Hexaware Technologies Communication on Progress 2015

For the United Nations Global Compact

April 2016

Contents

About Hexaware Technologies Limited

Hexaware Technologies Limited (hereinafter referred to as "Hexaware" or "the Company") is a global provider of IT, BPO and consulting services.

The Company's vision is to ensure customer satisfaction by value addition and honoring commitments, to build stakeholder value and maintain high standards of corporate governance and to be an eco-friendly organization. The Company's mission is to provide software solutions which exceed customers' expectations being competitive and proactive.

For more information visit www.hexaware.com

The **Hexaware Technologies UNGC Communication on Progress 2015** report covers the performance for the period January 2015 to December 2015, unless otherwise mentioned.

Statement of Continued Support

March 30, 2015

To our stakeholders:

I am pleased to confirm that **Hexaware Technologies Limited** reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within *one year* of joining the Global Compact, and *annually* thereafter according to the Global Compact COP policy.

Sincerely yours,

R Srikrishna

Chief Executive Officer

Human Rights Principles

> **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.
> **Principle 2:** Businesses are not complicit in human rights abuses.

Policy, Goals and Assessment

Hexaware is committed to respecting the rights of all its employees, customers, and the society at large. This is underlined through Hexaware's Business Code of Conduct Policy, the Whistle-blower Policy and Sustainability and Corporate Social Responsibility Policy.

Hexaware follows a zero-tolerance policy towards human rights violation and forbids any form of discrimination including race, religion or gender. Hexaware prohibits any form of harassment, including sexual harassment at the work place.

Human rights are one of the thrust areas of Sustainability and CSR at Hexaware. The Company is committed to develop awareness on human rights and uphold the universal values within its sphere of influence.

The Whistle-blower Policy provides a forum for employees to report any violations of human rights or any other policies of Hexaware.

Implementation

Hexaware's Business Code of Conduct Policy, the Whistle-blower Policy and Sustainability and Corporate Social Responsibility Policy are an integral part of Hexaware's trainings and employee induction. The policies are also accessible to employees on a repository hosted on the intranet.

Hexaware's employees can directly report any grievance to the HR Business Partners (HR BPs). The HR BPs works closely with the employees on all human resources related topics with clearly defined engagement mechanisms. The employees have regular one-on-one meetings and skip level meetings with the HR BPs. Hexaware also schedules regular open houses for the employees, where any concern may be raised or feedback can be provided.

Hexaware has instituted a Cordial Work Environment Policy that ensures a conducive workplace for its employees. Any violation of the Policy may be reported to the HR. Hexaware engages closely with the customer to seek feedback and provide a channel to report any concerns. The mode of engagement is through Customer Feedback forms, in addition to visits to customer sites by the HR BPs. Hexaware's audit procedures for its suppliers also touches upon human rights aspects.

Hexaware's Whistle Blower Policy has been reviewed and strengthened as per changing regulatory requirements and in line with the UNGC requirements.

Measure of Outcomes

Hexaware keeps a record of the complaints for Human Rights violation.

Labour Principles

Policy, Goals and Assessment

Hexaware upholds the freedom of association and right to collective bargaining for its employees. Hexaware is not complicit with any form of forced or compulsory labour. At Hexaware, employment is solely by will and merit. The contract of employment can be terminated by employees through a formal resignation process.

Hexaware respects and believes in the ideologies and recommendations put forth by the International Program on the Elimination of Child Labour (IPEC) and Indo-US Child Labour Project (INDUS). Hexaware wholly complies with the Child Labour (Prohibition and Regulation) Act of 1986.

Hexaware treats all individuals fairly and impartially, without prejudice developing a fair working culture and enabling all employees to make their distinctive contributions to the benefit of the business. Hexaware is committed to extending the culture across its value chain - suppliers, business partners and customers.

Hexaware prohibits discrimination or harassment based on race, colour, religion, national origin, sex, age, sexual orientation, marital status, citizenship status, or disability.

