



Environmental, Social and Governance (ESG) Policy

July 2024

Environmental, Social and Governance (ESG)

Policy

Overview

This ESG policy outlines our company-wide approach to integrating Environmental, Social, and Governance (ESG) considerations into our business operations. We are committed to collaborating with our employees, customers, partners, and societies to build a more equitable, sustainable, and better world by applying technology and engineering.

Purpose

This Environmental, Social, and Governance (ESG) Policy aims to ensure that Persistent and its subsidiaries, affiliates, and associated companies (collectively referred to as 'Persistent') always act responsibly.

Scope

The ESG policy applies to anyone who works or acts on behalf of Persistent in any capacity. This covers all employees, contractors, subcontractors, and individuals. All suppliers who provide Persistent goods or services must also adhere to the principles of this policy and comply with local laws and practices. This policy sets out the principles that are relevant to all Persistent locations covering global operations, key business partners, merged and acquired entities except client offices.

Our ESG Vision

Since 2022, Persistent supports the Ten Principles of the United Nations Global Compact (UNGC) on human rights, labour, environment and anti-corruption. We are committed to making the UNGC principles part of our company's strategy, culture and day-to-day operations. Our ESG framework includes getting continuously better at the following:

Environmental Sustainability: Use technology solutions to reduce greenhouse gas emissions.

Diversity and Inclusion: Build an inclusive workplace and nurture diverse talent.

Social Responsibility: Commitment to positively impact society.

Corporate Governance: Good governance practices for responsible business and stakeholder value creation

Environmental Sustainability

We and our stakeholders face challenges and opportunities related to climate change and environmental sustainability. We are firmly dedicated to lowering and minimizing the environmental impact of our internal operations.

Our focus will be on four aspects:

- \ Reducing GHG (Greenhouse Gas emissions) and using energy from renewable sources
- \ Improving the efficiency of water use and Zero discharge of effluents
- \ Sustainable Waste management and reducing waste to landfills and
- \ Protecting Biodiversity

We will achieve our commitment to the Environment through the following:

- \ Setting clear and ambitious goals that are based on sound scientific principles.
- \ Establishing strong governance through alignment of our business strategies with the sustainability agenda
- \ Using best-in-class solutions and technologies to reduce GHG emissions from own and value chain operations.
- \ Reducing the consumption of fossil-fuel-based energy by transitioning to renewable & green energy.
- \ Provide environmental awareness education so that our employees understand the impacts of their work activities on the environment.
- \ Commitment to implement & continuously improve environmental management system as per ISO14001 standards and ISO14064 standards

Priorities and Targets:

Persistent has taken short and long-term targets to reduce GHG emissions by aligning to Sustainable development goals (SDG), which are as follows:

- \ Achieve Carbon Neutrality for Scope1 and Scope2 by FY 2025
- \ 100% electricity sourced from renewable energy by FY 2025
- \ Reduce 30% emissions (Scope 3) from our global operations by FY 2028
- \ Net-zero GHG emissions by FY 2050 will be achieved by:

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

Diversity and Inclusion

Persistent is committed to fostering, cultivating, and preserving a culture of diversity and inclusion within the organisation and in larger communities that we partner with. We are an Equal Opportunity Employer.

At Persistent, we recognise the immense value of diversity and inclusion in driving innovation and creating a thriving workplace culture. We are committed to fostering an environment where every individual feels empowered, respected, and valued, regardless of their background. Our Diversity and Inclusion (D & I) policy is guided by our values and embedded in the culture of Persistent. We are committed to fostering a culture of Diversity, Equity, Inclusion and Belonging and our focus on diversity and inclusivity covers the following 4 Es: Enable, Empower, Engage and Employ.

Social Responsibility

The Persistent Foundation continues to strive for positive changes and lasting benefits in the fields of Health, Education, Community Development, wildlife conservation, and cultural heritage preservation.

- \ Health: Impacting lives through healthcare support for children and the elderly to foster healthier, happier communities.
- \ Education: Nurturing and empowering young minds through quality education and infrastructure enhancement for a brighter future.
- \ Community Development: Sustainable water conservation initiatives, green energy, and livelihood support for a better world.
- \ Wildlife conservation and preservation of cultural heritage:
- \ Preserving cultural heritage, alleviating human-animal conflict, and safeguarding biodiversity for a peaceful co-existence.
- \ We encourage inspired action from individuals and groups through the contribution of time and resources to build a better society.

