

GRI 3-3

Management Approach Disclosures

Definitions, Acronyms, and Abbreviations

Term/Acronym	Definition/Description
ESG	Environmental, Social, and Governance
GRI	Global Reporting Initiative
KSPI	Key Sustainability Performance Indicator
ERM	Enterprise Risk Management
EPF	Employees' Provident Fund
ETF	Employees' Trust Fund
WRI	World Resources Institute
WBCSD	World Business Council for Sustainable Development
IGES	Institute of Global Environmental Strategies
SOP	Standard Operating Procedure
SPA	Sustainability Performance Analyser
HR	Human Resources
IT	Information Technology
ILO	International Labour Organization
HOD	Head of Department
SPOC	Single Point of Contact
NDA	Non-Disclosure Agreement (implied from context, not explicitly mentioned but referred to)

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1. About Fortude

Fortude is a global digital solutions company, delivering solutions that matter to its customers around the world.

The company's solutions span across ERP, data and AI, automation, digital advisory, managed services, integrations, and application development. Fortude has offices in the US, Canada, UK, Netherlands, Sweden, Singapore, Sri Lanka, India and Australia and partners with several large global technology, cloud, and automation product companies including Microsoft, Infor and UiPath.

Fortude is committed to engaging with stakeholders and addressing their requirements as part of its sustainability and ESG journey. Key sustainability and ESG issues relevant to stakeholders are identified as Material Topics. These are integrated into the company's strategy to manage ESG impacts, mitigate associated risks, and implement long-term, best-in-class solutions and initiatives.

Material Topics also form the foundation of Fortude's sustainability performance, measured against Key Sustainability Performance Indicators (KSPIs) reflecting the triple bottom line. ESG performance is regularly monitored, analyzed, and reported to senior management to support informed decision-making.

This document outlines Fortude's policies and management approach for addressing Material Topics and mitigating ESG risks. These Management Approach Disclosures are part of the company's sustainability reporting, aligned with the Global Reporting Initiative (GRI) Standards. All sustainability reports undergo independent third-party verification.

Fortude's Senior Management Team oversees strategy, policies, and procedures and conducts an annual review of these approaches through the central ESG and ERM function, led by the Chief People Officer.

2. Economic Performance

Economic Policy: Fortude is dedicated to enhancing its value to all its stakeholders, delivering sustainable economic performance, keeping in line with the highest standards of corporate governance, environmental stewardship and social responsibility.

Material Impacts and Management Approach

Topics Covered: GRI 205: Anti-Corruption

2.1 Economic Performance and Governance

The company is committed to delivering economic value addition to all its stakeholders, whilst following all local regulations and ensuring the highest levels of Corporate Governance.

Performance Monitoring

Fortude is dedicated to enhancing its contribution to all stakeholders via the triple bottom line, generating significant economic value addition while delivering sustainable performance. To achieve this, the management focuses on corporate governance best practices relevant to a private limited company, sound financial management, stringent internal controls and a robust risk management process covering operational, financial and non-financial risks. The company ensures that it complies with all regulations of the countries where it has operations through the implementation of the above-mentioned processes, as well as regularly monitoring and reporting the results of these processes to the senior management of the company.

Fortude has in place rigorous financial processes, an external Audit function that reports to a Board Audit Committee, an Enterprise Risk Management function, a central Human Resources Function, a Legal Function, Regional-level operational teams responsible for sales and delivery and an ESG and ERM Function tasked with monitoring the non-financial risks of the business.

These functions have oversight by the various senior management bodies such as the functional heads and the regional heads of Fortude. The Functions are governed by function-specific policies and SOPs with the head of the function responsible for ensuring the company operates in adherence to such policies. Under the economic and governance pillar, the company has decided to implement the policies such as whistleblowing policies and a zero-tolerance approach to corruption by FY2026/27.

Fortude strives to ensure that the economic value addition to stakeholders occurs along with compliance to all local regulations, ensures that its taxes, and payments to the regulatory bodies and Government Institutions are settled on time, deterrents, and processes to avoid corruption, and ensures timely payments to all its stakeholders such as financiers, suppliers and employees.

The Human Resources and Financial processes ensure that timely and performance-based remuneration occurs for its employees, including benefits such as Employees' Provident Fund (EPF) contributions, and Employees' Trust Fund (ETF) contributions as well as a retirement gratuity, in line with the local labour laws and regulations.

2.2 Anti-Corruption

Anti-Corruption Policy: The Company has a strict view regarding anti-corruption and ethical practices. The Company does not condone unethical behaviour or corruption and has a zero-tolerance approach to all forms of bribery, corruption and other malpractices. Employees who engage in such activities are subject to a formal investigation and disciplinary action.

