Contents

1 About this Report ...................................................................................................................... 3
2 Message from CEO .................................................................................................................... 4
3 Sustainability Performance ........................................................................................................ 6
4 About Hexaware ....................................................................................................................... 7
5 Stakeholder Engagement and Materiality ................................................................................ 12
6 Sustainable Economic Growth ................................................................................................. 15
   6.1 Growth Profile .................................................................................................................... 15
   6.2 Risks Management ............................................................................................................... 17
   6.3 Ethical Practices ................................................................................................................ 21
7 Customer Centric Synergies .................................................................................................... 25
8 Innovation ............................................................................................................................... 31
9 Human Capital and Practices .................................................................................................... 35
10 Partnering for a Social Change ............................................................................................... 48
11 Moving towards a Smaller Footprint ...................................................................................... 61
12 Awards and Recognitions ....................................................................................................... 68
13 Way Forward .......................................................................................................................... 69
1 About this Report

Hexaware Technologies Limited ("Hexaware" or “The Company”) is extremely delighted to publish its first annual Sustainability Report for the year 2018. The report discloses the performance of the Company on the triple-bottom line parameters, namely economic, environment and social. The report has been developed in adherence to all the reporting principles with respect to content and quality as per Global Reporting Index (GRI) Standard.

Hexaware has appointed Goodera (formerly known as NextGen PMS) for advisory services to develop the Sustainability Report and to enhance its sustainability agenda. The report has been developed with direct and indirect interactions with various departments of Hexaware and with publicly available information and other internal documents.

Reporting Boundary
The reporting boundary covers environmental, social and economic parameters across all Hexaware’s locations in India under Company’s direct control. The boundary consists of its offshore locations namely Bangalore, Delhi, Mumbai, Pune, Chennai and the BPS locations namely Chennai (Chennai One Office and Prince InfoCity), Mumbai (MBP Office and Loma Office), Nagpur and Coimbatore. The Boundary excludes all the international locations of Hexaware.

Readers are encouraged to provide their feedback or suggestions about this report to the below mentioned address:

Ms. Amberin Memon
Chief People Officer,
Hexaware Technologies Limited
152, Millennium Business Park, Sector - Ill, ‘A’ Block,
TTC Industrial Area, Mahape, Navi Mumbai - 400 710
Email: amberinm@hexaware.com
Message from CEO

Dear Stakeholders,

Hexaware’s journey in the year 2018 has been splendid with commendable growth in the revenue. We are marking an important milestone by publishing our first ever Sustainability Report 2018. We always strive to make our business operations sustainable by contributing substantially towards improving societal and environmental conditions while generating profits. Through this report, we wish to transparently share our performance across the triple bottom line – People, Plant and Planet.

Rapidly changing markets and the disruptive business ideas are the new-age reality. To thrive in this era, – we must the ride the wave by adjusting with the changing market scenarios in an agile manner. The business needs to respond to the continuously changing requirements from client, vendors, suppliers and partners to have the edge over their peers. We are global leaders in providing futuristic technologies, innovative solutions and transformative services to reimagine business models, re-engineer processes and redesign customer experiences. We leverage our core competencies of Automation First approach, building capabilities and focusing on products and alliances to transform the delivery of the IT services and solutions. The year 2018, was earmarked by our major focus on three strategic building blocks that helped us evolve a new strategy and catapult the growth - ‘Transform Customer Experiences’, ‘Automate Everything’ and ‘Cloudify Everything’. This is a highly differentiated strategy and the new incorporations help powering a sustained and industry-leading organic growth.

This year marks a unique milestone of ‘winning the first 100 million plus deal from an existing customer. Hexaware ranked highest in CSAT as measured by a third party, once again proving to be the best company globally in the industry. This survey measures scores across four dimensions and we were ranked the industry’s best in each of them as well as in the aggregate score. We have further strengthened our capabilities by increasing our footprint in every country. We have expanded to 33 global offices, Warsaw and Monterey being the newly opened centers and have crossed the figure of having more than 16 thousand employees.

Corporate Governance and transparency are the highest held values at Hexaware. Our robust corporate governance framework and practices further drive principles of transparency, accountability and fairness across our operations. Our strengths were underlined with us winning the Golden Peacock Award for Excellence in Corporate Governance for the year 2018. This was our third win in the last 8 years. Our business operations have been strategically executed helping us to deliver client focused results. Our global delivery locations are catering to customer requirements from every major time zone and every major regulatory zone. Customer satisfaction metrics delivered by us on a third-party based customer survey has been praised to be ‘industry-leading’.

By the virtue of being an Information Technology (IT) services company we have a very low negative impact on the environment. However, we believe in contributing towards environment conservation and creating social value while generating economic value. One of our core values is to be an ‘eco-friendly’ organization that inculcates good corporate citizenship. Corporate Social Responsibility (CSR) is also an indispensable part of our business. We at
Hexaware, believe that ‘common good’ is of higher importance than ‘individual gain’. Our philosophy aligns with India’s need for inclusive growth and therefore we are synergizing our efforts to create a holistic and long-lasting impact on the society.

We are set on an endeavor to become a large IT player in the coming years. It is going to be possible only with a growth strategy and systematic synergization of various elements. We believe in sustainable and inclusive growth while remaining deeply committed to ensure the trust of our stakeholders. I would like to thank our stakeholders for their valuable support and continued belief in Hexaware. Together, we can make the coming year 2019 even more successful and rewarding.

Warm Regards,

R Srikrishna
CEO
## 3 Sustainability Performance

1. **Revenue** – 17940.25 Million (INR)
2. **Profit After Tax** – 4529.59 Million (INR)
3. **CSR Spend** – 90.46 Million (INR)
4. **Workforce engaged at Hexaware** – 16,205
5. **Global Offices** – 30 +
6. **GHG Emission Reduction** (Solar installation) – approximately 279 tons of CO2e
7. **Water Recycled** – 52688 KL
8. **Water Reused** – 52697 KL
9. **Total Renewable Energy Consumed (solar)** – 718620.5 kWh
10. **Total Renewable Energy Consumed (wind)** – 7626932 kWh
Hexaware is a global leader and provider of IT, BPO and consulting services. It is one of the fastest growing next generation providers of futuristic technology, innovative solutions and transformative services to reimagine business models and enhance customer experience. Hexaware is committed to providing solutions by applying business intelligence and analytics, quality assurance and testing services, infrastructure management services, business process services and enterprise solutions. Hexaware drives man-machine collaboration to solve complex business problems and comes up with innovative solutions. It leverages the use of Big Data, Artificial Intelligence, Machine Learning and Blockchain to deliver innovative and futuristic solutions. To help its customers tread with a fast pace into the digital era, Hexaware has evolved a new supercharged strategy at the intersection of advanced technologies. This has been the result of the strategic building blocks ‘Transform Customer Experiences’, ‘Automate Everything’ and ‘Cloudify Everything’. It has a team of professional IT practitioners, engineers and “Automateers” (employees with deep rooted passion for automation) striving to provide best solutions using digital technology.

Hexaware has been operational since 1990 and has footprints in 33 countries with a strength of 16,205 employees. It provides services to customers in every major time and regulatory zone, in over two dozen languages. It provides IT based solutions to its clients worldwide seamlessly and effectively. The company has a formidable mix of 160+ proprietary tools and accelerators, spanning from robotic process automation, hyper-converged technology, design thinking, rapid prototyping to customized service offerings for its customers.
Delighting Customers around the World

The Service Portfolio:

- Application Transformation Management
- Business Intelligence & Analytics
- Digital Solutions
- Enterprise Solutions
- Customer Experience Transformation
- Application Support and Maintenance
- Business Process Services
- Digital Consumer
- Infrastructure Management Services

Shareholding Pattern Of Hexaware as on 31st March 2018 (Percentage)

- Promoters: 71.20%
- Public Shareholding: 28.75%
- Others: 0.05%
Hexaware’s Philosophy

- **Automate Everything**: We aim at building a culture of automation. Hexaware’s motto to automate everything has a larger objective of being cost efficient by inculcating minimum human intervention. This results in lowering the cost and improves end-user experience.

- **Cloudify Everything**: Leveraging the Cloud ecosystem to realize a digital future. Cloud Computing is on a rapidly evolving mode. It provides impetus for the enterprises in their digital transformation by promoting the development of new capabilities with vigor and create differentiated propositions to compete with peers.

- **Transform Customer Experiences** – Hexaware strives to deliver a high caliber customer experience with consistency. This is achieved by helping the customers design and deliver a great experience for end customers. Hexaware helps in defining strategy, creating experience and delivering customer experience.
Hexaware is on a journey of metamorphosing customer experiences through over-arching strategy of enterprise level automation; taking advantage of the Cloud ecosystem; and delivering superior customer experiences.
MISSION:
To transform how IT services are delivered and to be the first IT services company in the world to have half of the workforce as digital.

VISION:
To continuously amplify human potential through the use of digital technologies.

CORE VALUES:
- We ensure customer satisfaction by adding value and honouring commitments at all times.
- We build transparent, lasting relationships, and stand for integrity and mutual trust.
- We encourage an entrepreneurial attitude and instil in our employees the desire to excel.
- We embrace and respect diversity while working together as one Hexaware.
- We foster a learning environment and nurture innovative thinking.
- We are committed to building shareholder value and maintaining high standards of corporate governance.
- We strive to be an eco-friendly organisation and inculcate good corporate citizenship.
Organizations in the current scenario operate in an immensely competitive business environment. They need to cater to the dynamic customer requirements while laying emphasis not only on quality, but also on low pricing and excellent service. To remain relevant in the challenging business environment is the need of the hour. A robust stakeholder engagement model is vital for organizations to be able to understand and respond to legitimate stakeholder concerns. The process of communicating or interacting with the stakeholders is referred to as ‘Stakeholder Engagement’. It helps an organization to achieve desired outcomes and enhance accountability. Stakeholders are the individuals or groups that may affect or may get affected by the activities of an organization. They are critical for the organizations as they have the power to influence business. There are various methods and varying degrees of engaging with the stakeholders.

Hexaware is treading towards developing a robust stakeholder engagement process. This will facilitate the development of stronger relationships, bring about improvement in decision-making and accountability, and serve as a platform to understand the concerns of the stakeholders and devise mechanisms to resolve them. Hexaware is committed to report on its progress towards sustainability in a transparent manner. It intends to address the key impacts (positive and negative) across the value chain, this is reflected in the report as per relevance.

The stakeholder engagement process and materiality assessment for Hexaware has been initiated in a structured manner, which is deemed for further maturation in the years to come. Identification of the key material topics for the Hexaware is the outcome of the process.

The analysis of the feedback from the key stakeholders’ aids in the assessment of materiality. In this first year of sustainability reporting, this exercise was conducted with the internal stakeholders. Various relevant material topics were enlisted based on a background study which includes review of the peers, GRI standards, other relevant framework and standards. From this elaborate list, the most important focus areas were selected, and the stakeholder engagement exercise was conducted with the identified internal key stakeholder groups. The methodology framed for stakeholder Engagement is mentioned below:

### Determining the Key Stakeholders

The commencement of the stakeholder engagement exercise happens with the identification of the key stakeholder groups. The determination of the key stakeholders is done from an elaborate list of the Company’s stakeholders. The
determination is done based on their willingness to engage, ease of access, their impact on the organization, the Company’s impact on them and their knowledge on the context of sustainability in consultation with the various vertical heads (HoDs).

Prioritisation of Material Topics

To begin with, an elaborate list of important topics is compiled. It is done with the reference to the study of primary and secondary sources. The primary sources include business performance and strategy, risk management approach, and other internal documents. The secondary sources consulted are material topics of peer organisations, GRI aspects, regulatory bodies, government missions, media reports and press releases. The compilation is then put up for internal discussion which results in prioritizing the material topics.

