# Key highlights

## Our goals

### Environment
- Achieve Net Zero by 2040
- Reduce absolute scope 1 & 2 emissions by 50% by 2030
- Transition to 80% of electricity usage to renewable energy by 2030
- Achieve zero waste to landfill at all owned facilities by 2025

### Social
- Improve the environmental, social and governance (ESG) knowledge and skills of the employees
- Improve the gender diversity in the workforce with 40% Women by 2030
- Increase gender representation in senior leadership levels to 30% by 2030
- Become recognized among the best employers in our key operating geographies

### Governance
- Strengthen the sustainable supply chain process
- Integrate environmental, social and governance (ESG) to Risk Management and Internal Audit processes
- Become recognized among industry leader for information security practices and data privacy standards

## Key achievements

### Environment
- **Climate Change** – 70% reductions in per capita Scope 1 & 2 GHG emissions in the last decade.
- **Eco Efficiency** – Recharged 21 times more water than we consumed during the year 2021-22.
- **Climate Change/Eco Efficiency** – 7.3 million sq ft of building space in India is platinum rated by the US Green Building Council (USGBC) for Leadership in Energy and Environment Design (LEED).
- **Renewable Energy** – Increased the renewable energy portion of our overall energy consumption to 177% in FY2022.
- **Zero Waste** – All campuses in India are free from ‘Single use plastics’.

### Social
- **Human Capital** – Over the last decade, our employees have delivered almost 11 billion USD value to our clients through the value portal, an interactive idea generation platform.
- **Human Capital** – HCL named a top employer in 17 countries by Top Employers Institute.
- **Citizenship** – 3.7 million lives impacted through HCL Foundation initiatives: Education, health, skills development, environment, disaster risk reduction and response, 55% of the beneficiaries of our HCL Foundations projects are women.
- **Equal Opportunities** – 99% of female HCL employees return to work post maternity leave.

### Governance
- **Sustainable Procurement** – 89% of our total procurement spending is on goods and services sourced locally.
- **Governance and Ethics** – Reconfigured the Board’s Diversity Committee (created in April 2016) to the ESG and DEI Committee of the Board.
- **Anti Bribery** – ISO certification for HCL’s anti bribery management system.
Leadership notes
CEO & Managing Director Message

Someone is sitting in the shade today because someone planted a tree a long time ago.”

Our future is an outcome of our choices not circumstances. Four decades ago, when Shiv Nadar founded HCL, he not only established a pathway for growth but also a foundation for values that laid out clear choices on our way forward. Today, our multifarious actions towards sustainability, as detailed in this report, stand upon this legacy of innovation, entrepreneurship, humanity, and a people-centric culture working in tandem with local communities.

As the world is put to the test with rising environmental complications and social disparities, we at HCL Technologies believe that business has an important role to play in overcoming these challenges. We have therefore embedded Environment, Social and Governance (ESG) factors into the very core of our business and operations strategy to ensure sustainable and responsible progress for all our stakeholders.

In this endeavor, we are guided by our philosophy of “Act-Pact-Impact” as elaborated in this report.

We significantly accelerated our actions under this canopy led from the very top of our executive structure. The HCL Technologies Board reinstated its Diversity Committee (created in April 2016) to the ESG and DEI Committee; approved a set of goals and targets on ESG, included in this report and continued to focus on our community initiatives through its CSR Committee.

We also aligned our sustainability disclosures to the Taskforce on Climate related Financial Disclosures (TCFD) with this report being its first documentation.

FY2021-22 was also monumental as we committed to net zero by 2040. On this path our intermediate targets of 2030 were validated by the Science Based Target initiatives (SBTi) to be aligned to the 1.5°C pathway. We also revisited our material topics and finalized 12 material topics to focus on.

These agenda setting developments ensured that we made substantial, focused and priority driven progress in FY2021-22, details of which you will read in this report.

I want to thank our employees, clients, partners and communities for their support and partnership on this journey and want to take this opportunity to reiterate HCL Technologies’ commitment to act responsibly, deliver new solutions through pacts with broader stakeholders, and work collaboratively to create a tangible positive impact for all.

Some highlights of our environmental achievements

- **70%** reduction in per capita scope 1 & 2 greenhouse gas (GHG) emissions in the last decade.
- **69%** reduction in per capita water consumption in the last five years.
- **21x more** water recharged into community supplies through our citizenship initiatives, compared to our Pan-India consumption.
- **Over 844,000** saplings planted.
Our vision and approach
Deliver sustainable, long lasting impact through our corporate actions and our pacts with stakeholders.

Our vision for sustainability is based on three guiding principles:

**ACT**
We understand that impact starts with us. We act in the most responsible and sustainable manner. We ensure we use every resource efficiently to maximize value.

**PACT**
Our relationships go beyond a formal contract with our stakeholders. We are working for a sustainable future, in collaboration with our clients, partners, employees, communities and all other stakeholders.

**IMPACT**
We focus on creating sustainable, long lasting impact through all our initiatives and activities.

About the report

We are proud to present our sustainability report for FY2022. This report highlights how we conduct our business in a responsible manner while showcasing how we work with our stakeholders and the impact we deliver.

Unless stated otherwise, the reporting scope and boundary covers the operations of HCL Technologies across all our locations. Being an IT company, our supply chain is limited to the procurement of goods and services for our own operation.

**Reporting Principles and Framework**

This report is aligned to Global Reporting Initiative (GRI) standards, Sustainability Accounting Standard Board (SASB) standards, WEF - ESG principles, TCFD principles, and Business Responsibility and Sustainability Reporting (BRSR) requirements of SEBI. Our material issues are also aligned with the United Nations Sustainable Development Goals (UNSDGs).

**Approach to materiality**

HCL conducts a materiality assessment periodically to identify and prioritize topics material to its business operations. We consider material topics that influence our business value as well as topics relevant to the market, the environment, and internal and external stakeholders. Appropriate and relevant strategies and execution plans are devised based on these topics and integrated into our business strategy.

This report incorporates information that is intended for our stakeholders to get a clear picture of our ESG performance and understand how we create and sustain long term value.

**Feedback**

We seek your feedback on our report. This will help us continually improve the quality of our disclosures and the way we have presented the data and information. For any feedback or clarifications you can write to Santhosh Jayaram, who serves as our global head – Sustainability.
Stakeholder engagement and materiality

During FY2022, we adopted a fresh approach to finalizing our material topics. We incorporated new perspectives from our clients and partners which enabled us to address pandemic induced changes. Stakeholder engagement remains the cornerstone of our ability to gather relevant data, feedback, and opinions. While we get the relevant information to process and determine a sustainable roadmap that is inclusive of stakeholder value, these engagements also help us communicate our goals and targets.

We engage with our stakeholders over a variety of channels and platforms to maintain consistent communication. Our stakeholder engagement ensures that we understand how to achieve progress towards our ESG goals and identify measures to optimize our ESG performance.

Our stakeholder engagement process has been further elaborated in the section given below:

<table>
<thead>
<tr>
<th>Channels of communication</th>
<th>Frequency of engagement</th>
<th>Purpose and scope of engagement</th>
<th>Outcomes</th>
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</thead>
<tbody>
<tr>
<td>Stakeholder Group: Employees</td>
<td>Ongoing</td>
<td>Feedback and grievance redressal</td>
<td>Strengthened &quot;Employee Grievance Management System&quot; by introducing separate channels for sexual harassment, whistle blowing and general grievances with multiple levels of escalation matrix</td>
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<tr>
<td>Surveys</td>
<td>Survey: Annual</td>
<td>Employee engagement (fun at work/motivation/ happiness/passion/ wellbeing)</td>
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<td>Focus Group Discussions</td>
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<td>Engagement for self performance improvement and team productivity improvement</td>
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<tr>
<td>Online modes of communication:</td>
<td></td>
<td>Diversity and inclusion</td>
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<tr>
<td>• Emailers</td>
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<td>Career support programs</td>
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<td>• Newsletters, volunteering calendars, rewards &amp; recognitions</td>
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<td>Employee assistance program</td>
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<td>Employee passion clubs</td>
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<td>Employee feedback on policies</td>
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<td>Festivals and other celebrations</td>
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<td>Employee wellness</td>
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<td>Welllness sessions</td>
<td></td>
<td>Training programs and learning nuggets – functional and cultural (Eg. Inclusion lab)</td>
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<td>Family sessions</td>
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<td>Maternity support</td>
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<td>Employee resource groups like Women Connect</td>
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<td>Topics raised:</td>
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<tr>
<td>Client and HCL leader sessions</td>
<td></td>
<td>• Work environment</td>
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<td>360 feedback</td>
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<td>• Opportunities for growth</td>
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<td>• Wellbeing</td>
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<td>• Mentorship programs</td>
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<td>• Accessing idea sharing platforms</td>
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<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>• Continued the 24*7 COVID helpline globally</td>
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<td></td>
<td>• Added the following topics in our Material topics: Human Capital, Local Hiring, Diversity &amp; Inclusion, Talent Attraction &amp; Retention, Work Environment, and Citizenship</td>
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<td></td>
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<td>• Launched apprenticeship program and tech bee program (early career program for full time jobs)</td>
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<td>• Diversity and Inclusion COE – Increased focus on these programs: Prelude, Steppingstone, Decode, and ASCEND (Women specific Leadership Programs) and Accessibility COE</td>
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<td>• Continuous value generated through ideation platforms such as Value Portal, Mad Jam, Good Practices Conference and IP Monetization</td>
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<td>• Ongoing workplace assessment intended for barrier free built environment for persons with disability and elderly persons</td>
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<td>• Boosted the entry-level packages from INR 3-3.6 lakh (3-360,000) to INR 4.25 lakh (425,000) for FY2023.</td>
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<tr>
<td>Channels of communication</td>
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<tr>
<td><strong>Stakeholder Group: Vendors &amp; Suppliers</strong></td>
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<tr>
<td>Supplier escalation mailbox system, Online surveys, Dedicated vendor helpdesk</td>
<td>Ongoing Survey: Annual</td>
<td>• Query resolution and grievance redressal • Supplier performance assessment • Vendor due diligence • Risk assessment for high-risk vendors • Addressing non compliance issues • Breach of contract</td>
<td>• Strengthening the sustainable procurement process • Planning improved engagement with suppliers and vendors to improve sustainability performance across purchased goods and services</td>
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<td><strong>Topics raised:</strong> Enquiries pertain to sales, point of contact &amp; payment related queries.</td>
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<td><strong>Stakeholder Group: Customers</strong></td>
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<tr>
<td>Customer experience engagement, Account level engagement, Customer contact sessions by leadership</td>
<td>Annual Ongoing</td>
<td>• Resolution of any delivery challenges • Feedback on technology &amp; services being implemented • Idea sharing • Grow footprint and upsell • ABM marketing plans • QBR process</td>
<td>• Improved communication on ESG performance • Sustainability solutions to help clients to help them achieve their goals • Continue to implement leading practices around information security</td>
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<td></td>
<td><strong>Topics raised:</strong> • Contract compliance • Resource management • Quality • Information security • Innovation • ESG performance</td>
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<tr>
<td><strong>Stakeholder Group: Immediate communities in which we operate</strong></td>
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<td>Need assessment surveys Focus group discussions One to one meetings Impact evaluations</td>
<td>Ongoing</td>
<td>• CSR project identification • Budget estimations • Measuring the impact generated • Addressing quality of life</td>
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<tr>
<td></td>
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<td><strong>Topics raised:</strong> • Education • WASH • Malnutrition • Skill Development • Employability</td>
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<tr>
<td><strong>Stakeholder Group: Investors &amp; shareholders</strong></td>
<td>Questionnaires Surveys One-on-one interviews Investor meets Geo based Management level meetings post quarterly results Webinars (one on one and in groups) Reports</td>
<td>Quarterly</td>
<td>• Communicate HCL's business performance, strengths, environment, demand, future strategy, etc., • Resolve queries from investors • Present our ESG focus and performance</td>
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<td></td>
<td><strong>Topics raised:</strong> • Business outlook • Supply side pressures like attrition rate and hiring rate • Clarification on ESG parameters • Hybrid working model</td>
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</tbody>
</table>
Our 12 material ESG topics

The stakeholder engagement inputs, regulatory requirements, global trends and peer benchmarking are fed into our materiality exercise. Engaging with our stakeholders and using a risk and responsibility lens, we were able to prioritize 12 material ESG topics.

Process chart

List of potential topics and their definitions

- Is the topic representing a responsibility as per the policies and code of business conduct of HCL?
- Is the topic representing a significant risk to HCL

Top 12 Material Topic

Yes

Yes
Environment

1. Eco Efficiency
At HCL we focus on resource optimization and efficiency while reducing the negative environmental impacts of our operations.

2. Climate Change
Addressing, mitigating and adapting to climate related risks while capitalizing on opportunities presented by climate action.

3. Human Capital
Employees are our most valuable asset. Rapid change is a constant in our technology sector, and we need to upskill and reskill our employees to deliver cutting edge solutions to our clients.

4. Local Hiring
It is our responsibility to be part of the communities in which we operate. To address this, we invest in local talent and work with academic partners.

5. Diversity, Equity and Inclusion (DEI)
Our DEI strategy has been designed to ensure that every employee feels included and valued. By fostering a climate free of bias, where equity and mutual respect are intrinsic, we are a result oriented and caring organization that nurtures intellectual strength and produces innovative solutions from the synergy of its people.

6. Talent Attraction and Retention
At HCL, our talent management plans don't just focus on attracting and retaining our skilled workforce, they develop the workforce, manage performance, transition talent to new leadership roles, and make our workplace culture a competitive advantage.

Social

7. Work Environment
We ensure that our employees have the best-in-class facilities. We also have created robust systems to make sure that our employees work in a safe and healthy environment.

8. Corporate Citizenship
At HCL we leverage our 209,000 employees, expertise and knowledge to drive transformative change through integrated community development projects.

9. Sustainable Procurement
To drive sustainability across our value chain, HCL has developed a procurement strategy that evaluates suppliers on specific ESG dimensions and conducts programs that improve suppliers’ knowledge of sustainability.

10. Sustainable Impact on clients
As there is a growing recognition of the interdependence of digitalization and sustainability, we are ready to help our clients through our sustainable solutions.

Governance

11. Governance and Ethics
We have established policies, mechanisms and processes that follow the highest standard of ethics. This has played a pivotal role in the credibility the organization has generated over years.

12. Cyber Security, Data Protection and System Availability
As cyber threats and security breaches become more advanced it is critical for us to have superior security systems and management plans.
How we act matters

What we are doing within our business across:

- Environmental
- Social
- Governance
We understand that impact starts with us. We act in the most responsible and sustainable manner. We ensure we use every resource efficiently to maximize value.

We have prioritized particular environmental, social and governance (ESG) areas of our business and operations to maximize our contribution to the UN Sustainable Development Goals (SDGs). We have set ourselves targets across these priority areas within our business and operations.

### Environmental

We are determined to drive a future that is both inclusive and regenerative. To unlock this potential, we have always been committed to embedding sustainability into our culture, our services and our operations.

#### Our environmental goals:

<table>
<thead>
<tr>
<th>Material topics</th>
<th>Our goals</th>
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</thead>
<tbody>
<tr>
<td><strong>Climate Change</strong></td>
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<td>• Achieve zero waste to landfill at all owned facilities by 2025</td>
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</tbody>
</table>

We have initiated a new dimension to our goals with regard to combating climate change through the bold commitment of achieving net zero by 2040. We recalibrated our baseline year to 2019-20 and have finalized our goals. Our targets related to greenhouse gas (GHG) emission reduction were validated by the Science Based Targets Initiative (SBTi) to be aligned to a 1.5°C Pathway.

HCL is committed to achieve a reduction of 50% on absolute scope 1 and 2 emissions by 2030 compared with the 2020 baseline. Supporting this, by 2030, we plan to transition 80% of our electricity through renewable energy. We will also maintain zero discharge from all our owned facilities and achieve zero waste to landfill at all owned facilities by 2025.

#### Our key environmental achievements:

- **70%** reduction in per capita scope 1 and 2 GHG emissions in the last decade
- **69%** reduction in per capita water consumption in the last five years
- **17.7%** renewable energy in global energy consumed
- **2x more** water recharged through our citizenship initiatives, compared to our consumption Pan-India
- **844,000+** tree saplings planted.
Our climate strategy

Aligned to our overall approach of Act, Pact, Impact, we have identified climate change as a material aspect and have devised our strategies accordingly. Our climate related strategy is based on four dimensions:

1. Emission reduction
   - Our emission reduction strategy is driven by various initiatives across energy efficiency, renewable energy, other environmental and efficiency improvements. We have introduced low carbon commute options for our employees and we are looking at reducing emissions from purchased goods and services. Our strategy has been developed with the aim to limit our greenhouse gas (GHG) emissions aligned to a 1.5°C pathway by 2030 and to reach net zero by 2040. We are committed to reducing absolute scope 1 and 2 GHG emissions by 50% by 2030 from a 2020 base year.

   We calculate the implicit carbon price every year and this price is used in preparing our budgets.

2. Carbon offsets
   - The HCL Foundation through its ‘Harit’ initiative works on biodiversity conservation projects. In addition to tree planting, there are also projects that focus on water management, renewable energy and clean cookstove projects. We are currently undertaking an estimation and verification study to assess these projects for voluntary carbon offsetting. The results will be reported in the next reporting cycle.

3. Climate related solutions
   - Digitalization is at the heart of climate change solutions. HCL recognizes this opportunity and works with clients and partners to help them chart their own net zero ambition. The solutions are discussed in the “Sustainable impact for clients” chapter.

4. Climate risk mitigation
   - We have completed the first phase of our climate risk assessment study, which covers our operations in India and the US. We are currently evaluating the financial implications of climate risks and opportunities. This information will be disclosed in the next reporting cycle. The management approach we are taking to mitigate the identified risks are explained in later sections.

Environmental management system (EMS)

Our EMS covers our environmental performance across operations, environmental risks, compliance obligations, environmental footprint reduction, and a framework for setting environmental objectives and targets.

HCL also ensures that the environmental policy is communicated to all the relevant stakeholders and conducts regular training and awareness programs. Twenty-six of our major sites are certified for ISO 14001: 2015 and covered under an environmental management system (EMS). We adhere to the ISO 14064-1:2018 standard for GHG emission quantification, reporting and removal.

Three of our major campuses in India and four facilities in Germany are also certified for ISO 50001:2018 (energy management system).

7.3 million sq ft of building space in India is platinum rated by the US Green Building Council (USGBC) for Leadership in Energy and Environment Design (LEED).

Our environmental policy and EMS act as the guardrails for our interventions. We ensure strict compliance with local environmental laws and regulations. In addition to our environmental policy, we have dedicated separate policies on energy and occupational health and safety (OHSS), which also guide our sustainability practices.
Our energy efficiency achievements

Our approach to energy efficiency involves robust analytics, process optimizations and replacing equipment with energy efficient smart equipment.

In FY2022, we have reduced total energy consumption from 948,077.47 in FY2021 to 909,144.85 gigajoules (GJ) in FY2022. This comes through a decrease in both electricity and fuel consumption. In addition, the company has reduced its dependency on non-renewable energy sources.

Most of our energy consumption is attributed to our buildings and data centers. We track the energy consumption and related emissions of all our major data centers. Globally around 17.7% of our energy consumed comes from renewables.

Our focus on data centers has helped us secure 50% renewable energy for its operation. The Power Usage Effectiveness (PUE) calculated as a weighted average of the size of the data centers for pan India is 1.6.

HCL’s goal is to meet world-class green standards for its facilities. HCL has succeeded in getting the highest ratings from various Green Building organizations like USGBC, IGBC, etc. 7.3 million sq ft of building space in India is platinum rated by the US Green Building Council (USGBC) for Leadership in Energy and Environment Design (LEED).

Apart from strict adherence to green building principles for all new buildings, HCL is also focused on improving the operational efficiency of its existing buildings. This has resulted in a reduction in energy demand, thereby significantly bringing down our operational costs. We achieved 27,212 MWh in electricity savings which in turn lead to 21,498 MT CO2e savings.

Even with an increase of employees returning to a work from an office setting, our energy intensity (electricity consumption per capita) has witnessed a significant reduction of 22.46% compared to previous year. Our energy intensity fell from 5.61 GJ/employee in FY2021 to 4.35 GJ/employee in FY2022.
Some of the energy conservation initiatives that resulted in efficiency improvements are outlined below:

1. **Cooler cooling** — cooling forms an intrinsic part of HCL's operations. Through various innovations such as optimizing cooling tower effectiveness by replacing cooling tower fills, adjustment of the temperature set point, descaling the condenser regularly and monitoring the performance of the equipment using smart automation; we have managed to infuse efficiency into our cooling systems without impacting cooling performance. This initiative has enabled the saving of 512 MWh during FY2021-22 of energy and has helped to reduce 404 tCO2e of carbon footprint under an operational investment of just One million INR.

