune due to higher occupancy. Also, the Hinjawadi office space has a data center that consumes a higher quantity of electricity. The facility in Mumbai was added in FY2020-21 and the consequent data was captured from January 2021-March 2021.

Direct GHG Removal due to use of renewable (Solar) was 1168 t CO_2e for FY 2019-20, 467 t CO_2e for FY2020-21 and 410.6 t CO_2e for FY2021-22.

The overall emission intensity calculated during the reporting period is 0.8 t CO_2e/MT.

PSL GHG emission in t CO_2e

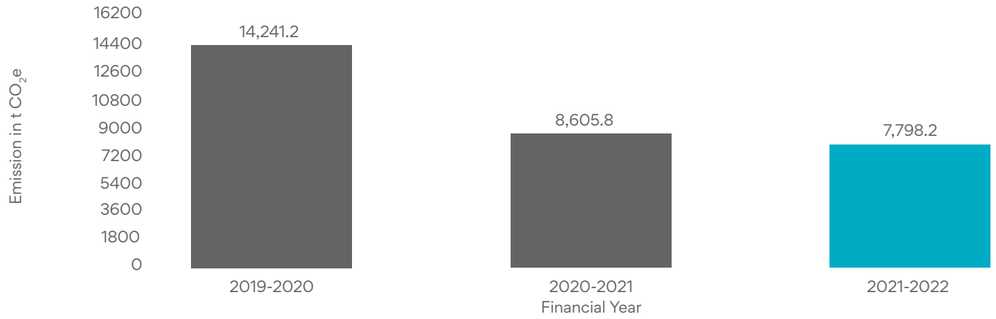


Figure : GHG emission Y-o-Y Comparison

We started quantifying GHG emissions from our organizational and operational boundaries from FY2013-14. For FY2014-15 and subsequent years, Persistent developed the GHG procedures and the report was prepared by considering the requirements as per the revised ISO 14064-1:2018 standards. Our emissions for FY2019-20 were 14,241.2 t CO_2e, for FY 2020-2021 were 8,605.8 t CO_2e and for FY2021-22 were 7,798.2 t CO_2e.

We have also launched an initiative called **'Towards a Sustainable Tomorrow'** to build awareness and encourage employees to opt for energy conservation activities as an entire organization. We send alerts, facts and initiate surveys for employee participation and involvement to motivate them to **'go green'** and choose more sustainable energy-efficient options in the office and personal lives.

We have also monitored and tracked emissions arising from ozone-depleting substances within our reporting boundary:

	Location	2021-2022	2020-2021	2019-2020
Ozone Depleting Substances	Maharashtra	189	608	125.5
	Goa	25	35	25
	Hyderabad	33	12	12

Table 10: Ozone depleting substances (kg)

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Water Management



Our targets

- Aim to consume water responsibly by reducing freshwater consumption and achieve 100% wastewater recycling in owned campuses by 2028
- Increase ground water recharge and water storage capacities in water affected regions by 2028

Our entire planet is dependent on water in various forms. Conservation of water globally is of utmost importance to ensure a sustainable supply for generations to come. As the most important necessity for life, there has been an immense amount of stress on the availability of water. There is an acute shortage of water across various locations around the globe caused by ever-increasing demand, over-exploitation and influential climate change impacts leading to erratic monsoons. This disruption in the water cycle leads to risks observed across nations in terms of food, resources, and other necessities of life. The dependency on water is never-ending and to ensure a plentiful supply we must act responsibly now to conserve our water resources. We ensure that water is treated as a precious resource across all our offices, and we promote smart and sustainable usage of water through various company-wide initiatives.

Smart and sustainable usage of water

Prevention of overflow from overhead tanks using auto level control system	Installation of nozzles/aerators to reduce water flow at taps	Ensuring that no leaky taps are left unattended and repaired immediately
Monitoring water meter readings, twice every day, to detect overuse/excessive leakage	Recycling of Sewage Treatment Plant (STP) water for gardening in Pune, Nagpur and Goa facilities	Reusing 23,180 kID (i.e.,34%) of recycled water through STP plants for gardening and washroom usage
Infrastructure and system installed for collection of natural underground spring water leakages/seepages and recycling it for non-drinking and gardening use to reduce consumption of treated water		Ground water recharging through rainwater harvesting system in Hinjawadi (Pune), Nagpur and Goa facility

We have ensured effective conservation of water through various initiatives across our offices. Our water consumption during the reporting year was 24,441.7 kl. Our cumulative water consumption during the reporting period is given in the table below:

Region		2021-22	2020-21	2019-20
Municipal water consumption	Maharashtra	20,964.8	20,513.5	73,449.1
	Goa	3,354.1	3,841.2	6,496
	Hyderabad	0	0	0
	Karnataka	0	0	0
Bottled water consumption	Maharashtra	22.7	22.2	294.2
	Goa	30.8	31	139.8
	Hyderabad	19	16.4	108.1
	Karnataka	18.4	116.8	116.8
Total water consumption	Maharashtra	20,987.4	20,535.5	73,743.3
	Goa	3,416.9	3,872.2	6,635.8
	Hyderabad	19	16.4	108.1
	Karnataka	18.4	116.8	116.8

Table 11: Sources of water consumption (kl)

Location	2021-22	2020-21	2019-20
Maharashtra	5,084	3,652	23,267
Goa	1,799	1,974	4,671

Table 12: Recycled water (kl)

Water recycled (kl)

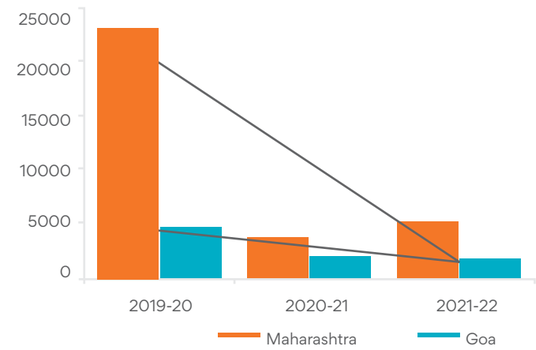


Figure 1: Water Recycled in Maharashtra & Goa in kl Y-o-Y Comparison

As people were working from home, the input for STP was low resulting in reduced water recycling in FY 2020-21 and FY 2021-22 as compared to FY 2019-20

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Waste Management



Our target

Minimization of waste generated from business operations

In order to address the issue of waste management, the Company realizes the need to minimize our waste generation. Waste management remains to be one of the largest pressing problems in India. As part of a major industry in India, we are responsible toward our society and the people for following all relevant waste management policies and programs to ensure waste minimization, while exploring opportunities to reuse and recycle waste generated through our business operations. Our waste generation breakup is as follows:

Waste generated

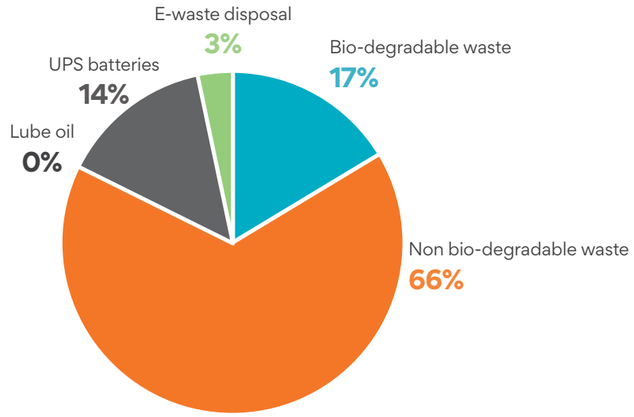


Figure 2: Waste generation breakup at Persistent

Since Persistent is an IT/ITES company, there are no raw and finished physical goods for supply/distribution or involvement of linked manufacturing/transportation. Hence, the recycle of materials at our premises is largely not applicable. However, certain waste management initiatives undertaken at the organizational level are as follows:

- The e-waste and hazardous waste disposal is done through authorized agencies approved by the state pollution control board
- Employees are invited to dump their personnel E-waste at the bins provided by the company
- We encourage the usage of cloth or paper bags, while minimizing the usage of plastic bags to almost zero
- **'Zero Plate Wastage'** week is observed twice a year, and frequent awareness campaigns are conducted through e-mails and posters
- We have also initiated activities to minimize the amount of food wasted during meals at the office canteen
- Except where statutorily mandated or required by government rules/procedures, the office is paperless, with all work done via e-mails/soft copies
- Both-side printing set as default mode and printers have installed tracking facility to help reduce paper consumption
- Shredding and recycling of waste papers are carried out through a vendor partner
- A compost pit is created to treat all garden waste to produce organic fertilizer
- Single-use plastic water bottles and plastic spoons/plates/crockery are banned

Our cumulative breakdown of hazardous and non-hazardous waste management with respect to disposal methods is given below:

Region		2021-22	2020-21	2019-20
Bio-degradable waste	Maharashtra	43,524.7	17,770	30,286.5
	Goa	939.2	1,376.8	1,084
	Hyderabad	20	175	243
	Karnataka	910	80	185
Non-bio-degradable waste	Maharashtra	181,085.1	201.7	1,453.4
	Goa	1,498.4	3.25	72
	Karnataka	30	30	26
Lube oil	Maharashtra	190	602	560
	Goa	62	0	70
UPS batteries	Maharashtra	36,695	0	0
	Goa	2,666	0	0
	Hyderabad	0	0	96.5
	Karnataka	128	0	0
E-waste disposal	Maharashtra	8,748	5,922.2	16,307
	Goa	62	0	0
	Hyderabad	0	447	0
	Karnataka	0	197	193

Table 13: Waste generated (kg)

During the reporting year, we generated 276.5 MT of waste which was disposed as per the regulatory norms.

We have undertaken the following waste management initiatives:

Usage of eco-friendly material

We avoid using chemical fertilizers and pesticides in our gardens and lawns at office campuses. Composting is done in-house and the same is used as a fertilizer.

We also use eco-friendly materials for housekeeping and cleaning of our office campuses.

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Social

Supply Chain Management



Our target

Enhance supplier standards of conduct and select **50%** of vendors with focus on ESG performance

Our supply chain includes all kinds of services that have been provided to ensure smooth functioning and operations of our business. Our supply chain mainly consists of procurement, involving purchasing of IT assets such as laptops, desktops, servers, software, data center spaces, racks, etc. Our suppliers are broadly classified into IT vendors and non-IT vendors.