Stakeholder Engagement

Communicating with the stakeholders in a proactive and transparent way helps to develop trust and demonstrates the commitment of the Company towards the engagement. It also helps in ascertaining the perspective of the stakeholders. This year being the first year of reporting, Hexaware engaged only with the internal stakeholders to determine the material topics.

Responses were obtained from the internal stakeholder groups during interactions. The responses against the prioritised topics were received on a scale of 1 to 5, where 1 was equal to very high importance and 5 was not important. The analysis of the responses gave a list of 14 material topics.

Materiality

Material issues for sustainability reporting are the ones having the potential to significantly affect sustainability performance of the Company. The principle of materiality in GRI Standards articulates that the report should comprise of the topics which reflect the organization’s significant economic, environmental and social impacts; or substantively influence the assessments and decisions of stakeholders. The responses of the stakeholder engagement exercise were collated and analysed. This analysis was further used to plot the materiality matrix for Hexaware. Responses from this exercise help as inputs for effective decision making and further treading on the path of sustainability in a more efficient manner.
<table>
<thead>
<tr>
<th>Economic</th>
<th>Economic Value Generated</th>
<th>Economic Performance</th>
<th>Internal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Satisfaction</td>
<td></td>
<td></td>
<td>Internal</td>
</tr>
<tr>
<td>Innovation Management</td>
<td>Customer health and safety</td>
<td></td>
<td>Internal and External</td>
</tr>
<tr>
<td>Information security and data protection</td>
<td>Customer Privacy</td>
<td></td>
<td>Internal</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social</th>
<th>Community Giving, Engagement and Social Impact</th>
<th>Local Communities</th>
<th>Internal and External</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inclusion, Diversity and Equal Opportunity</td>
<td>Diversity and equal opportunity and Non-discrimination</td>
<td></td>
<td>Internal and External</td>
</tr>
<tr>
<td>Training and education</td>
<td>Training and Education</td>
<td></td>
<td>Internal and External</td>
</tr>
<tr>
<td>Employee Well-being</td>
<td>Labor management relations</td>
<td></td>
<td>Internal</td>
</tr>
<tr>
<td>Social Compliance</td>
<td>Socio-economic Compliance</td>
<td></td>
<td>Internal and External</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environment</th>
<th>Reduction of carbon footprint</th>
<th>Emissions</th>
<th>Internal and External</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Consumption</td>
<td>Energy</td>
<td></td>
<td>Internal and External</td>
</tr>
<tr>
<td>Waste, Including e-waste</td>
<td>Effluents and Waste</td>
<td></td>
<td>Internal</td>
</tr>
<tr>
<td>Water Management</td>
<td>Water</td>
<td></td>
<td>Internal and External</td>
</tr>
<tr>
<td>Material Consumption, including paper</td>
<td>Materials</td>
<td></td>
<td>Internal and External</td>
</tr>
<tr>
<td>Environmental Compliance</td>
<td>Environmental Compliance</td>
<td></td>
<td>Internal and External</td>
</tr>
</tbody>
</table>
6 Sustainable Economic Growth

6.1 Growth Profile

Information technologies (IT) has emerged as a driver that binds businesses together. According to the forecast by Gartner, Inc., global Information Technology (IT) sector spending is projected to total USD 3.76 trillion in 2019, which is an increase of 3.2 percent from 2018. The overall scenario for IT spending worldwide is expected to grow despite of uncertainty, recession rumors and trade wars. Globally, companies continue to invest increased budgets in digital technologies as businesses anticipate revenue growth. Further, projects in digital business, blockchain, Internet of Things (IoT) and progression from big data to algorithms to machine learning to artificial intelligence (AI) will continue to be the main drivers for growth.

India has become the digital capabilities hub of the world with around 75 per cent of global digital talent present in the country. The Indian IT industry is at an enticing phase due to high growth, superior margins, fine governance and availability of high-quality management talent. The industry has been investing in setting up centers of excellence and innovation hubs in key markets to enhance digital capabilities. Currently, Indian IT and ITeS companies have set up over 1,000 global delivery centers in about 80 countries across the world.

Hexaware aims to become the largest IT player in the upcoming decade. Discussed below is the strong financial performance of Hexaware on multiple fronts.

<table>
<thead>
<tr>
<th>Direct Economic Value Generated and Distributed</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Economic Value Generated</td>
<td>13930.41</td>
<td>15241.07</td>
<td>17940.25</td>
</tr>
<tr>
<td>Revenues</td>
<td>13930.41</td>
<td>15241.07</td>
<td>17940.25</td>
</tr>
<tr>
<td>Economic Value Distributed</td>
<td>9407.67</td>
<td>10416.43</td>
<td>12560.29</td>
</tr>
<tr>
<td>Operating costs</td>
<td>2182.65</td>
<td>2582.99</td>
<td>3008.26</td>
</tr>
<tr>
<td>Employee wages and benefits</td>
<td>7184.27</td>
<td>7763.42</td>
<td>9461.57</td>
</tr>
<tr>
<td>Borrowing and Advances</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>
Hexaware does not make any contribution towards any political parties either financially or through in-kind contributions.

Moving forward Hexaware is poised for an exciting future with a strong belief to deliver market-leading growth.
6.2 Risk Management

In the midst of this transforming industry landscape, a well-established risk management framework is indispensable for long term sustainability of any business. At Hexaware, Risk Management is an enterprise wide function guided by the Board of Directors and the senior management team. To oversee activities related to assessing and mitigating risks, the Board has formed a Strategy and Risk Committee.

At Hexaware, there is a well-defined Enterprise Risk Management (ERM) framework in place. The primary objective of the ERM function is to implement a framework that augments risk response decisions and reduces surprises. The ERM programme involves identification of risks, assessing the risks, and mitigation planning for strategic, operational, and financial and compliance.

Risks and Mitigation Strategy

Being diversified into various business verticals and geographies, Hexaware Technologies Limited is prone to multiple factors that affect the performance of the Company. Systematic and proactive identification of risks and proper implementation of their mitigation strategy attribute to effective and efficient decision making. Some significant risks that could affect the operations at the Company have been identified as below:

<table>
<thead>
<tr>
<th>Description of Risk</th>
<th>Mitigation Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hexaware is exposed to various regulatory requirements risks such as the issue of H1B visas or regulatory changes as the Companies business operations are spread across various geographies.</td>
<td>1. Hexaware has in place a well-defined regulatory compliance framework to track regulatory compliances globally and has defined owners for various compliance. The framework also helps to protect the Company’s ethical standards. 2. Cross functional contract review team analyses the contracts that the Company enters with the clients. Agreement/Contract risk is approved by senior Management after thorough analysis. Global operational teams are made aware of compliance related issues to ensure adherence to contractual commitments. 3. Hexaware has actively worked towards mitigating this risk by establishing a number of offices abroad, hiring a local workforce and shifting some of its projects nearshore even though it is difficult to predict regulatory changes.</td>
</tr>
</tbody>
</table>
**Information and Cyber Security Risk**

**Description of Risk**
Due to the possibilities of sophisticated targeted attacks, increasing ransomware threats, malware, data leakage and other security failures this risk has emerged as one of the top risks across industries as companies are moving towards new technologies.

**Mitigation Strategy**
2. The governance and management of Security compliance and risk is reviewed periodically.
3. Hexaware is ISO 27001 Certified and also engages external Auditing bodies to carry out Type-2 Assessment of SSAE16 and ISAE3402 for SOC1 and SOC2 annually.
4. Internal and external Penetration Testing are conducted to manage the security vulnerabilities.
5. It has dedicated security professionals certified in various domains of security and securing IT processing Assets of the Company and of the Customers.

**Competition from peers**

**Description of Risk**
Hexaware faces competition from Tier 1 companies/ Tier 2 companies. Customers for various reasons including to diversify geographcal or vendor concentration risk, seek to reduce their dependence on any one country or vendor and may seek to outsource their operations to other countries or vendors.

**Mitigation Strategy**
1. At Hexaware, the prime focus has been of strengthening strategic partnership with its client. The Company has very deep relationship with its customers, Its average relationship with top 10 customer is 11 years.
2. Hexaware have multiple service offering covering entire range of IT needs of the client and has its presence in countries where client requires its services.
3. The company adheres to pre sell accountability to drive bid in each vertical.
4. Dedicated sales teams including senior leaders are involved in large deals in market.

**Talent unavailability**

**Description of Risk**
Lag in deployment of resources for earning revenue, non-availability of relevant skill / skilled staff.

**Mitigation Strategy**
1. For constant monitoring of the resource in pool as well as projects getting released for quick deployment, Hexaware has put in place processes .
2. There is centralised process to forecast the resource requirements based on RFP’s / pipelines followed by monitored hiring plans.
3. Forecasting and hiring for the resources with the current and upcoming skill set / trained in latest technology / domain so as to make them available for the rapid deployment to the projects.

**Data protection and privacy Risk**

**Description of Risk**
The leakage and misuse of confidential data and proprietary information increases the risk of non-compliances of privacy and data protection laws. These breaches can also damage the brand reputation and relationships.

**Mitigation Strategy**
1. Hexaware has well placed strategies to ensure Privacy and Data Protection Framework which includes governance, policies, privacy impact assessments, training, data mapping, incident management, and awareness.
2. It also has policies for addressing privacy from the perspective of clients and corporates.
3. The Company’s policies and process ensures robust data protection measures in compliance with the global standards and requirements such as GDPR.
<table>
<thead>
<tr>
<th>Description of Risk</th>
<th>Mitigation Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR Related Risk</td>
<td></td>
</tr>
<tr>
<td>Hexaware operates in the industry which is highly dependent on talent and capabilities of its personnel. The Company needs to continuously invest in employee training and development which is Intellectual capital for firms. Employee attrition is a major threat that drains the Company’s Intellectual capital and renders un-competitiveness.</td>
<td>1. Hexaware has very effective people management systems and strategies, which have led to retaining low attrition levels.  2. The Company is focused on building a robust training framework to cater to the development needs of employees across leadership level.</td>
</tr>
<tr>
<td>Increased cost of services</td>
<td></td>
</tr>
<tr>
<td>Increase in salary and other costs affecting margins</td>
<td>1. Improve operating efficiency by controlling operating cost, monitor and replace subcontractors with the full-time employees wherever possible, mentor and guide potential candidate to take higher responsibility, broaden pyramid by hiring new trainee and improving performance management system that in turn leads to efficiency in system.</td>
</tr>
<tr>
<td>Technology Risks / Business model changes</td>
<td></td>
</tr>
<tr>
<td>Technology change has become very evident and it becomes important for any Company to continuously review and upgrade its technology, resources and processes to mitigate technical obsolescence.</td>
<td>1. Hexaware operates in various technology platforms and has developed competencies in various technologies, platforms and operating environments and offers a wide range of technology options to clients to choose from, for their business needs.  2. The Company has been increasing the service offerings including into new age technology like automation and digital. Bundling of offerings to provide value add to the customer with overall reduction in IT cost to customer.  3. The Company invests heavily on the continuous training by resources. It is also encouraging innovation in service delivery / solution offerings,  4. The Company has strengthened sales team with hunters and farmers to win new client and existing account mining by providing differentiated services / solution by use of automation / RPA.</td>
</tr>
<tr>
<td>Industry risk</td>
<td></td>
</tr>
<tr>
<td>Hexaware caters to almost every sector like banking and financial services, travel and transportation, Healthcare etc. Any sectorial downturn will slow-down or affect our business performance.</td>
<td>1. Over the decades, Hexaware has developed firm grip on various sectors and is familiar with the business cycle and performance of them. This has helped the Company to reduce dependency on any one area or sector.  2. Further, the Company also offers Building differentiated solutions / offering within the vertical sub-segments.  3. It has also expanded Industry horizon with the launch of Professional Services vertical at the beginning of FY 2018.</td>
</tr>
<tr>
<td>Revenue concentration risk(1)</td>
<td>Description of Risk</td>
</tr>
<tr>
<td>------------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>Concentration of business from customers from limited geography</td>
<td>Expansion of onsite presence with increasing delivery center capability in US, creating new centers in Europe to cater to client in Europe meeting regulatory requirements. The company has opened offices and centers recently in Sweden/China/Romania/Russia/Hong Kong etc. Increased focus on markets other than US i.e. in Europe, APAC, AMEA region with dedicated hunting and farming teams.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue concentration risk(2)</th>
<th>Description of Risk</th>
<th>Mitigation Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client concentration - dependence on few customers</td>
<td>Hexaware is increasing portfolio of customer contributing &gt; 1 Million revenue a year. The company is managing its top customers well by maintaining long relationship with the customers, conducting regular customer satisfaction survey in order to have substantial improvement, expansion of client base with high revenue etc.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Foreign currency risks</th>
<th>Description of Risk</th>
<th>Mitigation Strategy</th>
</tr>
</thead>
</table>
| Hexaware earns sizable revenue in foreign currency which exposes it to exchange rate fluctuation risks | 1. Hexaware monitors currency movements closely and follows a structured hedging program approved by the Board/Committee of the Board.
2. The Company has systematic hedging policy approved by the Committee of Board and it has been effective in protecting the risk. |

