

Auditor's report

To the general meeting of the shareholders of HCL Sweden AB, corporate identity number 556551-6068

Report on the annual accounts

Opinions

We have audited the annual accounts of HCL Sweden AB for the year 2018-04-01 - 2019-03-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of HCL Sweden AB as of 31 March 2019 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of HCL Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors is responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.



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Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of HCL Sweden AB for the year 2018-04-01 - 2019-03-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of HCL Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, We exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm

Ernst & Young AB

Camilla Ral Ingvarson

Authorized Public Accountant

Auditor's report on the statutory sustainability statement

To the general meeting of the shareholders of HCL Sweden AB, corporate identity number 556551-6068

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability statement for the period 2018-04-01 - 2019-10-31 in the appendix and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A statutory sustainability statement has been prepared.

Stockholm
Ernst & Young AB

Camilla Ral Ingvarson

Authorized Public Accountant

Annual Report

for

HCL Sweden AB

556551-6068

Financial Year

01 April 2018 – 31 March 2019

HCL Sweden AB

Corporate Identity Number 556551-6068

(All amounts are in KSEK, except shares and per share data)

ANNUAL REPORT FOR THE FINANCIAL YEAR 1 April 2018-31 March 2019

The Board of Directors of HCL Sweden AB hereby presents the annual report for the financial year 1 April 2018 - 31 March 2019.

ADMINISTRATION REPORT

Overview

During the financial year 2018-19, the Company's revenues stood at SEK 384 672 against SEK 510 832 over the previous year. The profit after financial items stood at SEK 12 155 against profit of SEK 16 088 over the previous year.

Operations

HCL Sweden AB ("the Company/HCL") incorporated in Sweden (Corporate Identity Number 556551-6068) is a wholly owned subsidiary of HCL Great Britain Limited, United Kingdom (Corporate Identity Number 3299523), which is ultimately held by HCL Technologies Ltd, the parent company. The Company has been operative in the Swedish market since January 1998. The Company provides a broad offering of services within the Information Technology and Engineering services area.

Business Overview

The company renewed & expended its business within several of its existing customers and established new significant customer relationships.

Expectations regarding future development

The demand of the company's services expected to be stable during financial year 2019-20.

Principal risks and uncertainties

The software industry thrives on a dynamic and highly competitive business environment, characterised by rapid technological change and innovations that constantly challenge conventional business models. The company is exposed to some financial risks, e.g. exchange rate risks and credit risk. The company has established an internal control mechanism aiming at reducing these risks.

Changes in equity for the year

	Share Capital	Statutory Reserve	Accumulated Net Profit/ Loss	Annual Net Profit/ Loss
Opening balance (10000 shares with quotient value 10)	100	15	93,199	9,423
Appropriation of profits	-	-	9,423	(9,423)
Net profit/loss for the year	-	-	-	10,983
Closing balance	100	15	102,622	10,983

HCL Sweden AB

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(All amounts are in KSEK, except shares and per share data)

Acknowledgements

The Board wishes to place on record its appreciation to the contribution made by the employees of the Company during the year under review. The Company has achieved impressive growth through the competence, hard work and support of employees at all levels. The Directors thank the customers, clients, vendors and other business associates for their continued support in the Company's growth. The Directors also wish to thank the Government Authorities, Financial Institutions for their cooperation and assistance extended to the Company.

5-year summary

	2018/19	2017/18	2016/17	2015/16	2014/15
Net sales,	384,672	510,832	766,326	681,809	846,879
Profit after financial items,	12,155	16,088	43,386	50,062	21,061
Balance sheet total,	312,555	248,428	336,615	514,202	533,283
Financial strength, % *	36.4	41.4	43.2	21.6	13.6
Operating margin, % **	2.0	4.1	3.4	6.8	4.0
Return on equity, % ***	9.7	9.2	22.2	35.0	22.6
Number of employees	61	74	78	118	150

* Financial strength, % refers to "Total equity" divided by "Total assets"

** Operating margin, % refers to "Operating profit" divided by "Net sales"

*** Return on equity, % refers to "Net profit for the year" divided by "Total equity"

Proposed appropriation of profits

	(Amounts in SEK) 31 March 2019
Board of Directors propose that the profits available	
Profit brought forward	102,622,423
Net profit/loss for the year	10,982,752
Total	<hr/> 113,605,175
Be appropriated as follows	
To be carried forward	113,605,175
Total	<hr/> 113,605,175

For information regarding the results of the Company's operations and financial position as per 31 March 2019 and 31 March 2018, refer to the following income statement and balance sheet.

Sustainability

In accordance with the Swedish Accounting Act the company has prepared the regulated sustainability report as a report separated from the annual report, refer to Appendix 1. The sustainability report has been submitted to the auditor together with the annual report.

HCL Sweden AB

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(All amounts are in KSEK, except shares and per share data)

INCOME STATEMENT

For the year ended 31 March 2019

		<u>1 April 2018</u> <u>31 March 2019</u>	<u>1 April 2017</u> <u>31 March 2018</u>
Net Sales	Note 1	384,672	510,832
		384,672	510,832
Operating expenses			
Other external expenses		(215,838)	(327,238)
Personnel costs	Note 2	(128,960)	(132,985)
Depreciation of tangible assets according to plan	Note 3	(22,016)	(30,473)
Other operating expenses	Note 7	(10,221)	870
Operating profit/ loss		7,637	21,006
Results from financial items			
Interest income and similar profit/loss items		1,707	706
Non Trading Forex		2,814	(1,700)
Interest expenses and similar loss/ profit items		(3)	(3,924)
Profit/loss after financial items		12,155	16,088
Tax on profit for the year	Note 10	(1,172)	(6,665)
Net profit/loss for the year		<u>10,983</u>	<u>9,423</u>

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BALANCE SHEET		<u>31 March 2019</u>	<u>31 March 2018</u>
ASSETS			
Fixed assets			
Tangible fixed assets equipment	Note 3	34,978	51,166
Deferred tax assets		103	-
Total fixed assets		<u>35,081</u>	<u>51,166</u>
Current assets			
Current receivables			
Accounts receivable		45,712	71,826
Receivables with group companies		106,997	84,630
Other receivables		2,242	1,148
Prepaid expenses and accrued income	Note 8	18,925	29,394
Advance income tax		<u>4,619</u>	<u>-</u>
		178,495	186,998
Cash and bank balances	Note 11	<u>98,979</u>	<u>10,264</u>
Total current assets		277,474	197,262
TOTAL ASSETS		<u><u>312,555</u></u>	<u><u>248,428</u></u>

HCL Sweden AB

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(All amounts are in KSEK, except shares and per share data)

BALANCE SHEET

31 March 2019

31 March 2018

EQUITY AND LIABILITIES

Equity

Note 5

Restricted equity:

Share capital

100

100

Statutory reserve

15

15

115

115

Non-restricted equity:

Profit brought forward

102,622

93,199

Net profit/loss for the year

10,983

9,423

113,605

102,622

Total equity

113,720

102,737

Current liabilities

Accounts payable - trade

3,677

2,890

Liabilities to group companies

131,878

87,733

Other liabilities

12,806

5,392

Tax liabilities

-

1,180

Accrued expenses and deferred income

Note 6

50,474

48,496

Total current liabilities

198,835

145,691

TOTAL EQUITY AND LIABILITIES

312,555

248,428

HCL Sweden AB

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(All amounts are in KSEK, except shares and per share data)