IT vendors/suppliers	Category
\ Software	\ Civil
\ Hardware	\ Maintenance
\ Telecom lines	\ Housekeeping
\ Services (facility management)	\ Stationery
	\ HR-related
	\ Training
	\ Food and catering
	\ Printing
	\ Gifts
	\ Travel
	\ Renewable energy - solar and windmill
	\ Marketing
	\ Expansion of operations
	\ Compliance
	\ Professional fees
	\ Office rent
	\ Talent acquisition
	\ Facility management

Table 14: Types of suppliers/vendors

During the reporting period we engaged a total of 525 suppliers out of which 113 were new suppliers. We spent INR 2.85 Billion on procurement, out of which 75.8% of this budget was spent on local suppliers within India.

With our approach of extending our ethical practices beyond the organization, we ensure the highest level of fairness and integrity when operating with our vendors. Our Vendor Code of Conduct ensures that legal and regulatory compliance practices are adhered to across all vendors and suppliers engaged in various countries. Our vendor evaluation and approval as outlined in the Procurement Policy includes the following criteria for all suppliers:

All procurement (Capex/Opex) shall be done through an authorized vendor of the Company. Central Procurement Team ('CPT') shall prepare the list of various vendors and evaluate them to classify into an 'Approved Vendor List' (AVL).

Eligibility criteria for AVL classification:

1\ Vendor shall be
- \ Original Equipment Manufacturer (OEM) with National/International standards
- \ Authorized Dealer/Distributor/Service Provider of such OEM mentioned above
- \ Recommended by such OEM or Indenting Department or client with whom we are doing business

2\ Where the above criterion is not applicable or feasible, other vendors based on their capability, credibility and reliability can be chosen

3\ The Vendor must have valid statutory registrations of all applicable laws. For example, PAN, Income Tax, GST, PF, ESI, etc.

4\ We keep track of all vendors under SSI and SME categories by obtaining the declaration of registration validity once in a year. Also, we ensure the necessary registration documents are obtained at the time of vendor inclusion. We also mention payment and other applicable terms on POs to such vendor as per the prevailing applicable norms (presently 45 days)

5\ All existing vendors fulfilling the above conditions and having a satisfactory track record can automatically classify for AVL.

6\ Credential check from at least two reputed sources is compulsory for all new vendors where transaction value is INR 0.5 Million.

7\ The introduction of any vendor with the exception of the above norms shall need justification from CPT backed by an authorization by the respective Business Unit Head and subsequent reporting to PCC in the next meeting.

8\ In case of high technology intended procurement or function-specific request introduction of the new vendor on the recommendation of the indenting team is allowed. However, CPT has the right to evaluate alternative options, compare costs, and give recommendations.

Currently, our vendor registration form records diversity and inclusion during the registration process. We intend to integrate more criteria related to ESG in our vendor registration form and moving forward we will assess our suppliers based on ESG parameters.

During the reporting period there were no significant changes in the organization's size, structure, ownership, or its supply chain. As an IT firm, we are not involved in employing contractual workers on a regular basis, which minimizes any significant risk for incidents of child labor and forced labor. We do not have any operations or suppliers which may face a significant risk of occurrence of child labor and forced or compulsory labor.

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Relationship with Communities — CSR Initiatives



Our target

Touch lives to deliver high-impact programs in education, community development and health for diverse beneficiaries

We have never differentiated among employees and the communities where we operate. We strongly believe in *Vasudhaiva Kutumbakam*. This reflects in our action towards community initiatives, where we have been actively involved since the late 90's.

The Persistent Foundation was founded in 2009 to reflect our Corporate Social Responsibility (CSR) vision and define its reach. The fields of work include health, education, and community development. The locations for executing specified projects are Pune, Nagpur, Bengaluru, Hyderabad, and Goa.

Vision

To provide sustainable solutions for local communities around healthcare, education and community development to empower long-lasting impact.

Mission

To encourage inspired action from individuals and groups through the contribution of time and resources to build a better society of humanity.

Figure 3: Vision & Mission

Snapshot of CSR activities

2021	2022 (March 31, 2022)
\ **25** Projects	\ **21 Projects**
\ **26** Partners engaged	\ **39** Partners engaged
\ **162,950** Beneficiaries	\ **100,042** Beneficiaries
\ **7** Community Pockets	
\ **109** students Kiran Girls Scholarship	\ **164 students** Kiran Girls scholarship
\ **4,260** farmers benefited	\ Around **50,000** Trees Planted and
\ Treatable land increase to **2,100 Ha**	nurtured, covering 110 Acres land
\ Integrated watershed development program	\ **91 Million liters** of water storage capacity created
\ **14** centers Facial cleft and cleft palate surgeries	

Giving back to the community and the environment in which we work is important to our principles as a responsible corporation. Our CSR Policy serves as a roadmap for our CSR efforts. We continue to support CSR programs focused on pillars namely education, health, community development and help those affected by natural calamities through Persistent Foundation.

Persistent Foundation is dedicated to improving everyone's quality of life and, as a result, the communities in both urban and rural areas.

Message from the Chairperson



Although the last year saw many ups and downs, the situation started improving slightly as the year progressed. We have seen a huge success in restarting our school projects, the Kiran Girls scholarship and mentoring, facial cleft project and the tree plantation initiatives.

We continued our COVID Relief Work throughout the pandemic until last year, and we appreciate the dedication and support from our Trustees, employees and our fantastic CSR team. We wish to continue this journey, hoping for a more normal, safe, happy, and productive year!"

—

Sonali Deshpande
Chairperson

Community Contribution

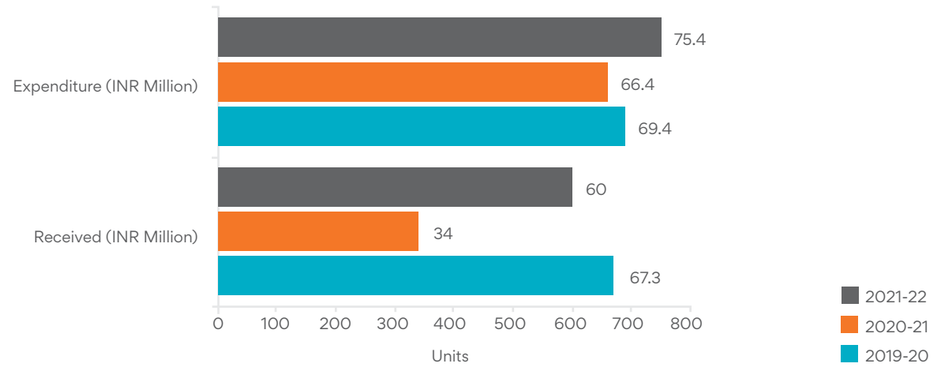


Figure 4: Persistent Foundation's Community Contribution

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In FY 21-22, we aimed at enabling our partners and community to adapt to changing situations and deal with the challenges and impact of COVID-19. As part of COVID Relief Work, we provided support in four key areas — food, medical needs, education and livelihood. Additionally, we went beyond our set geographies to help those in need during such trying times.

As part of our COVID Relief Work, we partnered with 15 NGOs and 13 hospitals and reached out to 5,594 families and 106,714 individuals. Details of material supported to hospitals are shared below.

Sr. No	Item	Quantity	Amount (INR Million)
1	Oxygen Concentrators	132	5.3
2	Ventilators	22	2.1
3	Multipara Monitors	5	0.6
4	OT-Fumigation Machine	5	0.3.
5	Oxygen High Flow Machine	3	1.5
6	BiPAP	2	0.1
7	Oxygen Plant	1	4.4
8	Fogging Machine	10	0.8

Table 15: List of COVID relief Materials supported to Hospitals

Our regular CSR programs continued with the COVID-19 relief efforts. The Persistent Foundation executed a total of 21 regular projects in Pune, Nagpur, Goa, Bengaluru, and Hyderabad, with the help of 26 partners. Employees of Persistent continue to be enthusiastic supporters of the Persistent Foundation's efforts. They provided INR 9 Million in contributions and volunteered for over 1,003 hours. Details of some of the initiatives are provided in the subsequent sections.

Flagship program -'Kiran Girls Scholarship and Mentoring Program'

A flagship initiative undertaken since the inception of the Persistent Foundation. This program has a total of 152 students spread across five campuses. In the academic year 2021-22, we onboarded 42 new students and 46 students graduated from the program.

Employee participation in the hiring process makes the process more efficient and transparent. This year, 142 staff across all grades were involved in every step of the process, from creating an online test to interviewing candidates.





Outcome of the program

36 Students
were hired by major global corporates with highest package of INR 28 lakh

154
Persistent employees volunteered in the process of selection of Kiran scholars

93 Mentors
across location are mentoring these students

Education

5,363
students through 12 schools

25
study centers

2
schools for the particularly-abled

1
residential facility

As part of Integrated School Development program, we provided school kits and infrastructural support. We also helped students of 9th and 10th standards by conducting support classes. Persistent Foundation supported with 10 MBPS LAN connectivity for smooth functioning of academic courses, sports kits for cricket, volleyball, table tennis and badminton, as well as school supplies.

After School Support centers — 32 study centers, reaching out to 1024 students across Pune, Nagpur, and Hyderabad aims at providing holistic development of students on the academic, physical, and mental front.

Skill development

Persistent Foundation has supported 3 different Skill Development Courses — Nursing, Mobile Repairing and Data Entry Operator course at Pune and Nagpur reaching out to 85 students. 100% placement has been achieved for Data Entry Operator course and Nursing course with INR 9,000 – 12,000 income per month.

Community Development

As part of our community development initiatives, we continue to focus on livelihood, water and climate change.

