

Cyient Limited

ESG Factbook FY 2022-23

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Introduction

Established in 1991, Cyient has evolved into a global technology solutions company with a primary mission-facilitating sustainable growth for customers by enhancing their capabilities. Guided by a consulting-first, industry-centric approach, we prioritize understanding and addressing the unique requirements of our diverse clientele. Headquartered in Hyderabad, India, Cyient has been publicly listed on the National Stock Exchange (NSE: CYIENT) and the Bombay Stock Exchange (BSE: 532175) since March 1997. Our dedication to innovation is evident in the convergence of leading-edge engineering and technology competencies, enabling us to design, build, and maintain innovative solutions for over 250 customers in 22 countries.

As a company committed to shaping a sustainable tomorrow, Cyient collaborates with clients to address their sustainability challenges and opportunities. This commitment is deeply embedded in our recognition of the significance of a robust Environmental, Social, and Governance (ESG) framework, firmly rooted in stakeholder needs and closely aligned with our business goals. The alignment allows us to effectively balance the interests of people, planet, and profitability—often referred to as the 3Ps.

Our sustainability framework is founded on the principles of responsibility(environment), equity(social), and accountability(governance), acting as a crucial safeguard against the increasing risks of climate change. It is underlined by a robust policy aimed at fostering long-term sustainable value generation for stakeholders and navigating the path toward a carbon-neutral future. In every aspect of ESG, we aspire for excellence and strive to be a leader in adopting sustainable business practices.

We at Cyient are pleased to introduce our ESG Factbook—a comprehensive compendium crafted to underscore our commitment to ESG principles. This Factbook allows a deep dive into our sustainability strategy, offering visibility into ambitious targets, progressive metrics, and comprehensive ESG aspects. It will seamlessly complement our Sustainability Report, presenting an enriched perspective on our journey toward accountable, equitable, and responsible growth. Starting from the next year, these insights will be seamlessly integrated into our reporting framework, ensuring transparency and cohesiveness.

Reporting Boundary

The reporting boundary for all our environmental, social, and governance disclosures covers Cyient's operations and its subsidiaries unless stated otherwise. As a global technology solutions company, Cyient, with company-owned and leased offices, and employees working in client offices, strategically defines topic boundaries based on impact significance and potential for reductions. India holds significance as a primary operational location, driven by substantial employee strength, reinforcing Cyient's commitment to transparent, accountable, and sustainable practices.

Responsible

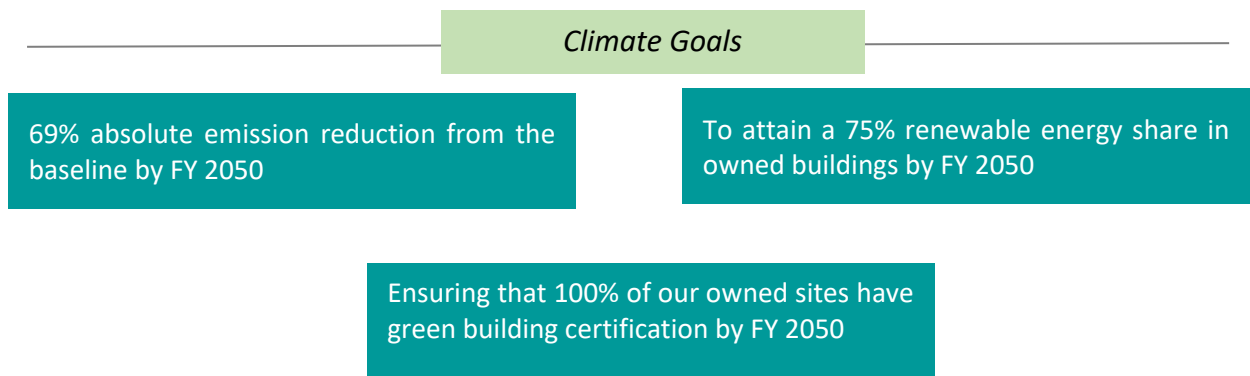
Well-articulated goals and targets that form part of our sustainability framework serve as important milestones for us to assess the progress and impact of our actions. With timebound and measurable goals set for each pillar of our framework, we ensure that our progress is effectively paced, enabling us to monitor and adjust our efforts accordingly.

