

# Business Responsibility & Sustainability Reporting

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1. **Corporate Identity Number (CIN) of the Listed Entity** - L72900KA2011PLC057931
2. **Name of the Listed Entity** - Happiest Minds Technologies Limited
3. **Year of Incorporation** – 30.03.2011
4. **Registered office address** – 53/1-4, Hosur Main Road, Madivala, Bengaluru-560068, Karnataka
5. **Corporate address** - 53/1-4, Hosur Main Road, Madivala, Bengaluru-560068, Karnataka
6. **E-Mail** – legal@happiestminds.com
7. **Telephone** - 08061960300
8. **Website** - [www.happiestminds.com](http://www.happiestminds.com)
9. **Financial year for which reporting is being done** – FY 2021-22
10. **Name of the Stock Exchange(s) where shares are listed** – NSE/BSE
11. **Paid-up Capital** - ₹29,37,27,112
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR Report** – Aurobinda Nanda, President – Operations (Email: aurobinda.nanda@happiestminds.com, Telephone-08061960300)
13. **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (for the entity and all the entities which form a part of its consolidated financial statements, taken together)** - Disclosures made in this report are on a standalone basis and pertain only to Happiest Minds Technologies Ltd.

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of Main Activity  | Description of Business Activity                         | % of Turnover of the Entity |
|--------|-------------------------------|--|-----------------------------|
| 1.     | Information and communication | Computer Programming, Consultancy and related activities | 100%                        |

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

| S. No. | Product/Service                             | NIC Code | % of Total Turnover Contributed |
|--------|---|----------|---------------------------------|
| 1.     | Computer programming and related activities | 6201     | 100%                            |

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

| Location      | Number of Plants | Number of Offices/Presence | Total |
|---------------|------------------|----------------------------|-------|
| National      | Not Applicable   | 4                          | 4     |
| International | Not Applicable   | 12                         | 12    |

#### 17. Markets served by the entity:

##### a. Number of Locations

| Locations                        | Number |
|----------------------------------|--------|
| National (No. of States)         | 3      |
| International (No. of Countries) | 6      |

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

85.23%

**c. A brief on types of customers**

Happiest Minds positions itself as a thought leader who partners with clients to deliver digital transformation, leveraging disruptive technologies. Led by this vision, the Company focuses on vertical/industry segments, which shows a high propensity to innovate and transform. Based on market analysis, the Company expands into more verticals – e.g., The Company has put additional focus on healthcare since this fiscal. The Company also has specific GTM strategies for different Geos and Domains. Hence, the Market and Customers are also segmented by Geography, and the expansion in new geographies like ANZ and the Middle East is based on this. The Company also believes in forging long-term partnerships with clients & hence additional criteria such as client turnover and IT budget are used as lead indicators of potential to scale and deliver value in multiple areas.

**o Verticals:**

- EduTech
- HiTech
- Retail
- TME (Travel, Media, Entertainment)
- BFSI (Banking, Financial Services & Insurance)
- Industrial, Manufacturing
- Public Service Organizations
- Others

**o Geographies:**

- Americas
- Europe
- India
- Middle East
- Australia

## IV. Employees

**18. Details as at the end of Financial Year i.e.**

**a. Employees and workers (including differently abled):**

| S. No.           | Particulars              | Total (A) | Male    |           | Female  |           |
|------------------|--------------------------|-----------|---------|-----------|---------|-----------|
|                  |                          |           | No. (B) | % (B / A) | No. (C) | % (C / A) |
| <b>EMPLOYEES</b> |                          |           |         |           |         |           |
| 1.               | Permanent (D)            | 3,744     | 2,777   | 74.17%    | 967     | 25.83%    |
| 2.               | Other than Permanent (E) | 424       | 292     | 68.86%    | 132     | 31.21%    |
| 3.               | Total employees (D + E)  | 4,168     | 3,069   | 73.63%    | 1,099   | 26.37%    |

\* Note: The Company does not have any workers as defined in the guidance note on BRSR.

**b. Differently abled employees**

| S. No                              | Particulars                               | Total (A) | Male    |           | Female  |           |
|------------------------------------|---|-----------|---------|-----------|---------|-----------|
|                                    |   |           | No. (B) | % (B / A) | No. (C) | % (C / A) |
| <b>DIFFERENTLY ABLED EMPLOYEES</b> |   |           |         |           |         |           |
| 1.                                 | Permanent (D)                             | 7         | 5       | 71%       | 2       | 29%       |
| 2.                                 | Other than Permanent (E)                  | 0         | 0       | 0%        | 0       | 0%        |
| 3.                                 | Total differently abled employees (D + E) | 7         | 5       | 71%       | 2       | 29%       |

\*Note: The Company does not have any workers as defined in the guidance note on BRSR.

#### 19. Participation/inclusion/representation of women

|                          | Total (A) | No. and Percentage of Females |         |
|--------------------------|-----------|-------------------------------|---------|
|                          |           | No. (B)                       | % (B/A) |
| Board of Directors       | 6         | 2                             | 33%     |
| Key Management Personnel | 1         | 0                             | 0%      |

#### 20. Turnover rate for permanent employees and workers

|                     | FY 2021-22 (YTD; Mar'22)<br>(Turnover rate in current FY) |        |        | FY 2020-21 (Turnover<br>rate in previous FY) |        |        | FY 2019-20 (Turnover rate in<br>the year prior to the previous FY) |        |        |
|---------------------|---|--------|--------|--|--------|--------|--|--------|--------|
|                     | Male  | Female | Total  | Male   | Female | Total  | Male   | Female | Total  |
| Permanent Employees | 23.42%  | 20.60% | 22.71% | 12.70%                                       | 11.56% | 12.43% | 19.08%   | 17.53% | 18.72% |

### V. Holding, subsidiary and associate companies (including joint venture)

#### 21. a. Name of the holding/subsidiary/associate companies / joint ventures (A) –

| S. No. | Name of the holding/ subsidiary / associate companies / joint ventures (A) | Indicate Whether Holding/ Subsidiary/ Associate/ Joint Venture | % Of shares held by the listed entity | Do the entities indicated in column A participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|--|--|---------------------------------------|---|
| 1.     | Happiest Minds Inc   | Wholly Owned Subsidiary  | 100%                                  | Yes   |

### VI. CSR details

#### 22.

- Whether CSR is applicable as per Section 135 of Companies Act, 2013: Yes
- Turnover: ₹1,03,354 Lacs
- Net worth: ₹66,974 Lacs
- Total amount spent on CSR for FY 2021-22: ₹215 Lacs

### VII. Transparency and Disclosures Compliances

#### 23. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

| Stakeholder group from whom the complaint is received | Grievance Redressal Mechanism(s) in Place (Yes/No) (If yes, then provide a web link for Grievance Redressal Policy) | FY 2021-22                                   |  |         | FY 2020-21                                   |  |         |
|---|---|--|--|---------|--|--|---------|
|   |   | Current Financial Year                       |  |         | Previous Financial Year                      |  |         |
|   |   | Number of complaint(s) filed during the year | Number of complaint(s) pending resolution at the close of the year | Remarks | Number of complaint(s) filed during the year | Number of complaint(s) pending resolution at the close of the year | Remarks |
| Communities   | N/A   | NIL  | N/A  | -       | NIL  | N/A  | -       |
| Investors (other than shareholders)                   | N/A   | NIL  | N/A  | -       | NIL  | N/A  | -       |
| Shareholders  | YES   | 232  | NIL  | -       | 5,559  | NIL  | -       |
| Employees And workers                                 | N/A   | NIL  | N/A  | -       | NIL  | N/A  | -       |
| Customers   | YES   | 13   | NIL  | -       | 6  | NIL  | -       |
| Value Chain Partners                                  | N/A   | NIL  | N/A  | -       | NIL  | N/A  | -       |
| Others  | N/A   | NIL  | N/A  | -       | NIL  | N/A  | --      |

Weblink for Grievance Redressal Policy:

Grievance Resolution Policy is shared on Company's intranet platform.

