CYIENT
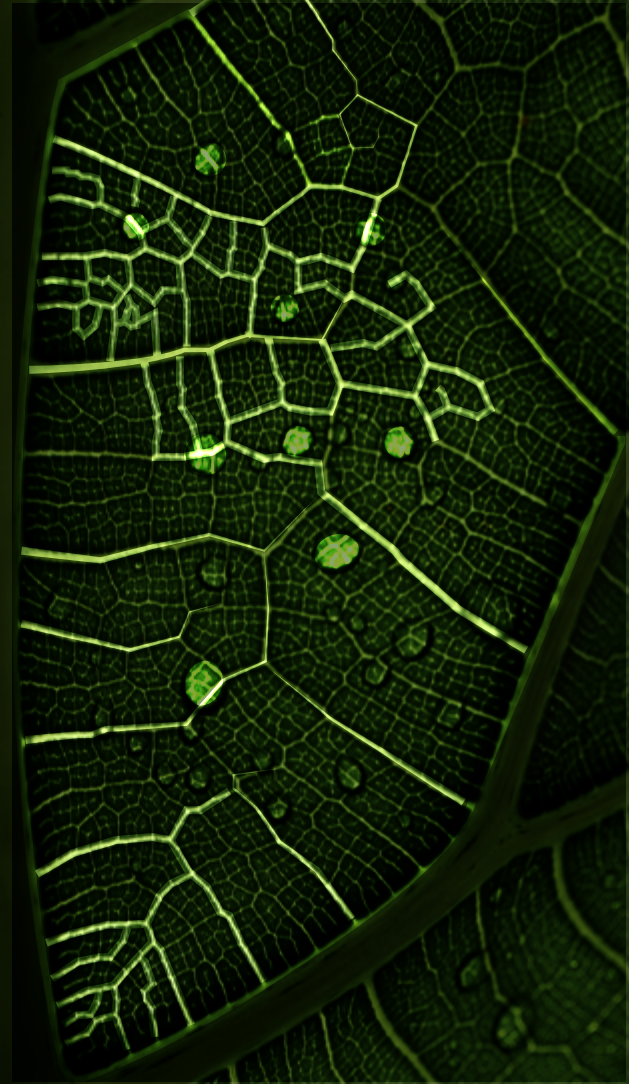
NAVIGATE THE NEW

Sustainability Report
2021 - 2022

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1 LEADERSHIP MESSAGE

1.1 MESSAGE FROM THE
Chairman

Our Sustainability Report for FY 22 is a holistic and transparent view of our thinking and the achievements and challenges we took on during FY22. We remain committed to our Environmental, Social, and Governance (ESG) goals and have aligned our entire operations to the same. We have set up a comprehensive and meaningful ESG framework to create a sustainable organization that benefits the community and the world. Cyient is also completely in tune with the United Nations' Sustainable Development Goals (SDGs), which will enable us to take forward our goal of building a sustainable organization and contribute to global and national environmental goals. We hope to be carbon and water neutral by 2025[1].

[1] GRI 102-14

Pandemic Response

During the pandemic, our CSR efforts were focused on enhancing community health, especially for women and children, through the provision of nutritional supplements and reducing maternal and infant mortality. The Company actively supports research to develop affordable medicines and deepen knowledge of sustainable food production and resilient agricultural practices. We are grateful for the support of our Cyient associate volunteers for their support during this time.

Corporate Governance

Cyient has continued to set itself apart as an inspirational organization rooted in good governance for over 31 years. Good governance is central to Cyient's operations, and we wish to be an organization that is transparent and accountable for its actions that are continuously connected with its stakeholders.

Our commitment to compliance is our competitive advantage. Our corporate governance mechanisms come under the oversight of an efficient and experienced Board of Directors and are supported by the Sustainability Committee and Working Group with specific responsibilities and defined tasks.

Our Associates

Our business success is intricately linked to our talented associates, who are the reason behind the efficient harnessing of technology for complex engineering solutions and, in turn, for every customer's satisfaction. The Company has nurtured human talent and has the best people to ensure the long-term achievement of business objectives. Over 31 years, we have created meaningful livelihoods for thousands of professionals, several of whom have been associated with us for over 25 years.

Empowering Communities

Enabling the communities in which we operate forms a key pillar of our ESG-led growth strategy. The holistic and inclusive development of society propels India's economic growth, benefiting our Company and all our stakeholders. We aim for an all-inclusive holistic development of our communities, and this includes education, upskilling, good health, environment protection, IT Literacy, and social innovation. We are committed to turning our vision into reality by helping underprivileged children to access quality education and enhancing the skills of unemployed women and youth to gain a sustainable livelihood. Our development programs have resulted in a visible transformation of several communities.

Cyient is a company that has been meticulously built brick by brick, based on the sound philosophy of Values FIRST. We have consistently believed and have created value for our shareholders with a commitment to put us on the firm ground for sustainable growth. Our journey has been challenging at times, but we have been able to experience rewarding outcomes.

We are committed to building a Sustainable Tomorrow Together.

MM MURUGAPPAN
Non-Executive Chairman

1.2 MESSAGE FROM THE
Managing Director and
Chief Executive Officer

We all have a responsibility to create a better world, and Cyient is committed to ensuring we do our part. Our sustainability framework is built on 3 promises of being a responsible, equitable and accountable organization that supports all our key stakeholders: our associates, our clients, our shareholders, and our communities. We hold ourselves accountable to these stakeholders and demonstrate our commitments to ESG through our actions.

The pandemic has shown us how interconnected we are and how are actions impact others. In fiscal year 2022, we faced two waves of Covid-19 and experienced the beginning of a new normal. I am proud to say that Cyient continued its efforts to support communities, associates, and affected groups during this time. We contributed to healthcare infrastructure by providing essential medical equipment like PPE kits, masks, oximeters, oxygen cylinders, voluntary help, and more. 1700 Cyient associates have collectively volunteered almost 30,000 hours of their time in FY22, which helped us create a better tomorrow for many[2].

Our associates are at the center of everything we do, and their safety, well-being and ambitions are our priority. We are committed to nurturing an organizational culture that encourages an innovation mindset that empowers our associates to build successful careers and to be their best selves at work. We continued to invest in our diversity and inclusion initiatives. The Company encourages meritocracy, devoid of politics and bureaucracy, and this is reflected at all levels. We have also worked hard to create an environment that encourages growth through leadership development interventions, technical training, soft skill training, mentoring, and coaching.

Our brand promise of 'Designing Tomorrow Together' outlines our strategy of partnering with our customers to improve their business across all facets. By following the highest moral and ethical values, legal and regulatory frameworks, and adopting good practices beyond compliance, we have built a solid foundation for our business and for our communities. As we embark to Navigate the New in FY23, we are focussed on how we can work with our customers and market partners to create innovative sustainable solutions to create long term value that reduces our collective carbon footprint, ensures there is clean water for all, and

provides equal opportunities for growth.

The growing importance of ESG cannot be denied, and stakeholders worldwide are demanding growth with sustainability. To create value, businesses need to be more sustainable and inclusive. The comprehensive sustainability governance framework set up by us has ensured commitment to our ESG-led growth goals as we meet our business objectives. The framework is based on three core pillars, Responsibility, Equality, and Accountability, which have 13 focus areas aiming to integrate and strengthen the ESG aspects across our value chain. Our goals for becoming carbon and water neutral by 2025 are ambitious, but we continue to pursue these goals by developing more sustainable solutions for ourselves and our customers.

Cyient has more than 16,000 associates working in 21 countries who contribute collectively to building a better tomorrow. I would like to acknowledge their untiring and unrelenting efforts and express my gratitude for being our partner in our inclusivity and sustainability journey. Nearly 30% of our new hires in FY22 were women, a significant jump over previous years. We have also focussed on the health, safety, and well-being of our people at the workplace and across our value chain through multiple initiatives. The Company also encourages its suppliers and contractors to always respect the human rights of their employees.

I would like to thank all our associates, partners, customers, shareholders, and well-wishers for their support as we move ahead in our quest to Design a Sustainable Tomorrow Together.

The Company also encourages its suppliers and contractors to always respect the human rights of their employees.

KRISHNA BODANAPU
Managing Director and Chief
Executive Officer

1.3 MESSAGE FROM THE
Chief Financial Officer

The Covid-19 pandemic affected all sectors of the economy and is being termed the 21st century's first "sustainability" crisis. The pandemic has renewed the need to adopt a more sustainable approach to business[3].