<table>
<thead>
<tr>
<th>Disaster Recovery/ Business Continuity</th>
<th>Description of Risk</th>
<th>Mitigation Strategy</th>
</tr>
</thead>
</table>
| Hexaware may be vulnerable to risks due to natural calamities / disasters which may impact business operations and even pose a risk to employee safety. | 1. Hexaware has a structured business continuity management plan that addresses disruptions at every level of business-like city level, country level and even at floor level.
2. The plan framework minimizes the impact of outages which includes recovery sites, intra-city redundancies, work from home etc.
3. Business continuity plan was activated during the Chennai events and was successful in minimizing business impact as well as supporting employee safety requirements. |
6.3 Ethical Practices

Fair and transparent corporate governance is one of the major pillars for long term sustainability of any business. It reflects a company’s culture, policies, relationship with stakeholders, commitment to values and ethical business conduct. It is also a reflection of effective and responsible leadership characterized by strong ethical values of responsibility, accountability, fairness and transparency. At Hexaware, strong leadership and effective corporate governance practices have always been high up in the order of precedence.

Hexaware is a listed Public Limited Company and has been committed to adopting and adhering to globally recognized standards of corporate conduct towards its employees, clients and the society at large. At Hexaware, conducting ethical and lawful business is of paramount importance. The Company pursues to attain the best practices in corporate governance. Further, Hexaware believes that timely and accurate disclosure of information is also a vital part of good governance.

Corporate Governance at Hexaware is based on the following principles:
Hexaware adheres to Corporate Governance practices to ensure accountability, transparency, fairness in all transactions in the widest sense to meet their stakeholders’ aspirations and expectations. Hexaware stands to the requirements not only on paper but in spirit by not getting involved in unfair trade practices, irresponsible advertising and/or anticompetitive behavior. In 2018, there was no such cases against the Company.

The Company is moving ahead in its pursuit of excellence in corporate governance. It has adopted a Code of Conduct for its Directors, Employees, and has also adopted a Code of Conduct to regulate, monitor and report trading by insiders and a fair disclosure code. Further, the Company is focusing on building business processes and infrastructures that not only ensure compliance but also augment company’s capacity for efficiency, agility, and responsive management.

The Company’s Board of Directors comprises of eminent professionals in their respective fields with rich experience in policymaking and strategy formulation. Hexaware’s Board exercises its fiduciary responsibilities in the widest sense of the term. In 2018, there were three (3) meetings conducted by the highest governance body covering ESG topics.

### Board of Directors- Composition and category:

The composition of the Board of Directors of the Company represents an optimum combination of professionalism, knowledge and experience. As on December 31, 2018 The Board comprises of ten (10) Directors. Of these, nine Directors are Non-Executive and six amongst them are Independent Directors.

<table>
<thead>
<tr>
<th>S.No</th>
<th>Name of Director</th>
<th>Designation</th>
<th>Category</th>
<th>Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mr. Atul Nishar</td>
<td>Chairman</td>
<td>Non-Independent Non-Executive</td>
<td>Male</td>
</tr>
<tr>
<td>2</td>
<td>Mr. Jimmy Mahtani</td>
<td>Vice Chairman</td>
<td>Non-Independent Non-Executive</td>
<td>Male</td>
</tr>
</tbody>
</table>
### Board Evaluation:

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates evaluation of performance of Independent Directors, non-independent Directors and Chairperson. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. The Schedule IV to the Companies Act, 2013 states that the performance evaluation of independent Directors shall be done by the entire board of Directors, excluding the director being evaluated.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors based on the criteria such as the Board composition and structure, effectiveness of Board processes and information and functioning.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members based on the criteria such as the composition of Committees and effectiveness of Committee meetings.

The Chairman of the Board and the Nomination and Remuneration Committee (“NRC”) reviewed the performance of the individual Directors based on the criteria approved by the Board.

### Remuneration of Directors:

The Company has adopted and implemented the provisions of Section 178 of the Companies Act, 2013 on the requirement of the Nomination and Remuneration Committee to recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

The remuneration payable to Executive Director and Chief Executive Officer shall be arrived after considering the Company’s overall performance, their contribution for the same and trends in the industry in general, in

### Board Members:

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Position</th>
<th>Type</th>
<th>Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Mr. R. Srikrishna</td>
<td>CEO and Executive Director</td>
<td>Non-Independent</td>
<td>Male</td>
</tr>
<tr>
<td>4</td>
<td>Mr. Kosmas Kalliarekos</td>
<td>Director</td>
<td>Non-Independent</td>
<td>Male</td>
</tr>
<tr>
<td>5</td>
<td>Mr. P. R. Chandrasekar</td>
<td>Director</td>
<td>Independent</td>
<td>Male</td>
</tr>
<tr>
<td>6</td>
<td>Mr. Bharat Shah</td>
<td>Director</td>
<td>Independent</td>
<td>Male</td>
</tr>
<tr>
<td>7</td>
<td>Mr. Dileep Choksi</td>
<td>Director</td>
<td>Independent</td>
<td>Male</td>
</tr>
<tr>
<td>8</td>
<td>Mr. Basab Pradhan</td>
<td>Director</td>
<td>Independent</td>
<td>Male</td>
</tr>
<tr>
<td>9</td>
<td>Mr. Christian Oecking</td>
<td>Director</td>
<td>Independent</td>
<td>Male</td>
</tr>
<tr>
<td>10</td>
<td>Mrs. Meera Shankar</td>
<td>Director</td>
<td>Independent</td>
<td>Female</td>
</tr>
</tbody>
</table>
a manner which will ensure and support a high-performance culture. The remuneration payable to Directors, Key Managerial Personnel and Senior Management person will involve a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

Non-Executive Directors of the Company shall be paid a sitting fee for attending meetings of the Board and Committees. The Non-Whole Time Directors are also paid commission up to an aggregate amount not exceeding 1% of the net profits of the Company for the relevant financial year subject to shareholders approval.

**Committees of the Board:** The Board of Directors has following Committees:

1. Audit, Governance & Compliance Committee
2. Nomination & Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Strategy and Risk Committee

The details of the Committee are mentioned in the Annual report 2018.
Hexaware aims at delivering superior quality products and services and constantly works towards exceeding customer expectations. The focus of the Company is to utilize digital re-imagination to drive growth and efficiency of its products and services. Hexaware provides solutions and services to various organizations in varied segments of business.

### 7.1 Banking and Financial Services

The Banking and Financial sector is witnessing new trends and the industry is focused towards innovation to prepare itself for the future. The future of this sector will be increasingly driven by technology and with the tight regulations, digital banking and omnichannel customer. Compressing costs, including high Run-the-Bank (RTB) costs, due to high FTE-based pricing models, are the top challenge for the industry. It is imperative that this sector strikes a balance between operational optimization and digital transformation.

The Banking and Financial sector institutions should re-define themselves as customer preferences, demographics and lifestyle changes. The customers are looking for automation to reduce their operating costs and improve Straight Through Processing adopting various levers, including BOTs and Artificial Intelligence, Natural Language Processing and Machine Learning. These organizations are looking for moving their infrastructure to Cloud to reap the benefits of scalability, reliability and dependability of the environment – either through lift or shift or through transformation of existing platforms.

Hexaware works closely with its customers from Banking and Financial services sector to devise solutions in evaluation of technology solutions through Proof of Concepts. It is also helpful in creating roadmaps for their transformational journeys and partnering with them on their journey. Hexaware recently designed Robo advisor for an investing firm, to provide them with a data driven investor experience.

This has how Hexaware has helped its global customers:

- Optimized middle and back office operations by leveraging Hexaware’s Enterprise Data Management services.
- Digitally transformed operations of a leading asset management firm through innovative ITO and BPS service offerings.
- Leveraged data analytics, Big Data and AI/ML to re-architect solutions to optimize trade lifecycle for several clients.
Hexaware provides the following services to the Banking and Financial Sector:

- Digital transformation
- Enterprise Data Management
- Management of Reporting Services
- Customer Experience Transformation
- Customer Communication Management (CCM)
- Business Process Assessment Framework
- Digital Integration Framework
- Relationship-Based Pricing
- Sentiment Analysis
- Client-On-Boarding

### 7.2 Healthcare and Insurance

The healthcare industry is rapidly evolving and faces challenges such as ensuring affordability, patient centricity and superior outcome that leave very little space for laggards in today’s competitive healthcare space. These companies are looking for solutions to provide seamless digital experience to its members, Health Care Professionals and pharmacies. They are also seeking to adopt cloud platform which helps in reducing the cost and improving the efficiency.

Hexaware provides solutions on their journey such as:
Insurance Industry in the present times faces issues of increasing competition and dwindling profits. In such a scenario there is a need to build up future-ready, sustainable, connected digital ecosystem which can exceed customer expectations. These companies are actively looking for automation-centric and cloud-based solutions, that can overall lower the development and infrastructure cost for them. Hexaware’s Digital Insurance Services have delivered unique solutions such as:

7.3 Travel and Transportation

In the current digitalized world, the customers demand more personalized messages and customized promotions. Therefore, companies need to create a personalized experience for the customer. Hexaware has the capability to effectively to integrate, harmonize and interpret data collected from different sources. Instantaneously. With its innovative solution Hexaware is helping the Travel and Transportation industry in generating higher revenues and bringing in extra efficiency in their day to day operations.

Hexaware has proven expertise in application transformation management (ATM), legacy modernization, advanced analytics, product engineering, digital assurance (testing), infrastructure management services, digital and business process services to deliver solutions for passenger travel, ticketing and reservations, cargo, revenue management, web-booking and e-Commerce, CRM and loyalty, crew management, MRO, baggage and airport operations.

Hexaware offers solutions and services to meet the needs of following industry sub-segments:
Hexaware’s Unique Approach

Key Services offered to Travel and Transportation Customers:

- User Experience: Graphical User Interface, Application Support – Multi-lingual/ Multiple/ Device Platform, Personalization and Customization, Search Engine Optimization (SEO) and Search Engine Marketing (SEM), Visual and Responsive Design
- Mobility Services: Mobility Consulting and Advisory Services, Mobile Application Development, Support and Maintenance
- BI and Analytics Services: Big Leap, Data Modernization

Hexaware’s Automate Everything team is working with faster on-boarding of hotel using RPA, pharma track and trace using Blockchains, MRO and Passenger and Cargo Revenue accounting operations optimization using RPA, and more. Cloudify Everything team witnessed huge success in transforming legacy applications and building a Disaster Recovery on a hybrid cloud for a large airline in Asia.