2. **HVAC optimization** — the innovation we brought to our cooling units was also applied to our HVAC systems. We deployed operational control enhancement measures such as AHU timer-based control and temperature setpoint changes. This has enabled us to save 780 MWh of energy during FY2021-22 and has helped reduce 616 tCO2e. Additionally, under a Capex investment of 22.9 million INR existing conventional PAC units were replaced with Air Cooled DX type CRAC units and conventional air conditioners were replaced with energy efficient technology.

3. **Lighting the way for the future** — under a Capex investment of 47 million INR, conventional lighting has been replaced with LED lighting for energy conservation and optimization. LED lighting is being used in all major facilities including workspace, café/pantry, pathways, and basements. Operational control enhancement measures such as motion sensors operating on occupancy and movement and daylight harvesting features have been installed in the aforementioned areas. Energy savings accrued through interact LED, non-interact LED and efficient lighting controls have enabled saving of 1569 MWh of absolute energy consumption which has helped to reduce 1240 tCO2e. Under a capex investment of 47 million INR, conventional lighting has been replaced with LED Lighting across all our campuses. In addition, the LED Lighting installation that was done under project URJA in FY2016 is continuing to accrue massive energy savings to the tune of 909 MWh.

4. **Optimizing UPS** — effective utilization of UPS systems in some of our facilities has been realized and efficiency of existing UPS systems has been increased by using energy-efficient units as per load demand and by switching off oversupply UPSs, activation of active filters among others. With zero investment, we have saved 235 MWh of absolute energy consumption during the financial year and have reduced 185 tCO2e.

5. **Solar water heating** — a solar heater of 8000 LPD capacity was installed and utilized in Noida sector 126 (cafeteria) help to conserve 6.9 MWh of electrical energy required from conventional electric heater heating and to reduced 5.5 tCO2e under zero investment.

6. **Elevator operation optimization** — under the capex investment of 0.44 million INR, the revised operating schedule of elevators during weekends and non-business hours (low footprint timings) has been adopted on all major campuses. This has enabled us to save 46 MWh of absolute energy consumption and has helped to reduce 36 tCO2e. And under the capex investment of 0.37 million INR an “elevator Group control system” has been installed. This has not only enabled us to save 38.5 MWh of energy consumption but also successfully optimize our elevator operations. We focused on increasing operational efficiency by revising the operating schedule of elevators during weekends and non business hours (low footprint timing) at major campuses. This helped the organization save 46 MWh of absolute energy consumption in this fiscal Year and reduce 36 tCO2e under the capex investment of 0.44 million INR.

We have several activities across our data centers to reduce energy consumption:

7. **Using low powered blade servers and more energy efficient uninterruptible power supplies**, which use 70% less power than a legacy UPS

8. **Increasing the use of renewable energy sources to power its data centers**

9. **Conducting annual Data Center Energy Performance Reviews** aligned to the ISO 50001 framework

10. **Regularly tracking** the data center Power Usage Effectiveness (PUE).
Assessment and disclosure to Task Force on Climate-Related Financial Disclosures (TCFD)

We support the Task Force on Climate-Related Financial Disclosures (TCFD) by acknowledging that transparency regarding climate related disclosures is critical to sustain our relationship and trust with our key stakeholders.

Although we have been reporting on our GHG emissions, this is our first disclosure aligned to TCFD. As per the recommendations this section is divided into four core elements: governance, risk management, strategy, and metrics.

This disclosure is the first step of our TCFD journey and we will continue to leverage the recommendations to drive our net zero ambitions.

**Governance**

The board’s oversight of climate-related issues is through the ESG committee. The details of the functioning of the committee and the frequency of meetings are disclosed in the governance section of this report.

During FY2022, the decision was taken to revisit our climate strategy in consultation with the ESG committee and the baseline year was finalized as FY2020. Following this, targets were drawn for 2030 and the commitment to achieve net zero by 2040 was finalized.

A central ESG core team inside the office of the CEO with specialization in climate change was also formed during the reporting year.

While the overall climate change goals and targets forms part of the responsibility of the ESG core team within the office of the CEO, the respective pathways to achieve the goals — such as improving energy efficiency, increasing renewable energy in the energy mix, reducing emissions related to employee commutes and business travel, reducing emissions from purchased goods and service etc — are included as KPI’s to the respective leaders one level below the CEO.

**Risk management**

Our enterprise risk management (ERM) framework uses a top-down approach to classify risks. This is integrated into our organizational strategy and helps shape our key business objectives. The framework also relies on active dialogue between the board and the management team. This enables judicious oversight by the board. We conducted a climate risk assessment and the outcome of this forms part of the ERM framework, which will be integrated into the risk management process.

The board has convened a risk management committee to identify, evaluate and mitigate operational, strategic and external risks.

In addition, the audit committee is also involved in overseeing areas of risks and implementation of relevant controls. Our risk management policy ensures appropriate management of risks in line with HCL’s internal systems and culture. Since climate risk assessment was carried out during the last quarter of the FY2022, the risk management committee is yet to evaluate the same in detail. All GHG emission disclosures are third party assured.

Crisis and Resilience (C&R) Program falls under the purview of Risk and Compliance function headed by the Chief Risk Officer of HCL. The C&R Program is guided by the board, led by subject matter experts, and is based on ISO 22301 standard and global best practices. We undertake active engagement with ecosystem partners for real-time horizon scanning of risks and early warning signals.

Our Crisis Management Framework provides agile response, timely communication with internal and external stakeholders, and recovery & restoration based on the rapidly evolving global threat landscape, which includes climate threats. Moreover, we have embedded Resilience-by-Design philosophy in the firm across different dimensions of the "new-normal" including resilience in work, workforce, workplace, technology, supply chain, and leadership.

We have started integrating climate change risks into each of these dimensions and business continuity planning solutions.

We conducted a comprehensive climate change risk assessment covering our major operational locations — India (15 cities) and the US (42 cities). As outlined by the TCFD, the risks have been categorized into:

1. Transition risks, linked to the transition to a low carbon economy as a result of carbon policy and regulatory changes, and
2. Physical risks linked to climate change. This has been carried out for one scenario, based on the IPCC defined RCP 4.5 and covering short to medium to long term (up to 2050) time frames.

RCP 4.5 is described by the IPCC as an intermediate scenario. Emissions in RCP 4.5 peak around the year 2040, then decline. According to IPCC RCP 4.5 is the most probable baseline scenario, considering the exhaustible character of non-renewable fuels. We have defined short term as less than 5 years, medium term as between 5 to 15 years and long term as beyond 15 years.

The results of the scenario analysis included higher incidence of tropical cyclones, salt water intrusion and coastal flooding, water stress, and heat waves across cities.

We reviewed our sensitivity to these hazards, adaptive capacity to mitigate these risks and identified vulnerable hotspots.

These results have been further elaborated in the table below where we see an increase in frequency of climate hazards under RCP 4.5 scenario. The following sections also expands further on identified transition risks.
### Identifying climate risks

#### Physical Risks

<table>
<thead>
<tr>
<th>Risk</th>
<th>Impact to business</th>
<th>Time horizon</th>
<th>Management Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heatwaves &amp; wildfires</td>
<td>Impact will be felt in terms of:</td>
<td>Short to mid term</td>
<td>• Our Crisis and Resilience Program has been implemented to manage, respond and recover from disruptive events including climate related risks &lt;br&gt;• There are ongoing efforts with the latest and advanced monitoring systems to avoid potential server downtime &lt;br&gt;• Started monitoring the Power Usage Effectiveness (PUE) of our data centers and have initiated action to improve the efficiency &lt;br&gt;• 73 million sq ft of building space in India is platinum rated by the US Green Building Council (USGBC) for Leadership in Energy and Environment Design (LEED) &lt;br&gt;• Efforts to strengthen captive renewable power generation &lt;br&gt;• Already launched an exhaustive employee health care program &lt;br&gt;• Invested in collaborative tools to facilitate a hybrid work environment.</td>
</tr>
<tr>
<td>Salt water intrusion,</td>
<td>• Sea level rise will cause salinisation of land, damage to building structures due</td>
<td>Long term</td>
<td>• New assets, asset maintenance, asset upgrades etc will start factoring climate risk as part of planning process &lt;br&gt;• A monitoring system to be initiated to monitor the impact of climate change.</td>
</tr>
<tr>
<td>coastal flooding and</td>
<td>to corrosion and water stress due to salinity intrusion into freshwater aquifers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>water stress</td>
<td>• Some of HCL's facilities can have potential risk from long term time horizon.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Storms, hurricanes,</td>
<td>• Some of our facilities can be at risk because of extreme rainfall, storms and</td>
<td>Short to mid term</td>
<td>• Our business continuity and crisis management program are upgraded to include climate related risks &lt;br&gt;• Already launched an exhaustive employee health care program &lt;br&gt;• Invested in collaborative tools to facilitate a hybrid work environment.</td>
</tr>
<tr>
<td>and tropical cyclones</td>
<td>tropical cyclones</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Potential risk can be in terms of business continuity, employee safety and health.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Transitional risks

<table>
<thead>
<tr>
<th>Risk Type</th>
<th>Risk</th>
<th>Time Frame</th>
<th>Management Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Risk</td>
<td>Clients' and partners increasing expectations for environmental/social</td>
<td>Short term</td>
<td>• Started engaging with clients and partners to understand their expectation and communicating what we do on a continuous basis &lt;br&gt;• Transparent communication of the ESG performance including performance in relation to GHG emissions &lt;br&gt;• Collaborating with clients and partners to create better impact &lt;br&gt;• Working in coalition towards the bigger goals &lt;br&gt;• Align our net zero Target and 2030 targets to 1.5°C pathway (validated by SBTi) &lt;br&gt;• Training and skill development of employees on climate change &lt;br&gt;• Investments planned to move our energy mix towards renewable energy.</td>
</tr>
<tr>
<td>Market Risk</td>
<td>Clients seeking digital solutions in the transition to a low-carbon</td>
<td>Short term</td>
<td>• Continue to diversify our offerings in terms of emission reduction, climate resilience and Green IT services &lt;br&gt;• Couple of services already launched are featured in the sustainability solutions section of this report &lt;br&gt;• Working closely with partners to evolve next generation climate related solutions &lt;br&gt;• Expanding the scope of the innovation centers with clients to include climate change mitigation pathways.</td>
</tr>
<tr>
<td>Reputation Risk</td>
<td>The increasing scrutiny of consumers, businesses, and institutional</td>
<td>Short term</td>
<td>• Ensuring effective transparency through sustainability report which is published annually &lt;br&gt;• Our commitment towards net zero and our goals and targets for 2030 are made public &lt;br&gt;• Periodic engagement with all stakeholders to discuss what we do in relation to climate change.</td>
</tr>
</tbody>
</table>

---
Reducing greenhouse gases (GHG)

In line with our commitment, we have begun the challenging task of managing our emissions to limit global warming to 1.5°C pathway. As outlined in the net zero standard published by SBTi, our priority is to mitigate and we will consider offsetting only residual emissions.

**Our emission profile**

We use the in-house HCL Manage Carbon tool to measure our scope 1 and 2 emissions. The open-source tool follows the GHG Protocol Corporate Standard. We have improved the boundary of reporting to cover global operations and from this year we have started doing a separate assurance of our GHG emissions against ISO 14064-1:2018.

It is not comparable to discuss the reductions achieved as against the baseline year because it was only by the end of FY2020 that the impact of the pandemic became visible. There is a decrease in the sum of scope 1 and 2 emission by 1.9% and at the same time there is a decrease in per capita emission by 20.6% as well, in FY2022 compared to FY2021.

20.6% reduction in per capita scope 1 and 2 emissions compared to FY2021.

**Scope 1 emissions**

Our scope 1 emissions include emissions from the combustion of diesel fuel in generator sets and that we use to power our campuses. Additionally, scope 1 also includes fugitive emissions. Our operations result in the emission of fugitive emissions such as those from heating, ventilation, and air conditioning (HVAC) systems at our sites. These include R22, R32, R134A, R410A and, R407C, each of which has a varied Ozone Depleting Potential (ODP) and contributes to GHGs.

The reporting boundary is global operations of HCL. Ninety-nine percent of the scope 1 emission is from India's operations.

We have made a conscious effort to switch over to refrigerants with minimum Ozone Depleting Potential (ODP) and Global Warming Potential (GWP). We use environmentally friendly cooling agents in air conditioning and refrigeration systems at our facilities, in line with the Montreal Protocol, to avoid depletion of the ozone layer.

**Scope 2 emissions**

Our scope 2 emissions, calculated using location-based approach, include emissions from electricity usage, this is a significant contributor to our carbon emissions 87% of the scope 2 emission is from India and the balance from rest of the world operations. There is decrease of 1.88% compared to previous year.

**Scope 3 emissions**

In 2021 we introduced a CNG powered fleet and encouraged carpooling through our in house app for similar route passengers. These have helped design shorter routes and curbed emissions in the process. Over the next couple of years, we are also targeting fleet electrification. The increased usage of virtual collaboration tools has drastically reduced the need for business travel, therefore decreasing our scope 3 emissions. Together these interventions have contributed to HCL's overall scope 3 emission reduction.

**Scope 3 emissions (FY2022)**

- Work From Home: 37%
- Electricity T&D Loss: 12%
- Business Travel: 11%
- Waste Generated: 4%
- Employee Commute: 1%
- Investments: 36%
- Purchased and Capital Goods: 35%
- Downstream T&D: 12%

**Emission Intensity (mtCO₂/Employee)**

- FY2020: 1.49
- FY2021: 0.94
- FY2022: 0.75

**Emission Intensity (mtCO₂/Million INR)**

- FY2020: 0.32
- FY2021: 0.21
- FY2022: 0.18

**Scope 1 & 2 emissions (mt CO₂e)**

- FY2020: 224,094.00
- FY2021: 158,810.00
- FY2022: 155,841.00

**Scope 2 emission (mt CO₂e)**

- FY2020: 201,973
- FY2021: 138,953
- FY2022: 136,338

**Scope 3 emissions**

Purchased and Capital Goods
- FY2020: 37%
- FY2021: 35%
- FY2022: 12%

Waste Generated
- FY2020: 11%
- FY2021: 4%
- FY2022: 1%

Employee Commute
- FY2020: 4%
- FY2021: 1%
- FY2022: 36%

Investments
- FY2020: 36%
- FY2021: 35%
- FY2022: 35%

Downstream T&D
- FY2020: 12%
- FY2021: 11%
- FY2022: 4%

Work From Home
- FY2020: 37%
- FY2021: 36%
- FY2022: 37%

Electricity T&D Loss
- FY2020: 12%
- FY2021: 11%
- FY2022: 12%

Business Travel
- FY2020: 11%
- FY2021: 4%
- FY2022: 11%

Employee Commute
- FY2020: 4%
- FY2021: 1%
- FY2022: 36%

Investments
- FY2020: 36%
- FY2021: 35%
- FY2022: 35%

Downstream T&D
- FY2020: 12%
- FY2021: 11%
- FY2022: 4%

Purchased and Capital Goods
- FY2020: 36%
- FY2021: 35%
- FY2022: 35%
Spotlight on scope 3 emissions

Our work from home emission contributes the maximum (37%) to our scope 3 emissions, followed by the emissions from purchased goods and services (35%).

Global employee survey on home working

Our work from home survey was conducted for all HCL employees. Based on the results, we estimated the number of employees working from home and also considered their electricity consumption to calculate the average work from home emissions for India, and the rest of the world separately.

In India, we do not have the established methodology available to calculate work from home emissions to date whereas such methodology exists outside India.

Therefore, we use the Carbon Trust methodology for India and the "Anthesis" methodology for the rest of the world.

Rest of the world

We have used the "Anthesis" methodology to calculate the work from home emission for the rest of the world. The UK-based Anthesis Group has more than 750 experts and clients like Gap, Tesco, Unilever, Cisco, 3M and Costa Coffee. They have collected and analyzed actual consumption data for 2019 and 2020 in three regions globally (North America, Europe and Asia Pacific) based on International Energy Agency (IEA) data.

Water conservation

Taking into context the global resource constraints around water, HCL is actively committed in its conservation.

Water withdrawal

<table>
<thead>
<tr>
<th>Source</th>
<th>FY2019-20</th>
<th>FY2020-21</th>
<th>FY2021-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groundwater</td>
<td>713,985</td>
<td>323,825</td>
<td>311,277</td>
</tr>
<tr>
<td>Third party water</td>
<td>466,454</td>
<td>281,954</td>
<td>231,972</td>
</tr>
<tr>
<td>Others (Rain + Municipality Water)</td>
<td>88,728</td>
<td>124,422</td>
<td>156,070</td>
</tr>
<tr>
<td><strong>Total volume</strong></td>
<td><strong>1,269,167</strong></td>
<td><strong>730,200</strong></td>
<td><strong>699,319</strong></td>
</tr>
</tbody>
</table>

Note: India data has been considered in the table above.
Case Study

Water recharge structures / 21x water recharge

The water recharge structures are located across India: Rajasthan, Gautam Buddh Nagar in Uttar Pradesh, and Madurai and Chennai in Tamil Nadu. And the results are astounding.

Water recharge by state

<table>
<thead>
<tr>
<th>Location</th>
<th>Activity</th>
<th>Water recharge (CuM/KL)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY2019-20</td>
<td>FY2020-21</td>
</tr>
<tr>
<td>Gautam Buddha Nagar</td>
<td>Desilting</td>
<td>449,079</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>Desilting, Pond &amp; Anicut</td>
<td>76,780</td>
</tr>
<tr>
<td>Madurai</td>
<td>Removal of Prosopis juliflora, Desilting, Rooftop rainwater harvesting</td>
<td>7,794,204</td>
</tr>
<tr>
<td>Chennai</td>
<td>Pond</td>
<td>77,385</td>
</tr>
<tr>
<td>Vijayawada</td>
<td>Desilting</td>
<td>417,636</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>8,815,084</td>
</tr>
</tbody>
</table>

These outcomes were verified and assured by DNV during April 2022 – June 2022.

<table>
<thead>
<tr>
<th></th>
<th>FY2021-22</th>
<th>FY2021-22</th>
<th>FY2021-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water recharged</td>
<td>14,749,706</td>
<td>699,319</td>
<td>21.09</td>
</tr>
<tr>
<td>Water withdrawn</td>
<td>699,319</td>
<td>699,319</td>
<td>699,319</td>
</tr>
<tr>
<td>Ratio</td>
<td>21.09</td>
<td>21.09</td>
<td>21.09</td>
</tr>
</tbody>
</table>

Impact story

The miracle of Nila Oorani

“"I can’t wait for the pond to fill up once again so our children will enjoy it just as we did when we were young”
—Chitra, a local resident

A thriving waterbody, Nila Oorani was replete with aquatic life and native trees and shrubs grew alongside. The rapidly growing city of Madurai has reduced it to a mere dot in the landscape.

Determined to restore it to its former glory, HCL Foundation is working with DHAN Foundation, the Madurai Corporation and the Revenue Department to regenerate the waterbody. From holding a mere 10,000 litres of water, the plan is to increase it to a holding capacity of a massive 10 lakh litres.

The local community set up the Nila Oorani Conservation Association to support its rejuvenation and can’t wait to restore the lake to its former glory.

Our goal is to maintain a Zero Discharge status at all owned facilities.

Our total water consumption has reduced significantly over the last three years through dedicated efforts in improving water efficiency. While our work from home scenario was a major contributory factor to this decrease in consumption in 2021 we have now evolved to a hybrid work setting.

Even with employees returning to the office, our water intensity (water consumption per employee) has reduced by 21.9% since last year. (water consumption per employee) has witnessed a significant reduction of 21.9% since last year.
Waste prevention

Our operations mostly generate e-waste, food waste and paper waste. To tackle this waste generation and propel our status to zero waste to landfill at all owned facilities by 2025, we have adopted several measures.

All waste generated is measured and quantified and categorized according to the source and disposal. The hazardous waste, bio medical waste and e-waste are disposed of in compliance with regulatory requirements whereas paper waste is recycled and reused. Food remains and garden waste are used to make manure. As of this year we have eliminated single use plastics across our campuses in India.

The generation of hazardous waste like batteries, DG filters etc will depend upon the maintenance cycles. The increase in bio medical waste is mainly due to the health drives conducted inside the campus.

