BUSINESS RESPONSIBILITY REPORT 2017

Introduction:

At HCL we believe in contributing to the ecosystem in which we operate. We are conscious of the interdependencies and aim to balance the needs of all stakeholders while implementing our sustainability actions. We have always been conducting our business responsibly by employing an integrated approach covering economic, environmental and social aspects.

We are happy to present the Business Responsibility Report of the Company for the Financial Year ended March 31, 2017, pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Business Responsibility Report covers the responses across Environment, Governance and Stakeholder relationships of all the business units directly under HCL Technologies Limited (HCL).

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:** L74140DL1991PLC046369
2. **Name of the Company:** HCL Technologies Ltd.
3. **Registered address:** 806, Siddharth, 96, Nehru Place, New Delhi-110019 India
4. **Website:** www.hcltech.com
5. **E-mail id:** investors@hcl.com
6. **Financial Year reported:** April 1, 2016 to March 31, 2017.
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** IT Infrastructure Services, Engineering and R&D Services, Software Application Services and Business Process Services.
8. **List three key products / services that the Company manufactures / provides (as in balance sheet):** Computer Programming, Consultancy and Related Activities
9. **Total number of locations where business activity is undertaken by the Company -**
   a) **Number of International Locations (Provide details of major 5):** Operating in 32 countries across the Americas, Europe, APAC and MEA. For details please refer to our website - https://www.hcltech.com/geo-presence
   b) **Number of National Locations:** 67 locations
10. **Markets served by the Company** - Americas, Europe, APAC and MEA. For details please refer to our website - https://www.hcltech.com/geo-presence

Section B: Financial Details of the Company

1. **Paid up Capital (INR): (as on March 31, 2017) -** INR 285.36 crores
2. **Total Turnover (INR): (as per the consolidated Financial Statements for the year ended March 31, 2017) -** INR 47,567.53 crores
3. **Total profit after taxes (INR): (as per the consolidated Financial Statements on March 31, 2017) -** INR 8,606.47 crores
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax -** Refer to Annexure 4 of the Director's Report which forms part of the Annual Report.
5. **List of CSR activities in which expenditure has been incurred:** Refer to Annexure 4 of the Director's Report which forms part of the Annual Report.

Section C: Other Details

1. **Does the Company have any Subsidiary Company / Companies?** Yes
2. **Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):** Yes, we have 92 subsidiary companies.
3. **Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]:**

   As a responsible organization we educate our suppliers and distributors on the BR initiatives of the organization. Also, during various vendor meets and other knowledge sharing platforms, we engage in sharing the BR initiatives.

Section D: BR Information

1. **Details of Director / Directors responsible for BR**
   a) **Details of the Director / Director responsible for implementation of the BR policy / policies**
   - DIN Number - 00030840
   - Name - Ms. Robin Ann Abrams
   - Designation - Independent Director

b) **Details of BR head**

S. No.	Particulars	Details
1.	DIN Number (if applicable)	N.A.
2.	Name	Mr. Ajay Davessar
3.	Designation	Vice President & Global Head - Corporate Communications
4.	Telephone number	9650122336
5.	E-mail ID	ajay.davessar@hcl.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)										
S. No.	**Questions**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
1	Do you have a policy / policies for P1 to P9	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	* Link given below	Available on intranet	Available on intranet	* Link given below	Available on intranet	Available on intranet	Available on intranet	* Link given below	* Link given below
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

**https://www.hcltech.com/socially-responsible-business/management-approach-and-policies.*
**https://www.hcltech.com/investors/governance-policies*

BRR Principle mapping to HCL Policies

S. No.	Policy Name	Principle Mapping
1	Employee Code of Business Ethics and Conduct	P1
2	Equal Opportunity Employer	P4, P5
3	Environment Policy	P6, P2
4	Occupational Health and Safety Policy	P3, P5
5	Anti-Bribery and Anti-Corruption Policy	P1
6	Prevention and Redressal of Sexual Harassment	P3, P5
7	Whistleblower Policy	P1, P5
8	Procurement policy	P2
9	Siting Policy	P8
10	Social Media Policy	P7
11	Supplier Diversity Policy	P4
12	Stakeholder Engagement framework	P4, P9
13	Business Gifts and Entertainment Policy	P1

P. No.	BRR Principles
1	Businesses should conduct and govern themselves with ethics, transparency and accountability
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
3	Businesses should promote the well-being of all employees
4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
5	Businesses should respect and promote human rights
6	Businesses should respect, protect, and make efforts to restore the environment
7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
8	Businesses should support inclusive growth and equitable development
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. - Within 3 months, 3-6 months, annually, more than 1 year.

We have a Corporate Social Responsibility (CSR) Committee of the Board which oversees the CSR activities. For details on the frequency of the CSR Committee meetings, kindly refer to the *"Frequency and length of meeting of the Committees of the Board and Agenda*" section in the Corporate Governance Report which forms part of the Annual Report.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the Company publishes the Sustainability Report or BR annually. Link for the sustainability report - https://www.hcltech.com/socially-responsible-business

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The anti-bribery and anti-corruption policy of HCL applies to all stakeholders associated with the organisation and individuals worldwide working for all affiliates and subsidiaries of HCL at all levels and grades, including directors, senior executives, officers, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, casual workers, volunteers, interns, agents, or any other person associated with HCL.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management? If so, provide details thereof, in about 50 words or so.

