



Double Materiality Assessment

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Sustainability is increasingly shaping how global IT services companies create value, manage risks and stay competitive. HCLTech conducted a Double Materiality Assessment (DMA) to identify priority sustainability issues affecting both its impacts and financial performance. This assessment underpins HCLTech's sustainability strategy and is in line with evolving reporting standards like ESRS and ensures sustainability is integrated into risk management and business decisions, not just treated as a reporting requirement.

Objective and scope of the assessment

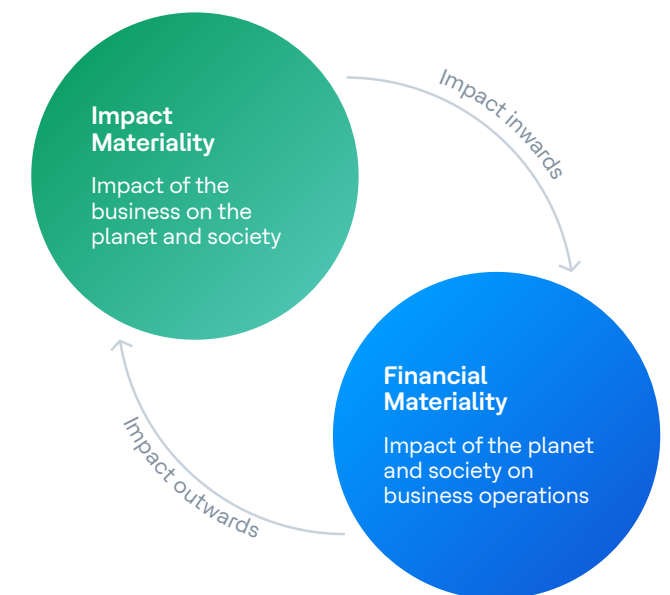
HCLTech's DMA was conducted as a strategic exercise to clarify sustainability priorities and align ESG efforts with long-term enterprise value creation. It focused on identifying the most significant sustainability topics from both impact and financial perspectives, translating them into clearly defined impacts, risks and opportunities (IROs) and strengthening the integration of sustainability into enterprise risk management and strategic decision-making.

It also enhances preparedness for evolving governance, disclosure and regulatory expectations. The assessment covers HCLTech's operations, services and global value chain, reflecting its operating footprint, client commitments and role as a technology services provider across multiple industries and geographies.

Methodology and process followed

HCLTech's Double Materiality Assessment (DMA), conducted in FY26, used an ESRS-aligned, auditable methodology combining internal expertise, stakeholder inputs and a structured scoring framework to identify and prioritize material sustainability topics.

The process assessed IROs across the value chain using CSRD-aligned criteria for severity, magnitude and likelihood, supported by benchmarking and stakeholder engagement. This resulted in nine material topics and 50 associated IROs, with critical issues retained based on defined impact or financial thresholds.



Material sustainability topics

The DMA identified the following sustainability topics as material for HCLTech:



The methodology, findings and resulting material topics from the Double Materiality Assessment were reviewed and validated by executive leadership through HCLTech’s ESG governance structure, with the outcomes informing enterprise risk management, sustainability strategy and Board-level ESG oversight.

HCLTech’s material topics are grouped into five interconnected strategic themes that reflect its operating model, risk profile and growth ambitions. These themes are mutually reinforcing and highlight the importance of an integrated, enterprise-wide approach to sustainability management.

HCLTech’s management approach to Sustainability and ESG

HCLTech embeds sustainability at the core of its strategy, integrating ESG priorities into governance, risk management and business decision-making to drive long-term value. The Board provides oversight and direction, supported by ESG & DEI committee, while the executive leadership operationalizes ESG through a cross-functional governance structure led by the Global Head of Sustainability and cross-functional ESG working groups.