We dispose of 100% of batteries, hazardous waste and bio medical waste through approved vendors as stipulated by regulations.

Details of waste

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Plastic waste</td>
<td>9.11</td>
<td>18.23</td>
<td>14.72</td>
</tr>
<tr>
<td>2</td>
<td>E-waste</td>
<td>2.00</td>
<td>219.30</td>
<td>127.00</td>
</tr>
<tr>
<td>3</td>
<td>Bio-medical waste</td>
<td>2.40</td>
<td>4.20</td>
<td>3.90</td>
</tr>
<tr>
<td>4</td>
<td>Battery waste</td>
<td>9.33</td>
<td>130.61</td>
<td>392.08</td>
</tr>
<tr>
<td>5</td>
<td>Other hazardous waste. Please specify, if any. (DG filters &amp; oil-soaked cotton waste)</td>
<td>101.33</td>
<td>163.79</td>
<td>2.08</td>
</tr>
<tr>
<td>6</td>
<td>Used oil - DG</td>
<td>24.75</td>
<td>12.23</td>
<td>13.16</td>
</tr>
<tr>
<td>7</td>
<td>Other non-hazardous waste generated</td>
<td>751.70</td>
<td>519.87</td>
<td>521.65</td>
</tr>
<tr>
<td>8</td>
<td>Total waste generated (metric tonnes/MT)</td>
<td>898.22</td>
<td>1,066.43</td>
<td>1,074.59</td>
</tr>
</tbody>
</table>

Note: India data has been considered in the table above.

Eliminating single use plastic

Case Study

OWC a practical solution

We are proud to state that in the 2021 CII-SR Waste Management Competition, HCL was recognized for its solid waste management practices.

In our Chennai Sholinganallur we have an Organic Waste Converter (OWC) plant that relies on the aerobic microbial decomposition of solid waste to convert it into compost. Compost is a natural way to deliver nutrients to plants while storing carbon in soils. As such, compost not only reduces carbon emissions but shares emissions savings by acting as a carbon sink.

Our OWC can treat up to 1000 kg of wet and dry waste per day. Some of the tangible and intangible benefits include:

• Avoided CO2 emissions over the last three years have amounted to 5.44 tCO2e
• 100% of our food waste is recycled into manure
• Cost savings of INR 0.1 million per month
• Approximate compost generated per day 166 kg

Case Study

Plastic waste

In line with the Central and State Government (India) Directives in the year 2018, we have made all campuses in India free from single use plastics through the mass replacement with sustainable alternatives. The following objects have been replaced with alternates:

<table>
<thead>
<tr>
<th>Previously used articles</th>
<th>Articles replaced with the following alternative measures since January 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plastic Holders</td>
<td>Acrylic Boards</td>
</tr>
<tr>
<td>Garbage bags</td>
<td>Bio-degradable bags</td>
</tr>
<tr>
<td>Plastic coated cups</td>
<td>Glass cups/ceramic cups</td>
</tr>
<tr>
<td>Plastic coated plates</td>
<td>Areca plates/Paper plates</td>
</tr>
<tr>
<td>Packaged drinking water bottles</td>
<td>Consumption of Packaged drinking water bottles significantly reduced through introduction of water cube stations/water treatment in house arrangements. Packaged drinking water bottles are only being used for clients/others exceptions.</td>
</tr>
<tr>
<td>Plastic stirrers</td>
<td>Stirrers made of wooden material</td>
</tr>
<tr>
<td>Standees/flex materials</td>
<td>Plastic standees/flex material now banned</td>
</tr>
<tr>
<td>Snacks wrapped with cling film</td>
<td>Now being wrapped with bottle paper</td>
</tr>
<tr>
<td>Plastic used in packaging</td>
<td>Our suppliers have been advised not to use plastic packaging unless critical/unavoidable</td>
</tr>
</tbody>
</table>
We are driven by value creation that is guided by transparent and accountable measures. Moreover, we consider our employees to be our most valuable assets.

That is why we pay particular attention to value creation through our employees. This is because we know that when people have a voice they thrive individually and within the organization. We call this culture of innovation, Ideapreneurship.

We continually improve our social performance and have set goals and targets across various social dimensions. With regard to our gender diversity goal, 40% of our workforce, and 30% of our senior leadership, will be women by 2030. We have developed pathways for diversity, equity and inclusion across our operations.
Total employees

209,000+
total employees
Human Capital: our employees at the center

HCL defines human capital as the skills, knowledge and experience possessed by an employee or a team that can add value to the organization. HCL sees this element as a core component of its success, particularly given the industry dynamics and fast paced market. This requires constant up skilling and reskilling of employees to ensure the company delivers top services to its clients, while simultaneously creating development opportunities for its people. In FY2022, over 40,000 new employees were added to the full time or permanent employee segment.

We endeavor to create and maintain a world class workplace. We strive to achieve this by creating a diverse and inclusive atmosphere where all our employees, regardless of rank or station, are treated equally.

The employee first approach is a key component of our workplace excellence. We put our work family at the forefront while we deliver cutting edge solutions to our clients.

Our commitment is to create a future ready workplace where ideas can be freely discussed and implemented by channelling our employees’ collective creativity. This is something that guarantees our success as a corporation for years to come.

This is why we have been recognized as one of ‘India’s Best Employers’ in the category of Nation Builders as well as the Best Workplaces among Mega Employers of 2021 by the Great Place to Work Institute. These accolades demonstrate our commitment to fostering a work environment that is collaborative, flexible and compassionate.

Recognition of how we act with our people in mind

The outcomes of our impact oriented interventions have led to several accolades. The awards and recognition we received in the reporting year, was yet another testament to the great value we attach to our human capital credentials.

In March 2022, HCL has been named a Top Employer in 17 countries by Top Employers Institute

- Recognized as Top Employer in 17 countries globally by Top Employer Institute
- Ranked No. 1 Top Employer in Poland and Sweden
- Recognized as Top Employer for third year in a row
- Recognized as Top Employer in Asia Pacific Region
- Recognized as Top Employer in North America
- Among Top 10 Top Employer Certified companies in Netherlands, Germany and France

- HCL Earns 2021 Great Place to Work Certification
- 2022 Excellence in Practice award for Diversity & Inclusion (including cultural competence)
- HCL was included in the 2022 Gender Equality Index by Bloomberg
- The Economic Times Best Workplaces for Women - 2021
- Won 7 out of 8 DivHERsity Awards in the Top 5 & Top 20 category of Diversity Programs & policies
- Won the LinkedIn Talent Insights Pioneer Award – above 10,000 employees category
- HCL Technologies joins WEF’s Global Parity Alliance on DE&I as a founding member
We continuously improve the policies and practices that empower our colleagues to think innovatively about the challenges of tomorrow. Ultimately, this has enabled us to build a workplace in which our teams can fuel their career and personal development while delivering cutting-edge solutions for our clients.

Therefore we value transparency over all other practices as we believe that the bedrock of an ethically sound, morally secure, and financially viable enterprise is just that. It is for this reason that we openly speak about the complaints and grievances we receive from our shareholders, employees, communities, and value chain partners. We also include a section of anonymous complaints too to ensure that no voice within HCL is stifled and that through the airing of grievances they move HCL to become a better, stronger, and more reliable organization.

The HCL employer brand is recognizable around the world. It is also associated with reliability, innovation, and personal growth. This is evident from our affirmed HCL motto of ‘Employees First, Customers Second’. HCL prides itself on its firm belief that the future of our organizations is guaranteed only when we have a happy and driven workforce who are free to ideate and be heard for their ideas. Moreover, we believe in fair, transparent, and lucrative compensation for all our employees.

ideapreneurship™

The rate of growth within the IT sector and the competition that is being generated dictates the creation of new ideas, without which there can be no new technological advancement and that means stagnation and eventual dwarfing within the IT industry.

We wish to resolve this by utilizing our greatest and most valuable asset, our employees. We empower our employees come up with solutions for existing problems as well as new services and products that we may provide to our clients. Though employee innovation is an old concept, we apply it assiduously with the aid of modern collaborative technologies and virtual platforms.

Make a difference, lead the difference

This is HCL’s MAD LTD campaign which allows college going students in India to submit their ideas for change in any of the three categories of technology, social and business. The final winner will be crowned the title of ‘Best Ideapreneur’ and will win a mentorship and incubation of their idea with us. Through this campaign, we have reached 100,000 students across campuses in India.
Human capital: upskilling and reskilling

We operate in a sector where it is vital to enhance the employee’s own skillset over time and to periodically reskill them. This is important to improve the intellectual capability of our employees and therefore add value to our clients.

We have a clear institutional mechanism to map the future skill set requirement of each of our employees and address it through a series of initiatives aimed at upskilling and reskilling. We conduct relevant training and skill development programs for employees across all levels of the organization.

We are creating a scheme to ensure that we provide opportunities to every employee to improve their knowledge and skills around specific dimensions of ESG. The current training programs on offer cover topics such as business ethics, code of conduct, security and conflict of interest among others. In FY2022, over 100,000 employees attended these training and awareness sessions.

Our training schemes

HCL’s employees including key managerial personnel receive training to ensure that we drive our culture through our leaders.

- Business ethics, code of conduct, fraud, bribery and corruption, cash, gifts and entertainment.
- Conflict of interest
- Personal relationship
- Conduct with government officials
- Anything of value
- Money laundering
- Speaking up

During FY2021-22, over 112,324 employees have completed 5.77 million hours of training to enhance their current skills and learn new skills. These sessions covered topics such as health and safety and specific skill trainings. Over 44,317 employees also completed focused digital skill enhancement training during this period.

We are constantly improving the levels of specific skill training courses and ensuring that the training objectives are achieved. The number of employees trained on certain skills has increased compared to the previous year. During the reporting year 129,862 employees received skill based training.

Total Training Hours (hours)

<table>
<thead>
<tr>
<th></th>
<th>FY2021</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>8,453,214</td>
<td>7,649,294</td>
<td></td>
</tr>
</tbody>
</table>

We are happy to report that though the program is in the fourth year, we have already saved 75 million USD in FY2021-22, 34.17 million in FY2020-21, and 22.4 million USD in FY2019-20 through this program.

Case study

Skills @ Scale Program

Skills@scale is an exclusive career management program for individual contributors and first-time managers. This program is a win-win as it provides upskilling opportunities for our employees to move up in their career. For the organization, it helps to retain and prepare in house talent for future anticipated roles.

The scope of this program targets all individual contributor and lead positions across digital foundation services (DFS), digital business and our engineering businesses.

Skills are identified and selected against the following criteria:

1. Consistent volume of demand from strategic locations
2. Fulfilment challenges related to specific demands or services
3. The demand is not transient and there is sizeable demand that exists for more than 60 days (India) and more than 30 days (onsite) before dropping
4. We develop salary grid exceptions to fulfil this demand

This program is further monitored and evaluated based on:

1. Do we have the defined learning curriculum that is aligned to deployment/meets the rigor of client expectations?
2. Are enough people being trained vis a vis demand for the skill?
3. Are employees completing the training successfully?
4. Are employees getting deployed post training in these key skills?

The program then focuses on making sure enough concerted attention is given to the organization to build and deploy these select skills.

The effort is considered successful if the following conditions are met:

- Employee trained in the skill in the previous 12 months is closed against a demand for that skill, Or employee has been assessed and waived from training because of exposure-based skill-building. The demand closure is tracked through internal systems.
- Employees could be trained and hired in the hackathon mode and found to be deployed in a project relevant to their skill.

We are happy to report that though the program is in the fourth year, we have already saved 75 million USD in FY2021-22, 34.17 million in FY2020-21, and 22.4 million USD in FY2019-20 through this program.
A. TechBee Program
HCL's TechBee program started in India in 2017 to hire the best talent and enable them to achieve financial independence and has been running successfully in India, Australia and Sri Lanka. Designed exclusively for high school graduates, the TechBee program prepares students technically and professionally for global IT careers in HCL Technologies, where candidates undergo extensive 12 month training to become successful IT professionals and work for world class global companies. To date, more than 3,000 students have completed the TechBee program and now work with HCL for its Fortune 500 and Global 2000 clients. TechBee has now launched an early career program in Vietnam with plans to onboard 2,600 candidates in the next five years.

B. Come Back Home Program
HCL successfully launched its Come back Home program in the Indian city of Nagpur to encourage talent from Nagpur to come back to the city and take jobs in ERS, application development and infrastructure management services.

C. Stay Rooted Program
The Stay Rooted Program encourages graduates to train with HCL and then find jobs within their own cities for the foreseeable future.

Ideas generated and implemented
A key outcome of our efforts in skilling our employees is their contribution to innovation at HCL. Our value portal is a platform that enables employees to generate new ideas and solutions that ultimately deliver more value to our clients. There are more than 40,000 employees active on our portal. Over the years 85,393 ideas have been generated and almost 60% of these ideas have been implemented. Last year alone, these ideas translated into 1.3 billion USD of value for our clients. Cumulatively, over the last decade, the value portal has delivered almost 11 billion USD value to our clients. The number of ideas implemented have also increased compared with the previous year.

85,393
Ideas have been generated through the value portal that resulted in almost USD 11 billion value to our clients.

How do employees participate?
Roadmap to value creation

Performance management
Conducting effective performance management process is a valuable facet of responsible human capital management at HCL. The process includes performance and career development reviews that create opportunities to receive feedback, improve skills sets, and make greater contributions toward organizational goals.

Employees' performance and evaluation is tracked quarterly and annually through our My Performance Application. Employees provide their achievements against the goals set for them and reporting manager(s) provides rating and comments after evaluation.

191,746+
employees participated in career and performance development reviews, up from 153,393 in FY2021.
### Employee engagement

We try to understand our employees’ priorities, requirements and aspirations through our extensive employee engagement programs. There are four tenets of employee engagement:

- **Wellness** — the importance of wellbeing has been amply understood due to the pandemic. We offer our employees a plethora of activities including yoga, zumba, meditation, pilates, and other forms of wellness programs. We conduct these activities inside our campus as well as virtually.

- **Family** — the families of our employees are the extended family of HCL Technologies itself. We have multiple activities that reflect this attitude of ours including kid’s summer camp, talent shows by children and spouses and multiple other events where we encourage our employees and their families to mingle with each other.

- **Employee Passion** — hobbies and passion projects are an excellent platform for bringing together like-minded individuals and providing them with a free space to engage. HCL provides the platforms employees need to pursue their hobbies.

- **Celebrations** — celebrations are an excellent way to naturally release endorphins that automatically results in a happier and productive workforce. We ensure that all festivities representing our diverse cultural ethos are celebrated, from Thanksgiving to Diwali, Holi, Eid, Christmas and many more festivals.

We conduct more than 12+ events and more than 130+ opportunities to connect monthly for employees across the organization. We aspire to keep engagement levels and interactions as positive as possible.

### HCL Healthcare Initiatives

HCL believes that healthy employees make for a positive and productive workplace. With this vision, HCL has partnered with HCL Healthcare since 2017, for the overall health and wellness of its pan India workforce. Through, HCL Healthcare, we aim to make corporate India a healthier place. Today, HCL Healthcare has over 400 highly qualified clinicians across 9 on site clinics, that use that of state of the art technologies and provide health care solutions to our employees and their family members.

We offer a comprehensive range of solutions that include lab services, virtual specialist doctor consultations, eye care solutions, and dental services. Executive Health Checks are a part of employees’ annual preventive health check up that involves lab tests and procedures available at HCL Healthcare clinics. The health check up is cashless and insured for employees and their family members.

We offer a wide spectrum of Clinical Care

- **On site clinic**
- **Preventive care and wellness**
- **Chronic condition management**
- **Dental care services**
- **Emergency care services**

### Health Check-ups

**Key highlights FY’2022**

Notably, during pandemic (FY2022), more than 36,000 employees have undergone their health check-ups. More than 57,000 family members have also availed the benefit through on-premises clinic and virtually.

### Executive Summary of Deliverables | Reach and Impact (FY2022)

**Health Check-ups**

- **Total Health Checks**
- **Chronic Care Management**
- **Onsite Clinic Consults**

**Ease of Access**

- **Reach & Presence**
- **Service Delivery**
- **Ease of Access**

**Critical Events**

- **Seminal Events and Critical Value Alerts**
- **Emergency Ambulance Transfers**

**Engagement Sessions**

- **1384 Sessions**
- **40K+ Participants**
- **130K+ Participation instances**

**Covid Helpline**

- **100K+ Enquiries**
- **20K+ Covid Positive Doctor Consults**

**Health Check Service Consumption Trend (FY2022)**

<table>
<thead>
<tr>
<th></th>
<th>In Clinics</th>
<th>At home</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employees</strong></td>
<td>15,763</td>
<td>20,479</td>
</tr>
<tr>
<td><strong>Dependents</strong></td>
<td>17,194</td>
<td>40,297</td>
</tr>
</tbody>
</table>


- **12K+** | **2.5K** | **26** | **21** | **26** |

- **93K+ Total (Employees and Dependents)** | **30K+ Employees** | **29K+** | **2.5K EMP** | **7.3K+** | **2.5K EMP** |

- **Noida – 14** | **Bengaluru – 9** | **Chennai – 23** | **Bengaluru – 9** | **Chennai – 14** | **Noida – 46** |

- **Subscribers** | **EMP** | **12K+** | **2.5K EMP** | **29K+** | **2.5K EMP** |

- **61%** | **57,491** | **57,491** | **57,491** | **57,491** | **57,491** |

- **36%** | **130K+** | **130K+** | **130K+** | **130K+** | **130K+** |

- **47%** | **14%** | **14%** | **14%** | **14%** | **14%** |

- **12%** | **2%** | **2%** | **2%** | **2%** | **2%** |

- **36%** | **36%** | **36%** | **36%** | **36%** | **36%** |

- **34%** | **34%** | **34%** | **34%** | **34%** | **34%** |

- **14%** | **14%** | **14%** | **14%** | **14%** | **14%** |

- **5%** | **5%** | **5%** | **5%** | **5%** | **5%** |

- **14** | **28** | **28** | **28** | **28** | **28** |

- **20%** | **20%** | **20%** | **20%** | **20%** | **20%** |

- **2%** | **2%** | **2%** | **2%** | **2%** | **2%** |

- **57,000 family members** | **57,000 family members** | **57,000 family members** | **57,000 family members** | **57,000 family members** | **57,000 family members** |
Managed-care plans

With Managed Care Plans, we aim to curb and correct the occurrences of chronic diseases amongst our employees. These guided care plans are designed and benchmarked against various stringent improvement criteria. The plans include testing of health parameters of a person and regular handholding via a team of doctors, health coaches and dietitians at regular intervals.

Impact stories

“
It’s been a phenomenal experience in terms of attention to detail, making sure that once a person walks into the clinic all the checks are done, and the right support is provided in terms of the order in which the checks could be done.”

—Raghu Subramaniyam
Employee, HCL Chennai

“I personally thank HCL for organizing this health check-up not only for the employees but also their families and encourage all my fellow colleagues to have this check up for themselves and for their dependents also.”

—Praveen Kumar
Employee, HCL Chennai

distributed

Using technology to connect employees

In an ever-connected online world, it is imperative to use social media to connect with employees. We use “Engage Zone” on our in-house app “emPower” to maintain direct connect with employees and acts as an interface for engagement on the go. The Engage Zone generates a million+ hits from employees across various engagement instances.

Yammer communities — we have created communities in Yammer for all our prominent employee engagement and employee experience program for like-minded people to interact and engage for the growth of the organization at large.

MeMe — we pioneer modern computing and the business is known for its disruptive employees first, customers second (EFCS) business philosophy. Our teams got together to see how to develop a radical B2E (business to employees) messaging platform — akin to the B2C (business to customer) platforms realizing that it was not viable to use platforms like Facebook as it needs to respect the privacy of customer contracts. We challenged the young employees to build a technological framework to realize the B2E idea, and that’s how ‘MEME’ took its first shape on the drawing board.

Our employee engagement surveys are designed to assess and evaluate the drive and involvement of the individuals. We have seen 9% improvement in survey participation and a 5.7% increase in employee satisfaction index score compared to last year.
Diversity, equity and inclusion (DEI)

We pride ourselves in being a company that focuses on building bridges that leads humanity into a sustainable and equitable future. This ideology of ours reflect our efforts to be diverse, equal, and inclusive with our entire workforce. We are operating currently in over 52 nations and have employees from more than 150 nations. DEI is imperative for the future of HCL, and we have set up clear policies, processes, and governance structure to oversee our performance. Since 2016, an independent committee of the board that guides and drives our DEI strategy.

