



ESG Governance FY 2024-25



ESG Governance



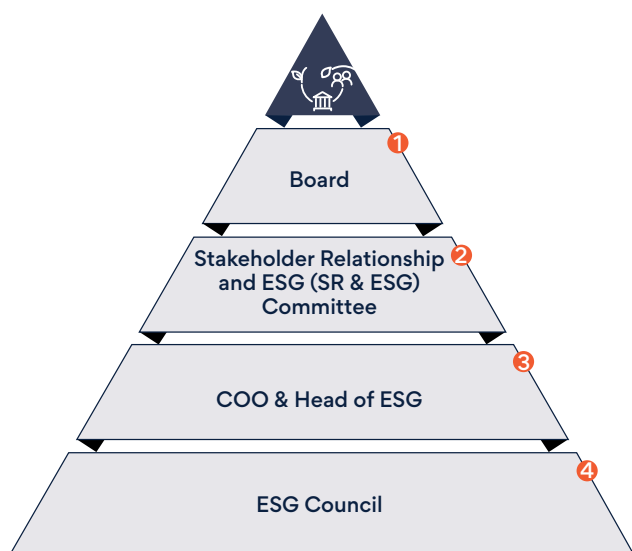
Environmental, Social, and Governance (ESG) are crucial in today's corporate landscape as it ensures that companies operate responsibly and sustainably. Effective ESG helps build trust and transparency with stakeholders, including customers, employees, investors, society, and the environment. By embedding sustainability principles into business practices and supply chains, Persistent Systems demonstrates its commitment to protecting the environment, promoting ecosystem health, and upholding strong social and governance standards.

ESG involves setting clear goals, implementing well-structured processes, and maintaining continuous oversight to monitor and enhance key ESG metrics. This approach not only mitigates risks but also drives long-term value creation for all stakeholders.

Board Oversight and Management Responsibility of ESG

GRI 2-13, 2-14, 2-22

Level of Oversight



- 1 > **Board Oversight**
Our Board of Directors drives our long-term sustainability strategy, approves ESG initiatives, oversees related risks, and ensures alignment with business goals.
- 2 > **ESG Committee Oversight**
The Stakeholder Relationship and ESG Committee plays a key role in driving sustainability initiatives, implementing our ESG vision, and advancing our commitments.
- 3 > **Executive Oversight**
The Chief Operating Officer (COO) and the Head of ESG, who reports to the COO, present updates on ESG goals, planned initiatives, key policy changes, and strategic focus areas. They also keep the Board informed about the impacts of material ESG issues on stakeholder interests.
- 4 > **ESG Council**
The ESG council includes representatives from various functions, such as Human Resources, Corporate Secretarial, Investor Relations, Enterprise Risk Management, Administration & Infrastructure Projects, Internal Audit, Procurement, Finance & Taxation, Talent Management, Learning & Development, Delivery Excellence, CSR, and IT. They work on ESG KPIs, process standardizations, and SOPs to achieve overall ESG goals.

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, with two meetings held in April and October of every year to discuss ESG Goals, Climate-related risks and opportunities and stakeholder issues. The SR and ESG Committee, as mandated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

The Stakeholders Relationship and ESG Committee is chaired by an Independent Director and the members of the Committee include Executive and Independent Directors. They have comprehensive expertise in ESG, Sustainability, Diversity and Inclusion, Climate Issues, as well as Risk and Compliance.



For more details, refer to

SR & ESG Committee of Annual Report

Roles and Responsibilities of the SR & ESG Committee

Composition of the Stakeholders Relationship and ESG Committee of the Board of Directors as of March 31, 2025

Name of the Director	Designation	Stakeholders Relationship and ESG Committee Meeting Attendance	
		April 2025	October 2024
Arvind Goel	Chairperson of the Committee and Independent Director	C	C
Dr. Anand Deshpande	Chairman and Managing Director	Y	Y
Sunil Sapre*	Executive Director and Chief Financial Officer	Y	Y
Avani Davda	Independent Director	Y	Y

* Ceased to be a member of the Committee pursuant to his retirement w.e.f. January 1, 2025
C – Attended as Chairperson, Y – Attended as Committee Member

