Net-zero Roadmap and Transition Plan

Net-zero Roadmap and Transition Plan

Persistent Systems has a defined transition plan to align with global net-zero GHG emission goals and the Paris Agreement 1.5°C pathway. The Company is committed to achieving net-zero greenhouse gas (GHG) emissions across its value chain by FY2050, with a near-term target of 54.60% reduction in absolute Scope 1, Scope 2 and Scope 3 emissions by FY 2033–34, relative to the FY 2023–24 base year. These targets have been validated and approved by the Science Based Targets initiative (SBTi) in December 2024.

The Company's transition approach is structured around three key levers:

Avoid and Reduce

Driving energy efficiency, demand reduction and operational optimisation across facilities and processes

Replace

Increasing the share of renewable electricity through on-site and off-site sourcing and transitioning to low-carbon alternatives

Neutralise residual emissions

Increasing the share of renewable electricity through on-site and off-site sourcing and transitioning to low-carbon alternatives

Key decarbonisation levers include:

Scope 1

Energy efficiency measures, reduction in fossil fuel use and optimisation of backup power systems

Scope 2

Accelerated adoption of renewable electricity (including PPAs, green tariffs and on-site solar), supported by energy management systems aligned with ISO 50001 principles

Scope 3

Supplier engagement on GHG measurement and reporting, integration of ESG criteria into procurement, reduction in business travel emissions and circularity initiatives including waste and resource efficiency.

The transition plan is supported by targeted investments in renewable energy, energy efficient infrastructure and digital monitoring systems, along with circular economy initiatives such as waste-to resource solutions.

Quantified target for Net-zero Climate Investments

- Ongoing **capital investments in renewable energy sourcing (on-site and off-site PPAs)** and energy-efficient infrastructure.
- Investments in **green buildings, energy management systems (aligned with ISO 50001 principles)** and digital monitoring tools.
- Targeted investments to support **circular economy initiatives (e.g. waste-to-resource projects such as bio-gas plant).**

Persistent Systems actively engages stakeholders to support implementation

Value chain

Supplier capacity-building on emissions accounting, data reporting and ESG practices

Sustainability frameworks and industry platforms

Participation in global frameworks such as SBTi, UNGC and CDP

Government and civil society

Alignment with national climate priorities and regulatory frameworks

Assessment of social implications of the transition plan and corresponding actions: The Company also considers social implications of the transition, including employee reskilling and green skills development, support to MSME partners through capacity-building and investments and community initiatives focused on environmental sustainability and climate resilience.

Governance oversight is ensured through Board-level SR and ESG committee and ESG leadership structures, with periodic monitoring of climate KPIs and progress against targets.

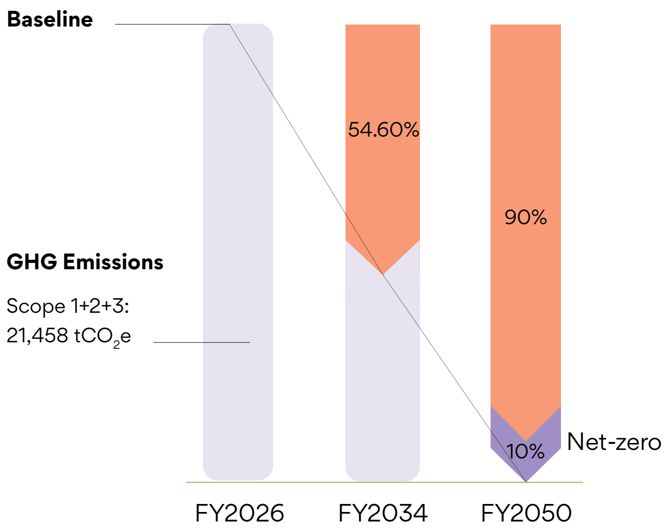
Process Efficiency and Fuel Transition
Adoption of low-energy technologies, Optimization of HVAC and lighting systems, Reduced business travel, transition from fossil fuel-powered vehicles to electric vehicles, Sustainable procurement, lesser waste to landfill

Renewable Energy
RE procurement from windmill, solar rooftop, Green Tariff & IRECs