**24. Overview of the entity's material responsible business conduct issues: Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, as per the following format:**

| S. No. | Material Issue Identified                 | Indicate Whether risk or opportunity | Rationale for identifying the risk/opportunity  | Approach to adapt or mitigate  | Positive/Negative Implications   |
|--------|---|--------------------------------------|---|--|--|
| 1      | Corporate Governance                      | Risk                                 | Strong corporate governance that considers stakeholder concerns, engenders trust, oversees business strategies, and ensures fiscal accountability, ethical corporate behaviour, and fairness to all stakeholders is core to achieving the Company's longer-term mission.  | <ul style="list-style-type: none"> <li>• Robust corporate governance mechanism which ensures responsible business conduct and regulatory compliance</li> <li>• Adequate Independent Director representation to protect stakeholder interest</li> <li>• Robust enterprise risk management framework and consideration for ESG risks</li> <li>• Promoters to hold 40% stake to ensure perpetuity in the Company's vision and culture</li> <li>• Strong checks in place to prevent corruption and non-compliance</li> </ul> | Incorporating various policies and practices to ensuring effective corporate governance ensuring long term sustainability. |
| 2      | Information Management & Customer Privacy | Risk                                 | Happiest Minds works with a wide range of customer data which leads to increased regulatory scrutiny globally. Cloud-based software and IT services also raise concerns about potential access to user data by governments. Effective management in this area is important to reduce regulatory and reputational risks which can impact revenues, and market share, and lead to punitive actions involving potential fines and other legal costs. | <ul style="list-style-type: none"> <li>• Implemented Data privacy policies and controls as per the GDPR requirement to protect personal data</li> <li>• In process of implementing the Privacy Information Management System as per the ISO 27701 standard</li> <li>• Undertaking annual security awareness sessions</li> </ul>  | Provides adequate assurance and confidence to the customer for the Protection of their Information Security and Privacy.   |
| 3      | Data Security                             | Risk                                 | Rising instances of cyber-attacks and social engineering puts the Company's as well as the customer's data at risk. Inadequate prevention, detection, and remediation of data security threats can damage the Company's reputation and thus influence customer acquisition and retention, resulting in decreased market share and lower demand for the Company's products.  | <ul style="list-style-type: none"> <li>• Implemented multiple controls to ensure data security and privacy including user awareness and training programs, end point and N/W security controls</li> <li>• Proactive monitoring and analysis of any new vulnerabilities and threats</li> <li>• Ensuring all third parties have adequate data protection measures and procedures</li> </ul>  | Provides adequate assurance and confidence to the customer for the Protection of their Intellectual Property.              |

| S. No. | Material Issue Identified | Indicate Whether risk or opportunity | Rationale for identifying the risk/opportunity  | Approach to adapt or mitigate  | Positive/Negative Implications   |
|--------|---------------------------|--------------------------------------|---|--|--|
|        |                           |                                      | It can also result in increased expenses, due to remediation efforts such as identity protection offerings and employee training on data protection. New and emerging data security standards and regulations further lead to increased costs of compliance.  |  |  |
| 4      | Climate Change            | Risk & Opportunity                   | Climate change poses significant physical and transition risks to the Company's business. It can also impact the well-being of Happiest Minds and customers as well as the Company's strategy and financial resources. It also offers opportunities arising from innovations in energy efficiency and renewable energy. | <ul style="list-style-type: none"> <li>• Actively integrating ESG in the Company's business decisions and designing the Company's operations and business activities aligned with climate neutrality by leveraging innovative technologies, renewable energy, and upgrading existing systems for higher efficiency</li> <li>• Board-approved ESG policy aimed at enabling a low-carbon and resource-wise economy</li> <li>• Climate change risks and opportunities reviewed by a Board-approved management level ESG committee</li> <li>• Helping the Company's customers to transform their business into lean, energy-efficient, and agile cloud-based digital solutions, and embrace technology-led green solutions</li> <li>• Encouraging vendors to adhere to safe and environmentally responsible practices</li> </ul> | The Company believes that being environmentally sustainable is essential to long-term business prosperity. Furthermore, it leads to increased operational efficiency and long-term financial viability.                                |
| 5      | Competitive Behaviour     | Opportunity                          | IT companies spend a significant proportion of their revenues on IP protection. While IP protection is intrinsic to the business model of some companies, it is also an important driver of innovation, and restricting competition from accessing its benefits can be a contentious societal issue.                    | <ul style="list-style-type: none"> <li>• Happiest Minds ensures that its policies relating to IP sales &amp; commercial practices are in line with anti-trust regulations in the Company's leading markets</li> <li>• All of the Company's IP are based on technology stacks from industry leaders, which are widely available and supported.</li> </ul>   | This helps the Company to strike a good balance between deriving competitive advantage through innovation while complying with anti-trust regulations. For the Company's customers, this ensures transparency and competitive pricing. |

| S. No. | Material Issue Identified                   | Indicate Whether risk or opportunity | Rationale for identifying the risk/opportunity  | Approach to adapt or mitigate   | Positive/Negative Implications   |
|--------|---|--------------------------------------|---|---|--|
|        |   |                                      |   | The Company also ensures that none of its IP infringe third-party patents etc. are based on restrictive proprietary technologies.   | For Company's customers, this ensures that their IT landscape is based on future technologies and open standards & they have multiple options for support should the need arise.   |
| 6      | Systemic Risk Management                    | Risk                                 | Programming errors or server downtime have the potential to generate systemic risks, such as computing and data storage functions to the cloud. The risks are heightened for sensitive sectors, such as financial institutions or utilities, which are critical to national infrastructure. Investments in improving the reliability and quality of IT infrastructure and services are therefore critical.  | <ul style="list-style-type: none"> <li>Adopted a Secure Software development process to ensure that security vulnerabilities are identified and fixed prior to release</li> <li>Perform detailed security testing on the developed application/system</li> </ul>  | Ensures reduced failure rate, better security controls on the software applications that the Company develops and a better culture that ensures security is by design.   |
| 7      | Talent and Skill Management                 | Opportunity                          | The Company's people are the key contributors to value creation. Recruiting qualified members to fill the relevant positions and training them adequately in including niche skills is key to servicing our clients and driving future growth. It also enables the Company to provide a quality differentiator.   | <ul style="list-style-type: none"> <li>Multiple learning and development programs to upskill and reskill people</li> <li>Robust system for acquiring and retaining the right talent</li> </ul>  | Improves people experience that has a direct impact on the Company's members and customer satisfaction. It prepares them to achieve the Company's strategic goals, which increases customer satisfaction and business performance. |
| 8      | People Engagement, Diversity, and Inclusion | Opportunity                          | The health and safety of the Company's teams as well as their physical, emotional, and mental well-being is critical to keeping them motivated, driving their productivity, and influencing their retention. Diversity and Inclusion is essential as it helps in bringing diverse talent within the organization and thus drives a thriving and innovative culture. It also helps the Company understand the needs of its diverse and global customer base. | <p>Happiest Minds believes that Diversity &amp; Inclusion is a journey and not a destination. The Company strives to ensure that everyone can retain their identity that reflects their cultural experiences and feelings. The 'Happiest Minds Diversity Council' focuses on building and sustaining a strong, diverse, equitable &amp; inclusive culture by implementing new programs and policies, guided by the feedback the Company receives from the members.</p> <p><b>Diverse Talent</b></p> <ul style="list-style-type: none"> <li>Tapping Talent across Tier 1 &amp; Tier 2 Cities within India to get diverse mix across</li> </ul> |  |

| S. No. | Material Issue Identified | Indicate Whether risk or opportunity | Rationale for identifying the risk/opportunity | Approach to adapt or mitigate  | Positive/Negative Implications  |
|--------|---------------------------|--------------------------------------|--|--|---|
|        |                           |                                      |  | <ul style="list-style-type: none"> <li>- Flexi work locations - Bengaluru, Noida, Pune to support from various base locations &amp; Transfers within</li> <li>- Gender Diversity Ratio for Campus at 40%</li> <li>- To Hire Diverse Talent – Review various avenues like Women Special Hiring Drive through job portal for hiring more women candidates</li> <li>- To make the Company's Job Descriptions more inclusive, it uses a gender neutral language to attract diverse talent</li> </ul> <p><b>To develop internal Aura talent</b></p> <ul style="list-style-type: none"> <li>- Exclusive Women Leadership Development for Mid Managers covering various elements of Holistic development for leadership roles</li> <li>- Aura Learning Circles - learning platform for Aura community through webinars, book clubs, interesting articles etc.</li> <li>- Inspiring Series of Panel Discussion to motivate the Company's Aura members with stories of women leaders</li> <li>- Choose to Challenge with Nidhi Gupta, Product Manager, Google; Panel Discussion with Ram Mohan one of our EB members; Panel Discussion with Happiest Minds Client Women Leaders across geographies</li> </ul> | <p>Attrition in diverse talent is an ongoing challenge that is faced across the industry, and Happiest Minds is taking constant retention measures &amp; assessing our policies &amp; practices to retain diverse talent.</p> |

| S. No. | Material Issue Identified | Indicate Whether risk or opportunity | Rationale for identifying the risk/opportunity  | Approach to adapt or mitigate   | Positive/Negative Implications   |
|--------|---------------------------|--------------------------------------|---|---|--|
|        |                           |                                      |   | <p><b>Engagement &amp; Awareness</b><br/>                     The Company conducts sensitization programs on Diversity and Inclusion which focuses on building skills to enable 2,865 Happiest Minds to leverage the strengths of diverse teams and customers. The Company also has training programs around inclusion which help in mitigating unconscious bias. The annual Diversity Summit, which had over 3,000 participants had a range of experiences, including sign language, LGBTQiA+ awareness among other diversity themes.<br/>                     A series of communication on various aspects of diversity and inclusion is sent through the year.</p> <p><b>Thought Leadership</b><br/>                     Women leaders bagged multiple recognitions<br/>                     - Priya Kanduri - Women in Tech Award from Asia Pacific HRM Congress<br/>                     - Preeti Menon - Top 20 Female Cloud Leader in 2021 in Sociable</p> <p><b>Recognition</b><br/>                     Top 25 Best Workplaces for Women (3 consecutive years)</p> |  |
| 9      | Social Responsibility     | Opportunity                          | Business must be rooted in community and be aligned with its larger interests. Any adversarial relationship can hurt the Company's ability to create long-term value. | Happiest Minds strives to be a good corporate citizen with special emphasis on environmental responsibility and driving inclusivity.  | Creating harmonious relationships with the community provides a secure, social license to operate. Also, being socially responsible, Happiest Minds believes in the holistic improvement of the ecosystem. |



## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred to as P1-P9 as given below:

|           |   |
|-----------|---|
| <b>P1</b> | Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable           |
| <b>P2</b> | Businesses should provide goods and services in a manner that is sustainable and safe   |
| <b>P3</b> | Businesses should respect and promote the well-being of all employees, including those in their value chains                      |
| <b>P4</b> | Businesses should respect the interests of and be responsive towards all its stakeholders   |
| <b>P5</b> | Businesses should respect and promote human rights  |
| <b>P6</b> | Businesses should respect, protect and make efforts to restore the environment  |
| <b>P7</b> | Businesses when engaging in influencing public and regulatory policy should do so in a manner that is responsible and transparent |
| <b>P8</b> | Businesses should promote inclusive growth and equitable development  |
| <b>P9</b> | Businesses should engage with and provide value to their consumers in a responsible manner  |

| Disclosure questions | P 1                      | P 2                       | P 3                | P 4                               | P 5                         | P 6                     | P 7                       | P 8                 | P 9                    |
|----------------------|--------------------------|---------------------------|--------------------|-----------------------------------|-----------------------------|-------------------------|---------------------------|---------------------|------------------------|
|                      | P1 Ethics & Transparency | P2 Product Responsibility | P3 Human Resources | P4 Responsiveness to Stakeholders | P5 Respect for Human Rights | P6 Re-sponsible Lending | P7 Public Policy Advocacy | P8 Inclusive Growth | P9 Customer Engagement |

### Policy and management processes

|   |   |     |     |     |     |     |     |     |     |
|---|---|-----|-----|-----|-----|-----|-----|-----|-----|
| 1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/ No) ^            | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) {Refer Note 1}   | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| c. Web link of the policies, if available   | <a href="https://www.happiestminds.com/investors/policy-documents/Business%20Responsibility%20Policy.pdf">https://www.happiestminds.com/investors/policy-documents/Business%20Responsibility%20Policy.pdf</a>   |     |     |     |     |     |     |     |     |
| 2. Whether the entity has translated the policy into procedures. (Yes / No)   | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/ No)  | NO  |     |     |     |     |     |     |     |     |
| 4. Name the national and international codes/ certifications/ labels/ standards   | ISO 9001:2015<br>ISO 27001:2013   |     |     |     |     |     |     |     |     |
| 5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.                                 | <ol style="list-style-type: none"> <li>1. Achieve carbon neutrality in the Company's operation by 2030</li> <li>2. Establish and drive sustainable power usage &amp; water conservation techniques</li> <li>3. Establish volunteering and community involvement programs to cover at least 20% of the Company's teams</li> <li>4. Launch Happiest Minds Foundation with a clear charter by March 2023</li> <li>5. Attain the target of 10 Mn meals through Akshaya Patra</li> <li>6. Disclosure levels to be in the top 10% of comparable and best-listed entities in India</li> <li>7. To win IoD or ICSI Awards for Excellence in Corporate Governance</li> </ol> |     |     |     |     |     |     |     |     |
| 6. Performance of the entity against specific commitments, goals and targets along with reasons in case the same are not met. | <p>At each Board Meeting, the following are presented and reviewed:</p> <ol style="list-style-type: none"> <li>1. Performance against annual financial and strategy plan</li> <li>2. Review of the inorganic growth plans of the Company</li> <li>3. Objective set for the Management vs. Achievement</li> <li>4. Performance against priorities for the Management for the quarter</li> <li>5. Review of CSR, Environmental Compliances, sustainability framework, and Corporate Governance reports</li> </ol>   |     |     |     |     |     |     |     |     |

**Governance, Leadership and Oversight**

7. Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

**Message from President, Operations - Aurobinda Nanda**

(Reference Page No. 68 of the Annual Report)

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).

Venkatraman Narayanan  
Managing Director & CFO  
(DIN: 01856347)

|  |  |
|--|--|
| 9. Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details. | <p>Yes.</p> <p>Happiest Minds has formulated an ESG Committee approved by the Board responsible for decision-making and incorporating sustainability in core business decisions and internal operations.</p> <p>This is a management level committee comprising of senior members across major functions at the Company, chaired by a member of the senior management team.</p> <p>ESG Committee focuses on the Company's ESG strategy and road map to achieve set targets. The ESG Committee also works on improving the Company's ESG disclosures to effectively demonstrate the Company's ESG commitment to its stakeholders. The ESG Committee comprises of members across different functions and businesses that help in identifying ESG-related risks and related financial impacts for the Company.</p> <p>The ESG team meets once every quarter to review the ESG progress and performance.</p> |
|--|--|

**10. Details of Review of NGRBCs by the Company:**

| Subject for Review  | Indicate whether a review was undertaken by the Director / Committee of the Board / Any other Committee |    |    |    |    |    |    |    |    | Frequency (Annually / Half Yearly / Quarterly / Any other – please specify) |    |    |    |    |    |    |    |    |
|---|---|----|----|----|----|----|----|----|----|---|----|----|----|----|----|----|----|----|
|   | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against the above policies and follow-up action   | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Q   | Q  | Q  | Q  | Q  | Q  | Q  | Q  | Q  |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Q   | Q  | Q  | Q  | Q  | Q  | Q  | Q  | Q  |

Y - Yes, Q - Quarterly

11. Has the entity carried out an independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.

No. The processes and compliances, however, may be subject to scrutiny by internal auditors and regulatory compliances, as applicable. From a best practices perspective as well as from a risk perspective, policies are periodically evaluated and updated by various department heads and business heads and approved by the management or board. An internal assessment of the workings of the Business Responsibility (BR) policies has been done.

12. If the answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

Not Applicable.

## SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### ESSENTIAL INDICATOR

##### 1. Percentage coverage by training and awareness programmes on any of the principles during the financial year.

| Segment   | Total number of Trainings and Awareness Programs Held   | Topics/Principles covered under the training and its impact | % Of persons in their Respective Categories Covered by the Awareness Programs   |
|---|---|---|---|
| Board of Directors / Key Managerial Personnel (KMP) | Program was conducted online, one was done on VILT platform, <ul style="list-style-type: none"> <li>o Understand the many hidden negative results of conventional business in terms of both energy and materials processing</li> <li>o Re-imagine a system of profitable businesses delivering the goods and that the company needs with none of the hidden negatives that it does not want.</li> <li>o Understand the essential requirements for profitable, durable, and healthy businesses that consistently support their entire community thru time</li> <li>o Draw insight from the most successful design consultant available and use that insight during the redesign of the business process</li> </ul> |   | 0 (0%) members of Board of Director have gone through the awareness program in the last year<br><br>1 (100%) member of KMP have gone through the awareness program in the last year |
| Employees other than the Board of Directors or KMPs | <ul style="list-style-type: none"> <li>o Develop effective and accurate systems that measure sustainable business progress within organizations over time</li> <li>o Identify deceptive marketing techniques of impostor organizations that pose as legitimate practitioners of sustainable business</li> </ul>   |   | 1,428 (34%) members have gone through the awareness program in the last year  |

##### 2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: The entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Nil

##### 3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

##### 4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

The Company does not have a separate Anti-bribery policy; however, clause 5.1 of the Integrity Policy of the Company covers the requisites of an Anti-bribery policy. Happiest Minds' values are Sharing, Mindful, Integrity, Learning, Excellence, and Social Responsibility (SMILES). Values guide behaviour. Integrity, one of the core values, involves respecting commitments not just in letter, but in spirit, by being reliable, trustworthy & dependable, exhibiting professional, intellectual and financial integrity by being truthful, transparent & honest, and sticking up for the right, not just the convenient.

Happiest Minds Technologies Ltd. has articulated this Integrity Policy to build a shared understanding in a diverse, multi-cultural, multi-locational environment. Happiest Minds places a very high value on integrity. Each of its stakeholders – Directors, Members of the Board, Members of the Advisory Board, Happiest Minds (team), Partners, Suppliers, and Consultants ("Stakeholders")—are responsible for complying with all applicable laws and regulations in each country in which the Company does business and for knowing and complying with the Integrity Policy. The Policy expects that no one at the Company practices any illegal or unfair means to do business and should not accept or give bribes, kickbacks, loans, inducements, gifts, favours, or any other improper payments, direct or indirect, to any government officials, current or prospective customers, suppliers or competitors to win a contract or for some commercial gain.

The policy is shared on the Company's website: <https://www.happiestminds.com/investors/policy-documents>

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

|           | FY 2021-22 | FY 2020-21 |
|-----------|------------|------------|
| Directors | NIL        | NIL        |
| KMPs      |            |            |
| Employees |            |            |

**6. Details of complaints with regard to conflict of interest**

|  | FY 2021-22 | FY 2020-21 | FY 2021-22 | FY 2020-21 |
|--|------------|------------|------------|------------|
|  | Number     | Remarks    | Number     | Remarks    |
| Number of complaints received in relation to issues of conflict of interest of directors | NIL        | NIL        | NIL        | NIL        |
| Number of complaints received in relation to issues of conflict of interest of KMPs      | NIL        | NIL        | NIL        | NIL        |

**7. Provide details of any corrective action taken or under way on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

**LEADERSHIP INDICATORS**

**1. Awareness programmes conducted for value chain partners on any of the principles during the financial year.**

| Total number of awareness programmes held | Topics/Principles covered under the training                           | % of value chain partners covered (by the value of business done with such partners) under the awareness programmes |
|---|--|---|
| 2   | 1. Prevention Of Sexual Harassment (POSH) training<br>2. ISMS Training | 100%  |

**2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the board? (Yes/No) If yes, provide details of the same.**

Yes, the Code of Conduct for Directors and Senior Management covers the definition of 'conflict of interest'. Clause 5 (5.1) (D) explains the requirement of not involving in any subject matter which could cause a conflict of interest. Managerial Excellence and Development of Agile Leaders (MEDAL) covers the training program on avoiding conflicts to employee categories C7 and above (around 120 employees). The 'WE HEAR' tool is the mechanism followed by the Company where the matter of conflict can be raised and sent by email to the CPO directly. Later, a team is formed to resolve the conflict.

**PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

|       | FY 2021-22 | FY 2020-21 | Details of improvement in Environmental and Social impacts |
|-------|------------|------------|--|
| R&D   | NA         | NA         | NA   |
| Capex | NA         | NA         | NA   |

**2. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

- Yes, Happiest Minds is working proactively with vendors and suppliers to drive social and environmental standards in the supply chain. To implement the ESG standards across the supply chain, a value chain sustainability framework is in place, along with a sustainable sourcing policy and vendor's code of conduct.
- If yes, what percentage of inputs were sourced sustainably?"  
60% of all inputs were sourced sustainably as per the sustainable sourcing policy.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging), (b) E-waste, (c) Hazardous waste, and (d) other waste.**

Being an IT company, there is limited scope for using recycled material as processed inputs. Nonetheless, the Company is constantly seeking out opportunities to recycle waste.

The Company follows the below-mentioned processes to dispose waste safely:

- Disposing off the plastic waste with Bruhat Bengaluru Mahanagara Palike (BBMP) & non usage of plastic garbage covers and plastic products in the cafeteria
- IT team sends E-Waste to Karnataka State Pollution Control Board (KSPCB) licensed vendors & receive the certificate of disposal
- Disposal of hazardous waste like DG filters to KSPCB licensed vendors
- Disposal of other paper wastes to BBMP
- Food waste & dry waste is recycled into manure & used for in-house garden

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not Applicable

**LEADERSHIP INDICATORS**

**1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

Not applicable

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.**

Not applicable

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Not Applicable

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Not Applicable

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not Applicable

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**

**1. a. Details of measures for the well-being of employees**

| Category                   | % Of employees covered by |                  |             |                    |             |                    |           |                    |           |                     |          |
|----------------------------|---------------------------|------------------|-------------|--------------------|-------------|--------------------|-----------|--------------------|-----------|---------------------|----------|
|                            | Total (A)                 | Health insurance |             | Accident insurance |             | Maternity benefits |           | Paternity benefits |           | Day care facilities |          |
|                            |                           | No. (B)          | % (B/A)     | No. (C)            | % (C/A)     | No. (D)            | % (D/A)   | No. (E)            | % (E/A)   | No. (F)             | % (F/A)  |
| <b>PERMANENT EMPLOYEES</b> |                           |                  |             |                    |             |                    |           |                    |           |                     |          |
| Male                       | 2,777                     | 2,777            | 100%        | 2,777              | 100%        | 0                  | 0%        | 160                | 6%        | 0                   | 0        |
| Female                     | 967                       | 967              | 100%        | 967                | 100%        | 76                 | 8%        | 0                  | 0%        | 0                   | 0        |
| <b>Total</b>               | <b>3,744</b>              | <b>3,744</b>     | <b>100%</b> | <b>3,744</b>       | <b>100%</b> | <b>76</b>          | <b>2%</b> | <b>160</b>         | <b>4%</b> | <b>0</b>            | <b>0</b> |

| Category                              | % Of employees covered by |                  |            |                    |            |                    |             |                    |         |                     |             |
|---------------------------------------|---------------------------|------------------|------------|--------------------|------------|--------------------|-------------|--------------------|---------|---------------------|-------------|
|                                       | Total (A)                 | Health insurance |            | Accident insurance |            | Maternity benefits |             | Paternity benefits |         | Day care facilities |             |
|                                       |                           | No. (B)          | % (B/A)    | No. (C)            | % (C/A)    | No. (D)            | % (D/A)     | No. (E)            | % (E/A) | No. (F)             | % (F/A)     |
| <b>OTHER THAN PERMANENT EMPLOYEES</b> |                           |                  |            |                    |            |                    |             |                    |         |                     |             |
| Male                                  | 292                       | 71               | 24%        | 71                 | 24%        | 292                | 100%        | -                  | -       | 292                 | 100%        |
| Female                                | 132                       | 46               | 35%        | 46                 | 35%        | 132                | 100%        | -                  | -       | 132                 | 100%        |
| <b>Total</b>                          | <b>424</b>                | <b>117</b>       | <b>28%</b> | <b>117</b>         | <b>28%</b> | <b>424</b>         | <b>100%</b> | -                  | -       | <b>424</b>          | <b>100%</b> |

\* Benefits provided during the reporting time period.

\* All partners are provided Health & Accident Insurance - Happiest Minds provides to Team Lease-partners & those deployed from other third party vendors are covered by the respective vendor

### b Details of measures for the well-being of workers

Not Applicable

## 2. Details of retirement benefits for the current and previous financial year

| Benefits                | FY 2021-22   |  |  | FY2020-21  |  |  |
|-------------------------|--|--|--|--|--|--|
|                         | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF                      | 100%   | NA   | Y  | 100%   | NA   | Y  |
| Gratuity                | 100%   | NA   | Y  | 100%   | NA   | Y  |
| ESI                     | 0.4%   | NA   | Y  | 1.7%   | NA   | Y  |
| Others – please specify | -  | -  | -  | -  | -  | -  |

## 3. Accessibility of workplaces

**Are the premises/offices accessible to differently-abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Happiest Minds has a diverse and inclusive culture that prides itself on gender diversity, generational diversity, persons with different abilities, and so on. All the Company's facilities are wheelchair accessible, making it convenient for a person to move around. For those in need, the Company also provides motorized wheelchairs that one can use in the office premises. Every single Happiest Mind is accepted, valued, and celebrated.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

Yes, the Company has an 'Equal Opportunity Statement', which is shared on the Company's intranet platform.

## 5. Return to work and retention rates of permanent employees that took parental leave.

| Gender       | Permanent employees |                |
|--------------|---------------------|----------------|
|              | Return to work rate | Retention rate |
| Male         | 100%                | 100%           |
| Female       | 100%                | 100%           |
| <b>Total</b> | <b>100%</b>         | <b>100%</b>    |

## 6. Is there a mechanism available to receive and redress grievances for the Permanent and Non-permanent employees' categories of employees? If yes, give details of the mechanism in brief.

|                                |     |
|--------------------------------|-----|
| Permanent Employees            | Yes |
| Other than Permanent Employees | Yes |

'We Hear' is the Company's application where anyone who is a victim of or witness to sexual harassment or discrimination can raise a complaint with their name or anonymously. This complaint is directed to the Chief People Officer and further action taken to have it addressed and resolved with the help of the Internal Committee (IC).

The IC members consist of more than 50% of the female members and one external member trained in handling any case without any bias.

1. The Audit Committee has been mandated to establish a vigil mechanism for reporting genuine concerns or grievances.
2. The Administrative and Stakeholders Relationship Committee has been formed for the redressal of all security holders' and investors' grievances, such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of the balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints.
3. Internal Committee, as mandated by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, has been set up to redress complaints received regarding sexual harassment. The company has also appointed a lawyer as an external member of the Internal Committee, who specializes in Prevention of Sexual Harassment ("POSH") and Protection of Children against Sexual Offences Acts.

#### 7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

There is no Union/Association in Happiest Minds that members are affiliated to.

#### 8. Details of training given to employees and workers

| Category         | FY 2021-22   |                               |             |                      |            | FY2020-21    |                               |             |                      |            |
|------------------|--------------|-------------------------------|-------------|----------------------|------------|--------------|-------------------------------|-------------|----------------------|------------|
|                  | Total (A)    | On Health and Safety Measures |             | On Skill Upgradation |            | Total (A)    | On Health and Safety Measures |             | On Skill Upgradation |            |
|                  |              | No. (B)                       | % (B/A)     | No. (C)              | % (C/A)    |              | No. (B)                       | % (B/A)     | No. (C)              | % (C/A)    |
| <b>EMPLOYEES</b> |              |                               |             |                      |            |              |                               |             |                      |            |
| Male             | 2,777        | 2,777                         | 100%        | 1,186                | 49%        | 2,136        | 2,136                         | 100%        | 1,235                | 58%        |
| Female           | 967          | 967                           | 100%        | 494                  | 58%        | 682          | 682                           | 100%        | 426                  | 62%        |
| <b>Total</b>     | <b>3,744</b> | <b>3,744</b>                  | <b>100%</b> | <b>1,680</b>         | <b>51%</b> | <b>2,818</b> | <b>2,818</b>                  | <b>100%</b> | <b>1,661</b>         | <b>59%</b> |

#### 9. Details of performance and career development reviews of employees and workers

| Category         | FY 2021-22   |              |             | FY2020-21    |              |             |
|------------------|--------------|--------------|-------------|--------------|--------------|-------------|
|                  | Total (A)    | No. (B)      | % (B/A)     | Total (C)    | No. (D)      | % (D/C)     |
| <b>EMPLOYEES</b> |              |              |             |              |              |             |
| Male             | 2,777        | 2,777        | 100%        | 2,136        | 2,136        | 100%        |
| Female           | 967          | 967          | 100%        | 682          | 682          | 100%        |
| <b>Total</b>     | <b>3,744</b> | <b>3,744</b> | <b>100%</b> | <b>2,818</b> | <b>2,818</b> | <b>100%</b> |

#### 10. Health and Safety management system:

##### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such a system?

