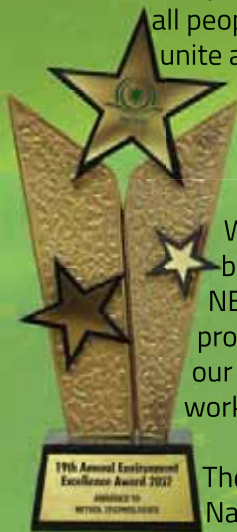


## NETSOL AND SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The United Nations had laid down 17 Sustainable Development Goals with the objective of transforming our world for the better. These goals pertaining to health and equality for humankind and caring for the environment will lead to prosperity for all people and our planet. To attain these objectives, it is imperative for the world to unite and each country and its institutions must stringently adhere to these goals to the maximum they can. This includes corporations, and as a global entity, NETSOL Technologies takes these sustainable development goals extremely seriously with regard to its operations, people and processes.

With strategically-located offices worldwide, we ensure sustainable strategies and business practices are implemented. In Pakistan, where the large majority of the NETSOL team is located, we are dedicated towards working for the betterment and the provision of maximum facilities for our employees. We also strive to do everything in our power to tackle climate change, protect and nurture the environment alongside working towards equality and a better future for our community at large.

The Company is awarded with “Annual Environment Excellence Award 2022” by National Forum for Environment & Health.





## POVERTY REDUCTION THROUGH QUALITY EDUCATION & FINANCIAL SUPPORT

### EDUCATION FOR DESERVING & BRILLIANT STUDENTS

- ◆ NETSOL has been devotedly working in the Education sector specifically and our internal CSR initiative **NESTOL Education Support Program (NESP)** is an award-winning program (as the BEST in CSR Practices category) for the PASHA Awards. NETSOL supports the educational expenses of children for the company's entire lower-wage staff in order to provide these children with a brighter future. NETSOL Education Support Program (NESP) was launched in 2015 and not only pays for the tuition fees for their schooling, but the program also provides the required school/college uniforms, books, stationery as well as transportation services for the children to go to and from school. Currently, via the program, there are **666 children** enrolled in schools, and **13 students** who are momentarily enrolled in bachelor's programs.
- ◆ NETSOL has also offered **opportunities to its lower-waged staff** to move to other departments where they have the capabilities to do so. For example, a number of the company's security personnel/guards are now working as Software Engineers. The company first invests in these employees by assessing their potential and then educating them. Once they have received the relevant qualifications, they are provided with new roles based on the degree attained and on their potential for that position.
- ◆ For **higher education**, NETSOL not only assists their employees but also other students that face financial constraints to continue their higher education. Currently, **30 individuals** are being educated under this program and **30 individuals** had completed their education. In the last year alone, 2021-2022, the company has disbursed an amount of **0.8 million rupees approximately** on the HE Program.

### CORPORATE PHILANTHROPY

We believe in sharing happiness through corporate philanthropy and financial support to less privileged people.

- ◆ The company further has a **Noble Cause Fund (NCF)** in place, which is an initiative to support our employees in need. All NETSOL employees are encouraged to contribute as much or as little as they can to this fund. Employee donations are matched equally by the company to double the amount. Money from this fund is used for various noble causes such as health care, marriage, house construction, funeral arrangements and other forms of distress relief. Last year we gave out a total of **4.7 million rupees** for such causes. Around **1 million rupees** were donations and **3.7 million rupees'** worth of loans.
- ◆ NETSOL also provides **ration boxes**, consisting of food, cooking and other essential items to its lower-waged staff on a **monthly basis** to provide further relief for them and their families.

## WELFARE SPENDING FOR UNDERPRIVILEGED CLASSES AND RURAL DEVELOPMENT PROGRAMS

- ◆ NETSOL also contributed and supported the growth of **Farooq Charity Trust School in Khanqah, Bahawalpur** which commenced in 2011
- ◆ NETSOL also supports **DIL School System based in Khuda Ki Basti, Sheikhpura**. DIL has been providing low-cost, high-quality education to thousands of deserving children across Pakistan.
- ◆ The Million Smiles Foundation and NETSOL also work together in the educational sector. The company has been funding **Million Smiles Foundation School in Kashmir** for an initial period of 5 years.