Having a strong focus on Environment, Social and Governance (ESG) is critical to all elements of our business. and stakeholders the world over are demanding growth with sustainability. Businesses need to build resilience and balance ESG with growth to create value. Cyient has started on a transformation journey with a vision to 'Design a Sustainable Tomorrow.'

Sustainability is ingrained in Cyient's DNA, and as a technology solutions company with all the requisite strengths, we are committed to making a noticeable difference. Our ESG efforts are all-encompassing and include our partners, vendors, communities, associates, and others in the entire value chain. Protecting the planet from climate change and environmental damage is a collective responsibility of the world, the nations, local regions, organizations, and we, the people. There is a paradigm shift happening in the way we perceive sustainability and think of new ways and practices, drawing on innovation, science, and technology to

contain environmental damage.

As a responsible company, we have reduced our energy use, increased our dependence on renewable energy, and are striving to reduce our carbon footprint through sustainable operations. Cyient endeavors to become water neutral soon through rationalization of water usage and recycling and reuse of water. Going forward, we aim to reduce the overall volume of water used across our business operations to a considerable extent. We will be focusing more on reuse and recycling to reduce freshwater usage. Cyient believes in and supports integrated waste management practices, and its program is built on the philosophy of the three Rs — Reduce, Recycle, and Reuse. Our efforts have significantly reduced hazardous and non-hazardous waste from across our operations.

Cyient's supply chain strategy is built around mitigating the impact of its functioning on the environment and the community. Sourcing of material is localized to a large extent, which has reduced our carbon footprint while creating economic opportunities for the inclusive development of our communities.

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[3] GRI 102-14

Going forward, we aim to roll out a Sustainable Supplier Assessment Framework and explore ways that align our suppliers further and improves the overall ESG performance of both suppliers and ours.

The holistic and inclusive development of society propels India's economic growth, benefiting our company and all our stakeholders. Communities are an indispensable pillar of our growth story, and Cyient has taken strides to empower them. We aim for an all-inclusive holistic development of our communities; this includes education, upskilling, good health, environment protection, IT Literacy, and social innovation, among others. We are committed to turning our vision into reality by helping underprivileged children to access quality education and enhancing the skills of unemployed women and youth to gain a sustainable livelihood. Our development programs have resulted in a visible transformation in the lives of communities.

I would briefly like to touch upon some of the highlights of FY22. The Cyient Foundation makes investments throughout the year to better lives through digital Literacy, skill development programs, medical research, and community development projects. Our efforts have led to more than 2.1 lakh children gaining access to quality education to date through teaching aids, school infrastructure, health, and nutrition, and ICT/IoT facilities in 28 Cyient adopted schools. Over 1000 government teachers have been trained on the usage of ICT. We improved infrastructure in 28 schools to create inclusive and safe learning environments. More than 35,000 children and adults (between 16 and 60 years) across four states of India received IT education at 80 computer CDCs to improve their employability. This included 20000+ adult women with little or no IT background previously. This effort has enabled them to access e-governance services. Over 6000 children have used CDCs to attend online classes. Sustainability and reforestation are also a part of the Foundation's mandate to ensure that we make a wholesome difference.

Cyient is committed to achieving its sustainability goals and to collaborating with our suppliers, partners, investors and customers to continue to evolve and learn and enhance our sustainability practice. Here's to building a more Sustainable Tomorrow Together.
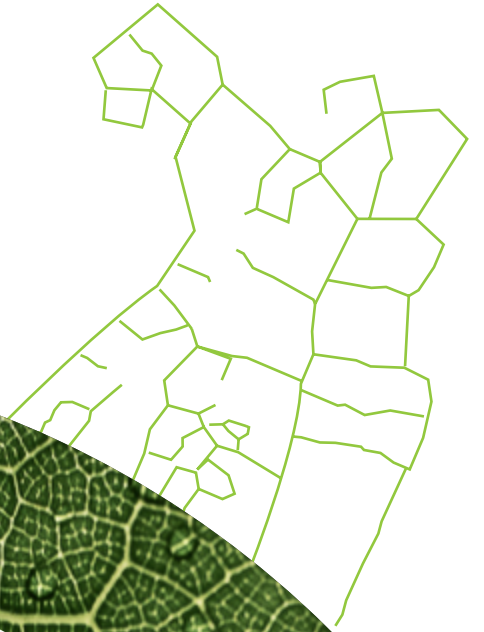
Having a strong focus on Environment, Social and Governance (ESG) is critical to all elements of our business.

Ajay Aggarwal
Chief Financial Officer

2 ORGANIZATIONAL PROFILE

2.1 Business Profile

Established in 1991, Cyient is a leading global engineering, manufacturing, and digital technology solutions company headquartered in Hyderabad, India. Cyient was listed on the National Stock Exchange (NSE: CYIENT) and the Bombay Stock Exchange (BSE: 532175) in March 1997[4]. Through our journey of technology excellence of more than three decades, we have built a robust portfolio of offerings across the hyper-growth segments of Digital, Embedded Software, Geospatial, Consulting, Semiconductor, and Network Transformation. We offer Design, Build, and Maintain solutions to enable leading organizations to strengthen their competitive edge and innovation leadership globally. Our customers see us as a trusted tech solutions partner to accelerate their transformation journeys.

The last two years have accelerated the dynamically changing technology and business landscape. The megatrends emerging in its wake strengthen our resolve to navigate the new and create long-term sustainable value for our stakeholders. We are broadening our capabilities through strategic partnerships, investments in innovation, and strengthening our sustainability commitments. Our portfolio has grown to include intelligent & connected products, NextGen connectivity solutions, data AI and platformization, and sustainable technologies. Robust solutions, versatile associates, and deep digital and innovation capabilities position us strongly to tap the opportunities offered by the megatrends of the next decade. These trends include augmentation & human well-being, hyper automation & smart operations, megacities and intelligent transport, resource scarcity & sustainability, and the future of mobility & space[5].

Despite the continued challenges of the pandemic, we maintained our growth momentum on the back of co-innovation, sustainable solutions and practices, and service excellence.

We are expanding our footprint in the Nordic countries, Germany, and France. Our strategic acquisitions will provide the synergies we need to grow our newly formed consulting business and digital transformation initiatives. As a company focused on solving problems that matter, we are committed to leveraging our technology leadership to impact human lives and communities positively. We will continue to lead with our innovation and deliver on our promise of designing an environmentally sustainable, socially responsible, and culturally inclusive tomorrow.

Our Vision and Values

'Designing Tomorrow Together' is our vision and brand promise. These three simple words outline our unique approach while partnering with our clients to improve their business and the lives of their customers. In 2021, to celebrate our 30 Years of Excellence journey, we reinforced our commitment to our fundamentals of Values FIRST, where FIRST stands for Fairness, Integrity, Respect, Sincerity, and Transparency.[6]

Fairness – The company offers equity and solidarity where the associates and our customers experience an unbiased environment, irrespective of their cultural backgrounds. We believe in providing an environment that motivates associates and customers to achieve their personal and organizational goals.

Integrity – The company cultivates the development of high professional standards and values. In all dimensions of work, we align our actions and words and deliver what we promise. The company is committed to its moral and ethical values and the laws of the land. It expects the same honesty and integrity from its Vendors.

Respect – The company believes that the most productive environment is where associates are valued and treated with respect and dignity.

Sincerity – We commit to presenting a workplace, which establishes professionalism, dedication towards quality, cost, delivery, and value systems, and speaking and acting truly about the company's vision and realistic goals. The company has always demonstrated utmost reliability and accountability for all its commitments and promises and strives for the same going ahead.

Transparency – An open-door policy. The company believes that fair and open communication is the key to success. The company believes in transparent billing processes and ensures the availability of relevant information required for cooperation and collective decision-making. Encouraging feedback from vendors, customers, associates help build a trustworthy company.

Our Subsidiaries and Joint Ventures

- Cyient Inc.