Corporate Governance

Persistent Systems values the importance of maintaining high standards of Corporate Governance, driven by our strong commitment to creating long-term value for all stakeholders. We ensure to run our business ethically and in accordance with the letter and spirit of all applicable laws and regulations in all countries where we operate. We uphold fairness, transparency, accountability and integrity at every level of the organisation for responsible business conduct.

We are committed to training our full-time employees, contractors, consultants, and temporary personnel on topics such as data protection and privacy, code of ethics, and conflicts of interest, among others, in addition to initial training during onboarding. We engage our entire organisation through a cybersecurity and data privacy awareness program to educate our employees to identify suspicious activities and report them.

Occupational Health and Safety (OHS)

OHS policy applies to the company's entire operations, employees, contractors and individuals under the company's supervision and includes the following:

- \\ Compliance with relevant OHS international standards and regulations,
- \\ A commitment to continually improve the performance of the OHS management system as per ISO 45001 standards.
- \\ Consultation with and participation of workers and where they exist, worker's representatives
- \\ Setting up prioritization and action plans with quantified targets to address OHS risks.
- \\ Establishment of quantitative targets and evaluation of progress in reducing/preventing health issues/risks
- \\ Procedures for hazard identification and risk assessment, investigate work-related injuries, ill health, diseases and incidents
- \\ Emergency preparedness procedures to respond to emergency situations
- \\ Regular health and safety training to raise awareness and reduce operational health & safety incidents.

Governance of ESG Principles

To further strengthen our vision and focus on ESG, the Board of Directors has constituted the Stakeholders Relationship and Environmental Social Governance (SR and ESG) Committee to discuss ESG strategy and road map to achieve ESG goals. The Committee meets twice a year to discuss ESG Goals, Climate-related Risks and opportunities and stakeholder issues.

The SR and ESG Committee, as mandated by the law, looks after the interests of our investors, shareholders, and any other stakeholders and plays a crucial role in the organization's commitment to sustainable practices and responsible business operations.

This committee is responsible, to oversee the Environment, Social and Governance (ESG) initiatives at Persistent including but not limited to:

- \\ Setting the tone and reinforcing the culture within the Company regarding sustainability, promoting open discussion and integrating ESG strategy and its alignment with Company's strategy and goals
- \\ Endorsing the ESG vision and goals set out on an ongoing basis.
- \\ Reviewing and monitoring ESG framework, the progress against the stated vision and goals, disclosures, and reporting
- \\ Providing guidance and monitoring key environmental, social and governance issues such as climate-related risks (current and emerging) and opportunities, resource efficiency and circularity, responsible sourcing and value chain sustainability, labor practices and human rights, good governance practices and social responsibility
- \\ Looking into material issues and areas of interest that are of importance to stakeholders
- \\ Ensuring transparency and reporting on approach to ESG matters to employees, customers, suppliers, investors, communities, and other stakeholders

CSR Committee

Our CSR Committee, consisting of the Board of Directors, oversees the framing, monitoring, and execution of our CSR activities. The committee ensures effective discharge of our social responsibility through various CSR projects.

Leadership commitment and accountability

As the top leaders of Persistent, the Chief Operating Officer (COO) in consultation with the Chief Executive Officer (CEO) have the ultimate duty to oversee the ESG policy implementation by showing the following:

- \\ Setting targets and objectives to reduce environmental and social impacts
- \\ Assigning clear roles and responsibility for putting the ESG policy into action and carrying out ESG initiatives by making the Executive management, CXOs and departmental heads accountable to achieve Climate action goals and other ESG goals.

- \\ Allocating enough resources for the investment, by setting up efficient governance processes of planning and review and by guiding the whole organization to align with our stated vision and goals.
- \\ Promoting innovation, thought leadership and investment that support sustainable development to address social and environmental issues.
- \\ Partnering with customers to help them reduce their environmental footprint towards meeting their sustainability goals by using Persistent capabilities
- \\ Collaborating with our suppliers to lower the carbon emissions of the products and services we buy, respect human rights and labour standards, and continue to consider environmental and social aspects in our buying practices.
- \\ Including critical environmental and social issues into our core business strategy. The key elements of this are the inclusion of these risks into our Enterprise Risk Management (ERM) strategy.
- \\ Using low emission technologies and keep monitoring & improving our environmental and social performance
- \\ Ensuring compliance with ESG laws and regulations and adopting voluntary standards.
- \\ Educating internal and external stakeholders to understand the impacts of their work activities on the environment.
- \\ Developing programs to offer opportunities for our people to volunteer in environmental and social activities.
- \\ Committing to implement & continuously improve the EHS performance.
- \\ Raising internal and external stakeholders awareness of EHS policy and environmental impacts

The Chief Sustainability Officer (CSO)/ESG head works closely with CEO, COO, Board of directors, executive leadership and departments heads and plays a pivotal role in driving sustainability initiatives and integrating ESG principles into organization strategy, operations, and culture. CSO/ESG head creates and communicates the ESG vision, goals and priorities that are consistent with company's values and business strategy. CSO/ESG head leads the development and execution of policies and action plans that deal with environmental stewardship, social responsibility and corporate governance.

