

Environment

Embedding sustainability into strategy and governance

As the urgency of climate action grows, Fractal recognizes that responsible growth and environmental stewardship are fundamental to long-term value creation. As an AI and analytics partner to leading global enterprises, with over 5,000 employees across 19 locations worldwide, we are committed to integrating sustainability into the way we operate, innovate, and grow.

Over the years, our sustainability journey has evolved from foundational carbon accounting efforts into a structured, enterprise-wide program with regular Board oversight. We continue to strengthen measurement, enhance disclosures, and align with leading national and global frameworks to drive transparent, measurable, and credible progress towards our sustainability ambitions.

Sustainability is embedded within Fractal’s broader ESG framework, enabling a disciplined approach to managing risks, enhancing accountability, and creating long-term value for stakeholders. Our ambition is to advance towards net-zero emissions while promoting responsible business practices that benefit our clients, employees, communities, and the environment.



Key 2025–26 milestones —

Climate disclosure	Continued reporting through the CDP Climate Change Questionnaire and the EcoVadis assessment platform.
CDP score	Achieved a B Rating on the CDP Climate Change Questionnaire.
Materiality assessment	- Conducted a Double Materiality Assessment, building on the Company's previous materiality exercise. - Assessment aligned with the European Sustainability Reporting Standards (ESRS). - Evaluated both impact materiality and financial materiality to identify and prioritize ESG issues most relevant to Fractal and its stakeholders, including its value chain.

ESG governance

Governance of ESG matters is anchored at the highest level through the Board-level CSR and ESG Committee, which meets quarterly to provide strategic oversight and guidance. Regular updates from the CEO and Chief Sustainability Officer (CSO) ensure alignment between sustainability priorities and business execution.

Implementation is driven by the cross-functional ESG Steering Committee, known internally as the ESG Taskforce (ESTA), established in 2022 and chaired by the CSO. Comprising senior leaders from across the organization, ESTA integrates ESG considerations into key business decisions and drives coordinated action across functions.

The Chief Sustainability Officer, along with ESTA, is responsible for assessing and managing environmental dependencies, impacts, risks, and opportunities, while also reviewing future trends to ensure preparedness. Responsibilities include setting and monitoring corporate environmental policies and commitments, as well as measuring progress toward both corporate and science based targets. The role also involves developing climate transition plans and overseeing environmental reporting, audits, and verification processes to maintain accountability and transparency.

The Corporate Social Responsibility (CSR) Program, also integrates with the broader corporate vision and by way of its CSR Policy, works to create impact and equitable outcomes. It is worth mentioning that having a senior level cross-functional task force and steering committee (the ESTA) enables integration of net-zero goals into facilities design, sustainable procurement, and inclusion.

The Fractal Sustainability Project (FSP) team serves as the core group to execute and implement these initiatives, ensuring strategies are effectively translated into action across the organization. Progress is reported quarterly to the Board level CSR and ESG Committee, strengthening governance and oversight.

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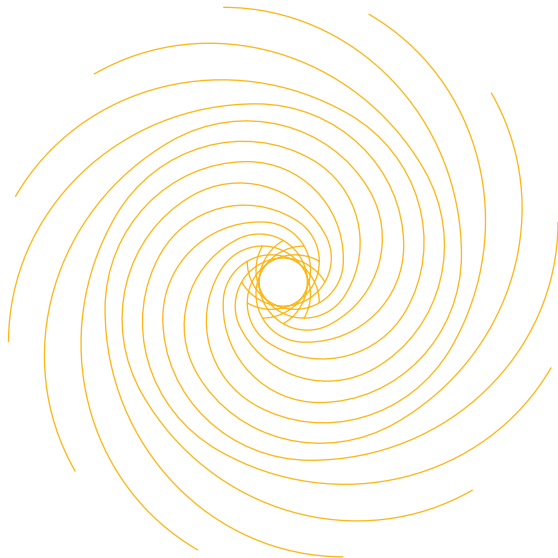
ESG governance framework



Our climate vision

We are committed to advancing a low-carbon future by establishing near- and long-term emissions reduction targets and working towards alignment with the Science Based Targets initiative (SBTi). Guided by an ambition to achieve Net Zero emissions by or before 2040, we are embedding sustainability into our business strategy, operations, and decision-making processes.

Through a structured roadmap, we are implementing climate-focused initiatives across the organization and investing in sustainable technologies, processes, and partnerships that support long-term environmental resilience and responsible growth.