HCL did not have any significant corruption or bribery cases registered during the financial year ended March 31, 2017.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The following service offered by HCL address social or environmental concerns, risks and / or opportunities –

Green Data Center methodology

Lately, there has been a proliferation of data with every click, conversation, transaction, and behavior that is being analyzed and stored. This leads to an increased demand for greater storage and processing power. To meet this requirement, enterprises buy data storage space from data centers. However, this proves to be costly and is not energy efficient. There is a growing concern among IT leaders about the negative impact of high consumption of energy on the environment. They are on the lookout for cost-efficient technologies which not only cater to an organization's data storage needs but are environment-friendly as well. Through Certified Alliance Partnership Program (CAPP), HCL has partnered with providers who have built green data centers in environment-friendly facilities and implemented recent technologies such as high-density racks, ultrasonic humidification, high-efficiency harmonic mitigating transformers (HMT's), and variable frequency drives (VFDs).This has helped HCL deliver expert support and green data center solutions along with clean, affordable energy. Leveraging green data center methodology, HCL has attained close to 80% virtualization for its enterprise customers. By opting for HCL's Next Gen Green Data Center Methodology, enterprises can expect facility, technology, and management assessment, green procurement, e-waste recycling programs, new data center design, power and cooling management along with reporting, monitoring, and management.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Being a responsible corporate, HCL through its "Environmental Policy" has made a commitment to conserve the environment by adopting a "Go Green" approach. Many initiatives were undertaken to reduce environmental impact arising out of our business activities. Some of them are listed below:

a) **Balancing Employee Comfort and Green Infrastructure Requirements Initiatives**

i. Building and Architecture

1. Orientation of buildings is planned in such a way that it minimizes heat gain through façade after extensive sun path analysis.
2. All open terraces have over / under deck insulation to save energy.
3. High performance glazing system is used to reduce solar heat gain to interior space and have maximum natural light.
4. Shading devices provide for façade to reduce the heat gain to interior space.
5. Solar water heater supplies hot water for cafeteria needs. Underground rainwater storage tank harvests water from all building terraces.
6. Open areas are landscaped with trees, lawns and shrubs to create a clean and comfortable atmosphere.
7. All the materials used in the building construction are environment friendly with low VOC as per acceptable norms. For e.g., paints, carpets, furniture, ceiling material etc.

ii. **Lighting**

1. LED based light fixtures are used.
2. Entire street and landscape lighting is LED based.
3. Day light sensors use maximum sunlight used in the buildings.
4. Occupancy based light switching system is used to minimize power consumption.
5. High efficiency light fittings with T5 lamps are used.

iii. **UPS System**

1. UPS systems with IGBT technology have been installed for low THD.

2. High efficiency UPS have been installed to reduce energy loss.

iv. **HVAC System**

1. Water-cooled chillers are installed for power saving and STP water utilization.
2. Chillers are provided with VFD starter for optimized and efficient operation.
3. High efficiency VRF air conditioners, which have very low power consumption and deliver maximum cooling and maximum air, are used.
4. All AHU equipment is designed with VFD system for optimized operation.
5. VAV installed in the ducting system to optimize air conditioning based on occupancy requirement.
6. Heat recovery wheels with treated fresh air units installed to reduce heat gain to air-conditioned area. Pumps are installed with VFD to reduce the energy loss.

v. **BMS System**

Building Management System is used to optimize the operation and maintenance of all the utility and services in the campus

vi. **Other Interventions/ Initiatives**

- Utilization of STP water after treatment in horticulture.
- Deployment of organic waste converter in all major campuses for converting waste into useful manure.
- Conversion of diesel vehicles into CNG vehicles for pick-up/drops.
- Working towards conversion of transport fleet from small to bigger cabs by means of realignment of shifts.
- Compliance with prescribed approvals/ standards for emissions, hazardous / bio-medical / solid waste.
- Running awareness programmes on environmental conservation.
- Sourcing of star rated utility equipment for environmental conservation.
- Use of highly efficient LED lighting solutions
- Use of CFC free refrigerants in office air-conditioning.
- Use of video-conferencing to cut down on unnecessary travel cost and environmental protection.

b) <u>Energy Conservation Initiatives:</u>

i. Renewable Power Purchase

In continuation with our commitment to reduce per capita carbon footprint by 33% by financial year 2020, we have procured green power equal to 10,967 MWH for our centers during April 2016 to March 2017. The source of this power was hydro, wind and solar-based electricity. Green power purchase helped the organization reduce carbon footprint of 10,528 tCO_2e* (ton of carbon emission) over other available power resources like grid and captive.

ii. **Solar Roof Top Installation at Manesar, Gurugram**

60 kWp grid connected solar roof top has been installed and is in use at our Manesar facility. One-time capital expenditure incurred towards this intervention is INR 0.36 crores. This implementation will enable the organization to use 90 MWH annual generation from solar panels with estimated annualized reduction on carbon footprint of 86 tCO_2e* (ton of carbon emission) over other available power resources like grid and captive.

iii. **Solar Roof Top Installation at SEZ Bangalore**

50 kWp grid connected solar roof top was installed and was in use from May, 2017. One-time capital expenditure incurred towards this intervention is INR 0.47 crores. This implementation will enable the organization to use 72 MWH annual generation from solar panels with estimated annualized reduction on carbon footprint of 69 tCO_2e* (ton of carbon emission) over other available power resources like grid and captive.

iv. **Conventional Lighting set-up replacement with LED Lighting:**

In all major SEZ locations, various types of lighting fixtures existed and were maintained as per the usage pattern. Some of the lighting fixtures were conventional and obsolete and these are being replaced with the fast evolving lighting technologies.

Replacement of all the existing conventional lighting fixtures with more efficient LED lighting was executed. In comparison to CFL, LED has lot of advantages. For example:

- LED uses less power for same lumen output as given by CFL
- Life of LED lights is 10 times more than CFL
- LED lighting generates less heat than CFL
- LED does not contain Mercury or other toxic heavy metals
- LED does not emit UV radiation

One of the reputed international brands was shortlisted to implement this cost saving solution based on performance contracting for all three SEZ locations (i.e. Noida, Bangalore and Chennai).

Benefits – In financial year ended March 31, 2017, the organization has saved 2,406 MWH of absolute energy which helped HCL to reduce 2,310 tCO_2e* (ton of carbon emission). This has led to increase in operational efficiency.

v. **Chiller & AHU Operational Performance Improvement:**

Solution Approach / Remedial Action : - During a study different modes of operations were observed within the installed AHU units and many AHUs were single constant speed units in SEZ Noida, which resulted in more energy consumption.

A solution was worked out for all such devices with the installation of VFDs including low side automation wherever feasible. This is not only optimizing usage of the equipment but also reducing the heat load at chiller end. One of the reputed international brands was shortlisted to implement the energy cost saving solution on performance contracting.