Environment Management System (EMS):

Our offices, spanning locations including Madhapur, Manikonda, Uppal, Kakinada, Vizag, Warangal, Bangalore, Noida, Mumbai, Pune, and international offices in Melbourne, Sydney, and Cheddar, hold ISO 14001:2015 certifications. This certification underscores our commitment to environmental management across our diverse operational hubs. These certified offices collectively represent 82% of our total associate count. By adhering to these international standards, we prioritize sustainability, and overall excellence in our business practices, ensuring a consistent and high-quality approach to environmental management across all our offices.

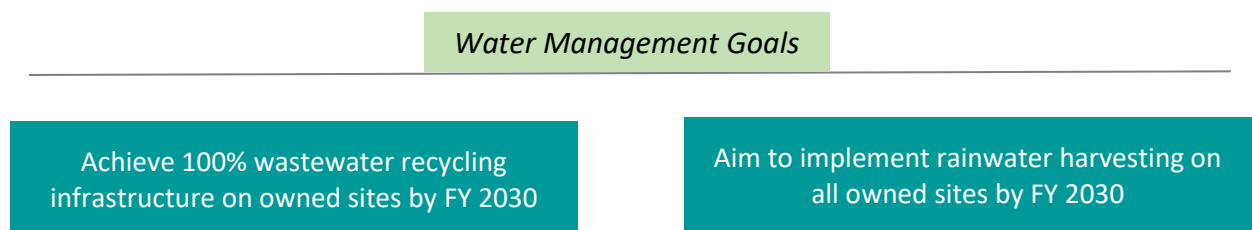
Energy and Emission Management:

We have established emission reduction goal with FY2023 as baseline. Our strategic emission reduction measures include increasing renewable energy mix, improving energy efficiency and carbon offset mechanisms. Our organization has established short-term goals related to climate action, which we intend to accomplish by FY 2030. These goals include a targeted reduction of 44% in emissions compared to a baseline FY 2023. Ensuring that all of our owned sites attain green building certifications is another vital goal, reflecting our dedication to promoting environmental stewardship and sustainability. Additionally, we aim to lead by example in sustainable energy usage, with a target of achieving a 60% share of renewable energy in our owned buildings.



Water Management:

Water, being a finite resource, demands meticulous management to ensure its availability for future generations. By implementing efficient water management practices, such as conservation measures, we can mitigate the strain on freshwater sources and alleviate the risk of water scarcity. Wastewater recycling, in particular, offers a dual benefit by not only alleviating the burden on freshwater sources but also minimizing the environmental impact of untreated discharge. Embracing advanced water management practices and investing in wastewater recycling technologies are essential steps toward building resilient and eco-friendly communities, safeguarding water resources for current and future generations.



Waste Management:

Effective waste management is crucial for fostering a circular economy where resources are reused, recycled, and repurposed. By implementing sustainable waste management practices, we can minimize waste generation and maximize resource efficiency. We have established waste-related targets to underscore our commitment to sustainability and responsible resource management. The aim is to significantly curb environmental impact through proactive measures in plastic and paper usage.

