

## Environment Social Governance Policy

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## 1. PURPOSE

This ESG Policy articulates Saksoft Ltd.'s commitment to integrating Environmental, Social, and Governance (ESG) factors into our strategic decision-making, digital transformation offerings, operations, and stakeholder relationships. It aligns with global and national ESG frameworks such as GRI, SASB, SDGs, and BRSR.

Through this policy, Saksoft aims to:

- Incorporate ESG risk and opportunity considerations across all business processes.
- Minimize environmental impact through water efficiency, energy conservation, and GHG reduction.
- Enhance workforce wellbeing, diversity, and inclusion.
- Maintain transparency, ethical conduct, and responsible governance.
- Engage suppliers on sustainable and ethical practices.
- Support ESG disclosures and stakeholder expectations.

## 2. SCOPE

This policy applies to:

- All domestic and international operations of Saksoft and its subsidiaries
- Employees at all levels, including contractual and part-time staff.
- Business partners, vendors, and suppliers engaged by Saksoft.
- Clients and other stakeholders who interact with Saksoft on ESG-relevant matters.

## 3. REFERENCES

- Saksoft Materiality Assessment Report
- Global Reporting Initiative (GRI) Standards
- SASB Standards for Software & IT Services
- SEBI BRSR Guidelines
- United Nations Sustainable Development Goals (UN SDGs)

## 4. DEFINITIONS

- ESG – Environmental, Social, and Governance
- GHG – Greenhouse Gas Emissions
- KPI – Key Performance Indicator
- SDG – Sustainable Development Goal
- BRSR – Business Responsibility and Sustainability Reporting
- DEI – Diversity, Equity, and Inclusion

- LTIFR – Lost Time Injury Frequency Rate

## 5. Roles and Responsibilities

Role	Responsibility
Board of Directors	Oversight of ESG vision and performance.
ESG Steering Committee	Cross-functional team chaired by a senior executive responsible for policy implementation. Coordinate ESG actions, audits, and reporting
Functional ESG Leads	Departmental liaisons responsible for integration of ESG targets
HR Department	Implement safety measures, organize training, and maintain records.
Safety Committee	Monitor compliance, address reported incidents, and recommend improvements.
Employees	Expected to adhere to ESG principles and support initiatives. Follow safety protocols and report risks or incidents promptly.

## 6. POLICY PROVISIONS

### A. Environmental Responsibility

#### Water Management:

Saksoft is committed to optimizing water use and reducing overall consumption across all its operational sites. This will be achieved by:

- Monitoring water usage in data centers and office facilities.
- Installing water-efficient fixtures and technologies.
- Conducting periodic water audits to identify and eliminate inefficiencies.
- Implementing water recycling and reuse systems wherever feasible.

#### Greenhouse Gas (GHG) Emissions:

Saksoft aims to significantly reduce its environmental impact by targeting Scope 1, 2, and 3 GHG emissions. Our approach includes:

- Systematic tracking and reduction of direct (Scope 1), indirect (Scope 2), and value chain-related (Scope 3) emissions.
- Transitioning to renewable energy sources, with a target of achieving 50% renewable energy in our total energy mix by 2030.
- Supporting science-based targets (SBTi) and global net-zero goals.
- Adopting green IT practices and enhancing energy efficiency in digital infrastructure, cloud services, and data center operations.

### B. Social Responsibility

#### 1. Employee Wellbeing, Health & Safety

Saksoft is dedicated to ensuring a safe, healthy, and supportive work environment that promotes both physical and mental wellbeing. Our key commitments include:

- Proactive safety management by Hazard Identification and Risk Assessment and incident prevention.
- Expanding health and wellness program coverage to reach at least 90% of employees by 2026.
- Conducting ergonomic assessments across all office locations by 2027 to prevent occupational hazards.
- Maintaining employee satisfaction scores consistently above 80%.
- Promoting work-life balance by increasing adoption of flexible and work-from-home policies annually by at least 20%.

## 2. Diversity & Inclusion

Saksoft fosters an inclusive workplace culture that values and respects diverse perspectives, backgrounds, and experiences. Our commitments include:

- Achieving 40% representation of women in leadership roles by 2030.
- Maintaining gender pay gap to Zero %.
- Ensuring 100% of employees receive training on diversity, equity, and inclusion (DEI) by 2026.
- Maintaining a minimum 85% retention rate among diverse employee groups.

## 3. Child Labour & Forced Labour

Saksoft maintains a zero-tolerance policy against child labour and forced labour within its operations and supply chain. To uphold this standard, we will:

- Ensure 100% of critical suppliers are audited for child labour risks by 2026.
- Maintain zero reported incidents of child labour or forced labour.
- Engage 100% of identified high-risk suppliers in corrective action plans.
- Mandate the inclusion of child labour prohibition clauses in 100% of supplier contracts.

