

Environmental, Social & Governance (ESG) Plan FY25-26

Happiest Minds Technologies Limited

1. Executive Summary

Happiest Minds Technologies Limited is committed to embedding sustainability into its growth strategy and achieving **Net Zero emissions by 2030**. The FY25-26 ESG Plan outlines clear priorities, initiatives, and measurable outcomes across **Environmental, Social, and Governance** pillars, aligned with global best practices and regulatory expectations. The plan integrates the Company's **Carbon Reduction Plan (CRP)**, ESG governance framework, and responsible business practices to deliver long-term value for clients, employees, communities, and shareholders. **Refer detailed plan in the annexures.**

2. ESG Governance & Framework

- **Governance:** ESG oversight is driven through leadership and an ESG committee, ensuring accountability, transparency, and alignment with business strategy.
- **Standards Alignment:** ESG disclosures and actions are aligned with **GHG Protocol, SEBI BRSR**, and applicable global reporting norms.
- **Reporting:** Progress is disclosed through the Integrated Annual Report, BRSR, and the Carbon Reduction Plan for applicable procurements.

3. Environmental {E} - Climate, Energy & Resources

3.1 Climate & Energy

- **Net Zero Target:** Achieve Net Zero emissions by 2030.
- **Baseline & Progress:**
 - Baseline (FY2023-24): **7,378.91 tCO₂e** total emissions.
 - FY2024-25: **18.51% reduction in Scope 1 emissions** driven by fuel optimization.
- **FY25-26 Focus:**
 - Expand renewable energy adoption beyond the current ~12%.
 - Improve energy efficiency through LED retrofits and operational optimization.
 - Strengthen Scope 3 data quality and supplier engagement.

Key KPIs: Scope 1 & 2 emissions, renewable energy share, total GHG emissions.

3.2 Water Stewardship

- Maintain **Zero Liquid Discharge {ZLD}** status across key facilities.
- Enhance water efficiency through reuse and conservation.

Key KPIs: Total water consumption, % wastewater treated and reused.

3.3 Waste & Circular Economy

- Certified disposal of e-waste and responsible end-of-life asset management.
- Continued diversion of construction & demolition waste from landfills.
- Extended IT asset life cycles and increased cloud adoption.

Key KPIs: E-waste recycled, C&D waste diverted, non-hazardous waste reduced.

3.4 Biodiversity & Nature

- Support biodiversity and water conservation through plantation, groundwater recharge, and nature-positive CSR initiatives.

4. Social (S) - People, Inclusion & Community

4.1 Employee Well-being & Culture

- Holistic well-being programs covering physical, mental, and emotional health.
- Strong culture of mindfulness, engagement, and listening.

Key KPIs: Participation in well-being programs, attrition trends.

4.2 Diversity, Equity & Inclusion (DEIB)

- Commitment to an inclusive workplace with focused programs on gender diversity, accessibility, and equal opportunity.
- Continuous monitoring of representation and inclusion outcomes.

Key KPIs: Gender diversity ratios, leadership representation.

4.3 CSR & Community Impact

- Focus areas: **Environmental sustainability, education, nutrition, healthcare, and mental health.**
- Majority of CSR investments directed toward environmental and social development.

Key KPIs: CSR spend, beneficiaries reached, program outcomes.

5. Governance (G) - Ethics, Trust & Responsibility

- Robust ethics framework supported by anti-bribery, whistleblower, and grievance redressal mechanisms.
- Strong data privacy and cybersecurity practices.
- Responsible supply chain guided by a Supplier Code of Conduct covering human rights, ethics, and environmental responsibility.

Key KPIs: Grievance resolution metrics, supplier compliance coverage.

6. FY25-26 Implementation Roadmap (High Level)

- **Q1:** Baseline confirmation, KPI ownership, data systems alignment.
- **Q2:** Renewable energy and efficiency initiatives; supplier ESG engagement.
- **Q3:** Mid-year ESG performance review and course correction.
- **Q4:** Finalization of ESG, BRSR, and CRP disclosures.

7. Conclusion

The FY25-26 ESG Plan reinforces Happiest Minds' commitment to responsible growth, climate action, and stakeholder trust. Through disciplined execution, transparent reporting, and continuous improvement, the Company aims to deliver sustainable value for its clients and the broader ecosystem

Annexure - Carbon Reduction Plan

Carbon Reduction Plan: Commitment to achieving Net Zero by 2030.

Baseline Emissions Footprint

Baseline Year: FY2023-2024 (ending 31-March-2024)	
Additional Details relating to the Baseline Emissions calculations.	
Baseline year emissions:	
EMISSIONS	TOTAL {MTCO ₂ e}
Scope 1	1,241.76
Scope 2	2,841.81
Scope 3 {Included Sources}	3,295.34
Total Emissions	7,378.91

Current Emissions Reporting

Reporting Year: FY2024-2025 (ending 31-March-2025)	
EMISSIONS	TOTAL {MTCO ₂ e}
Scope 1	1,011.75
Scope 2	2,872.16
Scope 3 {Included Sources}	4,671.76
Total Emissions	8,555.67

Emissions reduction targets

We are actively working toward our goal of becoming carbon neutral by 2030, supported by ongoing efforts to reduce Scope 1 and Scope 2 emissions and optimise fuel usage across our operations. In FY 2024-25, we achieved a 7.87% reduction in fuel consumption compared to the previous year, resulting in an 18.51% decrease in Scope 1 emissions-clear evidence that our actions are already delivering measurable impact.

Alongside these operational gains, we have taken foundational steps such as fully disclosing our Scope

1, 2, and 3 emissions and transitioning approximately **12%** of our energy consumption to renewable sources. As we continue building a detailed year-on-year roadmap, our focus over the coming year will be on defining interim milestones and accelerating execution across key levers to ensure steady progress toward achieving carbon neutrality by 2030.

1. Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2023-2024 baseline.

Installed rooftop solar systems generating 1,752.18 GJ of clean energy.

Transitioned approximately 12.13% of total energy consumption to renewable/green sources. Replaced traditional fluorescent lighting with energy-efficient **LED** fixtures to reduce daily energy use.

Extended laptop lifecycle to four years before responsible recycling through certified e-waste vendors. Procured eco-certified, energy-efficient laptops to help reduce embedded emissions.

Used servers for up to 10 years before recycling; shifted workloads to cloud infrastructure to lower energy use and hardware footprint.

Maintained Zero Liquid Discharge (**ZLD**) status at Head Quarter facilities through full wastewater treatment and reuse.

Ensured proper disposal of 0.19 metric tons of e-waste using certified vendors.

Diverted 91.50 metric tons of construction & demolition (C&D) waste from landfills through recycling/reuse.

Reduced 57.6 metric tons of non-hazardous waste through recycling and waste-reduction initiatives.

Continued participation in carbon offset programs as part of the carbon-neutrality journey.

2. Future carbon reduction initiatives

In the future we hope to implement further measures such as:

Further expand renewable energy adoption by increasing solar capacity and green power procurement.

Develop a detailed year-on-year climate action roadmap with clear interim milestones. Strengthen green procurement practices, including greater adoption of energy-efficient and sustainably sourced IT assets.

Enhance waste-reduction and recycling programs, including improved end-of life asset management aligned with international standards.

Continue advancing water conservation measures, including sustaining and scaling **ZLD** practices.

3. Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 006 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the **GHG** Reporting Protocol corporate standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting². Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard³

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:



Mr. Anand Balakrishnan
(Chief Financial Officer)

Date: March 30, 2026