Highlights of the projects

Due to area and drainage line treatment, recharge measures and desilting, we were able to increase water recharge by **91 Million liters**

Under agriculture development, crop diversification expanded vegetable farming scope that eventually increased farmers income by **INR 20,000** to **INR 25,000**

Under livestock development, we achieved **60%** conception rate and **40%** success rate (female calf birth) in conventional artificial insemination. For sorted insemination, we achieved **73%** conception rate and **83%** success rate

Installation of **40** biogas plants saved **INR 6,000** to **INR 7,000** annually

Water storage measures like repair of old structures led to increase in water storage and recharge capacity by **7.3 Million liters**

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Project Details	Project Output
Tree plantation	Trees Planted – 16,172 (against the target of 22,266)  Trees Nurtured – 24,365 (against the target of 30,000)
Support for livelihood	Supported 40 families for bamboo artisanship
Compressive watershed development program	2,100 Ha of land and 4,600 farmers were reached through 7 services
Laptop refurbishment program	20 laptops refurbished from 36 scrapped laptops. 20 students benefitted
Support for drinking water	Constructed 2 wells, benefitted 2 villages reaching out to 550 villagers

Location	Power Generation - April 2021 – March 2022	t CO_2e reduction per year
Pune – Railway Station	0.1 Million units	147.92
Swaroopwardhinee	0.01 Million units	8.19
Hyderabad – Railway Station	0.28 Million units	212.74
Tarachand hospital Solar Plant	0.05 Million units	41.73

Table 16: Power generation through renewable energy

Integrated Watershed Development Program

We started this three-year program at Varude village in 2019 and we are now in the last year. While the COVID-19 pandemic affected some of our planned activities, we've seen some visible impact of our interventions as we gained confidence of the villagers. This program will conclude in June 2022 and most of the targets have been achieved. The local community was quite receptive as they witnessed substantial change and development happening in the cluster for the last three years.

In the previous year, we conducted a Geohydrological survey of the project land as we could not do much on the field due to the pandemic. The report gave us a fair idea of underground water availability, drainage lines and aquifers. This scientific study helped us plan and execute our water conservation interventions in a more focused manner. Along with this, we addressed/utilized this period as an opportunity to make qualitative changes to the program that would help villagers in the long run.

We made various changes in the program considering local needs and tailored some interventions to maximize output. For example, we introduced honeybee keeping project as a part of livelihood activity. This was not planned in the initial stage of the project, but we received good response for it. We distributed 100 beekeeping units amongst 47 farmers. This has led to cross pollination in 2 kms area. We also distributed solar traps to 120 farmers to reduce the usage of pesticides on the crops and promote organic farming. The results have been good and farmers are demanding more solar traps as they saved their expenditure on pesticide spraying.

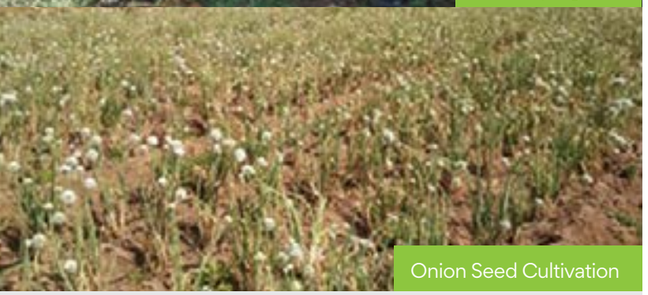
Livestock development center has boosted the dairy business in the local community and increased the income of the farmers. Bharatiya Agro Industries Foundation's sorted semen doses have delivered best results by increasing female calf birth ratio to almost 90%.

Type of Services	Target from 2019-2022	Achievement till March 31, 2022	t CO_2e reduction per year
Soil and water conservation	\ 730 Ha, Plantation – 850 Ha	\ 730 Ha Plantation- 300 Ha	\ 91 Million liters water recharged \ Plantation of 10,000 plants and 80,000 seeds, covering 250 Ha
Drainage line treatment measures	\ 1,070 structures	\ 1,080 structures	\ Reduced water speed on approximate 380 Ha catchment area
Recharge measures	\ 55 farm ponds, 13,000 cu m desilting, Planation 10 km	\ 55 farm ponds \ 12,595 cu m desilting \ Plantation- planned for June 22	\ Helped recharge 13 Million liters of water and increase groundwater level
Water storage measures	\ 15 structures \ 10,000 cu m desilting	\ 6 structures completed. 7 will be completed by June 2022 \ 7,336 cubic metre desilting completed. 2,664 cu m work will be completed by June 2022	\ Increased water storage and recharge capacity by 7.3 Million liters of old structures
Agriculture development	\ 200 farmers	\ 197 farmers	\ Vegetable farming increased farmer income by INR 20,000 to 25,000, 45% water saved due to drip irrigation \ Honeybee Keeping - 2.0 km area covered for cross pollination \ Solar trap – Reduced use of pesticide
Livestock development	\ Semen doses – 3,750 Sorted Semen – 155	\ Semen doses- 4,222 \ Sorted Semen- 196	\ 707 Heifer born - 60% conception rate and 40% success rate \ 61 Heifer born - 73% conception rate, 83% success rate
Capacity building of community	\ 30 nos.	\ 25 events	\ 5 exposure visits \ 12 farmer training \ 3 volunteer training \ 2 Agriculture Exhibition \ 3 honeybee training

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Beekeeping Unit



Onion Seed Cultivation

Honeybee keeping – Farmer's testimony

Salubai Dagadu Gawade is a farmer from Gadakwadi village. He participated in our program in 2021 where he received a honeybee keeping unit and gained technical knowledge for onion cultivation. Prior to joining the program, he cultivated negligible volume of onion seeds and had to buy them from outside for consumption. With our honey beekeeping unit, the production of onion seeds increased up to 4 kgs, which is sufficient for his farm.



Solar trap project

Baban Shripati Gawade is a farmer from Gadakwadi village. He participated in our project in 2021. The project provided him technical support and improved seed for Sponge Gourd cultivation. The support was supplemented with solar pest trap. Prior to using the solar trap, he incurred high expenses for pest control. Solar trap helped reduce 4-6 sprays per crop cycle translating into savings of **INR 6,000 per cycle.**

Employee Engagement

As part of our employee engagement drives, we have payroll deduction donation drives launched every month. All these donation drives are in alignment with the projects which are implemented by Persistent Foundation. Contribution from employees helps us expand the scale of the project. In the year 2021-22 we received INR 11.8 Million through eight donation drives.

Along with donation drives, employees also participated in various volunteering drives. Persistent Foundation conducted 17 volunteering activities in which 452 employees volunteered and pledged 1,003 hours during the year.



Health

Healthcare Initiatives

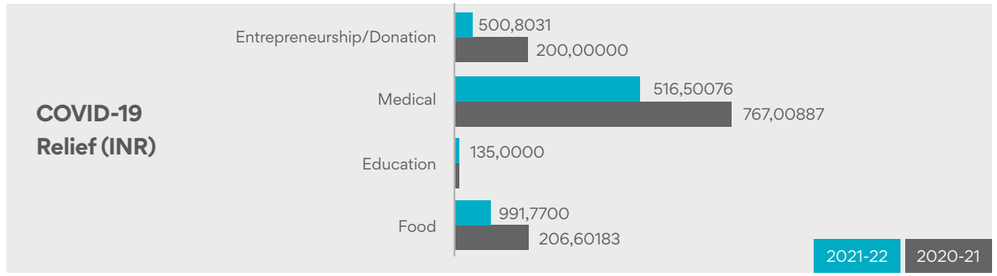
- COVID-19 relief work
- Cleft lip and palate program
- Cataract surgery, dialysis, etc.



The Persistent COVID Relief Fund has proved extremely helpful in carrying out extensive initiatives to help overcome the difficult time brought about by the COVID-19 pandemic. Some of the activities carried out in the form of relief work by the foundation have been mentioned below:

Year of COVID relief work

INR 250 Million Support declared by Persistent Systems	**INR 6.6 Million** Donation from employees	**INR 20 Million** Support given to PM Care Fund and CM Care Fund
Focus areas Provide support for food, medical needs, entrepreneurship and education	**Lives touched** 5,594 families and 63,859 individuals	**Safety kits** PPE kits, sanitizers, masks, caps, gloves, etc. provided to hospitals and six COVID-care centers
Support for entrepreneurship 4 Partner organization helped us reach out to 379 families, 190 individuals and to establish 126 units	**Hospital equipment** ICU beds, ventilators, oxygen concentrators, ECHMO machines, etc. were provided	**Research** Epidemiological and serological survey of COVID-19 with IISER



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Employee Management



Our targets

- To include people of all genders, ethnicities, sexual preferences, religions and specially-abled persons in our diverse workplaces by 2028
- Achieve 35% of female representation in the workforce with a special focus to increase women in the senior management

Persistent's most valued asset is our workforce. We feel that investing in human capital has a substantial influence on our performance and allows us to compete with globally. Human resource development at Persistent is a process of investing in developing and refining our workers' present skills while also assisting the development of new ones. The company's HR strategy focuses on attracting diverse talent from across the world, reskilling and reforming the workforce, and creating a dynamic and flexible environment that fosters an innovative, result-oriented, and high-performance culture. Our HR procedures and outcomes have become industry benchmarks thanks to our innovative policies, continuous investment in upskilling our people, and a mindset that empowers individuals to unleash their full potential.

We had a total staff of 18,599 as of March 31, 2022, with a net addition of 4,919 for the year. We experienced a 36% increase in our employee growth during the reporting period. We have a reasonably diversified staff that comes from 18 different nations and 39 different nationalities. Our workforce is made up of 31.4% women. In mainstream technical jobs, the company employed 17,283 people. There were 3,073 graduates, 1,552 post-graduates, and 18 doctoral degree holders among them.