Leveraging diversity is the only way we can achieve growth and this is because we believe each individual has the potential to add to our innovation and creativity. But this potential can only be leveraged for growth if diversity is actively encouraged, inclusivity is practiced, and equity is afforded to each and every member of the HCL family. HCL has made multiple strides in this direction and as of now, we employ 62,662 women representing 28% of our workforce. Our gender diversity at board level is just over 30%. Our goal is to improve our gender diversity and have a target of 40% women in our overall workforce and 30% women in senior leadership roles. We also have clear roadmaps defined to improve our other diversity metrics.

Employee Trend by Age Group

Gender pay parity

We are committed to keeping compensation fair and equitable. We monitor the gender pay parity across all employee bands at HCL. Out of 11 employee bands, the average basic salary of women is higher than men across six bands and for five bands it is slightly lower. The variations in gender pay ratio is an effect of our gender diversity ratio and we have strategies to correct this. We have a stated remuneration policy and we abide by the same.

Women leadership programs

As a company we believe that gender diversity will increasingly drive competitive advantage, now and into the future. The significant of gender diversity for us is evident from the high focus this derives from company’s stakeholders and board of directors. Gender parity and inclusion at all levels of hierarchy is our top priority, with a special focus given to increasing the representation of women leaders at key leadership positions.

Our female employee ratio is a crucial metric that is reported and reviewed quarterly by the board. We have women-specific programs at all levels of the company hierarchy, which cater to their career development needs.

1. **ASCEND** is a flagship program offered to high potential mid-management women employees. The program aims to meet the critical business objective of building a robust female leadership pipeline that can move towards the upper echelon of leadership. The program has successfully completed seven rotations.

2. **Stepping stones** is a global program with a focus on equipping women in mid management roles with the right skills and competencies to help them in their career growth.

3. **Prelude** is focused on role-based upskilling. The objective is to train and upskill women employees at strategic band levels for their next level roles to create a ready pool of women leaders for open positions.
While more than 99% of our female employees who took maternity leave returned to work, the retention rate for these employees for one year and beyond was at 77.2% during FY2022.

Momtastic: Motherhood at its best!

HCL is extremely proud of our program called Momtastic which is created specifically for expecting mothers in our workforce. It starts right from prenatal all the way to postnatal with support and guidelines to comfortable integration to work on their return.

Pre-Natal/Post-Partum support:

- In Momtastic, before our employee leaves for maternity, we provide specific yoga sessions, provide footrests at work, counsellor support and an in-house clinic.
- In the postnatal phase, we have a buddy program where you can connect with a colleague who would provide updates on what's happening at work so that employees feel connected with the organization.
- We also provide a tool kit to management where managers are briefed of what they should and should not talk about.
- When the employee returns to work, they are connected with a life coach to overcome their feeling of guilt for leaving their baby at home.
- There are also meditation and yoga sessions curated for them. This year we will start sessions about lactation aspects.

Pre-Conceptual support:

- Momtastic initiatives also include providing IVF facility to employees by having tie-ups with fertility centers providing IVF modes of conception.
- These centers provide treatment at discounted prices compared to the market. Financial institution tie-ups have also been done to provide financial assistance towards IVF as this is an expensive treatment.

Support for returning mothers:

- Onsite day care centers have opened up in Chennai, Bangalore and Noida to ensure safe and comfortable return to office for mothers having children within the age group of 6 months to 6 years.
- The daycare centers have been audited to follow Covid protocols and ensure all safety measures have been taken to provide best in class services to the children enrolled.

Inclusion at HCL

We believe that integrating inclusivity into the organization's DNA is an ongoing process and one that requires commitment from each employee to ensure that its presence is ubiquitous and commonplace in each of our workplace interactions to mitigate unconscious bias. Attributes like empowerment, accountability, courage and humility must be practiced on daily basis.

Inclusion @Scale — with an objective to ensure that each employee takes a responsibility to commit to Inclusion ensuring that its presence is ubiquitous as a default way to functioning in each of our workplace interactions, the following modules have been launched. Since its launch, 103,846+ HCL employees have participated in the Inclusion @scale program.

Inclusion @scale topics

Context setting – inclusion and biases
- Helps in clear understanding of inclusion, identifying, understanding and taking corrective actions on biases.

Inclusive performance management
- Focuses on debiasing our performance management processes.

Inclusive career discussion
- Helps managers to enable structured and inclusive conversation on employee’s career path.

Inclusive manager series
- Helps managers to shape engaging conversations on inclusion, biases, managing micro behaviors.

LGBTQIA+ series
- Provides deeper understanding and awareness about LGBTQIA+.
Disability inclusion

Our robust disability inclusion programs focus on successful integration of disabled employees by ensuring an inclusive and accessible workplace. We currently employ 436 employees with disabilities. Several measures have been taken to employ, enable and engage individuals with disabilities.

Employ — to promote disability hiring we have identified roles suitable for hiring disabled talent, partnered with vendors, NGOs and NPOs to access skilled talent pools and participate in job fairs. A campaign to self-identify disability is also done periodically, allowing each employee the opportunity to self-identify any disabilities.

Enable — the majority of our premises are equipped with ramps, voice enabled lifts, PwD friendly washrooms, reserved parking spaces, emergency warning systems with both audio and visual alarms etc. We have also undertaken a detailed assessment by a third party to look at the effectiveness of our accessible features. We are cognizant about the technological accessibility and work towards making all our applications and portals accessible.

We support policies like Equal Employment Opportunity Policy and Reasonable Accommodation Policy ensure the rights of disabled employees.

Engage — the Ability Connect Network employee resource group (ERG) was formed for employees with disabilities and their allies to connect, network and raise awareness on disability inclusion There is a focus in promoting awareness and advocating positive change through sensitization and accessibility training sessions and workshops for managers, peers, HR, recruiters, hiring managers, admin and support staff on disability inclusion, and promoting inclusive behavior in the workplace.

LGBTQIA+ Inclusion

LGBTQIA+ Inclusion at HCL aims to foster an inclusive, safe and supportive work environment for all lesbian, gay, bisexual, transgender, queer, intersex and asexual employees and allies.

HCL prides itself as an organization with an open, transparent and inclusive culture. We focus on creating and sustaining an enabling environment for all our employees from varied backgrounds. We review and revise our policies and processes from time to time across all key workforce practices to reduce any kind of biases.

a. Propelling LGBTQIA+ equality — We joined over 5,000 LGBTQIA+ leaders at the ‘Out & Equal Workplace Summit’—the largest LGBTQIA+ conference in the world, boasting over 5,000 attendees every year. It brings together executives, ERG leaders and members, as well as HR and DEI professionals and experts for the express purpose of working for LGBTQIA+ equality.

b. Forging a human-centered approach for the Future of Work — As an official partner of the Out & Equal Workplace Summit, we understand that the future of work is about fostering equity and inclusivity for all our workforce. The future of work has focused much-needed attention on how best to prepare for the changing nature of the workforce and the workplace — with panelists exploring what challenges the future of work will bring for LGBTQIA+ people and workers, and how they can be addressed.

Cultural inclusion

Cultural inclusion is a belief that ensures that every individual is respected irrespective of their backgrounds, cultures, nationalities, their way of working and their lifestyles.

We have identified local hiring as one of the material topics for HCL with a clear, long term plan to engage with local communities and ensure a talent pipeline. We recognize the impact it creates is a shared value; while we improve our talent pipeline and recognition in the local community, the local community also garners both direct and in-direct benefits. We make significant investments in developing talent in countries like Sri Lanka, Vietnam, Romania, Hungary, Costa Rica, Guatemala, Germany, France, Canada, Taiwan, South Korea, and Brazil.

We are proud to announce that our localization in the US stands at 70.9%, while in Europe stands at 80.5%, and APAC and the rest of the world (excluding India) stand at 88.9%.
The number of new hires increased from 44,695 in FY2021 to **97,495** in FY2022.

### New hires by age and region

<table>
<thead>
<tr>
<th>S. No.</th>
<th>By Age Group</th>
<th>FY2021</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Others</td>
</tr>
<tr>
<td>1</td>
<td>-</td>
<td>27</td>
<td>6</td>
</tr>
<tr>
<td>1</td>
<td>Age: &lt;30 years</td>
<td>15,535</td>
<td>9,631</td>
</tr>
<tr>
<td>2</td>
<td>Age: Between 30 to 50 years</td>
<td>14,069</td>
<td>3,427</td>
</tr>
<tr>
<td>3</td>
<td>Age: &gt;50 years</td>
<td>1,192</td>
<td>314</td>
</tr>
<tr>
<td>4</td>
<td>Inorganic Numbers</td>
<td>316</td>
<td>154</td>
</tr>
</tbody>
</table>

### By Region (Refer K column for countries grouped under the below region)

<table>
<thead>
<tr>
<th>Region</th>
<th>FY2021</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>1 Offshore</td>
<td>23,392</td>
<td>9,919</td>
</tr>
<tr>
<td>2 USA &amp; LATAM</td>
<td>4,700</td>
<td>2,257</td>
</tr>
<tr>
<td>3 APAC &amp; ROW</td>
<td>1,405</td>
<td>624</td>
</tr>
<tr>
<td>4 EUROPE</td>
<td>1,642</td>
<td>732</td>
</tr>
</tbody>
</table>

### Management level

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2022</th>
<th>FY2021</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Total</td>
</tr>
<tr>
<td>Senior/Top Management</td>
<td>26</td>
<td>2</td>
<td>28</td>
</tr>
<tr>
<td>Middle Management</td>
<td>1,522</td>
<td>227</td>
<td>1,749</td>
</tr>
<tr>
<td>Junior Management</td>
<td>29,275</td>
<td>13,149</td>
<td>42,448</td>
</tr>
</tbody>
</table>

Employee turnover continues to be a challenge across the sector and we are focused on talent retention. As part of our development program, we have identified almost 600 people as our next generation leaders who, over the course of four or five years will take on leadership roles within the organization.

### Case study

#### Communities of practice

Social learning is learning by observing other people with the goal of adapting behavior in a social context. This is one of the most effective methods to disseminate moral and ethical knowledge.

HCL has refined the process of social learning and utilized it to further the message of diversity and inclusivity believing that it is the best way to propagate HCL’s DEI stance. Social learning is further subdivided into the following categories:

- **Cognitive factors**
  - Knowledge
  - Expectations
  - Attitudes

- **Environmental factors**
  - Access in Community
  - Influence on Others

#### Behavioral factors

- Practice
- Self efficacy

Our Yammer has an 'Inclusion at HCL' page. This allows for knowledge sharing, expectation building and attitude setting; ensuring that all cognitive factors are addressed to bring about a positive disposition towards diversity and inclusion. Furthermore, due to the creation of a community (via Yammer), there is also the positive influence that the page and community generate. This takes care of the environmental factors to foster a DEI pro stance.

The 'Inclusion at HCL' community is 38,125 members strong who have posted over 257 messages that have been read over 75,700 times.
DEI groups and networks

Networking and advocacy remain the most important ways to address common concerns and issues. We have some employee groups that cater to our female workforce, our LGBTQIA+ workforce and others so that they may find individuals with whom they can discuss their common challenges and come up with solutions.

Below are two examples of gender diversity programs:

1. Feminspiration is a platform where women leaders from our client companies are invited to address HCL employees. These leaders share insights on successful leadership and perspectives on gender matters.
2. iMotivate/virtual iMotivate aims to motivate women by connecting them with HCL women leader/s via a formal session and enable them to develop necessary leadership and networking capabilities to stay successful in their careers.

From tapping into professional networks that support women and people of color to supporting the development of employees, the employee resource groups are indispensable to the long term vitality of our workforce and business. Our groups are an integral part of our diversity and inclusion journey and key to maintaining a richly diverse talent base.

Pride@HCL
The group shares unique insights from LGBTQIA+ inclusion, helping contribute to an inclusive workplace that welcomes and values differences (presence in 14 countries).

Ability Connect Network
This community helps and supports all people with a disability through awareness, advocacy, resources, and opportunities.

Women Connect Network
The Women Network provides members with opportunities to facilitate their professional development, help reach their career aspirations and have open dialogues about the barriers and misconceptions that exist for women in the workplace.

Single Parent Network
A voluntary, employee-led group of active single parents who contribute both by improving social and emotional wellbeing for other single parents and their families, and by being the catalysts to improve inclusion in the workplace.

The Heritage Network
A network is for "like minded" people who feel strongly about understanding different cultures and sharing knowledge about their own.

Multicultural Employee Resource Group
This group works to ensure that HCL's ethnic minorities achieve their full potential as valued employees and represents employees of African American, Asian, Hispanic and Latin American descent. The network offers networking opportunities, cultural events, and social gatherings.

Zero tolerance towards discrimination and harassment

HCL operates a zero tolerance policy towards workplace harassment and any kind of perceived discrimination. We are committed to maintaining a workplace that is free from violence, harassment, intimidation and other unsafe or disruptive conditions. Additionally, we have safeguarding protocols in place that ensure our employees’ privacy and dignity are maintained. Any violation of our anti-discrimination and anti-harassment policies by an employee or individual may result in serious disciplinary action, up to and including termination where permitted by law.

Employees have access to various mechanisms to raise concerns. Any employee or individual may report a concern in writing or orally by communicating it to one of the following:

- their reporting manager;
- human resources;
- the whistleblower committee via whistleblower@hcl.com.

We advise our employees to submit a written complaint narrating the factual sequence of events leading to the violation along with any supporting evidence. The raised concerns are kept strictly confidential and can be raised anonymously.

Moreover, to warrant effective implementation of our anti-discrimination policies, we make sure that people are aware of their rights through regular trainings and capacity building programs.
ESG governance

While the ESG committee oversees the ESG strategy, policies and program, an executive level ESG working group explores specific ESG initiatives that focus on high impact areas. This working group consists of a diverse group of leaders and meets at least once a month.

A dedicated sustainability core team exists within the office of the CEO to strengthen the governance around ESG and integrate sustainability into broader strategy and operations.

Corporate governance

We believe that good governance is a testimony to an organization’s ethical conduct and transparent business practices. Good governance also leads to business excellence, operational efficiency, satisfied clients, and long term value for stakeholders.

We conduct business in accordance with internationally accepted principles and best practices, while ensuring compliance with the corporate governance requirements applicable in the countries we operate.

Our corporate governance framework is guided by detailed corporate principles and the code of conduct. These principles and codes are practiced and monitored to achieve the highest standards of ethics and values.

- Strengthening the sustainable supply chain process
- Integrating ESG to Risk Management process and Internal Audit process
- Being recognized among industry leader for information security practices and data privacy standards

Philosophy and principles of corporate governance

We pursue the highest standards of corporate governance, outlined below:

- Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go beyond the law.
- Make a clear distinction between personal convenience and corporate resources.
- Have a simple and transparent corporate structure driven solely by business needs.
- Management is the trustee of the shareholders’ capital and not the owner.
- Be transparent and maintain a high degree of disclosure levels. When in doubt, disclose it.
- Communicate externally, in a truthful manner, about how the Company is run internally.
- Comply with the laws in all countries in which we operate.

HCL’s Principles of Good Governance

- Transparency
- Accountability
- Fairness
- Equity
- Integrity
- Commitment to values
Our vision and approach
How we act
Our pact
The impact
Forging ahead
About HCL
ESG Reporting Frameworks
Assurance Statement

Board size and composition

The board is at the core of the Company’s corporate governance practices and oversees how the management serves and protects the long term interests of all the stakeholders. The Company believes that an active, well informed and independent board is necessary to achieve highest standards of corporate governance.

The board of the Company has an optimum combination of Executive Director, Non-Executive Non-Independent Directors, Independent Directors and Women Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. Independent Directors play a critical role in imparting balance to the board processes by bringing independent judgements on issues of strategy, performance, resources, conduct etc.

As on March 31, 2022, the board of the Company consists of thirteen members, of which four are Women Directors. The board consists of one Managing Director, two Non-Executive Non-Independent Directors and ten Independent Directors. The Managing Director of the Company is also the Chief Executive Officer of the Company.

The profiles of our Directors’ are available on our website at About Us | HCL Technologies.

See Table: ‘Composition of the board and number of Directorship(s) / Committee Membership(s) / Chairmanship(s) held as on March 31, 2022 in the Company and other entities’ in the Corporate Governance Report published as part of Annual Report (FY2022).

Directors’ responsibilities

See Section: ‘Director’s Responsibilities’ in the Corporate Governance Report published as part of Annual Report (FY2022).

Summary of directors’ skills and expertise

In order to effectively discharge their duties, it is necessary that collectively the directors hold the appropriate balance of skills, experience and expertise.

See Section: ‘Summary of Director’s Skills/Expertise’ in the Corporate Governance Report published as part of Annual Report (FY2022).
Policy on directors’ appointment and remuneration

The Nomination and Remuneration Committee ("NRC") formulates the criteria for determining the qualifications, positive attributes and independence of directors in terms of its charter. In evaluating the suitability of individual Board members, the Committee takes into account factors such as educational and professional background, general understanding of the Company’s business dynamics, professional standing, personal and professional ethics, integrity and values, willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

The Committee also assesses the independence of directors at the time of their appointment / re-appointment as per the criteria prescribed under the provisions of the Companies Act, 2013 ("Act"), the rules made thereunder and the SEBI Listing Regulations.

The Remuneration Policy for Directors, Key Managerial Personnel and other employees is provided in the Corporate Governance Report which forms part of the Annual Report for FY2022.

Board evaluation

The Board, pursuant to the provisions of the Act and Regulation 17(10) of the SEBI Listing Regulations carries out an Annual Evaluation of its own performance, performance of the Board Committees and of the individual Directors (including the Independent Directors) on various parameters.

The criteria for the evaluation of the performance of the Board, the Committees of the Board and the individual Directors, including the Chairperson of the Board is approved by the NRC of the Company. The performance of the Board as a whole is evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Board Committees is evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as the composition of Committees, effectiveness of Committee meetings, etc. The performance of the individual Directors (including the Independent Directors) is reviewed by the Board on the basis of the criteria such as the contribution of the individual Director to the Board and Committee meetings, preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairperson of the Board is also evaluated on the key aspects of her role.

In a separate meeting of the Independent Directors, the performance of the Non-Independent Directors, performance of the Board as a whole and performance of the Chairperson is evaluated. The same is discussed in the Board meeting that follows the meeting of the Independent Directors.

Familiarization program for independent directors

The Independent Directors are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company’s procedures and practices. Further, periodic presentations are made at the Board and Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes are provided to the Directors in the Board meetings.

Upon appointment, the Independent Directors are issued a letter of appointment setting out in detail the terms of appointment including their roles, function, responsibilities and their fiduciary duties as a Director of the Company. A draft letter is available on the website of the Company. The details of such familiarization program for Independent Directors are also posted on the website of the Company.

Avoidance of conflict of interest

In order to enhance the corporate governance and avoid conflict of interests the positions of the Chairperson and the CEO are held by separate individuals. Ms. Roshni Nadar Malhotra, Non-Executive Non Independent Director is the Chairperson of the Board and the Company and Mr. C. Vijayakumar is the CEO and MD of the Company. The Chairperson and the CEO are not related to each other.

Executive Director is also allowed to serve on the board / committee of other corporate(s) or government bodies whose interest is germane to the future of software business or on the board of key economic institutions or whose primary objective is benefiting the society.

Non-Executive Directors are expected not to serve on the board / committees of competing companies. Other than this, there is no limitation on the directorships / committee memberships except those imposed by law and good corporate governance.

Directors, senior management and employees must avoid situations in which their personal interests could conflict with the interests of the Company. The Directors are required to disclose to the Board about their interest in other entities and have to remain absent during discussion on matters related to them. Further, senior management is required to confirm on an annual basis that no material transaction has been entered into by them which could have potential conflict with the interests of the Company at large; such confirmations are placed before the Board. All transactions of the Company with related parties and their subsequent modifications are approved by the Audit Committee. Further, transactions with related parties which are not in the ordinary course of business or not at arm’s length also require the approval of the Board or Shareholders, as applicable. Disclosures of related party transactions, as required, are made in the Financial Statements forming part of the Annual Report of the Company.

Frequency of board meeting

The Board of Directors meets more than 4 times in a financial year as required by law. For instance, the Board met 6 times during FY2022 and 9 times during FY2021. This has allowed the Board to go beyond financial performance and execute a more thorough oversight of business, strategy, operations matters. Attendance of Directors at Board’s meetings is provided in the Corporate Governance Report which forms part of the Annual Report for FY2022.
Board committees

The Board Committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas / activities which concern the Company and need a closer review. They are set up under the formal approval of the Board to carry out their clearly defined roles. The Board supervises the execution of its responsibilities by the committees and is responsible for their actions.