Benefits - In financial year ended March 31, 2017, the organization has saved 1,815 MWH of absolute energy which helped HCL to reduce 1,742 tCO_2e* (ton of carbon emission) that led to an increase in operational efficiency.

vi. Auto Condenser Cleaning in Chillers

Solution approach / Remedial action - During a study it was observed that the rate of deposition at the condenser of chillers is on a higher side over a period of time due to alkaline properties of water and its effect is being rippled across on the efficiency of the chiller.

Auto Condenser cleaning system for chillers were worked out which have automatic ball injection system at periodic intervals. This auto cleaning technology does not allow the deposition to take place and thus improves the performance of the equipment and optimize the energy consumption.

One of the reputed international brands was shortlisted to implement the energy cost saving solution on performance contracting for air conditioning system installed at Noida SEZ Campus.

Benefits - This intervention enabled the organization to save annualized energy in terms of units 103 MWH. Total annualized reduction on carbon footprint estimated is 99 tCO_2*.

vii. Other Energy saving interventions

To conserve the environment by adopting "Go Green Initiatives" and increase operational efficiency, other initiatives have been undertaken and attributed towards reduction in carbon footprint as captured below: -

Other Energy Optimization Interventions	Reduction in Carbon foot print during Apr'16-Mar'17 Period (tCo_2)
Effective utilization of UPS	456
Revised operating conditions for DC cooling	105
Revised temperature settings for work areas	242

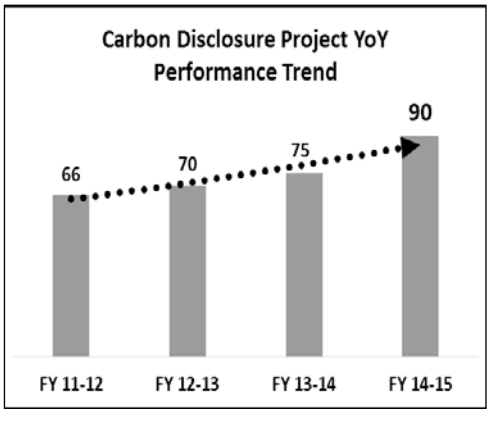
** Conversion reference Grid Emission Factors - CO2 Baseline Database for the Indian Power Sector.*

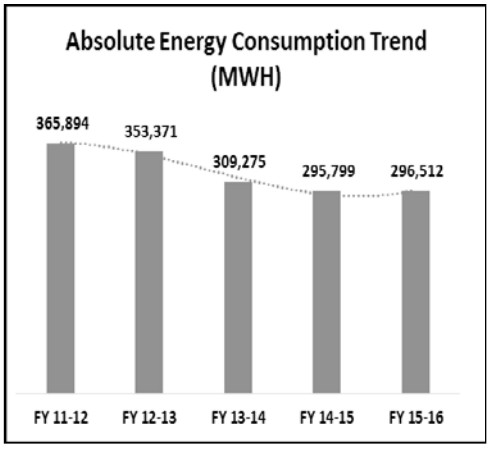
c) **Key Projects - Carbon Disclosure Project**

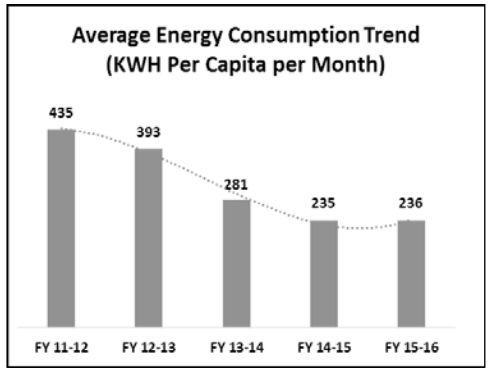
i. Our sustainability target is to reduce "per capita carbon footprint (tCO_2e/ employee) by 20% over the base year 2011" by the year 2020. By the year 2016 we have been able to reduce by 27.37% over the base year.

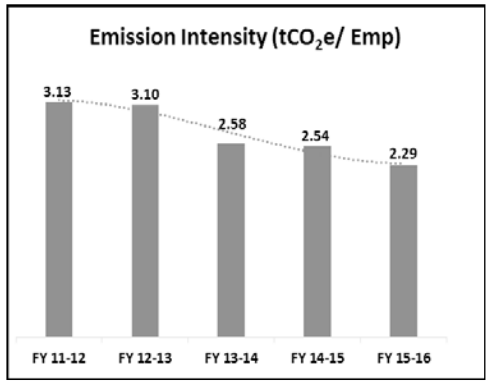
ii. Since our original goal to reduce the per capita carbon footprint by 20% over the base year 2011 has been accomplished, the long term goal has been revised to reduce per capita carbon footprint by 33% over the base year 2011.

iii. Since FY 15-16, CDP has adopted 4 (four) step approach to gauge the companies. It means that they have done away with the marking methodology and have adopted grading system. Leadership grade is the highest, followed by Management, Awareness & Disclosure. Our organization has found a place in the '**Management'** category.









3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, HCL has procedures in place for sustainable sourcing. The procurement approach is guided by the Purchase Manual, which is based on our equal opportunity policy. The organization does not discriminate any vendor based on gender, nationality, ethnicity, religion, disability etc. Vendors that are committed to upholding human rights and operate keeping environmental issues in mind are given preference, while all other factors relating to quality and the competitive aspects of the quotes remain the same as others.

Vendors that are identified to have unethical practices are removed from the supplier-vendor list. The organization carried out an audit of vendor practices and did not identify any vendor who had violated the procurement contractual requirements. Their operations were audited at the time of renewing the contract including aspects of right to exercise freedom of expression and collective bargaining as well as benefits that need to be passed on to their staff.

Vendors go through an appraisal process where they are appraised on the parameters like cost, quality, delivery and sustainability / environment / compliance. The organization procures IT equipment and software from vendors committed to sustainability. For non IT resources, the organization strictly monitors the vendors for statutory compliance. The organization continues to strengthen policies on sustainable procurement for infrastructure development projects.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The organization ensures that preference is given to local vendors for outsourcing jobs pertaining to facilities management, procurement of materials for infrastructure development and other operations.