Waste Management Goals

Achieve a 50% reduction in single-use plastic by FY 2030

Zero utilization of virgin paper by FY 2026

Equitable

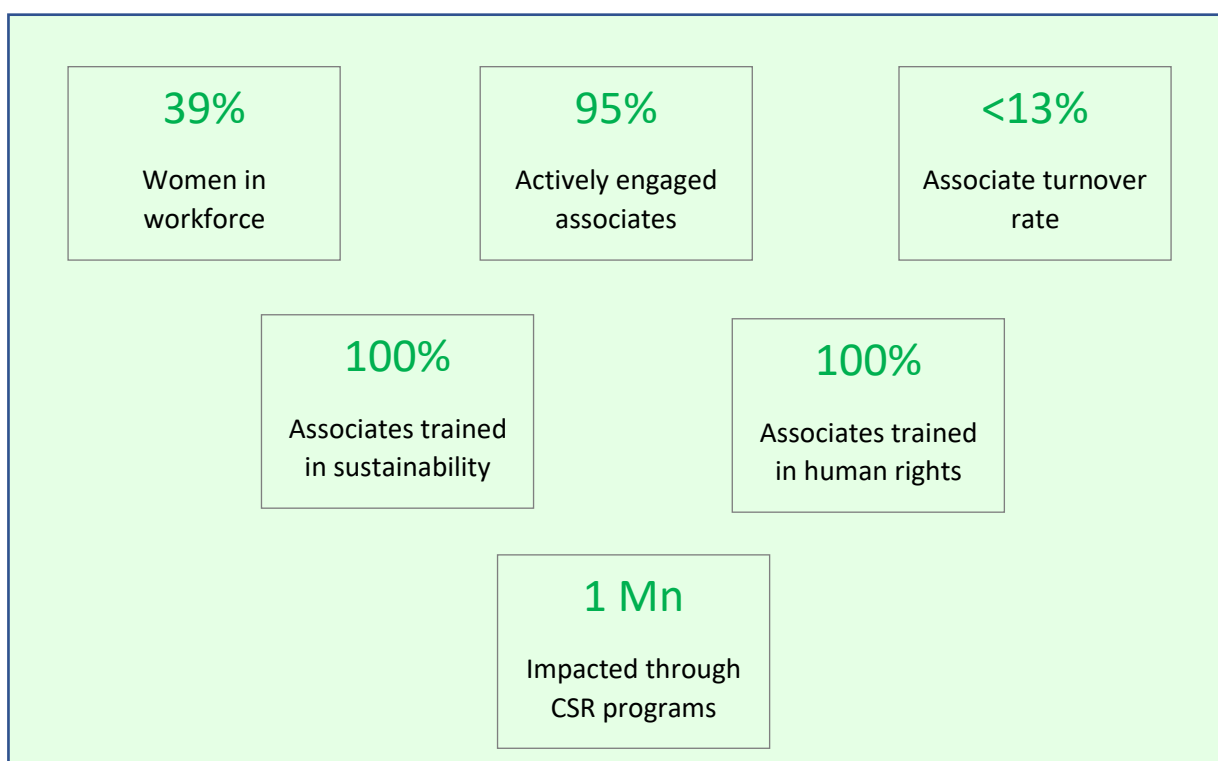
Associate training on policies:

All associates at Cyient are required to complete annual training on the Code of Conduct, POSH, and Whistle Blower policies. This training is mandatory for all employees and completion of the training will be taken into consideration during performance evaluations. In the event of any breach, appropriate disciplinary measures will be taken.

Zero Discrimination:

We are committed to fostering a workplace environment that is free from discrimination and harassment. To uphold this commitment, we ensure that prompt corrective action is taken in response to any instances of discriminatory behaviour or harassment. Additionally, we provide comprehensive training to all associates, equipping them with the knowledge and tools necessary to recognize, prevent, and address discrimination and harassment in the workplace. Through these measures, we strive to create a culture of respect, inclusivity, and fairness for all associates of our company.

FY 2030 Social Targets



Diversity in workforce:

Our strategic objective is to attain a 39% representation of women in our workforce by the end of the FY 2030. This ambitious target underscores our commitment to fostering diversity and inclusion within our organization. By actively increasing the participation of women across various roles and levels, we aim to create a more equitable and vibrant workplace that leverages diverse perspectives and talents.

Associate Engagement:

In FY 2023, our employee engagement score exceeded our target of 86% and reached 91%. Our organizational vision is centred on cultivating a highly engaged workforce, and we aspire to achieve a remarkable milestone by attaining more than or equal to 95% actively engaged associates by FY 2030. Recognizing the pivotal role that employee engagement plays in driving productivity, innovation, and overall workplace satisfaction, we are dedicated to implementing strategic initiatives that enhance the professional experience for every associate.

Associate Turnover Rate:

Our organizational goal is to attain an associate turnover rate of less than 13% by FY 2030. This target underscores our commitment to fostering a stable and dedicated workforce, recognizing the importance of employee retention in sustaining long-term success. By implementing strategic initiatives focused on professional development, employee well-being, and creating a positive work environment, we aim to mitigate turnover and ensure that our talented associates remain engaged and committed to our collective goals.

Learning & Development:

We aim to ensure that all our associates receive training in sustainability by the end of the FY 2030. Through the implementation of comprehensive training initiatives, we endeavour to equip every member of our workforce with the requisite knowledge and competencies to seamlessly integrate sustainability principles into their daily tasks and strategic decision-making processes.

Our objective by the end of FY 2030 is to provide comprehensive training on human rights to 100% of our associates. Achieving this goal is integral to our broader mission of promoting human rights, social responsibility, and ethical conduct throughout our operations.