Statement of Cash Flows

	For the year ended	
	31 March 2019	31 March 2018
Operating Activities		
Operating Result	7,637	21,006
Adjustments for items not affecting cash flows		
Depreciation and write-downs	Note 3 22,016	30,473
Non trade unrealised forex losses / (gains)	(2,778)	1,626
Loss on disposal of tangible assets	23	1,587
	<u>32,454</u>	<u>51,440</u>
Interest received	1,707	706
Interest paid	-	(3,777)
Income taxes paid	(7,075)	(18,918)
Net cash provided by operating activities before change in working capital	<u>27,086</u>	<u>29,451</u>
Change in working capital		
Decrease/ Increase in current receivables	13,123	64,181
Decrease/ Increase in current liabilities	54,324	(33,061)
Realised forex gains / (Losses)	36	(74)
Net cash (used) provided by operating activity	<u>94,569</u>	<u>60,497</u>
Investing activities		
Acquisitions of tangible fixed assets	Note 3 (5,851)	(8,109)
Net cash (used) in investing activities	<u>(5,851)</u>	<u>(8,109)</u>
Financing activities		
Loan repayment by (given to) group companies	-	(2,296)
Dividend paid	-	(50,000)
Interest Paid	(3)	(147)
Net cash provided (used) by financing activities	<u>(3)</u>	<u>(52,443)</u>
Net change in cash	<u>88,715</u>	<u>(55)</u>
Cash at the beginning of the year	Note 12 10,264	10,319
Cash at the end of year	<u>98,979</u>	<u>10,264</u>

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(All amounts are in KSEK, except shares and per share data)

Accounting Principles

General accounting principles

The annual report has been prepared in accordance with the Annual Accounts Act (1995:1554) and BFNAR 2012:1 (K3).

Group information

HCL Sweden AB is a subsidiary of HCL Great Britain Ltd, seated in England. HCL Great Britain Ltd is part of a group where HCL Technologies Ltd, seated in India, issues the group accounting statements for the largest group.

Of the total purchases and sales measured in SEK, 76% (previous year 81%) of the purchases and 34% (previous year 22%) of the sales are intragroup transactions.

Assessments and estimates

The board of directors has assessed that the significant assessments or estimates in the annual report is limited to the estimation of useful life of fixed assets.

Revenue recognition

Software services revenue

Revenue from software services consist of revenue from variable (based on time and material) and fixed price agreements. Revenue from variable price agreements is recognized as the work is performed. Accrued but not invoiced revenue is accounted for in the balance sheet at the amount which is expected to be invoiced.

The entity recognizes revenue from fixed price agreements as the work is performed, using the percentage of completion method. When calculating accrued income, the completion percentage has been calculated as expenses incurred at the balance sheet date in relation to the total expenses expecting to be incurred to complete the agreement. The difference between recognized revenue and invoiced amount to date is accounted for in the balance sheet. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provisions for estimated losses are made during the year in which a loss becomes probable based on current contract estimates. Revenue from sale of licenses for the use of software applications is recognized on transfer of title in the user license. Revenue from annual technical service contracts is recognized on a pro rata basis over the period in which such services are rendered. Income from revenue sharing agreements is recognized when the right to receive is established.

Infrastructure services revenue

Revenue from infrastructure services consists of revenue from variable price agreements based on time or units. Revenue is recognized when the associated services have been performed in accordance with the terms of the agreements. When an agreement consists of several deliveries where revenue cannot be allocated to specific deliveries, the agreement is accounted for as if it consisted of a single delivery. Revenue is recognized under the percentage of completion method based on the completion of the significant services in the agreement, or is deferred until the final delivery has been completed.

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Leasing

The entity as a lessor

When the economic risks and benefits associated with the leased assets have been transferred to the lessee, the leasing agreement is classified as a financial leasing agreement. The entity accounts for financial leasing agreements in accordance with the simplification rule in BFNAR 2012:1, which means that financial leasing agreements are accounted for as if they were operating leasing agreements.

When the economic risks and benefits associated with the leased assets have not been transferred to the lessee, the leasing agreement is classified as an operating leasing agreement. The assets that the entity is a lessor of are accounted for as fixed assets or current assets depending on when the leasing period ends. The leasing fee is determined annually and is recognized linearly over the leasing period.

The entity as a lessee

The entity accounts for all leasing agreements, financial as well as operating, as if they were operating leasing agreements. Operating leasing agreements are accounted for as costs linearly over the leasing period.

Compensation to employees

Compensation to employees consists of all types of salaries and benefits that the entity provides employees with. These include salaries, paid vacation, paid leave, bonuses and compensation after employment ends. Costs are recognized as compensation is earned. Compensation after employment ends consists of defined benefit or defined contribution pension plans. Defined contribution plans are defined as plans where defined fees are paid and the entity does not retain any obligation to pay for any additional expenses in addition to these fees. Defined benefit plans are defined as all other pension plans. The entity does not have any other long-term compensation obligations towards employees.

The entity only has defined contribution pension plans. Expenses for defined contribution pension plans are recognized as costs during the period in which the services are being provided that give rise to the obligations.

Valuation of items in foreign currencies

Receivables and payables in foreign currencies are valued using the rate at the balance sheet date. Gains and losses from valuation of operating receivables and payables are included in the operating profit while gains and losses from valuation of financial receivables and payables are accounted for as financial items.

Taxes

Total taxes consist of current taxes and deferred taxes. Taxes are recognized in the income statement, except when the underlying transaction is accounted for directly to equity in which case the tax effect of the transaction is also accounted for directly to equity.

HCL Sweden AB

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(All amounts are in KSEK, except shares and per share data)

Current taxes

Current taxes are taxes that concern the current year as well as taxes for prior years that have not yet been recognized. Current taxes are calculated based on the tax rate that is in effect per the balance sheet date.

Deferred taxes

Deferred taxes are income taxes for future years based on prior events. These are accounted for using the balance sheet method. Under this method deferred tax payables and deferred tax receivables are recognized for temporal differences that occur based on differences between book value and tax base value for assets and liabilities as well as for other tax adjustments. Deferred tax assets are presented net of deferred tax liabilities only if these can be settled with a net payment. Deferred tax is calculated based on the tax rate at the balance sheet date. The effect of changes in the tax rate is recognized in the period in which the change is legislated. Deferred tax receivables are reduced to the part that it is not probable that the underlying tax receivable will be realized within the foreseeable future.

Fixed assets

Tangible and intangible fixed assets are recognized at acquisition cost reduced by the accumulated depreciation charges and write-downs (if applicable).

The depreciable amount consists of the acquisition cost reduced with the estimated residual value, if significant. Depreciation is performed linearly over the estimated useful life.

The following depreciation times are used:

Particulars	Useful Life
Computers	4-5
Electrical Installations	10
Furniture And Fixture	7
Networking Equipment	5
Office Equipment	5
Software-Application	3

Financial instruments

Financial instruments are valued based on the acquisition cost.

Receivables and payables

Unless otherwise is stated above, current receivables are valued at the lowest of the acquisition cost and the amount which is expected to be received to settle the receivable. Long-term receivables and long-term payables are valued to amortized cost after initial recognition. Other payables are valued at the amount which is expected to be paid to settle them. Other assets are valued at acquisition cost unless otherwise is stated above.