There are various steps which are taken from time to time at regular intervals and we conduct various capacity and capability building workshops and trainings.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, HCL does undertake techniques for waste management in order to optimize resources. Listing below various steps which we undertake for our utility and services.

a. **Water Management**

1. All washrooms are fitted with sensor taps to optimize water usage.
2. All western closets have dual flush system to minimize water wastage.
3. Sewer Treatment Plant (STP) is installed within campus to treat the sewer water and reuse for flushing, landscaping and HVAC make up water. There is no water discharge from campus.
4. Timer-based automatic controls for water sprinklers are installed to conserve water used for lawn maintenance.
5. 100% replacement of plastic and paper cups with ceramic mugs.
6. 100% replacement of tissue towels from washroom with hand dryers.
7. Printer pin deployment to save paper.
8. Environment friendly refrigerants are used for air conditioning.
9. Rain water recharging pits have been created (14 PITS created in NOIDA campus).

b. **Water treatment and Reuse**

All large HCL facilities in India have Sewage Treatment Plants (STP). The treated effluent from the STP is tested regularly against various national and state effluent standards and recycled for use in washroom flushing and gardening.

During financial year ended March 31, 2017, we treated and reused water across all India operations. We also continue with installing Rain Water Harvesting (RWH) plants in all office buildings with significant operations and we have harvested rain water.

c. **Waste Management**

Organic waste converter with a capacity of 1000 kg per day is provided to generate manure out of organic waste (from kitchens, cafeteria, and garden).

i. **E-waste –** Conventional lights have been replaced with LED based lights, thereby reducing the harmful effects of mercury and reducing the health and environmental concerns. Projectors have also been replaced with LEDs, thus contributing significantly to power consumption and at the same time reducing the waste.

ii. **Paper –** The campus strives to become a paperless campus and thus, suitable measures like, printer pin deployment, printer on alternate floors, setting up maximum printing limit, double side printing and reduction in font size are encouraged. These measures have resulted in significant conservation of paper.

iii. **Reduce, Recycle, Reuse –** The waste management programs are based on the principles of 3R – we measure and quantify all the waste generated by us. The waste is categorized according to the source and disposal. The hazardous waste is disposed of in environment friendly manner, Paper waste is recycled and reused. Bio medical waste is disposed of in a safe manner. Food remains and garden waste are reused to make manure.

Principle 3: Businesses should promote the well-being of all employees

1. Please indicate the Total number of employees.

HCL's global employee count stands at 1,15,973 as on March 31, 2017.

2. **Please indicate the Total number of employees hired on temporary / contractual / casual basis.**

Most of our employees works as full time permanent employees. However, we do employ contract staff for non-core activities such as operations, maintenance, security and house keeping services. This number changes as per the requirements throughout the year.

3. Please indicate the Number of permanent women employees.

24% of the total full-time workforce at HCL comprises women employees.

4. **Please indicate the Number of permanent employees with disabilities.**

Being an equal opportunity employer and a responsible organization, we do not mandate the disclosure of disability. From April, 2016 to March, 2017, 150 persons with disabilities have voluntarily declared their status.

5. **Do you have an employee association that is recognized by Management?**

Yes, in the commitment to engage employees from diverse backgrounds meaningfully, HCL actively supports and fosters a number of Employee Resource Groups (ERG). These groups are a recognized component of an inclusive organization. These ERGs are led and driven by employees themselves and use a multi-dimensional approach and act as platforms for employees to anchor organizational change and development. Given below are some of them for reference.

a. ADEC (African Diaspora Employee Council)

The African Diaspora Employee Council (ADEC) assists in building and retaining a highly-qualified, diverse workforce by promoting professional and personal development opportunities for its members. It also strengthens linkages to and within our diverse communities and African American-based organizations and markets. During financial year ended March 31, 2017, the group organized a networking event and celebrated the Black History Month to engage employees at our Global Delivery Centre at Cary, North Carolina.

b. Ability Connect

This employee network facilitates an environment that helps advance differently-abled employees by suggesting policies and programs to support inclusion and growth. From April, 2016 to March, 2017, 150 PWDs have voluntarily declared their status.

c. Chargers

The Chargers Program aims to engage with employees and provide them with opportunities to pursue their interests in sports, health and wellness, photography, dance and music, knowledge and problem solving, and specific hobbies with like-minded employees.

The Hobby Clubs anchored by the Chargers have over 30,000 HCLites as members globally. Clubs like Foodies, Bikers, Photographers, Quizzers, Polyglots and Toastmasters are famous networks in HCL. Hobby classes are organized within the office premises to help employees learn more about their interests. In addition to these passion clubs, we have a number of employee engagement events at our various work sites. All employees are members of this association but the charter runs with select representatives who form 1% of the total workforce.

d. iBelieve – The HCL Women Connect

HCL's Women Connect aims to engage and advance women through development programs, advocate gender neutral work environment by suggesting appropriate policies and position HCL as an employer of choice by women across the globe. This group also coaches and counsels aspiring young women professionals, and shares experiences on work- life priorities. There were "Feminispiration" events organized by Women Connect this year, in which women achievers were invited to speak. In financial year ended March 31, 2017, 7,000+ women employees were covered through 210 sessions. In addition to Women Connect, HCL offers a number of support systems to help women manage work and life priorities. These include life coach support, day care in office premises, concierge services through AHA, and policies such as extended maternity leave, work from home, flexi careers and flexi work hours. All these have helped young women, especially those who take maternity breaks to pursue or resume their careers. In the financial year ended March 31, 2017, around 13,000+ employees were covered through Women Connect sessions, Heritage and ADEC forums.

e. Community Champions

This employee network is the largest and continues to grow every day. Community Champions are a group of community service volunteers, who lead the HCL Foundation activities. Approximately 6,836 new volunteers joined the network in financial year ended March 31, 2017.

6. What percentage of your permanent employees is members of this recognized employee association?

Details and break up in terms of participation under various employee forums provided in point number 5 (employee association organized by Management)

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour / forced labour/ involuntary labour-	N/A	N/A
2.	Sexual harassment	8	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- **Permanent Employees**
- **Permanent Women Employees**
- **Casual / Temporary / Contractual Employees**
- **Employees with Disabilities**

In financial year ended March 31, 2017, 1,12,480 employees received training through various programs.