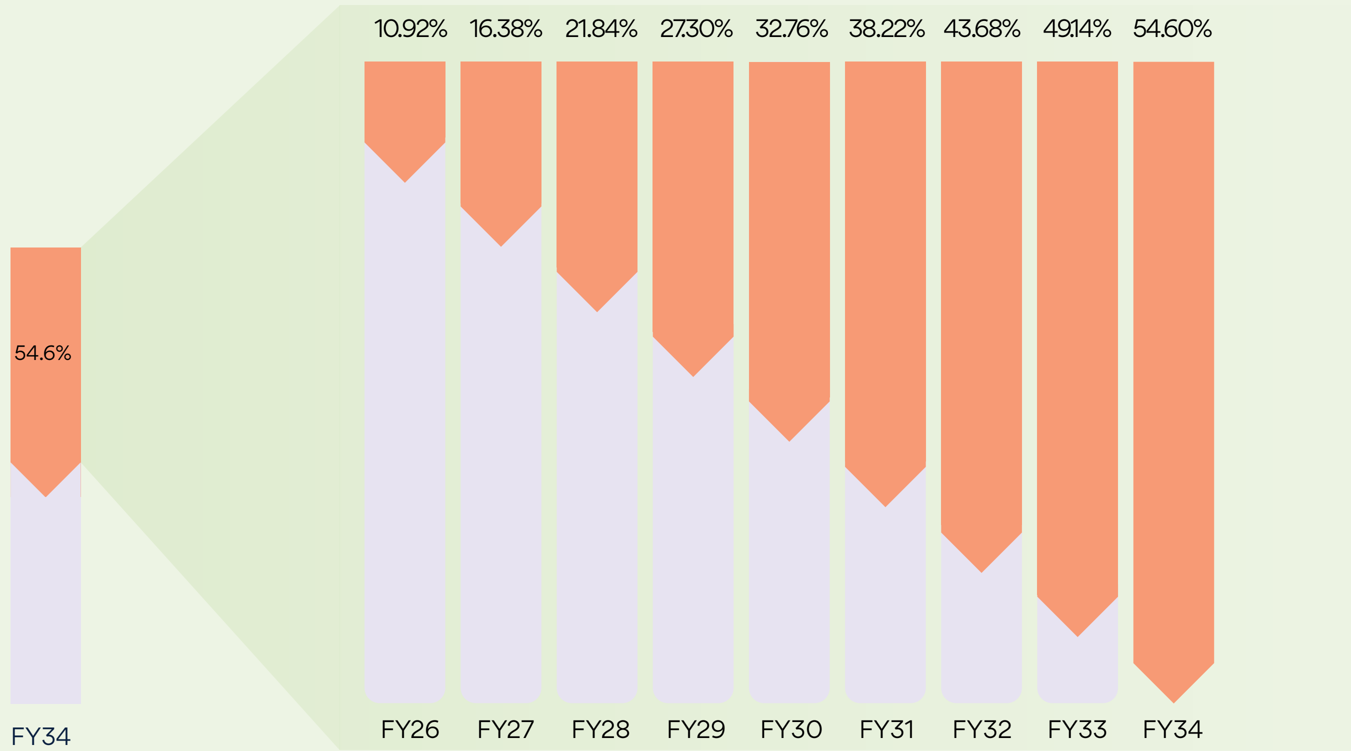
Carbon Offset
Carbon sequestration and carbon sink initiatives through afforestation, Procurement of carbon credits via verified offset projects

GHG Emissions

Net-zero Roadmap



Near-Term Emissions Reduction Roadmap



Scope 1, 2, 3 Absolute Emissions Reduction Year on Year (YoY)

Residual emissions

Emission reduction

Key Decarbonisation Levers – Net-zero Pathway

Net-zero Target
FY2050
To reach net-zero GHG emissions across the value chain by FY2050

Near-Term Target
54.6%
Reduction of absolute Scope 1,2,3 GHG emissions by FY2034 from a FY2024 base year

Long-Term Target
90%
Reduction of absolute Scope 1,2,3 GHG emissions by FY2050 from a FY2024 base year

Refer SBTI validated and approved targets

Key Levers

HVAC/VRV upgrades, high-efficiency VRV systems, IoT/BMS controls, on-site renewable generation, EV fleet, LEDs & controls, BMS/IoT, EV shift, renewables + I-RECs, supplier GHG accounting, travel reduction, SAF in setting where applicable	Supplier SBT adoption, low-carbon procurement, deep efficiency, circularity	Neutralize residual (~10%) through verified carbon removals (if planned)

Persistent Systems transition strategy is driven by specific, quantified mitigation technologies and initiatives, each contributing measurably to closing the emissions gap over next 5 years (FY2027 to FY2031).

1. Energy Efficiency & Optimization

High-Efficiency HVAC Systems -
Retrofitted Variable Refrigerant Volume (VRV) units with low-Global Warming Potential (GWP) refrigerants (R-32/R-410A) at Vedas, Goa and Bhageerath locations, yielding 255.56 MWh kWh/year energy savings and 253.41 tCO_2e annual emissions reduction.

Building Management System (BMS) & IoT Controls -
IoT-based facility management integrating occupancy-based controls, demand-side management and real-time energy monitoring across all campuses, reducing energy waste by ~15-20%.

Lighting Optimization-
100% LED transition across all indoor, outdoor and common areas with smart sensors, timers and occupancy detectors, conserving lighting energy consumption of 212.74 MWh during FY 2025-26.

2. Adoption of Renewable Energy

On-site Solar Generation -
2 MWp photovoltaic installations across Pune, Goa and Nagpur campuses, generating 1,883.53 MWh annually and reducing grid electricity demand by 11.31%.

Captive Wind Energy -
Open-access wind power arrangement with 2 windmills, combined 4.2 MW capacity, providing stable renewable electricity supply and generating 3,363.34 MWh annually and reducing grid electricity demand by 20.19%.

Renewable Energy Procurement -
Green tariff from DISCOMs and RECs offset ensure 96.54% renewable electricity for owned India locations.