The Company has the following Board Committees:

- Audit Committee
- Risk Management Committee
- Stakeholder’s Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Finance Committee
- ESG and Diversity Equity Inclusion Committee

Board diversity

The Company recognizes its obligation to maintain a Board with a diversity of Directors. The Company considers that the concept of diversity incorporates several different aspects such as professional experiences, business perspectives, skills, knowledge, gender, age, cultural and educational background, ethnicity, and length of service.

The Company believes that Board diversity enhances decision making capability and a diverse Board is more effective in dealing with organizational changes and less likely to suffer from group thinking.

Succession planning

Succession Planning aids the Company in identifying and developing internal people with the potential to fill certain key positions in the Company viz. Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Company Secretary.

It increases the availability of experienced and capable employees that are prepared to assume these roles as they become available. Succession Planning is a part of the charter of the NRC of the Company. The Committee identify, screen and review candidates, inside or outside the Company and provide its recommendations to the Board.

Policies and accountability

Ethical business operations are the responsibility of the Board and respective stakeholders. There are numerous policies and frameworks to ensure the ethical conduct of business amongst the employees and business associates. Some of the key policies are:

- Code of Business Ethics And Conduct.
- Anti-Bribery and Anti-Corruption Policy.
- Whistleblower Policy.

The above mentioned policies are available at: Governance Policies | HCL Technologies.

Communication with shareholder’s

The Company communicates with investors regularly through email, telephone and face to face meetings either in investor’s conferences, Company visits or on road shows. The Company leverages the internet in communicating with its investors. After the announcement of the quarterly results, a business television channel in India telecasts discussions with the management. This enables a large number of retail investors in India to understand the Company’s operations better. The announcement of quarterly results is followed by media briefing in press conferences and earning conference calls. The earning calls are also webcast live on the internet. Further, transcripts of the earnings calls are posted on the website of the Company. The quarterly financial results are also published in English and Hindi daily newspapers.
Risk and crisis management

For a company our size, a robust risk management strategy becomes prerequisite. This is handled by the Chief Risk Officer (CRO) and the risk management committee of the board. The CRO reports to the CEO as well as to this committee, ensuring that the realistic and predictive elements of risk assessment are both simultaneously satisfied under one office. Moreover, they are assisted by the global head of Internal audit function (reporting to CFO) and the audit committee of the board which collectively forms the third-layer of defense in the overall risk management structure of the firm.

Additionally, we carry out risk awareness trainings to ensure that the understanding of risks and their timely corrections is assimilated throughout the workforce. Moreover, the Risk & Compliance function is structurally independent of the business lines ensuring that its standpoint remains unique and committed to only risk evaluation and mitigation.

We have explicitly incorporated ESG risks to our enterprise risk management (ERM) this year and have conducted a specific climate risk assessment aligned to the Task Force on Climate-related Financial Disclosure (TCFD) guidelines. The ESG-related risks and the mitigation actions are reviewed in every risk management committee meeting. Our Crisis Management approach allows us to manage disruption to our operations, resist sudden shocks and adapt to dynamic changes in a relatively short period of time in order to protect our personnel, business operations and infrastructure to manage and mitigate risks associated with disruptions.

We have institutionalized a robust and structured approach towards managing disruptive situations. Our Executive Crisis Management Team (ECMT), led by our CEO, provides strategic direction towards management of crises which may have significant impact to our business operations.

Governance and ethics

Our ethics define us.

It is impossible for an enterprise of our size and prestige to assume a safe and prosperous future without conditioning our strategy, planning and actions with ethics in mind. Our decisions or ambitions are enabled by our code of business ethics and conduct.

Our code of conduct imbues us at an individual and organizational level with honesty, integrity and a commitment to innovation.

HCL core values

- To uphold the dignity of the individual
- To honor all commitments
- Commitment to quality, innovation, and growth in every endeavor
- To be responsible corporate citizens

The HCL ethics test

HCL has the following quick test to see how ethical an action or a statement is:

- Is it consistent with HCL's code of ethics?
- Is it ethical?
- Is it legal?
- Will it reflect well on me and the company?
- Would I want to read about it in the newspaper?

If the answer is "No" to any of these questions, don't do it.

If you are still uncertain, you can approach any of the following for further clearance.

- Human resources management
- General counsel’s office or senior finance personnel supporting your business
- Compliance officer within the secretarial team
Governance policies

Our workforce is judged solely on meritocracy, high performance and results. Consequently, our governance style reflects this attitude by being built on a solid foundation of integrity, transparency, and good governance. These virtues we apply to all our employees across the globe. It defines our commitment to all stakeholders.

We have a clear set of policies, systems and process which is the hallmark of our governance:

**Anti-bribery and anti-corruption policy** — Our commitment to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices is best expounded upon in our ABAC policy. This policy elaborates on how we conduct all our operations with integrity, honesty and in concurrence with our code of ethics. We vigorously enforce this standard across all our geographies and subsidiaries and have a zero tolerance policy pertaining to bribery and corruption. Our reputation is the reason we are commanding a leading position in global economics and is the reason why we maintain a narrow deep connection and high reputation with our third parties across all business verticals.

Additionally, we are certified with an anti bribery management system, which complies with the requirements of ISO 37001:2016 for the following scope:

**Provision of Information Technology Services in the domain of Infrastructure and Business Process Outsourcing; Engineering, Research and Development; Applications Support and Systems Integration across a wide range of global industries.**

We conduct regular anti corruption risk assessment with regard to specific government touchpoints and new entities in geographies bribery poses an operational risk.

**Code of business ethics and conduct** — The pursuit of transparency and accountability is achievable through the crystallization of the rules of interaction along with the methods to ensure honesty and feedback. This is the very foundation of HCL’s Code of Business Ethics and Conduct (COBEC) which elaborates upon why we have a zero-tolerance approach towards bribery and corruption.

Worker group covered under the COBEC section are full time employees and third party resources.

- 100% coverage
- Written / Digital Acknowledgement (%) – 81.36%  
  *Provided is as on 6th May 2022*
- Training Provided (%) – 81.36%

**Related party transaction policy** — the related party transactions simply mean the transaction carried out between two individuals who are related to each other. If one of the individuals is from the workforce and the other from the party with whom HCL is conducting business, then the rules governing the engagement along with verifying the legality of the engagement will be found under this policy.

**Fair disclosure code** — the fair disclosure code is responsible for the prevention of insider trading by implementing practices and procedures and conduct to oversee the fair disclosure of unpublished price sensitive information.

HCL has a corporate **anti-money laundering policy** that outlines mechanism for identifying and screening all entities with whom we intend to do or do business to ensure transparency in all our financial transactions.

Our strict policy against corruption and corruption related practices ensures that in the last year there were zero incidents of corruption within our organization and our employees. Similarly, there were no corruption related incidents leading to any contract termination with our business partners and no public legal cases regarding corruption were brought against us or our employees.

There were no instances involving our directors, KMP’s or employees relating to anti competitive behavior (such as price fixing, anti-trust behavior, patent misuse or network effects and bundling of services and products to limit competition).
Our **pact with stakeholders**

How we are working with various stakeholder groups across:
- Environmental
- Social
- Governance
Our relationships go beyond a formal contract with our stakeholders. We are working for a sustainable future in collaboration with our clients, partners, communities and all stakeholders. We support and help activate the communities and societies in which we operate.

- We are working with our clients to help them leverage technology to achieve their ESG goals.
- Our close collaboration with our ecosystem partners helps us develop innovative, forward-looking solutions.
- We have created strategic alignments to various reporting bodies and alliances that help us demonstrate our Sustainability performance and progress.

### Our pact with stakeholder groups

**E**

Our client solutions are primarily focused on environmental aspects and our strategic environmental partnerships help us develop best practices while aligning with Climate Pledge regulation and stakeholder expectations.

**S**

We are delivering real, measurable change through our technology solutions, local CSR councils and HCL Foundation activity in India. We have demonstrated our commitments by aligning with initiatives such as HeforShe (UN Women) and we are a founding partner of the WEF Global Parity Alliance.

**G**

Our governance structure is designed to maximize transparency with all stakeholders and align to regulatory requirements. Sharing expectations and being transparent with suppliers and vendors is a key component of this structure.

### Sustainable impact for clients

The world is now all about data.

As one of the world's premier IT service providers, we know about data in a more inimical manner. We are also aware that there is a growing interdependency between digital technology and sustainability, and we are working in this intersection to create some of the cutting edge sustainability solutions.

### The convergence of technology and sustainability

As a trusted partner, we are working with leading global enterprises to help them transition from being aware to proactively acting on defined sustainability initiatives across the value chain. We leverage our digital transformation prowess, engineering mindset, sustainability specific partnerships and solutions to collaborate with our clients.
HCL Technologies has a comprehensive framework and a set of solutions addressing sustainability through the entire product life cycle namely Product Design, Product Manufacturing and End of Life. The philosophy of sustainability starts at the very beginning of the product design stage. We help our clients by bringing sustainability practices upfront during the product design stage by employing a Design for Sustainability (DFS) framework.

- Multifaceted framework to design/redesign a product to be sustainable
- Modelled around the C2C (Cradle to Cradle) concept providing support right from material selection to improving efficiency to ensuring serviceability and recyclability
- Ensures accelerated development of sustainable product with minimal environmental impact
- Takes into consideration the customer needs, usability, and localization aspects
- Encompasses and leverages various HCL IPs and frameworks to accommodate the raising need of carbon footprint reduction in packaging and logistics.

The framework can be employed for new products (Design for Green), product refresh programs (Design from Brown), or any of the transformational initiatives (Design for Transformation).

We feature some examples of the services HCL offers to its clients in this report.

### 1. Design for Sustainability (DFS) framework

- Ensures accelerated development of sustainable product with minimal environmental impact
- Takes into consideration the customer needs, usability, and localization aspects
- Encompasses and leverages various HCL IPs and frameworks to accommodate the raising need of carbon footprint reduction in packaging and logistics.

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### Benefits

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<thead>
<tr>
<th>Benefits</th>
<th>Derived advantages to the customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved efficiency</td>
<td>Focus on energy efficiency</td>
</tr>
<tr>
<td>LCA for carbon footprint</td>
<td>Bring LCA focus from cradle to gate</td>
</tr>
<tr>
<td>Design for circularity and alternative material selections</td>
<td>Focus on recyclable materials to reduce environment effects</td>
</tr>
<tr>
<td>Reduce wastage</td>
<td>Ex: Virgin vs. Recycled Plastics</td>
</tr>
<tr>
<td>Model based design</td>
<td>Eliminate waste and space optimization, material etc.</td>
</tr>
<tr>
<td>DFx</td>
<td>Bring digital design principles to eliminate need for prototypes</td>
</tr>
<tr>
<td>Connected ECO system, AI &amp; analytics, platform support</td>
<td>Human ergonomics, maintenance, replaceability etc.</td>
</tr>
<tr>
<td>Involuntary Turnover Rate</td>
<td>Connected platforms, realtime insights, maintenance and optimization</td>
</tr>
</tbody>
</table>
PACKRYTE™ is an HCL Sustainable Packaging Solution Framework which address comprehensively the packaging solutions needs across industries. The primary focus areas in packaging design are Type of Packaging (Primary, Secondary and Tertiary), Standardization, Space optimization, Alternate Materials Selection, Manufacturing Process Changes and Sustainable packaging material Sourcing.

The PACKRYTE™ framework also looks at the areas of packaging (ex: In bound, Out Bound, In OEM), distribution, Materials Management (Virgin vs. recycled materials, alternate materials, nesting material optimizations, etc.) and end of life considerations.

**Packaging Sustainability**

**Raw Materials**
- Alternate materials
- Recyclable materials
- Genuine material source
- Simulation to optimize material usage
- Efficient processing

**In Bound**
- Returnable
- Kit packaging
- Reduce waste

**In OEM**
- Kit packaging
- Expendable – container/bins
- Reusable – bins/tray
- Design for reuse
- Energy efficient material movement

**End of Life**
- Reusable
- Recyclable – after use
- Degradable – green solutions
- Disposability – segregation

**Out Bound**
- B2B – returnable/reusable
- B2C – paper
- 3 distinct stages of recycling:
  - During production
  - During use and
  - After use
- Circular economy

**Sustainable Growth**

**Repairability, Modular Designs, Standardization to extend the Product use life**

**Benefits Delivered**
- Eliminated need for multiple physical prototypes and related material wastage resulting in improved Time to Market
- Significant improvement in kitchen productivity reducing the energy consumption and food wastage through remote monitoring and control of all the equipment
- Life of the PGB extended by 20 more years conforming to new design standards
- Maximize the Power Output and improve energy efficiency

**Digital Twin Framework for CAD & CAE**

**DFS for Consumer products**

**Optimal utilization of kitchen equipment through Connect SaaS Platform**

**Life extension of Production Guide Base (PGB)**

**Energy Efficiency**

**Electronic Control Design**

**Maximize the Power Output and improve energy efficiency**

**Inbound**

**Kit packaging**

**Reduce waste**

**Outbound**

**B2B – returnable/reusable**

**B2C – paper**

**3 distinct stages of recycling:**
- During production
- During use
- After use

**Circular economy**

**Sustainable Product Design and Engineering**

**Case study**

**DFS for Consumer products**

Implementation of sustainability KPI’s in consumer products

**Digital Twin Framework for CAD & CAE**

Developed digital twin solution to reduce prototyping

**Optimal utilization of kitchen equipment through Connect SaaS Platform**

Provided connectivity for the commercial kitchen equipment in restaurants driving real time insights and optimization

**Life extension of Production Guide Base (PGB)**

PGB frame is redesigned and refurbed, selected materials, fasteners and generated new test procedures

**Energy Efficiency**

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**Benefits Delivered**

**Common Control Architecture**

**Common Platform**

**Software Architecture**

**Design for Green**

**Design from Brown**

**Design for Transformation**

**Automation Tools**

Data extraction, Analysis, Visualization

**Digital Twin**

**Framework for CAD & CAE**

**DFMPro**

**NestLib**

**CAMWorks**

**One Click**

**HCL**

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**Benefits Delivered**

**Common Control Architecture**

**Common Platform**

**Software Architecture**
2. Net zero intelligent operations

We are committed to enabling our clients achieve their net zero emissions goals.

The net zero Intelligent Operations (NIO) by IoT WoRKS™ enables clients to monitor, assess, and reduce enterprise energy consumption and carbon emissions through its unique ability to analyze multiple types of equipment, processes, and facilities at once. NIO taps into digital twin and AI to achieve this and optimizes energy consumption.

It helps organizations:
- Comply with standards such as GRI, CDP, TCFD, SBTi etc.
- Achieve net zero targets
- Optimize enterprise energy potential
- Analyze consumption and emissions
- Reduce energy cost and impact

NIO features

<table>
<thead>
<tr>
<th>Comply and Achieve</th>
<th>Analyze and Optimize</th>
<th>Collect and Measure</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Designed to address your Net-Zero Targets</td>
<td>• Inter compare between sites or equipment</td>
<td>• Measure</td>
<td>• Vendor agnostic</td>
</tr>
<tr>
<td>• Comply with standards such as ISO 50001, CDP, GRI etc.</td>
<td>• Organization to Equipment level visibility</td>
<td>• Sustainability KPIs</td>
<td>• Onboard on any cloud</td>
</tr>
<tr>
<td>• Minimize energy footprint</td>
<td>• Identifying potential areas for optimization</td>
<td>• Energy consumption and Carbon Emission KPIs</td>
<td>• Integrate any asset</td>
</tr>
<tr>
<td>• Simplified and comprehensive reporting</td>
<td>• Detailed load and power quality analysis</td>
<td>• Industry specific KPIs</td>
<td>• Highly scalable</td>
</tr>
<tr>
<td>• Sustainability scope 1, 2 &amp; 3 needs</td>
<td>• Persona based views</td>
<td>• From accurate data</td>
<td>• Fast deployment</td>
</tr>
<tr>
<td>• Report at enterprise wide scale</td>
<td>• Rule based notification</td>
<td>• Collect</td>
<td>• Robust and secure</td>
</tr>
<tr>
<td></td>
<td>• Integrate further with 3rd party system for optimization.</td>
<td>• Master data management</td>
<td>• Realtime as well as Manual capture of data</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 100+ protocol Support</td>
<td>• Unified Energy Data Model with flexibility to accommodate new data and object types.</td>
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</tbody>
</table>

The NIO solution is cloud independent and can retrieve necessary information from various sources.

Benefits

<table>
<thead>
<tr>
<th>Shift from Local to Global</th>
<th>Optimize Operational Costs</th>
<th>Reduce Carbon Footprint</th>
<th>Leverage Best-in-class practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rapid shift in energy optimization measures – annualized energy savings of 7–10%</td>
<td>Achieve nearly 6–10% annualized cost savings</td>
<td>Reduce CO₂ output between 8–10% per year</td>
<td>Utilize real-time data for enterprise best practices</td>
</tr>
</tbody>
</table>

Identify Significant Energy Users
Ensure regulatory compliance: Key standards like ISO 50.001

3. Intelligent secure edge for smart cities

Traditional surveillance systems show inefficiencies, which is widening the gap between citizens and security agents as mistrust grows. HCL has joined forces with industry leading companies, including Advantech, Intel, RADAR and VSBLTY, to develop the first 360 degree smart surveillance solution that connects families to the police through a AI enhanced platform that enables real time response to security threats.

This surveillance solution, called RADAR, is based on a unique collaborative framework that actively involves citizens in crime prevention and is built upon four pillars: HOME, CITY, GUARD and SYNC. Families have control and full visibility of their home security through the RADAR APP, which allows them to report security issues, request a police patrol, chat with the police or visualize the position of the patrol car and the estimated time of arrival in real time.

In addition to the RADAR APP, camera streams from each HOME kit is sent to the monitoring center for real time AI analysis. For brownfield deployments, existing city owned cameras can also be integrated into the RADAR AI edge computing platform.

- Full visibility to police agents and control over the city safety
- Weapons detection and gunshot triangulation
- Facial recognition and threat detection
- Plate recognition, vehicle counting, traffic analysis, and time analysis of parked cars.

The power of AI and edge computing

The simplicity and collaborative nature of RADAR is based on a comprehensive AI edge computing framework that makes more efficient use of data and resources. The solution combines the power of AI and edge computing technologies leveraging Intel® Smart Edge, a multi-access edge computing (MEC) platform that delivers the following benefits.

- Speed – a better experience
- Decentralization – compute at the edge
- Intelligence – faster analytics
- Scalability – microservices that work
- Security – Integrated protection

The impact the solution has created:

The solution has been successfully deployed in Mexico City by local authorities and has improved neighborhood security by 40%. Different districts (“Alcaldias”) in Mexico City (CDMX) including Benito Juarez and Cuajimalpa have deployed RADAR with an impressive reduction in crime rate putting these “Alcaldias” at the forefront of the city public safety.
4. Sustainable Finance 360° Platform

Financial institutions play a critical role in redirecting capital towards sustainability initiatives. Multiple industry and regulatory and disclosure frameworks like PCAF, SFDR, UN PRI, CDP, TCFD have emerged to monitor progress on sustainable and responsible finance and financial institutions are making conscious decisions to move from being compliant to proactively investing in a sustainable future.

HCL’s Sustainable Finance 360° platform works as an integrated ESG platform to help financial institutions accelerate execution of sustainable finance strategy.

It covers:
- Financial emissions tracking along with scenarios analysis to define individual asset class strategies
- Classification of financial products on alignment with sustainability taxonomies
- Integrating sustainability into existing products and services
- Democratize and standardize ESG data analytics services and KPIs across the enterprise.

Benefits:
- Democratize ESG services, ability to integrate sustainable finance taxonomies into products along with seamless integration with existing enterprise systems
- Perform scenario analysis — pre-built data ingestion pipelines help extract, profile and contextualize data for Insights generation and analytical modelling
- Ease of regulatory compliance — data pipelines, metrics and KPIs adhering to sustainability reporting frameworks like TCFD, PCAF, SFDR etc.
- Golden source of 360° ESG data — seamless integration with third party data providers for various datasets like market data, customer data, emissions data etc. to create ESG reference data
- Continuous improvement in ESG data quality through centralized ESG data governance and management
- Configuration driven composable architecture which provides flexibility to adopt new norms and evolving frameworks in ESG.