Band Categorizations	Female	Male	Total
Executives	19,337	42,441	61,778
Managers	5,422	26,697	32,119
Senior Managers	1,689	14,825	16,514
Leadership	148	1,921	2,069
Grand Total	**26,596**	**85,884**	**1,12,480**

The above data is inclusive of permanent employee, permanent women employees, casual / temporary / contractual employees and employees with disabilities. Our training programme covers all employees irrespective of race, gender or physical disability. Our training programmes are designed basis our training strategy and continuous learning interventions and skill upgradations.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders? Yes / No

Yes, HCL maps its internal and external stakeholders. Please find below a detailed note on our stakeholders mapping and Business Responsibility priorities.

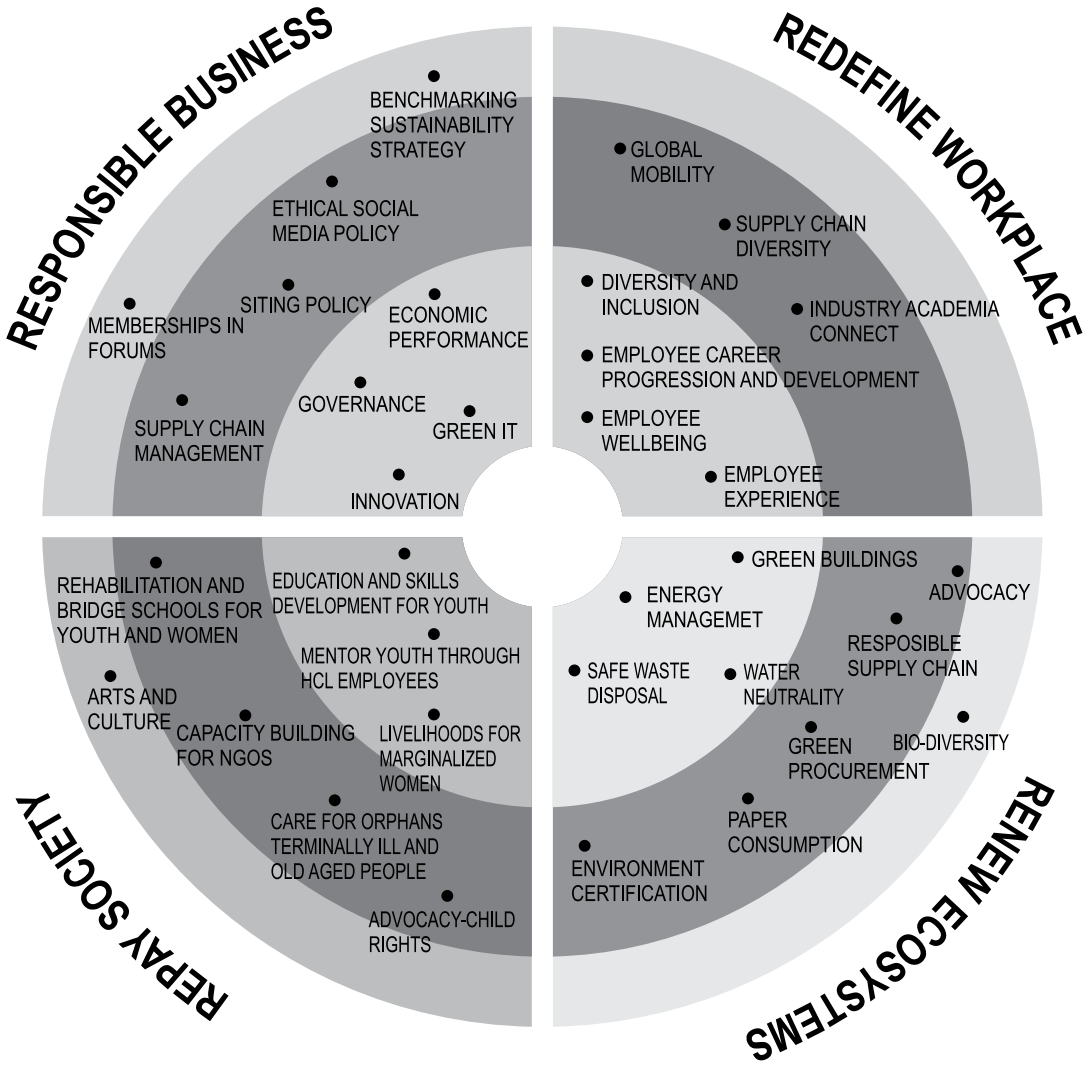
The stakeholder's engagement during the financial year ended March 31, 2017 helped us to reconfirm our materiality matrix against our four pillars of Responsible Business, Redefine Workplace, Renew Ecosystem and Repay Society.

- **Responsible Business:** A comprehensive risk management framework and business continuity processes and innovation-based solutions for customers and supply chain management.
- **Redefine Workplace:** Employee career development programs, gender diversity at work place, and safety and security of women employees in India.
- **Renew Ecosystem:** Certifications, energy management and water conservation.
- **Repay Society:** Understanding CSR law in India and drafting a strategy to align with the requirements, building the capacity of NGOs to support us in the long term, enabling skills development for youths in urban slums as well as in key geographies where we operate (USA and UK), empowering women and identifying sectors for rural development in India.

The priorities, whether high, medium or low, are based on what the stakeholders and the organization value collectively on a mutual sustainable journey. The issues that are mentioned toward the core of this matrix are of high significance to the organization and also to stakeholders.

The significance of material issues is determined by the measure of two parameters: (1) Importance to stakeholders (2) Importance to HCL's business. The stakeholders' engagement at HCL is a continuous process and there has been no change in the materiality matrix identified by the company for reporting:

Materiality Matrix



Details of the stakeholder engagement and outcomes are provided below:

Stakeholder	Key Sustainability Priority	Sections in which priorities are addressed
Employees	Wellness and well-being, career development, learning forums, grievance channels, and hobby clubs	Redefine Workplace, Repay Society
Customers	Innovative IT solutions, Green IT	Responsible Business
Vendors and Suppliers	Adherence to quality norms, and ethical procurement	Responsible Business, Redefine Workplace
Immediate communities in which we operate	Education, employability trainings, women empowerment and health / sanitation	Repay Society
Investors and Shareholders	Transparency and maintenance of high degree of disclosure levels and focus on good corporate governance	Responsible Business
NGOs, and Advocacy Groups	Community development, capacity development, advocacy on human rights issues such as diversity, safety, advocacy on environment and climate change	Renew Ecosystem, Repay Society

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   Yes, they have been identified basis the materiality matrix index.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   Yes, as a socially responsible organization, we stand committed towards the welfare of the communities and around us. There are various community engagement activities which are undertaken for the welfare of disadvantaged, vulnerable and marginalized stakeholders. Details of various activities are listed under Principle 8.