The Chief Administrative Officer (CAO) is accountable for creating workplaces that are secure, healthy, efficient, accessible and inclusive and ensures compliance with relevant environmental laws and regulations. CAO ensures responsible use of natural resources by obtaining energy from renewable sources, follow water and waste management practices, green procurement,

sustainable, eco-friendly, energy efficient and locally sourced to ensure waste circularity and continuous improvement of environmental performance of new and existing facilities through Implementation of Environmental, health and safety management system (ISO 14001 and ISO 45001).

The Chief People Officer (CPO) has the role of creating a culture of belongingness that values Sustainability, Diversity & Inclusion, commitment to respecting and upholding Human Rights, social responsibility, and employee awareness on Environmental and social responsibility.

The Chief Risk Officer (CRO) identifies and assesses ESG risks that may impact organization's operations, reputation, and long-term sustainability. CRO ensures Climate risks and social risks are integrated into overall ERM framework.

Stakeholder Inclusiveness

To advance on the ESG journey, we need the collaboration of various stakeholders. Besides customers, we will focus on the most significant issues for our investors, employees, suppliers, and communities. For each of our stakeholder group, we will apply a process of co-creating the main issues that matter and that could impact our value creation potential. We use their feedback and expectations to guide our ESG plan. This helps us to establish lasting relationships based on trust and transparency.

We have regular conversations with our employees, customers, suppliers, investors, shareholders, societies at large, industry and civil society networks at regional, national, and global levels. These are addressed in the Company's Annual General Meeting (AGM), Quarterly board meetings, employee townhalls, supplier meets.

Transparency: ESG Disclosures and Reports

We are committed to being transparent and accountable for our ESG matters to our employees, customers, suppliers, investors, communities, and other stakeholders.

Our ESG Report shows how we are advancing our ESG Vision and goals. The report responds to the increasing expectations of stakeholders on ESG aspects, and our website gives regular updates on our achievements.

Reporting Framework and Standards

We prepare our ESG report following Global Reporting Initiative (GRI Standards 2021, Sustainability Accounting Standard Board (SASB) standards, TCFD Principles, and we align our material issues with the United Nations Sustainable Development Goals (UNSDGs) to ensure transparency and accountability and to communicate our progress with the UN Global Compact (UNGC).

We also publish an annual Business Responsibility and Sustainability Reporting (BRSR) to

show our performance against the stated principles of the National Voluntary Guidelines (NVG) developed by the Ministry of Corporate Affairs (MCA), Government of India and as per the guidelines of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We report our energy consumption, emissions, Climate risk and opportunities and climate strategy in our annual response to the Carbon disclosure Project (CDP). We include detailed corporate governance disclosures in our annual report. We actively monitor and address the emerging expectations of ESG investors.

Communication and Review of policy

This Policy has been approved by the Board of Directors and may be revised from time to time or annually to reflect our ESG strategy. We ensure that we inform major changes to the Policy promptly, by an “update” on the [Persistent website](#), or any another appropriate way of contacting relevant parties.

We will implement our policy through increasing awareness and taking concrete actions, while being open to continuous improvement. We believe that the policy is a strong foundation for effective integration of our marketplace, workplace, operations, environment, and community.

In delivering on this policy, our company is committed to a program of continual improvement and will set objectives and targets, measure progress against them, and, where appropriate, share our key metrics with stakeholders. Targets will be reviewed annually to ensure they remain appropriate and achievable.

About Persistent

We are a trusted Digital Engineering and Enterprise Modernization partner, combining deep technical expertise and industry experience to help our clients anticipate what's next. Our offerings and proven solutions create a unique competitive advantage for our clients by giving them the power to see beyond and rise above. We work with many industry-leading organizations world-wide including 14 of the 30 most innovative US companies, 80% of the largest banks in the US and India, and numerous innovators across the healthcare ecosystem. Our company fosters a values-driven and people-centric work environment. Our strength of over 22,500+ employees is spread over 18 different countries across the globe.

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