Implementation

Employees of Hexaware have constituted committees for overseeing and managing canteen operations, employee events (Funsters), and others. Hexaware also organizes Open Houses, where employees can participate freely and interact with the senior management.

Hexaware has established **Funsters**, a committee of employees which conducts periodic activities specifically designed to promote welfare of employees. Employees are actively involved in planning and implementing the Funsters activities. Funsters encompass a variety of employee engagement activities organized every 2 months across all locations of Hexaware, with the following highlights:
- Employee opinions and feedback about the events are collected regularly
- Several efforts to motivate employees to participate in these events have been undertaken, which have helped significantly improve employee participation over the years.

Hexaware also seeks formal feedback from the employees regularly. Employees may also raise their concerns or report grievances to the HR Business Partners.

Hexaware routinely engages its employees in its Corporate Social Responsibility (CSR) outreach program called H3O (Helping Hands from Hexaware). The objectives of the program are to
- Inculcate the spirit of "Giving back to society" in employees.

- Helping the lesser privileged sections of the society
- Supporting people affected by natural calamities
- Supporting institutions for visually challenged people, orphanages, old age homes and hospitals etc.

Hexaware requires identity documentation including date of birth from all its employees at the time of joining. The Company does not employ any child under regular employment, contractual apprenticeship or trainee capacity.

Measure of Outcomes

No complaints related to the labour principles were received by Hexaware.

Environment Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges.
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Policy, Goals and Assessment

Hexaware has encapsulated its environmental responsibility in its core values and reinstated it through the Business Code of Conduct Policy and Sustainability and CSR Policy.

Hexaware strives to responsibly use resources, and is committed to sustainable development. It intends to minimize the potentially harmful effects on the environment from its operations and endeavours to re-use rather than dispose whenever possible. Hexaware also promotes recycling and reusing materials.

In the previous financial year, Hexaware initiated a project called 'Clean and Safe Neighbourhood' as an effort to ensure the surrounding space around Hexaware offices are safe and clean. As a part of this project, two activities were undertaken, one burial of cable (i.e., converting exposed 11KV conductor into UG cable) and second one is converting the external open drainage system into concealed drainage.

Implementation

Hexaware encourages its employees to adopt responsible measures in use of resources such as energy and water, including renewable energy projects. At a location-level, Administration and Facilities department along with Human Resources and employee committees run awareness initiatives urging responsible practices such as turning off lights, double-sided printing, regulating air-conditioning temperature, updating fixtures to energy efficient and water efficient fittings and other measures.

Hexaware institutes key performance indicators for each of the thrust areas of environmental sustainability. The Steering Committee, a committee that sets and drives the CSR agenda of

Hexaware, sets goals and monitor against each of these indicators on an annual basis or as it deems suitable.

Hexaware disposes the hazardous and electronic waste responsibly and through authorised recyclers/ resellers. The Company has established a campus at Siruseri in Chennai as a green campus, in accordance with its '*Think Green Initiative.*'

Environmental Initiatives taken by Hexaware at its Greenfield campus in Siruseri, Chennai include:

1. Consolidation of chiller plants: Hexaware is working on a long term solution to integrate all chiller plants across buildings. This will facilitate selective floor level operation during night hours and weekends, based on the need, and significantly reduce energy consumption.

2. One operational room for all those working at night: To reduce the environmental impact, Hexaware has provided the facility of air conditioning a small enclosed area for all those who have to work at odd hours and on weekends.

Anti - Corruption Principles

> **Principle 10**: Businesses should work against corruption in all its forms, including extortion and bribery.

Policy, Goals and Assessment

Hexaware upholds all applicable laws relevant to countering bribery and corruption. In addition, the Company is bound by the UK Bribery Act 2010.