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   HCL's policies also extend to all group companies, suppliers, vendors and NGO partners. The various policies that guide the HR practices are Equal Employment Opportunities and Human Rights, Employee First Philosophy, Diversity Plan, Corporate Governance Policies, COBEC & ABAC Policies, Whistle Blower Policy, Equal Opportunity Employer and Prevention & Redressal of Sexual Harassment at Workplace Policy.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

   The organization continues to address grievances pertaining to harassment or discrimination through a secure channel. We investigated and resolved 8 significant cases during financial year ended March 31, 2017. The organization received 16 complaints from the shareholders regarding non-receipt of dividends, share certificates and annual report and the same were resolved satisfactorily.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

   Yes, HCL's Environmental Policy is for all the people working for and on behalf of the organization including all companies, suppliers, contractors, NGOs and all our stakeholders.

2. **Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink of webpage etc.**

   Yes, HCL has taken initiatives to reduce the ecological footprint through various ways. Also, HCL is committed to reduce the pollution and minimize the waste generation by adopting Reduce - Reuse - Recycle Philosophy.

   Being a responsible corporate, HCL through its "Environmental Policy" has made a commitment to conserve the environment by adopting a Go Green approach. Many initiatives were undertaken to reduce environmental impact arising out of our business activities.

3. **Does the Company identify and assess potential environmental risks? Y / N**

   Yes, HCL has identified and assessed all the potential environmental risks with its control measures. The effective Environmental Management System is also in place which is in line with ISO 14001 Standard's requirements.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   HCL is not involved in Clean Development Mechanism (CDM) and in any carbon trading. We have not registered any of our projects for carbon trading. However, as a responsible organization, we have set our own goal to reduce per capita carbon emission by 33% by 2020. Taking 2011 as the base year we have achieved 27.37% until 2016. HCL also actively participates in CDP and discloses its carbon emissions publically.

5. **Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink of webpage etc.**

   Yes, HCL has been undertaking initiatives on clean technology, energy efficiency, renewable energy etc. and also targeting for 20% of the purchased and/ or captive source to be substituted with renewable energy.

6. **Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

   Yes, all the emissions and waste generated are well within the CPCB/SPCB permissible limits.

7. **Number of show cause/ legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   HCL did not receive any notice from CPCB / SPCB and no such cases are pending as on March 31, 2017.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   Many of our senior leaders play key roles in the advisory councils and steering bodies. These include prestigious forums, some of which are mentioned below:

   - **WORLD ECONOMIC FORUM**: HCL is a strategic partner at the forum, which is the highest level of partnership available for any organization across the globe. The forum has defined industry clusters and communities that partner companies can participate/ support throughout the year.
   - **NASSCOM:** HCL has been a member of National Association of Software Services Companies (NASSCOM) since 1999. HCL abides by all rules, regulations, guidelines and best practices prescribed by this apex body of all technology and information service provider companies in India.
   - **CII:** HCL is a member of the Confederation of India Industries (CII). HCL abides by all rules, regulations, guidelines and best practices prescribed by this apex body of all corporations in India.

   Additionally, we also work with country specific trade bodies and associations like UKTI, USIBC, etc.

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Y / N. If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

   HCL believes that it is our responsibility to work for the advancement and improvement of public good. This is an on-going effort and depending on the business and regional needs we align ourselves to the programs and initiatives being planned by the trade bodies and associations. Alternately we also ideate and make programmes with these associations as part of our relationship building exercise.

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   There are various programmes and initiatives to support inclusive and equitable growth. The following are the details about the various activities we undertake through HCL Foundation.

   HCL Foundation was established in 2011 as the corporate social responsibility arm which aims to alleviate poverty and achieve inclusive community growth and development. Active community engagement ensures optimal long-term investments in education, health, livelihoods and environment, as well as providing disaster response and rehabilitation support.

   HCL Foundation is a gold standard not-for-profit organisation that uses international development standards to implement CSR programs that bring lasting impacts in the lives of people across urban and rural areas of India. In achieving its goals, the Foundation emphasizes:- on Credibility, Transparency, Accountability, Outreach to the Unreached and Sustainability.

   HCL Foundation addresses issues that matter through an Integrated Community Development Approach (ICDA). All the programs are aligned to Sustainable Development Goals & National Mission thus contributing to the goal of nation building. The Foundation ensures that its efforts are gender transformative, child protective and inclusive across themes. With the relentless support of the employees and partners, HCL Foundation is active in Delhi NCR, Karnataka, Maharashtra, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal, in India. Employees also engage globally on CSR in US, UK and Europe. For details, please refer http://www.hclfoundation.org.

Awards and Recognitions:

In the financial year ended March 31, 2017, HCL Foundation has been honored with the "Best Corporate Foundation Award" by World CSR Day for outstanding contribution to Social Causes and CSR Efforts. Also, Ms. Nidhi Pundhir, Director - CSR and Head - HCL Foundation, has been conferred the "100 Most Impactful CSR Leaders" (Global Listing) Award by World CSR Day.

