

06

Sust**A**inability at a Glance



Overview

The evolving expectations of investors, regulators, customers and other stakeholders have increased the importance of understanding how sustainability-related matters may influence a company's strategy, operations and financial performance. For NETSOL Technologies, these considerations are particularly relevant in the context of a technology-driven business operating across multiple markets, where developments in areas such as climate, human capital, technology, data and responsible business practices can influence long-term resilience and value creation.

This section provides a concise overview of NETSOL's sustainability-related disclosures for the financial year ended June 30, 2026, covering the Company's sustainability governance, strategy, sustainability-related risks and opportunities, and related risk management processes.

The disclosures presented in this section are derived from NETSOL's Sustainability Report 2026, which has been prepared in accordance with IFRS S1 General Requirements for Disclosure of Sustainability-related Financial

Information and IFRS S2 Climate-related Disclosures, issued by the International Sustainability Standards Board (ISSB). The Sustainability Report has also been developed with reference to the SECP ESG Guidelines and the applicable SASB Standards for the Software & IT Services industry. Where applicable, the disclosures have also been mapped to the United Nations Sustainable Development Goals (SDGs).

Detailed sustainability-related financial disclosures will be presented in the Sustainability Report 2026, which will be made available on the Company's website upon publication. Access the page through the link below.

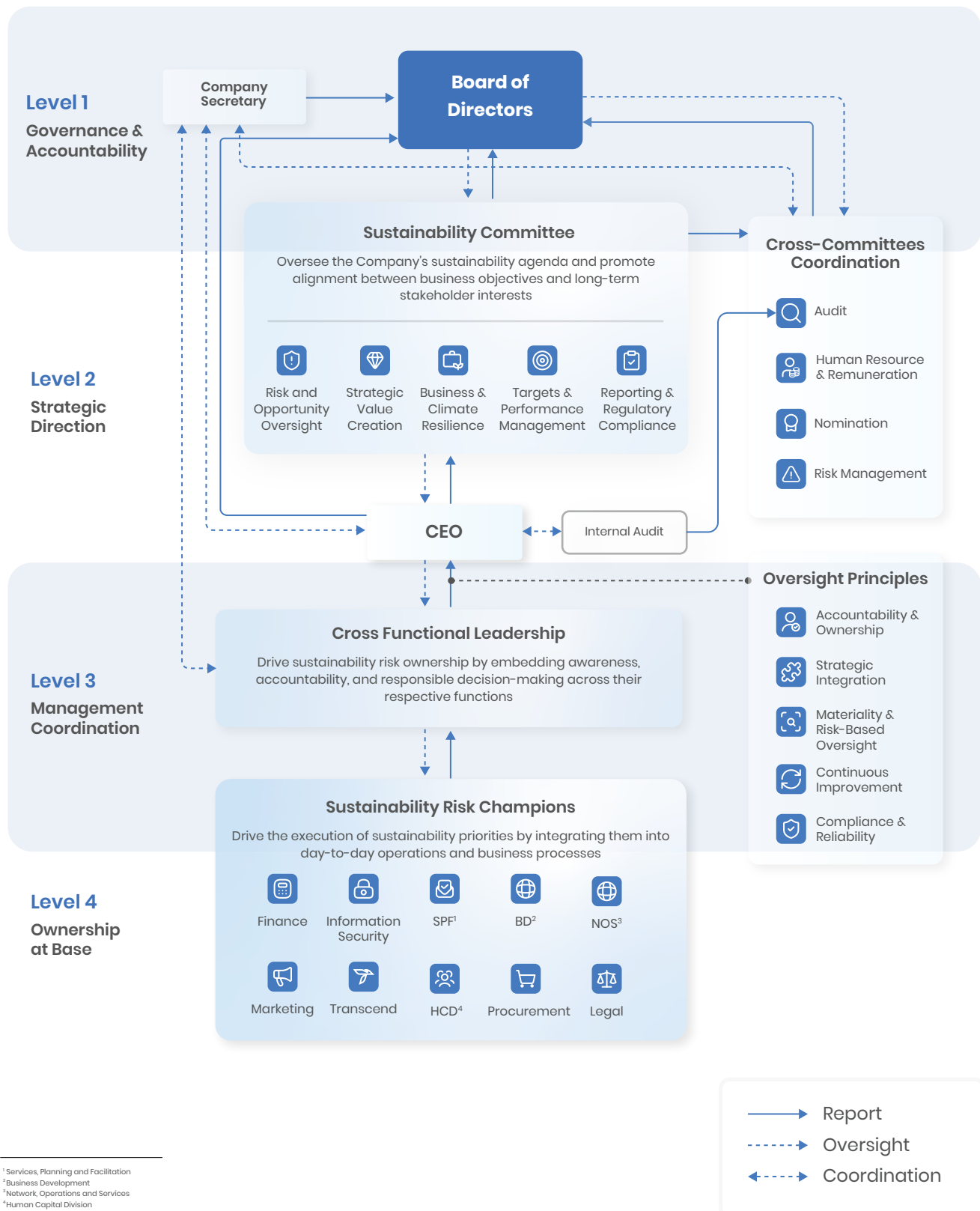
<https://www.netsolpk.com>

As this is NETSOL's first reporting period applying IFRS S1 and IFRS S2, the Company has utilized the applicable transition relief under IFRS S1 and has therefore not presented comparative information for sustainability-related disclosures. This first reporting cycle establishes the Company's initial reporting baseline and provides a foundation for progressively enhancing the scope, depth and comparability of future sustainability disclosures.

