Annual Report

for

HCL Technologies Sweden AB

556955-5609

Financial Year

01 April 2022 – 31 March 2023

Annual Report and Financial Statements for the year ended 31 March 2023

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HCL Technologies Sweden AB
Corporate ID No. 556955-5609
(All amounts are in KSEK, except shares and per share data)

ANNUAL REPORT FOR THE FINANCIAL YEAR 1 April 2022 - 31 March 2023

The Board of Directors for HCL Technologies Sweden AB hereby submit the annual financial statement for the financial year 01 April 2022 – 31 March 2023.

ADMINISTRATION REPORT

Overview

During the financial year 2022-23, Company's revenue increased to KSEK 5 796 580 from KSEK 5 027 695. The profit after financial items stood at KSEK 272 550 against profit of KSEK 255 834 over the previous year.

Operations

HCL Technologies Sweden AB (organization number 556955-5609) was incorporated in Sweden on 18 December 2013 is 100% subsidiary of HCL Technologies UK Ltd. , which is ultimately held by HCL Technologies Ltd., the parent company. The company is headquartered in Stockholm, Sweden and provides a broad offering of services within the Information technology and engineering services area.

Expectations regarding future development

The demand of the company's services expected to be stable during financial year 2023-24.

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	Share Premium	Accumulated Net Profit / (Loss)	Annual Net Profit / (Loss)
Opening balance (138 000 shares with quotient value 10)	1 380	415 480	562 717	200 664
Appropriation of profits	-	-	200 664	(200 664)
Payment of Dividend	-	-	(538 999)	-
Net profit/(loss) for the year	-	-	-	213 270
Closing balance	**1 380**	**415 480**	**224 382**	**213 270**

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. Your 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	2022/23	2021/22	2020/21	2019/20	2018/19
Net sales	5 796 580	5 027 695	4 240 519	4 387 313	4 376 100
Profit/ (Loss) after financial items	272 550	255 834	171 813	313 017	250 712
Balance sheet total	2 639 503	2 600 328	2 725 226	2 710 205	2 677 655
Equity/assets ratio (%) *	32	45	49	39	30
Operating margin (%) **	5	5	5	7	5
Return on equity (%) ***	25	17	9	23	24
Average No of employees	964	979	1 010	1 110	1 133

* Equity/assets ratio (%) 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

Board of Directors propose that the profits available	31 March 2023
Share premium	415 480
Profit brought forward	763 381
Payment of Dividend	(538 999)
Net profit/loss for the year	213 270
Total	853 132
Be appropriated as follows	
To be carried forward	853 132
Total	853 132

The company's earnings and financial position in general are indicated in the following income statement and balance sheet as well as the cash flow analysis with supplementary Information.

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.

Significants events during the year

There were no significant events during the year, which have a bearing on the understanding of the users of these Financial Statements.

HCL Technologies Sweden AB
Corporate ID No. 556955-5609
(All amounts are in KSEK, except shares and per share data)

INCOME STATEMENT
For the year ended 31 March 2023

		1 April 2022 31 March 2023	1 April 2021 31 March 2022
Net sales	Note 2	5 796 580	5 027 695
Operating expenses			
Other external expenses		(4 180 921)	(3 398 264)
Personnel cost	Note 3	(1 089 532)	(1 041 157)
Depreciation of intangible and tangible fixed assets	Note 4, 5 & 6	(264 767)	(304 721)
Other operating (expenses)/ income	Note 8	6 251	(22 440)
Operating profit /(loss)		267 611	261 113
Results from financial items			
Interest Income and similar profit/(loss) items			
- From Group Companies		-	463
- From Other than Group Companies		11 746	-
Non trading forex		209	(2 129)
Interest Expense and similar profit/(loss) items			
- To Group Companies		(3 888)	(3 316)
- To Other than Group Companies		(3 128)	(297)
Profit /(loss) after financial items		272 550	255 834
Tax on profit for the year	Note 14	(59 280)	(55 170)
Net profit /(loss) for the year		213 270	200 664

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BALANCE SHEET
As at 31 March 2023

		31 March 2023	31 March 2022
ASSETS			
Fixed assets			
Tangible fixed assets			
Tangible fixed assets equipment	Note 4	342 448	426 478
Intangible Assets			
Customer Relationships	Note 5	10 898	17 183
Goodwill	Note 6	197 854	263 805
Total fixed assets		**551 200**	**707 466**
Current assets			
Receivables			
Accounts receivable		1 049 115	750 036
Receivables with Group companies		158 757	135 131
Other receivables		18 039	57 521
Prepaid expenses and accrued income	Note 9	540 556	547 836
Cash and bank balances	Note 10	321 836	402 338
Total current assets		**2 088 303**	**1 892 862**
TOTAL ASSETS		**2 639 503**	**2 600 328**

HCL Technologies Sweden AB
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BALANCE SHEET
As at 31 March 2023

		31 March 2023	31 March 2022
EQUITY AND LIABILITIES			
Equity	Note 11		
Restricted equity			
Share capital		1 380	1 380
Non-restricted equity			
Share premium		415 480	415 480
Profit brought forward		763 381	917 717
Dividend paid		(538 999)	(355 000)
Net profit/loss for the year		213 270	200 664
Total equity		**854 512**	**1 180 241**
Liabilities			
Accounts payable		169 318	153 719
Liabilities to group companies		742 868	594 804
Tax liabilities		6 336	54 786
Other liabilities		233 146	104 817
Accrued expenses and deferred income	Note 12	633 323	511 961
Total liabilities		**1 784 991**	**1 420 087**
TOTAL EQUITY AND LIABILITIES		**2 639 503**	**2 600 328**