Yes, the 'Health and Safety Policy' covers all Happiest Minds including Trainees, Consultants and Partners.

##### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

- The Company has created and maintained a safe working environment by identifying hazards and assessing and minimizing risks.
- The Company monitors the internal health and safety performance, including work-related accidents, incidents, and significant ill-health occurrences such as epidemic threats and investigates those that do occur and helps reduce their number and severity.
- The Company works closely with appropriate external agencies and within its industry to ensure the continued adoption of appropriate best-practice in health and safety management.
- The Company communicates, involves, and actively engages in training all employees on health and safety issues.
- The Company ensures periodic review of Health and Safety reports to comply with health and safety legislation.
- The Company encourages its suppliers, contractors, and business partners to adopt best practices in health and safety.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

Given the nature of the business, this is not directly applicable.

**d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services?**

Yes, the Company has tie-ups with hospitals for consulting and has provided access to Doctor 24x7, a tele-consulting free application to all the members. It has also provided the following facilities

- COVID-19 insurance
- Salary Advances & Compassionate Loans are provided for Happiest Minds who test COVID positive.
- Medical Tele-consultation for members and their families.

**11. Details of safety-related incidents**

| Safety Incident/Number  | Category  | FY 2021-22 | FY 2020-21 |
|---|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one Mn-person hours worked)  | Employees | NIL        | NIL        |
| Total recordable work-related injuries                                    | Employees | NIL        | NIL        |
| No. of fatalities (safety incident)                                       | Employees | NIL        | NIL        |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | NIL        | NIL        |

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace**

The organisation emphasises the importance of maintaining a safe and healthy workplace for all its members and third-party teams who work on its premises. The Company has Health and Safety Policy which includes measures such as:

1. Monitoring the internal health and safety performance, including work-related accidents, incidents, and significant ill-health occurrences such as epidemic threats, shall investigate those that occur and work to help reduce their number and severity.
2. Working closely with appropriate external agencies and within its industry to ensure the continued adoption of appropriate best-practice in health and safety management.
3. Emergency Team dealing with severe incidents involving safety threats to the Company's locations with potential health and safety implications for team members, clients, or visitors at the Company locations. The Facilities & Administration Team acts in case of fire alarms, medical situations, and partial or total evacuations of the Company location in question. The members of these teams receive relevant training on an annual basis.

**13. Number of complaints on the following made by employees:**

|                    | FY 2021-22            |                                       |         | FY 2020-21            |                                       |         |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                    | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working conditions | NIL                   | NIL                                   | -       | NIL                   | NIL                                   | -       |
| Health and safety  | NIL                   | NIL                                   | -       | NIL                   | NIL                                   | -       |

**14. Assessments for the year:**

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties)   |
|-----------------------------|---|
| Health and safety practices | There have been no assessments done so far. However, the company does cover health issues like COVID-19 and safety precautions in its Risk register with a Moderate risk impact |
| Working Conditions          |   |

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.**

Not Applicable.



## LEADERSHIP INDICATORS

### 1. Does the entity extend any life insurance or any compensatory package in the event of death of? (A) Employees (Y/N) (B) Workers (Y/N).

(A) Yes, Life Insurance is provided as part of the Group Term Life Policy, which provides compensation to the insured person's family in case of a Happiest Minds' death.

(B) Not applicable as Happiest Minds Technologies Limited is an IT Company.

### 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that statutory dues as applicable to the transactions within the remit of the Company are deducted and deposited in accordance with extant regulations. This activity is also reviewed as part of the internal and statutory audit. The Company expects its value chain partners to uphold business responsibility principles and values of transparency and accountability.

### 3. Provide the number of employees having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

|           | Total no. of affected employees |            | No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment |            |
|-----------|---------------------------------|------------|---|------------|
|           | FY 2021-22                      | FY 2020-21 | FY 2021-22  | FY 2020-21 |
| Employees | NIL                             | NIL        | NIL   | NIL        |

### 4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Happiest Minds does not have a retirement age; hence this is not applicable.

### 5. Details on assessment of value chain partners

|                             | % Of value chain partners (by the value of business done with such partners) that were assessed   |
|-----------------------------|---|
| Health and safety practices | As part of the Company's Value Chain Sustainability Framework, the Company expects all of its value chain partners to follow extant regulations, including health and safety practices and working conditions. Policy on Sustainable Sourcing and ESG are in place to ensure fair working conditions. These parameters are not explicitly captured or measured, but the Company has conducted a Vendors Feedback survey to ascertain the impact of health and safety practices. |
| Working conditions          |   |

### 6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners

No corrective action plan has been necessitated regarding the above-mentioned parameters in FY 2021-22. Still, the Company conducted a Vendors Feedback survey to ensure the health and safety practices to improve the process, which helps build a good relationship with value chain partners.

## PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

### ESSENTIAL INDICATOR

#### 1. Describe the processes for identifying key stakeholder groups of the entity.

The stakeholders that could be identified can be employees, shareholders and investors, customers, channel partners, and key partners, regulators, lenders, vendors, credit rating agencies, communities, and non-governmental organizations. Key stakeholders are identified in consultation with the Company's management to prioritize. The Company understands that a broad and inclusive materiality process, including stakeholder engagement with individual or group of individuals or institutions that adds value to the business chain, is identified as a key stakeholder. The expectations and concerns of identified stakeholders help in the prioritization of strategy, policies, and action plans for the environment, economy, and society. The key stakeholder groups that will be the recipient of the Company's CSR contribution are decided by the Board of Directors' CSR Committee.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

| Key Stakeholders         | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others   | Frequency of engagement (Annually/ Half Yearly/ Quarterly/ Others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement   |
|--------------------------|--|--|---|---|
| Customers                | No   | Project-related calls and meetings; project management reviews; relationship meetings and reviews; executive meetings and briefings; customer visits; responses to RFIs/RFPs; sponsored events; mailers; newsletters; brochures  | As needed   | <ul style="list-style-type: none"> <li>Achieve a Net Promoter Score range of 55 by 2026</li> <li>95% or more customers score 7 on a 9-point scale in the Customer Happiness survey</li> <li>Repeat business of more than 90%, reaching 95% plus by 2031</li> <li>Track Value Adds with 30% customer coverage every year</li> </ul>      |
|                          |  | Company website; social media (LinkedIn, Twitter, Facebook, Instagram)   | Continuous  |   |
|                          |  | Customer Happiness Surveys; sponsored community events   | Annual  |   |
| People                   | No   | Town halls; project or operations reviews; video conferences; audio conference calls; Performance Evaluation Programme; YAMMER (employee forum); one-on-one counselling; iAppreciate (Portal for employee appreciation); Leave donation (Donating Leave for fellow Employees in need); Wellness programs; Employee Engagement programs; Employee Committees; CSR clubs | Continuous  | <ul style="list-style-type: none"> <li>Effort toward personal well-being and happiness since the date of joining the Company</li> <li>Happiest Minds score 7 on a 9-point scale in the Happiness Index</li> <li>Create an atmosphere to be recognized as amongst the top 3 places to work in the Indian IT services industry</li> </ul> |
|                          |  | Annual reviews   | Annual  |   |
| Shareholders & Investors | No   | Press releases and press conferences; email advisories; in-person meetings; investor conferences; disclosure; social and environmental sustainability  | As needed   | <ul style="list-style-type: none"> <li>Highest standards of Corporate Governance</li> <li>Transparency and disclosure</li> <li>Establish leadership in Environment Social and Governance standards</li> </ul>   |
|                          |  | Financial statements in Ind AS and IFRS; earnings call; exchange notifications; press conferences  | Quarterly   |   |
|                          |  | Investors page on the Happiest Minds website   | Continuous  |   |
|                          |  | Annual General Meeting; Annual Report  | Annual  |   |
| Alliance Partners        | No   | Meetings/calls; visits; Partner events; Conference calls; Business reviews   | As needed   | <ul style="list-style-type: none"> <li>Enhance and actively engage in Innovations;</li> <li>Be a partner for digital technologies</li> </ul>  |

| Key Stakeholders                 | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others   | Frequency of engagement (Annually/ Half Yearly/ Quarterly/ Others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement   |
|----------------------------------|--|--|---|---|
| Community                        | No   | Presentations; Reviews; calls and meetings; surveys; consultative sessions; field visits; due diligence; conferences and seminars; surveys; press releases; press conferences; sponsored events Contribute time and financial resources to a social cause. Actively engage, participate and support social and environmental causes and associate with organizations working towards this goal | As needed   | <ul style="list-style-type: none"> <li>• Being a responsible Corporate Citizen;</li> <li>• Promote Sustainable Development and Socially Responsible Culture</li> </ul>                                |
| Vendors                          | No   | Project management reviews; relationship meetings and reviews; contracts   | As needed   | <ul style="list-style-type: none"> <li>• Fair business practices</li> <li>• Governance</li> <li>• Sustainability of Demand</li> <li>• Creditworthiness</li> <li>• Promote small businesses</li> </ul> |
| Government and Regulatory Bodies | No   | <ul style="list-style-type: none"> <li>• Representations on consultative papers by regulatory authorities</li> <li>• Interactions with statutory bodies like SEBI, Labour Authorities, CPCB, etc.</li> <li>• Policy Advocacy</li> <li>• Interactions / Representations with government through industry associations like NASSCOM, FICCI, ASSOCHAM, CII</li> </ul>                             | As needed   | Participate in National economic development  |

## LEADERSHIP INDICATORS

### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Happiest Minds undertakes materiality as one of the critical processes in identifying and prioritizing the most pertinent issues. Key stakeholders are identified through an exercise undertaken in consultation with the Company's management. The prioritized list includes everyone from customers, employees, shareholders, investors, government and regulatory bodies, communities and NGOs, staffing agencies, alliance partners, and other vendors. A stakeholder interaction exercise with both internal and external stakeholders is then undertaken as part of the development of this report.

