Hexaware Technologies Communication on Progress 2019

For the United Nations Global Compact

June 2020

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1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

1st July 2020

To our stakeholders:

I am pleased to confirm that Hexaware Technologies reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our 6th Communication on Progress Report.

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 sharing this information with our stakeholders using our primary channels of communication.

Supporting public accountability and transparency and committing to report on progress is a key requirement for participation in the Global Compact therefore we submit Communication on Progress (COP) that describes our Company's efforts to implement the ten principles.

We continually aim to improve the integration of the Global Compact and its principles into our ownership model, culture, and daily operations.

Sincerely yours,

R Srikrishna
Chief Executive Officer

2. DESCRIPTION OF ACTIONS

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

Being an international employer, Hexaware has 34 global offices and impacts lives of more than 19,999 employees as on December 31, 2019. Hexaware lays emphasis on the protection of internationally proclaimed human rights. It pledges to recognize, respect, and protect the human rights of all its stakeholders, such as: employees, customers, and society. Robust commitments, policies and procedures related to human rights have been highlighted in the Code of Conduct Policy, the Whistle-blower Policy, Sustainability and Corporate Social Responsibility Policy.

Hexaware has a Code of Conduct Policy including the right to safe and healthy working conditions in order to protect the human rights of all its employees according to global human rights proclamation and standards

Hexaware discourages any form of discrimination based on gender, nationality, ethnicity, religion, disability, caste, race, etc. and believes in providing equal and equitable opportunities to all its employees. The Company as an organization is committed to provide a healthy environment to all the employees and thus does not tolerate any discrimination and/or harassment in any form. The Company has a framework for employees to report sexual harassment cases at workplace and process ensures complete confidentiality of information.

The Company conducts training sessions for the employees to understand the concept of harassment and the potential repercussions of it. The Company has in place Prevention of Sexual Harassment (POSH) policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Frequent communication of this policy is done through various programs and at regular intervals to the employees. The Company has setup an Internal Complaints Committee (ICC) both at the registered office and at every location where it operates in India in accordance with the Act and has representation of men and women and is chaired by senior lady member and has an external women representation. Awareness programs are conducted during induction for sensitizing the employees with the provisions of the Act.

Hexaware believes in the importance of having a positive work environment which is crucial for physical, mental and emotional health of the employees. Hexaware is committed to impart awareness on human

rights and uphold the universal value within its ambit. The Whistle-blower Policy provides a forum for employees to report any violations of human rights or any other policies of Hexaware.

Implementation

Providing information on different policies of Hexaware forms one of the fundamental parts during the trainings and inductions. The 'StationH' portal which was relaunched provides a one stop shop for employees to get information about all the organization wide processes and policies. As a regular practice, we responsibly communicate the updates in policies, procedures, benefits across Hexaware's offices across the globe. Several digital and automation tools have been developed to strengthen the overall engagement levels with the employees.

The HR Business Partners (HR BPs) have a well-defined employee engagement mechanism. HR BPs work closely with employees on Human Resources related topics and the employees can directly report their grievance to them. Regular skip level meetings, one-on-one meetings and open houses are conducted for the employees by the HR BPs, as forums where any concern may be raised, or feedback can be provided.

A Cordial Working Environment Policy has been institutionalized, which ensures creating an encouraging workplace for its employees. Hexaware engages closely with the customer to seek feedback, provides a channel to report any concerns and any violation of the Policy may be reported. The modes of engagement are visit to customer sites and feedback forms. Customer satisfaction survey is done on period basis to measure the level of satisfaction of customer. An Independent agency conducts the survey. The audit procedures for its suppliers also touches upon human rights aspects.

To make use of technologies and for better employee connect, Hexaware has launched 'Smart CoCo', our own chatbot that helps employees with most of the operational tasks in a short time. There are enhancement plans to this bot.

Measure of Outcomes

Hexaware maintains proper record of the complaints related to the Human Rights violation.