> 2026 Sustainability Highlights



> Sustainability Oversight



> Board's Skills and Competencies

	Naeem Ullah Ghauri	Salim Ullah Ghauri	Vaseem Anwar	Noman Hussain	Hamna Ghauri	Huma Fakhar	Omar Shahab Ghauri
Digital Transformation, Technology and Cybersecurity							
Corporate Management and Reporting							
Enterprise Risk Management and Business Resilience							
Human Capital Management							
Governance, Leadership and Oversight							
Strategic Planning and Decision Making							
Sales Strategy and Market Positioning							
Financial Strategy and Capital Management							
Global Business Knowledge							
Legal, Regulatory and Ethical Compliance							
Stakeholder and Investor Relations							
ESG and Decarbonization							

Capability Status



Mature
(Strong expertise and experience)



Developing
(Growing capabilities and experience)

> Sustainability Strategy



Innovation and Artificial Intelligence

Leveraging innovation and artificial intelligence to strengthen technology leadership, enhance solutions and efficiency, and enable long-term value creation.



People and Talent Excellence

Skilled and future-ready talent, supported by strong capabilities and a culture that drives innovation, enables retention, and supports evolving business needs.



Growth and Market Expansion

Strong customer relationships, a growing market presence, and the ability to capitalize on new business opportunities and evolving market needs.



Operational and Technology Resilience

Business continuity supported by reliable technology, resilient energy supply, and a robust supply chain capable of responding to disruptions.



Trust and Governance

Strong governance, ethical business practices, regulatory compliance, cybersecurity, data privacy, and responsible Artificial Intelligence governance to safeguard stakeholder trust and reinforce accountability.