HCL Technologies 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 2023

		1 April 2022 31 March 2023	1 April 2021 31 March 2022
Operating activities			
Operating Results		267 611	261 113
Adjustments for items not affecting cash flows			
Depreciation and write-downs		264 767	304 721
Non trade unrealised forex gain		209	(2 129)
		532 587	**563 705**
Interest received		-	463
Interest paid		(3 888)	(3 316)
Income taxes paid		(107 730)	(50 798)
Net cash provided by operating activities before change in working capital		**420 969**	**510 054**
Change in working capital			
Decrease/ Increase in current receivables		(275 943)	(36 766)
Decrease/ Increase in current liabilities		522 017	25 064
Net cash (used)/provided by operating activity		**667 043**	**498 352**
Investing activities			
Cash proceeds from tangible assets sold		26 743	16 942
Acquisition of tangible fixed assets	Note 4	(135 244)	(115 754)
Repayment of loan by group companies		-	104 597
Interest received		11 746	-
Net cash (used)/provided by investing activities		**(96 755)**	**5 785**
Financing activities			
Loan taken from financial institution		(108 663)	-
Dividend Paid		(538 999)	(355 000)
Interest Paid		(3 128)	(297)
Net cash provided (used)/provided by financing activities		**(650 790)**	**(355 297)**
Net change in cash		**(80 502)**	**148 840**
Cash at the beginning of the year	Note 10	**402 338**	**253 498**
Cash at the end of year		**321 836**	**402 338**

Notes forming part of Financial Statements

Note 1: 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 Technologies Sweden AB is a subsidiary of HCL Technologies UK Ltd. HCL Technologies UK 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, 63% (previous year 62%) of the purchases and 3% (previous year 6%) 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 recieve is established.

Notes forming part of Financial Statements

Note 1: Accounting Principles

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.

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.

Notes forming part of Financial Statements

Note 1: Accounting Principles

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.

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

Goodwill

Positive goodwill arose on acquisition of a business and is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its estimated useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Goodwill arising on acquisition is amortised over 10 years on a straight line basis, the period over which the directors expect to benefit from the reputation, contacts and skills of each acquired business. If a business is subsequently sold or closed, any goodwill arising on acquisition that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

Notes forming part of Financial Statements

Note 1: Accounting Principles

Intangible fixed assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following the initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized in the pattern in which the asset's economic benefits are consumed or on a straight line basis if that pattern cannot be determined reliably. The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Group amortizes the intangible asset over the best estimate of its useful life.

Customer relationships has an estimated life time of 10 years. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from the previous estimate, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefit from the asset, the amortization method is changed to reflect the changed pattern.

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

Tangible fixed assets

Tangible 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	3

Notes forming part of Financial Statements

Note 1: Accounting Principles

Impairment of equipment and intangible assets

At every closing date, an assesment is made concerning whether or not there is an indication of if the asset's value is lower than the carrying value. If an indication exists, the recoverable amount of the asset is calculated. Alternatively. If it is not possible to calculate an individual asset's recoverable amount, the recoverable amount for the whole cash generating unit which the asset belongs to. The recoverable amount is the highest of the fair value less cost to sell and the value in use. When calculating the value in use, future expected cash flows that the asset is expected to generate in the ongoing operations and when it is disposed are discounted to a present value. The discount rate used is before tax and reflects the marketable assessment the time value of money and the risks attributable to the asset. A previous impairment is only reversed if the reasons underlying the calculation of the recoverable amount at the last impairment have changed

Financial instruments
Financial instruments are initially recognized and subsequently measured based on the acquisition value.

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.

Notes forming part of Financial Statements

Note 1: Accounting Principles

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.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

2. Net Sales	1 April 2022 31 March 2023	1 April 2021 31 March 2022
Sales are distributed as follows:		
Sweden	5 702 502	4 498 114
USA	24 260	21 716
Others	69 818	507 865
	5 796 580	**5 027 695**

3. Personnel	1 April 2022 31 March 2023	1 April 2021 31 March 2022
Average number of employees:		
Women	131	137
Men	833	842
	964	**979**

The Company had 4 (previous year : 4) members of the Board per balance sheet date, all are men.

	1 April 2022 31 March 2023	1 April 2021 31 March 2022
Salaries and other remunerations:		
Board and Managing Director	-	-
Other employees	785 081	744 954
	785 081	**744 954**
Pension costs:		
Board and Managing Director	-	-
Other employees	93 891	88 448
Other statutory and contractual social security contributions	210 560	207 756
Total statutory and contractual social security contributions	**304 451**	**296 204**
Total salaries and remuneration, pension costs and social security contributions	**1 089 532**	**1 041 157**

4. Tangible fixed assets	31 March 2023	31 March 2022
Equipment		
Opening accumulated acquisition cost	1 416 742	1 341 227
New acquisitions for the year	135 244	115 754
Disposal for the year	(112 148)	(40 239)
Closing accumulated acquisition cost	1 439 838	1 416 742
Opening accumulated depreciation	(990 264)	(781 952)
Depreciation for the year on tangible fixed assets	(192 531)	(231 609)
Depreciation charged on disposal of tangible fixed assets	85 405	23 297
Closing accumulated depreciation	(1 097 390)	(990 264)
Residual value according to plan	**342 448**	**426 478**