HCL Sweden AB

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(All amounts are in KSEK, except shares and per share data)

1. Net Sales	1 April 2018 31 March 2019	1 April 2017 31 March 2018
Sales are distributed as follows:		
Sweden	325,569	451,353
USA	4,636	11,502
Others	54,467	47,977
	384,672	510,832
2. Personnel	1 April 2018 31 March 2019	1 April 2017 31 March 2018
Average number of employees:		
Women	5	6
Men	56	68
	61	74
The Company had 2 (2) members of the Board per balance sheet date, all are men.		
	1 April 2018 31 March 2019	1 April 2017 31 March 2018
Salaries and other remunerations:		
Board and Managing Director	-	-
Other employees	92,946	95,533
	92,946	95,533
Pension costs:		
Board and Managing Director	-	-
Other employees	12,668	17,648
Other statutory and contractual social security contributions	23,346	19,804
Total statutory and contractual social security contributions	36,014	37,452
Total salaries and remuneration, pension costs and social security contributions	128,960	132,985

HCL Sweden AB

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(All amounts are in KSEK, except shares and per share data)

3. Tangible fixed assets	<u>31 March 2019</u>	<u>31 March 2018</u>
<u>Equipment</u>		
Opening accumulated acquisition cost	252,086	254,960
New acquisitions for the year	5,851	8,109
Disposal for the year	(239)	(10,983)
Closing accumulated acquisition cost	<u>257,698</u>	<u>252,086</u>
Opening accumulated depreciation	(200,920)	(179,843)
Depreciation for the year	(22,016)	(30,473)
Disposal for the year	216	9,396
Closing accumulated depreciation	<u>(222,720)</u>	<u>(200,920)</u>
Residual value according to plan	34,978	51,166

4. Remuneration to auditors	<u>1 April 2018</u>	<u>1 April 2017</u>
	<u>31 March 2019</u>	<u>31 March 2018</u>
Ernst & Young AB:		
Auditing	235	235
Audit activities in addition to the audit engagement	30	65
	<u>265</u>	<u>300</u>

5. Equity

Changes in equity for the year	Share Capital	Statutory Reserve	Accumulated Net Profit / Loss	Annual Net Profit / Loss
Opening balance (10000 shares with quotient value 10)	100	15	93,199	9,423
Appropriation of profits	-	-	9,423	(9,423)
Net profit/loss for the year	-	-	-	10,983
Closing balance	<u>100</u>	<u>15</u>	<u>102,622</u>	<u>10,983</u>

HCL Sweden AB

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(All amounts are in KSEK, except shares and per share data)

6. Accrued expenses and deferred income	<u>31 March 2019</u>	<u>31 March 2018</u>
Personnel related	40,508	30,606
Fees, consultants and auditors	265	300
Other accrued expenses	7,386	12,501
Deferred income	2,315	5,089
	<u>50,474</u>	<u>48,496</u>
7. Other operating expenses	<u>1 April 2018</u> <u>31 March 2019</u>	<u>1 April 2017</u> <u>31 March 2018</u>
Exchange rate gain/(loss) relating to operations	(10,221)	870
8. Prepaid expenses and accrued income	<u>1 April 2018</u> <u>31 March 2019</u>	<u>1 April 2017</u> <u>31 March 2018</u>
Accrued income	424	2,165
Prepaid expenses	18,501	27,229
	<u>18,925</u>	<u>29,394</u>
9. Leasing	<u>1 April 2018</u> <u>31 March 2019</u>	<u>1 April 2017</u> <u>31 March 2018</u>
<u>Lessor</u>		
Total operating leasing revenue during the year	1,919	1,919
Future minimum lease payments of non-cancellable operating leasing agreements		
Within 1 year	1,919	1,919
Within 1-5 years	1,599	3,518
Later than within 5 years	-	-
Total	<u>3,518</u>	<u>5,437</u>
<u>Lessee</u>		
Total operating leasing costs during the year	1,431	937
Future minimum lease payments of non-cancellable operating leasing agreements		
To be paid within 1 year	75	190
To be paid within 1-5 years	225	-
To be paid later than within 5 years	-	-
Total	<u>300</u>	<u>190</u>

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The company has given its own assets under operating lease and also undertaken assets on lease and further subleased to customer. Owned assets are included in tangible fixed assets and are depreciated over the term of lease agreement.

Amounts receivable from the customer towards lease fee are accounted for as rental revenue and distributed rateably over the period of lease. Interest receivable, under leases, is credited to the profit and loss account over the term of the lease agreement.

Amount payable to suppliers towards lease fee is accounted for as operational cost and distributed rateably over the lease term.

10. Taxes	1 April 2018 31 March 2019	1 April 2017 31 March 2018
Tax for the income for the year	2,881	6,747
Adjustment for prior years	(2,215)	528
Change in deferred tax for temporary differences	506	(610)
Total tax for the year	1,172	6,665
Reconciliation of effective tax rate		
Income before taxes	12,155	16,088
Tax on income before taxes based on current tax rate (22%)	2,674	3,539
Tax effect of:		
Non-deductible write-downs	528	-
Other non-deductible costs	182	2,602
Adjustment for prior years	(2,215)	524
Others	3	-
Total tax for the year	1,172	6,665
Effective tax rate	10%	41%

HCL Sweden AB

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11. Cash and cash equivalents	<u>31 March 2019</u>	<u>31 March 2018</u>
Cash and bank balances	98,979	10,264
	<u>98,979</u>	<u>10,264</u>

12. Pledged assets and contingent liabilities

The company has nil contingent liabilities and pledged assets during the current year and previous financial year.

13. Controlling party

The Company's ultimate parent undertaking and controlling party is HCL Technologies Limited, a company incorporated in India.

The largest and smallest group of undertakings for which the group financial result have been prepared that include the result of the company is that headed by HCL Technologies Limited. The consolidated financial statements are available to the public and may be obtained from HCL Technologies Limited, Noida, Uttar Pradesh, India.

14. Significant events

The company has evaluated all significant events till the date on which financial statements were issued and no event have occurred from the balance sheet date through that date that would have material impact on the financial statement.

HCL Sweden AB

Corporate Identity Number 556551-6068

(All amounts are in KSEK, except shares and per share data)

15. Proposed appropriation of profits

	(Amounts in SEK) 31 March 2019
Board of Directors propose that the profits available	
Profit brought forward	102,622,423
Net profit/loss for the year	10,982,752
Total	<u>113,605,175</u>
Be appropriated as follows	
To be carried forward	113,605,175
Total	<u>113,605,175</u>

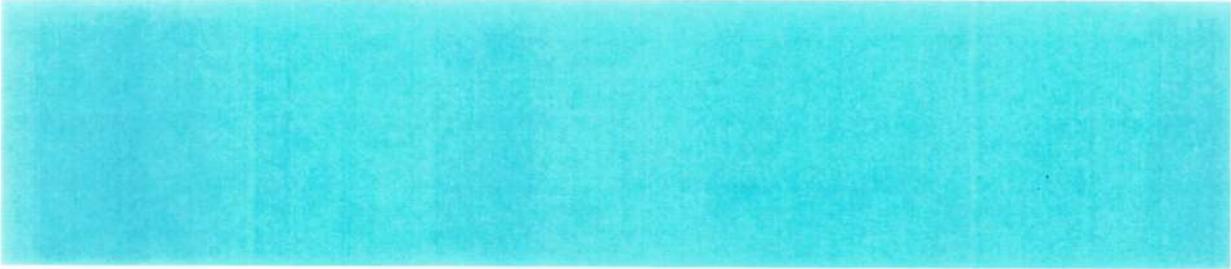
Stockholm

Subramanian Gopalakrishnan
(Director of the Board)