7.4 Manufacturing and Consumer

Hexaware’s Manufacturing and Consumer Practice offers knowledge, skills and experiences practitioners to its clients. Its experience has been across various industry segments like Discrete Manufacturing, Hi-tech, Engineering and Construction, Retail, Education and Telecom.

Retail chains across the world are facing the issues of aggressive competition and declining sales. An effective program should baseline observed behavior such as customer’s shopping trail, customer profile, customer purchase basket and thereby recommend right products to the consumers at the right time. Retailers can harness technologies such as mobile, cloud, Internet of Things (IoT) and augmented reality.

Hexaware has a wide range of services offered for the retail domain which encompasses consulting, technology and sourcing and help in solving complex business challenges. The services include:

- Retail Analytics Solution
- In-Store Customer Experience
- Data Management Services
Hexaware has deeply invested in developing the right set of tools and solutions to provide fast track solutions to its customers. For example, Hexaware is working with a leading hi-tech manufacturer in automating asset management across their plants. Hexaware also helped a global imaging and digital workplace solution provider improving their sales interactions using technologies such as AR and VR to deliver superior customer experience.

### 7.5 Professional Services:

The Professional Service Industry has a market size of USD 1.7 trillion with an annual IT budget and spend of ~$30B. Trust is one of the most important themes of this industry. However, with changing economics, evolving market needs and technology-driven drivers are disrupting the top firms. This as a result is disrupting the trust of professional services firms.

The organizations providing Professional Services are transforming and increasingly making use of Automation, Artificial Intelligence, Machine Learning, Blockchain, Bots (Voice, Chat, Gesture and others). Hexaware has provided Intelligent Automation solutions to several organizations providing Professional Services.

Hexaware provides following services:

- Tax Engagement Management Platform
- People Mobility Tax: Integrated Mobility Services Platform
- Business Process Services
- Robotic process automation
- Enterprise Solutions

Hexaware’s Intelligent Automation services team built a bot that enabled a global market leader in Alternative Investments automate its financial reporting process. This helped in reducing human efforts by 85% and achieving 100% accuracy.

### 7.6 Data Management

Proper Data management ensures no loss of data and its protection. Data security is an integral part of data management. This protects organizations from data loss, theft, and breach. Data can be managed in an efficient and effective manner by putting in place well-defined processes.

Hexaware has in place national or international standards to ensure data security. There is a Quality portal and pre-release (PRIME) system, the latest version of PRIME, 14.0 was released in 2018. The SLA followed for the release in thrice in a year. Hexaware has implemented and got its systems certified for ISO 9001 since 1999. The Company is certified not only for ISO 9000 (QMS) but also for ISO 20000 (ITSM) and ISO 27001:2013 (ISMS), SOC Type 1 and Type 2 and CMMI. Further, Hexaware has implemented the GDPR regulatory requirements and registered with ICO UK, EU-US & Swiss Privacy Shield. Internal Quality Audits are conducted periodically using a tool named COMPASS.
frequency of conducting these audits is once in six months. The process performance baselines are drawn with the help of information collected from various projects and by using the process performance model.

The Customer Delight Survey is conducted once in every 6 months with the help of a CDS tool. This survey is conducted upon the request raised from the Projects. The analysis of all the projects is conducted once every 6 months. Also, external agencies are roped in for annual surveys which are facilitated by the CDS team. They also provide RFP support and record the surveys.

Process related training is also conducted for employees, plans are circulated for monthly training exercises across the locations and CDS coordinates these training.

The quality consultants facilitate in the identification of Risks associated with the activities. They help in developing the understanding of the process, also the Process Health Check (PHC) is conducted on a monthly basis with the help of COMPASS. The processes are given scores in the range from 1-100 during the Process Health Check.

There is a dedicated Information Security Officer who reports into Head of Quality Management Group. Infosec Governance Group is responsible for the adherence and certification of Hexaware for ISO 2700:2013; the current certification is valid till 2020. The Policies and documents are in place as per ISMS requirement and are reviewed annually. Also, there is dedicated Data Protection, Privacy Policy and data privacy protection is handled as per the GDPR norms.

Internal audits on every customer engagement are conducted quarterly, internal audits of ISMS are conducted for various teams such as HR and Admin. Additionally, spot checks are randomly organized. These impact the quality score of the verticals. They also facilitate external audits and assessments. SOC 2 assessment is done annually. Customer engagements are conducted – PCI DSS (specific engagements). Risk management is conducted regularly. Risk register is maintained, and the risks are rated as high medium or low. The Security Steering Committee reviews all the risks on a quarterly basis or as and when required. A dedicated team looks in to all the technological breaches but there are different operational teams which act on the breaches.

In 2018, Hexaware does not have any cases for data breach either Internally or Externally. It also has zero cases of non-compliance with legal and regulatory requirements. Further, there were no cases of non-monetary sanctions that have been made against Hexaware for non-compliance with legal and regulatory requirements.

Mentioned below are the details of data security practices followed at Hexaware:

- LAN and WAN Security Controls
- Physical and Logical Access Controls
- Information Asset Classification and Access Control
- Data Storage, Retention and Destruction Controls
- Data Leakage Prevention Controls
- Email and Internet Security Controls
- Secure data transmission Controls
- Periodic audits are conducted on customer engagements to Measure the effectiveness of these security controls
In today’s world, innovations and disruptions are happening in every field. These bring about a direct impact on the enterprises. Therefore, innovation becomes critical to sustain business competitiveness and improving productivity in the ever-evolving business landscape in the current times. The change in the business models and the introduction of as new means of doing business has made the customer expectations to vary significantly. The customer expectations have come a long way from looking at the economics and quality to having a good customer experience.

Hexaware operates in the service industry. Therefore, striving towards providing its customers an enhanced experience is one of the major focus areas. Hexaware caters to various industries such as banking and finance, healthcare, insurance, manufacturing and consumer, travel and transportation with its services and solutions, thereby making innovations and technological disruptions crucial to it for future proofing the business.

Hexaware has an established philosophy of maintaining and sustaining leadership status. In line with this philosophy, there is a state-of-the-art Research and Development (R&D) wing – Innovation Lab, carrying on Research and Development activities to create Intellectual Property for the Company.

The Innovation Lab is an enabler to drive customer’s business objectives and pursues all R&D activities within the organization. It is not a pure play R&D lab, rather more aligned to our business and our customer needs, with the fundamental objective of driving thought leadership and future proofing for Hexaware and its customers. It includes top down innovation themes and crowd sourcing bottom up innovation. Innovation lab has three key pillars based on specific focus areas and goals:

- a) Offering Engineering Lab
- b) Research and Development
- c) Co-Innovation

There are dedicated innovation architects, full stack developers as well as consultants by rotation working in the innovation lab of Hexaware. The personnel exchange ideas and produce the desired results in alignment with the client requisites. The innovation focus in 2018 was in the area of transforming customer experience using machine learning and artificial intelligence.
Customer Experience Transformation

In the world of rapidly changing customer expectations, the customer requisites are to have a consistent personalized experience when interacting with a company - its products, services and brands. Customers connect with their brands in multiple ways. Connection channel includes walk-in facilities, toll free dial-ins to customer care centers, home page on the web, self-service web portals, SMSes, mobile apps and social media presence to help drive conversations. While many of these have helped and have shown increase in revenue with better customer connect, there are continuous challenges with the growing customer segments, demographics and their ever-growing expectations.

The current customer engagement channels are either human-managed, thereby lack providing consistent experiences or require familiarization with IT systems such as web pages and mobile apps. It is a struggle for most companies to identify a plan of action for providing a consistent customer experience that helps in growing customers, sales and brand loyalty significantly.

Hexaware believes customer experience is not about visual design and usability. It’s about how we reimagine every step of the customer and employee journey and their touch points by providing a better Human-Computer interaction. Hexaware Innovation lab has built and launched solutions powered by artificial intelligence to enable enterprises in
providing multi-channel engagement to their employees and customers. Multi-channel engagement covers whole host of human computer interactions including voice, emotion, gestures, visuals, touch and messaging. Hexaware multi-channel virtual agents cover enterprise grade bot implementation covering all social messengers and enterprise chats, home automations devices, all personal voice assistants in smart phones, most leading front office solutions and AI enabled telephony services. Virtual agents are cost effective, reliable, consistent, hyper personalized, intuitive, elastic to demand, always on, present across channels and always ready to assist customers unlike human agents.

Therefore, the customer experience transformation initiative of Hexaware helps the customers in disrupting their customer connects and processes by providing consistent multi-channel customer experience through extreme automation, robotics and virtual agents (Chat and Voice Bots). The solution acts as a bridge between system designed by IT and those designed for humans, there by transitioning from user adapting to learn technology to technology adapting and learning from users.

In the current era consumers are ‘Digitally Entitled’. The playbook for the digitally entitled consumers is dynamic and time honored, informative and collaborative. At innovation Labs, we rightly cater to the new-age consumers with solutions that offer enterprise class solutions built using disruptive technologies.

**Case Study: Smart hands**

Ricoh product line comprises of printers and copiers. Each of these products have number of products lines catering to different market segments and needs. Downtime of commercial printers has direct business implications for our customers incurring in monitory loss. Therefore, there are trained technicians who provide inspection, maintenance and break-down services.

- **Number of product lines:** 300
- **Number of technicians trained:** 500
- **Key challenges:**
  - Knowledge retention of varied product training
  - All field technicians having similar level of skill
  - Digital technologies such as smartphones and apps are poor choice of tools as technicians must be hands free when they are working with the complex systems
- **Solution:**
  - For better human computer interactions – head mounted displays (HMD) with voice interaction without the need for using hand for building a frictionless solution
  - For having all field technicians having similar level of skill – access to every step of repair/configuration procedure across 300 product line was provided
  - For speedy access to the knowledge repository – The HMD’s with voice controls were integrated to the knowledge repositories in the cloud
- **Output:** The pilot was run for a targeted product line and region and service resolution time was brought down by 28%
- **Next step:** A digital control center with 10 service experts was setup in Malvern, Headquarter. HMD camera live feeds were integrated to the control center which provided the technicians advanced help.
- **Output:** This enabled each of our technicians to be an expert, solve problems faster and with lesser risk and bring the service resolution timeline down by 40%. Also, the travel time and cost were reduced, while increasing better utilization of our experts
Case Study: AR/VR/MR innovations

Problem Statement:
Complexity of the B2B Sales process for 300 plus product lines catering across various market segments and needs. The complexity increases for customers to visualize and comprehend in case of huge and heavy product lines

Requirement:
To find more effective and efficient method to communicate with the customers to accelerate sales cycle

Method:
A pilot was run using immersive digital technologies such as Augmented, Mixed and Virtual Reality to disrupt the way large and complex B2B products get marketed and sold. Deployment of the immersive tech to the flagship products was conducted.

Output:
1. Brochure AR helped in disseminating consistent message and value pertaining to a product thereby increasing lead generation by 28%
2. Ricoh MR solution (for products too big, too complex and with too many option) helped customers in visualizing and comprehending the complex Ricoh product lines during pre-sale presentations. This increased the progress in the sales cycle by 72%
3. Ricoh’s Social VR solution (for B2B products, which are several feet long and weigh several tons) enabled to provide a personalized immersive experience and led to saving millions of dollars. Ricoh VR solution increased lead generation by 35%
9 Human Capital and Practices

Hexaware gives utmost importance to its people and believes that people are the architects of any organization. Human Resources have a major contribution towards Hexaware’s growth. The industry today is rapidly evolving, and it requires human resources to remain updated with latest technology.