The Code of Conduct for the Board of Directors and Senior Management at Hexaware prescribes the highest standards of honesty, integrity, ethical and law-abiding behaviour while performing their duties and/ or dealing with any officer, employee, shareholder, customer, supplier, auditor, lawyer and other advisers of Hexaware. A Senior Management member at Hexaware is expected to not improperly use his/her position, property or information acquired through his/her position for personal gain or gain of an associate or to compete with or harm Hexaware.

All Hexaware employees must abide by its Business Code of Conduct Policy which outlines a strong focus on ethical and professional conduct.

Hexaware does not endorse the payment or receipt of gifts or bribes for business or financial gain. The employees and representatives of Hexaware are expected not to do anything that could give an impression that Hexaware could be influenced in this manner.

Hexaware does not welcome or encourage facilitation payments. Such payments may be made only when they are legal, small, customary in the circumstances, and are used to secure an outcome to which Hexaware is legally entitled. Any act of commission or omission which is detrimental to the business of Hexaware *i.e.*, bribery, fraud, pilferage, theft, etc., is termed as misconduct

Implementation

Hexaware has strict policies and implementation mechanisms to uphold ethical behaviour across operations. Employees are expected to routinely report gifts and hospitality amounting to more than 100 USD to the line manager, and also contact him/her in case of any doubt. For unavoidable facilitation payments, Hexaware expects its employees to openly record the amount and seek reimbursement under the normal approval procedures or to consult local management and receive advance payment.

Any suspected fraudulent behaviour (misconduct) is liable to be investigated and the employee/s concerned is/are liable to face appropriate disciplinary action including dismissal from the services of Hexaware.

Employees can also report violations through the Whistle-blower mechanism. All grievances reported through the Whistle-blower mechanism are investigated by the Whistle Blower Committee. The Committee consists of a team of senior management personnel of the company who independently assess the concerns raised by the Whistle Blower. The office of the Whistle Blower committee is managed by the Whistle Blower custodian. If the Whistle-blower Committee finds a need for investigation it forms an Investigation Committee which reports back to it. A decision is taken on the basis of the investigation. If the complaint is against a member of the Whistle-blower Committee then the complaint is addressed directly to the Global CEO who has the right to decide on the issue on his own or through an investigation.

Measure of Outcomes

The Whistle Blower Committee received one complaints which were resolved and closed in the financial year 2015.

Hexaware's effort towards the betterment of the community

In its continuous effort to bring about a positive change to the society and the environment, Hexaware carried out various activities to uplift the underprivileged section of the society. The following activities were undertaken as a part of its contribution to the community.

1. **Udaan:** The program focussed on preventing intergenerational cycle of prostitution among the daughters of women in brothel-based prostitution (ages 5-18 years).
The key components of the program was to ensure education for the Udaan girls, empower through regular life skills trainings, professional skills certifications, fitness programs, financial literacy trainings, provide nutritional meals and vitamin supplements, regular medical checkups and health camps and other recreational activities.

2. **Evolution:** Hexaware promoted education by improving infrastructure of 5 municipal schools in Vapi, Gujarat as part of its program 'Evolution'. The program support currently starts from December 2015 and will run until March 2016. The key components of the program are baseline assessment of sanitation, access to water, campus facilities and classroom facilities in each of the 5 schools selected. On assessment, renovation will be undertaken at each of the schools, followed by support in maintenance of the renovation.

3. **Antar Bharti Balgram Yojna:** Hexaware is promoting education and reducing social inequalities for 9 children through Antar Bharti Balgram by supporting its Sadan. The program support started in December 2015 and will continue until December 2016.
The key components of the program are:-
- Supporting a Sadan residents on their education of its residents, their health (nutrition and medical care), salaries of the mother and day to day maintenance of the sadan.
- Uplifting quality of living through full overhaul of Sadan (sanitation and safety, specifically) and upgrading internal campus road.

Over and above these interventions, Hexaware also contributed towards the Chennai Flood Relief efforts in order to extend benefits in terms of basic nutrition, hygiene and temporary stay to those effected by the floods.