5. Customer Relationships	31 March 2023	31 March 2022
Acquisition cost at the beginning of the year	69 921	69 921
Acquisitions for the year	-	-
Acquisition cost at year end	69 921	69 921
Accumulated depreciation at the beginning of the year	(52 738)	(45 578)
Depreciation for the year	(6 285)	(7 160)
Accumulated depreciation at year end	(59 023)	(52 738)
Net Book Amount	**10 898**	**17 183**

6. Goodwill	31 March 2023	31 March 2022
Acquisition cost at the beginning of the year	659 511	659 511
Acquisition cost at year end	659 511	659 511
Accumulated depreciation at the beginning of the year	(395 706)	(329 755)
Depreciation for the year	(65 951)	(65 951)
Accumulated depreciation at year end	(461 657)	(395 706)
Net Book Amount	**197 854**	**263 805**

7. Remuneration to auditors

	1 April 2022 31 March 2023	1 April 2021 31 March 2022
KPMG AB		
Auditing	550	550
Other Services	-	49
	550	**599**

8. Other operating (expenses)/ Income

	1 April 2022 31 March 2023	1 April 2021 31 March 2022
Exchange rate profit (loss) relating to operations	6 251	(22 440)
	6 251	**(22 440)**

9. Prepaid expenses and accrued income

	1 April 2022 31 March 2023	1 April 2021 31 March 2022
Accrued income	129 927	139 758
Prepaid expenses	410 629	408 078
	540 556	**547 836**

10. Cash and bank balances

	31 March 2023	31 March 2022
Cash and bank balances		
- Bank Balance	321 836	402 338
	321 836	**402 338**

11. Equity

Changes in equity for the year	Share Capital	Share Premium	Accumulated Net Profit / Loss	Annual Net Profit / Loss
Opening balance (138 000 shares with quotient value 10)	1 380	415 480	562 717	200 664
Appropriation of profits	-	-	200 664	(200 664)
Payment of Dividend	-	-	(538 999)	-
Net profit/loss for the year	-	-	-	213 270
Closing balance (138 000 shares with quotient value 10)	**1 380**	**415 480**	**224 382**	**213 270**

12. Accrued expenses and deferred income	31 March 2023	31 March 2022
Personnel related	244 205	250 157
Provision for expenses	170	152
Deferred income	134 956	100 432
Other accrued expenses	253 992	161 220
	633 323	**511 961**

13. Leasing	1 April 2022 31 March 2023	1 April 2021 31 March 2022
Total leasing revenue during the year	167 427	69 486
Within 1 year	50 811	86 217
Within 1-5 years	83 796	124 747
Later than within 5 years	-	-
TOTAL	**302 034**	**280 450**
Total lease rent paid during year	98 083	111 349
Within 1 year	102 369	19 490
Within 1-5 years	226 399	16 677
Later than within 5 years	-	-
TOTAL	**426 851**	**147 516**

14. Taxes

	1 April 2022 31 March 2023	1 April 2021 31 March 2022
Tax for the income for the year	58 392	55 561
Adjustment for prior years	(140)	(7)
Change in deferred tax for temporary differences	(378)	(472)
Others	1 406	88
Total tax for the year	**59 280**	**55 170**
Reconciliation of effective tax rate		
Income before taxes	**272 549**	**255 834**
Pre-acquisition income before taxes of merged entity	**-**	**-**
Total income before taxes	**272 549**	**255 834**
Tax Rate	20.6%	20.6%
Tax on income before taxes based on current tax rate	56 145	52 702
Tax effect of:		
Other non-deductible costs	1 869	2 387
Adjustment for prior years	(140)	(7)
Others	1 406	88
Total tax for the year	**59 280**	**55 170**
Effective tax rate	**21.8%**	**21.6%**

15. Pledged assets and contingent liabilities

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

16. 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. Corporate Identification number of HCL Techologies Limited is L74140DL1991PLC046369.

17. Subsequent events

There were no subsequent events after the reporting date, which have a bearing on the understanding of users of these Financial Statements.

HCL Technologies Sweden AB
Corporate ID No. 556955-5609
(All amounts are in KSEK, except shares and per share data)

18. Proposed appropriation of profits

Board of Directors propose that the profits available	31 March 2023
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Total	853 132
Be appropriated as follows	
To be carried forward	853 132
Total	853 132

Stockholm, June 16, 2023

Goutam Kungta
(Director of the Board)

Shiv Kumar Walia
(Director of the Board)

Sudip Kumar Lahiri
(Director of the Board)

Pankaj Tagra
(Director of the Board)

Our audit report was presented on
KPMG AB

Refer to Swedish original copy for auditor signature

Anders Taaler
Authorised Public Accountant

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HCL TECHNOLOGIES SWEDEN AB
SUSTAINABILITY REPORT
FY 2022-2023
APPENDIX-1

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About the Report

This is the sustainability report for HCL Technologies Sweden AB for the FY 2022- 2023 (April 2022 – March 2023) 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 Technologies 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 Technologies Sweden AB for FY 2022-2023.

Reporting Year and Reporting Cycle

HCL Technologies 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 fifth sustainability report and the reporting content is based on our economic, social and environmental performance of the company in FY 2022-2023

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 Santhosh Jayaram
Senior Vice President
Global Sustainability
santhosh.jayaram@hcl.com

An Overview of HCL Technologies Sweden AB

HCL Technologies Sweden AB (Corporate Identity Number 556955-5609) is the wholly owned subsidiary of HCL Technologies U.K. Ltd. which is ultimately held by parent company HCL Technologies Limited. The Company was incorporated in Sweden on 18 December 2013.