Environment



Responsible infrastructure and sustainable operations

We continue to embed sustainability into our infrastructure and workplace operations by aligning our facilities with globally recognized environmental and wellness standards. Until FY 2024-25, our key offices in Mumbai, Gurugram, and Bengaluru represented approximately 86% of our operationally controlled real estate footprint and around 70% of our global real estate footprint (in terms of span). In FY 2025-26, our key offices in Mumbai, Gurugram, and Bengaluru (including the two new facilities) represent 89% of our operationally controlled real estate footprint, and around 82% of our global real estate footprint. Fractal Mumbai and the Bengaluru facilities are powered by renewable energy, and are both LEED Gold certified, with the newer Bengaluru facilities currently undergoing LEED and WELL Certification post their launch in May 2025. Beyond environmental performance, our Mumbai office — our largest facility — is certified WELL Platinum, reflecting an equal focus on occupant health, comfort, and well-being. With the addition of two new facilities, in Bengaluru, Fractal continued its commitment to decarbonization by procuring green power for these two locations as well in FY 2025-26.

In parallel, we continue to strengthen operational excellence through internationally recognized management systems. Our offices in Mumbai, Gurugram, and one Bengaluru location are already ISO 27001 (Information security, cybersecurity and privacy protection — Information security management systems), ISO 14001 (Environmental management systems), ISO 45001 (Occupational health and safety

management systems) certified (two years in a row), while two new facilities are progressing toward certification. Together, these initiatives reinforce our commitment to building safe, sustainable, efficient, and future-ready workplaces that support both environmental stewardship and employee well-being.

Driving emissions transparency and performance

Fractal has been practicing carbon accounting and maintaining a GHG inventory since its baseline year of FY 2019-20 and has obtained independent third-party assurance of its emissions inventory. For every fiscal since — FY 2019-20 to FY 2025-26, seven consecutive years — in line with the AA1000AS Standard (Moderate Assurance), applying an operational control approach. We continue to strengthen our measurement and reporting practices and to seek independent assurance of our GHG emissions. This independent assurance covers all years of Fractal's carbon accounting/GHG inventory for its facilities, including Fractal's three largest facilities in India, which account for approximately 82% of the global leased real estate and around 89% of the leased real estate (in India) under an operational control approach.

While FY 2019-20 has been considered as the baseline year for emissions tracking, currently, the evolving scope and boundary of operations (including the addition of new facilities and expanded coverage of value chain categories such as Purchased Goods and Services and Capital Goods) have influenced overall comparability of emissions data over time.

In FY 2025-26, Fractal expanded its real estate footprint with the addition of two new facilities in Bengaluru, which became operational during the year. This expansion has contributed to an overall increase in emissions impacting Scope 3 categories due to broader operational and value chain activities. Fractal also listed on the National Stock Exchange, and the Bombay Stock Exchange in February 2026. Along with business growth, the expenses incurred due to IPO-related activities have contributed to a one-time increase in Fractal Scope 3 (Category 1) emissions. Additionally, Fractal deepened its Scope 3 Category 1 and Category 2 reporting, covering additional materially relevant items.

Since the methodology currently follows a spend-based approach, emissions will reflect higher values. In successive years, Fractal may change its methodology and that will also further refine the emissions portrait. It is important to note that Fractal increased its share of renewable energy across its facilities and continued to increase the usage of electric vehicles for business needs.

Fractal's two new facilities, inaugurated in May 2025, are also on green energy and have prevented an increase in Scope 2 emissions due to this green initiative.

Because the current assessment reflects this expanded boundary, year-on-year figures are not directly comparable with earlier periods and should be read as representing Fractal's present expanded operational footprint rather than like-for-like change. Reporting on the updated boundary nonetheless provides a clearer and more complete view of emission trends and of the effectiveness of ongoing reduction initiatives. Without the impact of the expanded boundary and added categories, Fractal has continued to do well on the Scope 1 and Scope 2 vectors. It also reported reductions in certain Scope 3 categories due to targets and initiatives aimed at decarbonization of these categories.

GHG emission performance and reduction strategy

Measurement and monitoring

Fractal has obtained independent third-party assurance of its emissions according to the AA1000AS Standard (Moderate), for the below mentioned fiscals.