Our entire workforce turnover and hiring patterns for the last three financial years are as follows:

Workforce turnover gender-wise (including VRS, retirement and death)

			FY 2021-22		FY 2020-21		FY 2019-20	
Sr. No	Employee Category	Unit	Male	Female	Male	Female	Male	Female
1	Employee	Nos	3,668	1,371	965	416	1,226	528
2	Subcontract	Nos	1,041	444	618	279	474	160
3	Interns/pre-joining trainee	Nos	402	210	184	99	45	46
4	Trainee	Nos	110	152	126	148	356	328
5	Consultant	Nos	85	79	49	24	33	11
6	Vendor representative	Nos	48	75	1	4	1	1
7	Contractor	Nos	6	-	3		2	1

Table 17: PSL workforce turnover — gender wise

Workforce turnover age-wise

			FY 2021-22			FY 2020-21			FY 2019-20		
Sr. No	Employee category	Unit	less than 30 years	30 - 50 years	more than 50 years	less than 30 years	30 - 50 years	more than 50 years	less than 30 years	30 - 50 years	more than 50 years
1	Employee	Nos	2,360	2,556	123	662	704	15	840	843	71
2	Subcontract	Nos	576	849	60	545	351	1	222	353	59
3	Interns / pre-joining trainee	Nos	595	17		283			85	6	
4	Trainee	Nos	241	21		270	4		679	5	
5	Consultant	Nos	42	103	19	28	40	5	21	19	4
6	Vendor representative	Nos	60	60	3	2	3			2	
7	Contractor	Nos	-	4	2		2	1		2	1

Table 18: PSL workforce turnover — age wise

New joiners (gender wise)

			FY 2021-22		FY 2020-21		FY 2019-20	
Sr. No	Employee category	Unit	Male	Female	Male	Female	Male	Female
1	Employee	Nos	6,896	2,583	3,206	1,180	1,505	705
2	Subcontract	Nos	1,138	490	941	435	155	46
3	Interns/pre-Joining trainee	Nos	2,412	1,236	274	126	136	84
4	Trainee	Nos	163	220	73	75	199	220
5	Consultant	Nos	85	97	76	45	31	9
6	Vendor representative	Nos	64	99	22	15	5	8
7	Contractor	Nos	1		1			

New joinees turnover (gender wise)

			FY 2021-22		FY 2020-21		FY 2019-20	
Sr. No	Employee category	Unit	Male	Female	Male	Female	Male	Female
1	Employee	Nos	1,046	279	467	103	189	64
2	Subcontract	Nos	425	192	550	256	83	20
3	Interns/pre-joining trainee	Nos	188	120	63	37	16	22
4	Trainee	Nos	64	92	29	18	99	88
5	Consultant	Nos	36	49	36	19	17	4
6	Vendor representative	Nos	28	59	1	1		
7	Contractor	Nos	1					

Table 19: New joinees and new joinees turnover — gender wise

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New joinees (age-group wise)

Sr. No	Employee category	Unit	FY 2021-22			FY 2020-21			FY 2019-20		
			less than 30 years	30 - 50 years	more than 50 years	less than 30 years	30 - 50 years	more than 50 years	less than 30 years	30 - 50 years	more than 50 years
1	Employee	Nos	5,041	4,279	159	2,500	1,870	16	1,644	564	2
2	Subcontract	Nos	587	972	69	828	547	1	150	49	2
3	Interns/pre-joining trainee	Nos	3,631	17		398	2		218	2	
4	Trainee	Nos	362	21		139	9		419		
5	Consultant	Nos	36	129	17	42	68	11	20	18	2
6	Vendor representative	Nos	107	53	3	9	27	1	1	12	
7	Contractor	Nos		1			1				

New joinees turnover (age group wise)

Sr. No	Employee category	Unit	FY 2021-22			FY 2020-21			FY 2019-20		
			less than 30 years	30 - 50 years	more than 50 years	less than 30 years	30 - 50 years	more than 50 years	less than 30 years	30 - 50 years	more than 50 years
1	Employee	Nos	679	626	20	249	319	2	176	76	1
2	Subcontract	Nos	226	360	31	498	307	1	79	22	2
3	Interns/pre-joining trainee	Nos	294	14		100			36	2	
4	Trainee	Nos	145	11		46	1		187		
5	Consultant	Nos	17	61	7	25	28	2	14	7	
6	Vendor representative	Nos	55	30	2	1	1				
7	Contractor	Nos		1							

Table 20: New joinees and new joinees turnover — age group wise

We have also captured the gender diversity across our operations and employee levels as shown below:

Level	Grade	FY22 YTD	FY21	FY20
Entry	3.0	36.2%	40%	50%
Junior	3.x + 5.x	33.5%	35.1%	36.7%
Managers	7.x	18.8%	17.8%	19.8%
Mid management	9.x + 11.x	13.1%	12.8%	15.1%
Senior management	13.x	5.9%	7.1%	8.7%

Table 21: Gender diversity in employees

Sr No	Education qualification	2021-22	2020-21	2019-20
1	Postgraduates- IT engineers	1,204	1,578	1,770
2	Postgraduates in IT/related field	1,049	1,522	1,036
3	Doctorate degree	13	27	27

Table 22: Education qualification of employees

We hire fresh graduates from universities all around India. During the fiscal year, the Company recruited 1,710 fresh graduates on campus. The company strongly believes in cultivating 'Industry - Academia' partnerships and has many programs such as final year project mentoring, guest lectures in colleges, Persistent Day (where management discussion and analysis students spend a day at Persistent to observe how the company operates) and internships for college students. Persistent Computing Institute (PCI) offers popular cutting-edge technology programs for students.

Our internship programs provide undergrads with the opportunity to work on business initiatives with senior and experienced professionals in the sector. They are also mentored and have the opportunity to learn from the network of technology specialists. Our learning centers, Persistent University and Persistent Computing Institute, nurture talent in novel ways.

While this infusion of new talent is crucial to our success, our ability to continuously maintain the talent that we have fostered and grown in the organization has been even more critical. Our commitment to our employees and our innovative HR initiatives have won us appreciation from top industry bodies.

Compensation and benefits

We ensure that our employees receive competitive compensation and sufficient benefits to encourage them to continue for a long-term with the organization. We have provided the following employee benefits:

Provision for employee benefits	As at March 31, 2022 (in ₹ Million)	As at March 31, 2021 (in ₹ Million)
Gratuity	(42.2)	(113.1)
Leave encashment	499.4	380.5
Long service awards	270.1	258.1
Other employee benefits	1,745.8	747.9
Total	2,473.1	1,273.5

Table 23: Provision for employee benefits

Persistent also offers employee stock compensation expenses to employees of the Group, where they receive remuneration as share-based payment transactions. Medical and Term Insurance benefits are also included in the above, along with COVID care support. Persistent also has an Employee Benefit Trust which provides interest-free loans to its members for medical treatment and specified personal disaster/financial emergencies. We also ensure that any kind of operational changes are communicated to all employees at least 3 months prior.

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Ensuring a healthy work-life harmony for our employees is of utmost importance to us. The maternity leave for female employees is provided as per the statutory provision, while male employees can avail a paternity leave of five days. We also have a provision of child adoption leave, of which one employee availed it during the reporting period.

The following data represents a number of employees who availed the parental leave during the reporting periods:

Parental leave (FY2021-22)

Number of employees entitled to parental leave		Number of employees who availed parental leave in FY 2021-22		Number of employees who returned to work after parental leave	
Male	Female	Male	Female	Male	Female
0	2,088	0	212	0	206
5,654	0	438	0	392	0
5,654	2,088	0	2	0	2

Parental leave (FY2020-21)

Number of employees entitled to parental leave		Number of employees who availed parental leave in FY 2021-22		Number of employees who returned to work after parental leave	
Male	Female	Male	Female	Male	Female
0	1,287	0	180	0	149
2,914	0	217	0	217	0
2,914	1,287	0	1	0	1

Parental leave (FY2019-20)

Number of employees entitled to parental leave		Number of employees who availed parental leave in FY 2021-22		Number of employees who returned to work after parental leave	
Male	Female	Male	Female	Male	Female
0	1,539	0	144	0	142
3,360	0	169	0	164	0
3,360	1,539	0	0	0	0

Table 24: Parental leave

Employee Wellness



Our targets

- Ensure work-life harmony to achieve professional and personal goals
- Maintain zero accidents in the workplace
- Caring for our people to create holistic well-being programs ensuring physical, social, financial and emotional well-being

All facilities of the company in India are ISO certified by DNVGL for Environment Management Systems ISO 14001:2015 and Occupational Health and Safety Management System Standard by ISO 45001:2018 certifications, post the surveillance audit in January 2021. We are maintaining a record of key health-related issues such as absenteeism, sick leaves and injuries at the workplace. We follow the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) norms to ensure healthy indoor air quality and adequate ventilation systems, since our entire work is based indoors. This ensures minimizing adverse impacts on our employees' health caused by unhealthy indoor air quality. All our employees are covered under the occupational health and safety management system implemented at our offices. We also provide first-aid and cardiopulmonary resuscitation (CPR) training for all our employees. The manhours details for all the trainings provided per employee is shown in the table below:

Employee category	Unit	Male			Female		
		FY2021-22	FY2020-21	FY2019-20	FY2021-22	FY2020-21	FY2019-20
13.x	Number of individuals	5	6	20	0	1	4
	Manhours	9	25	374	0	16	36
11.x	Number of individuals	30	41	43	4	0	6
	Manhours	630	278	490	100	0	70
9.x	Number of individuals	87	95	177	22	25	35
	Manhours	2,190.5	493	2,024	731	164	341
7.x	Number of individuals	302	173	423	68	51	101
	Manhours	13,714	1,071	4,994	3,260	342	1,447
5.x	Number of individuals	820	531	1540	382	195	1,443
	Manhours	35,874	2,579	22,984	13,851	1,027	11,455
3.x	Number of individuals	1,643	407	1,783	984	227	1184
	Manhours	359,585	944	27,996	220,833	787	17,240

Table 25: Manhours of training as per employee category

Our major focus was to ensure a safe workplace for our employees during the pandemic when we had minimal facility occupancy. As the pandemic restrictions lifted, we ensured adequate installation of health and safety equipment across all

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offices to follow the latest medical consensus around effective COVID-19 mitigation protocols. Our health and safety team coordinated a smooth transition for some employees who continued to work from the offices during the pandemic, while we worked to ensure a safe return of all our employees post-pandemic. The Company has maintained and followed all government norms associated with COVID-19 appropriate behavior.

At Persistent, the health and wellness of our employees is of paramount importance and we aim to increase our focus on this year-on-year. We included different themes such as COVID care, eyecare, ergonomics and posture correction, dental care, diabetes, hypertension, women's health, etc, and had weekly wellness webinars on these topics where experts interacted with our employees. This aided in raising awareness, answering questions, and encouraging staff to engage in their own development and well-being.