- Cyient GmbH

- Cyient Australia Pty Limited

- Cyient DLM Private Limited

- Infotech HAL Limited

- Cyient Europe Limited

- Cyient KK

- Cyient Singapore PTE Limited

- Cyient Israel India Limited

- Cyient Solutions and Systems Private Limited

- Cyient Urban Micro Skill Center Foundation

- Cyient Insights Private Limited

Service Portfolio

We offer a broad spectrum of services to enable our customers to fortify their technology and business edge and stay ahead in the market. Our solutions are designed and customized to meet the growth needs of industries like aerospace & defense, rail transportation, off-highway & industrial, power generation, mining, oil & gas, communications, utilities, infrastructure, geospatial and navigation, semiconductor, and medical technology & healthcare[7].

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[7] GRI 102-2

Engineering: From designing engines for new-generation aircraft to reduce environmental impact to being part of a rolling stock engineering design for a flagship railway program and developing a 100-ton cross-terrain truck crane in record time, solving complex engineering problems is integral to our business.

Manufacturing: As a preferred build-to-specification partner, our design-led mechanical, electronics, and additive manufacturing expertise enable us to build cutting-edge products for aerospace brands, parts and sub-systems for defense companies, and medical devices and industrial equipment. We offer design, manufacturing, testing, and certification services to ensure products worldwide meet the highest reliability, safety, and performance standards at a reduced time to market and costs.

Digital: We draw on our understanding of domain and business operations and engineering competencies to accelerate digital transformation and optimize investments for several Fortune 500 companies. INTELLICYIENT is a suite of six digital solutions built on Industry 4.0 technologies that bring non-linear value to manufacturing, industrial, aerospace, utilities, mining, and natural resources players through their digitization journey.

Semiconductor: We bring deep expertise in analog, digital, and mixed-signal ASIC design, and supply to make chips for the industrial, medical, automotive, and consumer segments. We are developing a power management system for cochlear implants. Other solutions in development include a satellite transceiver to facilitate wildlife tracking, an ultra-low-power RF transmitter, and an analog front-end for aircraft vision systems.

Geospatial: Our solutions help customers acquire, manage, and leverage geospatial information to garner actionable insights to improve decision-making and outcomes. We have built urban digital models for smart cities, solutions to monitor and manage critical assets, and developed high-definition maps for autonomous vehicles. These geospatial solutions are helping businesses in sectors like automotive and rail, energy and natural resources, communications and utilities, and governments enhance business and societal impact.

Design-led manufacturing: We help our customers improve their production processes with our systems engineering and manufacturing expertise. Our Build-To-Specification (B2S) solution helps customers build better products with a shorter time to market and lower costs. Our flexible solutions enable customers to meet a broad spectrum of business needs. Our capabilities span the end-to-end product development lifecycle, starting from conceptualization, even before design, to the maintenance stage.

Engineering services: We use our expertise in information technology to provide a wide range of network solutions and services spanning the entire gamut of engineering requirements. Our customers use our services for utilities, communications, telephony, structural design, electrical and mechanical engineering, and embedded software, among others.

Enhancing sustainability for the mining industry

While the mining industry is critical for modern day life and provides employment to many, its activities have a significant impact on the environment. At Cyient, we work with several customers from the mining industry to help design products and processes and manage assets. In all our engagements with the mining industry, we stay aligned to our ESG goals and endeavor to develop sustainable solutions for them.

The mining industry has made great strides in recent decades in mitigating the hazards to the environment. However, one of the major issues that mining companies grapple with is how to manage their tailings, which are waste byproducts of the extraction of useful substances from ores. Once the useful materials have been separated, the tailings are usually dumped at a site and become mounds of waste over time. These mounds release dust or fumes gradually to become a recurring threat to the environment. They can also collapse and cause devastating landslides risking life and property in the vicinity. The other type of structure used to dump tailings is called a tailings dam. These are usually earth-filled embankment dams, different from other water-filled dams. Dams, where tailings are dumped, pose the risk of flooding nearby areas.

The risks posed by tailings dam failures have not received as much attention even though there are more than 3500 such structures around the world today. This motivated our MNR teams to partner with ESRI Inc., an international supplier of geographic information system software, web GIS, and geodatabase management applications, to create a tailings management solution for our Tier 1 mining clients.

We realized that the key to successfully managing tailings is to monitor their disposal in real-time to deploy mitigating measures on time. We also wanted to draw insights from the data collected with all stakeholders, including landowners residing in downstream areas, to sensitize them to the magnitude of the issue. The data collected could also be used for predictive analysis, forecasting, and visualizing outputs. This led us to design the Cyient Tailings Management System (CTMS) to serve as a repository of such data. Customers can feed data into the system using internal sources like piezometric readings that measure water pressure, design files, periodic inspections, audits, or past incidents. Data can also be taken from external sources, like satellite images and radar data. Customers using the CTMS can monitor the environmental risk that their tailings dams pose. Additionally, the data visualization help forecast disasters so steps can be taken to prevent them. We expect this platform to provide a robust tool for our mining clients that will help them accelerate their sustainability journey and perform better on ESG parameters like environment, health, safety, waste disposal, etc. The solution demonstrates how technology can play a critical role in containing environmental damage and mitigating climate change risks.

2.2 Global Presence

Globally Relevant, Locally Committed

Headquartered in Hyderabad, India, Cyient has a presence in 18 countries[8]. 16,105 talented associates spread across 47 locations help us create a vibrant talent pool reflecting a diverse range of skills, cultures, languages, gender, experience, and demographics.

They are the vanguards creating unmatched value for our customers and other stakeholders drawing on our engineering and technology leadership, agile frameworks, scalable solutions, and innovation backbone. The long-standing relationships with our customers testify to their trust in Cyient and our solutions, talented associates, strong organizational culture, and value system.

16,000+
EMPLOYEES

18
COUNTRIES

240+
CUSTOMERS
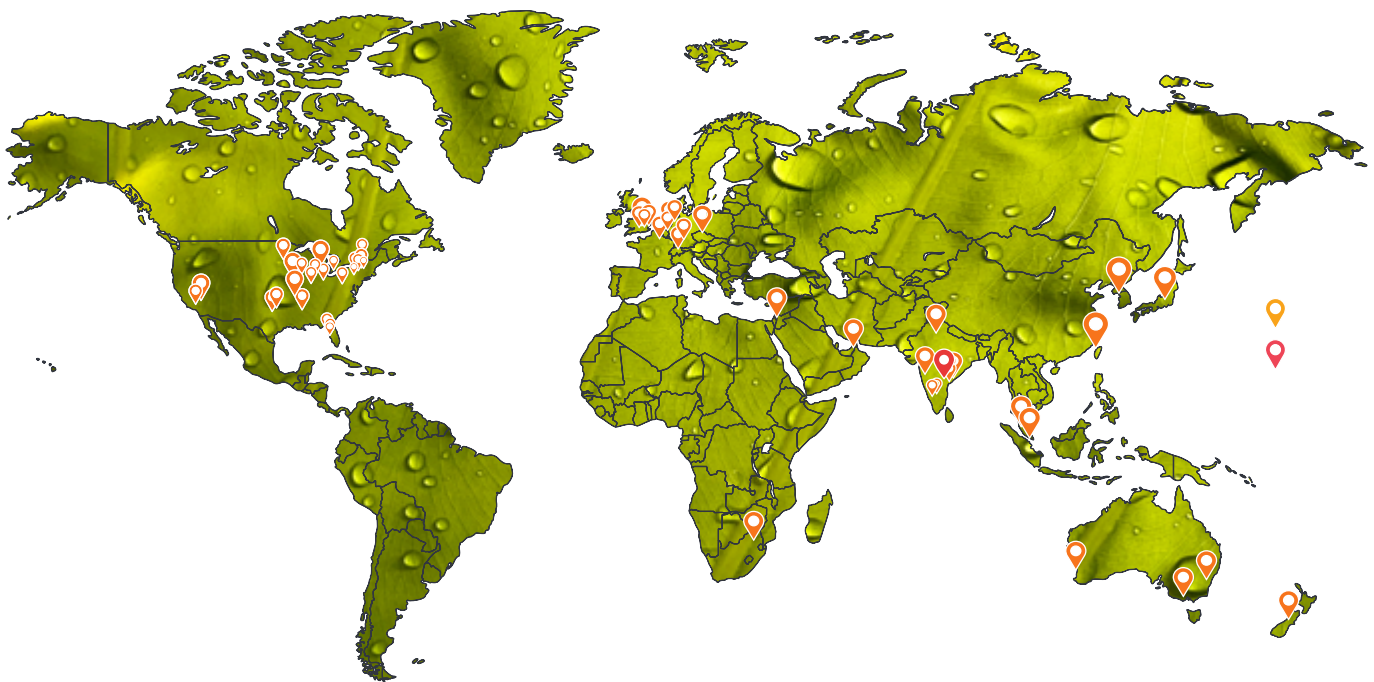
2.3 Memberships and Associations