Dashboard - Total financed emissions

Dashboard - Identifying opportunities to enable sustainable transition
Our pact The impact Forging aheadLeadership notes About HCL ESG Reporting Frameworks Assurance Statement

HCL’s Sustainable Finance 360˚ Framework

- Functional View

HCL’s Sustainable Finance 360˚ Framework

• Sustainable Finance Data Sets
• ESG Country Risk
• Emission Factor Data Sets (DEFRA, IPCC, GEMIS, FAO)
• Vehicle Emissions Data Sets

Own Operations & Supply Chain

Controversies,
Human Rights,
Social	
Inclusion

• Ownership, Capital Structure
• Corporate Actions
• Governance Data Sets

Our pact with stakeholder groups

We are delivering real, measurable change through our technology solutions, local CSR councils and HCL Foundation activity in India. We have demonstrated our commitments by aligning with initiatives such as HeforShe (UN Women) and we are a founding partner of the WEF Global Parity Alliance.

Our platform helps students learn

Woza Geleza is a web platform that allows educators and education bodies engage students across South Africa. The platform caters to primary, secondary and senior secondary students at public schools with subdued finances. It offers curriculum, study materials, assignments and training videos. The platform houses a collection of learning materials and resources for students across South Africa. Woza Geleza is sponsored by a number of organizations, including some of our key partners. It is powered by Platform X.

X is a digital engagement platform that allows enterprises and institutions to engage their audience globally and converges multiple consumer touchpoints into one unified experience interface. It provides business users and editorial teams with an intuitive, easy to use authoring interface on desktop and mobile web.

Benefits derived:

- New authoring experience delivers a significantly faster content publishing experience (minutes as compared to weeks in traditional systems)
- Business users can operate the platform with minimal training, churning out new content/pages without prior knowledge of SEO/Accessibility/Analytics etc.
- Ready made library of pre-built components that delivers out of the box, ready-to-use and brand-compliant building modules
- Seamlessly integrates with an existing enterprise ecosystem using the platform’s disintermediation approach, enabling an enterprise to leverage best in class products in their MarTech stack while benefitting from seamless experience led integration
- Cloud native platform offered as a service
HeForShe

‘HeForShe’ is a United Nations solidarity movement to end gender inequality by 2030. The goal is to engage male colleagues as advocates and agents of change in the effort to achieve equality. We joined the UN Women program called HeForShe Champion as a group of the most ambitious leaders from across government, business, non-profit and academia. In 2021 we embarked upon a five-year journey to accelerate progress toward gender equality.

WEF Parity Alliance

The World Economic Forum has launched the Global Parity Alliance, a cross industry group of global organizations taking holistic action to accelerate diversity, equity, and inclusion (DE&I) in the workplace and beyond. HCL joined this alliance as a founding member.

The Global Parity Alliance’s vision is to drive better and faster DE&I improvements by sharing what works, raising each other’s aspirations, and elevating DE&I actions across organizations beyond the Alliance.

HCL believes equality and mutual respect must prevail. This belief helps the company excel as an organization, because diverse voices and cultures bring fresh perspectives that strengthen its ability to make decisions and draw insights.

Corporate citizenship

Social responsibility is embedded into our organization at every level and our stakeholder are united in the company’s mission, values and vision. This very spirit helps deliver on our corporate citizenship commitments and programs.

Social impact

- 3.7 million lives impacted through HCL Foundation initiatives: education, health, skills development, environment, disaster risk reduction and response
- Backed by a cumulative investment of ~INR 900 million, our programs have scaled almost 12 times since 2016, currently reaching out to over 3.7 million people
- Approximately 5,400 staff clocked 6,685 volunteering hours
- This year, we extended our social footprint to 40 new districts and one new state, expanding our presence to a total of 158 districts across 22 states and three Union Territories of India
- Gender transformative and inclusive approaches remain central, with 55% of our beneficiaries being female
- With special emphasis on vulnerable and marginalized groups, our programs impacted 7,000+ disabled people
- Our green footprint has expanded: 65,000+ acres of land have been greened and brought under community governance
- 844,000+ saplings planted
- Awarded the ET Corporate Citizen for the year 2021 by Economic Times in India
- Our presence in over 50 countries gives us a global opportunity to engage in initiatives that have a wide-ranging impact
- Our major operations are based out of India where we have a separate entity, HCL Foundation, which manages our community engagements and initiatives. This structure also complies with the mandates of the Corporate Social Responsibility (CSR) rules under The Companies Act, 2013. Our board approved CSR policy binds the company to the highest standards of social and environmental sustainability. There is also a CSR committee of the board that directs our CSR strategy and oversees the monitoring and reporting mechanism.
HCL Foundation

HCL Foundation (HCLF) is the CSR arm of HCL Technologies, which implements community focused projects in India. Over the past decade, we have invested in projects that seek to improve socio economic development and support environment protection.

HCLF implements projects either directly or through a partnership model. In both models, the HCLF team works closely with communities and connects with the program participants on a regular basis to maintain strong communication lines and swiftly address any grievances through a dedicated single point of contact. In addition, regular monitoring visits are conducted to ensure no bias and complete fairness. Structured forums and platforms have been created to further support the grievance redressal system. All assigned people on ground are given rigorous training on the code of conduct, ethics, and child protection policies as per the policies of HCLF or the concerned partner organization.

Appropriate due diligences is also conducted before we on board any partner organization and annual feedback is presented to the partner organizations.

HCLF has a separate dedicated website and annual reporting. Additional details on all HCLF initiatives can be found here.

HCLF focuses on three overlapping boundaries for its projects:

1. Rural development
2. Urban development
3. Environmental sustainability

The flagship programs that cut across these boundary settings are:

- HCL Uday
- HCL Samuday
- HCL Harit
- HCL Grant
- Clean Noida
Impact of HCL Foundation flagship programs

**HCL Uday**

HCL Uday leverages government partnerships, the expertise of HCLF’s NGO partners and the volunteering spirit of HCL’s employees to elevate the standard of living of the underprivileged. HCL Uday offers programs across early childhood care and development, education, skill development and livelihoods, health, water, sanitation and hygiene. In FY2022, HCL Uday empowered more than 560,000 people, of which 60% are women, across 11 HCL cities.

**Impact stories**

1. **Photographing her future**

In 11th grade, Nitika, a resident of Lucknow, had her first brush with photography. A Digital Learning Lab had just been set up in her school and, ambitious to try photography, she pleaded with a studio for an internship. Despite resistance from her family, she persevered until both the studio and her family gave in. As of last year, Nitika has shot close to 300 weddings. An enterprising person, she dabbles in party decorations and has set up a cake delivery service also. Saving prudently, she is a proud owner of a brand new car. Training with Nikon, she opened her own production house and dreams of owning a studio in future.

2. **Claiming her space**

Looking up at the night sky, Pooja Sri knew her future lay amongst the sparkling stars. Her keen scientific mind enjoyed solving complex problems and she loved her practical classes. So when her school built a robotics lab, she was ecstatic.

Part of a robotics club — the Galaxee Girls group — participated in the first Lego league competition, winning the Core Values award in their very first attempt. This was just the beginning. Pooja was the only student selected from all corporation schools in Madurai to participate in an ISRO competition. In an internship program organized by the education website 'Dive In The Space', her presentation 'Webb Space Telescope' won the Best Student Award.

3. **Learning begins at home**

With the local Anganwadi (childcare center) shutting down during the pandemic, Manjunath worried his five year old daughter would lose out on learning. So when the local NGO reached out to him to assume the role of an educator, he immediately agreed. Manjunath diligently attended all video calls and training sessions. Lessons and activities were sent on WhatsApp and he ensured his daughter didn’t miss a single one. As most activities involved using equipment and material available at home, he enjoyed the creative process, too. Happy with his child’s progress, he is encouraging other parents to sign up as educators.

**HCL Samuday**

HCL's project Samuday is the CSR vertical of HCLF that focuses entirely on holistic rural development. Launched in 2015, in just one block in Uttar Pradesh’s Hardoi district, Samuday has seen impressive growth. Now it is active in 11 blocks and directly impacts over 11 million people with its services in critical areas of health, education, agriculture, livelihoods, clean energy, water and sanitation. The rapid growth from three blocks in 2019-20, to 11 in 2020-21, underlines the strength and solidity of the project’s source code.

Backed by data and driven by evidence, Samuday is ramping up its programs while deepening its efforts on the ground. With innovation as its hallmark, it has set in motion the continuous cycle of testing, evaluating, refining and scaling its strategy. Here are some of the stories of those impacted by Samuday.

**Impact stories**

1. **Lighting up lives**

“Thanks to this green power, my work didn’t suffer during COVID. Household activities continued, the cattle were fed and children could study in the evenings.”

— Geeta Ram

Come sundown, all domestic and commercial activities in large swaths of rural India are put on hold, simply because there is no electricity. Geeta Ram, a flour mill owner living in Chhapartala village, relied on a diesel engine to run his business. During COVID, the supply of electricity was very erratic. With diesel prices rising, the power from the local solar mini grid came to his rescue, ensuring his work didn’t suffer. With a reach of 41 villages, 32 mini-grids are a beacon of hope, serving the vital needs of the community.

2. **Banking with ease**

“It would take me an entire day to travel up to the nearest bank, at the cost of a day’s wage.”

— Munni Bai

But what if the bank came to his doorstep? India is home to the world’s second-largest unbanked population so, to address this, the Samuday team partnered with the head of the village (Gram Pradhan) in Kithway village. Leveraging an Aadhar-based authentication system, it brought basic banking to the community. Through their Aadhar card, they could access all banking services like fund transfer, balance enquiry, cash deposit and withdrawal.

An awareness campaign supported by the Panchayat — a viral television comedy series — dispelled concerns about safety and security. An average of 1,000 farmers have used this service, completing transactions worth INR 2-3 lakhs.

3. **Literacy for all**

“No, that I can read, I feel liberated. I don’t have to depend on anyone for information.”

— Radha Devi.

Kachhauna and Kothwa blocks in Hardoi District of Uttar Pradesh State registered a low literacy rate of 15% and 16% respectively, way below the national average of 77%. Not surprisingly, women fared worse than men. In 2017, the foundation set an ambitious goal to achieve 90% literacy. Combining classroom and ICT-based learning, ‘Sakshar Samuday/Shiksha’ reached out to adult learners, 69% of whom were women. They now manage finances and households and supervise the education of their children far more effectively. With sustainability in mind, the program recruits Community Literacy Volunteers (CLVs) as instructors. Thanks to the efforts of 1,474 CLVs, the number of literates in the Kachhauna block has more than quadrupled in 2021. Other blocks are scripting similar success stories.
HCL Harit

This project is the environment vertical of HCL’s CSR Initiatives. This project which aims to conserve, restore, and enhance indigenous environmental systems and drive community climate action. HCL Harit is operational in nine states of India.

Key Achievements from FY2022 include:

- Afforestation and Habitat Restoration: 180,984 saplings were planted this FY, taking the total sapling count to 467,240
- Water Conservation: 25 waterbodies rejuvenated, taking the cumulative count to 78
- Animal Welfare: 29,512 animals were treated and protected this FY, taking the cumulative count to 50,982
- Environment Education: 4,001 children benefitted this FY, taking the total reach to 7,515
- Coastal and Marine Conservation: ~290,000 mangrove saplings raised for planting; ~20,500 kg ghost nets collected and ~4,000 Olive Ridley eggs relocated to hatchery this FY
- Emission Reduction: Total of 85 compost pits constructed. Total of 703 improved cook stove distributed.

Impact story

Stubbing out the stubble burning

“...I learned about composting for stubble through the workshop and it’s a double dhamaka; not only does it enrich the soil but also prevents air pollution.”

—Shiv Kumar

Come early winter, Shiv, a farmer in near Delhi, would burn the residual stubble in his field, preparing it for the next crop. Though aware this method was contributing to the city’s hazardous air quality, he felt there was no choice.

A training program organized by HCL Foundation and its partner NEER Foundation, introduced him to stubble composting. Mixed with water, cow dung and soil, the stubble is composted in a pit, resulting in rich manure to improve the soil quality of his field. The remaining manure is sold in the market at INR 20 a kg, a welcome addition to his income.

HCL Grant

HCL Grant seeks to strengthen and empower NGOs, engage with them, and recognize them for their path-breaking work through grants. We usually support organizations that work across three thematic categories of environment, education and health. Our partnerships extend across the country including far flung and remote parts. This has in turn facilitated innovative community led solutions and enabled delivery of solutions.

Key highlights

- To date HCL Grant has already committed INR 95.75 crore (USD 12.76 million), with an aim to reach 2.3 million people
- We have positively impacted 1.1 million lives
- 65,000+ acres of land have been brought under sustainable community governance.

Impact stories

A grant of INR five crore is awarded to one NGO in each of the three categories every year. In addition, the remaining six HCL grant finalist NGOs have also been awarded a grant of INR 25 lakh each for a one-year project. In the seventh edition, the following NGOs were announced as the winner of INR five crore grant in each of the following three thematic categories:

1. Environment: Professional Assistance for Development Action (PRADAN)
   HCL Grant project title — restoring ecosystem by promoting nature sensitive endeavor

2. Health: The Association of People with Disability (APD)
   HCL Grant project title — Cot to Community — a comprehensive rehabilitation approach for persons with spinal injuries

3. Education: Language and Learning Foundation (LLF)
   HCL Grant project title — Inclusion of children’s home languages to improve foundational learning outcomes of Adivasi children in Chhattisgarh.
Clean Noida

Clean Noida has been appreciated by the local authority for its immense contribution to making the city India’s cleanest medium city (3-10 lac population) and 4th cleanest city (1-10 lakh population) and awarded five-star Garbage Free City (GFC) rating in Swachh Survekshan 2021.

We reached out to 227,326 stakeholders across our various SWM projects on solid waste management to improve SWM practices and promote cleanliness of Noida city.

We engaged 114,684 citizens in various SWM IEC & BCC activities to bring about the behavioural change of Noida citizens for the active community engagement in city’s sustainable solid waste management practices.

31,074 meters of street and 42,137 meters of drain were cleaned.

10,344 tons of solid waste was managed across Noida with appropriate disposal.

57 e-garbage loaders were provided to RWAs and high rises for establishing an efficient primary waste collection system.

47 waste to art (ways of using waste in art) were installed to install in Noida citizens about the 3Rs approach to plastic waste.

31 kilometers of street and 42 kilometers of drains were cleaned.

Key highlights

Clean Noida is HCL’s commitment to transform Noida into one of the cleanest cities in the world. It is implemented in full partnership with its citizens and the Noida Development Authority. The program works toward creating awareness about proper waste management practices and evolving structured, technology-driven systems and practices for efficient management of waste in the city.

Special initiatives by HCL Foundation

Key highlights

Other special initiatives included sports for change to expand sports involvement, The HCL Foundation Academy for education, power of one for volunteering, My E-Haat for promoting crafts and assistance with disaster response and reduction.

HCLF has also launched special initiatives with specific but critical aims to address issues which are vital to furthering sustainability and corporate citizenship. They are:

1. HCL Foundation Academy

A digital learning space and a think-tank, the HCL Academy is a hub of cutting edge knowledge and best practices in the social sector. Through active participation, 38,000+ professionals have gained new insights and accessed relevant information. Along with a strong alumni network, 1000+ certified professionals are working together testing out new prototypes and helping drive innovation at HCL.

Enrich

• 46 webinars conducted with topics ranging from mental health, nutrition, new education policy, sports education, birds and reptiles in wild, etc.
• Reached 36,800+ through webinars

Enable

• 142 learners certified through three courses
• 369 candidates enrolled for next seminars

Engage

• Outreach: 100,000+ development sectors professionals/practitioners/subject matters and students through various social media platforms
• 4,000 applications received for various courses

2. My E-Haat

Strengthening the handicraft value chain, the My E-Haat initiative is uplifting artisans, creating market linkages and promoting ethical practices. In 2021, the foundation launched the My E-Haat portal. The main aim of the initiative is to connect artisans directly with consumers, to showcase India’s rich handicrafts.

• Galvanizing the artisanal economy
• Strengthening the value chain by creating forward and backward linkages
• Training and upskilling artisans by introducing them to new techniques and designs
• Promoting Indian handicrafts by reviving ethnic handloom traditions
• Connecting ‘Artisan to Customer’ (A2C) and ‘Artisan to Business’ (A2B) through the My E-Haat portal
• Linking them to government schemes and entitlements and ensuring social security and financial inclusion

In just one year, the portal has generated more than INR 10 lakh in revenue and benefitted over 200 artisans.
3. Power of One

Recognizing and celebrating the generosity of the human spirit, the Power of One platform offers multiple pathways for HCL employees to ‘give back’. To connect HCL employees with social causes, an interactive volunteering portal was launched in 2021. HCL employees can now browse through all volunteering opportunities and choose the social cause they wish to engage with.

Approximately 5,400 HCL employees clocked 6,685 volunteering hours. Close to 43% of HCL employees contributed monetarily, supporting 283 deserving students with scholarships for education and sports.

4. Sports for Change

Sports for Change harnesses the power of sports to drive transformative change amongst underprivileged youth. By encouraging participation and inspiring excellence, it builds their life skills, seeding a positive attitude.

The last two years have witnessed a phenomenal 162% increase in participation. 184 athletes competed in state, national and international tournaments, bringing home a total of 74 medals.

Global CSR footprint

We constantly endeavor to work alongside society. We are proud to be a company with a strong social conscience and this ideology stems from our close links with the communities we operate in.

Needless to say, corporate social responsibility (CSR) initiatives are an extremely important way to increase our competitive advantage, strengthen the company’s local brand and engage employees holistically.

To establish the CSR programs in key focus countries in the region and to actively engage our employees in this area, we conducted a survey to assess employee engagement in CSR.

Thirty percent of the respondents said that they are involved in the local community project at an independent level and 280+ employees volunteered to be an HCL CSR champion. Country Level CSR councils were formed and chartered to:

- Identify the key CSR causes and local NGOs/charities we can partner with
- Plan HCL’s participation in campaigns which we as an organization should support locally.

CSR council leads are elected in each country and are guided by the CSR council executive sponsor team. We now have active CSR councils in 18 countries in Europe and Africa with over 350 employees taking part.

More than 70+ employee led CSR initiatives and have been organized since the inception of the Europe CSR council in October 2020 with participation from 2300+ employees across the region. Various programs have been implemented to help underprivileged children, protect the environment, clean up communities, distribute food, fundraise for COVID-19 support, Ukraine support appeal, youth education etc. These campaigns are truly owned by our employees and make a conscious effort to contribute and connect better with the society we operate in to create a meaningful impact.
Impact of our global CSR activities

We take pride in the way we work, but we take greater pride in being an organization that goes beyond. A company that strives every day in taking small steps to make the world around us a better, safer, and happier place.

Amidst the global pandemic and ongoing conflicts around the world, it has become even more essential to step up and give back to society. With a mission to transform lives and spread smiles, we continue to soar higher as Europe Country CSR council teams continue to lead various CSR initiatives locally.

CSR councils are now in action in 18 countries in Europe and Africa and they have 275+ volunteers to huddle and shape UK plans for their regions. They have engaged over 2300+ employees through 71+ CSR initiatives.

Country Level CSR council are chartered to:
- Identify the key CSR causes and local NGOs/Charities we can partner with
- Plan HCL's participation in campaigns which we should support locally.

France CSR Council

33 students
HCL France partnered with Apprentis d'Auteuil for youth training and integration who are in social difficulty.

500+ people
HCL France organized for food donation drive partnering with Restaurants du Coeur Giving

25+ students
HCL France organized a donation drive including sheltering of stranded students during the COVID crisis at their home in Lyon and nearby areas.

100+ children
Christmas Charity initiative in partnership with an oncology hospital - HOPE, Lyon, to support children fighting cancer.

Poland CSR Council

Help for Ukraine: Employees donated cosmetics, canned food and medicines.

11 full boxes
Donation of pet food, blankets, leashes and toys to local animal shelters.

Parcel for a baby
HCL Poland organized a donation of hygienic products for babies and small children to the Krakow Children’s Hospice.

France CSR Council

172.5 kg of fruit
HCL Poland organized for a Food Bank in Krakow.

650 kg of fruit
Fruit delivery to the Food Bank in Krakow.

Portugal CSR Council

With the purpose of controlling invasive species and the recovery of the riparian landscape, this year HCL Portugal organized several tree planting actions in different areas around Lisbon.

30+ kg of litter
HCL Portugal organized 2 Beach Clean actions in partnership with ONG Liga para a Protecção da Natureza.

Romania CSR Council

22 employees
In April, 2022 HCL Romania had 22 employees participating on the Semimarathon lasi — also Sponsored by HCL.

In 2022, HCL Romania recognized male employees for Blood Donation to help the husband of one of our colleagues, who was suffering from clostridium poisoning and was hospitalized with severe renal failure.