## GENDER EQUALITY

- ◆ NETSOL is an **equal opportunity employer** in every sense. For our female workforce, a conducive work environment has been created which provides career growth, mentorship, and trainings.
- ◆ A number of **departments are headed by women** at NETSOL as well and they have devised and executed successful strategies to attain their department's goals and lead their teams forward.
- ◆ Women representation on Board and various committees.
- ◆ In the last three years, the female-to-male workforce ratio has increased. This year, with over **400 women** working in different departments for the company, there is nearly a **30% representation** of women currently working at NETSOL.
- ◆ There are also **stringent harassment policies** in place that have been especially formulated for the safety of our female workforce.



## REDUCED INEQUALITY

### EMPLOYMENT OF DIFFERENTLY-ABLED PERSONS

- ◆ At NETSOL, we believe in hiring resources irrespective of being differently-abled and accommodate them based on their knowledge and skills. We have a high number of **differently-abled employees** who all contribute towards the company in their individual capabilities as well as via working with their teams.
- ◆ As a global IT powerhouse and professional entity, NETSOL hires employees based solely on their skills and capabilities. The company, as mentioned above, is an equal opportunity

employer and in no way discriminates based on a person's race, ethnicity, religious or personal beliefs. We also have strict procedures in place against racism or discrimination of any kind.



### AFFORDABLE AND CLEAN ENERGY

#### ENERGY CONSERVATION / ENVIRONMENT PROTECTION MEASURES

- ◆ As a responsible corporate citizen and aligned with global imperatives, the company comprehends the dire need for **energy conservation** and its impact on the environment. For this purpose, NETSOL has transitioned to more energy efficient options in terms of its lighting, air conditioning and overall consumption of electricity. Benefits include mitigating rapidly rising costs of fuel, shortage of electricity and the organizational resilience. We took the following measures for energy conservation during official hours:
  - Switch off all unnecessary devices
  - Operate AC's at 26° C
  - Switch off all AC's & lights during lunch break (01:00 PM –02:00 PM)
  - Switch off ACs & lights while stepping out of rooms or halls
  - Video and Audio Conferencing (VC and AC) usage is promoted steadily
- ◆ Data center and server rooms are large consumers of energy in an IT landscape. At NETSOL, these have been standardized using an **eco-friendly** room design which incorporates power and better mechanisms for cooling.
- ◆ NETSOL essentially operates as a '**digital-first**' company with minimal use of paper. At the Lahore office, as well as all of the company's global centers there are next to **no paper-based** processes and the organization operates via digital documents instead.



### RESPONSIBLE CONSUMPTION AND WASTE MANAGEMENT

- ◆ NETSOL follows a **well-structured Recycling Plan** by placing Recycling bins at various locations for Glass, Paper and Plastic separately. By separating the waste, we ensure that recyclable materials are reused. NETSOL has also collaborated with Green Earth Recycling Pakistan in this regard. We are going an extra mile to educate and encourage employees on the importance of a paperless environment.
- ◆ Our maintenance team is constantly working on the repair

work (if required) of the **sanitary fittings to ensure zero wastage of water.**

- ◆ It is important to educate employees about waste management and how we all can individually, and subsequently collectively, minimize waste. The NETSOL Lahore Office provides lunch (at no cost) on a daily basis to all its employees. **A practice carried out involved stating the amount of waste from the previous day in order to create awareness and encourage employees to reduce these unfortunate numbers.**



### CLIMATE ACTION

- ◆ Climate change is a significant threat that has severe consequences which wreak havoc for people and communities. Planting trees has mind-blowing potential to combat climate change and is one of the easiest, yet most useful and effective methods to tackle climate change. **Tree plantation drives** are carried out on an annual basis by NETSOL and the company's senior management and entire workforce participate with zeal during these plantation drives, which have become a norm for the company. NETSOL stringently adheres to **environmentally-responsible practices** and ensures that these practices are followed by the company and its employees.
- ◆ Further, to reduce CO2 emissions from vehicles, NETSOL **incentivizes car-pooling** and also offers **free of cost transportation for female employees** working at the Lahore office. The same facility is now also available for male employees.