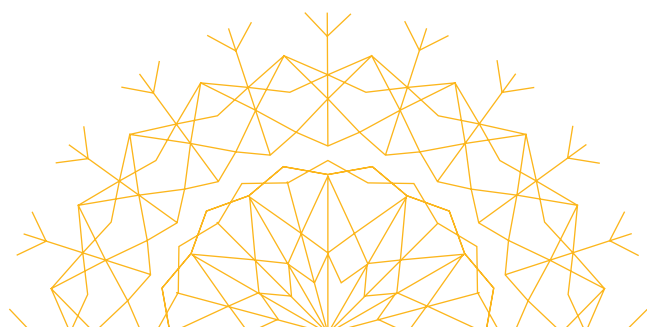
The table below shows Fractal's emissions from FY 2019-20 to FY 2025-26, across its operationally controlled boundary.

(MT CO₂e)

Scope	FY 2025-26	FY 2024-25	FY 2023-24	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20
Scope 1	45	97	136	178	174	174	194
Scope 2	65	64	70	305	590	686	1,012
Scope 3	18,127	5,510	1,236	1,536	970	736	2,176
Total	18,237*	5,671	1,443	2,018	1,735	1,595	3,382

*Note

- Until FY 2024-25, the above GHG inventory comprised Fractal's three largest facilities in India, which accounted for 70% of the global leased real estate, or 86% of the operationally controlled leased real estate. In FY 2025-26, this boundary was broadened to include Fractal's two new facilities in Bengaluru — leading to an expansion in operational boundary.
 - The two new facilities are powered by a mix of green energy to support Fractal's GHG Emission reduction goals.
- FY 2025-26 also saw a deepening of Scope 3 reporting in Category 1 (Purchased Goods and Services), and Category 2 (Capital Goods) using a spend-based approach, best suited to identify emissions concentrations/hotspots.
 - A spend-based EEIO approach (specifically, the USEIO database 2022 factors) was used, for finer spend categories.
 - Fractal will continue to engage with its value chain, to get activity-based data for its Scope 3 emission Categories.
- The FY 2025-26 period witnessed the launch and completion of Fractal's Initial Public Offering (IPO), on the Bombay Stock Exchange (BSE), and the National Stock Exchange (NSE). This event expectedly contributed to Scope 3, and hence overall emissions.



We continue to embed sustainability into our infrastructure and workplace operations by aligning our facilities with globally recognized environmental and wellness standards.

Environment

Scope 1 emissions —

Our Scope 1 emissions, which comprise direct emissions from company-controlled sources such as fuel consumption and refrigerants, declined during FY 2025–26 compared to the previous year. This reduction reflects our continued focus on improving operational efficiency and adopting lower-emission technologies across our facilities. Through targeted investments and infrastructure upgrades, we are working to systematically reduce direct emissions while supporting our broader decarbonization goals.

Key initiatives

- Continued transitioning to energy-efficient HVAC systems to optimize energy consumption and improve operational efficiency.
- Progressively replacing air-conditioning and water-cooling units that use high global warming potential (GWP) refrigerants with more sustainable alternatives.
- Procuring low-GWP refrigerators for newly established office locations.
- Installing water dispensers without refrigeration systems, thereby eliminating refrigerant-related emissions.
- Ensuring the responsible disposal of end-of-life cooling equipment in accordance with applicable Pollution Control Board guidelines.
- Continued replacing retired equipment with low-GWP and non-refrigerant alternatives to further reduce direct emissions.

While emissions performance varies across scopes, we continue to implement a broad range of initiatives that support decarbonization, resource efficiency, circularity, and responsible operations across our business.

Scope 2 emissions —

Our Scope 2 emissions, which arise from purchased electricity, remained stable during FY 2025–26 despite the expansion of our operational footprint. This performance was supported by our continued investment in renewable energy, with more than 93% of the energy consumed across our operationally controlled facilities, including the two new Bengaluru offices added during the year, sourced from renewable power. As a result, we were able to significantly moderate our Scope 2 footprint and avoid an increase in emissions associated with business growth.