The company believes that corruption results in increasing costs and low confidence in its business partners. Therefore, everyone from top management down to individual employees needs to adhere to ethical business practices. Through our engagement with key stakeholders and customers, we emphasize the importance of this topic.

Performance Monitoring

Each employee is required to sign their letter of appointment, which includes the Fortude Employee Code of Conduct. Furthermore, they are informed of the remedial and disciplinary actions that would result from any violations of the code of conduct, and they are also expected to report any breaches (with the assurance of non-disclosure) through the various channels that facilitate this. The company has planned to implement a whistleblowing policy to report any incidences of corruption by FY2026/27.

The risk of corruption is assessed as part of the Enterprise Risk Management (ERM) process at each business unit and preventative and mitigation plans are put in place to reduce such risks. The risks identified through the ERM process are also shared with the Compliance Team of Fortude to develop annual internal audit plans. This is to ensure that the preventive and mitigative actions identified through the ERM process are in place, monitored and have direct management oversight with regard to its effectiveness.

To track the effectiveness of the management processes in place, the company tracks various Key Sustainability Performance Indicators (KSPIs) regularly during the reporting period. Such KSPIs include the monitoring of payment of minimum wages or above to employees as well as by sub-contractors and dedicated supply chain partners to their employees deployed for undertaking work for Fortude. Furthermore, the payment of EPF/ETF and other statutory provisions to the employees of sub-contractors will be monitored to ensure that employees of significant subcontractors are paid such dues. Fortude also tracks the incidence of corruption and actions taken including any disciplinary action taken against workers found to be engaged in such practices.

3. Environmental Stewardship

Environmental Policy: At Fortude we recognize and believe that environmental stewardship is a key priority for the company, its customers, and society at large. As such, energy management, reducing our carbon emissions and responsible waste management are our highest corporate priorities concerning the environment, and strive to conduct all aspects of our business in an environmentally responsible manner. We are committed to identifying means to optimize our energy consumption, optimize the energy consumption in the solutions we provide our customers, adopt renewable energy where feasible, and protect the environment by complying with relevant waste management and environmental regulations in the countries in which Fortude operates. We are also committed to continually monitoring our energy and carbon footprint, waste generated and disposal methods and ensuring compliance through our Sustainability Management Framework which includes measuring KSPIs, reporting, measuring against targets and undertaking course corrective action. We will provide appropriate training to all our employees and sub-contractors to ensure their continued awareness of our Environmental Policy and their responsibilities.

Material Impacts and Management Approach

Topics Covered: GRI 302: Energy; GRI 305: Emissions; GRI 306: Waste; GRI 307: Environmental Compliance

Fortude is committed to protecting and conserving the environment and as a result, strives to minimise the environmental impact that occurs due to its business operations. While compliance with all environmental regulations of the countries it operates in is paramount, Fortude, through its continuous engagements, also recognizes the importance placed on environmental stewardship and climate change by its customers.

The Fortude Environmental Policy is an overarching policy providing direction to the regions of the company towards establishing environmental management systems to identify potential environmental risks and impacts, identify areas for process improvements, and track, monitor and report data to management for additional investments and course corrective action. Additionally, the company also seeks to manage the above impacts through management reviews and internal audits.

The ESG Function has also introduced Sustainability Standard Operating Procedures (SOPs) to assure consistency of processes and data accuracy of data concerning the Key Sustainability Performance Indicators.

The management approach will be reviewed and adjusted annually after carrying out an internal stakeholder engagement, while the sustainability performance will be reviewed against internally established benchmarks.

Performance Monitoring

The company adheres to all relevant local environmental laws and regulations at a minimum and as mentioned above, tracks its environmental performance using KSPIs every quarter, which are aligned to the relevant GRI Standards indicators.

The company has planned to implement a mechanism to receive feedback and any grievances from its stakeholders on any environmental impacts arising from its operations mainly related to carbon emissions and waste management by the end of FY2026/27. Being a B2B entity located in Sri Lanka, Fortude is well engaged with its customers, their environmental requirements as well as the environmental requirements of the end consumers, regulatory bodies such as the local Environmental Authorities and municipal councils, and communities in the areas of operations.

Members of the community may lodge any grievance with the company through the contact details mentioned on the company website. Clients and customers may raise any grievances directly through the dedicated email address that is Sustainability@fortude.co and liaise with the point of contact at Fortude's ESG and ERM Function. Employees may also use these channels or email the Chief People Officer directly with regard to improvements and/or suggestions concerning environmental stewardship practices.