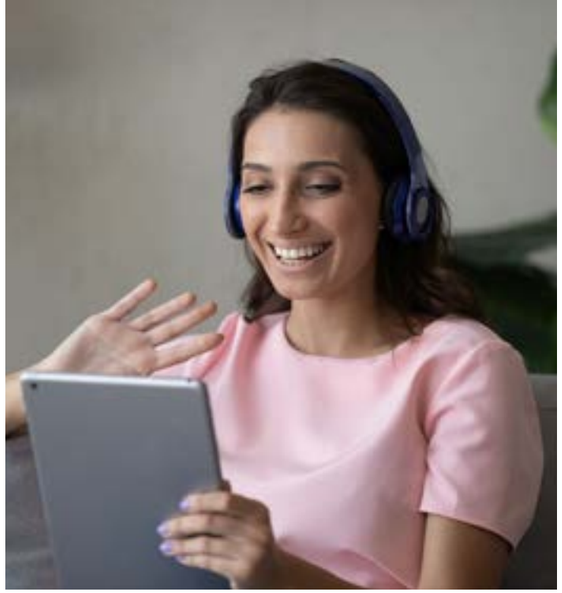


Figure 5: Webinars on ergonomics & workplace assessment, eye care & emotional health



MyLife Initiative at Persistent

4 pillars of wellness to ensure a healthy work-life harmony

Pillar one: Physical well-being

Persistent Run: It is our flagship event and is organized on every second Sunday of the New Year. This is to mark the beginning of the new year on a healthy note. An elaborate three-month training program was launched to enable and encourage people to complete their first 3k, 5k, 10k, 15k and 21k Run. Persistent Run t-shirts were couriered to all participants. Though the Persistent Run was organized virtually this year, we had huge participation of over 5,000 plus employees and their family members. The major attraction of this event was participation of senior citizens, parents and grandparents of our employees.

With the participation of the Senior Leadership in " Walk-the-talk" , we laid down the path towards healthy living for all our employees.

One-on-one sessions

Doctor

During the pandemic, our doctors have extended all possible support to our employees through online consultations, arranging for hospital admissions for the family members of employees and coordinating with COVID testing labs.

Nutritionist and dietician

We are aware that one size does not fit all and hence these one-on-one consultations helped to give a customized diet plan and exercise regime to our employees.

Pillar two: Emotional well-being

Vibrant minds: We firmly believe life is beautiful, provided we know how to deal with it. While our counselors were doing the one-on-one sessions, we realized that there are some common concerns that must be addressed. We decided to deal with them proactively and positively. We decided to launch the "Vibrant minds series" to equip our employees to handle various phases of life successfully. These sessions have been a super-hit and have helped many employees in numerous ways. We have three series of workshops for all employees who join us from campus titled, 'All is well if the mind is well', 'Working together professionally', and 'Flourishing with independence.'

Burnout: Post-pandemic, many people complained of feeling overwhelmed, emotionally drained, and unable to meet constant demands. To combat this situation, we arranged for a specialized session of our in-house counsellor. Burnout is a state of emotional, physical, and mental exhaustion caused by excessive and prolonged stress. Following were the session contents that significantly helped our people:

- Stressors (that cause burnouts)
- Unrealistic expectations
- Poor boundary settings
- Self-sacrificing/altruistic thinking
- Unhealthy emotions
- Signs and symptoms
- Awareness about burnout

Pillar three: Social well-being

Hakuna Matata: We celebrate our teams every day and believe in the power of collaboration. Hakuna Matata is all about having fun, breaking the ice, and creating bonds that last forever. In our hour-long Hakuna Matata sessions, we ensured that the teams are refreshed, rejuvenated, and reconnected with their peers. These sessions were specially curated on the demand of the project manager or project SPOC, both physically and virtually, as and when required. Hakuna Matata sessions play a vital role to bridge the disconnect of virtual working set ups . Connecting people with their leaders (Know your leader sessions), peers (Games, quizzes and more) and teams (Know your team sessions). We also introduced wellness programs for the teams along with happiness sessions, special sessions with our experts.

Clusters: These are new initiatives where our employees were grouped together based on their geographic locations. A total of 18 clusters were identified and the onus shifted to MyLifeAtPersistent for collaborating with the employees and creating a wow experience with local touch. We first launched the 18 clusters virtually with a local region-specific quiz and made core teams out of all the cluster members. Then we began the monthly meetings and had virtual events with all the 18 clusters, with more and more people joining the fleet. With successful establishment and running of virtual clusters, it was now time to reach the people where they are! We have begun in-person events across these clusters and have had overwhelming response at each location! Eight in-person events have been conducted already and they have raised the bar for upcoming events.

Employees are now looking forward to having more such meetups in their cities. Opening new offices at Ahmedabad and Indore are prime examples of the enthusiasm of people to adapt to the hybrid working mode. We are changing the future of work, one cluster at a time!

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Pillar four: Financial well-being

Ladies, take charge of your money: Despite raising ratios of women in technology, there still lies a huge fear when they are asked to manage their money. They are made to believe to be good for managing a few key areas in society, but not money management. To break this myth for our women employees at Persistent, we conducted a session named “Take Charge of Your Money” to figure out the best way to save, spend, invest, and make the best use of your hard-earned money. In a fun and interactive session, Team Multiple (our vendor partner) bust many myths and provided practical guidelines to manage money better.

Travel the world, guilt-free:
To travel is to live. So, make sure you live guilt-free.
We organized a session where we learnt:

- The art of planning and paying for our upcoming trips, such that we don’t feel a pinch in our pocket
- How to budget your travel
- How to travel more often without breaking a sweat
- How to multiply your travel savings without extra effort

Emotional wellness was a raging topic during the pandemic-induced lockdown. At Persistent, we held a series of seminars throughout the year with famous speakers outlining the benefits of yoga, meditation, and pranayama. Employees were able to cope with several issues which arose by working from home for a prolonged period, thanks to our weekly webinars on emotional well-being led by our in-house psychologists. The series aided parents in dealing with children of all ages.

We kept the fun flowing while prioritizing physical and emotional wellness. This year’s PULSE, our annual event, was held entirely online. The week-long celebration ended in a Grand Finale performed by our employees. It was incredible to witness in-house talent perform across the world.

At Persistent, we bond closely with our culture and traditions as we believe in propagating the importance of art and culture associated with the rich tradition of India.

Empowering Employees



Our targets

- Achieve learning coverage of 90% by 2023
- By 2024, nurture long-term employees to get them ready for senior management roles and ensure a healthy mix of internal and external talent

Our Learning and Development programs are designed for all categories of employees right from freshers to experienced professionals and for employees who took a career break for personal reasons. Our objective is to provide a conducive learning opportunity to our people that would help them carve out ambitious career paths.

Some of the unique programs that we offer are:

1. Graduate Employee Multidimensional Skills (GEMS) which aims at project-specific training and ranges over a period of 3 months — an entry-level program in house and external
2. Career Compass which is targeted specifically at Graduates — includes career opportunities and guidance, workshops, webinars (technical expertise)
3. Customized bootcamp training for professionals
4. Women Inspired to Navigate Growth and Success (WINGS) program — aimed at bringing women on a career break back to technology work
5. Aspire program aims at nurturing women who aspire to be in leadership roles — 3-6 months, once a week/fortnightly session

Flagship programs that accelerate employee development

Architect competency development program Role-readiness program for aspiring Architects	**TExT** Technical product POCs bench enablement program based on hands-on learning	**GEMS** Industry-readiness and Persistent-readiness training program for freshers	**Technical expert role-readiness program** Role-readiness program for mid-senior level employees
Falco — foundation project management (PM) program For aspiring project leads (5.3 grade) to pursue a career in PM track	**Avenger — advance PM program** Program for deadones project managers to help them successfully face the dynamic expectation around project and program management	**J.A.R.V.I.S** A delivery partner role-readiness program, aiming to build a pool of future delivery partners	**ASPIRE** Women leadership program for high potential women employees, aiming to increase women representation in leadership positions

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Experiential program for teams
Customized and on-demand team building program that focuses on team's people-centric needs

MyCareerAtPersistent
From a we enterprise to a 'Me Enterprise - catalysing employees career development through insightful program

Meetups & Friday learning club
Informal learning program with focus on building the mindset of learning from anything and everything

WINGS
Diversity program for women IT professionals on career break

Figure 6: Flagships program that accelerate employee development

ASPIRE Women Leadership Program

The objective of the program is to increase women's representation in leadership positions by providing a multi-phased learning experience to high-potential selected women employees. The gender-specific format of the program allows for greater openness in a supportive environment and addresses the unique issues women face. It helps women develop a rich peer support network to build confidence and leadership presence.

Duration: 6 months

Pedagogy: Facilitator-led sessions by internal and external experts, leader talks, exposure to individual mentoring and group coaching, personalized action plan, peer learning sessions and action learning projects.

Program modules:

\ Self-awareness — loving your inner critic
\ Making your emotions work for you
\ Pressing the right buttons — influencing stakeholders
\ Power of interdependence
\ Ties that bind — networking skills
\ Craft your personal brand — executive presence & gravitas
\ Making balanced decisions.

Peer learning sessions: Self-directed learning sessions where participants share insights from books, TED talks, HBR Articles or podcasts that are significant to their performance and growth. This provides a simulated experience to the participants as it presents a platform for self-expression of thoughts and ideas on professional growth. It inspires participants to take charge of their own learning and contribute to others growth. It helps women build new perspectives and experience what matters and is relevant for others.

Group coaching and individual mentoring: Helps participants create meaningful individual development plans and to ensure transfer of learning to the workplace by discussing specific actions taken to build their abilities, discuss personal challenges and take transformative action to step into the next level of performance and personal power; seek clarity on personal vision and reflect upon the experience of self at work; take steps to move out of the comfort zone with courage.

Action learning projects: Helps participants experience the power of leadership and design interventions that can make a larger impact to the organization success.

Under this, we carried out a project named 'Towards a Sustainable Tomorrow' to educate the employees about sustainable lifestyle, provide them with authentic contacts verified by PSL authorities to buy various environment-friendly products like solar, biogas plants, etc.