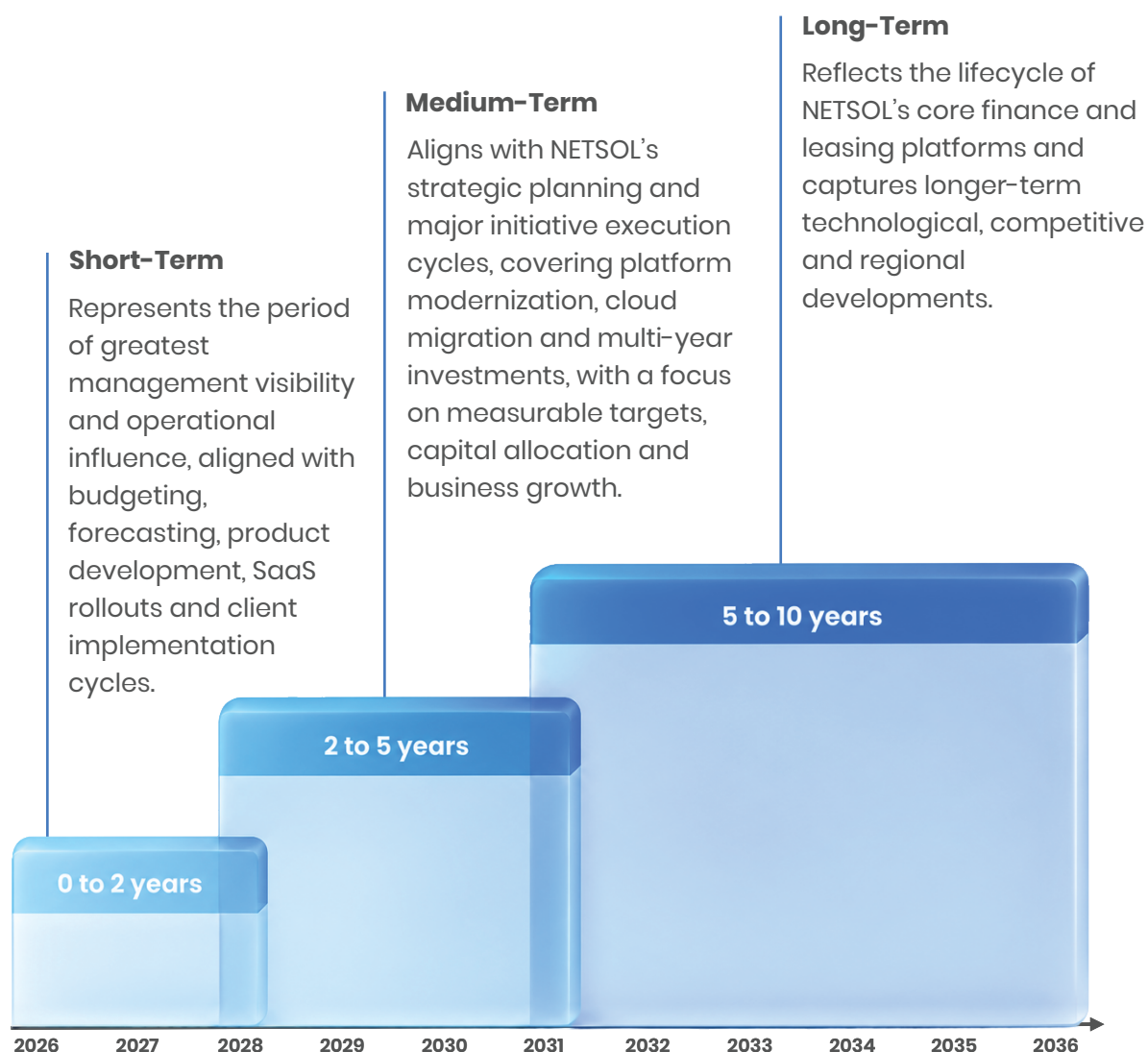


Climate Transition and Sustainable Growth

Resilience to climate and market shifts, supported by low-carbon transition readiness, sustainable business practices, and evolving demand for sustainable products and solutions.

NETSOL

> Strategic Time Horizons



The Company's time horizons have been determined through a structured assessment of the nature, timing, and expected duration of sustainability- and climate-related risks and opportunities, taking into consideration the Company's business model, strategic objectives, financial and operational planning cycles, capital allocation and investment horizons, asset and technology lifecycles and product development.

The assessment also considers the anticipated timing over which identified sustainability- and climate-related risks and opportunities may reasonably be expected to materialize and affect the Company's cash flows, access to finance, cost of capital, financial position, financial performance, or broader enterprise value. Accordingly, the defined short-, medium-, and long-term horizons are intended to reflect the periods over which such risks and opportunities are expected to emerge, evolve, or potentially influence the Company's strategy, business model, and financial outlook.

> The Transition Imperative



Emerging Transition Ambition

Our approach to climate transition is currently under development and will evolve as our understanding, data and capabilities mature.



Foundations for Transition



Governance & Accountability

- Define roles and responsibilities
- Integrate into risk and planning processes
- Build internal capabilities
- Enhance oversight as the approach matures



Climate Risk & Resilience

- Assess physical and transition risks
- Strengthen business continuity and technology resilience
- Consider scenario analysis
- Integrate into enterprise risk management



Emissions & Data Baseline

- Improve Scope 1 and 2 emissions data
- Progressively assess relevant Scope 3 categories
- Establish baseline to inform priorities
- Enhance data quality and monitoring over time



Potential Transition Initiatives

01

Efficient Digital Infrastructure

- Improve energy efficiency of IT infrastructure
- Explore cloud & data centre efficiency
- Consider energy efficiency in future technology procurement

02

Lower-Carbon Operations

- Assess renewable electricity options
- Improve building efficiency
- Reduce business travel where possible
- Explore lower-carbon commuting & mobility