Labour Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: The elimination of all forms of forced and compulsory labour

Principle 5: The effective abolition of child labour

Principle 6: The elimination of discrimination in respect of employment and occupation

Principles Policy, Goals and Assessment

Hexaware is committed for responsible business practices and stands in agreement with 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 Indian Child Labour (Prohibition and Regulation) Act of 1986. Hexaware does not support any and all forms of child labour, forced and compulsory labour.

Hexaware has check and balances in place to ensure that it does not employ any child labour or forced labour, rather it employs individuals solely based on their merit and will. Hexaware is committed to provide a safe working place and eliminate all form of discrimination or harassment based on race, colour, religion, national origin, sex, age, sexual orientation, marital status, citizenship status, or disability.

Hexaware is fair employer and does not discriminate amongst its employees. It provides a positive work environment to encourage its employees to contribute efficient and effectively towards the business benefit. Hexaware is committed to extend this positive culture across its suppliers, business partners and customers.

Employees attend the regular HR pulse and skip meetings which help in ironing out their concerns and providing the required clarifications.

Implementation

Hexaware has constituted committees comprising of employees to oversee operations such as canteen, employee engagement etc.

The Company supports and promotes transparent communication and healthy interactions between leaders and employees at large, focusing on creating a friendly atmosphere and discussing the changing dynamics of the industry. With the implementation of effective change management processes, there exists a clear line of communication among the employees and collectively they work with the mindset of achieving the organisational goals. The Company has put in place various mechanisms that constantly motivate the work force to view the Company's vision and work dedicatedly towards future growth plans. Regular open house sessions are organized, where employees can participate and interact with the Senior Management. Employees attend the regular HR pulse and skip meetings which help in resolving their concerns and provides them with the required clarification.

At the time joining Hexaware, develops a repository of the employee records which provide information on date of birth, academics scores, training/certifications etc. With the help of these measures Hexaware ensures not to employ any child labour for its regular employment, contractual employment or apprentice.

Measure of Outcomes

Hexaware received no complaint related to the labour principles in 2019. However, one complaint was received against sexual harassment which was resolved effectively by the company.

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 being an IT service Company is essentially a non-energy intensive organization. In spite of that, considering the Global Challenges of climate change and UN Sustainable Development Goals, the Company constantly strives for the betterment of efforts on environmental safety, consumption and wastage of energy, in form of energy–friendly apparatus, highly efficient design, deep green retrofits and renewable energy, which have helped to conserve resources.

Hexaware acknowledges the fact that natural resources are limited in nature and hence must be utilized judiciously. It strives to mitigate the risks and improve its environmental performance with a holistic approach. The Company is engaged in proactively looking for opportunities towards minimizing its environmental footprints and tries to minimize its waste.

Implementation

Hexaware motivates and educates its employees for responsible resource consumption. It encourages its employees to be sensitive and minimize the consumption of valuable resources such as electricity, water, paper. Awareness sessions are organized for employees and initiatives are implemented to encourage responsible practices such as switching the lights off when not in use, judicious use of paper, regulating air conditioners temperature and updating fixtures to energy efficient fittings.

The implementation of the below mentioned mitigation measures is to avoid wastage and misuse

- All campuses are equipped with energy efficient saving devices such as lightings, computers, servers, printers and faxes
- About 450000 sq.ft greenery developed around the building-Siruseri campus
- Indoor and Ambient Air quality monitoring is done on a monthly basis. CO_2 level is monitored inside the offices to ensure a pollution free environment
- Modular UPS units are installed at Chennai campus (Phase-1) in place of Conventional UPS units. 5,85,523 Units is saved in year 2019.
- 7,24,000 Units are saved in year 2019 at Mumbai MBP (Bldg.1 & 152) by installation of LED light fixtures and Modular UPS units.
- Energy efficient LED light fixtures are installed at Chennai campus (Phase-1) in place of conventional fittings & CFL type to save energy, 10,62,470 Units are saved in year 2019.
- Chennai campus is Zero-water discharge campus, Rainwater harvesting system is installed along the periphery.