As a responsible business focused on the inclusive and equitable advancement of our stakeholders, the industry, and the larger ecosystem, we are part of industrial and business associations to drive positive change. Our memberships and associations get reviewed annually and as needed. We are associated with the following trade and industry chambers and associations.[9]

- Confederation of Indian Industry

- National Association of Software and Service Companies

- Global Compact Network India

- Indo-American Chamber of Commerce

- National HRD Network

- The Federation of Telangana and AP Chambers of Commerce and Industry

- Hyderabad Management Association

We have strong relationships with leading academic institutions and other think tanks to build a robust intellectual network to empower us to meet our commitments to responsible and sustainable growth. These include the partnerships we share with the Indian Institute of Technology, the Indian School of Business, the Institute of Company Secretaries of India, the Institute of Chartered Accountants of India, and the Institute of Directors, among several universities and educational institutions. Members of our senior management are a part of various committees and boards constituted by the Government of India on regulatory matters.

2.4 Accolades and Recognitions

- Recognized in the 2021 Zinnov Zones ratings as an Expansive-Established player in Digital Engineering and ER&D Services – USA region, a newly introduced category this year. Ranked in the Leadership zone across Aerospace, Telecommunication, Semiconductors, Industrial, and Medical Devices verticals, including SDN-NFV.

- Named as a Major Contender in the Everest Group PEAK Matrix® for 5G Engineering Services for its focused investments in partnerships and solutions that strengthen public and private 5G

- core and access networks.

- Recognized as a Rising Star in Connected Mobility Consulting and Services in the ISG Provider Lens™ Internet of Things – Services and Solutions Quadrant Study (USA, 2021).

- Ranked as a leader in digital engineering for the US region in the ISG Provider Lens Quadrant Study on Manufacturing Industry Services 2021.

- The EcoVadis sustainability assessment evaluates how well a company integrates sustainabil-

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[9] GRI 102-13

ity and CSR principles into its business systems and management processes. Cyient received a bronze rating from Eco Vadis in FY22 and is ranked amongst the Top 50% of companies assessed by EcoVadis. Felicitated by CII for continued CSR contributions in the state for the sixth year running. The event took place during the HarithaHaram felicitation program.

- Recognized by Amazon Web Services as a Select-Tier Consulting Partner in the AWS Partner Network (APN) to accelerate tech transformation journeys for multiple customers.

- Earned Partner-Level status in the John Deere Achieving Excellence (AE) Program for 2020. This is Deere & Company's highest supplier rating, awarded to companies for outstanding product and service quality performance and commitment to continuous improvement.

- Won four awards at the inaugural NASSCOM Engineering and Innovation Excellence Awards 2021 for service excellence and product innovation.

- **Social Impact Solution of the Year:** For a first-of-its-kind portable RT-PCR testing kit that enables rapid testing at scale engineered by Molbio and manufactured by Cyient.

- **Engineered in India Product of the Year:** For Cyient's Smart Power Distribution Panel (SPDP) that provides efficient and reliable power distribution within aircraft and ensures the highest standards of safety.

- **Engineered in India Product of the Year:** For Cyient's Software Defined Radio, an indigenously developed solution that used state-of-the-art technology to create an advanced communication solution for the Indian army.

- **Service Delivery Excellence of the Year:** For a solution where we harnessed the power of 5G to connect 20 million individuals across urban, semi-urban, and rural Australia.

2.5 Highlights FY22

Business footprint & Capabilities

- Entered the management consulting space with Cyient Consulting to co-design bespoke, practical, performance-based business transformation solutions for enterprises to enable sustainable growth.

- Expanded digital manufacturing capabilities with our first metal additive manufacturing facility in Jupiter, Florida, following international support from SLM Solutions.

- Strengthened the IntelliCyient Suite of Digital solutions with the acquisition of WorkForce Delta, a leading consulting firm in mobile workforce management. The acquisition will expand Cyient's front-end consulting capabilities for digital mobile workforce management solutions.

- AnSem, a Cyient company, announced the first anniversary of the acquisition of an integrated circuit (IC) design center in Duisburg, Germany. The Duisburg center has strengthened AnSem's capability in the digital design flow for large System on Chip (SoCs) and production test development.

Offerings

- Launched INTELLICYIENT suite of Industry 4.0 solutions to enable digital transformation for industries that draw significant value from their assets, such as manufacturing, aerospace, automotive and off-highway, utilities, and mining and natural resources.

- Launched CyientfIQTM, a future-ready innovation platform to foster technology disruptions and develop new IPs and solutions in collaboration with Partners.

- Launched a pre-built solution for managed Firmware over-the-Air (FOTA) updates on the CyientfIQTM innovation platform solution to accelerate the development of intelligent and connected products. These products are designed for Original Equipment Manufacturers (OEMs) in Industrial, Construction, Agriculture, Mining, Medical, and Automotive/Off-highway.

- Expanded Cyient digital solution portfolio with global AS9145 Supplier PPAP4Aero platform offerings to build and manage intelligent supply chains for the aerospace industry.

- Launched Mobius, a software-as-a-service (SaaS)-based solution and decision support platform hosted on Microsoft Azure. The platform provides improved information flow for optimizing schedule plans, reducing network outages and associated costs, and tracking risks/opportunities efficiently.

Partnerships

- Strategic partnership with iBASEt to enhance capabilities to design and implement world-class solutions. These solutions will simplify the manufacturing and maintenance of complex products to help discrete manufacturers.

- Signed a Memorandum of Understanding (MoU) with the Indian Institute of Technology, Hyderabad, to set up a Center of Excellence (CoE) to leverage a 5G core developed by the institute for testing various Digital use cases and interoperability with best-of-breed components from industry leaders.

- Joined forces with the International Aerospace Quality Group (IAQG), which underlines our commitment to adopting the latest quality standards in its engineering and digital solutions.

- Joined to collaborate with global Communication Service Providers (CSPs) and accelerate the technology-led transformation of networks enhancing business agility and customer-centricity in the industry.

Sustainable operations

- Announced a holistic sustainability framework aligned with the United Nations' Sustainable Development Goals (SDGs) and pledges to be carbon and water neutral by 2025.

- Set up Environment, Social and Governance Committee (ESG Committee) to focus on sustainability matters as required under the Companies Act, 2013.

- Launched Cyient Design for Circularity practice in partnership with Eolos to enable customers to build more sustainable services, solutions, and products.

- Rolled out the "Technology Leadership Program (TLP)" that will develop select associates to be trusted advisors on technologies of tomorrow with a consultative approach.

- Announced a 12-week gender-neutral parental leave policy across its offices globally for both birth and adoptive parents.

- The Cyient Foundation announced its support for The Asian Healthcare Foundation (AHF) to help nurture social innovation with cutting-edge technologies in healthcare to create a healthier tomorrow for our communities.

- In collaboration with CII Andhra Pradesh and the Cyient Foundation, Westinghouse Electric Co. USA donated medical equipment worth INR 63 lakhs to the Government General Hospital, Srikakulam, Andhra Pradesh, to support the state government's COVID-19 relief efforts.
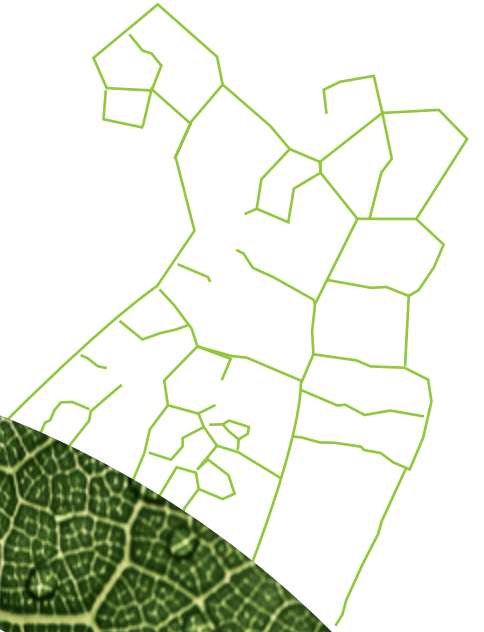
3 ABOUT THE REPORT

We welcome our stakeholders to Cyient's second Sustainability Report, which provides a holistic and transparent view of our ESG-led endeavors, achievements, and challenges for FY22.