At HCL Technologies 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 Technologies 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

In a world of constant technology disruption, HCL Technologies helps its global clients map and navigate their transformational journeys, fueling them with emerging technologies such as cloud, artificial intelligence, and data analytics. HCL Technologies' unique blend of services and products enables clients to achieve this transformation guided by the framework of HCL's Mode 1-2-3 Strategy. The three modes can together play a role in a client's overall strategy, or individually contribute to an independent growth strategy.

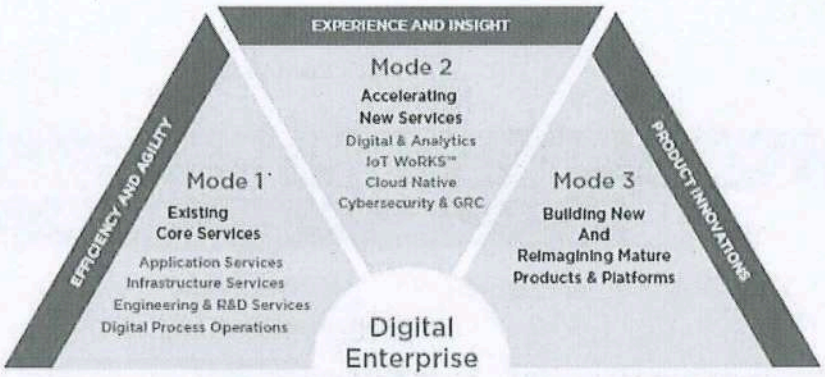
- **Mode 1: Core Services**
  HCL's Mode 1 offers core services in the areas of Application Services, Infrastructure Services, Engineering and Research & Development, and Digital Process Operations. These Mode 1 offerings enable our clients to become much more efficient and agile and, therefore, more competitive in their industries. This is achieved through extreme automation, efficient delivery, and operational agility. Mode 1 leverages clients' current business and IT landscape by consolidating a firm's existing core and identifying new ways to enhance that core with new technologies.

- **Mode 2: Next-generation Services**
  HCL's Mode 2 offerings help enterprises take the next digital leap through insight-based, experience-centric, and outcome-driven integrated services that leverage next-generation technologies. Our Mode 2 offerings—Digital & Analytics, IoT WoRKS™ (Internet of Things), Cloud Native services, and Cybersecurity and GRC services—help our clients reimagine their businesses to remain relevant and take advantage of opportunities in the digital age.

- **Mode 3: Products and Platforms**
  HCL's Mode 3 offerings deliver innovative software solutions that help clients target specific next-generation opportunities. Drawing on IP created both internally and through an ecosystem of strategic partnerships, HCL's scalable and ready-to-deploy software products and platforms reduce the time for clients to become future-ready.

HCL's Mode 1-2-3 strategy is truly a differentiating approach in today's marketplace, one that our clients are increasingly adopting. We are continuing to build and invest in our Mode 1-2-3 capabilities. This includes re-skilling our employees and giving them the capabilities to deliver the services and products that make us the partner of choice for our clients globally.

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

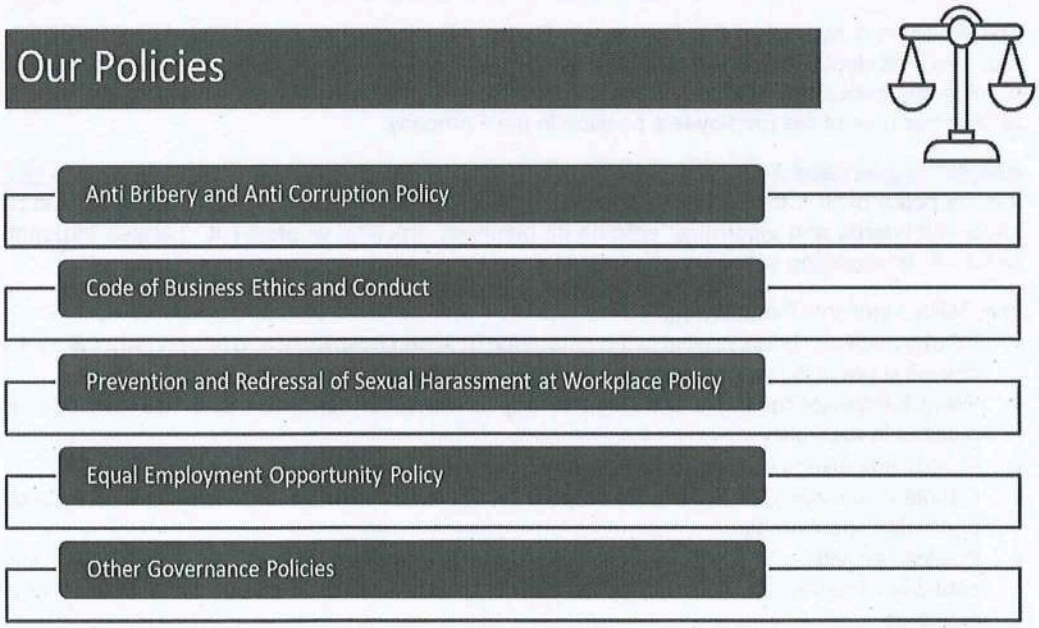


Governance and Ethics

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 ensure employees read and sign-off on the policies. We also ensure ethical standards are adopted by vendors, suppliers, clients and contractors through appropriate clauses in their work contracts.



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 because of the Employee's position in the Company.