Consultation medium between stakeholders, Company Management, and Board takes place through various channels as listed below.

| S. No. | Identified Stakeholder Group   | Stakeholder Consultation Process  |
|--------|--------------------------------|---|
| 1      | Customers                      | Project-related calls and meetings; project management reviews; relationship meetings and reviews; executive meetings and briefings; customer visits; responses to RFIs/RFPs; sponsored events; mailers; newsletters; brochures, Company website; social media (LinkedIn, Twitter, Facebook, Instagram); Customer Happiness Surveys; sponsored community events   |
| 2      | People                         | Town halls; project or operations reviews; video conferences; audio conference calls; PEP; YAMMER (employee forum); one-on-one counselling; iAppreciate (Portal for employee appreciation); Leave donation scheme (Donating Leave for fellow Employees in need); Wellness programs; Employee Engagement programs; Annual reviews; Employee Committees   |
| 3      | Shareholders & Investors       | Press releases and press conferences; email advisories; in-person meetings; investor conferences; disclosure; social and environmental sustainability, financial statements in Ind AS and IFRS; earnings call; exchange notifications; press conferences; Investors page, on Happiest Minds website Annual General Meeting; Annual Report   |
| 4      | Alliance Partners              | Meetings/calls; visits; Partner events; Conference calls; Business reviews  |
| 5      | Community                      | Presentations; Project meetings; Reviews; calls and meetings; surveys; consultative sessions; field visits; due diligence; conferences and seminars; surveys; press releases; press conferences; sponsored events; Contribute time and financial resources in a social cause, actively engage, participate and support social and environmental causes and associate with organizations working towards this goal |
| 6      | Vendors                        | The Company has conducted a vendor satisfaction survey during the year and are in the process of implementing the Vendor Audit and the Self-assessment questionnaire on ESG   |
| 7      | Government & Regulatory Bodies | Inputs towards drafting new policies, rules & regulations   |

### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity.

Yes. ESG requirements in RfP from customers demand information and commitment on carbon neutrality, science-based targets, diversity, inclusion, equity, etc. Such requirements have been taken into account and have internalized the ESG requirements with the existing ESG framework in consultation with Happiest Minds' Executive Board.

### 3. Provide details of instances of engagement with, and actions are taken to, address the concerns of vulnerable/marginalised stakeholder groups.

Not Applicable

## PRINCIPLE 5 Businesses should respect and promote human rights

### 1. Employees who have been provided training on human rights issues and policy(ies)

| Category             | FY 2021-22 |                              |         | FY 2020-21 |                              |         |
|----------------------|------------|------------------------------|---------|------------|------------------------------|---------|
|                      | Total (A)  | No. of employees covered (B) | % (B/A) | Total (C)  | No. of employees covered (D) | % (D/C) |
| <b>EMPLOYEES</b>     |            |                              |         |            |                              |         |
| Permanent            | 3,744      | 3,744                        | 100%    | 2,136      | 2,136                        | 100%    |
| Other than Permanent | 424        | 424                          | 100%    | 682        | 682                          | 100%    |
| Total employees      | 4,168      | 4,168                        | 100%    | 2,818      | 2,818                        | 100%    |

\*Note: The Company does not have any workers as defined in the guidance note on BRSR.

### 2. Details of minimum wages paid to employees and workers, in the following format

| Category             | FY 2021-22 |   |         |                        |         | FY 2020-21 |                       |         |                        |         |
|----------------------|------------|---|---------|------------------------|---------|------------|-----------------------|---------|------------------------|---------|
|                      | Total (A)  | Equal to Minimum Wage   |         | More than Minimum Wage |         | Total (D)  | Equal to Minimum Wage |         | More than Minimum Wage |         |
|                      |            | No. (B)   | % (B/A) | No. (C)                | % (C/A) |            | No. (E)               | % (E/D) | No. (F)                | % (F/D) |
| <b>EMPLOYEES</b>     |            |   |         |                        |         |            |                       |         |                        |         |
| Permanent            | 3,744      | 40  | 1%      | 3,704                  | 99%     | 2,730      | 43                    | 2%      | 2,687                  | 98%     |
| Male                 | 2,775      | 31  | 1%      | 2,744                  | 99%     | 2,053      | 27                    | 1%      | 2,026                  | 99%     |
| Female               | 969        | 9   | 1%      | 960                    | 99%     | 677        | 16                    | 2%      | 661                    | 98%     |
| Other than Permanent | 424        | All Other Than Permanent employees are under the payroll of third-party vendors |         |                        |         |            |                       |         |                        |         |
| Male                 | 292        |   |         |                        |         |            |                       |         |                        |         |
| Female               | 132        |   |         |                        |         |            |                       |         |                        |         |

\*Note: The Company does not have any workers as defined in the guidance note on BRSR.

### 3. Details of remuneration/salary

|   | Male   |   | Female |   |
|---|--------|---|--------|---|
|   | Number | Median remuneration/ salary/wages of respective category in ₹ | Number | Median remuneration/ salary/wages of respective category in ₹ |
| Board of Directors (BoD) (Whole-time directors) | 3      | 1,22,45,900   | NA     | NA  |
| Key Managerial Personnel (other than BoD)       | 1      | 50,00,800   | NA     | NA  |
| Employees other than BoD and KMP*               | 2,771  | 13,03,700   | 969    | 9,00,000  |
| Workers   | N/A    | N/A   | N/A    | N/A   |

### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, Happiest Minds has an Internal committee that handles all human rights impacts or issues.

### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues

Internal Committee (IC) has been set up to redress complaints received regarding sexual harassment. The company has also appointed a lawyer as an external Internal Committee member who specializes in the Prevention of Sexual Harassment ("POSH") and Protection of Children against Sexual Offences Acts.

With respect to other human rights issues, the below mechanism is in place:

- Raising a complaint in the "We Hear" application in Smiles Central. The request shall be assigned to Chief People Officer. If the complaint is against the Chief People Officer, the Happiest Mind can directly submit the complaint to the Executive Board and the Executive Chairman. This complaint shall then be referred to the Internal Committee.
- Sending the complaint or contacting any member of the IC.

**6. Number of Complaints on the following made by employees and workers:**

|                                    | FY 2021-22            |   |         | FY 2020-21            |   |         |
|------------------------------------|-----------------------|---|---------|-----------------------|---|---------|
|                                    | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Sexual Harassment                  | NIL                   | NIL                                       | -       | NIL                   | NIL                                       | -       |
| Discrimination at workplace        | NIL                   | NIL                                       | -       | NIL                   | NIL                                       | -       |
| Child labour                       | NIL                   | NIL                                       | -       | NIL                   | NIL                                       | -       |
| Forced labour / Involuntary labour | NIL                   | NIL                                       | -       | NIL                   | NIL                                       | -       |
| Wages                              | NIL                   | NIL                                       | -       | NIL                   | NIL                                       | -       |
| Other human rights related issues  | NIL                   | NIL                                       | -       | NIL                   | NIL                                       | -       |

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**

The Company is an equal employment opportunity provider. As part of its Equal Opportunity Policy, it provides equal opportunities at all levels of employment without discrimination on the grounds of race, ethnicity, nationality, gender, language, age, sexual orientation, religion, marital status, socio-economic status, or special ability. During the fiscal year, it has hired 1,736 people, out of which 469 were women.

- An awareness program is conducted for all new hires on discrimination and harassment.
- The policy is drafted and shared across the organization for quick reference.
- Posters are put up in all common areas on Do's and Don'ts with contact details in the case, employees wish to raise a complaint.
- Employees can raise concerns or complaints with the Company's internal tool "We Hear".

The Company has a policy against sexual harassment and a formal process for dealing with complaints of harassment or discrimination. The Company has strict guidelines for preventing sexual harassment. POSH training is conducted regularly; this is mandatory for all new joiners. The Company encourages participation of women & building representation through focused initiatives and interventions. Regarding the same, Happiest Minds has policies implemented to build a conducive workplace for women.

To prevent any adverse impact, the Company has undertaken initiatives to make the workplace safe for women, which include building employee awareness and stringent guidelines on Prevention of Sexual Harassment.

As a responsible organization, Happiest Minds has always believed in providing its members with a supportive work environment.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes. All business agreements and contracts with Happiest Minds are bound by the Code of Conduct, and abiding by the fundamentals of Human Rights is a pre-requisite to conducting the business.