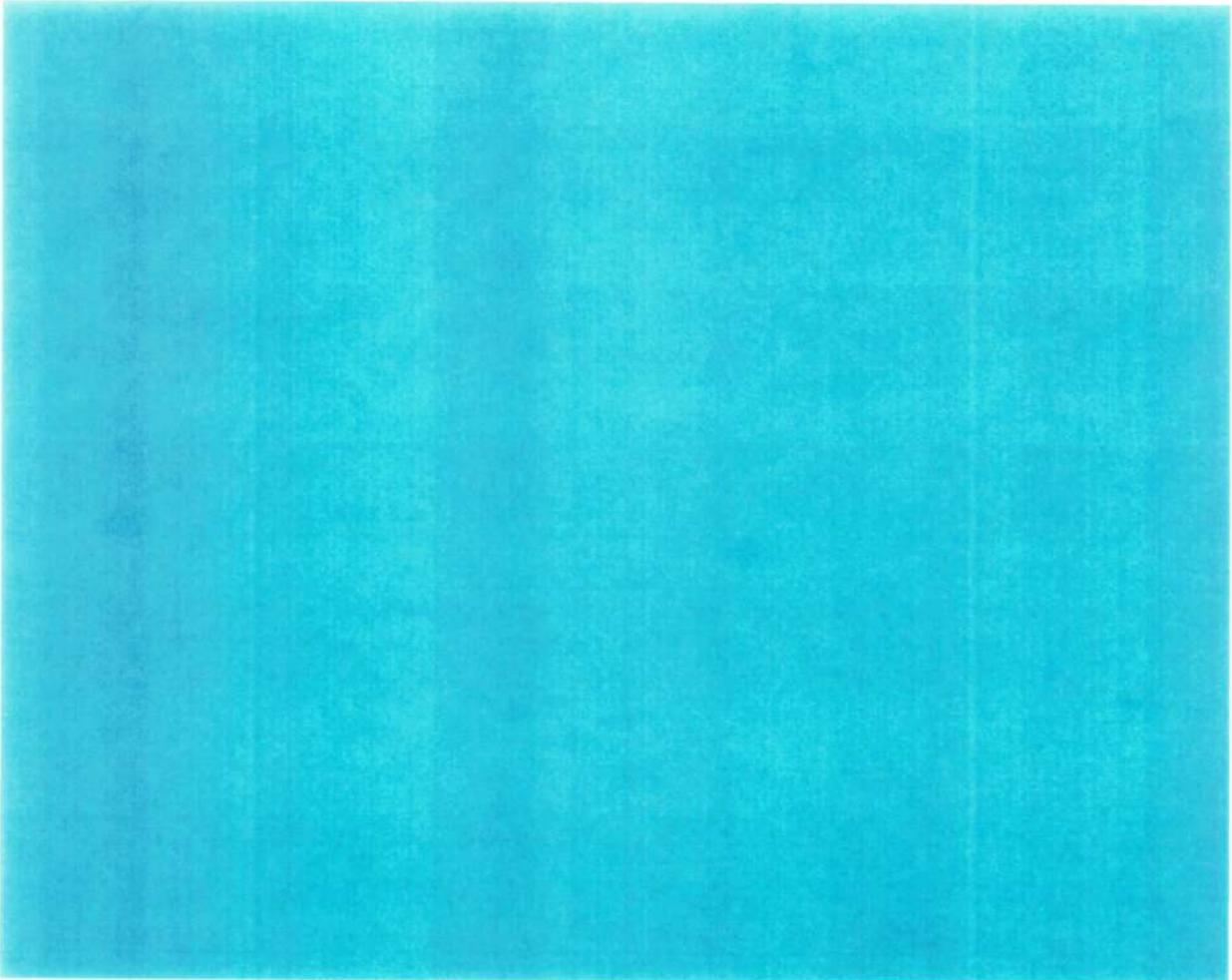
Shiv Kumar Walia
(Director of the Board)

Our audit report was presented on
Ernst & Young AB

Per Hedström
Authorised Public Accountant



HCL SWEDEN AB
SUSTAINABILITY REPORT
FY 2018-19



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About the Report

This is the sustainability report for HCL Sweden AB for the FY 2018- 19 (April 2018 – March 2019) as mandated by the Swedish Accounting Act for all Non-Financial Declarations. This report has been prepared in accordance with the criteria laid under Global Reporting Initiative (GRI) standards.

This report reflects upon the aspects that have significant impact on social, environmental and economic aspects of HCL Sweden AB, henceforth referred to as “the Company” throughout the report. The economic performance section of this report is based on the Annual Report of HCL Sweden AB for FY 2018-19.

Reporting Year and Reporting Cycle

HCL Sweden follows the financial year, April to March for reporting its financial accounting and performance. The same period has been used for reporting the sustainability performance through this report. This is our first sustainability report and the reporting content is based on our economic, social and environmental performance in FY 2018-19.

Reporting Scope and Boundaries

The scope of our reporting on various parameters, is limited to our operations in Sweden with headquarters in Stockholm, Sweden, with some sections emanating from the overarching policies and initiatives of the company.

FEEDBACK

We welcome feedback from our stakeholders as this will enable us to bring continuous improvement in our policies, processes and performance. Your insights in terms of report content and presentation, will help us sharpen our efforts in this direction. Please send your comments and suggestions to:

Mr Ravi Kathuria
Global Head- Communications, Corporate Affairs &
Advocacy
Senior Vice President, Marketing (EMEA and APAC)
Ravi.Kathuria@hcl.com



An Overview of HCL Sweden AB

HCL Sweden AB, incorporated in Sweden (Corporate Identity Number 556551-6068) is the wholly owned subsidiary of HCL Great Britain Limited, United Kingdom which is ultimately held by parent company HCL Technologies Limited. The Company has been operative in the Swedish market since January 1998.

At HCL Sweden AB, we not only invest in meeting the needs of the present but also in securing a better, safer and more inclusive future for the generations to come. We believe in a better tomorrow which can be built jointly by the company and its employees, working together responsibly and respectfully towards earth's resources. We at HCL Sweden AB consistently engage with our stakeholders and enforce practices and processes to create and deliver value for all our stakeholders.

Products and Services

The Company provides a broad offering of services within the Information Technology and Engineering services area.

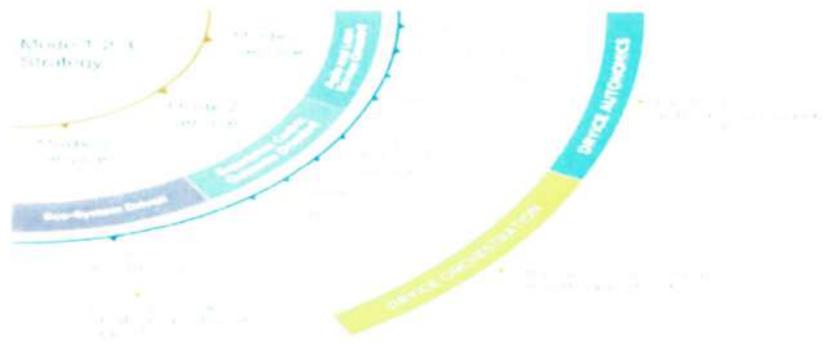
Business Model

As the world grapples with industry disruptions, evolving operational dynamics and a rapidly changing business environment, there is an urgent need to reimagine and reinvent the value-play an organization has in the eco system. HCL is accelerating its evolution into a **next-generation technology services firm** through its Mode 1-2-3 strategy. HCL defines the value zone for the IT outsourcing industry as the interface between employees and customers. We have developed a long-term strategy to focus the business model on HCL's competitive advantages. The business model drives continuous and sustained value for all its stakeholders while offering core services to its customers designed on Mode 1-2-3 strategy.

- **Mode 1:** Mode 1 comprises of our Core Services. Under Mode 1, HCL delivers core services in the areas of applications, infrastructure, BPO and Engineering and R&D, leveraging DRYiCE™ autonomies and orchestration to transform clients' business and IT landscape making them "lean" and "agile". HCL continues to strengthen its core services and leverage DRYiCE™, the automation and orchestration platform, to drive significant business outcomes for global Fortune 500 enterprises. Mode 1 strategy is all about sustaining a leadership position and gaining market share in existing product or service offerings.
- **Mode 2:** Mode 2 is an immediate, high growth opportunity. Under Mode 2, HCL delivers experience-centric and outcome-oriented integrated offerings of Digital & Analytics, IoT WoRKS™, Cloud Native Services and Cyber-security & GRC services. The Mode 2 strategy revolves around stepping up the game and leveraging high-growth business opportunities.
- **Mode 3:** HCL continues to explore and enter into innovative IP-based partnerships, targeting specific next-generation opportunities. Mode 3 includes the external IP partnership with IBM extending now to half a dozen products. HCL also continues to invest in our internal IP creation strategy and expansion of capabilities and markets for DRYiCE™, the next-generation autonomies and orchestration products and platform. Mode 3 is about looking beyond tomorrow and aligning with the trends shaping the future. The formation of ecosystems is evident across the value chain and across industries. Therefore, rather than a ground-up approach, Mode 3 entails "future proofing" your business by making the required business model changes and building innovative alliances within an ecosystem of strategic partners. A successful Mode 3 approach connects the dots between existing strengths, the focus points of tomorrow and the shifting canvas in which to operate to stay ahead in the future.