03

Responsible Technology & Procurement

- Integrate environmental considerations in procurement
- Engage key suppliers
- Consider supplier emissions data
- Explore lifecycle & efficiency aspects

04

Climate-Resilient Operations

- Assess exposure of critical infrastructure
- Strengthen redundancy & continuity
- Consider climate risks in future planning
- Evaluate adaptation measures where material

05

Climate-Enabled Products & Solutions

- Explore how our solutions can support customers' efficiency
- Consider sustainability features in product development
- Identify opportunities to support customers' climate-related needs



Our Emerging Transition Architecture



Efficient Digital Infrastructure



Lower-Carbon Operations



Technology & Procurement



Value Chain Transition



Climate Resilience & Adaptation

Supported by governance, data and capability development



Path Forward



Establish Baseline

Improve emissions, energy and climate-risk data



Identify Priorities

Assess material risks, dependencies and opportunities



Evaluate Initiatives

Assess feasibility, expected impact & business relevance



Define Targets & Roadmap

Develop appropriate targets, timelines & responsibilities where supported by evidence



Implement & Monitor

Progressively implement priority actions and track performance

> Sustainability and Climate-related Risks and Opportunities Portfolio

Risks	Expected Occurrence	Value Chain Relevance			Impact on Capitals
		Upstream	Own Operations	Downstream	
R1 Talent Availability and Retention					Financial Human Intellectual
R2 Supply Chain Due Diligence					Financial Social
R3 Energy Supply Disruptions					Financial Manufactured
R4 IT Infrastructure Modernization					Financial Manufactured Intellectual
R5 AI Governance					Financial Social Intellectual
R6 Regulatory Compliance					Financial Social
R7 Cybersecurity and Data Privacy					Financial Social Intellectual
R8 Extreme Weather Events					Financial Human Manufactured
R9 Air Quality					Manufactured Human Natural
R10 Transition to Low Carbon Economy					Financial Manufactured
R11 Carbon Tax					Financial Manufactured

Short-term (0 to 2 years)
 Medium-term (2 to 5 years)
 Long-term (5 to 10 years)
 Occurrence Not Expected

Business Model Capitals

Financial

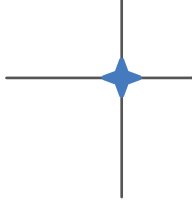
Human

Intellectual

Social

Natural

Manufactured



Opportunities	Expected Occurrence	Value Chain Relevance	Impact on Capitals
		UpstreamOwn OperationsDownstream	
01 Future Skills Readiness			Financial Social Human
02 Customer Centricity			Financial Social Human
03 Expansion into Underserved Markets			Financial Social Manufactured
04 Innovation and Emerging Tech			Financial Intellectual
05 Sustainable Product			Financial Social Intellectual

Short-term
(0 to 2 years)

Medium-term
(2 to 5 years)

Long-term
(5 to 10 years)