We have educated the employees through weekly e-mails and few online sessions, for various topics like:

1\ Top energy consuming devices at home
2\ Alternate energy sources
3\ Vendors list for alternate energy sources like solar, biogas plants etc.
4\ CFL disposals
5\ Rainwater harvesting and vendors for the same
6\ Water conservation techniques
7\ Sewage water treatment plants and vendors list for the same
8\ Grow your own food, composting
9\ Plastic recycle drive
10\ Eco friendly Ganesh festival

Furthermore,

\ We conducted online session of experts, to educate the employees about global warming and how everyone can contribute towards minimizing the risks associated with climate changes
\ We also conducted a 2-month long plastic collection drive where employees were to set a monthly schedule for giving their plastic waste to plastic recycling agencies
\ We set up a Microsoft Teams channel and WhatsApp group for employees interested in exchanging ideas and information for this purpose

Awards for each program

We communicate with our employees on a regular basis to raise awareness of the Company's Learning and Development programs, which allow them to improve their critical abilities. At the organizational level, we deliver role-specific training programs. Our progressive and employee-friendly practices are well known. To ensure that the Company's agenda on employee well-being and engagement is successfully served, we regularly examine our policies and compare them against the best-in-class. Currently, all trainings and tests are available in virtual classroom format for 'Learn from Home.' Through our e-learning courses 'selfy shots,' the company provides anytime, anywhere learning.



Figure 7: Achievements of Persistent University during FY2020-21

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This year we managed to provide at least one training to 70% of our staff. In the GEMS programs for freshers, we trained and released 1,565 freshers to the business units. We covered an average of 11,000 employees, with an average of 44 hours per employee.

Focus on upskilling of employees	
Number of training days/hours	5.55 days/employee
Average number of training days/hours for male employees	5.60 days/employee
Average number of training days/hours for female employees	5.5 days/employee

Table 26: Employee training metrics

KPI	YTD (FY 21-22)	FY 20-21	FY 19-20
Unique employees trained (upskilled and cross-skilled)	10,965	7,167	8,181
Number of employees externally certified	2,500+	1,192	1,129
Number of freshers trained	1,565	600	350
LMEP - Lead, Motivate, Engage People	93	167	141
CEP PRO - Communication Enhancement Program PRO	21	42	54
Learning days/employee	5.55 days	10 days	6.31 days

Table 27: Employee training metrics

We invest in our employees, and everyone working for us is given an opportunity to learn, develop, and attain knowledge on various topics. These learning opportunities are provided to all irrespective of what position they are within the organization. For example, we have imparted training on human rights to our security personnel to create awareness on this subject. One of the critical parts of our learning and development program is to train on how to lead and work with a diverse group of colleagues.

Particulars	No. of employees trained	% of employees trained	Total employee training hours	No. of security personnel trained	% of security personnel trained	Total security personnel training hours
Details	12,886	66.6	6,443	357	100	357

Table 28: Details of training under Human Rights during FY 2021-22

We aim to protect the rights of our employees across all locations. We believe in "One Persistent, One Family." Our people policies promise dignity and respect for all employees. We endeavor to identify, prevent, and mitigate any human rights violations resulting from, or caused by, our business activities. All our employees, including security personnel, are trained on human rights, and appropriate channels are available to disclose any concerns.

Other initiatives undertaken by us towards the learning and development of our employees include providing employees with subscription to the O'Reilly platform for any kind of training and certification, customized bootcamp trainings for employees, and campus outreach program with targeted learning from industry experts. We regularly monitor and maintain records of all training programs. Specific to each employee based on their role, the training module is customized and allotted to employees, and the training programs requirement is linked to the performance evaluation of the employee.

To make the learning more personalized, we rolled out a Learning Experience Platform called "Persistent Rise" powered by Degreed for all our employees globally. This provides them with variety of learning content from across multiple content providers such as Edx, Udemy, etc. This platform also has technology-specific learning paths curated for our employees to help them accelerate their professional growth.

Our learning and development team has created a well-devised mechanism to quantify the tangible and intangible benefits for the organization.

For the last three financial years, the following employee categories received regular performance feedback:

Sr. No.	Employee category	FY 2021-22	FY 2020-21	FY 2019-20
1	Top	114	56	89
2	Senior	898	470	587
3	Middle	1,453	859	828
4	Junior	6,521	4,452	3,310
5	Employees	6,188	4,288	3,580

Table 29: Regular performance feedback to various employee categories

During the reporting period, the ratio of basic salary of women to men employees was as follows:

Employee category	Male (average of annual gross salaries in INR)	Headcount	Female (average of annual gross salaries in INR)	Headcount	Ratio
Top	7,924,914	67	6,968,173	5	58:5
Senior	4,013,849	525	3,462,508	91	51:4
Middle	2,207,196	3,608	1,993,559	1,142	31:3
Junior	1,011,711	5,928	922,220	3,423	34:3
Employees		10,128		4,661	

Table 30: Ratio of basic salary of women to men

Persistent has not faced any legal complaints or actions registered under discrimination of any employees based on any grounds.

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Corporate Governance

Persistent believes in raising the bar and upholding the highest standards of Corporate Governance as it enhances the long-term value of the company for its stakeholders. Our actions are a reflection of how deeply our values are imbibed in our systems. Hence, across all levels in the organization, we ensure that we adhere to the highest standards of corporate governance. The management at Persistent is fully committed to implementing best practices in corporate governance to ensure transparency, accountability, and integrity. All the regulatory compliances applicable to the Company's operations are monitored and tracked through a web-based Compliance Management Tool. We have established policies and committees to deal with different corporate governance issues.

The Company's Ethics Policy, Code of Conduct for Director and Employees, Vendor Code of Conduct, Code of Conduct for Prevention of Insider Trading, Anti-Corruption, Fraud Risk Management Policy, Anti-human Trafficking Policy, Environmental Health & Safety (EHS) Policy and Whistle Blower Policy ensure adherence to the highest standards of corporate governance. To ensure compliance, all employees and management across all business operations are required to reaffirm their commitment to the Code of Conduct for Director and Employees on an annual basis, which includes anti-corruption policies and procedures.

Stakeholders

The definition of stakeholders in today's business environment extends beyond the strict legal definitions to include the communities in which we operate and the environment we all share.

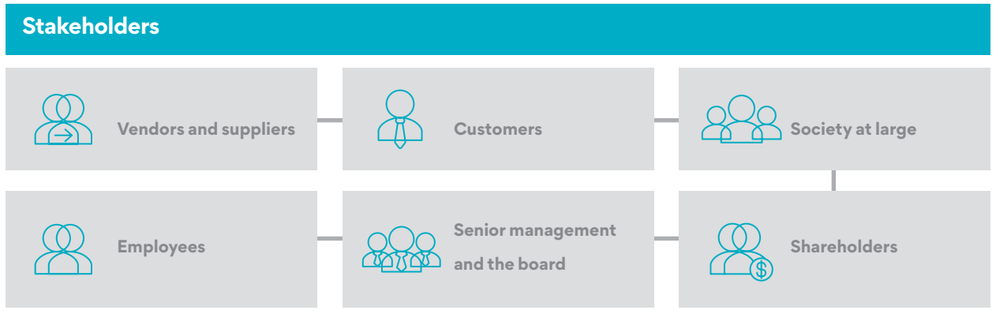


Figure 8: Persistent Systems Limited's key stakeholders

Engagements with customers and suppliers are maintained by Persistent's management and are monitored by the senior leaders and the Board. The Nomination and Remuneration Committee (NRC) of the Board specifically caters to our relations with our employees. The details of our remuneration committee along with the policies, guidance and codes are available in our Annual Report for FY21-22 under the corporate governance structure and can be found on our website. The Stakeholder Relationship Committee (SRC) specifically looks after the interests of our investors, shareholders and any other security holders as mandated by the law such as redressal of shareholders' and investors' grievances such as transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc.

The SRC is also tasked with collecting inputs from company management and other committees responsible for maintaining relationships with different stakeholders, including preparing and submitting an annual brief to the Board.

Board of Directors at Persistent

The Board of Directors of the Company has a combination of Executive, Non-Executive, and Independent Directors with rich professional backgrounds.

As on March 31, 2022, the Company's Board consisted of Eleven Directors:

3 Executive Directors, 7 Independent Directors and 1 Non-Executive Non-Independent Director

Independent Directors fulfill the conditions specified by SEBI. The Board is chaired by a full time Executive Director.

Table 31 gives the composition of the Board and the number of outside directorships held by each of the Directors as on March 31, 2022:

		Directorships			Number of Committee Positions held **	
		Indian Companies		Foreign Companies		
Name of Director	Category	Public*	Private		Chairman	Member
Dr. Anand Deshpande	Founder, Chairman and Managing Director	Nil	1	5	Nil	1
Roshini Bakshi	Independent Director	3	Nil	1	Nil	1
Pradeep Bhargava	Independent Director	3	1	Nil	Nil	3
Avani Davda	Independent Director	3	Nil	Nil	Nil	3
Guy Eiferman	Independent Director	Nil	Nil	1	Nil	Nil
Dr. Anant Jhingran	Independent Director	Nil	Nil	Nil	Nil	Nil
Praveen Kadle	Independent Director	5	6	Nil	2	4
Sandeep Kalra	Executive Director and Chief Executive Officer	Nil	Nil	3	Nil	Nil
Thomas Kendra	Non-Executive Non-Independent Director	Nil	Nil	1	Nil	Nil
Prof. Deepak Phatak	Independent Director	2	Nil	Nil	1	1
Sunil Sapre	Executive Director and Chief Financial Officer	Nil	1	8	Nil	1

Table 31: Board of Directors

* Excluding Directorship in Persistent Systems Limited

** Disclosure includes Chairmanship/Membership of Committees as required for computation of maximum number of Committees of which Director can be Chairman or Member in terms of Regulation 26 of Listing Regulations (i.e., Chairmanship/Membership of Audit Committee and Stakeholders Relationship Committee in all Indian public companies including Persistent Systems Limited).

The number of Memberships of the Directors in the Committee includes the number of posts of Chairman of the said Committee held in listed entities including Persistent Systems Limited. Our commitment to have a diversified board will facilitate the success of our long-term vision while improving the quality of our corporate governance structure and functioning. The responsibility towards stakeholders and the company is exercised by the board while striving to increase stakeholders' ethical value while incorporating the highest quality and standards of resilience and sustainability. The ultimate supervision and accountability in relation to the stewardship function is the responsibility of the board.