Hexaware’s goal of “Transforming Customer Experience” cannot be achieved without acknowledging the importance of human capital therefore Hexaware undertakes initiatives for partnering with employees and strengthening the talent pool by providing them with career development opportunities.

In 2018, the addition of 2500 employees increased the employee strength to 16,205, out of which 5,075 are women. Hexaware is a fair employer and has the principle of diversity and inclusion strongly embedded into the organizational culture. Approximately 31.05% of the workforce comprises of women. The Company has a dedicated group – W@H (Women at Hexaware) which conducts women specific activities such as Self Defense Workshops, Women’s day celebrations and parenting workshops. Hexaware attracts highly educated workforce coming from premier education institutes. A breakup of the workforce by gender, age and geographical location is provided below:

<table>
<thead>
<tr>
<th>Number of Newly recruited permanent Employees in 2018-19</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Employees</td>
<td>7811</td>
<td>5707</td>
<td>2104</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particular</th>
<th>Female Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No. of employees eligible for maternity leave</td>
<td>2104</td>
</tr>
<tr>
<td>2</td>
<td>No. of employees who availed maternity leave</td>
<td>128</td>
</tr>
<tr>
<td>3</td>
<td>No. of employees who joined the organization after completion of maternity leave</td>
<td>105</td>
</tr>
<tr>
<td>4</td>
<td>No. of employees who returned to work after maternity leave ended who were still employed twelve months after their return to work</td>
<td>105</td>
</tr>
</tbody>
</table>
Hexaware strongly believes that to have an empowered workforce, to deal with the dynamic business environment, it needs to constantly keep working towards the process of attracting, building and retaining talent across levels, globally. The Company is focused on developing a strong workforce by enhancing their professional competencies and improving the technical expertise of its employees. It provides its employees with multiple opportunities to innovate, progress and derive work satisfaction.

Hexaware supports freedom of association and collective bargaining. Hexaware doesn’t support any and all forms of child labour, forced and compulsory labour. 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.

### Talent Acquisition

Hexaware has a well-established approach for hiring and onboarding new joinees. The Company has strengthened its recruitment efforts since as the segment of Hexaware’s operations follows a disruptive business model and requires the workforce to be agile and well informed. The Company is focused towards hiring high caliber employees through a comprehensive hiring process:
Hexaware has a strong Rewards and Recognition programme, which is linked to the Performance Management system. Managers are encouraged to nominate the deserving employees for awards such as Spot/Ace/Star, Best Debutant and Best Team. Winners are guaranteed global recognition in the Hexaware world creating a memorable employee experience. It acts as a motivator for the employees resulting in reduced attrition rate and thereby make Hexaware a “Great Place to Work”. Also, the focus has been on furthering career aspirations. HR department uses various initiatives to engage employees and build new strategies to retain them.

The Company has a well-defined Human Capital Strategy incorporated with identified strong performance indicators. Hexaware conducted EMPPOWER survey, an employee engagement survey in collaboration with Great Place to Work®. The survey brings out qualitative and quantitative information which will help to improve the work environment and increase employee trust level for the Company.

The EMPPOWER survey in 2018 closed with good responses and resulted in an increased rating of 3.74 from 3.66 of 2017. The rating on the overriding question also increased to 3.86 from 3.79 of 2017.

In order to encourage high performers, the Company rewards them and one of its exclusive clubs continues to be the High Performers Club (HPC) program, the membership to which is restricted only to consistent top achievers.

Hexaware has a Performance Management System (PMS) which has an inbuilt structured and streamlined process to objectively evaluate one’s performance against pre-defined goals. Upon performance assessment, counselling and mentoring is provided for unsatisfactory performances. There is a proper feedback documentation done for Performance Improvement Plan (PIP). PIP period is 60 days and 15 days feedback discussion are scheduled with the employee, supervisor and an HR representative. If the PIP is positive, it is closed with a positive feedback, if not, then the employee needs to exit the company. In such cases 60 days basic pay in full and final settlement is paid to the employee. The PMS also has the functionality to identify future talent needed by the organization and a pipelined approach to groom the future leaders of Hexaware in collaboration with its Learning and Development arm: Hexavarsity.
To help people understand Performance Management System and other tools the HR department conducts various sessions. The company designs modules to train its consultants through various training interventions, regular Hackathons both internal and those organized by its service partners. The Technical Competency Development Program (TCDP) run by the Learning and Development team focuses on aligning the technical skills of its people to their specific roles. The Project End Feedback system ensures that consultants get feedbacks for every project that they work on and become aware of the areas where they would require to improve.

**Employee Training**

Hexaware emphasizes on grooming its employees for future leadership roles. The learning and development arm of Hexaware- Hexavarsity plays an important role. Hexavarsity enables this for all functions and levels in the organization, using an experiential learning backed by state-of-the-art systems, technology and tools. The mission is ‘to create an environment that motivates learning and empowers employees to grow and succeed in their chosen career path relevant to the business’. It works towards developing an empowered and multi-skilled workforce with market relevant skills.

Training is provided to freshers as well as the existing employees. The training provided for existing employees is divided in three levels- foundation, competency and account level. This helps employees in taking up cross functional roles and improving their existing skill sets. The employees are further evaluated on the basis of their knowledge level, practical aspect, interview and job certification. The target is to provide each employee at least 5 days training per year.

Hexaware’s Fresher Training Program (FTP) is designed to encourage Fresher’s ability to become self-reliant and to face business demands and challenges. The FTP Foundation is a Full Stack Developer training followed by a Technology focused training. A comprehensive assessment is conducted after the program to ensure that knowledge retention has happened and post that successful trainees are assigned to the projects. During the year, 540 freshers successfully completed the program and were allotted to projects.

Hexavarsity also conducted a training for Senior Management and Management Trainees which covered topics such as technology, Vertical Orientation, leadership programs and behavioral training. A total of 10 Senior Management Trainees and 8 Management Trainees successfully completed their training in 2018.

During the year 2018, the Company planned and executed several training interventions for employees on diverse areas such as technical skills, behavioral skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and Code of conduct and product training. Man-hours spent on training in 2018 amounted for 18,487 hours. The distribution of the training hours is given below:

<table>
<thead>
<tr>
<th>Training Topics</th>
<th>Contract UC, UE, UW</th>
<th>TRN to G5, S5 Junior Management</th>
<th>G6, S6 to G10, S10 Middle Management</th>
<th>G11 to G14 Senior Management</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical</td>
<td>137</td>
<td>10,938</td>
<td>1,082</td>
<td>33</td>
<td>12,190</td>
</tr>
<tr>
<td>Process and Project Management</td>
<td>60</td>
<td>2,353</td>
<td>699</td>
<td>9</td>
<td>3,121</td>
</tr>
<tr>
<td>Process</td>
<td>28</td>
<td>767</td>
<td>220</td>
<td>3</td>
<td>1,018</td>
</tr>
<tr>
<td>Induction</td>
<td>23</td>
<td>822</td>
<td>69</td>
<td>1</td>
<td>915</td>
</tr>
</tbody>
</table>
Below listed few topics of the training programs

<table>
<thead>
<tr>
<th>Behavioral</th>
<th>KYO</th>
<th>Domain</th>
<th>Language</th>
<th>Sales</th>
<th>Soft Skills</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>8</td>
<td>154</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>260</td>
</tr>
<tr>
<td>530</td>
<td>262</td>
<td>92</td>
<td>92</td>
<td>40</td>
<td>18</td>
<td>15,937</td>
</tr>
<tr>
<td>24</td>
<td>48</td>
<td>23</td>
<td>9</td>
<td>12</td>
<td>14</td>
<td>2,228</td>
</tr>
<tr>
<td>4</td>
<td>318</td>
<td></td>
<td>102</td>
<td></td>
<td>33</td>
<td>62</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>18,487</td>
</tr>
</tbody>
</table>

Hexavarsity publishes and maintains monthly training calendar in its SharePoint portal viz, VarsityPoint. It acts as a one stop shop for the consultants to view the list of ongoing, upcoming training programs and to send in nomination for any specific training topic. Hexaware emphasis on blended learning approach, where the part of learning is delivered through an external Learning Management System (LMS) and eLearning content provider. It covers a wide variety of rich contents covering the key aspects of latest topics in the form of video-based content. Hexaware’s LMS is a mobile enabled system for the consultants to learn on the go.

The Company has introduced the higher education program for its employees who wish to pursue MTech Program to upgrade their skills and fulfilling their ambition.
Employee Well Being

Hexaware has multiple employee well-being schemes to improve and enhance the quality of life of its employees. The company has launched initiatives such as:

1. **Counselling Services**: With the dynamics of changing industry, employees may often get pressurized. Individuals who are battling personal or professional issues can seek counselling services anywhere and anytime. The company has tied up with 1 to 1 helpnet to provide these services. Company is fully committed to providing for employee well-being which may affect its work performance, workplace morale and mental health.

2. **Doctor on call**: The company has appointed an in-house doctor for consultation on campus as well as on call.

3. **Cordial Work Environment**: The company is working towards creating a cordial work environment which is important for the physical, mental and emotional health of the employees. The Company strives to provide a harassment free work environment for its employees. The Company took up various training sessions for its employees to understand the concept of harassment and the potential repercussions of it.

4. **Staff Welfare Guidelines**: The Company believes in integrating fun with work and therefore organizes team outings, sporting events, office picnics, treks and other sporting and cultural events to ensure that the team members get an opportunity to bond and rejuvenate.

Some other Employee Benefits include:

- Provident Fund
- Gratuity
- Employees' State Insurance
- Leaves
- Group Medical Insurance
- Personal Accident
- Term Life
- Car Lease

Key HR Initiatives 2018:
• Refurbished Facebook@work tool which helps employees in connecting with people across the organization at global locations.
• Conducted Empower survey at the end of the year which gave an insight into what heightens employee morale and what makes Hexaware a great place to work.
• Relaunched StationH portal which provides a one stop shop for employees to get information about the organization wide processes and policies.

Initiatives for Creating Tomorrow’s Workforce:

1. Catapult: This is a leadership training development programme which focuses on four areas namely listening, speaking, caring and thanking.
2. Challenger: It provided employees a platform to learn and work on aspirational technologies and use their expertise to contribute to several company-wide projects.
3. Distinguished Engineers Programme: This gives employees an opportunity to demonstrate their potential for superior technical accomplishments and helped in shaping decision and processes.
4. Evolve: Hexavarsity, presents an opportunity to the employees to own their career progression the way they have visualized it and perform roles relevant to the market.
5. Brainbox: It is a unique platform that harnesses the creativity and innovation potential of the employees, at the grassroots level. It helps to bring improvement via automation and disruption to every project. ‘To be able to Think Better and to Think Imaginatively’ is the USP of the programme.
6. Yuva: It is an annual cultural event, which brings everyone in Hexaware together to celebrate the true spirit of the company. The yearend event signifies the culmination of a year full of joyous moments.

Principles of Hexaware

Hexaware believes that the profits/economic value cannot be generated unless it is created on the foundation of ethics and responsibilities. Bearing this in mind Hexaware is working towards creating an environment that provides equal opportunity, non-discrimination, and the one in which employees feels “valued”. It imbibes these principles in the process of hiring, promoting and treating the employees and do not discriminate on the basis of caste, colour, creed, religion, gender, disability and sexual orientation. Hexaware has the following policies for the employees:
A) **Code of conduct**: This policy defines the standards for conduct in all business, legal, and ethical matters carried out in daily business, and is meant as a tool and a guide for dealings with employees, clients, vendors, and partners; interaction with competitors; as well as in financial areas.