Occurrence
Not Expected

Business Model Capitals

Financial

Human

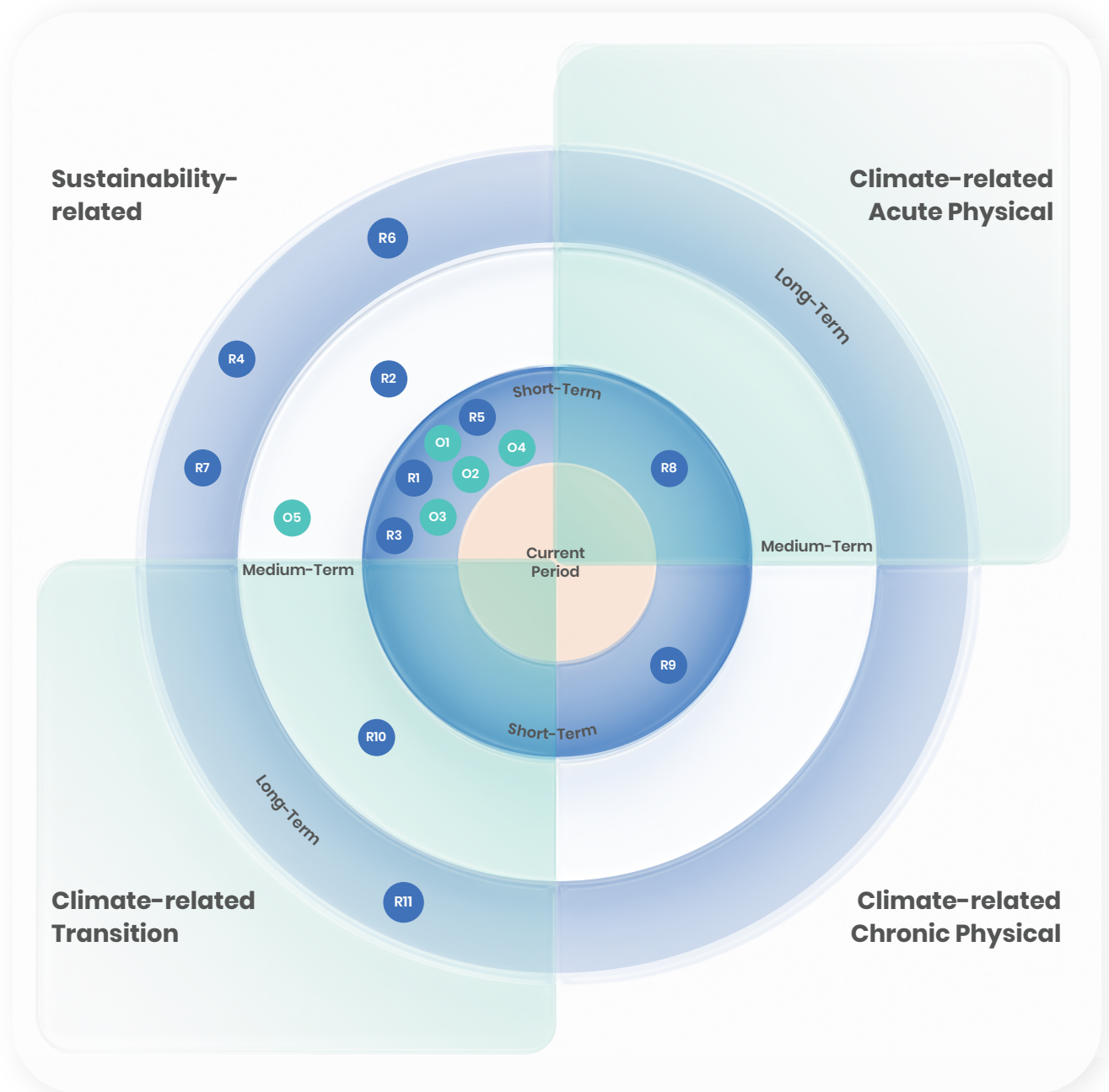
Intellectual

Social

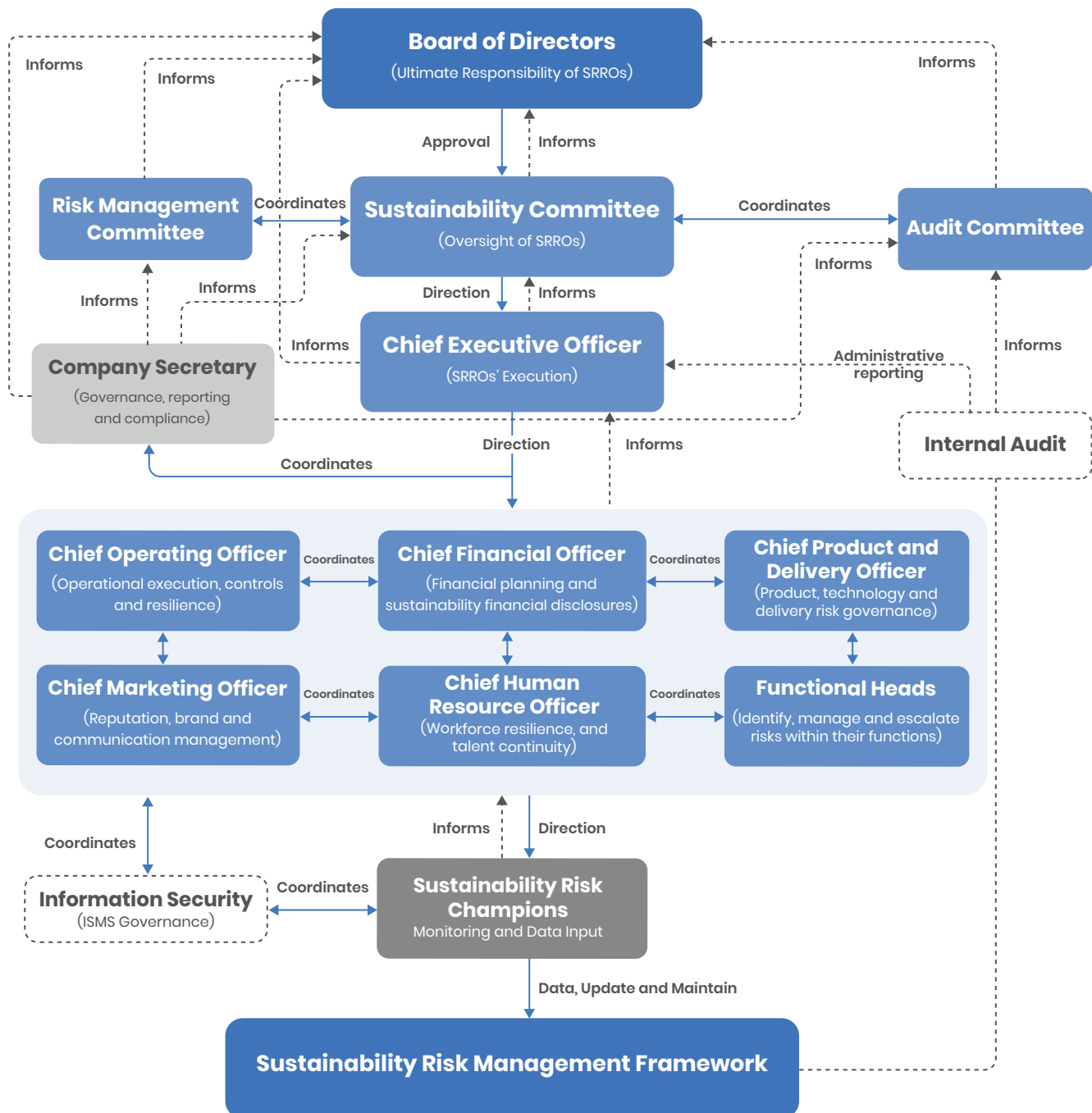
Natural

Manufactured

> Risk and Opportunity Radar



> Risk Governance Framework



> Governance, Accountability and Responsible Technology

Strong governance underpins how NETSOL conducts its business, manages risk, and supports the creation of sustainable long-term value. As a technology-driven organization operating in an increasingly interconnected environment, the Company's governance framework extends beyond traditional oversight to encompass ethical conduct, responsible risk management, information security, technology resilience, and organizational accountability.

Data Protection and Responsible Information System

NETSOL protects information through a combination of secure access, data privacy and information-handling controls.

Access to IT systems is managed on a need-to-know basis, supported by multi-factor authentication, password controls, access reviews, and safeguards for privileged accounts. Our Data Privacy Policy and Privacy Impact Assessments support responsible management of personal information, while Data Transference & Protection Policy establishes controls for the secure storage, access and transfer of sensitive and business-critical information, including through backups, removable media and email.

Zero

Identified Leaks, Thefts or Loss of Customer Data



Zero

Substantiated Customer Privacy Complaints



Encryption

Adding an Essential Layer of Protection



Protects Data at Rest

Confidential information on laptops, desktops and removable media are to be appropriately encrypted



Protects Data in Transit

Information transmitted across untrusted networks are to be encrypted



Special Protection for Personal Information

Additional safeguards reduce the risk of unauthorized disclosure during storage and transmission

Controls Around Cryptographic Technology

NETSOL manages cryptographic keys across their lifecycle, from secure generation and authorized distribution to protection, revocation, archiving and destruction. Controls safeguard keys against loss, misuse and unauthorized access, with compromised keys promptly revoked and retired keys securely archived or destroyed when no longer required.