At Cyient, we stay committed to our mission of enabling our customers to navigate the new through more sustainable services, solutions, and products leveraging our complex engineering and technology solutions. The report details the endeavors and outcome of our ESG-led growth strategy to create long-term value for our stakeholders. We are incorporating Environment, Social, and Governance (ESG) parameters deeper across our value chain. An ESG Committee at the Board level has been established to broaden oversight of our sustainability progress in line with the requirements of the Companies Act, 2013.

The report showcases our sustainability performance covering the period between April 1, 2021, and March 31, 2022[10]. It has been prepared in accordance with the core criteria of the Global Reporting Initiative (GRI) Standards. The GRI Content Index can be found at the end of this report [11].

Scope and Reporting Boundary

Our operations span 38 locations across 18 countries in the Europe, Middle East, and Africa (EMEA), North America (NAM), and Asia Pacific (APAC) region. The sustainability performance disclosures in this report pertain to our Indian and overseas operations that support our business verticals of Engineering Services and Design-Led Manufacturing (DLM). We have thirteen offices in India: Hyderabad (Manikonda, Madhapur Phase 1 & Phase 2, Lanco Hills), Uppal, Warangal, Kakinada, Vizag, Pune, Electronic City, Noida, DLM Mysore, DLM Bangalore, and DLM Hyderabad. The performance of our verticals has been highlighted separately through relevant indicators.[12]

We welcome feedback from our stakeholders as it helps us improve our policies, processes, and performance. Your insights and thoughts on the report content and presentation will sharpen our efforts. Please send your comments and suggestions to[13]:

DR. SUDHEENDHRA PUTTY

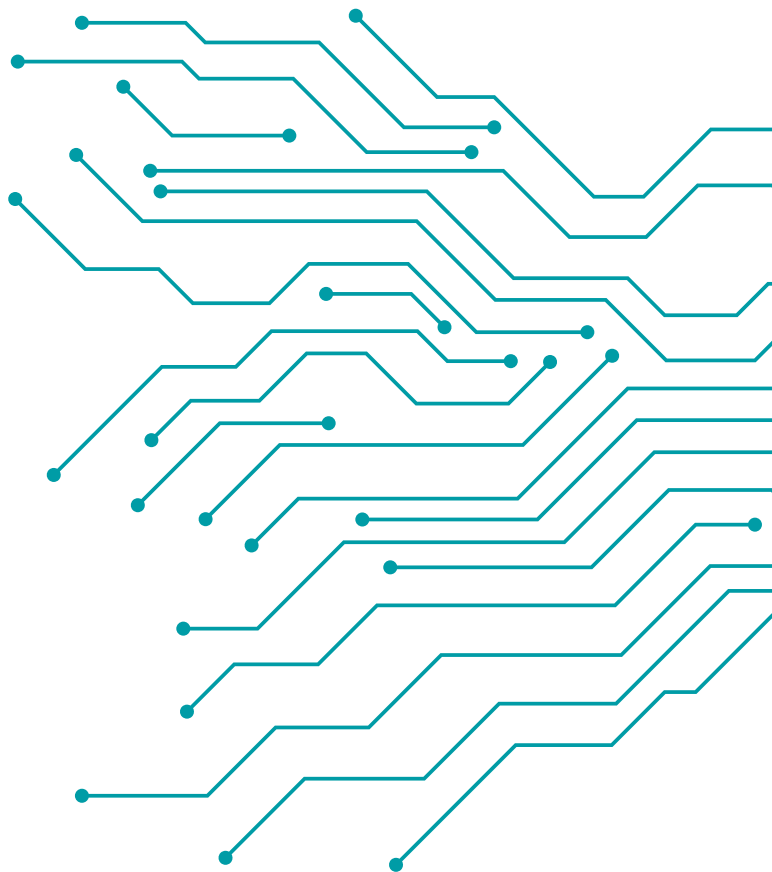Associate Vice President & Company Secretary

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CIN: L72200TG1991PLC013134

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[10] GRI 102-50, GRI 102-51
[11] GRI 102-46, GRI 102-52, GRI 102-54, GRI 120-4
[12] GRI 102-49
[13] GRI 102-53

4 STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT
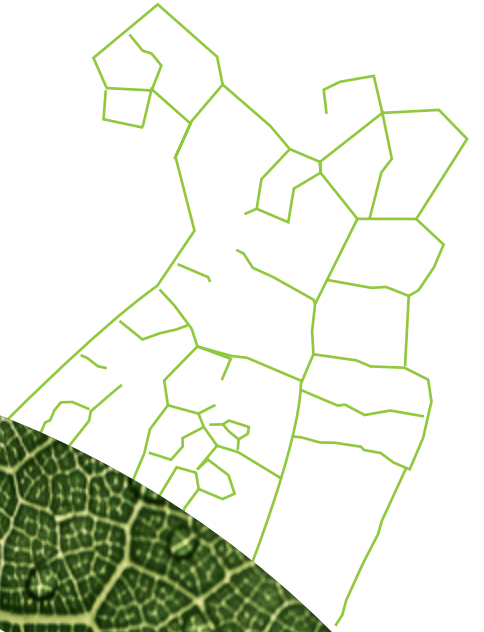
At Cyient, we believe that a robust Environmental, Social, and Governance (ESG) framework developed drawing on our stakeholder's most critical needs coupled with business imperatives helps solve problems that positively impact humanity and our planet. The Global Reporting Initiative (GRI) framework provides a valuable matrix for assessing our material issues and keeping our reporting consistent and transparent. We identified our key internal and external stakeholders through careful deliberations with the Cyient board and the management.