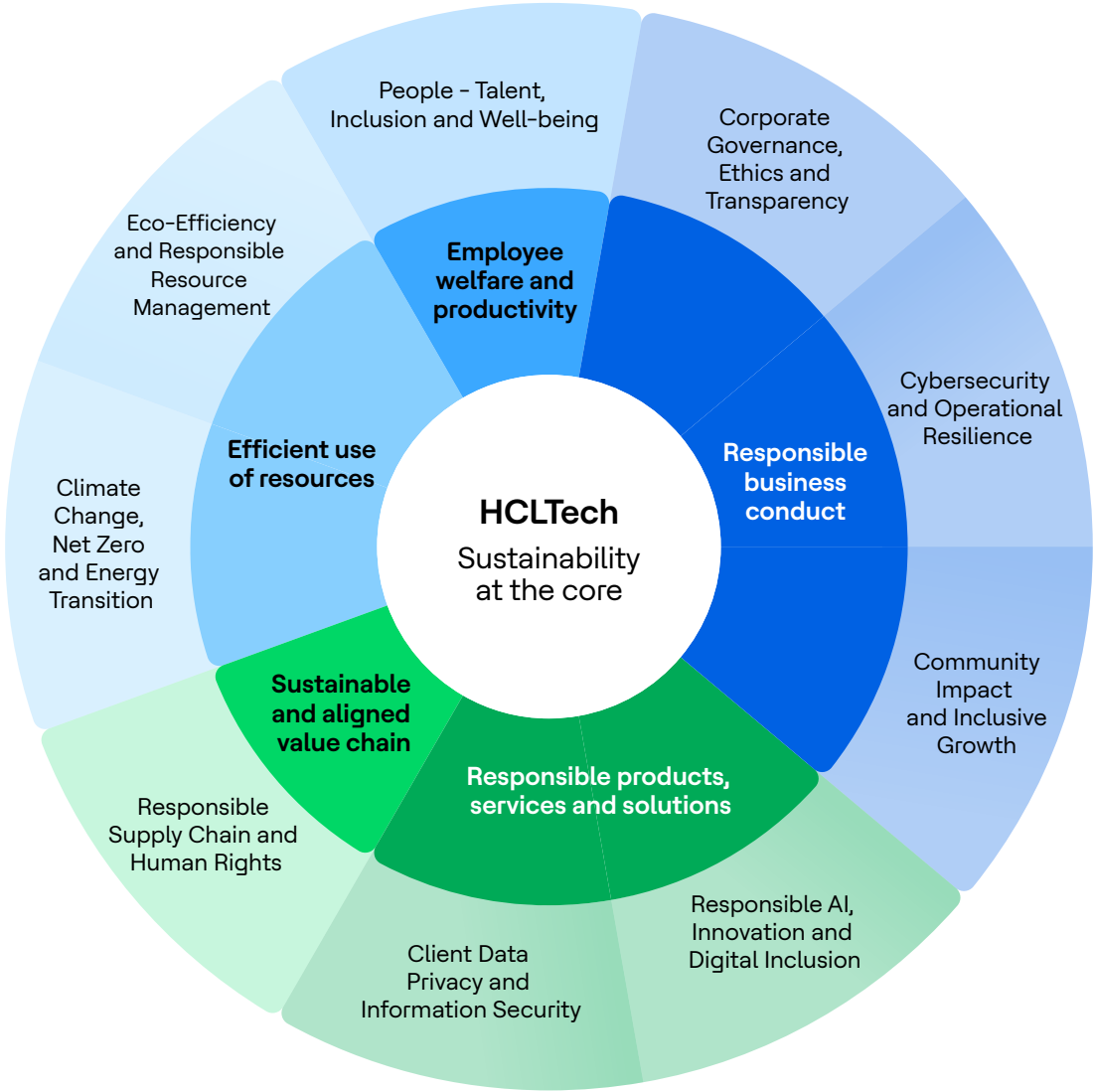
Sustainability risks — including climate, social and supply chain factors — are fully integrated into the Enterprise Risk Management framework, enabling proactive risk identification and informed decision-making. ESG considerations are further embedded into strategy, capital allocation and operational policies, with internal audit and compliance functions reinforcing data integrity, controls and assurance readiness.

A structured, double materiality-based approach defines HCLTech’s ESG priorities, ensuring alignment with stakeholder expectations, business relevance and societal impact. These priorities translate into focused action across resource efficiency and decarbonization, workforce well-being, responsible value chains, sustainable digital solutions and ethical business conduct — linking strategy directly to measurable outcomes.

Technology and innovation further strengthen this model through integrated ESG data systems and automated reporting platforms that enhance transparency, traceability and performance management. In parallel, HCLTech leverages ecosystem partnerships to scale solutions and address shared sustainability challenges, reinforcing a shift from compliance-driven reporting to outcome-focused, performance-led ESG management.

Our sustainability ecosystem

HCLTech at the core, five strategic themes and nine material topics



Strategic themes emerging from the DMA

Efficient use of resources

Climate change, energy efficiency and resource management have emerged as critical material priorities, shaping both business resilience and future growth. Environmental performance is now closely tied to cost efficiency, regulatory expectations and client trust, making it a defining factor in competitiveness. For HCLTech, operational efficiency and climate transition are not only essential for managing risk, they are also powerful drivers of innovation and long-term value creation.

Employee welfare and productivity

Human capital is at the heart of HCLTech's value creation. Talent development, diversity and inclusion (D&I), workforce well-being and digital skills are not just people priorities, they directly shape productivity, fuel innovation and define service excellence. In a rapidly evolving technology landscape, they remain fundamental to long-term competitiveness and sustained growth.