Monitoring of environmental topics occurs through MS-Excel based Sustainability Performance Analyser (SPA) tool for data collection, performance analysis and reporting. Furthermore, Fortude also provides training for its ESG Champions, and operational staff about ESG topics, and external sustainability audits to ensure the accuracy of environmental data.

3.2 Energy and Emissions Management

Energy & Emissions Management Policy: Fortude seeks to minimize its energy footprint through the use of energy efficient office equipment, energy efficient heating, cooling and lighting, and is committed to utilising renewable energy within its operations where practically possible.

As an information technology company, Fortude uses both fossil fuel-based energy sources and electricity from the National Grid of the countries it operates in, to operate its office equipment, transport, logistics and for heating, cooling and lighting requirements for its offices. Thus, Fortude understands that a sound Energy and Emissions policy coupled with continual KSPI tracking and implementation of energy efficient equipment and behavioural changes to induce energy efficiency is not only good for the environment but also makes sound business sense.

Electricity consumption is monitored by using digital and analog metering. The greenhouse gas protocol of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) are used to measure carbon emissions. Also, carbon emission factors found in the IPCC guidelines for national greenhouse gas inventories published by the Institute of Global Environmental Strategies (IGES) are used for calculating our carbon footprint.

Fortude tracks its energy usage in GJ from all its fossil fuel consumption as well as calculates its Scope 1 and Scope 2 carbon footprint on a quarterly basis via the Sustainability Performance Analyser (SPA) tool, and such information is shared with the management teams. Energy efficiency measures such as LED lighting and employee awareness campaigns are undertaken continually to encourage staff to conserve energy.

3.3 Waste Management

Waste Management Policy: Fortude is committed to minimising waste by optimising the purchase of equipment and consumables, ensuring sound waste segregation methodologies and maximizing the reuse, recycling and recovery of waste generated.

Fortude's operations generate e-waste, which is classified as hazardous waste. It also generates non-hazardous waste such as paper, food from staff lunchrooms, and plastic materials from single-use consumer items and packaging material.

Fortude ensures responsible waste disposal for each significant category of waste streams arising from the company's operations, having established a sound segregation methodology, usage of colour coded bins, creating staff awareness on proper waste segregation, and formats for collection of waste data.

The company has partnered with a third party Waste Management vendor who is licensed under the Central Environmental Authority of Sri Lanka.

Waste generated by each waste stream is captured quarterly by Fortude and reported to senior management utilising the SPA Tool, which provides the quantum of waste reused, recycled and recovered.

3.4 Environmental Compliance

The company understands the requirements to continue carrying out its operations and the importance to comply with all local rules and regulations. The company engages with the relevant regulators as well as customers who require full compliance by all locations with local laws and regulations.

The company monitors and tracks fines and other compliance requirements as per laws and regulations of the country of operation, and this data is tracked through the SPA Tool. Storage, immediate rectification of identified leaks and Secondary Containment Tanks for Diesel storage for backup generators are to be implemented where applicable to minimise the risk of environmental non-compliance arising from any accidental spillage.

4. Labour Practices & Social Responsibility

Material Impacts and Management Approach

Topics Covered: GRI 401: Employment; GRI 403: Occupational Health and Safety; GRI 404: Training and Education, GRI 405: Diversity & Equal Opportunity; GRI 406: Non-Discrimination; GRI 418: Customer Privacy; GRI 419: Socio-Economic Compliance.

4.1 Employment

An Employee Code of Conduct is in place and all employees are required to sign it as part of the recruitment process. The Fortude Employee Code of Conduct ensures that all employees abide by ethical standards and maintain a high degree of integrity including respect for fellow employees, workers and 3rd party personnel in the workplace; ensure abuse and harassment-free workplace, not engage in substance abuse and intoxication in the workplace, dealing with proprietary information, conflicts of interest and receiving and giving gifts, etc.

Training and awareness sessions on the Fortude Employee Code of Conduct are carried out for all employees during the induction programs when they join the organization, while refresher training and awareness sessions are also undertaken periodically for all employees.

The company understands the value of being people-centric, which is imperative in maintaining a competitive advantage. Under this principle, the company creates synergies by recruiting and efficiently managing local talent and investing in furthering their capabilities. The company's Human Resources processes are complemented by various policies and procedures governing recruitment, working hours and leave, employee engagement, performance appraisal, training and development, health and safety, equal opportunity, non-discrimination and resignation, covering the complete lifecycle of employment.

The company adheres to all relevant local labour laws and regulations which are based on ILO (International Labour Organization) conventions. The company also benchmarks its HR processes against peers and industry norms.