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Committees of the Board

As on March 31, 2022, Persistent has 7 (seven) Committees of the Board of Directors as shown below:

Name of the Committee	Name of the Director	Category
Audit Committee	Praveen Kadle	Chairman of the Committee and Independent Director
	Roshini Bakshi	Independent Director
	Pradeep Bhargava	Independent Director
	Avani Davda	Independent Director
Risk Management Committee	Praveen Kadle	Chairman of the Committee and Independent Director
	Sandeep Kalra	Executive Director and Chief Executive Officer
	Sunil Sapre	Executive Director and Chief Financial Officer
	Dr. R. Venkateswaran	Chief Information Officer
Nomination and Remuneration Committee	Pradeep Bhargava	Chairman of the Committee and Independent Director
	Guy Eiferman	Independent Director
	Thomas Kendra	Non-Executive Non-Independent Director
	Prof. Deepak Phatak	Independent Director
Stakeholders Relationship and ESG Committee*	Prof. Deepak Phatak	Chairman of the Committee and Independent Director
	Dr. Anand Deshpande	Chairman and Managing Director
	Sunil Sapre	Executive Director and Chief Financial Officer
Corporate Social Responsibility Committee	Pradeep Bhargava	Chairman of the Committee and Independent Director
	Dr. Anand Deshpande	Chairman and Managing Director
	Avani Davda	Independent Director
	Prof. Deepak Phatak	Independent Director
Executive Committee	Pradeep Bhargava	Chairman of the Committee and Independent Director
	Roshini Bakshi	Independent Director
	Avani Davda	Independent Director
	Dr. Anant Jhingran	Independent Director
	Praveen Kadle	Independent Director
	Sandeep Kalra	Executive Director and Chief Executive Officer
	Sunil Sapre	Executive Director and Chief Financial Officer
Investment Committee	Praveen Kadle	Independent Director
	Guy Eiferman	Independent Director
	Roshini Bakshi	Independent Director

Table 32: Composition of the Committees of the Board

*Note: Stakeholder relationship and ESG committee: Name of the Stakeholders relationship Committee was changed to Stakeholders relationship and ESG Committee with an additional term of reference of the Committee as "To oversee the Environmental, Social and Governance (ESG) initiatives at Persistent'

Due to COVID 19 pandemic restrictions and in terms of the MCA Notification (F. No. 1/32/2013-CL-V-Part) dated March 19, 2020 and its extensions from time to time, all the meetings of the Board and its Committees were held through video conferencing/other audio-visual means. During the reporting period we have not received any complaints from the customers regarding privacy and loss of customer data.

Performance Evaluation of the Board, its Committees and Directors

Though the requirement of Board Evaluation was introduced in April 2014, the Company has been voluntarily following the practice of such evaluation since FY 2008-09. The Company conducted the annual performance evaluation of the Board, the Chairman, its various Committees, and the Directors individually including the Independent Directors. The performance evaluation was done by an external management consultant who specializes in Board evaluations. The performance of the Board was evaluated by seeking inputs from all the directors and senior management. The evaluation criteria includes aspects such as the board composition and structure, effectiveness of Board processes, information, and functioning, etc. The evaluation was conducted in March and April 2022 and the findings of the evaluation were presented at the meetings of the Nomination and Remuneration Committee and the Board of Directors held in April 2022.

The directors are expected to exercise their business judgement in the interest of the Company and its stakeholders in all actions taken by the Board. The directors participate in articulating goals, visions, strategies, and business targets. The questions by shareholders are answerable by the directors at General Body Meetings. They are expected to ensure an appropriate dialogue with the shareholders. All the Board level appointments follow a structured and formal process within the purview of the Nominations Committee. The details of the previous year's observations and the actions taken thereon form part of the Report of the Directors.

Code of Conduct Pursuant to the requirements of Regulation 17(5)(a) of Listing Regulations, the Company obtains the affirmation of compliance of the Code of Conduct from its Directors and Senior Management on a yearly basis since Financial Year 2005-06. The annual total compensation ratio for FY 2021-22 was 23.73. The Annual Compensation Ratio is the Ratio of the total annual compensation for the organization's highest-paid individual in country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country. During the reporting period, we had no incidents of corruption. Persistent has not faced any material legal actions during the reporting period.

Furthermore, the Company made the Code of Conduct applicable to all its employees during Financial Year 2018-19. The Code of Conduct is an annual declaration that helps remind all employees and stakeholders the importance of maintaining highest standards of ethical business conduct for the Company. In terms of the Code of Conduct, Directors and employees must act within the guidelines of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interests of the Company and its shareholders and stakeholders.

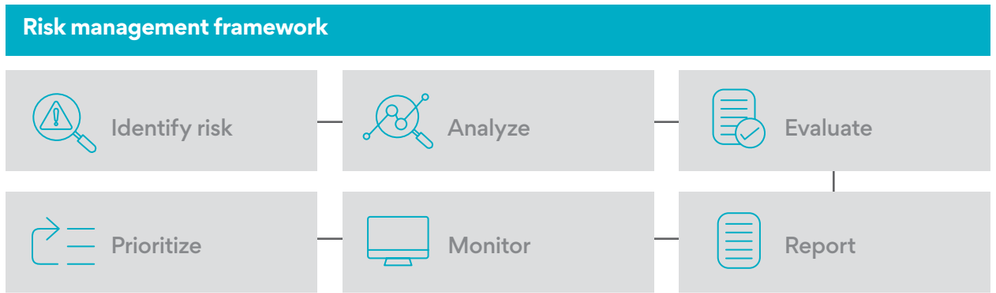
Further, Directors and employees must ensure that they do not derive any undue personal benefit because of their position in the Company and because they have access to certain confidential information coming to their knowledge. It has been affirmed to the Board of Directors that this Code of Conduct has been complied with by all the Board members and all the employees.

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Risk Management Framework

COVID-19 has shown us that some events are difficult to anticipate or estimate reliably. In the face of unprecedented changes, organizations have been forced to be prepared, update their business continuity plans, and re-examine their risk management approach. The role of the Enterprise Risk Management (ERM) function is to evaluate and define the internal and external risks that may affect the organization's ability to achieve its strategic objectives. In short, our ERM activities are more important than ever before.

The risk management framework at Persistent is as follows:



Risk Governance Structure

Risk governance is a fundamental part of corporate governance. It assists organizations to accept and manage risks within agreed risk appetite. It puts in place a structure of risk responsibility throughout the organization. As a result, everybody in the organization is aware of his/her own responsibility and accountability.

Composition of the risk management committee and effective management at Persistent is as follows:

Board of Directors

Risk Management

Risk Management Council (CFO and Head of Business)

Risk Officer

This risk governance structure emphasizes on strong central oversight and control of risks with clear accountability for and ownership of risks within each business unit. Every business unit owns the risk that it generates and is responsible for effective implementation of the mitigation plans. It has a senior management council which supports transparent risk reporting and discussion with the Board. Overall, this has helped to build a comprehensive and proactive risk management approach for Persistent.

Key Risks and Opportunities

Major risks	Effect of risk	Measures for risk mitigation
Cyber-attack and hacking risk	Increasing risk due to work-from-home causing increased exposure to data breach on endpoint devices	\ Revisiting of endpoint patching and initiation of program to achieve required compliance for each active endpoint
Increasing employee attrition rate	Increasing demand for skilled workforce in technology services leading to increasing employee turnover	\ Increasing employee retention strategies to mitigate attrition rate
Foreign exchange risk	Volatility in currency due to economic slowdown during the pandemic	\ Constant analysis and review of current economic scenario, exchange rate movement and net open position \ Regular consultation with forex risk advisors \ Forward cover on 12-month rolling basis to cover 45% to 70% of net open positions
Governance and compliance in new geographies	Expanding business in unknown territories lead to the risk of governance and compliance of local regulatory laws	\ Understanding local regulations, statutory compliances is vital to mitigate this risk. Hiring the right local consultant would help to get educated about local laws. Country readiness framework is prepared to identify legal obligations upfront
IP and data leakage	Shift to work-from-home has exposed companies to increased cyber risks	\ Operations are certified for ISO 27001:2013 information security management systems \ Industry standard data protections including DLP, VPN, isolated networks and encryption \ Continuous monitoring by 24X7X365 Security Operation Center (SOC)

Table 33: Risks identified and measure for mitigation

A review of the risks and opportunities identified and addressed is conducted four times in a year. This is to ensure timely and adequate discussion of ever-changing and increasing risks and threats to the organization. Recurrent discussions surrounding the risks that our business is exposed to and operates in strengthen our approach to tackle the same.

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Risk Mitigation and Compliance



Our target

- Being recognized as an industry leader in information security and cloud practices
- Use information governance to effectively manage data privacy and security-related risks

At Persistent, we take information security and privacy seriously and have implemented appropriate measures to safeguard both internal data and the data our customers entrust us with. Our strategy is to leverage data privacy and security not only for compliance and continuity but also for long-term competitive advantage through trust building. To achieve this, Persistent continues to maintain continuous adherence to multiple global standards which demonstrates our ability to deliver solutions and services effectively and consistently to customers.

Information Security @ Persistent

Persistent development centers are certified under ISO 27001:2013, ISO 27017, ISO 27018, and ISO 22301:2019.

The adherence to such strict standards means that the following are in place:

- Written and comprehensive set of information security policy documents
- Security configuration standards for networks, operating systems, applications, and user endpoints
- Environmental and physical security controls
- Information security awareness sessions
- Business continuity and disaster recovery plans are charted to ensure minimum impact to business and operation in case of emergency or disaster in line with ISO 22301:2019
- 24x7x365 Integrated Operations Center spanning NOC and SOC
- Well-established Governance Policy and processes

We believe that security is an ongoing activity, and as we evolve and expand our business, our customers can rest assured that we will continue to improve our security posture to ensure continuous compliance.