Anti-Corruption and Anti Bribery Policy

It is the policy of HCL to conduct all 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.
- Wilful 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 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 0 cases registered for violation of Human Rights and anti-corruption for FY2022 – 2023.
As there were no cases registered in the 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 WorkPlace 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 are no cases registered for sexual harassment for the reporting period.

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 Technologies 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 Technologies Sweden AB level as well..

Whistle Blower Mechanism

Employees are encouraged to raise concerns about any issues or suspicion of malpractices at the earliest possible. For action which constitutes bribery or corruption or any other related query, concerns can be raised with Reporting Manger and/or the Whistle Blower Committee via whistleblower.hcl@tari.co.in.
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 Technologies Sweden AB's Board comprises of four Board of Directors.

- Mr. Goutam Rungta
- Mr. Shiv Walia
- Mr. Sudip Kumar Lahiri
- Mr. Pankaj Tagra

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 Technologies 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 footprint 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 5,796,580 against SEK 5,027,695 over the previous year. The profit after financial items stood at SEK 272,550 against profit of SEK 255,834 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 2022-23 is given in table below:

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

	2022-23	2021-22
Net Sales	5,796,580	5,027,695
Profit/(Loss) After Financial Items	272,550	255,834

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)

	2022-23	2021-22
Operating Costs	4,439,216	3,725,425
Salaries and other remunerations	1,089,532	1,041,157
Total taxes Charged	59,280	55,170

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. We also recognize risks that may arise due to social, environment, human rights and corruption.

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

Risk Management Committee and Framework

At HCL Technologies Sweden AB, every employee, either directly or indirectly, is responsible for managing risks. The Company has a Risk Management Committee to:

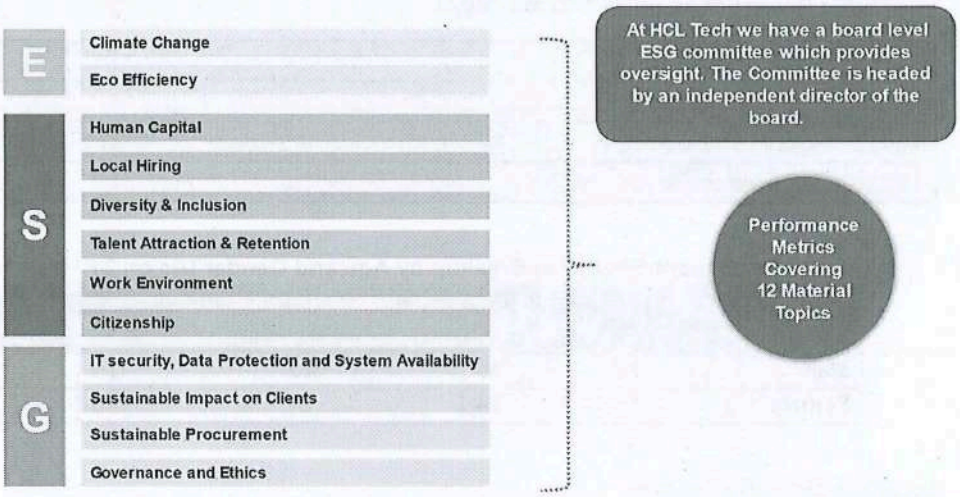
- Review key risks and their mitigating strategies.
- Assist the Board in fulfilling its corporate governance responsibility in reviewing the activities regarding the identification, evaluation and mitigation of operational, strategic and external environmental risks.
- Review and approve the Risk management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

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

Stakeholder Engagement and Materiality Assessment

The stakeholder engagement during FY 2022-2023 helped us to reconfirm our material topics by identifying 12 specific initiatives. The priorities, whether high, medium or low, are based on what the stakeholders and HCL value collectively on a mutual sustainable journey.

Our Material Topics and Governance



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Our Goals

Environment

- Achieve Net Zero by 2040
- Achieve a reduction of 50% on absolute scope 1& 2 emissions by 2030 compared to 2020 baseline (Validated by The Science Based Targets Initiative – SBTi to be aligned to a 1.5C Pathway)
- Transition to 80% of electricity usage to renewable energy by 2030
- Maintain Zero Discharge from all owned facilities
- Achieve Zero Waste to Landfill at all owned facilities by 2025

Governance

- 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

Social

- Improving the ESG Knowledge and Skills of the employees
- Improving the gender diversity in workforce with 40% Women by 2030
- Increase gender representation in senior leadership levels to 30% by 2030
- Being recognized among the best employers in our key operating geographies

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Disclaimer: The results of materiality assessment conducted at global level have been presented

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 as on 31st March , 2023

Permanent male employee	804
Permanent female employee	144
Temporary male employee	123
Temporary female employee	15

Table 3: Permanent Employee Breakup by Age and Gender (As on 31st March , 2023)

Employee Category	< 30 years	30-50 years	>50 years	Total
Male	46	582	176	804
Female	14	87	43	144

Employee Specific Policies

The fundamental conventions of the International Labour Organisation are implemented at HCL Technologies 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 new-born or a newly adopted or newly placed child.