Thematic Focus & Highlights for the year 2016-17

a) EDUCATION - Learning that Empowers:

Early, primary, secondary, adult, digital & civic education. Education that leads to human resource development, at all stages of life, including imparting soft-skills that are needed for better quality of life. An Education that is gender transformative, inclusive for all and respects safe spaces for children. HCL Foundation invests in innovative, technology-led education for children, youth and women in urban and rural India. In 2016-17, HCL Foundation has reached 1,33,665 adults, youth and children through its Education initiatives – Gurukul and My Scholar

b) HEALTH - Health & Wellbeing:

Equitable, universal access to health for all, including prevention of communicable and non-communicable diseases, malnutrition, maternal, child and reproductive health as well as healthy habit formation. Access to portable water, sanitation and hygiene. Both in urban and rural areas, HCL Foundation invests in health & well-being at all stages of life, that leads to enhanced opportunities to lead a high quality life for all. In 2016-17, 1,05,294 adults, youth and children have participated in HCL Foundation's health initiatives, and benefitted.

c) LIVELIHOOD - Earning with Dignity:

Employability and skill development, job placement, small scale entrepreneur assistance leading to sustainable livelihood opportunities that create strong and self-reliant people and communities. Targeted at youth and women in urban and rural areas, HCL Foundation's comprehensive programmes train them in a variety of vocational and entrepreneurial subjects, that lead to dignified work opportunities. In 2016-17, 9,973 youth and adults benefitted from HCL Foundation's Livelihood initiatives.

d) ENVIRONMENT - The Way of Life:

Access to clean air, water, energy; soil, flora and fauna, terrestrial ecosystem conservation; environmentally responsible practices at all levels; Combating desertification, deforestation, land degradation, biodiversity loss, pollution and promoting use of renewable resources. Preserving the planet is a critical priority for HCL Foundation. In FY 2016-17, HCL employees and students in HCL Gurukuls made communities greener and cleaner. They planted saplings and collected hundreds of kilograms of plastic waste during various waste collection drives.

e) HUMANITARIAN ACTION - Standing with Communities in Need:

Natural and man-made disasters are a regular, albeit unpredictable part of life. As the world faces intensifying climate change, weather-related disasters are expected to grow. Responding to these requires the effort and coordination of many stakeholders—from government and communities to NGOs and business. HCL Foundation coordinates resources to provide humanitarian aid to employees and communities in need and supports 'building back' as and when there is a need. In FY 2016-17, over 7,000 households were supported with cyclone relief dry ration kits after the Cyclone in Tamil Nadu; In Bihar HCL Foundation is helping to improve the hygiene practices and nutrition levels of families affected by the flood. In Assam, we are supporting to set up education/child friendly spaces centres and rebuilding of education spaces for children.

FLAGSHIP PROGRAMS & HIGHLIGHTS 2016-17

With the core belief of achieving inclusive socio-economic development, HCL Foundation is currently working on four flagship programs:

HCL Samuday	HCL Grant	Power of One	Urban Community Development

1. HCL Samuday

Implementing a Replicable Community Development Model

HCL Samuday is a direct action by HCL Foundation to develop a source code for sustainable rural development with an INR 100 crores (~USD 16 million) annual commitment in

villages of Uttar Pradesh, India. It is designed to be a replicable model - a source code for integrated and sustainable rural development - that builds model villages in partnership with central and state governments, local communities, NGOs, knowledge institutions and allied partners. Currently this is under implementation in the central zone of Uttar Pradesh (Madhyanchal) in Hardoi District, covering three blocks - Kachhauna, Behandar and Kothawan.

2. HCL Grant

Recognizing and strengthening the Fifth Estate: NGOs transforming rural India

The growth and development of our nation has been built on the four estates – the legislature, the judiciary, the executive and the media. HCL Grant is a recognition of the rise of the Fifth Estate - Non-Governmental Organizations (NGOs). The Fifth Estate has now become a critical agent of change that plays a decisive role in building a stronger, future-ready India.

Started in 2015, as a CSR commitment by HCL Foundation, the grant aims to strengthen and build the capacity of the NGOs doing path-breaking work in the areas of health, education and environment. The grant is designed to support NGOs that reach out to marginalized, isolated and underdeveloped rural communities, and work jointly to achieve sustainable socio-economic development.

HCL Grant has two key objectives:

- Financially support innovative and replicable projects put forward by NGOs committed towards transformative rural development every year. One NGO in each of the three thematic categories of education, health and environment is awarded a grant of upto INR 5 crores each.
- Identify the best NGOs who have made significant impact in rural transformation, and publish a compendium of these NGOs to provide them international visibility.

Highlights

In the financial year ended March 31, 2017, HCL Grant expanded beyond education to include health and environment themes. More than 3,000 NGOs registered for the grant, of which more than 600 submitted high quality and complete applications. Field locations of 48 shortlisted NGOs were visited by senior level experts. Based on these field assessments, 32 NGOs were presented to highly qualified thematic sub-juries who further shortlisted nine NGOs for final jury evaluation. Three best NGOs were selected by an independent jury on February 21, 2017 as the recipients of the HCL Grant 2017.

The winning NGOs of HCL Grant 2017 across three categories are:

- Foundation for Ecological Security (Category: Environment) works towards conservation of nature and natural resources through collective action of local communities.
- Child in Need Institute (CINI) (Category: Health) aims to enable economically disadvantaged women and children to take control of their lives and have a share in sustainable development.
- MelJol (Category: Education) focuses on empowering children from varied backgrounds and their ecosystems to build a spirit of confidence and entrepreneurship.

HCL Grant Recipient 2016 - Going to School:
In the first edition of the HCL Grant (2016), HCL Foundation granted INR 5 crores to the NGO "Going to School" (in the education category) for their innovative educational programs. Through their design-driven approach and learning materials, "Going to School" currently works with more than 1,300 schools and is positively affecting 150,000 children every week with life changing skills.

3. Power of One

Engaging HCL Employees in Community Development and Nation Building

Power of One is HCL's powerful employee volunteering and payroll giving program as well as the cornerstone of HCL Foundation's work in urban neighborhoods. Power of One is based on the belief that all we need is just one rupee per

day or one British Pound or one US Dollar per week and one hour, one day, one month or one year of community service by HCL employees to make a significant difference in society.

Approach: Power of One consists of two key components:

1) Daily Payroll Giving - Employees are encouraged to contribute one rupee every day in India, one US Dollar per week in US, one British Pound per week in UK, and so on. These funds are directed to key initiatives described in more detail below. These funds are over and above the CSR spends of HCL Foundation and mapped separately. For the financial year ended March 31, 2017, close to 32,950 employees have been contributing towards Power of One.