The company tracks indicators such as attrition, diversity, training hours, and health and safety incidents, through its sustainability performance management system and the SPA Tool. The data derived from this system is then used to publish quarterly reports which are reviewed by the Senior Management teams.

The company also considers management of employee grievances an important topic and any employee can raise any grievances without fear of retaliation through various channels including communicating to the direct supervisor or the Head of HR. An open-door policy exists at Fortude for any grievances, and to resolve issues/conflicts fairly and transparently.

In Sri Lanka, employees are eligible for Employees' Provident Fund (EPF) contributions, and Employees' Trust Fund (ETF) contributions. As per the Gratuity Act No 12 of 1983, employees are also entitled to retirement gratuity, and employees with more than 5 years of service will receive half a month's last drawn salary for every year of service on retirement or termination of service. The company adheres at a minimum to all the above country regulations concerning employee benefit plans. Similarly, Fortude ensures that its employees in its other countries of operations are paid their mandatory retirement benefits and meet all statutory wage and benefit schemes of the respective country.

Additionally, Fortude recognizes that respecting and protecting human rights is an important issue for its employees, investors, customers, regulators, and the communities in which it operates. As a result,

upholding human rights is vital to its operations, and as such, ensures that its policies relating to its workforce is fully compliant with local labour laws, selected International Labour Organisation (ILO) Standards and in alignment with best practices with regard to topics such as child labour, forced labour and non-discrimination.

Being a company engaged in the knowledge industry, employees are required to have certain minimum educational or professional qualifications and as such, employees by the very nature of the industry are above the age of 18 years at the time of recruitment. Fortude also monitors its sub-contractor's personnel such as security services and janitorial service providers to ensure that they deploy workers who are above the age of 18 years at Fortude's locations. With almost all its staff being professional staff and white-collar workers at executive grades, working hours are as per regulations of the particular country in which the staff operates, and staff has no restrictions in leaving the workplace at any time. Fortude also provides the option of working from home to its employees.

There are no restrictions on freedom of association and all employees are free to join trade unions as per the laws of the country. As a result, all employees are free to join an industrial association and take industrial action when required, provided that these actions conform to the laws of the country.

Fortude as a well-known corporate entity commands a significant brand reputation as an employer of choice in its countries of operations. Consequently, the company adheres to the principles of business integrity, openness, respect for universal human rights and core labour principles, and therefore conducts its business ethically, to ensure its reputation and stature are maintained.

Fortude tracks the number of employees, age group and country of employment. As well as, KSPIs such as New Hires, New Hire Turnover, Total Employee Turnover and Employee Turnover by age group via the SPA tool. Such information is collated on a quarterly basis and presented to the senior management for review and necessary action.

4.2 Occupational Health and Safety

Occupational Health & Safety Policy: Fortude is committed to minimising any avoidable injuries and occupational illnesses, thereby striving to create a zero-accident environment for our employees, customers, and all other relevant stakeholders through the adoption of sound risk management principles.

Fortude places great importance on the health and safety of its employees, subcontractors, customers and third parties that access the premises of Fortude. Fortude seeks to minimise any avoidable injuries and occupational illnesses and provide a safe and secure work environment through the adoption of sound hazard risk management principles. Threats to safety in the workplace from hazards such as falling, electrocution, malfunctioning of equipment, fire, accidents during commute and business travel, and natural disasters are some of the key areas of hazards identified considering the operations of Fortude.

Fortude has implemented an Occupational Health and Safety Policy covering the following key aspects:

- Regional and functional Heads are responsible for ensuring that their respective staff members understand and adhere to company-defined practices especially related to commutes after any late office hours, business travel and other health and safety practices in the workplace relating to the use and management of office equipment.
- Each staff member acting on Fortude's behalf is responsible for ensuring that all applicable local rules and procedures are followed and that he/she shall take personal responsibility for his/her safety as well as his/her colleague's safety by adhering to company notices, policies, procedures, exercising sound and prudent judgment, and communicating any potential risks to the management of Fortude.

The Chief People Officer along with the Functional Heads of HR, Admin and ERM, are responsible for the identification of the potential occupational health and safety hazards through the operations of Fortude including that of staff commute and business travel in addition to working within the premises of Fortude, through a formal risk assessment process.

While all employees and workers are stakeholders of the Fortude Health and Safety Policy framework, the implementation, monitoring and continuous improvement of such framework is the responsibility of the Head of Admin. Fire wardens have been appointed at the Sri Lanka operations and are tasked with the management of staff evacuation during an emergency. The Admin Function is also responsible for monitoring and tracking incidences of accidents and illness through the SPA tool.

Occupational Health and Safety awareness programmes including fire and other disaster evacuation drills are conducted periodically to ensure prompt responses in the event of emergencies.