Table 4: Parental Leaves Breakup by Category, Age and Gender (FY 2022-2023)

Employee Category	No of Employees, by gender, taken Parental Leave	No. of employees , by gender, returned to work after parental leave ended
Male	32	32
Female	5	5

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**	• Permanent Employment • Fixed-term employment • Third-party employment
2	**Working hours** (Governed by work schedule policy at HCL Technologies Sweden AB)	• Overtime • Travelling-time remuneration • Remuneration for unsocial working hours and standby duty (In force until 31st of Oct 2023 ref collective bargaining agreement) CBA • As per the renewed CBA
3	**Holidays** (Governed by Leave policy at HCL Technologies Sweden AB)	• 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 Technologies Sweden AB)	• 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 Technologies Sweden AB)	• Parental pay • Temporary childcare
6	**Paid and unpaid leave of absence**	Governed by leave policy at HCL Technologies Sweden AB
7	**Resignation and termination**	In force until the 31st October 2023 as per the CBA

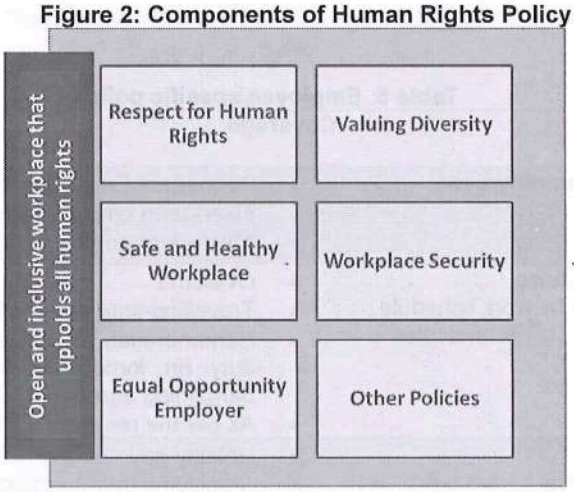
For the aspects, where we do not have any policies laid out presently, the Collective Bargaining Agreement's referendum holds good.

Human Rights

HCL Technologies 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 Technologies 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:

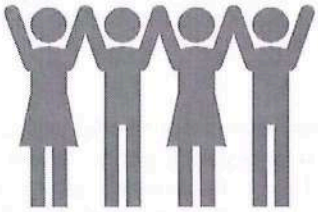
Figure 2: Components of Human Rights Policy



Our Company's policy to deal fairly and honestly with our associates is embodied in Human Rights Policy. HCL Technologies 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 are no cases 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.

Table 6: Attrition Count Breakup by Category, Age and Gender (FY 2022-2023)

Employee Category	< 30 years	30-50 years	>50 years	Total
Male	7	121	38	166
Female	1	21	6	28

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 Technologies 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® your way to the top

TECHR

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

Employee Engagement

For HCL Technologies Sweden AB, "Innovation" is not just another word, it is 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 grassroot 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.**

Diversity Initiatives

HCL Technologies Sweden AB recognizes that having a diverse workforce encourages increased creativity and innovation. HCL Technologies 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.

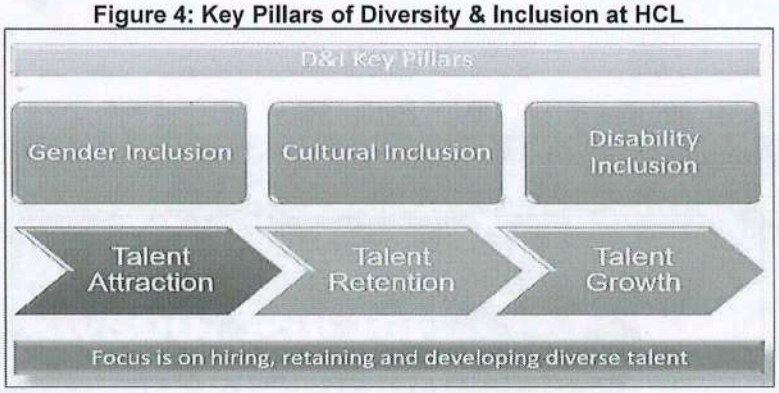
Our best-in-class diversity related policies and progressive workplace policies have resulted in low attrition rates for women employees.

Table 7: Hiring Count Breakup by Category, Age and Gender (FY 2021-2023)

Employee Category	< 30 years	30-50 years	>50 years	Total
Male	26	158	8	192
Female	10	30	3	43

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

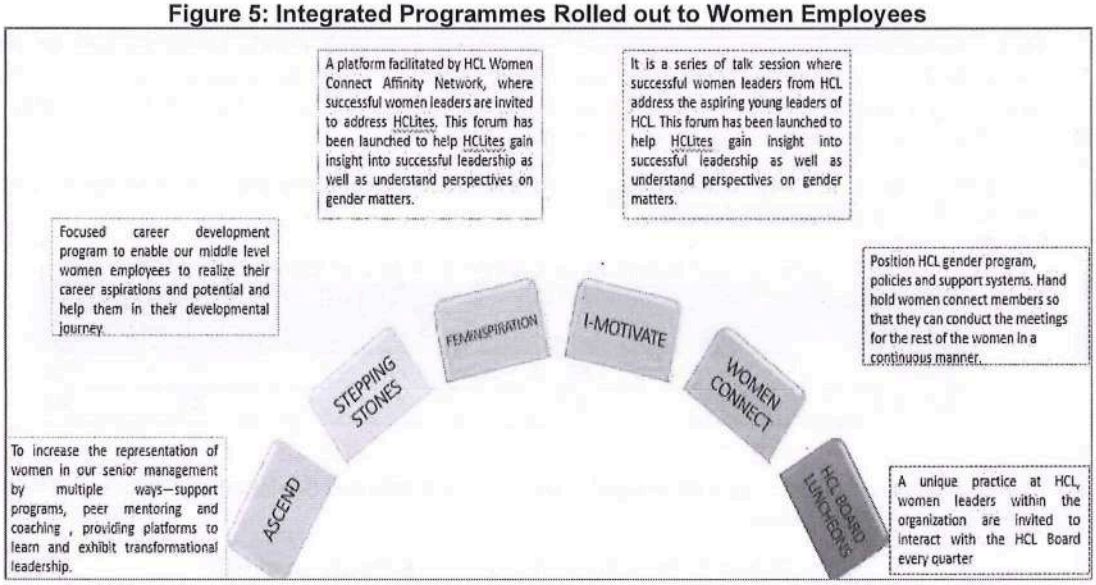


These include: Global policies under Diversity and Inclusion practices.