Persistent Certifications

- **ISO 27001:2013** - Information Security Management System
- **ISO 27017:2015** - Cloud Data Security
- **ISO 27018:2014** - Securing Personal Data in Cloud
- **ISO 27701:2019** - Privacy Information Management System
- **ISO 22301:2019** - Business Continuity Management System
- **SOC 2 Type II**

Privacy @ Persistent

Persistent has a lasting commitment toward Privacy. Persistent continues to remain compliant with the rapidly evolving legal landscape of data privacy and security. For further assurance, Persistent has got its Privacy Information Management System certified under ISO 27701:2013 in March 2022.

Assurance @ Persistent

Persistent's data privacy and security compliance are externally audited, and the results are exceedingly satisfactory. Persistent is a SOC 2 Type 2 compliant company and meets the service criteria for Security, Availability, Confidentiality and Privacy as set forth in TSP Section 100, 2017 Trust Services Principles.

Persistent's strong external position is continuously verified by external security rating firms such as:

- Bitsight: Advance
- Risk Recon: A
- Security Scorecard: A

We, at Persistent, provide a platform through which the contribution of the employee towards the new concept and invention amounts to intellectual property ('IP'). These IPs are registered and further protected in all respects. It is a win-win situation for both parties, i.e. Persistent and the employee who benefits from the registration of the intellectual property right (IPR). Persistent has a Policy on IP which governs the registration and related aspects of Trademark, Patent, and Copyrights. Persistent believes in encouraging and promoting the new creation by the employees. We ensure that the rights of the creation are protected and the employee and Persistent get due recognition for the IP.

Our Policy on the IP Registration and Budgeting Pre-requisites

IP registration

An employee, who has a new concept, approaches us and we help with the registration of the IP. The designated team at Persistent understands the concept and approaches the concerned employee for more details to provide more clarity and direction for the registration. The Concerned team then categorizes the IP in the appropriate IP category (Trademark/ Patent/Copyright) and we keep the concerned employee informed about such categorization and registration process.

After the registration, the employee will be the inventor of the IP and Persistent will be the owner of the IP.

Budgeting

The expenses involved in the registration process and legal expenses that are incurred in safeguarding the IPR during an infringement are huge. At times, the individual is unable to fight this legal battle and ends up losing his IPR. To avoid this, Persistent takes care of all the IP registration and related matters and expenses, thereby saving the IPR. We provide end-to-end processes and solutions for the creation of IP and for the registration and protection of IPR.

Safeguarding the IPR of the company

We take an undertaking from every employee at the time of joining. This undertaking safeguards the IPR of the company and all the work done in the course of their employment with the Company.

The undertaking encompasses all the activities which may lead to competition to the Company and restricts any such practices. It also places restrictions on the sharing of the details of the IP which are confidential in nature.

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Glossary

Annexures

Mapping of Material Topics – Chapter: Materiality Analysis

GRI Index

GRI 102 - General Disclosures 2016

GRI Standard	GRI Standard	Disclosure description	Chapter/Page No.
Organizational profile	102-1	Name of organization	About Persistent/17
	102-2	Activities, brands, products, and services	About Persistent/17
	102-3	Location of headquarters	About Persistent/17
	102-4	Location of operations	About Persistent/17
	102-5	Ownership and legal form	About Persistent/17
	102-6	Markets served	About Persistent/17
	102-7	The scale of the organization	Economic Performance/20
	102-8	Information on employees and other workers	Employee Management/51
	102-9	Supply chain	About Persistent/17
	102-10	Significant changes to the organization and its supply chain	Social - Supply Chain Management/41
	102-11	Precautionary Principle/Approach	Corporate Governance/65 Risk Management Framework/69
	102-12	External initiatives	About Persistent/17
	102-13	Membership of associations	About Persistent/17
Strategy	102-14	Statement from senior decision-maker	Foreword/5
	102-15	Key impacts, risks, and opportunities	Corporate Governance /65 Risk Governance/69
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	About Persistent/17
Governance Structure	102-18	Governance structure	Corporate Governance/65
	102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement/26
	102-22	Composition of the highest governance body and its committees	Corporate Governance/65
	102-23	Chair of the highest governance body	Corporate Governance/65
	102-24	Nominating and selecting the highest governance body	Corporate Governance/65
	102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance/65
	102-29	Identifying and managing economic, environmental, and social impacts	Corporate Governance/65
	102-30	Effectiveness of risk management processes	Corporate Governance/65
	102-31	Review of economic, environmental, and social topics	Corporate Governance/65
	102-35	Remuneration policies	Corporate Governance/65
	102-38	Annual total compensation ratio	Corporate Governance/65
Stakeholder Engagement	102-40	List of stakeholder groups	Stakeholder Engagement/26
	102-42	Identifying and selecting stakeholders	Stakeholder Engagement/26
	102-43	Approach to stakeholder engagement	Stakeholder Engagement/26
	102-44	Key topics and concerns raised	Stakeholder Engagement/26
Reporting Practice	102-45	Entities included in the consolidated financial statements	About Persistent/17 Reporting Approach/24
	102-46	Defining report content and topic Boundaries	Reporting Approach/24 Materiality Analysis/28
	102-47	List of material topics	Materiality Analysis/28
	102-48	Restatements of information	Reporting Approach/24
	102-49	Changes in reporting	Reporting Approach/24
	102-50	Reporting period	Reporting Approach/24
	102-51	Date of the most recent report	Reporting Approach/24
	102-52	Reporting cycle	Reporting Approach/24
	102-53	Contact point for questions regarding the report	Reporting Approach/24
	102-54	Claims of reporting in accordance with the GRI Standards	Reporting Approach/24
	102-55	GRI content index	GRI Context Index/73

GRI 200 Economic Performance

	GRI Standard	Disclosure description	Chapter/Page No.
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Economic Performance/20
	201-2	Financial implications and other risks and opportunities due to climate change	Economic Performance/20
	201-3	Defined benefit plan obligations and other retirement plans	Economic Performance/20
	201-4	Financial assistance received from the government	Economic Performance/20
GRI 203: Indirect Economic Impacts	203-2	Significant indirect economic impacts	Economic Performance/20
	204-1	The proportion of spending on local suppliers	
GRI 204: Procurement Practices	205-1	Operations assessed for risks related to corruption	Corporate Governance/65
GRI 205: Anti-Corruption	205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance/65
	205-3	Confirmed incidents of corruption and actions taken	Corporate Governance/65
GRI 206: Anti-Competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Corporate Governance/65

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GRI 300 Environmental

	GRI Standard	Disclosure description	Chapter/Page No.
GRI 302: Energy	302-1	Direct (Scope 1) GHG emissions	Energy and Emissions Management/32
	302-2	Energy indirect (Scope 2) GHG emissions	Energy and Emissions Management/32
	302-4	GHG emissions intensity	Energy and Emissions Management/32
GRI 303: Water and Effluents	303-1	Reduction of GHG emissions	Energy and Emissions Management/32
	303-3	Emissions of ozone-depleting substances (ODS)	Energy and Emissions Management/32
	303-4	Waste generation and significant waste-related impacts	Waste Management/39
	303-5	Management of significant waste-related impacts	Waste Management/39
GRI 305: Emissions	305-1	Waste generated	Waste Management/39
	305-2	Waste diverted from disposal	Waste Management/39
	305-4	Waste directed to disposal	Waste Management/39
	305-5	Non-compliance with environmental laws and regulations	Environmental Footprint/30
	305-6	External initiatives	About Persistent/17
GRI 306: Waste	306-1	Membership of associations	About Persistent/17
	306-2	Statement from senior decision-maker	Foreword/5
	306-3	Key impacts, risks, and opportunities	Corporate Governance/65 -Risk Governance/69
	306-4	Values, principles, standards, and norms of behavior	About Persistent/17
	306-5	Governance structure	Corporate Governance/65
GRI 307: Environmental Compliance	307-1	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement/26

GRI 400 Social

	GRI Standard	Disclosure description	Chapter/Page No.
GRI 401: Employment	401-1	New employee hires and employee turnover	Employee Management/51
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Management/51
	401-3	Parental leave	Employee Management/51
GRI 402: Labor/ Management Relations	402-1	Minimum notice periods regarding operational changes	Employee Management/51
GRI 403: Occupational Health and Safety	403-5	Worker training on occupational health and safety	Employee Management/51
	403-8	Workers covered by an occupational health and safety management system	Employee Management/51
GRI 404: Training and Education	404-1	Average hours of training per year per employee	Empowering Employees/60
	404-2	Programs for upgrading employee skills and transition assistance programs	Empowering Employees/60
	404-3	Percentage of employees receiving regular performance and career development reviews	Empowering Employees/60
GRI 405 Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Empowering Employees/60
	405-2	The ratio of basic salary and remuneration of women to men	Empowering Employees/60
GRI 406: Nondiscrimination	406-1	Incidents of discrimination and corrective actions taken	Empowering Employees/60
GRI 408: Child Labor	408-1	Operations and suppliers are at significant risk for incidents of child labor	Supply Chain Management/41
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers are at significant risk for incidents of forced or compulsory labor	Supply Chain Management/41
GRI 410: Security Practices	410-1	Security personnel trained in human rights policies or procedures	Human Rights/63
GRI 412: Human Rights Assessment	412-2	Employee training on human rights policies or procedures	Human Rights/63
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Relationship with Communities/43
	413-2	Operations with significant actual and potential negative impacts on local communities	Relationship with Communities/43
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Corporate Governance/65
GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	Corporate Governance/65 Risk Management Framework/69

GRI exclusions

Disclosure 102-41	Collective bargaining agreements
Disclosure 306-4	Waste diverted from disposal
Disclosure 306-5	Waste directed to a disposal

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SASB Index

SASB Code	Accounting metric	Chapter/Pg. No.
TC0102-01	Total energy consumed, percentage grid electricity, percentage renewable energy	Environmental Aspects/30 Energy and Emission Management/32
TC0102-04	Discussion of policies and practices relating to the collection, usage, and retention of customers' information and personally identifiable information	Risk mitigation and compliance/71
TC0102-10	Discussion of management approach to identifying and addressing data security risks	Corporate Governance/65
TC0102-13	Percentage of gender and racial/ethnic group representation for: (1) executives and (2) all others	Employee Management/51
TC0102-15	Discussion of business continuity risks related to disruptions of operations	Corporate Governance/65 Risk Management/69