Fostering an inclusive workplace where people thrive, collaborate and succeed together

Sustainable and aligned value chain

A large part of sustainability risk and impact lies beyond direct operations in the extended value chain where visibility is often more complex but consequences are equally significant. We believe responsible procurement, supply chain resilience and respect for human rights are not peripheral concerns – they are fundamental to ensuring business continuity, protecting reputation and sustaining long-term trust with clients and partners.

Responsible products, services and solutions

Technology governance, innovation, data privacy and digital trust act as both safeguards and powerful enablers of growth. For HCLTech, responsible innovation protects stakeholders, deepens client trust and strengthens differentiation in regulated and high-trust markets.

Responsible business conduct

Cybersecurity, Responsible AI, ethics and compliance form the foundation of all sustainability themes, reinforcing the integrity of operations and decision-making. For HCLTech, strong governance frameworks are essential to delivering credible sustainability performance and maintaining long-term stakeholder confidence.



Recognition for upholding the highest standards of ethics, integrity and governance

A key cross-cutting priority that emerged from the DMA is Responsible AI, Innovation and Digital Inclusion, reflecting the increasing centrality of AI-enabled and data-driven solutions across the company's service offerings.

Looking ahead from assessment to execution

HCLTech's Double Materiality Assessment reinforces sustainability as an integrated business responsibility embedded across operations, ecosystems and long-term value creation. It highlights that disciplined execution – through operational efficiency, future-ready talent and strong governance – is essential for competitiveness, resilience and trust in a rapidly evolving regulatory and client environment.

The assessment also shows that many key risks and opportunities extend beyond direct operations, making responsible procurement, supply-chain collaboration and strong partner alignment critical to continuity across the value chain. Managed in an integrated way, sustainability directly shapes enterprise risk, innovation, market positioning and investor confidence, underscoring the need for coordinated, enterprise-wide action.

With material topics defined, HCLTech is now focused on execution and reporting readiness – strengthening CSRD alignment, improving data quality and audit readiness, embedding DMA outcomes into strategy and performance management and developing a phased reporting roadmap. This approach positions sustainability disclosures as a strategic lever for risk management, differentiation and long-term value creation.



Strategic Themes – Our Performance

Efficient use of resources



10.68 L/capita/day

water intensity, lowest in industry

98.43% of owned buildings

certified by Global Green building standards

49.79% RE

89.65% RE in data centers

55.84% ↓

Scope 1 & 2 emissions vs 2020, four years ahead of SBTi 2030 target

51x

water replenished vs consumed globally

100% Platinum

Zero Waste to Landfill with 99% diversion, highest in industry

31% ↓

total energy consumption vs FY20 baseline

SBTi validated

for short-term (2030) and long-term (2040) target

Employee welfare and productivity



2.08% of revenue

spent on employee well-being, industry benchmark

97.78% employees

completed skill upgradation trainings

6th year in a row

Forbes World's Best Employers

50%

of open positions were filled through internal hires

63.5% employees

trained in AI skills

4.03 out of 5

employee satisfaction score

Sustainable and aligned value chain



100% suppliers

covered by Code of Conduct and Green Procurement policy

76.4% of value chain

human rights assessed by business value

100% new suppliers

screened for ESG at onboarding

1,134 sessions

conducted for supplier awareness and capacity building

Responsible business conduct



Roshni Nadar Malhotra

IACC Business Leader of the Year; Forbes 100 Most Powerful Women; Fortune Most Powerful Women in Asia

#1 India-HQ tech company

TIME World's Best Companies, 2nd consecutive year

#1 India-HQ tech company

TIME World's Most Sustainable Companies, 2nd consecutive year

#2 rank

Hurun India Impact 50 (2026)

Three years in a row

Ethisphere World's Most Ethical Company

C Vijayakumar

India's Best CEO (Fortune); CEO of the Year (People Matters); #1 Sell-Side, #2 Overall (Extel 2025)

8.4 Million+ lives

impacted to date, including 54% women

765,000+ hours

HCLTech employee volunteering

47.5 Billion Liters

water harvested in FY26; cumulative 155 billion liters till date

12.2 Million lives

reached via HCLTech × FEBA across 19 EU countries and Turkey

Responsible products, services and solutions



\$1.6 Billion

value delivered to clients over and above contractual commitments

Leader

Avasant Tech-Enabled Sustainability Services RadarView 2025, 2nd consecutive year

Co-innovation labs

driving ecosystem innovation with clients

S&P Global

Sustainability Yearbook for the 4th year

MSCI AA

(Leader) 2 years in a row

Sustainalytics

Top 6 out of 209 global IT consulting companies

EcoVadis Gold

96th percentile globally in FY26