Figure 1: Cyient's Key Stakeholders

Our sustainability interventions focus on issues that are most material to our stakeholders and us. A materiality assessment helps us understand the parameters we need to focus on to achieve our sustainability goals. We deployed a calibrated approach to identify our material issues.
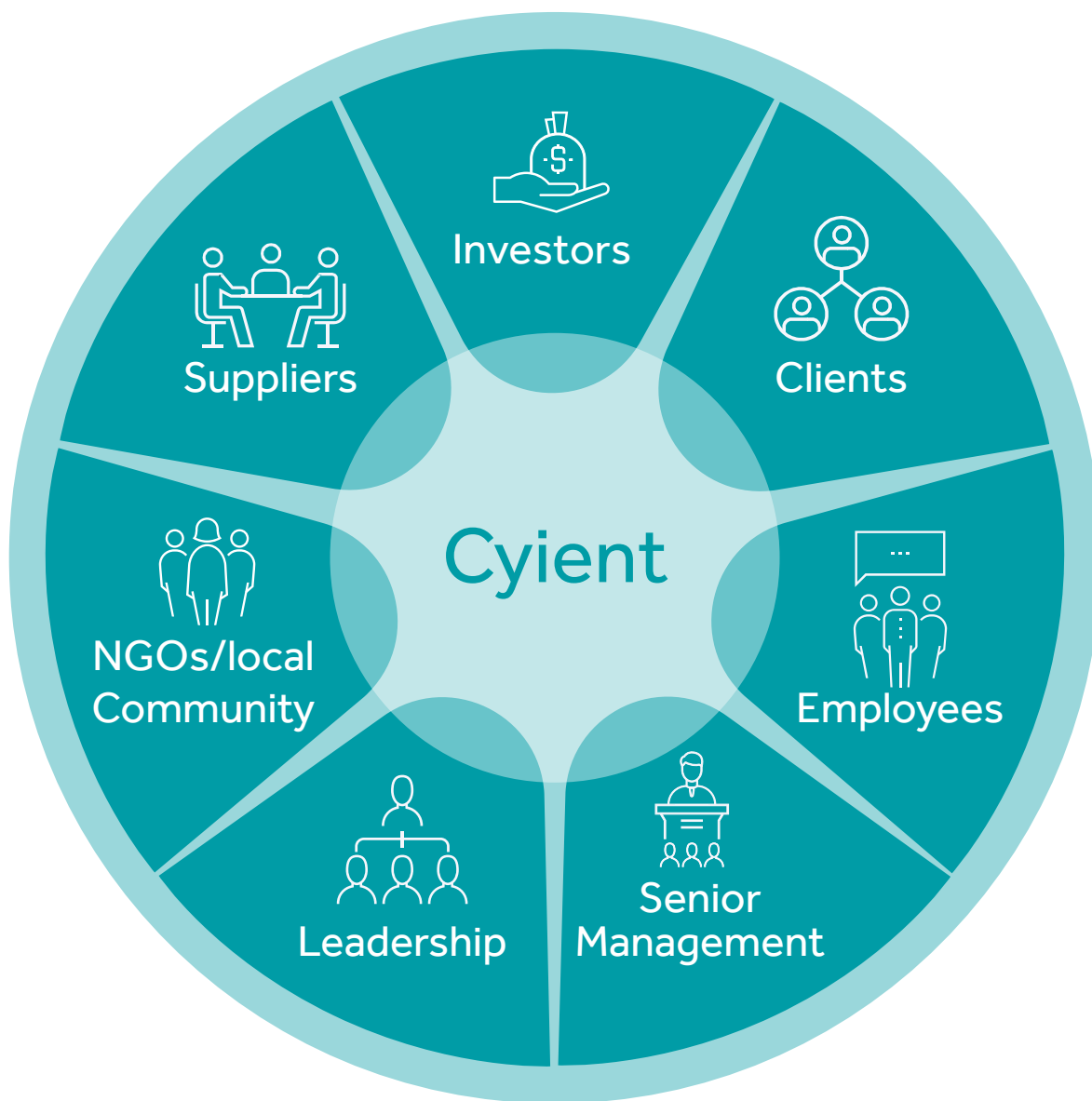
Methodology
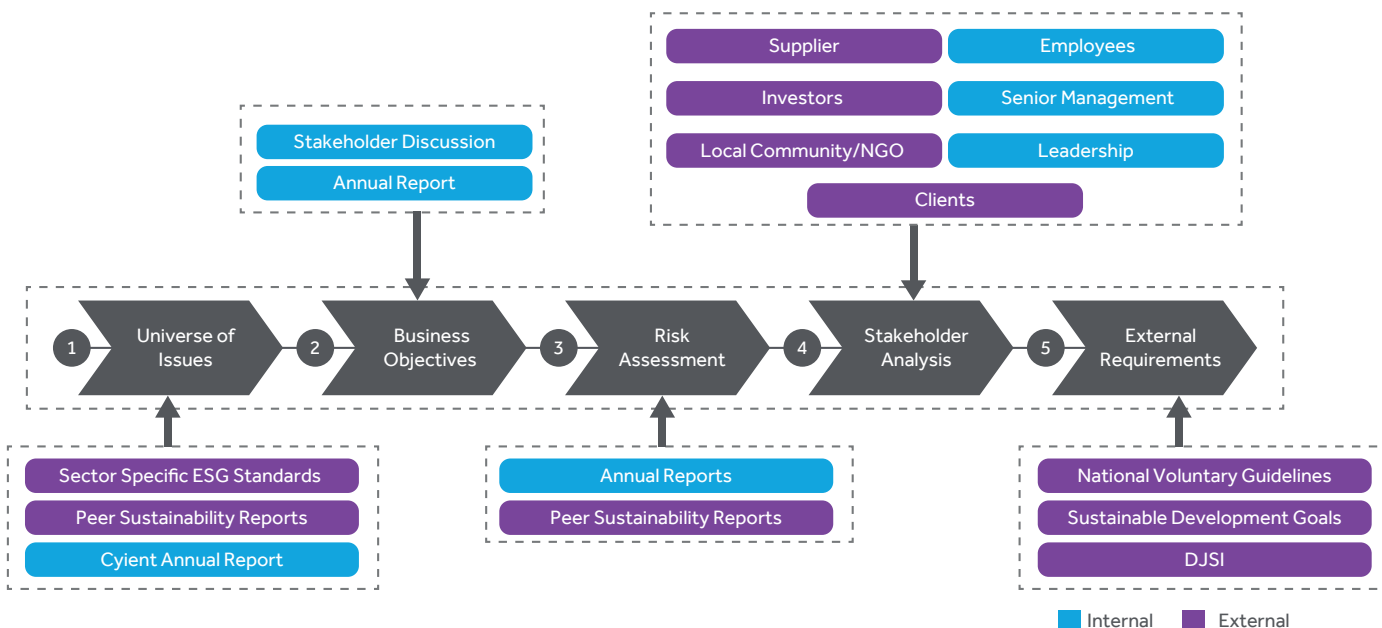
Figure 2: Materiality Assessment Methodology

Step 1: Universe of Issues

An exhaustive list of issues relevant to environmental, economic, and social dimensions was prepared and aligned to the applicable industry specific ESG standards.

Step 2: Business Objectives

Broad issues were examined with relevance to revenue goals, business continuity, operating costs, brand equity, and overall business goals.

Step 3: Risk Assessment

The universe of issues was evaluated in the context of inherent and external risks. The risks were prioritized in the order of their potential impact on business and our preparedness to address them.

Step 4: Stakeholder Engagement

Opinions were sought from internal and external stakeholders about the criticality of the identified issues. Stakeholder responses were weighted vis-à-vis their influence on the company's business.

Step 5: External Requirements

Listed issues were benchmarked against other reporting frameworks like the UN SDGs, National Voluntary Guidelines (NVGs), and Dow Jones Sustainability Index.[14]

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[14] GRI 102-43, GRI 102-44, GRI 102-40, GRI 102-42

Materiality Results

The selected material issues were divided into three categories – Environmental, Social, and Economic – which we assessed on two axis – their impact on Cyient and their influence on shareholders. The issues material to us in FY22 were:[15]

Environmental

- Sustainable supply chain
- Sustainable products
- Alignment with global frameworks
- Renewable energy
- Integrated waste management

Social

- Inclusion and diversity
- Corporate social responsibility
- Employee health, safety, and wellbeing
- Talent management
- Human rights
- Learning and development

Governance & Economic
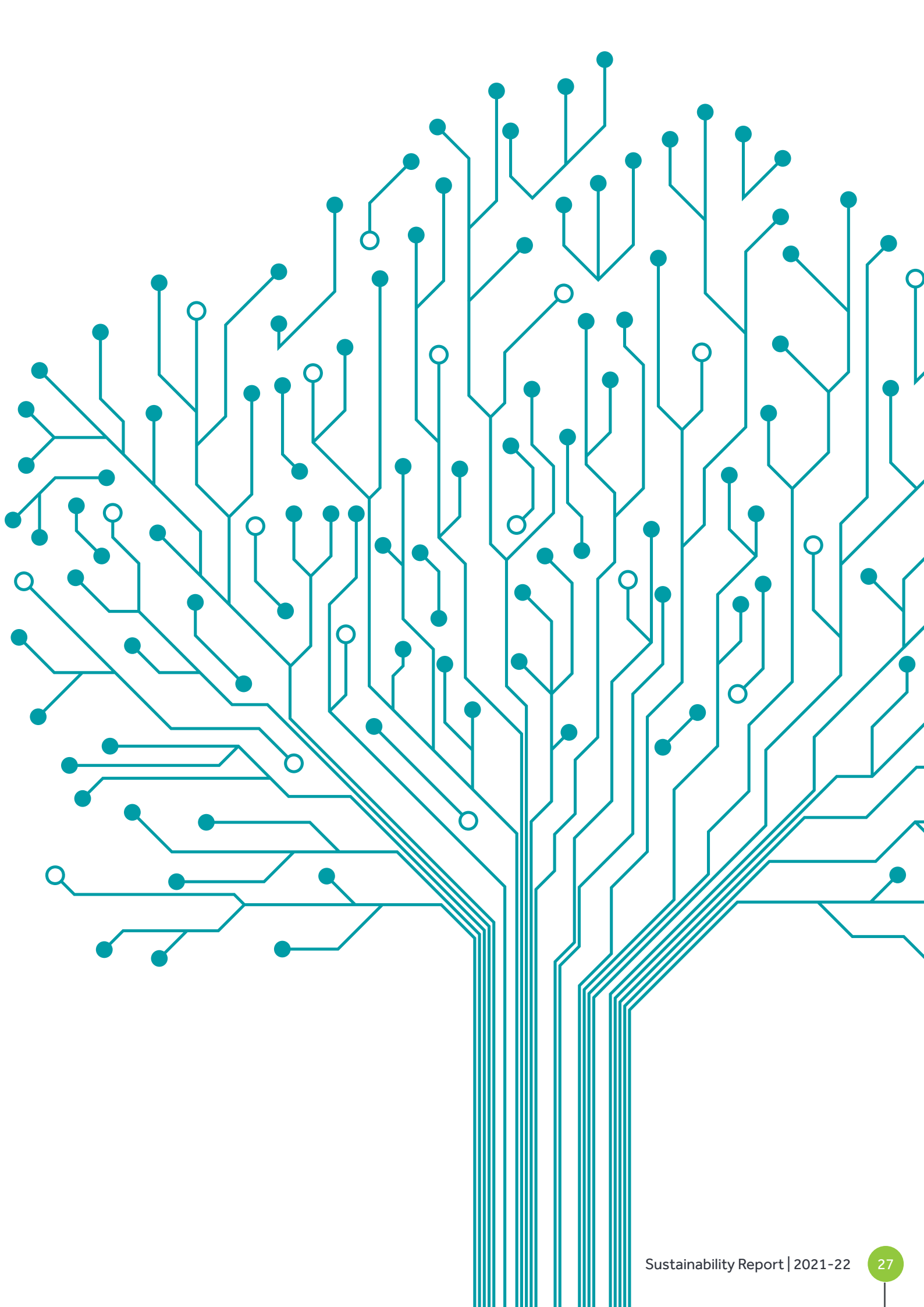
- Stakeholder engagement
- Transparency and disclosures
- Data privacy and security
- Business ethics
- Effective governance
- Risk management framework
- Innovation and digitization
- Regulatory compliance
- Market penetration