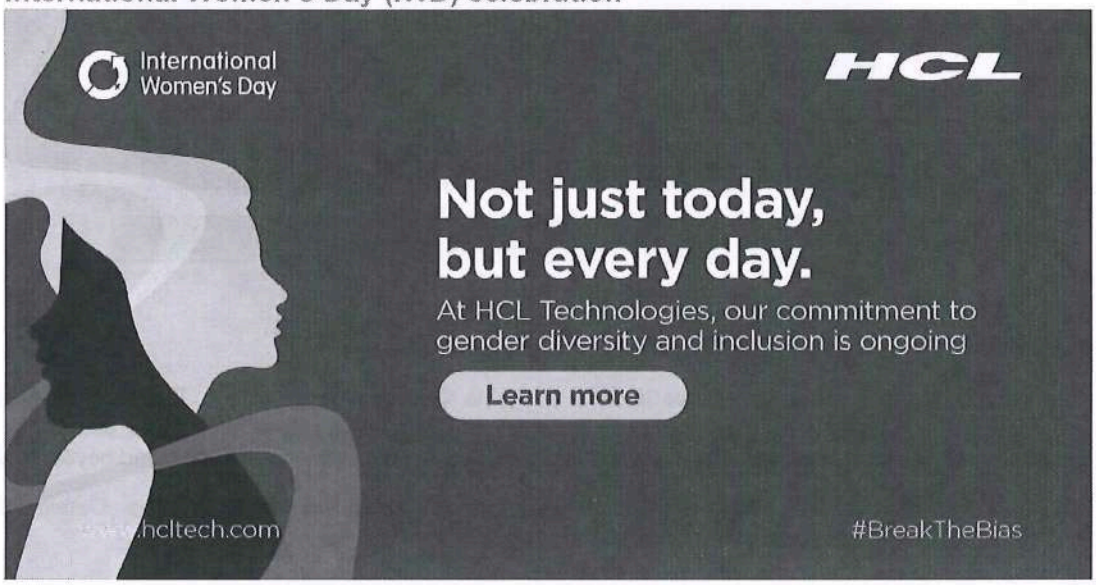
An online cultural tool called 'GlobeSmart' is available to all employees at HCL Technologies Sweden AB. The objective of 'GlobeSmart' is to help the employees identify their cultural orientation and empowers them to work with their co-workers, colleagues and customers with ease and beyond biases.

We have focused and integrated gender programmes for all women employees. Details of the programme are presented in the figure below:

Figure 5: Integrated Programmes Rolled out to Women Employees



International Women's Day (IWD) celebration



On the occasion of International Women's Day (IWD)

HCL Technologies is committed to challenging stereotypes, fighting biases, and calling out inequality at the workplace. We honor women all around the world—advocating for peace, equality, and human rights. As we partner with @International Women's Day to #breakthebias, our Chairperson of the Board, Roshni Nadar Malhotra, and our Global CEO and Managing Director, C Vijayakumar, are invested in improving gender equality at HCL Technologies. With 31% female board members, we're proud to set the tone from the top and be part of the drive for continuous change to increase gender diversity at our organization and beyond

International Women's Day

International Women's Day stands for much more than just an international day of celebration.

It is about driving progress forward to forge a gender equal world.

We are proud to announce

HCL's Partnership with International Women's Day

for the fifth consecutive year.

In keeping with our vision for a gender-equal future, we are collaborating with IWD to drive awareness in three focus areas. You can read more about our partnership here.

- ***Women in Technology***: Celebrate digital skills advancement and champion the women forging innovation through technology.
- ***Women in Leadership***: HCL believes in an empowered world where women have an equal place, position, and power in organizations and elsewhere. We stand in a unique position to bring about industry-wide change.
- ***Women in Sport***: Young girls and women do not find sport to be a level playing field – with barriers to recreational and professional participation. HCL is committed to raising awareness and celebrating achievements of Women in Sport.

Let us #ChooseToChallenge ourselves, our goals, and our limitations, especially when faced with inequality and bias. We look forward to continuing this journey with you as we reinforce our commitment to making the right choices for a gender-equal world today, every day.

Youth Ice Hockey

We at HCL believe that sports is a great way to address this important issue. Whether it is through the or engaging an entire ecosystem of fans, participants, volunteers, and partners through Cricket Australia, we have always believed that sports has a unique way of breaking down barriers and connecting people together. To continue this, **we are proud of our on-going partnership in Sweden, supporting Team Göta Traneberg youth ice hockey**. Through this partnership our aim is to support a healthy and vibrant future for the local youth by connecting them with a sport that brings them joy while teaching valuable life skills of team building, responsibility, and leadership.

Ice hockey, a sport in which Sweden has excelled for many years, is attracting a growing number of female players. However, there are relatively few girls and women ice hockey clubs and competitions. Göta Traneberg, together with Ekerö IK and Hässelby/Källvesta, are creating a team—Team Västerort—to participate in the first girl's junior hockey league in Stockholm. Supporting this partnership also builds on our commitment to help build a gender-balanced society across industries

HCLtech team was present in the Club Day and enjoyed meeting the team, hearing more about why they are so passionate about hockey!