200 children
In partnership with Glasul Vietii Association, HCL Romania delivered biscuits, gingerbread, chocolate and tea as part of a New Year initiative, to 200 children in lasi community.

3,000 EUR
HCL Romania did a Christmas Charity initiative donating 3,000 EUR. Supporting 25 children and poor families with food, toys, clothes and hygienic items and 13 HCL gift boxes.
Sweden CSR Council
85 children
In Christmas 2021 for the third year in a row, HCL and Giving People joined hands, supported children and helped them and their families celebrate the festive holidays, with delivery of Christmas gifts and food vouchers.

Lithuania CSR Council
36 kids, 2000 EUR
CSR Lithuania identified 36 school age kids (6-17 years old), having a valuable contribution from employees of more than 2000 EUR to purchase school supplies and bags.

3000 masks
HCL Technologies Lithuania donated 3000 surgical facemasks to CARITAS organization.

Belgium CSR Council
250 homeless
A group of 10 volunteers from HCL CSR Belgium in partnership with Service the City, spent their half day to prepare, package and distribute food to 250 homeless beneficiaries under the Lunch to Refugee program.

Bulgaria CSR Council
HCL Bulgaria CSR team in partnership with BCause Foundation as the official charity partner for those initiatives, have selected 3 TOP initiatives so that employees could choose which one they would like to support:

• Help children at risk to climb their peaks!
• Help rare birds keep their young safe
• Construction of a playground for children at risk.

Italy CSR Council
2,105 EUR
Fundraising for Ukraine at HCL RomeLab — moved by the affection for a colleague originally from Ukraine. In just a few days the team collected 2105 euros which were destined for the Basilica of St Sofia in Rome for the purchase of goods to be sent to the population.

HCL CSR Italy participated in the plastic free day in Rome and Milan, contributing to the cleaning of plastic and waste in park, beaches and local areas.

300 sweet boxes
HCL volunteers collaborated with the NGO “La stella di Lorenzo” in the delivery of “doves”, the typical Italian Easter cake, improvising themselves as riders for the city of Rome and delivering about 300 sweet boxes. The funds raised by the non-profit organization will be used to purchase defibrillators to be donated to schools.

HCL CSR Italy in Rome have been helping at the Basilica of Santa Sofia (which is the reference church of the Ukrainians in Rome) to prepare the packages of food and clothes to be shipped to Ukraine.

UK CSR Council
9 year partnership
HCL UK has been a proud patron of the ‘Prince’s Trust’ for 9 years now. The contributions, throughout all of these years have made a huge impact in enabling a brighter future of the young people supported by the Trust.

15 teams, 1.6million+ steps
In February, 2022 HCL participated in their annual fundraising event — The Future Steps, which is a month-long, 10k steps a day, challenge as the participants raise funds throughout the month. We are proud to share that we received a brilliant response from the UK employees — 15 Teams in total. Together we achieved 16,650,990 steps and raised funds for the young people!

On 19th May, HCL was back to the Theatre of Dreams — Old Trafford after two years with our annual ‘Cup of Two Dreams’ Tournament. Clients and HCL employees have donated generously to the Prince’s Trust on this fundraising event.

21 HCL employees
A group of HCL colleagues got together for a great cause! The 3 Peak Power Operatives Team committed themselves for tough challenge to hike the Yorkshire 3 Peaks — the challenge is to complete the circuit in under 12 hours. The team fundraised to support 2 charities — Mind and Macmillan Cancer Research.

CSR in the Americas
Our CSR strategy in the US has three focus areas — education, environment, and health and we work in partnership with:

- United Way
- American Red Cross
- Bill & Melinda Gates Foundation
- Center for Disease Control (CDC)
- Habitat for Humanity
- STEM for Her
- Rise Against Hunger
- Music 4 Hope
- Poised in Pink
- The Valuable 500
- N-Power

In January 2021, HCL Technologies announced its collaboration with the University of California, Berkeley to create a Health Technology Collaborative Laboratory ("CoLab") housed in the Blum Center for Developing Economies on the university’s campus. In response to the pandemic, the CoLab is addressing the urgent need for timely access to therapeutics and diagnostics with telemedicine and telesurgery. As a founding member of the CoLab, HCL is contributing USD$750,000 over the course of three years.
HCL Partners with Feeding America®

1,670,826 meals were provided during National Volunteer Month to those in need through HCL Technologies’ partnership with Feeding America®. This was achieved through employees’ hard work at local food bank events and generous donations — reaching over $375,000 with HCL Technologies’ equal match.

Starting in seven cities, this effort to host in-person volunteerism in April expanded to eight cities — Cary, Chicago, Dallas, Hartford, Jersey City, San Antonio, San Jose, and Seattle — as momentum grew.

Total impact:
- 1,670,826 meals provided
- 100 volunteers in 8 cities
- 267 volunteer hours
- 124,900+ pounds of food sorted
- 2,172 organic vegetables and flowers planted that benefit native bees on Earth Day.

Records broken:
- HCL’s Sunnyvale office breaks Second Harvest of Silicon Valley’s record for most produce sorted at 21,000 pounds
- HCL’s New Jersey team takes second place at Community Food Bank of New Jersey for most dry pasta sorted at 1,264 pounds
- As the nation’s largest domestic hunger relief organization, Feeding America reaches over 40 million people by providing healthy meals and food rescue services. Their network of 200+ food banks and 60,000 partner agencies relies on volunteers to help provide food and resources to those in need.

Pact across governance

Our governance pact with stakeholder groups

Our governance structure is designed to maximize transparency with all stakeholders and align to regulatory requirements. Sharing expectations and being transparent with suppliers and vendors is a key component of this structure.

HCL governance operates multiple policies to ensure that our corporate citizenship projects are communicated to all relevant stakeholders and that implementation is monitored.

1. CSR policy

The CSR policy defines how we select, implement, evaluate and monitor our CSR activities while also guiding us on how to strategize for our Annual Action Plan. Our CSR vision and intent is also be guided by this document.

2. Energy policy

Our commitment to lowering our energy profile and improving our energy efficiency is best elaborated through our energy policy which consists of the following points:

- Meeting all applicable laws of the land and other requirements related to its Energy use, Consumption and Efficiency
- Providing the framework for setting and reviewing Energy Objectives and Targets

- Consuming Energy in an Efficient, Economical and Environment friendly manner
- Applying the latest technology as well as Energy Efficient practices in all aspects of the organization’s operations for ensuring Continual Improvement in Energy performance
- Supporting the purchase of Energy Efficient products and services, design for energy performance improvement
- Make sure that necessary resources, data and information are made available to all the concerned Stakeholders to achieve the Energy Objectives and Targets
- Regularly reviewing and updating our Energy Policy, Plan and Strategies to cope with the changes and up-gradations in technologies maintaining appropriate controls, including periodic review of Energy Policy, to ensure its applicability and relevance to the changing scenarios and Stakeholders’ expectations.
HCL’s 10 CSR commandments

**CLARITY:** of thought, purpose and action. We design and implement impactful interventions to break the cycle of poverty in all its forms, be it social, economic, or environmental.

**CHOICE:** the power or liberty to choose. We are conscious of the individual’s ‘right to choice’ and offer a bouquet of innovative services, opening up multiple points of engagement.

**CATALYSE:** spark a path for self-determination. We are mindful of people’s own agency and ability to effect change and provide relevant opportunities for meaningful growth.

**CO-CREATE:** think and act together to drive progress. We blend the wisdom of communities with scientific rigor to seed and propel transformative change.

**COMPREHENSIVE:** an ecosystem of well-being. Our interventions target areas critical for a person’s development – health, education, sports, livelihoods and skill, and the environment.

**CONTINUOUS:** life cycle approach. We leverage the Integrated Community Development Approach (ICDA) to impact every stage of life.

**COMPASSION:** rooted in empathy and deep underlying concern for the well-being of people. Our programs, interventions and strategies specifically target the unreached and ultra-poor.

**CONVERGENCE:** unifying stakeholders. We bring our communities, customers, employees, non-profits, and Government bodies together, leveraging the strength, experience and expertise of each stakeholder for the greater good.

**CREDIBILITY:** holding ourselves to exacting standards of transparency and governance. We are accountable to our employees, partners, and communities.

**CAPITAL:** going beyond the financial. We view capital as more than just finance. Creating safe spaces that energize and inspire, we actively build human, developmental and environmental capital.

- **Human capital:** creating access to knowledge, technical know how and an agency of skills that maximize human potential leading to empowered, self-sufficient, gender-equal and inclusive communities
- **Developmental capital:** enabling rich social networks, physical assets and institutional strength that nourishes a culture of self-reliance and sustained growth
- **Environmental capital:** investing in efficient and effective green solutions that nurture and conserve our planet

**3. Human rights policy**

HCLs understand the interconnection between the environment, sustainability and rigorous implementation of human rights. Consequently, our human rights policy endeavors to ensure that people are treated with dignity and respect. IHCL actively wishes to identify, prevent and mitigate human rights violations resulting from, or caused by our business activities, through human rights due diligence and mitigation.

We are committed to investigating, addressing and responding to the concerns of employees and to taking appropriate corrective action in response to any such violations. Our policy also extends to our value chain partners.

**4. Environmental policy**

HCL’s environmental policies trace their inception, implementation and evolution to the approaches listed below which form the core of any HCL operations that take the environment into perspective:

- Integrating environmental considerations into all areas of operations, considering our environmental risks, responsibilities and organizational capability
- Meeting all environmental compliance obligations applicable to the organization
- Reducing our ecological footprint through optimized utilization of natural resources including land and water. We ensure the responsible use of energy throughout our operations including conserving energy, improving energy efficiency, and giving preference to renewable over non-renewable energy, wherever feasible
- Preventing pollution and minimizing all types of waste, including e-waste, by adopting the ‘reduce- reuse- recycle recovery’ philosophy
- Being an environmentally responsible neighbor in the community where we operate, correct incidents or conditions that endanger the environment and commit ourselves to open and constructive engagement with communities surrounding our operations on environmental matters
- Providing a framework for setting and reviewing environmental objectives and targets
- Continually improving and learning from our efforts in working towards environmental sustainability
- Monitoring and reporting our environmental performance to key stakeholders
- Ensuring that environmental policy is communicated to all the concerned persons working for or on behalf of the organization to make them aware of their environmental responsibilities and also by making our environmental policy available to all stakeholders including the public on demand
- Maintaining appropriate controls, including periodic review of environmental policy, to ensure its applicability and relevance to the changing scenarios and stakeholders’ expectations
5. Occupational health and safety policy (OH&S)

- Ensuring the health and safety of its employees, contractors, visitors, and other stakeholders affected by its operations
- Meeting all OH&S legal and other requirements applicable to the organization
- Taking suitable measures to prevent occupational injuries and illness and to provide a safe and healthy working environment to its employees and others affected by its operations
- Ensuring robust management of our OH&S activities like any other critical business activity by incorporating appropriate safety and health considerations into our business decisions
- Consulting with employees in a meaningful and effective manner on OH&S issues to enable each concerned employee to contribute to decisions that may affect their health, safety and well-being at work
- Providing a framework for setting and reviewing OH&S objectives and targets
- Adopting OH&S practices on par with global standards using the latest technologies to ensure continual improvement of OH&S performance
- Establishing a guideline for dealing with all types of potential emergency situations within its area of operations to ensure that all concerned personnel are familiar with roles and responsibilities in the event of an emergency
- Ensuring that OH&S policy is communicated to all the concerned persons working for or on behalf of the organization to make them aware of the OH&S responsibilities and also by making our OH&S Policy available to all stakeholders, including the public, on demand
- Maintaining appropriate controls, including periodic review of OH&S Policy to ensure it is applicable and relevant to the changing scenarios and stakeholders' expectations.

Cyber Security, data protection and system availability

Data privacy and security standards across the globe require an adaptive and agile privacy risk management framework. Therefore, HCL's data privacy framework is aligned with the following:

- General Data Protection Regulation (GDPR)
- California Consumer Privacy Act (CCPA)
- Health Insurance Portability and Accountability Act (HIPAA)
- Gramm Leach Bliley Act (GLBA)
- Asian Pacific Economic Cooperation (APEC) Privacy Framework
- Organization for Economic Cooperation and Development (OECD) Privacy Framework
- Generally Accepted Privacy Principles(GAPP)

We maintain a very robust cyber security and privacy framework. Our framework is embedded within our operations and processes while complying with all regulatory requirements of the varied geographies in which we operate. HCLs cybersecurity practices are aligned to the NIST framework and we continually mature our cybersecurity program via various internal and external assessments. We are ISO 27001:2013 certified for management of Information Security across our corporate IT environment and ISO 22301:2012 for BCM (Business Continuity Management). We use a defense in depth approach for our control framework and support it with a robust governance structure. Additionally, our data privacy policy includes the following:

- A multi layered global privacy governance structure with executive oversight of privacy and risk management
- An External Global Data Protection Officer providing impartial oversight and accountability for HCL’s global privacy compliance, including the GDPR
- Implementation of Global Privacy Policy and related documentation and processes governing personal data protection
- Enterprise level data retention and destruction policies, and guidelines for processing client’s personal data strictly as per contractually agreed terms.
- A network of dedicated privacy champions across HCL enterprise and client engagements

HCL global Resilience Policy provides direction for consistent implementation of Resilience-by-Design philosophy across the organization and is key to achieve our organizational objectives, while ensuring compliance to applicable contractual, legal, and regulatory requirements. The objectives of HCL’s Resilience Policy are:

- To establish capability for the development and implementation of appropriate Business Continuity Management, and Crisis Management processes that shall help the organization to manage, respond and recover from disruptive events, including large scale disruptions lasting for extended periods of time.
- To establish a second line of defense to provide ‘Advisory’ and ‘Assurance’ to interested parties on building necessary response and resilience capabilities to safeguard mutual business interests.
- To establish an appropriate Risk Management process aimed to mitigate resilience related risks in an ever evolving environment.
- To establish a mechanism to enable continual improvement to enhance overall resilience posture of the organization.

We did not receive any requests from government or law enforcement agencies during the last fiscal year for customer information. There were no substantiated complaints concerning customers’ data raised by regulatory bodies. To maintain the confidentiality of our customers’ data, we do not use their data for secondary purposes.

There were no instances of non compliance hence no fines were incurred in the reporting year.
Sustainable procurement

To accelerate the adoption of sustainable practices in our vendor and supplier ecosystem, we leverage capacity building and supplier engagement programs. Additionally, as a UNGC signatory, we ensure the integration of all the requirements enlisted in the 10 principles in our engagement programs.

Our sustainable procurement program navigates through the four dimensions outlined below.

1. Communication, awareness and training
2. Due-diligence and audits/assessments
3. Sustainability specifications for procurement
4. Supplier diversity

Our vendors and suppliers receive regular communication of our evolving ESG agenda and goals throughout the engagement lifecycle. Our procurement policy has been integrated with our sustainability requirements and it clearly defines our expectations for all our supply chain partners. The policy explains the expectations across various dimensions covered by ESG, and communicates how any challenges/grievances should be reported. No grievances were reported specific to sustainability during the course of FY2021-22.

For our supply chain partners who are required to work from HCL premises, we ensure that they undergo periodic Environment, Health and Safety (EHS) training. This is specific only to them. We ensure that 100% of our vendors operating inside our premises receive such training.

Our vendor on-boarding process has detailed requirements based on E, S and G. All our new suppliers are screened against ESG requirements and the results are then integrated into our SAP system. We also conduct an annual risk-based assessment to determine high risk supply chain partners. Our Vendor Risk management (VRM) is a separate function under our Risk Management team and is independent of the procurement team.

The comprehensive VRM Program identifies and manages any risks associated with our vendor’s at the pre-contract stage and periodically thereafter. The depth and frequency of vendor risk assessment is determined based on the category of services and the inherent service risk.

Our VRM methodology applies to all in-scope vendors who are either providing services to HCL or to our customers. The risk areas reviewed under the VRM include:

- Financial risk
- Information security and business continuity risk
- Data privacy risk
- Ethics, regulatory and contractual compliance risk (including regulations like modern slavery for vendors supporting from Australia)
- Health, safety and environment risk
- Intellectual property risk
- Strategic and geographical risk
- Operational risk.

CDP’s Supplier Engagement rating recognizes HCL in Leadership Band

We disclose our level of engagement in detail as part of the CDP Supplier Engagement Rating. For the year 2021 HCL Technologies received an A- which is in the Leadership Band. This is higher than the Asia regional average of B-, and higher than the IT & software development sector average of B-.

Impact of procurement

89% of our total procurement spending is on goods and services sourced locally. Along with our focus on local procurement, we have started to focus on sourcing from MSMEs.

Through our procurement policy we support the development of, and will give special consideration to small, local, and diverse businesses. The definition of “diverse” is often specific to the country. However, it typically will include local minority, gender, veteran, sexual orientation, disability, economically disadvantaged, and other under represented segments of a population. In the US and Canada, HCL procures 17% of its goods from marginalized / vulnerable group; for example, MBE, WBE, VET, Disabled, LGBTQIA+ and small suppliers.
The **impact** we deliver
## Environment

**Eco Efficiency**
- 69% reduction in per capita water consumption in the last five years
- 21x more water recharged into community supplies through our community initiatives, compared to our pan-India consumption
- All campuses in India are free from ‘Single use plastics’
- More than 105 water bodies rejuvenated in the communities

**Climate Change**
- Signatory to the Climate Pledge commitment to being net-zero carbon by 2040, ten years ahead of The Paris Agreement
- Our targets related to greenhouse gas (GHG) emission reduction were validated by the Science Based Targets Initiative (SBTi) to be aligned to a 1.5°C Pathway
- Supporting The Task Force on Climate-Related Financial Disclosures (TCFD)
- Increased the renewable energy portion of our overall energy consumption to 17.7% in FY2022
- 42 villages electrified through solar mini grids
- 115 Schools powered by Solar PV
- 7.3 million Sq ft building space in India is platinum rated by the US Green Building Council (USGBC) for Leadership in Energy and Environment Design (LEED)
- 26 of our major sites are certified for ISO 14001: 2015 and covered under an environmental management system (EMS)
### Social

<table>
<thead>
<tr>
<th>HCL Material Topics</th>
<th>SDGs</th>
<th>UNGC Principles</th>
<th>Impact</th>
</tr>
</thead>
</table>
| Human Capital | 3, 4, 5, 6 |  | - In FY2022, over 40,000 new employees were added to the full time or permanent employee segment  
- During FY2022, over 112,324 employees completed 5.77 million hours of training to enhance their current skills and learn new skills  
- 85,393 ideas have been generated through our Value Portal platform and almost 60% of these ideas have been implemented. Cumulatively, over the last decade, the value portal has delivered almost $11 billion USD value to our clients. |
| Local Hiring | 3, 4, 5, 6, 10 |  | - Our localization in the US stands at 70.9%, while in Europe stands at 80.5%, and APAC and the rest of the world (excluding India) stand at 88.9%  
- The Canada Skills program has helped over 30,000 students achieve valuable Microsoft Certifications in cloud, data, and AI |
| Diversity, Equity and Inclusion (DEI) | 1, 2, 3, 6 |  | - Signed the CEO Pledge for Diversity and Inclusion  
- Founding Member of WEF Global Parity Alliance  
- Champion of HeForShe Alliance, a UN Women program  
- 55% of the beneficiaries of HCL Foundation projects are women  
- Our programs impacted 7,000+ persons with disabilities, especially women and children  
- Workplace assessment being conducted, intended for barrier-free built environment for persons with disability and elderly persons  
- Signed a pledge with CEO Action to double up efforts for inclusive workplace |
| Talent Attraction and retention | 1, 2, 3, 6, 10 |  | - HCL’s MAD LTD campaign allows college going students in India to submit their ideas for change in technology, social and business categories. The winner gets mentorship and a chance to incubate their idea with us. We have reached 100,000 students across campuses in India  
- The Skills@scale program provides upskilling opportunities for our employees and helps us retain and prepare inhouse talent for future anticipated roles. It has resulted in savings of USD 75 million in FY2022  
- Over 44,317 employees completed focused digital skill enhancement training in FY2022 |
| Work Environment | 1, 2, 3, 6, 10 |  | - More than 36,000 employees have undergone their health check-ups, and more than 57,000 family members have also availed the benefit.  
- Onsite day care centers have opened in Chennai, Bangalore and Noida to ensure safe and comfortable return to office for mothers.  
- We have dedicated separate policies on energy and occupational health and safety (OHSS), which also guide our sustainability practices |
| Corporate Citizenship | 1, 2, 3, 4, 5, 6, 7, 8, 9 |  | - Supported 380k people in the pandemic  
- Enhanced quality of education in 357 government schools  
- 25,151 children benefitted through technology-enabled learning solutions  
- 8,167 children benefitted in Environment education  
- Around 4000 Women Self-help groups formed  
- Planted over 844,000 saplings  
- ~20,500 kg ghost nets collected and ~4,000 Olive Ridley eggs relocated to hatchery in FY2022  
- Clean Noida program created end to end solid waste management system  
- Sanitation improved in more than 700 households  
- Joined hands with Restaurants du Coeur to join a fundraiser that supports food for the needy  
- 1,670,826 meals were provided during National Volunteer Month to those in need through our partnership with Feeding America® |
### Governance

<table>
<thead>
<tr>
<th>HCL Material Topics</th>
<th>SDGs</th>
<th>UNGC Principles</th>
<th>Impact</th>
</tr>
</thead>
</table>
| Sustainable procurement | 5, 7, 10 | 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 | • 89% of our total procurement spending is on goods and services sourced locally  
• No significant (actual or potential) negative environmental and social impacts were reported across our supply chain  
• During FY2022, 634 vendor assessments were carried out by the Vendor Risk management (VRM) function. |
| Sustainable Impact on clients | 7, 8, 9, 10 | 1, 2, 3, 6, 7, 8, 9, 10 | We are working with clients to help them act on defined sustainability initiatives. Some examples of the services we offer are  
- Design for Sustainability (DFS) framework, Net zero intelligent operations (NIO), Intelligent secure edge for smart cities, and Sustainable Finance 360° platform |
| Governance and ethics | 5, 7, 8, 9, 10 | 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 | • Reconfigured the Board’s Diversity Committee (created in April 2016) to the ESG and DEI Committee of the Board  
• In FY2022, over 100,000 employees attended trainings and awareness sessions on topics such as business ethics, code of conduct, security, and conflict of interest  
• We continue to be signatory to the UN Global Compact  
• We are certified with an anti-bribery management system, which complies with the requirements of ISO 37001:2016 |
| Cyber Security, data protection and system availability | 8 |  | • Information security and business continuity risk, and Data privacy risk are some of the key risk areas identified under our Vendor Risk management (VRM) methodology  
• Our data privacy standards are aligned with global privacy risk management frameworks |
Forging ahead
Our responsibility to bring long term value to our stakeholders is evident throughout this report and our commitments.