This Mode 1-2-3 strategy helps future proof our customers' business, by deploying a concurrent, three-point spotlight on the existing core of their business, new growth areas as well as the ecosystems of the future. HCL Technologies leverages its Mode 1-2-3 strategy to help its customers thrive in the digital age, creating unmatched value, growth and innovation through collaborative eco systems consisting of employees, clients and partners. Each of the three modes have distinct outcomes and growth potential. We will continue to build and invest in our Mode 1-2-3 capabilities with the primary goal to be the partner of choice for our clients, globally. Lastly, we will continue to re-skill, train and build the capabilities of our employees to be future-ready.

Figure 1: Mode 1-2-3 Strategy at HCL



Governance and Ethics

Ethics and Integrity

Our governance framework enjoins the highest standards of ethical and responsible conduct of business to create value for all stakeholders. We recognize the importance of ethics and integrity and therefore the framework includes Board oversight.

All the policies are displayed on the Company's corporate website and are shared with employees at the time of their induction into the Company. A system has also been put in place to get employees to read and sign-off the policies. We also ensure ethical standards are adopted our vendors, suppliers, customers and contractors through appropriate clauses in their work contracts.

Our Policies



Anti Bribery and Anti Corruption Policy

Code of Business Ethics and Conduct

Prevention and Redressal of Sexual Harassment at Workplace Policy

Equal Employment Opportunity Policy

Other Governance Policies

Code of Business Ethics and Conduct

We strongly believe in the principle of Trust through Transparency and Accountability. This forms the foundation of the HCL's Code of Business Ethics and Conduct (hereafter known as the "COBEC" or the "Code").



HCL's Core Values

To uphold the dignity of the individual

Commitment to quality, innovation and growth in every endeavour

To honor all commitments

To be responsible corporate citizens

HCL's Culture at Work

- ✓ We create value in one very specific place: the interface between our employees and our customers. This is called the "value zone." This recognizes employees as the strategic elements, turns the management structure upside down, democratizes HCLT's functions and way of working.
- ✓ Our recruitment and promotion policies are based on meritocracy and ability to learn, adapt and assimilate change.
- ✓ We ensure equal opportunities irrespective of gender, national origin, disability, sexual orientation, religion or ethnicity in hiring, pay and/ or career advancement
- ✓ We focus on promoting workplace diversity and have specific supplier vendor diversity programs.
- ✓ Expectation from everyone: Comply with the Code and law. Employees are also expected to take the COBEC training mandatorily so as to ensure that they are familiar with the same.
- ✓ Securities and insider trading :Insider trading is prohibited by the law and is a clear violation of the COBEC.
- ✓ Conflict of Interest and Anti Bribery.
- ✓ Privacy: The Company respects the privacy of all its employees, business partners and customers. We must handle personal data responsibly and in compliance with all applicable privacy laws.
- ✓ HCLT is committed to provide a work environment free of workplace and sexual harassment and is an Equal Opportunity Employer.
- ✓ The Policy also outlines the Reporting mechanism and investigation process.

Conflict of Interest Policy

This Policy is a sub-set of the Company's Code of Business Ethics and Conduct ("COBEC") which prohibits individual, entity or a company having relationship with any Employee of the Company directly or indirectly derive any improper benefit from HCL through his or her relationship with the Employee and/ or as a result of the Employee's position in the Company.

Anti-Corruption and Anti Bribery Policy

It is the policy of HCL to conduct all its business activities with honesty, integrity, and the highest possible ethical standards and vigorously enforce its business practice, wherever it operates throughout the world, of not engaging in bribery or corruption.

The Policy highlights the following:

- What constitutes bribery, what is the difference between hospitality and bribery, what are token gifts and what practices are not acceptable under this Policy
- Willful blindness/ turning a blind eye to any evidence of corruption also has consequences as outlined in the Policy
- Guides employees on how to avoid making facilitation payments
- Charitable donations: As part of its corporate citizenship activities, HCL may support local charities or provide sponsorship
- Political Activities: We are apolitical, advocate government policies on sustainability and don't contribute financial or in-kind to political parties, politicians, and related institutions in any of the countries.
- Business Relationships: HCL expects all Third Parties doing business with HCL to approach issues of bribery and corruption in a manner that is consistent with the principles set out in this Policy
- Offset/ Similar Obligations. The purpose of these offset commitments is to invest in the country and create local jobs. Similarly, a government in a country or a particular state giving a grant or other facilities to HCL may require preference to be given to the residents of such country or state in any hiring. All these transactions per se do not violate this Policy

There have been zero cases registered for violation of Human Rights and anti-corruption for the FY 2016-17, FY 2017-18 and FY 2018-19.

As there were no cases registered in past, no trend is observed.

Anti-Money Laundering Policy

The purpose of this Anti-Money Laundering Policy is to set up a mechanism for identifying and screening all entities with whom HCL Technologies Limited and/ or its affiliated entities and subsidiaries intends to do or does business to ensure transparency in all its financial transactions.

Prevention and Redressal of Sexual Harassment

We ensure a work environment that promotes respect and upholds the dignity of every employee and individual at the workplace and does not become the cause of any physical or mental harassment. The term and act of "harassment" includes, but is not restricted to unwelcome behaviour through visual displays, verbal, non-verbal, physical or other conduct making a person submit to requests, favours, threats or demands that alter or threaten to alter the terms of employment and interfere with work conditions.

If any employee/ individual believes that he/ she has been harassed in any manner at workplace or at work (office parties, work-related social functions, phone calls, sending messages through cellular phones or email from home even on an off day, or other contacts outside office hours and work-related interactions) he/she has the right to submit a complaint as per our applicable policy at secure@hcl.com.

To provide a safe and healthy work environment free of any hassles and all kinds of harassment including sexual harassment and to prevent and redress such harassment complaints, the Company has in place **Prevention and Redressal of Sexual Harassment at Work Place Policy**. This policy applies to all employees of the Company, its group companies and joint ventures operating out of India like regular, temporary, ad hoc, daily wagers, contractual staff, vendors, clients, consultants, trainees, probationers, apprentices, contract labour and all visitors to the Company. Any complaints about harassment shall be treated under this policy. This Policy is not confined to the actual working place of the employees in the sense of the physical space in which paid work may be performed as per the prescribed duty hours but also includes any place visited by the employee arising out of or during employment. The Company has constituted a committee for the redressal of all sexual harassment complaints. These matters are also being reported to the audit committee.

The **Prevention & Redressal of Sexual Harassment at Workplace Policy** offers details regarding scenarios, circumstances, responsibilities and the procedure for filing a complaint. Employees can also raise concerns by raising Smart Service Desk requests or by writing to hear@hcl.com/secure@hcl.com.

There is no case registered for sexual harassment for the reporting period.

Whistle Blower Mechanism

Employees are encouraged to raise concerns about any issues or suspicion of malpractices at the earliest possible. In a particular action which constitutes bribery or corruption or any other related query, it can be raised with Reporting Manger and/or the Whistle Blower Committee via whistleblower.hcl@tari.co.in.

REDRESSAL FORUMS

At every stage of employee life cycle, the employees are provided with mandatory programmes through e-learning platforms that enables them to be aware of policies on **SECURE** and **HEAR**. These redressal channels are available to all HCL Sweden AB employees and are extended to the supply chain community like vendors, third party employees, transport, housekeeping and support staff.

The cases reported are dealt with utmost confidentiality.

The two policies – **SECURE** and **HEAR**, applicable at the corporate level – HCL Technologies Ltd., are mandated to be implemented at HCL Sweden AB level as well.