Addressing Tech Vulnerabilities



Continuous
Monitoring



Regular Backups
& Snapshots



Automated Scripts
& Azure DevOps
Pipelines



Restore/Redeploy
in Alternate AWS
Region

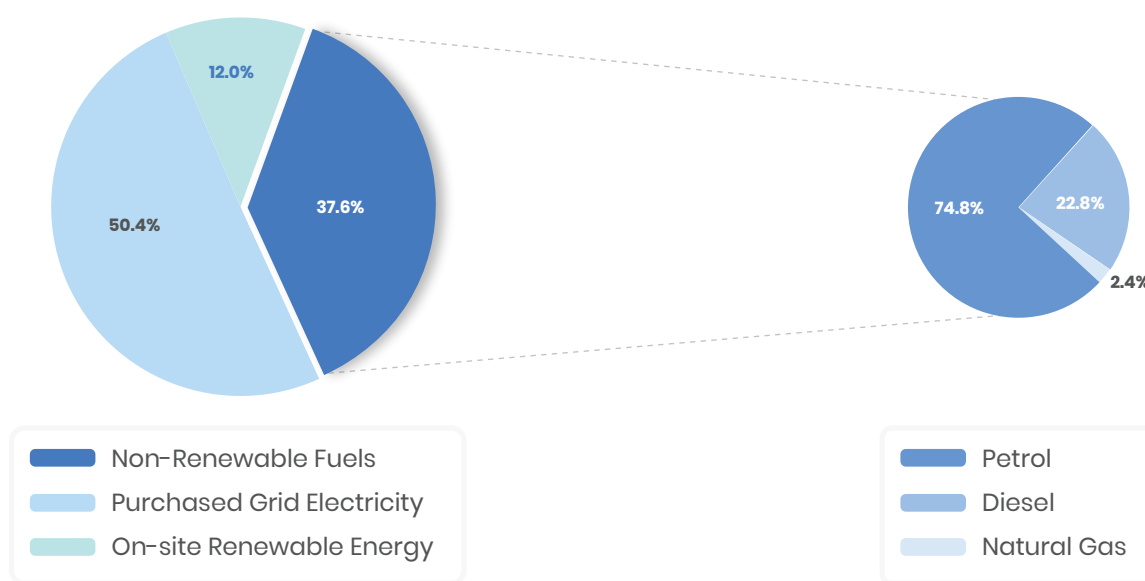


Sustainable Operations

Energy

NETSOL's energy consumption was primarily associated with the operation of its development centers and offices, standby power systems supporting business continuity during grid interruptions, and the vehicle fleet used for employee and business mobility. Total energy consumption for the year amounted to 14,169 GJ. As a services-based organization, NETSOL's energy profile is predominantly driven by workplace operations, information technology infrastructure, mobility requirements and standby power, rather than energy-intensive manufacturing or production activities. Electricity constitutes a significant component of the Company's operational energy demand, supplemented by fuel consumption associated with standby power generation and vehicle operations.

Our Energy Profile



Emissions

NETSOL has completed its first comprehensive greenhouse gas inventory, covering Scope 1 and Scope 2 emissions together with the applicable Scope 3 categories across its value chain. The inventory has been prepared in accordance with the GHG Protocol using an operational control approach. The Company's emissions profile has been predominantly driven by value chain activities rather than its directly controlled operations, consistent with its asset-light, software-led business model and the absence of manufacturing or physical product distribution activities. Employee commuting has represented the largest source of emissions, making employee mobility the Company's most significant emissions driver and a key area for potential emissions reduction.

During the year, NETSOL introduced on-site solar generation, marking an initial step towards diversifying its energy mix and reducing reliance on purchased grid electricity and diesel-based standby generation. This initiative provides a foundation for further renewable energy deployment and energy-efficiency measures, with the objective of progressively improving energy performance, strengthening operational resilience and reducing the environmental footprint associated with the Company's energy consumption.

3,926 tCO₂e

NETSOL's total GHG Emissions for FY26



Scope 1

473 tCO₂e

Represents 12.1% of total emissions

Scope 2

785 tCO₂e

Represents 20% of total emissions

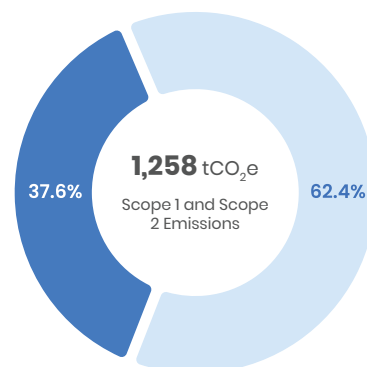
Scope 3

2,668 tCO₂e

Represents 67.9% of total emissions

Applicable Scope 3 Categories

- Purchased Goods and Services
- Capital Goods
- Fuel- and Energy-Related Activities
- Upstream Transportation & Distribution
- Business Travel
- Employee Commuting