[15] GRI 102-47

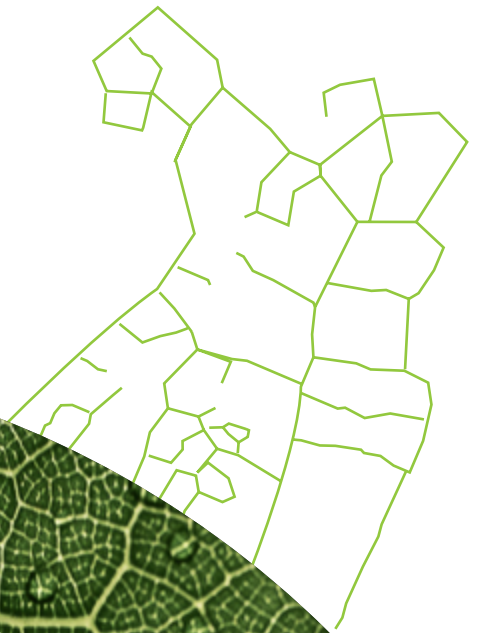**The output of the materiality assessment is depicted in the below matrix:**

Figure 3: Materiality Matrix

5 SUSTAINABILITY AT CYIENT

Technology is opening exciting possibilities in the field of complex engineering today. The challenge is to embrace them responsibly so that we can step into a sustainable tomorrow. Cyient is walking the talk towards a more sustainable future for our stakeholders and us. Our sustainability policy is designed to give us a framework that will act as our guardrails as we stride into our fourth decade of purposeful existence.

Sustainability policy

Cyient aims to adopt a 360-degree approach, integrating ESG aspects across the value chain with a strong leadership commitment to strengthen societal license to operate and build collaborative partnerships. This will enable Cyient to build a long-term sustainable value generation model. Cyient has developed a sustainability policy that will act as a guiding principle to integrate ESG aspects across the business with a commitment to grow responsibly.

Ten pillars of our sustainability policy

- Sustainable Supply Chain
- Diversity and Inclusion
- Health and Safety
- Community
- Environment Stewardship
- Business Ethics & Corporate Governance
- Stakeholder Engagement
- Risk Management
- Regulatory Compliance
- Human Rights

5.1 Cyient's Sustainability Journey

Since its inception, Cyient has taken definitive steps towards setting up and growing a business built on the pillars of ethics, transparency, and innovation that creates inclusive and holistic growth for all stakeholders. Our 31-year journey has seen us establish several milestones aligned with our strategic agenda and sustainability goals.

2002
- Cyient Foundation established

2013
- Our first Business Responsibility Report published

2015
- CSR, Anti-corruption, and Board diversity policies formalized

2016
- Environmental, Occupational Health & Safety (EOHS) policy released-

2021
- Sustainability Framework created
- Introduction of Sustainability policy
- First Sustainability Report published

2022
- Constitution of ESG Committee
- Human Rights Policy released
- Sustainability clauses inserted in the Vendor Code of Conduct
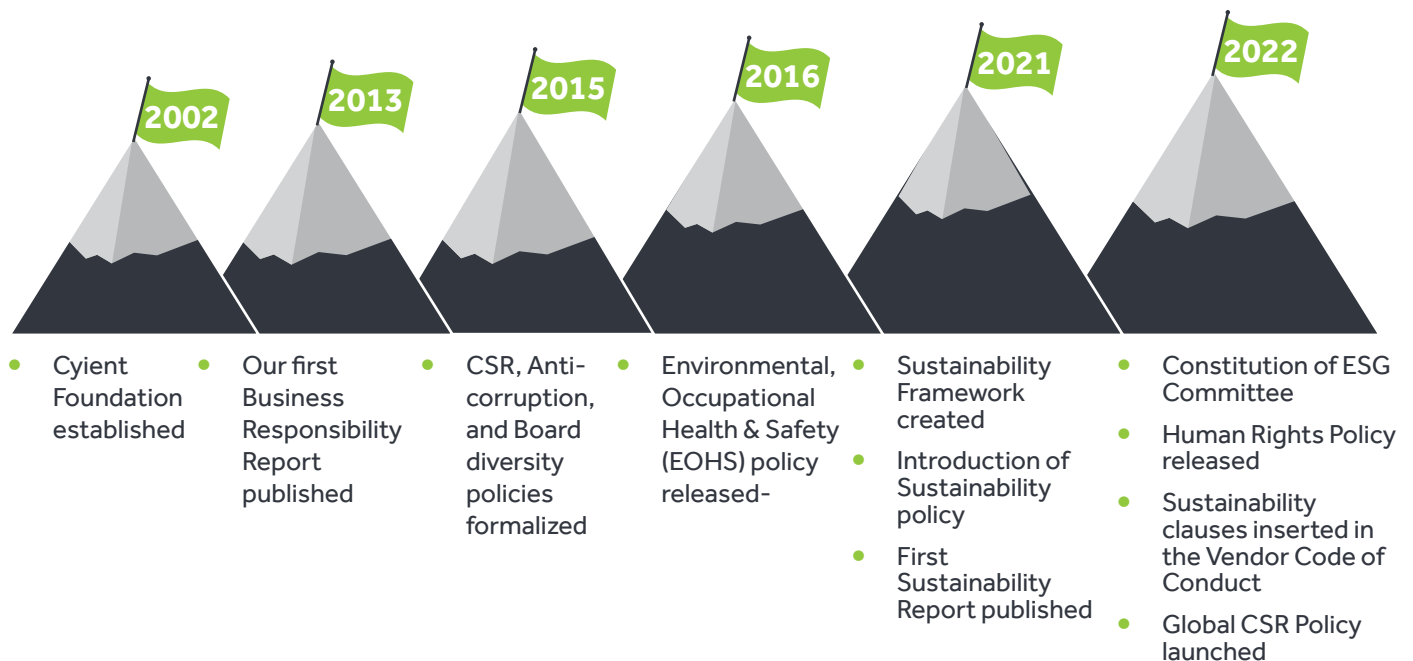- Global CSR Policy launched

Figure 4: Formalization of Institutions and Policies

Energy Optimisation

- We have been steadily increasing the share of renewables in our energy mix and installed rooftop solar panels at three locations - Visakhapatnam, Kakinada, and Warangal

- In the spirit of transparent disclosures, we have expanded the reporting of our energy consumption and relative emissions beyond India to include our key global locations

- We have created an inventory of greenhouse gases associated with our operations to develop intensity benchmarks and design mitigation measures

- Manikonda (Tower II) was awarded a gold rating by Indian Green Building Council (IGBC) - 2013

- LED lights, natural ventilation, and modular workstations for reducing energy use