The Company is committed to keep the identity of the reporting employee/ individuals confidential to the maximum extent as consistent with the Company's legal obligation but subject to Company's need to investigate reported violations.

Board of Directors

The HCL Sweden AB's Board comprises of the given members-

Board of Directors

Mr. Subramanian Gopalakrishnan

Mr. Shiv Kumar Walia

Board Oversight of Sustainability

Sustainability, which encompasses environmental, social and governance (ESG) concerns, is increasingly positioned at the top of our board agenda. Our Boards of Directors offer long-term perspective and symbolic value that encourage the Company to make sustainability part of everyday business practices.

As a Company, HCL Sweden AB strives to achieve excellence in Environment Management in its area of operations by:

- Integrating environment considerations into our areas of operations, considering our environment risks, responsibilities and organizational capability.
- Meeting all applicable environment laws of the land and other requirements applicable to the organization.
- Reducing our ecological foot print through optimized utilization of natural resources including land, water and by ensuring responsible use of energy throughout our operations including conserving energy, improving energy efficiency and giving preference to renewable over non-renewable energy wherever feasible.
- Introducing more sustainable and green procurement approaches.
- Preventing pollution and minimizing all type of waste, including e-waste by adopting Reduce-Reuse-Recycle Philosophy.
- Being an environmentally responsible neighbour in the community where we operate and correct incidents or conditions that endanger the environment and by committing ourselves to open and constructive engagement with communities surrounding our operations on environment matters.

Business Growth and Financial Performance

Despite the challenges and risks faced by the organization, the Company's revenues stood at SEK 384,672 against SEK 510,832 over the previous year. The profit after financial items stood at SEK 12,155 against profit of SEK 16,088 over the previous year.

The subsequent sections examine the details of the economic value generated and distributed during the reporting period.

Economic Value Generated

Detailed overview of the economic value generated by the Company during the reporting period FY 2018-19 is given in table below:

Table 1: Economic Value Generated (all values in KSEK)

	2018-19	2017-18
Net Sales	384,672	510,832
Profit/(Loss) After Financial Items	12,155	16,088

Economic Value Distributed

Economic value is distributed for employee compensation, taxes and employee benefits. A detailed overview of the economic value distributed during the reporting period by the company is as shown below:

Table 2: Economic Value Distributed (all values in KSEK)

	2018-19	2017-18
Operating Costs	248,074	356,841
Salaries and other remunerations	128,960	132,985
Payment to providers of capital	0	50,000
Total taxes paid	1,172	6,665

Risk Management

Risks and Opportunities at HCL

We recognize certain external factors as 'risks' that can potentially impact our business. These externalities are primarily due to rapidly evolving technological landscape, technological disruption and innovation that can challenge conventional business models. Maintaining business continuity under these circumstances is at the focus of Company's risk management strategy.

Apart from technological risks, we are also exposed to financial risks like credit rate risk, exchange rate risk etc. due to market dynamics.

An internal control mechanism has been developed by the Company to mitigate adverse impact of these risks.

Risk Management Committee and Framework

At HCL Sweden AB, every employee, either directly or indirectly; is responsible for managing risks.

The Company has a Risk Management Committee to:

- Review key risks and their mitigating strategies.
- Assist the Board in fulfilling its corporate governance responsibility in reviewing the activities regarding identification, evaluation and mitigation of operational, strategic and external environmental risks.
- Review and approve the Risk management policy and associated framework, processes and practices of the Company.

Besides the above, we have a dedicated mail box wherein the employees can report in case of any risk- risk@hcl.com

Stakeholder Engagement and Materiality Assessment

The stakeholder engagement during FY 2018-19 helped us to reconfirm our materiality matrix against our four pillars of sustainability—Responsible Business, Redefine Workplace, Renew Ecosystem and Repay Society. The priorities, whether high, medium or low; are based on what the stakeholders and HCL value collectively on a mutual sustainable journey. The issues that are mentioned toward the core of this matrix are of high significance to HCL and its stakeholders.



The top priorities that emerged from our stakeholder engagements include:

- **Responsible Business:** A comprehensive risk management framework and business continuity processes, and innovation-based solutions for customers.
- **Redefine Workplace:** Employee career development programs, gender diversity at the work place, and safety and security of women employees in India.
- **Renew Ecosystem:** Facility certifications, energy management and water conservation.
- **Repay Society:** Understanding CSR bill in India and drafting a strategy to align with the requirement, building the capacity of NGOs to support us in the long term, enabling skills development for youths in urban slums.

Disclaimer: The results of materiality assessment conducted at global level have been presented. The Company plans to conduct the materiality exercise in Sweden in future.

Redefining Workplace

We abide by the philosophy of “*Employees First, Customers Second*” and place great importance on having a healthy, inspiring and productive workplace that rewards good performance and focusses on continuous improvements of our employees. An inclusive and safe work place environment helps employees make a positive impact on the value driven methods while offering a holistic individual development.

Workforce Snapshot



Table 3: Permanent Employee Breakup by Age and Gender (FY 2018-19)

Employee Category	< 30 years	30-50 years	>50 years	Total
Male	0	47	04	51
Female	0	02	03	05

Employee Specific Policies

The fundamental conventions of the International Labour Organisation are implemented at HCL Sweden AB, a part of the collective bargaining agreement for IT Industry prepared by ALMEAGA and the central unions for IT industries operating in Sweden.

Most of the employee specific policies cover all aspects of employee life cycle namely, type of employment, working hours, holidays, sickness, resignation and termination. In addition, we have parental pay and temporary childcare policy to enable the employee to care for and bond with a newborn or a newly adopted or newly placed child.

Table 4: Parental Leaves Breakup by Category, Age and Gender (FY 2018-19)

Employee Category	No of Employees, by gender, taken Parental Leave	No. of employees , by gender, returned to work after parental leave ended
Male	04	04
Female	01	01

The components and sub areas under each of the above aspect is captured in the table below.

Table 5: Employee specific policies

S. No.	Policy	Coverage
1	Types of employment	<ul style="list-style-type: none"> • Permanent Employment • Fixed-term employment • Third-party employment
2	Working hours (Governed by work schedule policy at HCL Sweden AB)	<ul style="list-style-type: none"> • Overtime • Travelling-time remuneration • Remuneration for unsocial working hours and standby duty (In force until 31st of Oct 2017 ref collective bargaining agreement) CBA • As per the renewed CBA
3	Holidays (Governed by Leave policy at HCL Sweden AB)	<ul style="list-style-type: none"> • Holiday pay • Coinciding qualifying and vacation years • Changed degree of working hours • Holiday for newly employed etc. • Holiday for intermittent part-time employee • Saved holiday • Unused holiday
4	Sickness (Governed by Leave policy at HCL Sweden AB)	<ul style="list-style-type: none"> • The concept of monthly salary • Length of sick-pay period • Notification • Sickness verification and medical certificate • Amount of sick pay • Restrictions in the right to sick pay
5	Parental pay and temporary childcare (Governed by leave policy at HCL Sweden AB)	<ul style="list-style-type: none"> • Parental pay • Temporary childcare
6	Paid and unpaid leave of absence	Governed by leave policy at HCL Sweden AB
7	Resignation and termination	In force until the 31st of October 2017 as per the CBA

For the aspects, where we do not have any policies laid out presently; the Collective Bargaining Agreement's referendum holds good.

Human Rights

HCL Sweden AB is committed to ensure that employees are treated with dignity and respect. The company values diversity and believes in having a long-standing commitment to provide equal opportunity. It promotes intolerance towards any type of discrimination and harassment at the workplace. HCL Sweden AB is dedicated towards maintaining a workplace that is free from discrimination or harassment based on race, colour, religion, creed and marital status.