B) **Anti-bribery**: Company is committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices. Company conducts all its business activities with honesty, integrity and the highest possible ethical standards. The Company and all its Employees worldwide are prohibited from engaging in any acts of bribery or corruption.

C) **Job Rotation**: Hexaware job rotation policy provides opportunities to employees to explore new assignments and roles. It is an initiative to facilitate employee career development, ensure job satisfaction while meeting organization’s business needs.

D) **Sexual harassment**: Hexaware Technologies Limited is an equal opportunity employer and is committed to providing a workplace that is free from all forms of harassment. Hexaware female employees have the right to work in an environment free from any form of discrimination and conduct which can be considered as harassing, coercive, or disruptive particularly behavior that tantamount to sexual harassment as defined in this policy.

E) **Whistle Blower**: The Hexaware Whistle Blower Policy has been unveiled as a mechanism to encourage a climate of open communication within the company to report concerns at the earliest opportunity including the violation of the code and thus avert a larger issue in the future. The purpose of this policy is to enable a person who observes an unethical practice, to approach a Whistle Blower committee without necessarily informing their supervisors. Employees and others are encouraged to use guidance provided by this policy for reporting all allegations of suspected improper activities.

### Employee Engagement

The company is engaged in motivating the employees and keeping them invested in furthering Company’s initiatives. Employees attend the regular HR pulse and skip meetings which help in ironing out their concerns and providing the required clarifications. The Company also provides a clear road map for the employees by conducting Open houses and Townhalls. As part of the employee engagement initiative various talks and seminars were conducted on topics such as:

- De-stress camp
- Healthy eating workshops
- Financial Management
- Medical Camps
- Hexaware kid’s day
- Prevention of Sexual Harassment

To keep the employees motivated Hexaware organized various Employee Engagement Programs during the year 2018-19 such as:
Coastal Clean Up Drive by Hexaware Employees

Mumbai Marathon

Hexaware participated in Mumbai Marathon 2018 which was the biggest philanthropy event of the year. Hexaware supported five NGOs TeachforIndia, Save the Children, Manav Foundation, Helen Keller and Jai Vakeel Foundation. 160 Hexaware employees attended the Marathon to make their contribution in improving the world.
Summer Volunteering at Apne Aap Women’s Collective

Apne Aap Women’s Collective (AAWC) is an anti-trafficking organization that works with women and children of red-light area of Mumbai. Hexaware has been associated with this organization for the past 3 years and has been actively supporting the projects ‘Udaan’ and ‘Umeed’. This year 55 employees participated in the summer volunteering programme for 8 consecutive Saturdays. These sessions aimed at imparting various skills to the students such as communication, interpersonal skills, painting, cooking, dance, dramatics and yoga. The employees enthusiastically participated in the activity at the AAWC center to teach the kids and mentioned that they have learnt a lot of things from the kids.
HexaRun – for Greener Tomorrow

HexaRun has been an Annual Event of Hexaware since 2016, it was started with the aim to spread awareness on environmental preservation. Since this year, HexaRun was opened to the family members of the employees and it turned out to be a very successful event. It was attended by 514 employees and their family members. Through this initiative Hexaware aims to reach out to schools, colleges, offices and society at large. In fact, the first person to complete the run was not an employee but a 12-year-old boy Gopi Krishnan. This would go a long way in boasting the child’s confidence. Through this initiative every participant was given a chance to make a greener planet. The participants were given native tree saplings, fruit bearing tree saplings and kitchen gardening seeds so that they can nurture their own green space. Running for a green cause provides opportunities to integrate environmental awareness with an athletic cause.
Blood Donation Drive

Hexaware employees participated in Blood donation drives across its various office locations in Chennai, Mumbai and Pune. These Blood donation drives were organized at a gap of 6 months. This year, on World Blood Donor day, 252 units of blood were collected through this drive. The employees enthusiastically participated in the drives across locations.
Hexaware employees participated in Tree Plantation drives around its campus in Pune in the month of June. The employees planted about 200 new saplings. Apart from the planation drive the aim of this event was to sensitize the employees and other onlookers to be more conscious about their actions towards environment.
Partnering for a Social Change

‘True measure of growth lies beyond the balance sheet’, it is the underlying ideology of Hexaware that drives its CSR programmes to contribute towards betterment of local communities and the society at large. Hexaware’s CSR philosophy is to leverage its business acumen to serve the society, built on a strong belief that ‘common good’ is more important than ‘individual gain’. The Company acknowledges that there is interdependence between business and communities and strongly believes that serving communities through Corporate Social Responsibility (CSR) is an indispensable part of their business.

Hexaware’s CSR vision is guided by the overall goal of empowering the communities. The CSR programs are designed with the singular focus of generating opportunities for individuals for a better future. The Company also encourages its employees to be a part of their CSR journey and to bring about a change in the society and the environment they thrive in. Hexaware has a long-standing commitment to CSR that is built on a strong edifice of value creation for everyone.

In year 2018 Hexaware has spent INR 90.46 Million towards the CSR activities which is more than the prescribed limit under section 135 of the Companies Act, 2013.

CSR Project Lifecycle:

CSR projects are strategically planned and managed at Hexaware. Following are the various stages of the project planning and management:

- **Project Identification**: The projects should be prioritised and suggested based on suitable qualifiers by Steering Committee and presented to CSR committee for approval.
- **Budget of the project**: The Steering Committee allocates the budget for a project, and recommend to the CSR Committee.
- **Implementation**: The Steering Committee in consultation with Working team shall formulate a plan of action for approved projects that specify details of the projects. The Company carries out projects through registered NGOs.
- **Monitoring**: The Steering Committee along with working team of specific projects and programme managers will be responsible for monitoring of approved projects through site visits, review meetings and progress reports.
- **Reporting**: The CSR committee will publish a CSR Report as a part of Directors’ Report.
Hexaware’s CSR activities are classified into four broad categories.

<table>
<thead>
<tr>
<th>Flagship Programs:</th>
<th>Programs conceptualized, funded and managed by Hexaware.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programs Aligned with National Themes:</td>
<td>In line with India’s main agenda to foster effective partnerships between NGOs and the Government for promoting social development.</td>
</tr>
<tr>
<td>Sustainability Employee Engagement Programs:</td>
<td>Focussed on strengthening employee ties and uplifting their spirits, thereby uniting every individual for a greater cause</td>
</tr>
<tr>
<td>Stakeholder Management Programs:</td>
<td>Focussed on stakeholder synergies and initiatives</td>
</tr>
</tbody>
</table>
Flagship Programs

**Smile Twin e-Learning Program** was started with the aim to impart employability skills to the youth from marginalized communities and improve their standard of living. Hexaware partnered with Smile Foundation to work towards sustainable development and economic upliftment of underprivileged youth. Currently, Hexaware supports three centers in Mumbai, Pune, and Chennai and targets about 300 individuals to be trained on basic management/employability skills.

**V-Excel’s Vocational Training Program** was launched with the objective to set up a Vocational Training Centre for people with disabilities at Mylapore. This program provides professional training and job opportunities to people with disabilities and encourages them to become entrepreneurs. The project provides training on paper cutting, binding, shredding and lamination machines. The trainees are equipped with the requisite skills and they are regularly examined by external agencies.
Revenue Generated

Category 1

- Coreldraw
- Photocopying
- Cutting Machine
- Spiral Binding
- Lamination
- Sublimation machine
- Tampo Printing
- Shredding Machine
- Screen Printing

Revenue generated:
- Coreldraw: 10,705
- Photocopying: 5,360
- Cutting Machine: 10,849
- Spiral Binding: 4,990
- Lamination: 72,500
- Sublimation machine: 3,550
- Shredding Machine: 75
- Screen Printing: 109,826
Ankit Bhootra, 21 years old, is a young male with learning disability who joined V-Excel Educational Trust. In 2016, under the CSR support and guidance from Hexaware, a full-fledged Printing and Documentation unit was set up at, exclusively for training individuals with special needs such as Ankit.

Ankit was trained in areas such as photocopying, scanning, printing, data entry and designing. This was complemented with his training in front-office skills. The CSR funding from Hexaware allowed for a structured approach to training and reporting. This ensured that every aspect of the content was covered.

Ankit was then trained for the interview processes. He was hired at Hotel Savera in December 2017, where he is currently working as a Front Office Assistant. He is doing remarkably well in his job, and is well-liked by his colleagues and his manager.

Ankit is now an earning member for his family, feeling extremely happy and proud about the same. His confidence has increased manifold and this has given him a sense of purpose and direction.

Early intervention program

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. Hexaware aims to support more people by setting up bigger facilities and engaging larger teams.

SOS Children’s Village – Family Strengthening Program

Under this program Hexaware aspires to support vulnerable children from deprived families living below the poverty line. This program uses duel approach - enables children via education, nutrition, health and empowers their families by enhancing their income via varied livelihood activities. This program impacted 860 beneficiaries across four locations in Chennai, Bangalore, Alibaug and Pune. The program focuses on implementation of activities such as providing tuition support for school children and financial support for school bags, uniforms, books; organizing career guidance workshops; vocational training programs for older children; conduct adult literacy programs, organize training programs for entrepreneurial development of caregivers to name a few.
Rainbow Homes

Social transformation starts with good education. with this thought, Hexaware has provided financial support to Rainbow Homes to support 150 homeless girl children. Rainbow homes is a fully residential holistic care program which enables mainstream schooling and takes care of nutritional needs of the underprivileged children.

Highlights of the program:

- Organised Inter School Sports competitions
- Organised Science Workshops
- Started Abacus Classes
- Held extra-Curricular activities such as puppet shows and karate classes

ARUN RAINBOW HOMES – CHENNAI

Bhavani.K was brought to Rainbow Home at the age of 11 years. Her father was a truck driver and her mother had absconded. She has four sisters and two brothers of whom all were left alone with no care, food or education. Through the intervention of the organization people, Bhavani was brought to Rainbow Home.

In the initial days it was observed that Bhavani was quite disobedient and disrespectful towards elders. After a series of counselling on regular basis her attitude changed and got her admission to 9th class.

She started to study and now aims to become an IPS Officer. She is now more receptive towards the love and care given to her and even understands her responsibility towards her siblings.

Completing five years at Rainbow Home, Bhavani turns out to be a girl of noble character and good health. She is moderate in her higher studies and secured 54% of marks in the higher secondary examination. She has deeper inclination and interest in the computer science. She was admitted in BCA (Computer Application) course at Alpha Arts and Science College, Chennai. She hopes to earn good living and support her immediate and the extended family at Rainbow Homes.
Apne Aap 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 Apne Aap Women’s Collective (AAWC).

**Udaan:** This program works with the girls in the red-light area and prevents them from falling prey to the inter-generational cycle of prostitution. Under this initiative, Hexaware is financially supporting 103 girls from the age of 5 to 18. Many extra-curricular activity sessions such as theatre classes, computer classes, English speaking sessions and music classes were organized for the girls. In addition to this, health camps and night shelters were also organized for the girls.

**Umeed** is another program of Hexaware that works with sex workers/ trafficked women to support their physical, mental and economic well-being. The women beneficiaries receive first aid, quarterly medical camps regular health workshops, subsidized medication and medical referrals to government hospitals. Women living with HIV/AIDS or tuberculosis receive daily mini meal and nutritional supplements. The program directly benefits 750 women.
K. Priya came from a modest family, her mother is a daily wage earner. Priya joined Hexaware’s STeP Programme at FHSM Center. The course helped in boosting her confidence and helped in improving her communication skills. Priya greatly benefitted from personality development and computer training courses at the center. Priya got placed with Reliance Trends as a salesgirl and is now earning a monthly salary of Rs 9,500. She aspires to own a retail shop some day.