Workers are encouraged to bring up any health and safety concerns directly to their supervisors or the Head of Admin should they need to discuss matters pertaining to their safety at work and/or during commute or business travel.

Workplace injuries are tracked on an occurrence basis and reported quarterly to senior management except in the case of a serious workplace injury or fatality, in which case the case is reported immediately. Injuries are monitored separately for employees, and workers deployed at locations who are not on the company payroll, and by gender. The company records and reports on rates of injury, lost days, and the total number of work-related casualties in its workforce. Minor occupational injuries or diseases that result in less than one lost day are also excluded from these reports. Workplace injuries are also classified as High consequence injuries that require more than 6 months of recovery time and recordable injuries that require a recovery time of more than 1 day and less than 6 months.

In the event of high-consequence workplace injuries, the HR Function undertakes a root cause analysis to identify the primary and secondary causes for such incidents and to establish further controls and processes to avoid recurrence.

4.3 Training and Development

Training and Development Policy: Fortude invests in training and development programs that develop technical skills as well as soft skills for the workforce, facilitating the achievement of both individual and organizational goals.

Training and development of employees play a significant role in effectiveness and employee retention, and as a result, Fortude is committed to becoming a great place to work and learn.

Personal and professional development is a key element in developing staff to meet future challenges, especially in the IT industry and to ensure that the quality of their work and output remains cutting-edge. The organization is committed to continually improving the opportunities available to enable them to reach their full potential. To fulfil this commitment, Fortude has a robust and systematic approach to the planning and prioritisation of learning needs, ensuring these needs are linked to the strategic business goals.

The Fortude Training and Development Process is governed by the Learning & Development function within its HR Function. The policy aims to ensure that all staff are provided with the opportunity to attend training that will enhance their job capability and stimulate career growth; to nurture an environment where learning is an integral part of the company culture; to ensure that sufficient funding is set aside in the financial budget to cover planned training expenditure for the next financial year.

Training needs are identified during the end-of-year performance appraisal and through Learning SPOC/HOD/Supervisor/HRBP. The company believes that continual learning is necessary for career development and building sustainable competitive advantage.

The company monitors the hours of training provided by level and gender, along with the average hours of training per employee, and by gender. Such information is tracked on a quarterly basis and presented to senior management for review.

4.4 Non-Discrimination

Non-Discrimination Policy: Fortude is committed to ensuring a safe and secure work environment for its workers and has zero tolerance with regard to any forms of discrimination, abuse and harassment, sexual or otherwise. A safe, open, and positive work environment is essential for learning, growth, and creativity, and the company recognizes its workforce's right to a workplace free from such incidents. Fortude is committed to ensuring that all incidents and complaints are addressed promptly and impartially through an effective redressal mechanism, respecting the rights and dignity of all workers involved, including personnel of sub-contractors deployed at Fortude locations. Fortude will implement measures to prevent and eliminate any form of misconduct within this policy scope and ensure disciplinary action is taken against any employee found violating this policy.

Fortude has a zero-tolerance approach for discrimination, abuse or harassment based on gender, race, religion, nationality, age, social origin, disability, political affiliations or opinion. Any employee can make

formal complaints to the Head of HR and/or their supervisors, and any substantiated complaints will be investigated and dealt with in accordance with company policies.

The company has the 'Policy against Discrimination and Harassment' in place and such policies are communicated to staff and hosted on the company intranet.

The company monitors incidences of discrimination, the number of incidences where investigations were completed during the year and remediation action that was implemented during the year. Such information is tracked on a quarterly basis and presented to senior management for review via the SPA tool.

4.5 Customer Privacy

The company gives utmost priority to ensure the confidentiality of its customers' information as part of its operations and ensures this contractually with the customer and through the Employee Code of Conduct and Non-Disclosure Agreements where relevant with staff and other third parties. The company has established control mechanisms on IT systems and regular audits are also conducted to ensure data security measures are adequate, while instances of loss of data and privacy, as well as customer complaints concerning the same, are tracked and reported via the SPA tool quarterly.

4.6 Socio-Economic Compliance

The company conducts regular risk assessments and has established a culture of safety and compliance as initial steps in achieving process excellence. Fortude ensures at all times that it meets expected standards of product quality and also that its processes adhere to customer health and safety and customer privacy.

The company recognizes the importance of complying with all rules and regulations to ensure the continuity of its operations. While the company closely monitors non-compliance related to product and service responsibility, any environmental as well as socio-economic non-compliance fines are recorded and reported to the ESG and ERM Function on a quarterly basis via the SPA tool and are also shared with top management for review.