2) Community Championship - Depending on their time, interests and expertise, HCL Foundation mentors and encourages employees to volunteer on community service projects.

Power of One ensures active and regular financial support and participation by HCL employees in humanitarian and developmental projects. It enables them to act on issues they care about and become valuable agents of change in making the communities where they live and work a better place.

4. Urban Community Development

Urban Community Development is HCL Foundation's integrated community development program for underprivileged communities, including migrant workers and displaced people living in urban slums. Under this program, HCL Foundation also addresses vital issues through city wide campaigns. All interventions carried out by HCL Foundation, in urban neighborhoods, where HCL is present, are categorized under its flagship project called "My Community". As of now, the project `My Community' is operational in NCR (Noida, Gurugram and Delhi); Chennai, Madurai, Lucknow, Kolkata and Pune. Soon the project will also be rolled out in Vijayawada and Nagpur. With its philosophy of ensuring lasting positive change, HCL believes in investing in cities, where it operates. Hence, HCL Foundation is mandated to address issues that are in the remit of HCL Foundation's thematic focus areas, in these cities. In the face of rapid urbanization and fast changing socio-economic landscape of Indian cities.

GLOBAL COMMUNITY INITIATIVES

As a global company, HCL's commitment to corporate social responsibility goes beyond its Indian roots. From key offices around the world, HCL Foundation reaches out to local communities to make life better for people in need. A key focus is to support the development of sustainable livelihoods, including programs in education, employability and skills development, and women's empowerment.

a) Promoting Employability in the United States

HCL Foundation has partnered with NPower Technologies (NGO) to further its mission to promote employability by developing the skills of youth and war veterans via trainings, internships, job placements and the like. The foundation also looks to build technological skills amongst individuals and use these to benefit non-profits as well as schools. To achieve the above, HCL Foundation has developed two unique programs:

- Technology Service Corps (TSC), a free, sector-based technology workforce development program that responds to the needs of the under-served, low-income, young adults and unemployed veterans.
- The Community Corps, a unique, online program that provides non-profit organizations and schools access to the tech community who in turn help the former achieve their goals.

b) Helping Youth Succeed in the United States

HCL is now partnering with the United Way of Greater Triangle (Raleigh-Durham, North Carolina) for the Youth Success Program which aims to help young people succeed in school and life. The partnership is focusing on academic and educational support, financial literacy, family and peer support services, mentoring young adults, expanded learning opportunities through summer

training, in school and after-school coaching, mental health services, employment readiness training. HCL employees have an opportunity to play a key role in this program through their volunteer support.

c) United Kingdom - Promoting Employability

An obsession with exploring how technology can make a positive difference in people's lives inspired a partnership with The Prince's Trust to create a program called "Get Started with Technology". This one-of-a-kind learning program is aimed at providing mobile application development and digital learning skills to underprivileged young adults so that they are employable. Volunteers in this program help support, guide and inspire the participant's journey by mentoring, tutoring, getting involved in topical discussions, taking them on education tours and positively involving parents in this process. Currently, this initiative has enabled the training and development of 110 disadvantaged local youths.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

All the programmes / projects are undertaken through HCL foundation in collaboration with HCL employees, customers and external NGOs. For details, please refer to website http://www.hclfoundation.org.

3. Have you done any impact assessment of your initiative?

Yes. HCL Foundation has put in place various indicators for community development under different focus areas and has developed various tools and monitoring mechanisms to ensure the achievement of these indicators. There is heavy focus on stakeholders' involvement and consultation at every level. Funds Utilization Certificates and Audit Reports are the primary instruments used to monitor that the projects undertaken are within the defined categories of expenditure. The quarterly reports and half-yearly reports furnished by our implementing partners are studied carefully and verified through field visits by our field and programme officers. Case studies are collected for all the projects and informal feedback sessions are held with our beneficiaries to understand the satisfaction levels. Members of the senior management of the Company conduct surprise visits to our community projects to understand the overall experience of change. All these interventions help HCL Foundation to understand gaps in the implementation of our projects and to timely bridge the gaps. The periodic field audits are supplemented by the regular interaction between HCL volunteers and the community members.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Please refer to Annexure 4 of the Directors Report which forms part of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

HCL Foundation focuses on sustainability of the projects and communities in the long run. This includes strategies to improve community ownership, empowerment of local community i.e. creating local leaders through capacity building, linkage with the available systems, starting a chain reaction, convergence, knowledge sharing, etc. Some of the interventions adopted are action plans to include awareness, exposures, social audits by the community, creating leaders, impact creative groups, HCL linkages, Government linkages, build a road map with clear impact, sharing results with the Govt, target-based actions, creating manuals for various sectors, holistic action plan, HCL volunteer engagement, etc.

Principle 9: Businesses should support inclusive growth and equitable development

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year?

We did not record any significant complaints regarding breach of customer privacy, loss of customer data and non-compliance with laws and regulations concerning the usage of our products and services.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information).

Not Applicable

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices,

irresponsible advertising and / or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

We were not subjected to any significant legal actions for anti-competitive behavior, anti-trust, monopoly practices or non-compliance with laws and regulations in the financial year ended March 31, 2017. The internal risk and audit team provides key management leaders with risk insights and the various departments proactively implement actions to comply with COBEC or local regulations. We did not have any significant corruption or bribery cases registered during the financial year ended March 31, 2017.

4. **Did your Company carry out any consumer survey / consumer satisfaction trends?**

Yes. HCL places huge focus on the way we run the business, handle customer interactions and deliver services. To be successful at what we do, we believe that it is extremely important to have a deep understanding of our customers' business drivers and the markets they operate in. Our Customer Advisory Council convenes bi-annually to provide feedback and recommendations on our key strategic issues and solutions identified by us. This Council has been honored with the Forrester Groundswell Award in the 'Business-to-Business Embracing' category.

The annual survey on customer satisfaction is carried out by a third party agency every year. This survey spans across all business lines of HCL. In this year, we were able to sustain high levels of satisfaction of customers compared to industry levels. This is also evidenced in the facts that HCL has been continuously achieving high level of response rate for the past six years and 80% of our top accounts have been classified under customer delight category.