It is the philosophy of the Company to identify, prevent, and mitigate human rights violations resulting from, or caused by our business activities, through human rights due diligence and mitigation. The company is committed to investigate, address and respond to the concerns of employees and to taking appropriate corrective action in response to any such violations. We foster an open and inclusive workplace that upholds all human rights and includes the specific components as shown in figure below:

Figure 2: Components of Human Rights Policy



Our Company's policy to deal fairly and honestly with our associates is embodied in Human Rights Policy. HCL Sweden AB and all its employees/individuals respect, support and promote the human rights. We firmly abide by the clauses provided in figure below.

Figure 3: Human Rights Clauses

Respect, Support and Promote Human Rights



Conduct business in a manner that respects the rights and dignity of all, complying with all legal requirements.

Respect internationally recognized human rights, as set out in the International Bill of Human Rights and the International Labour Organization's declaration on Fundamental Principles and Rights at Work.

Treat everyone who works for the Company fairly and without discrimination. Our employees, agency staff and suppliers are entitled to work in an environment and under conditions that respect their rights and dignity.

Respect the right of employees to practice their legitimate right of free association. HCL will cooperate in good faith with the bodies that its employees collectively choose to represent them within the appropriate legal frameworks.

Respect the rights of people in communities impacted by its activities. HCL will seek to identify adverse human rights impacts and take appropriate steps to avoid, minimize and/or mitigate them.

Provide for, or cooperate in the remediation of the adverse impacts through legitimate process, where HCL identifies that it has caused or directly contributed to adverse impacts on the human rights of others.

There is no case registered for violation of Human Rights for the reporting period.

Equal Employment Opportunity

In line with our "Equal Employment Opportunity Policy", we treat our employees without any discrimination regarding their race, religion, belief, sex, colour, creed, age, nationality and ethnic origin, marital status, pregnancy, sexual orientation and physical ability. We ensure adherence to the laws of the land regarding employment norms, including freedom of association, as applicable and will not indulge in practices such as employing child labour (not less than 18 years), bonded labour etc. Our Policy ensures equal opportunity in employment, upgrading, promotion or transfer, recruitment or recruitment advertising, layoff or termination, wages or other compensation, selection for training, including apprenticeship, pre-apprenticeship, and/ or on the job training.

We also ensure and maintain a work environment free of harassment, threats, intimidation, discrimination and coercion at all sites and in all facilities at which employees are assigned to work. Any employee who violates this policy will be subjected to disciplinary procedure as per Disciplinary Policy.

Employee Career Development

It is a well-known fact that a committed and technically sound workforce forms the bedrock of any successful business. At HCL Sweden AB, we believe that at the core of our success lies a hardworking pool of dedicated employees. It is our constant endeavour to attract and retain the best talent through comprehensive training and development opportunities and long-term career prospects. **We** seek to enhance professional development of high potential and managerial staff through our systematic career management.

CAREER CONNECT

HCL Sweden AB has empowered all employees in charting their own career journey through "Career Connect" which is a unique "Social networking" based Career Management Programme. It is a collaborative platform for the employees where they can explore career opportunities and exchange meaningful information to help each other grow in their careers. On Career Connect, employees can aspire for jobs in their interest and skills, have realistic career discussions with an extended network of counsellors, define and work towards their career objectives in alignment with the organization's goals and apply for internal job postings for the aspired role.

Career Connect has been recognized in various forums.



LEAPVAULT

TECHR

Our employees also undergo regular performance appraisal for giving boost to their career trajectory and for giving the necessary feedback for their career growth.

Employee Engagement

For HCL Sweden AB, "Innovation" is not just another word, it's part of our organizational heritage. The culture at HCL Technologies – ideapreneurship™ as we call it - makes the license to ideate a distinctive organizational capability. We see a grass root movement that has rallied the entire organization behind this innovation agenda, in a manner that leads to relationships that deliver value beyond the contract to our customers. ideapreneurship™ - is based on the fundamental belief of inverting the organizational pyramid and engaging, enabling and empowering the front line. This is because we understand that they are best placed to appreciate and understand the customers' business and shape the roadmap to enhance the 'value zone' created in every interaction they have.

To this end, we have established various platforms to support innovation and ideation: Value Portal, LeadGen, Intellectual Property Monetization, Good Practices Conference, MADJAM.

VALUE PORTAL- HCL'S FLAGSHIP CUSTOMER CENTRIC PROGRAM UNDER IDEAPRENEURSHIP

Innovation is part of HCL's DNA and is reflected in the working of ideapreneurs. HCL's employee idea exchange platform 'Value Portal' was therefore created to funnel the innovation energy of ideapreneurs who can add value, especially those at the grassroots level to collaborate, innovate and lead the implementation of their ideas to deliver value to the customers across hierarchical structures. It's an attempt to deliver best services to our customer with quality, within timeline, and available budget.



Focus Areas

Cost Reduction

Improving Processes

Reducing Process Cycle Time

Developing Tools

Impact

Overall **400K+ value** has been delivered to 3 distinct customers in Sweden. Additionally, **36 distinct ideas** were generated in the region by **41 unique employee contributors**.



HCL TECHNOLOGIES POWERS VOLVO OCEAN RACE

HCL Technologies has always championed the spirit of pushing boundaries. And HCL's role at the Volvo Ocean Race is just one such example. Considered to be the toughest sailing competition in the world, it's a true showcase of human adventure and determination. To witness this human spirit and its capacity to endure, adapt and tough it out, HCL encouraged its employees to take the opportunity to experience Volvo Ocean Race village during the Gothenburg stop-over June 14-21, 2019.



Diversity Initiatives

HCL Sweden AB recognizes that having a diverse workforce encourages increased creativity and innovation. HCL Sweden AB is an Equal Opportunity Employer, committed to building a diverse workforce. All employees and candidates are treated fairly and consistently right from the recruitment stage, all through the employee life cycle.

Our best in class diversity related policies and progressive workplace policies have resulted in low attrition rates for women employees.

Table 6: Attrition Count Breakup by Category, Age and Gender (FY 2018-19)

Employee Category	< 30 years	30-50 years	>50 years	Total
Male	0	08	01	09
Female	0	0	0	0

The Company has a strong and an integrated focus on Diversity and Sustainability initiatives. The areas of focus are as given below:

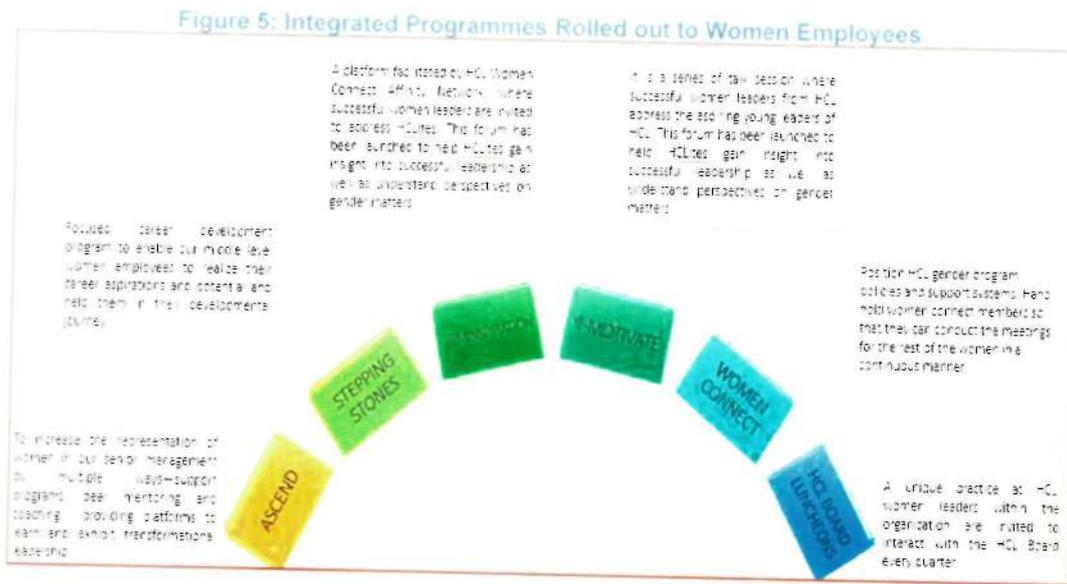
Figure 4: Key Pillars of Diversity & Inclusion at HCL



These include: Global policies under Diversity and Inclusion practices.