- E-waste and Hazardous waste were disposed through authorized agencies as per government norms
- In year 2019, Sewage Treatment Plant (STP) treated water about 55,000KL at Chennai and 12000KL at Pune is recycled and reused. The Company undertakes several green campaigns throughout its locations.
- Sewage & Wastewater is treated and used for gardening @ 184 KL per day (working day) at Chennai campus and 38KL at Pune Campus.
- Paper waste generated were recycled through authorized agencies
- Organic waste converter has been installed to process the food waste generated from food count into manure. The manure generated is used for landscaping in the campus
- Gensets are pollution free as certified by Government Pollution Control agencies and the stack are fixed at the prescribed height and location
- The Company has installed additional 523 KW Roof Top solar system in its Siruseri campus in the year 2019 and Company has Roof Top Solar System of 114KW at Mumbai MBP. Power generated in 2019 from these systems is 1674058 & 150826 Units respectively. This resulted in avoiding of Green House Gas emission of about 1663 tons of CO_2 (Carbon Dioxide), 1526 Tons at Chennai and 137 at MBP.
- Wind energy to the tune of about 8.1 million units are availed in year 2019 as Captive Power Consumer through 3rd party Private power agency.
- 82% of total energy consumed at Chennai campus is fed from Green Power (Wind & Solar).
- Buses transporting employees are emission tested by Government authorities
- Organized way of Vehicle parking and internal traffic control is observed
- EC type blower installation in place of Conventional Blowers for Comfort Air conditioning Air Handling Units to save energy. Pilot study done with 9 AHU's.

Hexaware has made significant efforts to employ renewable energy to minimize carbon footprint and increase water efficiency.

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 authorized recyclers/ resellers.

Anti-corruption Principles

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

Policy, Goals and Assessment

Hexaware has a zero-tolerance approach to corruption in all forms and it is committed to always conduct business in an honest and ethical manner. Hexaware upholds all applicable laws relevant to countering bribery and corruption of the land where it operated. In addition, the Company is bound by the UK Bribery Act, 2010.

Hexaware is committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices. It is Hexaware's policy to conduct its business activities with honesty, integrity and the highest possible ethical standards, wherever it operates throughout the world and does not engage in bribery or corruption.

The Company has well-defined Code of Conduct for all employees, Senior Management and Directors of the Company that covers issues, related to ethics, honesty, misconduct etc. The Company also has separate Anti-Bribery Policy. The code of conduct of Employees is available on intra website of the Company and easily accessible to all the employees, the code of Conduct of Senior Management and Directors is available on the website of the Company www.hexaware.com. The code of conduct of the employees and Senior Management applies to all the employees and Senior Management of Company respectively, including its subsidiaries. It covers dealings with vendors, customers and other business partners.

All employees must abide by its Code of Conduct Policy which outlines the ethical and professional conduct of the employees.

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 any 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

Employees at Hexaware are encouraged to raise any questions or concerns about any bribery issue or suspicion of noncompliance with the Company's Anti-Bribery policy, with the Company's Human Resources or Legal Department. If the Employee is unsure whether an act constitutes bribery or corruption, he or she should contact his or her Manager or the Company's Human Resources or Legal Department as soon as possible.

Hexaware has strict policies and implementation mechanisms to uphold ethical behavior amongst the employees. Employees are expected to report gifts and hospitality amounting to more than 100 USD to their line manager and seek their guidance in case of any doubts. 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 fraudulent behavior of the employees is investigated, and the concerned employees faces disciplinary action including dismissal from the services of Hexaware. Employees can also report violations through the Whistle-blower mechanism. A person or entity making a disclosure of any unethical activity or improper practices or alleged wrongful conduct that they have observed. Whistle Blowers could be employees of the Company as well as subsidiary companies, contractors, contractor's employees, clients, vendors, internal or external auditors, regulatory agencies or other third parties. Ex-employees of the Company are also included within the definition of Whistle Blower.