## C. Governance & Ethical Business Practices

### 1. Anti-Corruption

Saksoft enforces a zero-tolerance policy towards corruption, bribery, and fraudulent practices across all levels of the organization. Our anti-corruption framework includes:

- Mandatory training on anti-corruption policies for 100% of employees.
- Implementation of a comprehensive supplier and business partner compliance program, covering 100% of high-risk suppliers.
- Rigorous internal controls, due diligence, and third-party risk assessments.
- Continuous monitoring to ensure zero confirmed incidents of corruption.

### 2. Board Composition & Independence

Saksoft is committed to maintaining a transparent, diverse, and effective board that upholds the highest standards of corporate governance. Key objectives include:

- Ensuring that independent directors comprise at least 40% of the Board.

- Increasing the percentage of women on the Board to 30% by 2030.
- Enhancing gender equity in leadership by appointing a minimum of 20 women to senior roles (e.g., Committee Heads) by 2027.
- Promoting inclusive boardroom practices and periodic board effectiveness evaluations.

### 3. Business Ethics & Transparency

Saksoft promotes a culture of integrity and accountability in all business dealings. Our commitment to ethical operations is supported by:

- Conducting ethics risk assessments across 100% of identified high-risk operational sites.
- Ensuring 100% employee participation in business ethics training programs.
- Maintaining zero tolerance for unethical conduct and promptly addressing all reported ethics violations.
- Targeting 100% resolution of ethical misconduct cases within 30 days of reporting.

### 4. Whistleblower Mechanisms

Saksoft provides secure, accessible, and confidential mechanisms for employees and stakeholders to report concerns without fear of retaliation. Our commitment includes:

- Maintaining a fully operational and anonymous whistleblower reporting system.
- Resolving at least 90% of reported cases within 60 days.
- Encouraging a speak-up culture by reinforcing non-retaliation policies and leadership support.
- Periodic review and improvement of grievance mechanisms to ensure stakeholder confidence.

## D. Sustainable Procurement & Supply Chain Management

### 1. Supplier Labour Practices

Saksoft is committed to upholding ethical labour standards throughout its supply chain. We expect our suppliers and vendors to demonstrate full compliance with human rights, fair labour, and non-discrimination principles. Our commitments include:

- Ensuring 100% of high-risk suppliers sign and adhere to Saksoft's Supplier Code of Conduct.
- Conducting labour compliance audits for 100% of high-risk suppliers by 2026.
- Mandating the inclusion of ethical labour clauses in all supplier contracts.
- Engaging non-compliant suppliers in corrective action and capacity-building programs.

### 2. Supplier Environmental Practices

Saksoft actively encourages its suppliers to reduce their environmental impact and contribute to sustainable operations. As part of our environmental stewardship, we will:

- Evaluate 100% of high-risk suppliers for environmental compliance.
- Include environmental responsibility clauses in 100% of supplier agreements.

- Promote energy efficiency, waste management, and emissions reduction practices across the supplier network.
- Collaborate with suppliers to build awareness of environmental sustainability expectations.

### 3. Sustainable Procurement

Saksoft integrates ESG considerations into procurement decisions, recognizing the importance of sustainable sourcing in delivering long-term value. Our initiatives include:

- Training 100% of procurement professionals on sustainable sourcing and ESG risks.
- Assessing all high-risk suppliers for social and environmental risks by 2025.
- Targeting 50% of procurement spend on environmentally and socially responsible vendors by 2030.
- Embedding sustainability KPIs and clauses into procurement policies, contracts, and supplier evaluation criteria.

## 7. MONITORING, EVALUATION & CONTINUOUS IMPROVEMENT

- Quarterly ESG performance reviews by the ESG Committee.
- Annual ESG reporting aligned with GRI, BRSR, and SASB.
- Feedback loops and stakeholder consultations to update practices.
- Integration of ESG findings into strategic planning.

## 8. KPIs & PERFORMANCE METRICS

- All ESG KPIs with baselines, units, targets, and framework linkages are documented in **Annexure 1: ESG Metrics Dashboard**.

## 9. DOCUMENTATION & RECORD KEEPING

- ESG records, risk assessments, and audit findings retained for 5 years.
- Central digital repository for all sustainability disclosures.
- ESG performance integrated into corporate MIS and dashboards.

## 10. DISTRIBUTION LIST

- Board of Directors
- ESG Steering Committee Members
- Department Heads: HR, IT, Finance, Admin, Legal, EHS
- ESG Manager and Coordinators
- Shared on company intranet, onboarding kits, and supplier compliance manuals