An online cultural tool called 'GlobeSmart' is available to all employees at HCL Sweden AB. The objective of 'GlobeSmart' is to help the employees identify their cultural orientation and empowers them to work with their co-workers, colleagues and customers with ease and beyond biases.

We have been conducting workshop on #Pushforprogress, the UN based theme for women embraced globally. We also have a focused and integrated gender programmes for all women employees. Details of the programme are presented in figure below:



INTERNATIONAL WOMEN'S DAY PHOTOGRAPHY COMPETITION

Celebrating the diversity of women, HCL Sweden AB conducted the Inaugural photography competition to celebrate women's day in the month of March. This competition was open to women photographers and participants were invited to share images that portray:

- Portray women in real and diverse ways
- Draw emotion, challenge perception, break convention and pose questions
- Inspire and nurture all that is good - or images that convey hard realities and absurdities of life.

Employee Experience

At HCL Sweden AB, the employee experience encompasses the full employee life cycle at various stages. HCL Sweden AB's intervention at various stages are as follows:

- **Join:** All on-boarding initiatives are designed to enable new employees at HCL Sweden AB to contribute the best to the organization while paving way for a successful career ahead. The organization makes all the efforts to bring them not just into the job but the intrinsic culture of the organization. This helps in the overall benefits of shorter learning curves, stronger employee commitment, and better attrition levels.
- **Learn:** As Learning and Competency Development continually prove to be the most sustainable sources of competitive advantage in IT industry, HCL Sweden AB strives to focus on bridging the demand and supply gap through re-skilling and up-skilling. Hence, trainings are provided not only for achieving proficiency in the current role but also help prepare for role enhancement. While

proficiency training improves employee's competency in his/ her areas of work, role-based curriculum and training helps employees in preparing themselves for career advancement within the organization.

- **Deploy:** At HCL Sweden AB, one gets to be in a world of opportunities. Whether it is about working on an opportunity that came along an employee's way, or creating a new opportunity, the organization makes sure that employees are always positioned at the right place, and right time.
- **Perform: Exchange Module:** This platform and exercise helps capture individual conversations between employees and their managers and bridges the gap between Expectation and Feedback Exchange. At HCL Sweden AB, it is suggested to the employees at all levels to have discussion with their managers about their work-related goals and targets at the beginning of the review period as well as the trigger of project assignments during the review period. The review period will be 12 months (April to March) of a financial year. By default, the Goals created will be private mode. Employees have the flexibility and can change the visibility to public/private mode taking into consideration the sensitivity towards goals for their projects. The feedback exchange happens twice a year, but the annual cycle is always the most important one; although the employees and managers are always encouraged for continuous conversations all through the year. Employees and Managers should have at least one quick review after a project gets over or once a quarter whichever is earlier to ensure goals are aligned, progress is on track and course correction if required is discussed and executed well. It is important to record discussions post meetings and share status reports at regular intervals. After six months of the review period, these goals will form the basis of Feedback Exchange Review. The platform is monitored and thus, all employees are usually on track in setting their goals, which are then recorded by the manager and HR and executed as per mid-year or annual cycle.
- **Recognize:** Recognition plays an important role in encouraging and motivating employees towards higher levels of performance. They serve as a channel for commending the efforts and achievements of a job well done or simply to go the 'extra mile'. Recognition could come to them as a note of appreciation from manager, an applause from peer or in the form of sharing the spotlight with the leadership. The form and timeliness of the recognition go a long way in ensuring that employees are emotionally connected with the organization.

Other Initiatives and Events

- Town halls, Diversity and Inclusion initiatives, Employee Engagements were conducted throughout the year through environmental initiatives, cultural celebrations and employees connect programmes etc.
Under the purview of these broader initiatives, International Women's Day is celebrated annually in the month of March, International Culture Month is celebrated on the 21st of May and Mid Summer's night, along with Easter and Christmas celebrations as well.
- HCL Sweden AB celebrates the Earth Hour on 24th of March 2018 during which Sweden Office conducts an awareness drive and sent out mailers to all the employees in Sweden.
- Smart Service Desk: At HCL Sweden AB, employees also have individual access to HCL's 'Smart service Desk' – a system through which they can raise problem tickets on all issues related to employee lifecycle and there is a stipulated timeline to close these issues and related tickets; thereby addressing the employee concerns effectively, this creates a good employee experience and productive work environment.

Environment Sustainability

HCL Sweden AB strives to achieve excellence in environment management in its area of operations by meeting all applicable Environment laws of the land and other requirements applicable to HCL Sweden AB. The organization also integrates environmental considerations into all its areas of operations, considering the environment risks, organizational responsibilities and capability.

As a responsible corporate, HCL Sweden AB believes that it has an important role to play in addressing global challenges such as climate change and environmental sustainability. HCL Sweden AB complies with the Swedish Environmental Code (SFS 1998:808) and the Ordinance on Environmental Quality Standards on Ambient Air (SFS 2010:477) which encapsulate the following:

- Protection of human health and the environment against damage and detriment, whether caused by pollutants or other impacts.
- Protection and Preservation of valuable natural and cultural environment.
- Preservation of bio-diversity.
- Securing the use of land, water and the physical environment in general to achieve long-term management in ecological, social, cultural and economic terms.
- Re-use and recycle, as well as efficient management of materials, raw materials and energy are encouraged so that natural cycles are established and maintained.

Energy Consumption of HCL Sweden AB for FY 2018-19

Our total energy consumption has decreased by 13.9% in FY 2018-19 as compared to FY 2017-18.

	2018-19 (kWh)	2017-18 (kWh)	y-o-y change (%)
Energy Consumption	7065.98	8196.00	13.9

All the environmental aspects are identified and a mitigation plan is prepared with respect to various elements namely:

- Segregation of waste at site and disposal in a safe manner
- Recycling of waste
- Judicious usage of natural resources
- Promoting low carbon footprint

In line with building a sustainable environment, the organization tries to leverage every opportunity to responsibly manage the ecosystem. Our focus is to protect human health and environment against damage and detriment whether caused by pollutants or other impacts. Various initiatives are taken to protect and preserve our bio-diversity, natural and cultural environment. There are processes in place for making optimum use of natural resources like water, land and the physical environment to create an ecological balance in social, cultural and economic terms. The organization has plans and processes in place for optimum management of the resources by re-use and recycle of materials. Raw materials and energy so that the natural cycles are established and maintained.

HCL Sweden AB commits itself to confronting these challenges by assuming a leadership role in fostering a sustainable environment and responding appropriately to the risks posed by Environment degradation. HCL Sweden AB strives to achieve excellence in environment management in its area of operations by meeting all applicable environment laws of the land and other requirements. The organization also integrates environmental considerations into all its areas of operations, considering the environment risks, organizational responsibilities and capability. At the enterprise level HCL Technologies Ltd., including HCL Sweden AB ensures that it reduces the ecological footprints through optimized utilisation of natural resources like land, water etc.

At HCL, we are driving our Environmental Goals in line with our last Materiality Assessment that was undertaken at the company's macro level; which also underlines the importance of the Sustainable Goals stipulated by the United Nations. The strategy is crafted at the group level and driven across our geographies. However, in specific, we promote initiatives such as carpooling, work from home, etc. We also measure and monitor our energy and water footprint. We promote video conferencing for reducing GHG emissions. In Sweden, we are making endeavours to get our Gothenburg office as confirmed under the ISO 14001 Certification and the target is to achieve the same within the new financial Year.