Employees can report violations through the Whistleblower mechanism. The grievances reported through this mechanism are investigated by the Whistle Blower Committee. The Committee comprises of a team of senior management personnel of the Company who independently assess the concerns raised by the Whistle Blower custodian. The Custodian is a person usually a fulltime senior employee, well respected for his/her integrity, independence and fairness. He/she is authorized, appointed, consulted or approached by the Whistle Blower committee for receiving all complaints under this policy and ensuring appropriate action. An unethical activity can be reported by the Whistle Blower through email complaint/written complaint as soon as possible but in no event later than 30 days of becoming aware of the same and the disclosure can be made to the Whistle Blower custodian/any of the Whistle Blower committee member. If the complaint is

against any member of the Whistle Blower committee, the same would be reported to the Global CEO, who has the right to decide on the issue on his own or through an investigation

Measure of Outcomes

In 2019, there were three complaints received by the Whistle Blower Committee and they were all resolved within the stipulated timeframe.

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3. MEASUREMENT OF OUTCOMES

3.1 Care for the Community

'True measure of growth lies beyond the balance sheet', it is the underlying ideology of Hexaware that drives its CSR Programs and contribute towards the betterment of local communities and society at large. Hexaware's CSR philosophy is to use business to serve the society, built on a strong belief that 'common good' is more important than 'individual gain'. Hexaware Technologies Limited (Hexaware) is committed to contributing towards its societal responsibilities beyond statutory obligations. Hexaware's Corporate Social Responsibility (CSR) initiative aims to broaden the vision of being accountable to the community and the environment.

In pursuance of its vision of inculcating good corporate citizenship, Hexaware continues to engage in strategic philanthropic programs to improve the quality of life of under-served, disadvantaged and marginalized communities. We are proud of our longstanding commitment to Corporate Social Responsibility (CSR) that is built on a strong edifice of inclusive growth and value creation for every stakeholder.

Hexaware has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013.

Hexaware's CSR activities are classified into four broad categories namely:

a) Flagship Programs
b) Programs Aligned with National Themes
c) Sustainability Employee Engagement Programs:
d) Stakeholder Management Program

The following activities were undertaken as a part of its contribution to the community:

a) Flagship Programs

I. **V-Excel Trust Vocational Training Programme and Early Intervention Programme:** The company has collaborated with V-Excel to financially support the latter's Vocational Training and Early Intervention programme, to prepare and help people who are differently-abled to gain meaningful livelihood, and support and diagnose kids under 5 years of age, respectively.
   Early intervention program aims to assist disabled individuals by providing vocational training. It is different from other programs since it is for the parents and the caregivers to understand the child's special development needs and incorporate them in the educational and therapeutic strategies into daily routines.
II. **Rainbow Homes**-Social transformation starts with good education. Hexaware is financially supporting Rainbow Homes to work with 150 girl children and 50 boy children, who are homeless and are living on the streets with right to education.
III. **ApneAap Women's Collective (AAWC)-**Hexaware is strongly committed for working towards empowering the women. It has been working towards empowering women through its different programs - "Udaan" and "Umeed", its flagship programs which are implemented by ApneAap Women's Collective (AAWC).

IV. **Pankh- 'Vocation Training for People with Disability'-** Hexaware supports Pankh (Trust for Retailers and Retail Associated of IndiaTrrain Trust) for the vocational training of 315 people with disabilities. The aim is to create sustainable livelihoods for people with disability (PWD).

V. **Computer for All (CFA)**-Program is another education initiative of Hexaware where refurbished computers are being used to improving digital literacy among government school students. It works with the government schools and target senior school students. Computer training is provided to students from 6th to 9th.

VI. **Katalyst India-** aims to elevate and transform young women from low income communities to lead change in their professional and personal life, Hexaware plays a huge part in implementing this project by providing complete financial support to female students.