**9. Assessments for the year**

|                             | <b>% Of offices that were assessed (by the entity or statutory authorities or third parties)</b>                          |
|-----------------------------|---|
| Child labour                | The Company follows the laws, as applicable. Although no assessment was done by the Company, no complaints were received. |
| Forced/involuntary labour   |   |
| Sexual harassment           |   |
| Discrimination at workplace |   |
| Wages                       |   |
| Others – please specify     |   |

**10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**

With a detailed assessment of topics mentioned above related to Human Rights, the Company has followed the applicable laws. Hence, it does not foresee any significant risks/concerns.

## LEADERSHIP INDICATORS

### 1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

The Company has not received any grievances or complaints regarding Human Rights Violation in FY 21-22.

The following tools and processes were implemented to strengthen the Human Rights policy in the Company:

- WE HEAR tool allows for anonymous disclosures
- Response to the grievance raised will be within 2 working days

### 2. Details of the scope and coverage of any human rights due diligence conducted.

The Company has a Code of Conduct in place to ensure that all Human Rights protocols are respected and followed.

### 3. Is the premise/office of the entity accessible to differently-abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Happiest Minds has a diverse and inclusive culture that prides itself on gender diversity, generational diversity, persons with different abilities, and so on. All facilities are wheelchair accessible, making it convenient for a person to move around. For those in need, the Company also provides motorized wheelchairs that one can use in the office premises. Every single Happiest Mind is accepted, valued, and celebrated.

### 4. Details on assessment of value chain partners:

|                                  | % Of value chain partners (by value of business done with such partners) that were assessed   |
|----------------------------------|---|
| Sexual harassment                | The Company expects its value chain partners/vendors to adhere to the same values, principles, and business ethics upheld by the Company in all their dealings. No specific assessment in respect of value chain partners/Vendors have been carried out, other than certain covenants where some of these parameters are being monitored closely. |
| Discrimination at workplace      |   |
| Child labour                     |   |
| Forced labour/Involuntary labour |   |
| Wages                            |   |
| Others – please specify          |   |

### 5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No corrective action plan has been necessitated on the above-mentioned parameters in FY 2021-22.

## PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity

| Parameter*   | FY 2021-22 | FY 2020-21 |
|--|------------|------------|
| Total electricity consumption (A) (GJ)   | 4,007.16   | 3,695.94   |
| Total fuel consumption (B) (GJ)  | 368.74     | 352.92     |
| Energy consumption through other sources (C)   | -          | -          |
| Total energy consumption (A+B+C) (GJ)  | 4,375.90   | 4,048.86   |
| Energy intensity per rupee of turnover (Total energy consumption/ turnover in Lacs rupees) | 0.038      | 0.052      |

\* Based on select offices and where the Corporation owns the premises.

The organizational boundary has been established using the 'Operational Control Approach'.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

NO

#### 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

**3. Provide details of the following disclosures related to water.**

| Parameter   | FY 2021-22 | FY 2020-21 |
|---|------------|------------|
| (i) Surface water   | -          | -          |
| (ii) Groundwater  | 915.4      | 989.15     |
| (iii) Third party water   | 28         | 206        |
| (iv) Seawater / desalinated water   | -          | -          |
| (v) Others - Produced water; (Drinking Water)                                     | 40.82      | 40.52      |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)          | 984.22     | 1,235.67   |
| Total volume of water consumption (in kilolitres)                                 | 124.22     | 417.67     |
| Water intensity per Lacs rupees of turnover (litres of Water consumed / turnover) | 1.09       | 5.44       |

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

The Company does not discharge untreated effluent; any surplus is treated and released according to KSPCB regulations. Water from a borewell and treated sewage water is used for flushing and gardening. In addition, testing is conducted on a monthly basis in accordance with the KSPCB's regulations.

**5. Please provide details of air emissions (other than GHG emissions) by the entity.**

| Parameter                           | Unit               | FY 2021-22 | FY 2020-21 |
|-------------------------------------|--------------------|------------|------------|
| NOx                                 | mg/Nm <sup>3</sup> | 49.6       | 58         |
| SOx                                 | mg/Nm <sup>3</sup> | 7.1        | 6.06       |
| Particulate matter (PM)             | mg/Nm <sup>3</sup> | 41.4       | 38.4       |
| Persistent organic pollutants (POP) | NA                 | NA         | NA         |
| Volatile organic compounds (VOC)    | NA                 | NA         | NA         |
| Hazardous air pollutants (HAP)      | NA                 | NA         | NA         |
| Others – please specify             | NA                 | NA         | NA         |

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity**

| Parameter*   | FY 2021-22 | FY 2020-21 |
|--|------------|------------|
| Total Scope 1 emissions Metric tonnes of CO <sub>2</sub> equivalent                | 27.68      | 26.49      |
| Total Scope 2 emissions Metric tonnes of CO <sub>2</sub> equivalent                | 879.35     | 811.05     |
| Total Scope 1 and Scope 2 emissions (per Mn rupees of turnover) tCO <sub>2</sub> e | 0.0079     | 0.0109     |

\*Calculations are based on offices under ownership and operational control.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

NO

**7. Does the entity have any project related to reducing Green House Gas emissions? If yes, then provide details.**

Yes. Happiest Minds have initiated the Solar Power Project (183 kWp Capacity) to reduce the energy consumption through grid thereby reducing the Scope 2 GHG emissions.

**8. Provide details related to waste management by the entity, in the following format:**

| Parameter                                       | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|---|------------|------------|------------|
| <b>Total Waste Generated (in metric tonnes)</b> |            |            |            |
| Plastic waste (A)                               | -          | -          | -          |
| E-waste (B)                                     | -          | -          | NA         |
| Bio-medical waste (C)                           | NA         | NA         | NA         |
| Construction and demolition waste (D)           | NA         | NA         | NA         |
| Battery waste (E)                               | NA         | NA         | NA         |
| Radioactive waste (F)                           | NA         | NA         | NA         |
| Other Hazardous waste (G)                       | -          | -          | -          |
| Other Non-hazardous waste generated (H).        | 0.96       | 0.72       | 10.8       |



| Parameter   | FY 2021-22  | FY 2020-21  | FY 2019-20  |
|---|-------------|-------------|-------------|
| Other Non-hazardous waste generated (H). H-1: Wet Waste (Food Waste)  | 0           | 0           | 8.4         |
| H-2: Dry wastepaper waste   | 0.96        | 0.72        | 2.4         |
| Total (A+B + C + D + E + F + G + H)   | 0.96        | 0.72        | 10.8        |
| <b>For each category of waste generated, total waste recovered through recycling, re-using, or other recovery operations (in metric tonnes)</b> |             |             |             |
| <b>Category of waste</b>  |             |             |             |
| (i) Recycled  | -           | -           | -           |
| (ii) Re-used  | -           | -           | -           |
| (iii) Other recovery operations   | NA          | NA          | NA          |
| Category 1 (Wet waste food waste)   | 0           | 0           | 0.5         |
| Category 2 (Dry wastepaper waste)   | 0           | 0           | 0           |
| <b>Total</b>  | <b>0</b>    | <b>0</b>    | <b>0.5</b>  |
| <b>For each category of waste generated, total waste disposed of by nature of disposal method (in metric tonnes)</b>                            |             |             |             |
| <b>Category of waste</b>  |             |             |             |
| (i) Incineration  | NA          | NA          | NA          |
| (ii) Landfilling  | NA          | NA          | NA          |
| (iii) Other disposal operations   | NA          | NA          | NA          |
| Category 1 (Wet waste food waste)   | 0           | 0           | 7.9         |
| Category 2 (Dry wastepaper waste)   | 0.96        | 0.72        | 2.4         |
| <b>Total</b>  | <b>0.96</b> | <b>0.72</b> | <b>10.3</b> |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

NO

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Given the nature of the business, there is no usage of hazardous and toxic chemicals by the organisation.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

| S no. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any |
|-------|--------------------------------|--------------------|--|
| NA    | NA                             | NA                 | NA   |

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|------|---|--|-------------------|
| NA                                | NA                   | NA   | NA  | NA   | NA                |

**12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances.**

Yes, Happiest Minds is compliant with all the applicable environmental laws and regulations based on its nature of business.

| S. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the noncompliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|--------|---|--------------------------------------|---|---------------------------------|
| NA     | NA  | NA                                   | NA  | NA                              |

## LEADERSHIP INDICATOR

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

| Parameter  | FY 2021-22 | FY 2020-21 |
|--|------------|------------|
| <b>From renewable sources</b>                            |            |            |
| Total electricity consumption (A)                        | -          | -          |
| Total fuel consumption (B)                               | -          | -          |
| Energy consumption through other sources (C)             | -          | -          |
| Total energy consumed from renewable sources (A+B+C)     | -          | -          |
| <b>From non-renewable sources</b>                        |            |            |
| Total electricity consumption (D)                        | 4,007.16   | 3,695.94   |
| Total fuel consumption (E)                               | 368.74     | 352.92     |
| Energy consumption through other sources (F)             | NA         | NA         |
| Total energy consumed from non-renewable sources (D+E+F) | 4,375.90   | 4,048.86   |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

NO

2. Provide the following details related to water discharged:

| Parameter  | FY 2021-22 | FY 2020-21 |
|--|------------|------------|
| <b>Water discharge by destination and level of treatment (in kilolitres)</b> |            |            |
| (i) To Surface water   | -          | -          |
| No treatment   | -          | -          |
| With treatment – STP   | 860        | 818        |
| (ii) To Groundwater  | -          | -          |
| No treatment   | NA         | NA         |
| With treatment – please specify level of treatment                           | NA         | NA         |
| (iii) To Seawater  | NA         | NA         |
| No treatment   | NA         | NA         |
| With treatment – please specify level of treatment                           | NA         | NA         |
| (iv) Sent to third-parties   | NA         | NA         |
| No treatment   | NA         | NA         |
| With treatment – please specify level of treatment                           | NA         | NA         |
| (v) Others   | NA         | NA         |
| No treatment   | NA         | NA         |
| With treatment – please specify level of treatment                           | NA         | NA         |
| <b>Total water discharged (in kilolitres)</b>                                | <b>860</b> | <b>818</b> |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

NO

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not Applicable.