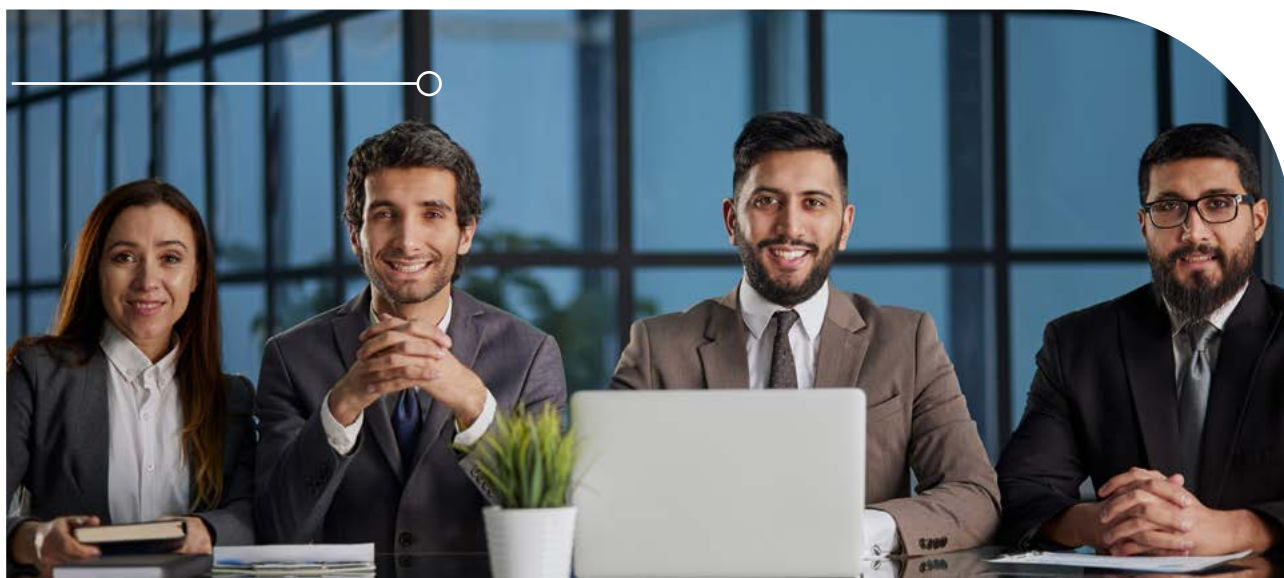
This committee is responsible, for overseeing the Environment, Social and Governance (ESG) initiatives at Persistent Systems, including but not limited to:

- Setting the tone and reinforcing the culture within Persistent Systems regarding sustainability, promoting open discussion and integrating ESG strategy and its alignment with Persistent System's strategy and goals.
- Endorse 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, labour 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.

Leadership commitment and accountability

As the top leaders of Persistent Systems, the Chief Operating Officer (COO) in consultation with the Chief Executive Officer (CEO) has 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 Systems 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 emissions 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 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. ESG Head creates and communicates the ESG vision, goals and priorities that are consistent with Company's values and business strategy. 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.
- The Cyber Risk Management framework is owned by a dedicated CISO office comprising appropriate Governance, Risk Management and Compliance (GRC) functions, technical expertise, and capabilities postured to secure Persistent System's information assets. Cyber Risks are reported to the Risk Committee of the Board and discussed at Board level with the active participation of C-Suite and business leaders

Compensation linked to ESG

To ensure accountability and embed sustainability into business operations, ESG Key Performance Indicators (KPIs) are integrated into individual performance bonuses, monetary incentives, and recognition programs. These KPIs align with the organization's ESG strategy, ensuring that leadership actively contributes to carbon neutrality, diversity & inclusion, responsible sourcing, risk management, and governance excellence.

The following outlines ESG-linked performance metrics for key leadership roles:

Chief Operating Officer (COO)

- Achieving key ESG goals, such as carbon neutrality, net-zero commitments, and diversity & inclusion targets.
- Driving Company performance in leading sustainability/ESG indices.
- Strengthening corporate governance for enhanced ESG oversight.

Head – Environmental, Social, and Governance (ESG)

- Leading stakeholder engagement and identification of material ESG issues.
- Ensuring progress on carbon neutrality, net-zero commitments, and diversity & inclusion targets.
- Promoting gender diversity and an inclusive workplace.
- Driving value chain engagement, including responsible sourcing with customers and suppliers.
- Implementing employee awareness campaigns and training programs on climate-related and human rights issues.

- Enhancing Company performance in sustainability/ESG indices.

Head – Administration

- Strengthening Environmental, Health & Safety (EHS) awareness through employee and supplier training.
- Increasing the share of renewable and low-carbon energy to drive energy efficiency.
- Reducing emissions and improving resource efficiency in energy and water consumption.
- Advancing waste circularity through reduce, reuse, and recycle initiatives.
- Ensuring compliance with Environmental, Health, and Safety Management Systems (ISO 14001 & ISO 45001).

Head – Enterprise Risk Management (ERM)

- Reviewing risk exposure and conducting risk management audits.
- Promoting a strong risk culture through:
 - Risk education for Non-Executive directors.
 - Training employees on risk management principles.
 - Incorporating risk considerations into new service development.



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