### CLEAN WATER AND SANITATION

- ◆ It has been reported that almost two-thirds of the world's population faces severe water scarcity for at least one month every year. Almost all countries worldwide face water shortages. However, water scarcity is most prevalent in developing countries. **NETSOL's incubation center NSPIRE** continues to provide start-ups and budding entrepreneurs with state-of-the-art facilities to establish their businesses. The company especially promotes those start-ups that provide ecofriendly and environmentally-responsible practices. **Aabshar**, a start-up incubated by NETSOL created water optimizer nozzles that have been built to **save up to 98% of water** and which consequentially help **save up to 60% on electricity bills** as well. These nozzles can be easily attached, within 30 seconds, underneath a standard tap and are available for residential and commercial use for all industries.



**GOOD HEALTH AND WELL-BEING  
DECENT WORK AND ECONOMIC GROWTH**

**OCCUPATIONAL SAFETY AND HEALTH**

- ◆ We take it as our responsibility to provide a safe and healthy workplace to our employees and other stakeholders. NETSOL has an **in-house doctor** and other medical professionals available for all employees at zero cost. To cater to first-aid needs, check-ups and all possible medical treatments, our in-house physician and trained nurses are available during work hours on a daily basis.
- ◆ The company also provides **regular blood-pressure checks** for all teams and employees and shares healthy tips for living on a continued basis via organized workshops, sessions, talks as well as via email.
- ◆ The Company realizes its responsibility towards keeping the environment disease, infection, and allergen-free. **Fumigation and Disinfection activities** are regularly carried out as per the highest standards.
- ◆ Individuals who exercise on a regular basis tend to be healthier and happier and have lesser health issues. The **NETSOL gym**, which is also available for all employees at no cost, has highly skilled trainers who not only assist in exercise and weight training, but also provide customized diet plans. The gym has state-of-the-art exercise machines and equipment.
- ◆ Further, we provide the option for mothers to **work from home** and also provide **transportation** to our female employees.
- ◆ NETSOL also provides **lunch on a daily basis** (at no cost) to all its employees. The company's café offers a variety of meals, ranging from conventional dishes to organic food.
- ◆ **Mental health** consists of a person's emotional, psychological and social well-being. It is as important as an individual's physical health, especially as poor mental health directly affects one's physical health. Mental health issues can cause severe physical health problems, including but not limited to, heart problems and strokes. NETSOL also regularly conducts workshops and sessions pertaining to the importance of mental health for its employees.
- ◆ The well-being of our workforce also includes the provision of a **safe work environment** in order to protect our employees from any type of accident or external calamities. NETSOL's **fire and safety team** works to not only provide safety support, but also educates employees by conducting safety drills and sessions regularly.
- ◆ The company follows ethical and **sustainable business**

**practices** across all its operations. It provides a positive work environment in terms of teamwork and cohesion and provides its workforce with a number of competitive benefits.

**BUSINESS ETHICS AND ANTICORRUPTION MEASURES**

NETSOL holds frequent activities to ensure that the employees are working within the Company's Code of Conduct (Code). The Code is thoroughly observed throughout the organization. Employees are also required to sign off on the Code. There is zero tolerance towards corruption in the Company. Employees are encouraged to contact the audit committee directly, whether anonymously or otherwise, in case they come to know about any monetary irregularities or suspicious activities taking place in the Company. For this purpose, drop boxes have been placed at prominent places within the Company's office.

**CONTRIBUTION TO NATIONAL EXCHEQUER**

We have always shown our responsibility by paying all government taxes in time and without any delay. For the year ended June 30, 20,22 we made our humble contribution to the National Exchequer by way of general sale tax, income tax and other government levies.

| Description     | PKR (000s) |
|-----------------|------------|
| Income Tax      | 55,639     |
| Sales Tax       | 4,329      |
| Withholding Tax | 330,826    |

**GOVERNANCE**

- ◆ Compliance with laws and regulations in all business activities
- ◆ Disclosure of all the related party transactions to ensure compliance with the applicable laws.
- ◆ Transparent reporting to shareholders addressing grievances, if any
- ◆ Timely disclosure of facts on PSX and SECP to ensure transparency