Shaikha Halima Khatoon, Deonar, Samaj Vikas Sanstha, March 2018, TARUVAR

Shaikha Halima Khatoon, 19 years old girl, who has received education till std 12th. She joined the course since she wanted to improve her communication skills and be able to get a job. At the course programme Shaikha improved her communication and computer skills. Now she no longer fears speaking in public. Shaikha found the career counselling sessions to be very useful which helped her in assessing her strengths and weaknesses. Shaikha got placed with TARUVAR group as a promoter. She now earns a monthly income of Rs. 10,000/-. Shaikha is grateful to the entire Hexaware and the STeP team for providing all the support which has helped her in getting a dream job.

Pankh – Vocation Training for People with Disability

Hexaware is providing vocation training for people with disability by supporting Pankh (Trust for Retailers and Retail Associates of India - Train Trust) for the vocational training of people with disabilities. The aim is to create sustainable
livelihoods for people with disability (PWD). Through this program, 475 people with disability (PWD) get benefitted and 70% of the beneficiaries enrolled are provided placement opportunities, across 4 centers in Navi Mumbai, Thane, Chennai and Pune. Through this program 272 trainees completed the training and 119 of them (44%) were placed.

**Space Kidz India**

Hexaware is associated with **Space Kidz India**, aimed for searching young talent in the field of Science and Technology especially in Aerospace and Robotics besides the conventional steam of Engineering and Medicine. The company also provides **scholarships** for meritorious school and college students to support their higher education. A total of 182 students have benefited from these scholarship programs.

**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 targeting senior school students.
Hexaware provides scholarships to 325 underprivileged and meritorious students to pursue their current or higher studies.

**Cuddles Foundation**

Hexaware supports Cuddles foundation which works with Government run cancer hospital to provide, food and nutritional supplements, counselling, customized diet plans to children based on their grade of malnourishment and medical condition.

**Katalyst India**

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.

The project focuses upon providing:

- Skill Development training on topics such as social skills, managerial skills and technical skills.
- One on One Mentoring Sessions
- Financial support based on scorecard which is determined by the academic performance, training attendance, mentor interactions, leadership and volunteering initiatives
- Health Insurance for the Katalyst girl and the mothers
- Industrial Visit / Corporate Workshop and assistance with Internship for all Katalyst girls

**Programs aligned with the National theme**

**Antar Bharti Balgram Yojana**

It aims to give an opportunity to orphaned and destitute children to develop into a responsible citizen by focusing on their holistic development. This program provides quality education, nutrition and inculcates moral values in children.

**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 and creating a good learning environment in schools.

**Yuva - Evolution**

This program was started in 2016 and it aims to improve the infrastructure facilities of school in Vapi, Gujarat. This year the program was expanded to the schools in Mumbai. The program focuses on:

- Improving existing infrastructure of the school
- Constructing a separate dish washing area and a drinking water facility for each school
- Creating a proper and hygienic sanitation facility for all students
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, Fulfil a Kid’s Wish, Payroll giving program, summer volunteering, Hexarun, school kit drive, blood donation drive and tree plantation drive.
Stakeholder Management Programs

Clean and Safe Neighborhood is one of the CSR initiatives of Hexaware. Hexaware takes the responsibility to maintain clean and hygienic environment around its office locations. It has undertaken following initiatives in this regard:

- Steel Dustbins in Millennium Business Park (MBP)
- Changed open drainage to closed ones around Siruseri Campus
- Laid over HT cable, which was a possible threat to public safety as an underground line
- Installed 50 solar powered streetlamps in the MBP
- Beautification the landscape with plants and trees around the Siruseri campus
- Beautification of the external area of the new Pune office with stone pitching, barbed fence and landscape with plants and trees and constructed a bus shelter in Siruseri.
- Installed 50 solar powered streetlamps and beautified canals with granite pitching in Chennai SIPCOT

Olympic Gold Quest: Hexaware is also dedicated to support Olympic Gold Quest, an organization working towards complimenting the efforts of the Indian Government and various Sports Federations in identifying and funding the most deserving athletes and medal prospects for the Olympic Games. Hexaware has partnered with this NGO and financially supports 2 athletes to cover their coaching, medical expenses and support participation in international competitions.
Recently one of the supporting athletes, Aakrashi Kashyap, a budding badminton player, won 4 national and International Awards

- Gold Medal in Badminton Under-21 Girls Singles at Khelo India Youth Games (January 2019)
- Gold Medal in Junior National Championship, Lucknow (December 2018)
- Runner-up in All- India Senior Ranking, Bangalore (December 2018)
- Runner-Up in Bulgarian International 2018 (October 2018).

**Way Forward:**

Hexaware aims to solve the macro level problem of social inequality. In order to maximize the impact, the CSR programs are mapped to the ongoing sustainability programs at a national level. This not only strengthens Hexaware’s footprints but also adds a new dimension to operating the business in ethical, social, environmental and economic spheres. Hexaware partners with likeminded Government bodies, educational and social organization to drive their initiatives, for it to have a larger reach.

Employee volunteering plays a significant role in the success of the CSR programmes. Thus, collaboration is the key and can accelerate small efforts to create desired result.

Some of the other programs supported by Hexaware include:

A. American India Foundation Trust’s DAFE program – It runs in 12 government/corporation schools of Chennai and 10 government schools of Mumbai. The objective of the program is to empower teachers and enable innovative and interactive learning environment in schools by introducing Project-Based Learning (PBL). This project has impacted more than 6000 individuals in Chennai.

B. People’s Free Reading Room and Library - Through this initiative in Mumbai, the company has benefited over 700 individuals.

C. “Digital Vocational Program” and “Digital Literacy Program” – The objective of the project is to provide hands-on technology curriculum to adolescent girls, designed around teaching technology concepts through practice-based problem-solving approach. This program is based out of Pune and has impacted over 1000 individuals.

D. Hexaware has supported IDEA to provide scholarship to 200 underprivileged and meritorious students to support their current or higher studies. In 2018 325 children (Pune:150, Chennai:125, Mumbai:50) were provided with scholarships.
Moving towards a Smaller Footprint

The planet has limited resources and economic advancement takes a toll on them. Hexaware acknowledges the perils of increasing emissions leading to global warming. Various initiatives to minimize the impact of business operation on the environment have been adopted considering the global challenges. Hexaware is working towards striking a balance between Economic, Environment and Social aspects. The company lays emphasis on environmental safety and reducing resource consumption.

The environmental performance is an outcome of the initiatives taken under guidance of the concept of sustainability, such as reduction in energy consumption through installation of energy efficient systems, deep green retrofits and using renewable energy.

Hexaware operates in the service sector, where infrastructure design plays an important role in the consumption of resources. The infrastructure developed is based on sustainable design that results in multi fold benefit for the Company, the nation and the planet. The sustainable approaches deployed during planning the infrastructure are mentioned below:

- Reduction in Energy cost
- Reduction in Water requirement
- Enhanced Indoor Air Quality
- Use of non-toxic materials
- Better acoustics and ergonomics
- Improved health and wellbeing of occupant

The sustainable aspects of base build and fit design are addressed in the following modules:

- Eco Design Approach
- Water Conservation
- Energy Efficiency
- Interior Materials
- Indoor Environment

Eco Design Approach

The design philosophy and approach have resulted in sustainable practices and impacts are observed in the following areas:

- The spaces are designed to ensure optimum circulation space, thereby ensuring safety and wellbeing of occupants
- Eco-friendly transit facilities such as shuttle service, car-pooling etc. are encouraged to minimize environmental impacts associated with automobile usage
- During development of the building it is ensured that the topsoil is protected and is re-used for gardening purpose
• Green belt is developed

**Water Conservation:**

Consumption of water at Hexaware is only for domestic purposes as it is a service industry. A total of 92,955 KL of water which was purchased from SIPCOT and private tanker supply was utilised in 2018. The total amount of rainwater collected in 2018 was 9 KL. No wastewater is discharged from the premise. Following initiatives are taken up within the campus for conserving water:

- Rainwater harvesting pits are installed around the periphery (rainwater harvesting for 60% of runoff from roof areas)
- Provision of rainwater collection sumps are built (100 KL in Chennai campus and 500 KL in Pune campus) 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 2018, the 52688 KL wastewater was generated from the STP
- Water efficient fixtures are installed (use water efficient plumbing fixtures whose 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. The recycled water is stored and reused for flushing in toilets and in horticulture activities

<table>
<thead>
<tr>
<th>Activities</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Recycled (in Kilo Litres)</td>
<td>47806</td>
<td>43125</td>
<td>52688</td>
</tr>
<tr>
<td>Rainwater Harvested (in Kilo Litres)</td>
<td>9</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Water reused</td>
<td>47815</td>
<td>43127</td>
<td>52697</td>
</tr>
</tbody>
</table>

**Energy efficiency:**

Energy conservation plays a significant role in reducing the impact leading to global warming and climate change. Utilization of non-renewable resources negatively impacts our environment. Global warming has its own consequences on our atmosphere. It results in serious effects like spreading of various diseases, warmer waters and heightened chances of hurricanes, soaring financial costs, polar ice melting, increased chances and intensity of heat waves. Conservation of energy is one of the most efficient and inexpensive solution for energy management, as it helps in transition of energy sources from non-renewable to renewable.

The total electricity purchased at Chennai location is 3528568 kWh and generated by the DG sets is 321977 kWh.

<table>
<thead>
<tr>
<th>Renewable Energy (kWh)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Renewable Energy Consumed (solar)</td>
<td>718620.49</td>
</tr>
<tr>
<td>Total Renewable Energy Consumed (wind)</td>
<td>7626932</td>
</tr>
</tbody>
</table>

Initiatives taken-up for reducing the impact of the operations on the environment, by efficient energy management.

- Usage of refrigerants and ozone depleting gases is avoided
- CFC-free refrigerants and Halons free are installed in the HVAC and Fire systems
- Enhancement of energy efficiency in the spaces, to optimize energy consumption is done
- Lighting Power Density (LPD) of the interior space is reduced by at least 20% from the baseline
- Minimising artificial lighting by at least 25% in the regularly occupied spaces* during the day has been done. Strategies like Light pipes and other passive features have been installed.
- Sub-metering and continuous monitoring are done to implement energy efficiency measures
- Use of renewable energy technologies has been adopted to minimize the environmental impact associated with usage of fossil fuel. Renewable energy is drawn from sources such as solar energy and wind energy (Chennai campus have solar panels on all the terraces).
- Identification and usage of materials or products with low embodied energy, to minimize the environmental impacts associated with extraction, manufacturing and packing has been implemented.

Energy conservation initiatives (short-term) taken up and completed in 2018 at Chennai locations are mentioned below:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Initiative</th>
<th>Type of Fuel / Energy Saved</th>
<th>Unit of Measurement</th>
<th>Total Fuel / Energy Saving Proposed (Per Month)</th>
<th>Total Fuel / Energy Saving Achieved (Per Month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>LED light fixtures (retrofit)</td>
<td>Electricity</td>
<td>KWH (Units)</td>
<td>80000</td>
<td>87836</td>
</tr>
<tr>
<td>2</td>
<td>Modular UPS</td>
<td>Electricity</td>
<td>KWH (Units)</td>
<td>35000</td>
<td>38010</td>
</tr>
<tr>
<td>3</td>
<td>Roof top Solar plant (904KW)</td>
<td>Electricity</td>
<td>KWH (Units)</td>
<td>140000</td>
<td>145929</td>
</tr>
</tbody>
</table>

**Interior Materials:**

- Segregation of waste at source has been facilitated to prevent such waste being sent to landfills
- Practices to manage material waste during installation, to avoid such waste being sent to landfills has also been encouraged. Practices include the following:
  - Explore reusing the waste within the same premises / building
  - Sell the waste only to authorized recycler and obtain the certification of recycling
  - Donate the waste to neighboring spaces like schools and temples and avoid land filling
  - Setting up Organic waste convertors to convert food waste into manure
  - Use of locally available materials, thereby minimizing the associated environmental impacts like energy saving from transportation wherever applicable
  - Use materials that have a high recycled content, thereby minimizing the associated environmental impact
  - Encourage use of materials that have a high recycled content, thereby minimizing the associated environmental impact
  - Minimize use of new wood-based products, thereby reducing impact of deforestation.