Employee Experience

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

- **Join:** All on-boarding initiatives are designed to enable new employees at HCL Technologies 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 Technologies 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 for preparing 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 Technologies 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 Technologies 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 assignations 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 in

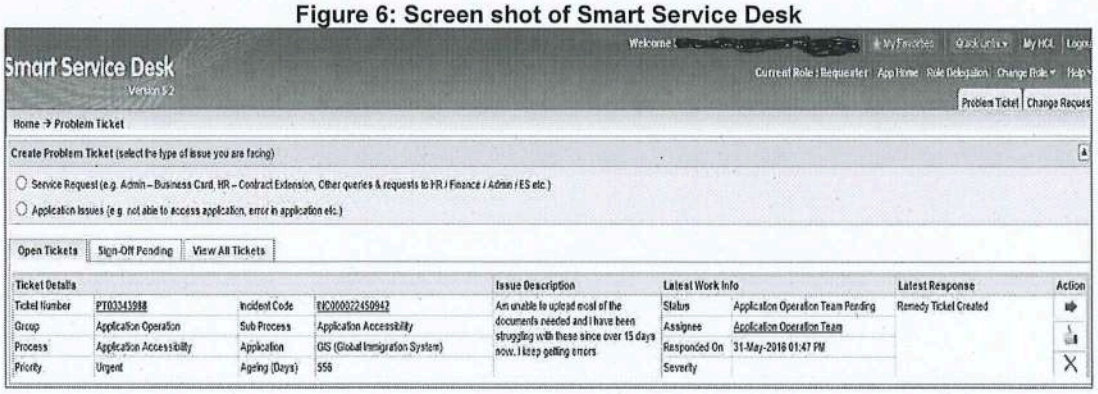
private mode. Employees have the flexibility and can change the visibility to public/private mode taking into consideration the sensitivity towards goals for their projects. The feedback exchange happens twice a year, but the annual cycle is always the most important one; although the employees and managers 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 Technologies Sweden AB celebrates the Earth Hour on 25th of March 2023 during which Sweden Office will conduct an awareness drive and send out mailers to all employees in Sweden.
- Smart Service Desk: At Technologies HCL Technologies 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.

Figure 6: Screen shot of Smart Service Desk



Training and Development

Training and development form an important part of workplace management at HCL. We have a well-defined policy and mechanism in place to ensure that employees receive regular training for performance improvement and skill upgradation.

Health and Safety of Employees

We are committed to provide a safe and healthy working environment for our employees and associates. We ensure that none of our employees or workers are subjected to high incident or high-risk disease related to their individual occupation.

Majority of illnesses depends on workload, unclear instructions, lack of prioritizing and being available round the clock. However, our focus is on Employees Health and wellbeing and to be compliant with the Swedish Work Environment Act and related Provisions.

In line with the Swedish Work Environment Authorities provisions, we are using a Sharepoint site for managers' information and templates for their tasks. The process for Allocation of tasks to managers is runs through the Host network. We are supporting the network by creating the necessary templates, education material, reports and policies needed.

At HCL Technologies Sweden AB, there is a special focus on Health and safety of the employees. Specific goals are set for each site with AMK committee. Every committee meets 4 times in a year and conducts health and safety inspection at the facilities at least 4 times in a year. Basic health and safety training is conducted for all the newly joined managers. It is mandatory for the managers to complete the training and later undergo follow up training every 5th year of their tenure.

CSR Activities in Sweden

For Christmas in 2022 HCLTech Sweden contributed with a charity donation to Rädda Barnen (Save the Children) which made us "Friends of save the Children in 2022". For Christmas in 2022 we also supported the great work done by Save the Children and made a pan European donation to their Children's Emergency fund.

Environment Sustainability

HCL Technologies 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 Technologies Sweden AB. The organization also integrates environmental considerations into all its areas of operations, considering the environment risks, organizational responsibilities and capabilities.

As a responsible corporate, HCL Technologies Sweden AB believes that it has an important role to play in addressing global challenges such as climate change and environmental sustainability. HCL Technologies 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 encapsulates 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 Technologies Sweden AB for FY 2022-2023

Table 8: Energy Consumption Data (FY 2022-23 vs FY 2021-22)

	2022-23 (kWh)	2021-22 (kWh)
Energy Consumption	33,035,103	18,293,893

Water Consumption of HCL Technologies Sweden AB for FY 2022 - 2023

Table 9: Water Consumption Data (FY 2022-23 vs FY2021-22)

	2022-23 (KL)	2021-2022(KL)
Water Consumption	1,589	1,381

All the environmental aspects are identified, and corresponding impact is assessed by applying EAIA methodology. Accordingly, significant 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 Technologies 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 Technologies 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 capabilities. At the enterprise level HCL Technologies Ltd., including HCL Technologies 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.. We also measure and monitor our energy and water footprint. We promote video conferencing for reducing GHG emissions.

Translation from the Swedish original

Auditor's Report

To the general meeting of the shareholders of HCL Technologies Sweden AB, corp. id 556955-5609

Report on the annual accounts

Opinions

We have audited the annual accounts of HCL Technologies Sweden AB for the financial year 2022-04-01—2023-03-31.

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 Technologies Sweden AB as of 31 March 2023 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 Technologies 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 intend 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 scepticism 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.

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 Technologies Sweden AB for the financial year 2022-04-01—2023-03-31 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 Technologies 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 scepticism 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 2023-06-28

KPMG AB

Anders Taaler

Authorized Public Accountant