Community Engagement:

Our strategic vision for the FY 2030 involves making a positive impact on the lives of over one million people (cumulative) through our community engagement programs. Our Corporate Social Responsibility (CSR) activities have positively influenced the lives of 4,44,621 individuals as of FY 2023. Through targeted CSR programs, we aim to address societal needs, promote sustainable development, and create lasting positive change, ultimately contributing to the well-being and empowerment of more than a million individuals.

Accountable

Board Member Election:

In our governance structure, board members are elected through a slate voting process. This approach emphasizes transparency, accountability, and the ability for shareholders to evaluate and vote for candidates based on their individual qualifications and merits. By electing board members individually, we ensure that each director is selected based on their unique expertise, experience, and alignment

with the company's strategic goals, fostering a diverse and well-rounded board that effectively represents shareholder interests and provides robust oversight of corporate affairs.

Executive Compensation:

The executive compensation structure within our organization is intricately linked to our sustainability performance, a metric influenced by all the material issues identified like inclusion & diversity, corporate social responsibility, sustainable supply chain, renewable energy, health, safety and well-being of employees, data privacy and security etc. This integrated approach underscores our commitment to aligning financial incentives with our broader sustainability goals. By tying executive compensation to sustainability performance, we incentivize leadership to prioritize and address the key issues that have the most significant impact on our organization and stakeholders.

Risk Management:

The Risk Management Committee of Cyient consists of Mr. M.M. Murugappan, Mr. Vivek N. Gour, and Mr. Ramesh Abhishek, all of whom hold extensive knowledge in the field of risk management. The committee's composition, with two independent directors and one non-executive director, is specifically designed to provide structural independence from the business lines. Mr. Vivek N. Gour, Risk Committee Chairperson, is the highest-ranking person with dedicated risk management responsibility on an operational level, which reinforces the committee's ability to efficiently evaluate, mitigate and manage diverse risks impacting the organization.

Mr. Vivek.N. Gour directly reports to the Board of Directors, representing the committee's function at the highest level of governance. Additionally, the Chief Financial Officer, Mr. Ajay Aggarwal, holds the responsibility of monitoring and auditing risk management performance on an operational level. He reports directly to the CEO, Mr. Karthikeyan Natarajan, ensuring effective communication and implementation of risk management strategies. The collective expertise and structured hierarchy of risk management responsibility within the organization underscore Cyient's commitment to robust risk management.

Our Risk Management process undergoes continuous monitoring and review by KPMG, who provides valuable insights and guidance on mitigation steps. This collaborative approach strengthens our resilience and ability to adapt to changing circumstances, reinforcing our commitment to prudent risk management practices.

Compliance Management:

Our Compliance System undergoes thorough auditing by KPMG, ensuring adherence to regulatory requirements and best practices. With audit, we enhance our transparency and accountability, demonstrating our commitment to upholding ethical standards and regulatory compliance.

Business Ethics:

During the FY 2023, there were no reported instances of breaches related to conflict of interest and insider trading. This signifies the company's commitment to upholding ethical standards and maintaining a transparent business environment. The absence of reported incidents underscores the effectiveness of internal controls and adherence to regulatory compliance, contributing to the overall integrity of the organization's operations.

Privacy Policy System:

We have integrated the privacy policy system into our group-wide risk and compliance management framework. As part of this system, we conduct regular internal audits to assess and ensure compliance with our privacy policies. These audits are essential for identifying any gaps or areas for improvement

in our privacy practices, allowing us to proactively address potential risks and uphold our commitment to safeguarding the privacy of our stakeholders.

Customer Data Privacy:

We underscore that at Cyient, we firmly adhere to data privacy principles. We have maintained a track record in data privacy, as exemplified by the fact that we did not use any customer data for any secondary purpose. Further demonstrating our commitment to user privacy, we received zero requests from the government for customer information in FY2023. There was no breach on customer privacy data in FY 2023.

IT Leadership:

Mr. Rajnish Kini serves as our Chief Technology Officer (CTO), overseeing the strategic direction and implementation of technology initiatives within our organization. Mr. Sujeet Kumar currently holds the position of Head of IT, responsible for managing day-to-day IT operations and ensuring the efficiency and reliability of our technological infrastructure. Until March 31, 2023, Ms. Pallavi Katiyar held the role of Head of IT, contributing her expertise and leadership to the IT department during her tenure. These key individuals play pivotal roles in steering our technological advancements, ensuring the seamless integration of IT solutions, and fostering innovation within the organization.