**Indoor Environment**

- Provision of adequate outdoor air ventilation has been made, to avoid pollutants affecting indoor air quality. This has induced fresh air of approx. 30% in the recent projects.
- Connectivity has been provided between the interior and exterior spaces, to achieve visual delight to the occupants
- Provision of good working environment has been made to enhance the productivity and well-being of the occupants
- Ergonomic designs to promote occupants’ health and well-being have been incorporated
- Installation of monitoring systems to measure and control air quality to ensure occupant health and well-being has been completed
- Usage of indoor plants to enhance indoor air quality, thereby improving the health and wellbeing of occupant has been initiated
• Effective acoustic designs have been incorporated to promote occupants’ wellbeing, productivity and communication. Acoustical consultants are appointed to get good acoustical design and post occupancy testing are conducted to ensure that the design is achieved.
• Minimized the exposure of building occupants and maintenance team to hazardous indoor and outdoor pollutants, thereby enhancing indoor air quality and occupant health
• Encouraged use of materials and systems with low emissions, to reduce adverse health impacts on building occupant. Zero VOC paints are used. All materials used are non-carcogenic materials.
• All carpets installed in the building interior are mandated to comply with CRI Green Label Plus Carpet Programmer. The Glue used for fixing is Zero VOC Glue.
• Avoided occupants’ exposure to indoor airborne contaminants before occupying the premises, to reduce the adverse health impacts on building occupant.

Waste:
Organic Waste Converter that converts food waste generated in the canteen to manure. Composting of organic/canteen and kitchen waste is also undertaken.
Hexaware provides great emphasis on energy conservation. Therefore, the following initiatives have been taken in 2018 to reduce the energy consumption:

• All campuses are equipped with energy efficient devices such as lightings, computers, servers, printers and faxes
• About 450000 sq ft green belt has been developed around the building - Siruseri campus
• Indoor and Ambient Air quality monitoring is done on a monthly basis. CO2 level is monitored inside the offices to ensure a pollution free environment
• Conventional light fittings at Chennai campus is replaced with Energy efficient LED light fixtures due to which 390335 Units of energy has been saved
• Modular UPS units are installed at Chennai campus instead of Conventional UPS units and thereby 180,534 Units of energy is saved.
• Conventional Light Fixtures and UPS units at Mumbai MBP locations were replaced with Energy efficient LED light and saved 295,735 Units
• Variable Frequency Drive is installed at Food Court, Guest Dining and Hexaware training room
• Chennai campus is Zero-water discharge campus. Rainwater harvesting system has been installed along the periphery.
• E-waste and Hazardous waste were disposed through authorized agencies as per government norms
• There is a State of the art 220 KLD Sewage Treatment Plant (STP) (membrane bio-reactor technology) installed. The treated water generated from STP is used for gardening purpose. In year 2018, STP treated water of about 50,000 KL at Chennai and 11,000 KL at Pune is recycled and reused.
• Paper waste generated was 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 421KW Roof Top solar system in its Siruseri campus and 114KW at Mumbai MBP. Power generated in 2018 from these systems is 308310 and 40470 Units respectively. This results in avoiding Green House Gas emission of about 279 tons of CO2e
• Wind energy to the tune of about 80 lakh units is availed in year 2018 as Captive Power Consumer through 3rd party Private power agency
• 85% of energy consumed at Chennai campus is fed from Green Power
Some of the projects at Hexaware which directed by the philosophy of environmental sustainability are:

**LEED projects Of Hexaware:**

- Chennai phase -2: LEED gold certified (IGBC)
- Fit out of Loma IT park: LEED platinum – waiting for certification (USGBC)

**Base build Projects**

- Chennai Siruseri Phase-2 - 500,000 Sq Ft office building
- Pune campus phase- 1 - 2,10,000 Sq ft office building.

**Recent interior projects:**

- Interior for customer care block – Chennai Siruseri phase -1 – 44,000 sq Ft office building
- Interior for LOMA IT park - Mumbai - 1,97,000 Sq Ft office building
- Proposed interior for Part Siruseri phase – 100,000 Sq Ft office building

Pune Campus has been awarded Platinum Rating under LEED rating systems with 84 credits. Salient features of the campus are as below:

- 33 % less energy when compared to the base case
- 56 % less water consumption due to water efficient fixtures and usage of treated water.
- 11 % of the value of construction materials recycled
- 85 % of the value of construction materials were brought / procured within 500 Miles
- Design enables ample day light and good outdoor connectivity for the occupants

**Paper**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Details of paper consumed</th>
<th>UoM</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total Paper consumed</td>
<td>KGs / Rims</td>
<td>2795</td>
<td>3025</td>
<td>2048</td>
</tr>
<tr>
<td>2</td>
<td>Details of the quantity consumed for recycled paper</td>
<td>KGs</td>
<td>466</td>
<td>537</td>
<td>360</td>
</tr>
</tbody>
</table>
Paper conservation measures adopted

1. Installed user recognizing system in all the printers to reduce the paper usage
2. Recycle all the used and waste paper though registered vendor for recycling

The Admin team at Hexaware plays a huge role in achieving the Organizational Sustainable Goals. Carbon footprint has become a larger threat to our planet than any other contemporary issues. Every activity we take towards development leaves a carbon footprint. The Admin team plays a pivotal role in reduction the carbon footprint by limiting the usage of buses and office cars and practicing responsible and safer way to dispose hazardous and e-waste by meticulously selecting a vendor partner to dispose of these wastes in the safest way possible. Hexaware also takes pride in being a pioneer in Organic waste control methods. There is a treatment plant in the premise to process organic, kitchen and canteen waste. Also, usage of paper plays a challenge to reducing emission hence Hexaware follows a minimal paper usage practices by digitizing most of the internal and external operational matters. Disposing waste/used paper is done through ITC for recycling process. Hexaware takes pride in being the flag-bearer in spreading awareness on the harmful effects of carbon footprints and enlighten the employees on usage of renewal resources.

Various Energy saving and renewable energy projects (Phase 1) taken up at Chennai are:

<table>
<thead>
<tr>
<th></th>
<th>Energy savings measures taken up</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Old CFL light fixture has been replaced with energy efficient LED light fixtures at Phase-1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Replacement of Old conventional UPS into Modular UPS units at Phase-1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Installation of Roof top Solar plants at Phase-1 and 2 (904KW)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Energy saving achieved by these measures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LED - 390335 kWh (Aug’18 to Dec’18)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>UPS - 162735 kWh (July’18 to Dec’18)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Roof Top Solar - 55368 Units (Nov’18 to Dec’18)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>The installation capacity of the roof-top solar system (1124KW)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EB1 Terrace - 90KW (Commissioned 10-05-2014)</td>
<td></td>
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<tr>
<td></td>
<td>H’sity Terrace- 130 KW (Commissioned 14-02-2016)</td>
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<tr>
<td></td>
<td>EB-2 Terrace - 106KW (Commissioned on 16.11.2018)</td>
<td></td>
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<tr>
<td></td>
<td>CA Terrace - 118KW (Commissioned on 16.11.2018)</td>
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<tr>
<td></td>
<td>West Bus Bay - 93KW (Commissioned on 27.11.2018)</td>
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<tr>
<td></td>
<td>East Bus Bay - 67KW (Commissioned on 03.12.2018)</td>
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<tr>
<td></td>
<td>EB3 Terrace - 17KW (Commissioned on 03.12.2018)</td>
<td></td>
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<tr>
<td></td>
<td>Phase-2 Terrace - 503KW (Commissioned on 17.01.2019)</td>
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<tr>
<td>4</td>
<td>Total units generated by the roof-top solar system</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,63,678 kWh (For year 2018)</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Units of wind power purchased at Chennai</td>
<td></td>
</tr>
<tr>
<td></td>
<td>79,82,390 kWh (For year 2018)</td>
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</tbody>
</table>
LEED 2011 for INDIA Core & Shell GOLD Certification

HEXAWARE TECHNOLOGIES PHASE II A
Siruseri, Chennai

96.5% Construction waste diverted from landfill
58.3% Potable Water use reduction
37.3% Regionally extracted materials
21.7% Energy cost reduction

LEED Facts
HEXAWARE TECHNOLOGIES
PHASE II A
Siruseri, Chennai

LEED 2011 for INDIA Core & Shell GOLD Certification

<table>
<thead>
<tr>
<th>Category</th>
<th>Score</th>
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<tbody>
<tr>
<td>Sustainable Sites</td>
<td>21/28</td>
</tr>
<tr>
<td>Water Efficiency</td>
<td>9/10</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>13/37</td>
</tr>
<tr>
<td>Materials &amp; Resources</td>
<td>5/13</td>
</tr>
<tr>
<td>Indoor Air Quality</td>
<td>8/12</td>
</tr>
<tr>
<td>Innovation in Design</td>
<td>6/6</td>
</tr>
<tr>
<td>Regional Priority</td>
<td>4/4</td>
</tr>
</tbody>
</table>
12 Awards and Recognitions

Hexaware rated as **Best IT Outstanding Service Provider** for 3rd consecutive year by Whitelane Research, Europe

Ranked highest for the 2nd consecutive year in **Third-Party Customer Delight Survey**
Nelson Hall Mentions
Hexaware as ‘**Major Players’ for IoT Services**
Pune Campus was awarded with **Platinum Rating** under LEED rating system

Hexaware wins the Global Peacock Award for **Excellence in Corporate Governance**, 2018

Everest Recognizes Hexaware as ‘**IT service provider of the year**’ for three consecutive years
Hexaware won World HRD Congress award for **Best Corporate Social Responsibility Practices**

Hexaware won World HRD Congress award for **Dream Company to work for**
Hexaware won World HRD Congress award for **Innovative HR Practices**

Hexaware won World HRD Congress award for **Fun at Work**
Innovations are the most critical aspect to help an organization make a mark and sustainability thrive in the highly volatile business environment of the current era. It provides the leverage of standing out from the competitors, meet the requirements of the customers, attract the best talent and helps the organizational growth. Innovation along with automation fuel progress.

Therefore, Automate Everything, Cloudify Everything and Transform Customer Experiences are the pillars of our strategy as a sustainable corporation. To develop transformational solutions and cope with the competition in the current digital enterprise, we have also partnered with the global industry players. At Hexaware, diversity and inclusion, transparency and commitment towards communities and planet is of utmost importance. Being a responsible organization, we focus immensely on the societal issues and operate in a manner while creating minimal impact on the environment.

Essence of Sustainability acts as a guiding principal and plays an integral part in all our business endeavors. This is the first year for us to come up with our Sustainability Report. In the subsequent years, we plan to prioritize and adopt targets in areas material to Hexaware, to make our journey measurable and trackable. Our sustainability journey is an agenda driven and owned by our employees. We will also increase employee participation in our sustainability initiatives to propagate the impact of sustainability beyond the organizational boundaries.

Each employee, business unit and the organization - together we are committed to continue our efforts with the same vigor and intensity in making Hexaware a truly sustainable corporation.