■ Scope 1 ■ Scope 2

> Empowering People

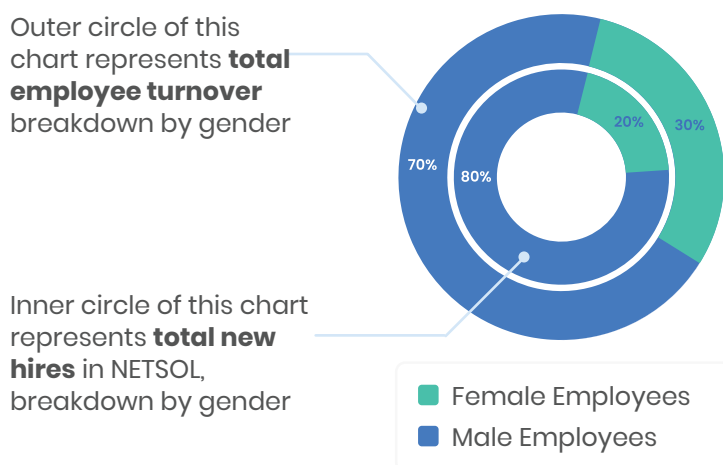
Building a skilled, engaged and future-ready workforce

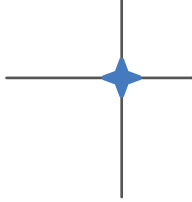


NETSOL's people are central to its ability to deliver technology solutions, support clients across markets and sustain innovation. As a technology-driven organization, the Company's workforce combines early-career professionals with experienced employees across operational, technical, managerial and leadership roles. NETSOL's approach to workforce management focuses on attracting relevant capabilities, supporting employee development and maintaining the talent required to deliver business objectives.

Attracting and Retaining Diverse Talent

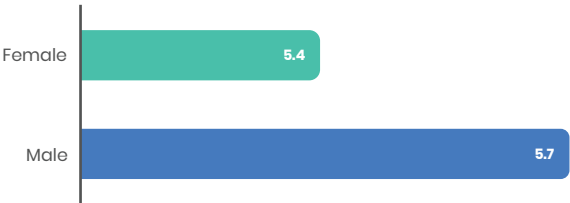
NETSOL continues to attract talent across career stages, with younger professionals comprising the largest share of new hires, while supporting the recruitment, retention and development of a diverse workforce. The Company promotes fair employment practices and monitors workforce trends to strengthen representation and employee experience.





Learning, Development and Future Skills

Average Hours of Training Per Employee



7,157
Training Hours
Delivered

PKR 18.7m
Invested in
Employee
Development

Employee Benefits

- Insurance & Healthcare
- Life Benefits
- Retirement Benefits
- Stock Ownership
- Well-being Support





Gender Pay Gap Statement

NETSOL Technologies Limited is committed to building an inclusive and equitable workplace where diverse perspectives fuel innovation and every employee is valued, respected, and supported. As a people-driven technology organization, NETSOL seeks to create an environment where talent can thrive, opportunities are accessible on an equitable basis, and individuals are empowered to contribute and grow irrespective of gender.

In line with this commitment, the gender pay gap calculation for the year ended June 30, 2026 has been prepared and presented in accordance with the requirements of the circular issued by the Securities and Exchange Commission of Pakistan (SECP).

Gender Pay Gap calculated for year ended June 30, 2026

Mean Gender Pay Gap

28.4%

Median Gender Pay Gap

21.2%

Salim Ullah Ghauri
Chief Executive Officer

Date: June 30, 2026

> Community Development

NETSOL Technologies Limited supports community development through initiatives aligned with local needs and opportunities to create meaningful social impact. The Company engages with relevant institutions and community partners to identify areas where its support can contribute to improved access to education, social development, and community well-being. Through these engagements, NETSOL seeks to direct its community investments towards initiatives that address identified needs and generate positive outcomes for the communities in which it operates.

During FY26, NETSOL Technologies Limited invested PKR 102.43 million in community development initiatives across Pakistan, supporting organizations and initiatives focused on creating positive and lasting community impact.

62.59%

Education



0.50%

Healthcare / Humanitarian Support



34.37%

Community Welfare & Social Support



1.07%

Disaster Relief



1.46%

Others



AI-FIRST. FUTURE-READY. SUSTAINABLE BY INNOVATION.