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

The Company is presently not tracking Scope 3 emissions.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NO

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.**

N/A

**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

N/A

**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web-link**

Happiest Minds follows a well-defined Business Continuity Plan (BCP) that guides the Company's response to natural or human-made calamities and disasters, which could disrupt or severely contain the Company's operations. The BCP program addresses all aspects of business continuity – Governance, Situation Monitoring, Risk Assessment, Mitigation Planning & Tracking, Stakeholder Communication, Liaison with external entities, and Scenario Planning. The Company has a specific task force to drive the transition to work-from-home and ensure business continuity. Over the years and currently during the pandemic, the Company has successfully implemented its business continuity plans including achieving efficient work-from-home practices to ensure connectivity across the enterprise.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

N/A

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

N/A

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**ESSENTIAL INDICATORS**

**1. a. Number of affiliations with trade and industry chambers/associations.**

Nil

**b. List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/affiliated to.**

Not Applicable

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Not Applicable

**LEADERSHIP INDICATORS**

**1. Details of public policy positions advocated by the entity:**

Not Applicable

## PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

The Company has not undertaken any SIAs in the current financial year.

- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.**

Not Applicable.

- Describe the mechanisms to receive and redress grievances of the community.**

Not Applicable

- Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

|  | FY 2021-22 | FY 2020-21   |
|--|------------|--|
| Directly sourced from MSMEs/ small producers                         | NA         | 25%  |
| Sourced directly from within the district and neighbouring districts | NA         | As per requirement, efforts are made to procure locally. |

### LEADERSHIP INDICATORS

- Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not Applicable

- Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

Not Applicable

- (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised / vulnerable groups? (Yes/No)**

No. However, the Company has a Procurement Manual in place, the process is followed according to the Manual.

- (b) From which marginalised / vulnerable groups do you procure?**

NA

- (c) What percentage of total procurement (by value) does it constitute?**

NA

- Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**

Not applicable

- Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not applicable

## 6. Details of beneficiaries of CSR Projects

| S. No. | CSR Project  | No. of Persons Benefited from CSR Projects  | % of Beneficiaries from Vulnerable and Marginalised Groups  |
|--------|--|---|---|
| 1.     | Akshayapatra Foundation  | 65,651 meals – COVID-19 Relief material by Team Happiest Minds                    | The Company's objective is to pro-actively support meaningful socio-economic development in India and enable a significant number of people to participate in and benefit from India's economic progress. This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society. All our CSR initiatives, called Circle of Happiness, are for the support of the underprivileged, those who belong to the vulnerable/marginalized section of the society. |
| 2.     | Sri Jayadeva Institute of Cardiovascular Sciences and Research | Molecular Testing Lab & 3 ICU Beds with Ventilator                                |   |
| 3.     | Akshayapatra Foundation  | Happiness Kits for 4,167 children in Bengaluru location totalling 10,00,000 meals |   |
| 4.     | Lions Eye Hospital   | Early detection & treatment of blindness due to diabetes & its complications      |   |
| 5.     | Akshayapatra Foundation – 10 <sup>th</sup> Smilestone          | 2,10,970 meals for children   |   |
| 6.     | Daan Utsav   | 775 wishes fulfilled (Baale Mane 307; Balajothi 359; OBLF 41; Jeevarathni 68)     |   |

## PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

### ESSENTIAL INDICATORS

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has a holistic customer experience framework to understand the behaviours, needs, and expectations of individual customers, which helps in developing a roadmap for continuous engagement and enriching the customer relationship. These programs are successful in providing early alerts, and appropriate course corrections are planned by Business and Delivery Leaders to provide high-quality products/services to the customers.

Customer perceptions are periodically reviewed through the below instruments:

- Structured, multi-layered governance processes
  - o Weekly governance between the project teams to track the progress of various engagement streams, review weekly plans to ensure the Company is aligned
  - o Monthly governance involving the sales/delivery leadership and client executives – to capture customer feedback and perceptions, assess key risks & mitigation strategies, if any
  - o Quarterly governance meetings involving BU heads and customer leadership to review relationship progress, update customers on new initiatives and projects at Happiest Minds & discuss additional areas for value add.
- Customer Happiness Survey: This is an annual survey rolled to multiple customer touchpoints (Ex: CXOs and Line managers). The CHS targets to cover 90% of the customers by Revenue base. NPS for FY 2022 is 53.

| NPS         |       | Promoter | Passive | Detractor |
|-------------|-------|----------|---------|-----------|
| Promoter %  | Count | 153      | 98      | 13        |
| Detractor % | %     | 58       | 37      | 5         |

### NPS SCORE 53

Project Feedback: Apart from the Customer Happiness survey, the pulse of the customers is also tracked throughout the year through two programs: "Project End Feedback" for small engagements and "Ongoing Engagement Feedback" for long-running engagements. These programs provides the Company a 360-degree feedback on the Quality of deliverables, Technical and Domain knowledge that the team exhibits, and finally, the Value-adds provided during the engagement. These programs are successful in providing early alerts, and course corrections are planned by leaders to provide high-quality products/services to the customers.

(a) Number of total customer complaints/feedback received during the last two financial years.

| Fiscal Year       | 2022 | 2021 |
|-------------------|------|------|
| No. of complaints | 13   | 6    |

(b) Total outstanding at the end of each year for the last two financial years.

All customer escalations are resolved within the stipulated time and there are none open.

(c) Total cases raised in consumer forums year-wise, during the last two financial years.

None

(d) What is the customer complaint resolution time?

The first response time for any customer complaint is 2 - 4 hrs.

**2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

Not Applicable

**3. Number of consumer complaints in respect of the following:**

|                             | FY 2021-22               |                                   |  | FY 2020-21               |                                   |  |
|-----------------------------|--------------------------|-----------------------------------|--|--------------------------|-----------------------------------|--|
|                             | Received during the year | Pending resolution at end of year | Remark   | Received during the year | Pending resolution at end of year | Remarks  |
| Data privacy                | 0                        | 0                                 | Nil  | 0                        | 0                                 | Nil  |
| Advertising                 | Nil                      | Nil                               |  | Nil                      | Nil                               |  |
| Cyber-security              | 0                        | 0                                 | Nil  | 0                        | 0                                 | Nil  |
| Restrictive Trade Practices | Nil                      | Nil                               | Nil  | Nil                      | Nil                               | Nil  |
| Unfair Trade Practices      | Nil                      | Nil                               | Nil  | Nil                      | Nil                               | Nil  |
| Others                      | 13                       | 0                                 | All customer complaints were resolved successfully | 6                        | 0                                 | All customer complaints were resolved successfully |

**4. Details of instances of product recalls on account of safety issues:**

Not applicable

**5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, the Company has Information Security Policies based on the ISO 27001 Standard and a Data privacy policy as per GDPR and ISO 27701 Standards.

These policies are shared on the intranet platform of the Company.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

During the financial year 2021-22, Company did not have such events. Nonetheless, the Company has been instrumental in coming up with the below actions:

- Enhancing the overall Cyber Security and Data privacy by implementing strong technical controls, including the rollout of data classification and labelling,
- User awareness,
- Network segmentation and
- Proactive scanning of deep and dark web to look for any leaked credentials/data.
- IP protection clauses and undertaking is made mandatory for all people joining and leaving the organization.

The organization is also putting in place a detailed Privacy Information Management System (PIMS), which will act as a foundation for addressing multiple privacy regulations and safeguarding employee and customer privacy.

## Leadership Indicators

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Information relating to all the products and services provided by the Company is available on the Company's website, <https://www.happiestminds.com/>

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

A set of programs and activities are designed under the 'Circle of Happiness' to ensure the Company is socially and environmentally responsible when conducting its business. The activities of the CSR team under the 'Circle of Happiness' is approved and monitored by the CSR Committee of the Board.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

All such communications to the customer are authorized by Executive Board / respective Sales Representative.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Customer satisfaction is measured through annual surveys. CSAT and Net Promoter Score (NPS) are part of the KRA goals for the senior leadership as well as all sales & delivery professionals for the clients managed by them, and this is measured within the Performance Management System.

- Customer Happiness Survey (CHS): This is an annual survey rolled to multiple customer touchpoints (Ex: CXOs and Line managers). The CHS targets to cover 90% of the customers by Revenue base.
- Project Feedback: Apart from the Customer Happiness survey, the pulse of the customers is also tracked throughout the year through two programs: "Project End Feedback" for small engagements and "Ongoing Engagement Feedback" for long-running engagements.

**5. Provide the following information relating to data breaches:**

**a. Number of instances of data breaches along with impact –**

NIL

**b. Percentage of data breaches involving personally identifiable information of customers -**

No