While the historical data trends presented in the report showcase our performance in the past, we have also showcased our pathways to achieving our goals in the future. The scope of our material topics is an indication of our commitment to deeply exploring sustainability in all facets. We are confident that our strong and credible past will help us to steer steadily into the future.

Our robust and dynamic governance structure, our focus on sustainability-related capability building for our 200,000+ employee family and the constant, live feedback from our stakeholders will help us create a self-correcting and deeply introspective mechanism to promote sustainability and further our ESG ambitions.

We envision a future where, through the successful implementation of impactful initiatives, we will bring about a socio-ecological transformation along with our employees, clients, partners and the communities in which we operate.

Environment

Our environmental achievements this year have been exceptional compared to the previous year which is comparable. We are aiming to capitalize on many of the gains that resulted from the pandemic-induced disruption. We now think differently about many aspects of the environment and this has resulted in some very innovative projects.

Our priorities are to improve our efficiencies in energy, water and waste management and rapidly increase renewable energy in our energy mix. We have reduced our scope 1 & 2 emissions by 30% in the last 2 years and we have increased the renewable energy portion of our overall energy consumption to 17.7%. We have also achieved 50% renewable energy in the energy we consume for all our major data centers. We are therefore well on our way toward our goals.

Over the next couple of years, we are targeting fleet electrification for employee commute and continued use of virtual collaboration. We completed the first level of measuring the work from home emissions this year and the insights will help us to better engage with our employees to reduce emissions. We have also engaged our suppliers and vendors to identify aspects of our purchased goods and services to further reduce emissions.

As detailed in this report, digitalization is at the heart of climate change solutions. We continue to work with clients and partners to help them on their sustainability journeys. Although we have initiated projects which can generate nature-based carbon offsets, we plan to leverage these offsets only for our residual emissions as stipulated in the net-zero standard by SBTi. We plan to start to account for these offsets aligned to internationally accepted standards in the coming year.

Given the global resource constraints around water, we are actively committed to water conservation. None of our operations are under water stress areas. To drive the freshwater conservation and management agenda, the HCL group has partnered with World Economic Forum's UpLink platform and committed USD 15 million over five years to support water-focused entrepreneurs — "aquapreneurs" — who can drive innovation in freshwater resource management through this program titled the 'Aquapreneur Innovation Initiative.'

Social

Our social commitments are not just reactive, but rather carefully considered necessities based on how digitization is influencing stakeholders globally. The challenges around the skills in the constantly changing world of technology also influence our commitments into the future.

We have already started engaging with schools, colleges and other institutions in most of the geographies where we are present. This is an important step to create a talent pool for our future but also to secure a shared future with the communities in which we operate.

We recognize that we are in a journey when it comes to DEI. While we have improved on metrics around DEI, we are strongly committed to not deter our focus. We have board level DEI commitment with a dedicated committee of the board overseeing our progress. We continue to partner with our clients and ecosystems like the UN and WEF to further this journey. We are committed to improving gender diversity among our employees and we have set a goal of 40% women in our workforce by 2030. This extends to senior leadership as well, which will see no less than 30% representation of women by 2030.
Governance

At HCL, we pride ourselves on the strength and dynamism of our governance structures which is responsible for the seamless and efficient executions of our ambitions. Now we seek to infuse the same as we develop ethics around modern technology tools.

We are recognized as an industry leader in information security practices and data privacy standards and we have received numerous accolades. These areas will become exponentially prominent in the coming years, and we intend to be the pathfinder corporation that lead the way.

To accelerate the adoption of sustainable practices in our vendor and supplier ecosystem, we will be leveraging our structured capacity building and supplier engagement program. Our vendors and suppliers receive regular communication of our evolving ESG agenda and goals throughout the engagement lifecycle. We have showcased some sample sustainability solutions in this report. We are invested in many more avenues and use cases where digital technology can create a long-lasting impact on sustainability outcomes. We plan to have a very active communication channel around this during the course of this year.

We are putting together a scheme to ensure that we provide opportunities to every employee to improve their knowledge and skills around specific dimensions of ESG. This capacity building will not just help us engage with our employees but also through them, extend the benefits to our clients, partners and the communities our employees are part of. Our education and skill building are not just limited to our employees, but through our EdTech platform we extend this to school graduates.

We continue our focused initiatives in the community through the HCL Foundation in India and our global employee CSR councils. COVID-19 had an impact on employee volunteering as compared to previous years, but we are re-engineering our volunteering program to match the hybrid profile of our work culture.

HCL EdTech services

Backed by our 45+ years of industry lineage, our EdTech services are focused to scale with speed and sustain talent transformational goals of enterprises. We offer:

1. Learning & Assessment Solutions through HCL Career Shaper Platform – This platform provides a comprehensive suite of learning & assessment products on IT and Engineering skills
2. Talent transformation and advisory services – Encompasses job readiness, competency assessments and related advisory services.

We aim to bridge the job readiness gap in Digital Apps, Digital Engineering, Cloud, Cybersecurity, and Data Sciences. While the platform caters to IT aspirants across enterprises, educational institutions, and governments, we have special focus on driving the ESG mission of these business entities.

The platform has powered us for inclusive growth through skilling those with the right aptitude and attitude, thereby giving equal opportunities for employment irrespective of their backgrounds and education.

Case study

New Vistas is HCL’s strategic business delivery centers that operate with local talent in emerging countries and Tier 2/3 cities. Since 2016, we have established 6 locations (4 in India, and 2 in Asia) with more than 22,000+ tech employees servicing IT solutions to our global customers. While it may appear yet another practice, the key differentiator, opportunity as well as the challenge in this program was to build the New Vistas centers only with local talent. The HCL EdTech Platform and the team, associated with preparing the entry level workforce as well as enabling the experienced talent to embrace digital and niche Tech skills, were the force behind this accelerated growth.

We forge ahead aligned to our philosophy:

We will constantly pursue to challenge ourselves to continually improve through our ACTions.

We will extend our sphere of influence through the PACT we create with our stakeholders.

We will create IMPACT that is sustainable.
About HCL Technologies
Our Scale

As the world is moving through digital revolution, HCL has emerged as one of the fastest growing IT based solutions provider.

Spread over five continents and 52 nations, our solutions cater to unique business operation challenges our clients face. 165 nationalities are represented by our 209,000 strong employee family making us melting pot of diversity. And now we are leveraging this strength to usher in an inclusive and regenerative world of tomorrow.

Financials

Economic Performance - Key Financial Highlights FY2022

$1,481 million 
up 12.8% year-on-year revenue

$1,807 million 
up 3.2% year-on-year net income

18.9%  
EBIT margin

24%  
EBITDA margin

Economic Performance

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Unit</th>
<th>FY2018-19</th>
<th>FY2019-20</th>
<th>FY2020-21</th>
<th>FY2021-22</th>
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<td>Direct Economic Value Generated</td>
<td>USD million</td>
<td>8,749</td>
<td>10,014</td>
<td>10,306</td>
<td>11,624</td>
</tr>
<tr>
<td>Total Economic Value Generated</td>
<td>USD million</td>
<td>8,749</td>
<td>10,014</td>
<td>10,306</td>
<td>11,624</td>
</tr>
<tr>
<td>Economic Value Distributed</td>
<td>USD million</td>
<td>8,064</td>
<td>8,689</td>
<td>9,237</td>
<td>11,342</td>
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<tr>
<td>Total Economic Value Distributed</td>
<td>USD million</td>
<td>8,064</td>
<td>8,689</td>
<td>9,237</td>
<td>11,342</td>
</tr>
<tr>
<td>Economic Value Retained</td>
<td>USD million</td>
<td>684</td>
<td>1,325</td>
<td>1,069</td>
<td>282</td>
</tr>
</tbody>
</table>

Parameters | Unit | Data Input
|------------|------|----------------------------------|
| Paid Up Capital | USD million | The paid up equity share capital of HCL Technologies Ltd as on 31st March 2022 is $72 million comprising of 2,713,665,096 equity shares of face value of Rs. 2/- each
| Total Capex-Depreciation | USD million | 18 |
| Share buybacks plus dividend payments | USD million | 1,528 |
| Total costs related to R&D | USD million | 205 |
Our Services

1. IT and Business Services (ITBS):
ITBS enables global enterprises to transform their business via Digital Foundation, modernized infrastructure stack built around hybrid cloud, software defined networks, the digital workplace, and other elements, Digital Business, a combination of application services and consulting capabilities, Digital Operations, a three-pronged setup for modernized and efficient operations at enterprise level.

2. Engineering and R&D Services (ERS):
Engineering services and solutions in all aspects of product development and platform engineering.

3. Products and Platforms (P&P):
Provision of modernized software products to global clients for their technological and industry specific requirements.

HCL's Client Profile

HCL Technologies Ltd serves various sectors that include financial services, life sciences and healthcare, public services, consumer services and manufacturing with geo presence across America, Europe, and APAC/MEA.

1. Financial Services Industry
HCL has customers include banking, capital markets and insurance sectors. HCL is helping traditional players providing core banking solution to reposition themselves as technology platform firms with a banking license. Within capital markets, HCL Technologies aims to deliver disruptive competitive advantage to investment banks, broker-dealers, wealth managers, asset managers and financial market infrastructure providers (FMI) through extensive automation, partnerships with industry leading solution providers, futuristic technologies, and innovative engagement models with the following best-in-class features.

2. Life Sciences and Healthcare
For the last 10 years, we have been a ‘partner of choice’ for leading life sciences and healthcare companies. Our clients include 10 of the top 20 pharmaceutical companies and seven leading medical devices firms.

3. Public Services
Within public services, we have customer presence in sectors such as energy utilities, mining and natural resources, oil and gas, travel, transport, logistics and hospitality sectors.

4. Consumer Services
Within consumer services, we have customer presence in sectors such as retail, consumer goods, media and entertainment and telecom sectors. In the last 10 years, we have collaborated with four top-tier publishing companies, two gaming solution giants, three global music conglomerates and two leading casinos. Currently, we are ranked as a leader among publishing IT service providers in India.

5. Manufacturing
Within manufacturing, we have customer presence in sectors such as aerospace and defence, automotive, chemical and process, industries, Hi-Tech and industrial manufacturing.
Driving our economic performance

At HCL our economic success is driven by three key factors:

1. Employee empowerment
2. Mode 1-2–3 strategy
3. Customer relationship management

1. Employee empowerment

At HCL we don’t just focus on short term customer satisfaction but rather place greater emphasis on driving long term customer loyalty. Our unique corporate philosophy and approach to employee empowerment is helping us reap massive benefits through novelty, customer loyalty and profitability. We are also one of the only organizations that offer the best returns on equity among offshore IT providers by creating an entirely differentiated set of offerings focused both on operating and transforming businesses.

2. Mode 1-2–3 strategy

Over the last five years, HCL Technologies has successfully executed the Mode 1-2–3 strategy, delivering one of the fastest rates of revenue growth in the industry. After crossing the $10 billion annual revenue milestone in FY2021, your Company increased revenue by 12.7% in constant currency this year. The growth over the last five years was catalyzed by Mode 2 services across key offerings, such as digital and analytics, digital engineering, IoT solutions, cloud-native solutions, cybersecurity, employee experience, and consulting services.

As a result, the digital share of our services has gone up from 18.2% to 34.5%. Through focused execution of this strategy, HCL has built key differentiators and leadership in its target market segments across the services business – IT & Business Services, and Engineering and R&D Services. Your Company has also created a $1+ billion Products & Platforms business that reaches 6,800+ global clients. Over the last five years, the Company has added a substantial number of marquee clients in the G2000 across various revenue categories.

3. Customer Relationship Management

Driving customer satisfaction is a matter of exceeding expectations regardless of the service level agreements (SLAs). Quite simply, not exceeding expectations could set a distorted perception of HCL’s default status impacting customer satisfaction. Thus, as a service based organization we go above and beyond to set the right customer expectations and deliver on our SLAs.

We use tools that can dynamically calculate the resolution time according to the SLA and proactively communicate it. In customer relationship management, HCL’s account manager has routine discussions and shares regular updates to maintain client expectations. Additionally, we have developed a feedback mechanism that monitors customer satisfaction.

This system includes conducting customer satisfaction surveys. Apart from letting us know whether the customer is satisfied or not, such surveys provide insights that can help us understand how to satisfy them better.

There are several types of surveys. Periodic and planned surveys target the customer segment, and event based surveys target the end users. In most of our engagements, we run ticket-based surveys as well as annual customer satisfaction (CSAT) surveys.

These surveys provide us with a great opportunity to mine insights and identify management opportunities. But it doesn’t just stop there, we develop improvement plans based on the results.

It is the active deployment of these systems that has certified our status as the preferred partner of our global client base.
CREST Program

CREST is a client-cadence management system that enables periodic feedback to strengthen trust through transparency.

It brings in leadership visibility and required participation from clients and HCL stakeholders. It further ensures wider content coverage of strategic as well as transformational aspects, industry insights and best practices, which are aligned to client roadmaps. This helps our clients gain a better understanding of the competitive landscape and relevant trends.

With a synchronized cadence mechanism, unified knowledge, and a singular view, CREST strives to:

a. Enable better leadership engagement to drive higher client satisfaction
b. Fulfil higher order expectations on innovation and transformation
c. Improve existing client relationships
d. Demonstrate HCLs core values across client interactions
e. Enable better customer experience leading to improved growth opportunities

CREST is one of the many steps in our pursuit towards customer excellence. And we are on a continuous journey to listen and learn from our engagement with clients.

Customer Satisfaction Survey Program

HCL believes that any customer engagement is a strategic collaboration to manage, fulfil and generate real long term value. The engagement matures along the life cycle; starting from project commencement, optimization, maturity, to re-invention and it is imperative to track the health of the relationship at all stages.

At HCL, we have a multi-layered client feedback framework that not only captures the voice of the customer during the relationship lifecycle but also addresses actions and client input across various dimensions.

As a continuous activity, we conduct project CSAT which assesses customer’s satisfaction levels with respect to base delivery aspects and operations. Once a year account CSAT is conducted to provide an annual health check on the relationship aspects of the engagement and benchmarking against competitors. As part of the account CSAT, we reach out to 4000+ clients across 500+ global accounts to gather valuable feedback. The survey elements include capturing the experience index, NPS score, engagement feedback, differentiators and expectations. The survey is administered by an independent third party and clients have the option to stay anonymous and share candid feedback.

Every entity at HCL gets a computed CSAT score and the synopsis of the client feedback to help them improve or work on specific requests from clients. This is also a KPP for all senior and mid-management at HCL.

We have seen the overall experience index rise to the top 80% in the last few years while our customer satisfaction during the coronavirus pandemic was amongst the best on account of the flexibility offered through remote working. This ensured minimal disruption to services.
ESG Reporting Frameworks
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Assurance Statement
The assurance scope excludes:

- Limitations of our review.

The scope of assurance covers the following aspects:

- The preparation of the sustainability data as per Global Reporting Initiative (GRI) Sustainability Reporting Standards, is the sole responsibility of the management of the Company. EY’s responsibility, as agreed with the management of the Company, is to provide independent assurance on the report content as described in the scope of assurance. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the specified sustainability data is entirely at its own risk. The assurance statement should not be taken as a basis for interpreting the Company’s overall performance, except for the aspects mentioned in the scope below.

Scope of assurance

The scope of assurance covers the following aspects:

- Data related to the Company’s sustainability performance pertaining to the GRI Standards listed below, for the period 1st April 2021 to 31st March 2022;
- The Company’s internal protocols, processes, and controls related to the collection and collation of specified sustainability performance data;
- Review of relevant data, on a selective test basis, for the following units/locations, through consultations with the site team and sustainability team;
  - Noida (Corporate Office)
  - Chennai
  - Bengaluru
- Review of data on a sample basis, at the above-mentioned locations, pertaining to the following disclosures of the GRI Standards:
  - Environmental Topics: Energy (302-1, 302-3, 302-4), Water (303-3, 303-4, 303-5), Emissions (305-1 to 305-6), Waste (306-2: GRI 2016);
  - Social Topics: Information on employees (102-8), New employee hires and employee turnover (401-1), Average hours of training per year per employee (404-1).

Limitations of our review

The assurance scope excludes:

- Operations of the Company other than those mentioned in the ‘Scope of Assurance’;
- Aspects of the Report and data/information other than those mentioned above;
- Data and information outside the defined reporting period i.e., 1st April 2021 to 31st March 2022;
- The Company’s statements that describe the expression of opinion, belief, aspiration, expectation, aim, or future intention provided by the Company;
- Any other purpose or to any other person or organization. Any dependence that any such third party may place on the specified sustainability data is entirely at its own risk. The assurance statement should not be taken as a basis for interpreting the Company’s overall performance, except for the aspects mentioned in the scope below.

Assurance criteria

The assurance engagement was planned and performed in accordance with the International Federation of Accountants’ International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000). Our evidence-gathering procedures were designed to obtain a ‘Limited’ level of assurance (as set out in ISAE 3000) on reporting principles, as well as conformance of sustainability performance disclosures as per GRI Standards.

What we did to form our conclusions in order to form our conclusions, we undertook the following key steps:

- Interactions with the key personnel at the Company’s locations of operations to understand and review the current processes in place for capturing sustainability performance data;
- Data assurance through desk reviews covering the Company’s corporate office and other operational locations as mentioned in the ‘Scope of Assurance’ above;
- Review of relevant documents and systems for gathering, analyzing, and aggregating sustainability performance data in the reporting period.

Our observations

The Company has reported its sustainability data in accordance with GRI standards (Core). Areas of further improvement wherever identified have been brought before the attention of the management of the company. These observations do not affect our conclusion presented in this statement.

Our conclusion

On the basis of our review scope and methodology, nothing has come to the attention that causes us not to believe that the data has been presented fairly, in material respects, in keeping with the GRI Standards and the Company’s reporting principles and criteria.

Our assurance team and independence

Our assurance team, comprising of multidisciplinary professionals, has been drawn from our climate change and sustainability network and undertakes similar engagements with a number of significant Indian and international businesses. As an assurance provider, EY is required to comply with the independence requirements set out in the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. EY’s independence policies and procedures ensure compliance with the Code.

for Ernst & Young Associates LLP

Shailesh Tyagi
Partner
25th July 2022
Mumbai
HCL Technologies

www.hcltech.com