Key initiatives

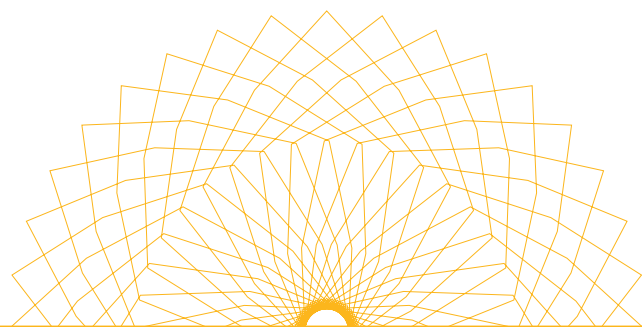
- Continued green energy sourcing, with more than 93% of total electricity consumption, (of operationally controlled facilities) from renewable sources.
- Extending green power procurement to both newly operational Bengaluru offices.
- Operating all facilities within the GHG reporting boundary (operational control) from LEED-certified buildings, supporting higher standards of energy efficiency and environmental performance.
- Designing new facilities in line with LEED and WELL certification principles, with certification processes for the new operationally controlled facilities currently underway.
- Continuing to prioritize energy efficiency and responsible energy sourcing as core elements of our operational strategy.
- Progressively expanding the adoption of renewable energy across our real estate portfolio to support long-term decarbonization goals.

Scope 3 emissions —

Our Scope 3 emissions, which comprise indirect emissions across the value chain, increased during FY 2025–26 compared to the previous year. This increase primarily reflects the expansion of our reporting boundary, enhanced disclosure practices, and one-time business activities, resulting in a more comprehensive representation of our value chain impacts.

A key factor contributing to the increase included Fractal's continued use of a spend-based methodology for Scope 3 Categories 1 and 2, which captures emissions based on expenditure data.

Despite the increase, we remain focused on reducing value chain emissions through targeted interventions, improved data quality, and strategic investments in sustainability. We continue to strengthen responsible procurement practices,



increase resource efficiency, promote circularity initiatives, and collaborate with stakeholders across our value chain to support long-term decarbonization efforts. These actions reinforce our commitment to managing Scope 3 emissions while building a more sustainable and resilient value-chain ecosystem.

Key initiatives across emission scopes

While emissions performance varies across scopes, we continue to implement a broad range of initiatives that support decarbonization, resource efficiency, circularity, and responsible operations across our business.

Electric mobility transition

- Continued the progressive transition to electric vehicles (EVs) across business travel and employee transportation.
- Continued efforts to grow our EV fleet - now covering approximately 75% of business travel distance and 36% of night transport distance, with the latter targeted to reach 50% by 2030.
- Expanded EV integration across leased surface transport while maintaining year-on-year improvements in adoption rates.

Responsible travel practices

- Implemented structured travel policies to encourage efficient travel planning.
- Promoted carpooling, shared mobility, and optimized travel practices to reduce travel-related emissions from business travel and employee commuting.

Water efficiency and smart monitoring

- Continued to operate from LEED-certified buildings equipped with water-efficient infrastructure.
- Utilized sewage treatment plants (STPs) that recycle and reuse wastewater for non-potable purposes such as flushing and landscaping.
- Invested in smart utility and water monitoring systems to improve resource efficiency and reduce wastage.
- Initiated a floor-level monitoring pilot to evaluate both invasive and non-invasive technologies for scalable water management solutions.

Responsible waste and e-waste management

- Segregated waste into recyclable (open-loop), recyclable (closed-loop), and landfill/energy recovery streams, in accordance with applicable regulatory requirements.
- Ensured ethical disposal of e-waste through authorized and certified recycling partners across relevant jurisdictions.
- Obtained disposal certificates to maintain traceability and demonstrate compliance with environmental regulations.

Improving scope 3 data and supply chain engagement

- Enhanced the tracking and reporting of Purchased Goods & Services (Category 1) and Capital Goods (Category 2) emissions.
- Increased integration of sustainability considerations into procurement processes and supplier engagement initiatives.
- Continued efforts to improve emissions traceability and data quality across the value chain.

Sustainable workplace practices

- Encouraged the use of reusable mugs to reduce paper cup consumption.
- Promoted the use of glass bottles in place of single-use plastics.
- Increased the use of recycled and environmentally preferable products, including stationery made from recycled materials.
- Adopted eco-friendly cleaning materials and responsible disposal practices across facilities.

Indoor air quality and healthy workplaces

- Implemented advanced Indoor Air Quality (IAQ) monitoring systems across key offices in Mumbai, Bengaluru, and Gurugram.
- Enabled real-time monitoring of PM2.5, PM10, CO2, VOCs, temperature, and humidity.
- Deployed MERV 13/14 filtration systems, air purification units, UVGI technology, and IoT-enabled controls to enhance workplace air quality.
- Reinforced our commitment to employee health, safety, and well-being through healthier indoor environments.