VII. **Holistic nutrition support and food Program for Cancer:** Hexaware has partnered with Cuddles Foundation to provide holistic nutrition support and food to underprivileged children fighting cancer across India

VIII. **Family Strengthening Program:** partnered with SOS village to support 30 orphaned, homeless and abandoned children from one family home each in SOS Children's Village in Alibaug, Chennai and Pune

IX. **Youth Skilling Program:** partnered with Magic Bus to provide skill development for youth from marginalized sections and provide them with employment opportunities in high growth service sectors in Mumbai and Chennai

b) Programs aligned with the National theme

X. **Antar Bharti Balgram Yojana-** Hexaware continued its engagement with India Sponsorship Committee by supporting their flagship programme 'Antar Bharti Balgram Yojna', aimed at giving quality education, nutrition etc. to orphan and destitute children.

XI. **Digital and Financial Education Program-**Hexaware supports Digital and Financial Education Program in 12 government schools in Chennai and 10 municipal schools in Mumbai. This program is focused towards empowering teachers with digital literacy and creating a good learning environment in schools.

XII. **Yuva Unstoppable –** Started with infrastructural enhancement at 5 municipal schools in Vapi, Gujarat, through the 'Evolution' programme in support of Yuva Unstoppable, Hexaware scaled up its engagement during FY17 to 10 government schools, 10 more government schools in FY18 and in FY19 along with sanitation infrastructure and digital classes also executed in 21 government schools in Mumbai and Pune.

c) Employee Engagement Programs

Hexaware believes in the importance of involving its employees in CSR activities and thereby has **Sustainability Employee Engagement** programs such as Mumbai Marathon, Fulfill a Kid's Wish, Payroll giving program, summer volunteering, Hexarun, school kit drive, blood donation drive, tree plantation drive, flood relief activities.

d) Stakeholder Management Programs

Hexaware is undertaking several programs such as scholarships for school and college students, young scientist program to create international experiential learning for students in the field of science, support athletes, pond restoration, Art1st programme, clean and safe neighborhood project etc.

3.2 Care for the Environment

Some of the projects at Hexaware which are directed by the philosophy of environmental sustainability. Hexaware campus (office) in Chennai and Pune SEZ are LEED standard compliant.

Hexaware has made significant efforts to employ renewable energy to minimize carbon footprint and increase water efficiency.

a. Increase water efficiency through water and waste-water management
Consumption of water at Hexaware is only for domestic purposes as it is a service industry.
- The total amount of rainwater collected in 2019 was 2423 KL.
- Rainwater harvesting pits are installed around the periphery
- Provision of rainwater collection sumps are built to collect surface run off and use for future
- Water as a resource is conserved to minimize dependence on municipal and bore water
- Chennai campus is a zero-water discharge zone
- Wastewater generated from the Sewage Treatment Plant (STP) is used for gardening and flushing purposes. In 2019, the 67,000 KL wastewater was STP-generated
- Water efficient fixtures are installed (flow rates are 20% lower than regular fixtures thereby saving water consumption)
- 100% of water used is recycled in Chennai Campus. There is no discharge of untreated water in the drains

b. Employ renewable energy to minimize carbon footprint
- In 2019, Hexaware has utilized 9886 MWh of renewable energy, which is 57% of total energy used in all locations.
- Acquired wind energy accounting for 47% of total energy used (8.07million units in 2019)

c. Creating sustainable neighborhood projects
Hexaware's programs on Clean and Safe Neighborhood ensures that the community in and around its campuses are clean and hygienic. Hexaware uses environmentally friendly technology to reduce the strain on nonrenewable energy source. Initiatives includes;
- Installed Steel Dustbins in Millennium Business Park (MBP), Mumbai
- Changed open drainage to closed ones around Siruseri Campus, Chennai
- Installed more than 100+ solar powered streetlamps in MBP, Mumbai and SIPCOT, Chennai.
- Laid over HT cable, which was a possible threat to public safety as an underground line
- Beautified the landscape with plants and trees around our campus in Chennai and Pune
- Beautified one canal with granite pitching and 2 bus stop shelters in Chennai SIPCOT.
- 2 ponds have been restored with distilling in Chennai.

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