Emission reduction -
100% Scope 2 location-based emissions offset through renewable sources resulting in 11,610.36 tCO_2e annual avoidance (relative to grid baseline).

3. Electric Vehicle (EV) Transition & Mobility Optimization

EV Fleet for Employee Commuting & Last-Mile Transport -
Progressive adoption of electric vehicles for employee commuting and last-mile transport across Pune, Nagpur and Goa campuses. 17.8 tCO_2e emissions avoidance through EV transition.

Business Travel Optimization -
Virtual meetings policy and selective business travel reduction initiatives, with Sustainable Aviation Fuel (SAF) insetting explored for unavoidable air travel.

Alternative fuel vehicles -
85% of the transport fleet (business travel and associate commute) operates on CNG.

4. Supply Chain Engagement & Supplier GHG Accounting

Supplier ESG Screening & GHG Accounting -
Engagement programme covering key vendors (75% of procurement spend) to establish baseline emissions data, identify reduction opportunities and support Science-Based Targets adoption among suppliers.

Green Procurement Policy -
Procurement guidelines incorporate environmental criteria (emissions, energy efficiency, waste management) into supplier evaluation and contract terms, incentivizing lower-carbon alternatives.

5. Data Centre & Cloud Infrastructure Optimization

Cloud-First Strategy -
Progressive migration of workloads from on-premises infrastructure to hyperscale cloud providers (AWS, Azure, Google Cloud), leveraging advanced energy management practices and cloud providers' renewable energy commitments. The company does not own or operate any on-premises data centres across its locations.

6. Residual Emissions Neutralization

Carbon Offset Strategy -
Residual Scope 1 emissions after direct reduction initiatives are neutralized through purchase of high-quality, verified carbon credits. Credits meet internationally recognized standards and are retired annually.

Scope 2 Market-Based Neutrality -
Achieved through 100% renewable electricity sourcing (on-site solar, wind, green tariff, I-RECs), resulting in zero market-based Scope 2 emissions (maintained for 3 consecutive years: FY2024 to FY2026).

Governance & Monitoring

The Net-zero Transition Plan is governed through:

Executive Ownership -
CFO, Global Head ESG and Global Head Administration own specific Decarbonisation workstreams and report progress to the SR and ESG Committee bi-annually.

Dependency Management -
Transition initiatives are sequenced to account for capital availability, technology maturity and operational constraints (e.g., renewable energy grid expansion, EV supply chain maturity).

Target Tracking -
Annual progress against SBTi pathway monitored using GHG inventory; variance analysis conducted to identify corrective actions.

External Validation -
SBTi approved and validated targets and DNV Business Assurance India Private Limited annual assurance of GHG emissions provide independent oversight and credibility.

Input Materials and Recycled Materials

Materials used by weight or volume - Not Applicable, Persistent Systems primarily utilises indirect materials, including office supplies and IT equipment. Material consumption is monitored, where applicable, to support resource efficiency and responsible procurement.

Recycled input materials used - The Company remains committed to minimising waste generate from It's operations and promotes the use of recycled and environmentally preferable materials, including paper and packaging, to reduce reliance on virgin resources. During the reporting year, a facility in Pune underwent refurbishment, with approximately 85% of furniture procured being eco-certified, reflecting a high adoption of sustainable materials. The Company continues to collaborate with suppliers to increase eco-certified sourcing.

Reclaimed products and their packaging materials - Not Applicable, Persistent Systems adopts responsible IT asset management practices, focusing on refurbishment, reuse and authorised recycling of end-of-life equipment to optimise material recovery and reduce waste.
The Company has implemented a robust waste management framework encompassing collection, segregation, storage and disposal. All waste generated across facilities is managed through authorised vendors, ensuring compliance with applicable legal and regulatory requirements.

About Persistent

Persistent Systems (BSE: 533179 and NSE: PERSISTENT) is a global services and solutions company delivering AI-led, platform-driven Digital Engineering and Enterprise Modernisation to businesses across industries. With over 27,500 employees located in 21 countries, the Company is committed to innovation and client success. Persistent offers a comprehensive suite of services, including software engineering, product development, data and analytics, CX transformation, cloud computing, and intelligent automation. The Company is part of the MSCI India Index and is included in key indices of the National Stock Exchange of India, including the Nifty Midcap 50, Nifty IT, and Nifty MidCap Liquid 15, as well as several on the BSE such as the S&P BSE 100 and S&P BSE SENSEX Next 50. Persistent is also a constituent of the Dow Jones Best-in-Class World Index. The Company has achieved carbon neutrality, reinforcing its commitment to sustainability and responsible business practices. Persistent has also been named one of America's Greatest Workplaces for Inclusion & Diversity 2025 by Newsweek and Plant A Insights Group. As a participant of the United Nations Global Compact, the Company is committed to aligning strategies and operations with universal principles on human rights, labor, environment, and anti-corruption, as well as take actions that advance societal goals. With 468% growth in brand value since 2020, Persistent is the fastest-growing IT services brand in 'Brand Finance India 100' 2025 Report.
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