- Manikonda (Tower II) also certified under the USGBC LEED rating systems

Water Conservation

- Plant species such as Cyperusalternifolius and Allamanda across our campuses help us maintain groundwater levels

- Deployment of drip irrigation for landscaping and greening of campuses to avoid wastage of water

- Installation of low-flow water fixtures in our offices to enable judicious use of water

- Deployment of motion sensors in all the common areas and restrooms, aerators for water taps, and growing the number of sewage treatment plants

Integrated Waste Management

- Tie up with a pollution control board's certified electrical and electronic waste disposal agency in 2014 to handle e-waste generated

- Collaboration with ITC in 2014 to produce recycled paper products from paper waste collected from our office locations

- The use of plastic eliminated across all locations

Community Engagement

- Education: 28 government-run schools are currently being supported by Cyient, positively impacting the education of over 20198+ children

- Employment: 556 youth in urban and rural communities were provided with employable skills

- IT & Digital Literacy: 80 Cyient Digital Centers (CDCs) across Telangana & Andhra Pradesh have provided IT literacy to more than 35000 adults of age between 16 and 60

- Healthcare & Community Services: More than 3000 families in Cyient supported gram panchayats in Andhra Pradesh have been provided safe water and sanitation facilities

- Environment: Improvement of groundwater level by 9 feet resulting from 41 rainwater harvesting pits dug in Cyient adopted villages. More than 15,068 trees were planted on land owned by the Urban Forestry Division in Hyderabad. Trees planted alongside 1275 Meters of pathways in partnership with the Confederation of India Industry. A green belt developed around the National Investigation Agency (NIA), Hyderabad

5.2 Sustainability Framework

Organizations realize that a well-thought-out strategy is needed to address the growing challenges of climate change and associated social, economic, and environmental impacts. Cyient believes in the power of sustainable practices to future-proof our business and value creation capabilities.

Our sustainability framework is built on the three pillars of Responsible, Equitable, and Accountable, covering 13 focus areas and our ESG goals are mapped to these pillars of our sustainability framework. We have aligned our sustainability framework with the most material issues that could impact Cyient and our stakeholders and the Sustainable Development Goals (SDGs) of the United Nations. The framework has our executive leadership's explicit commitment and support, which ensures that necessary direction and resources are made available for the diverse activities implemented under this framework. reduce emissions.

Designing a Sustainable Tomorrow
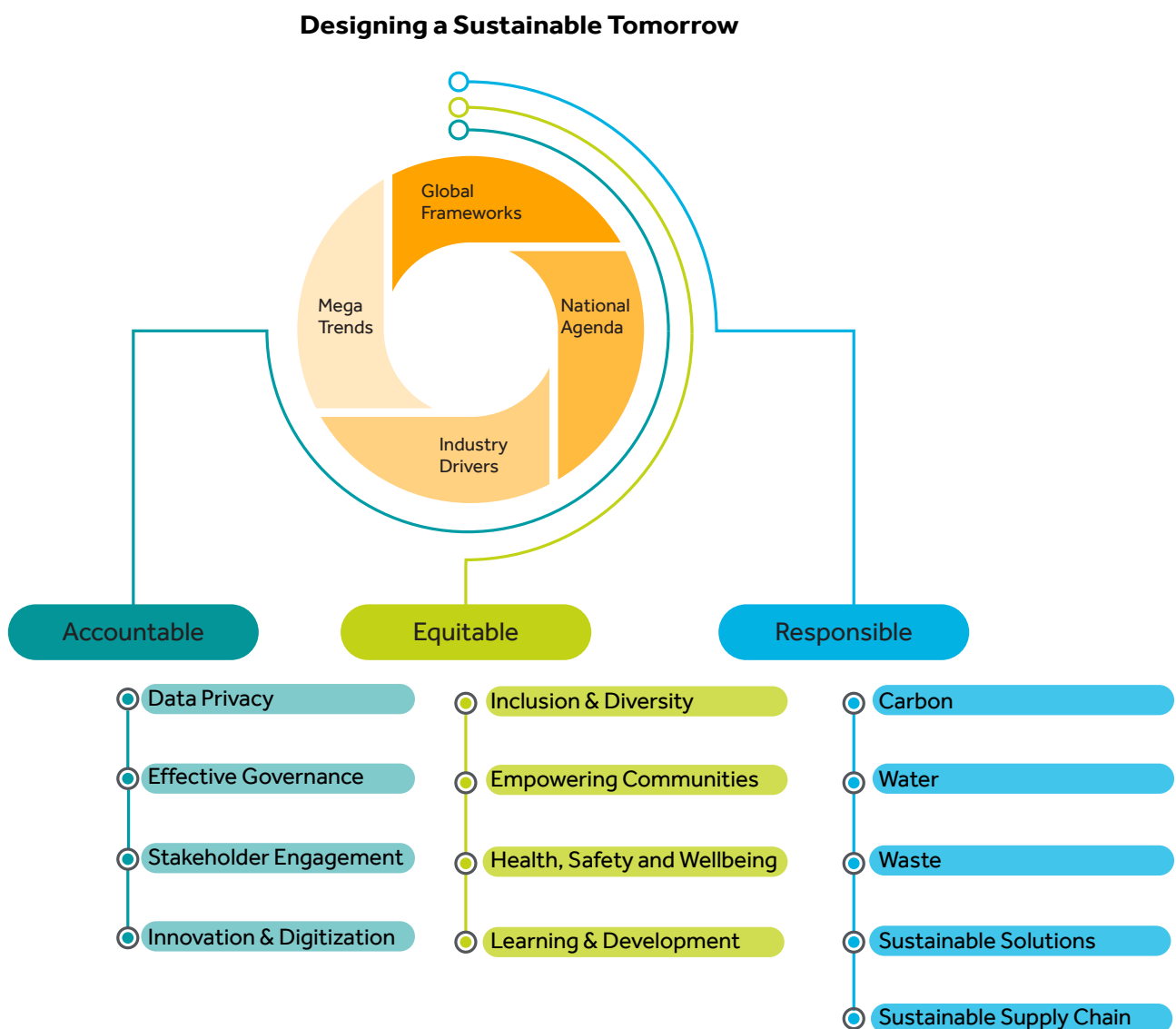
Figure 5: Sustainability Framework

Responsible: We use technology to open unlimited vistas for our customers. However, the planet we inhabit has limited resources that need to be conserved and revived. Hence, we have adopted responsible measures defined by the continuum of reduce – switch – innovate – offset – to limit the impact of our operations on the environment. We are improving water usage and waste management through process and resource optimization and circular business practices. Sustainable supply chains help us reduce our carbon footprint further. We are increasing the share of renewable energy in our operations to reduce dependency on fossil fuels and adopting advanced technology solutions to reduce emissions.

Equitable: The people who are part of Cyient internally or partner in our success externally are the focus of our people-centric interventions. We believe that a diverse workforce helps Cyient benefit from a broad spectrum of experiences and skills. This pillar focuses on attracting and growing a diverse workforce, fostering inclusive growth, building an encouraging work environment, empowering communities, and ensuring our people's health, safety, and well-being.

Accountable: At Cyient, accountability goes beyond adherence to regulatory compliance. Led by ethical business conduct, we engage with and remain accountable to our stakeholders for every action we undertake. As a key partner for our customers' digitization journeys, ensuring data privacy and network security is paramount for us. Accelerating innovation and collaborating for success are the other focus areas of this pillar.

With the adoption of this framework, we are confident that Cyient will be able to match the global advances towards a responsible and sustainable world and lead by example.

5.3 Goals and Targets

The sustainability framework guides our progress towards sustainability. At the same time, the ambitious targets we have set for ourselves tell us whether our progress is in the right direction. For each of the pillars of our framework, we have timebound and measurable goals to pace our progress accordingly.

Responsible

- Carbon and water neutral operations

- Zero waste

- Assess vendors on vendor code of conduct for alignment to Cyient commitments

- Curate sustainable solutions like Design for Circularity, MedTech Solutions, etc.

Equitable

- Achieve gender equity

- Provide continuous learning opportunities

- Ensure that loss time incidents are brought to zero across operations

- Focus on healthcare, education, and IT literacy for female children and all youth

Accountable

- Drive governance as a habit, not for compliance

- Exhibit zero trust while dealing with stakeholder data

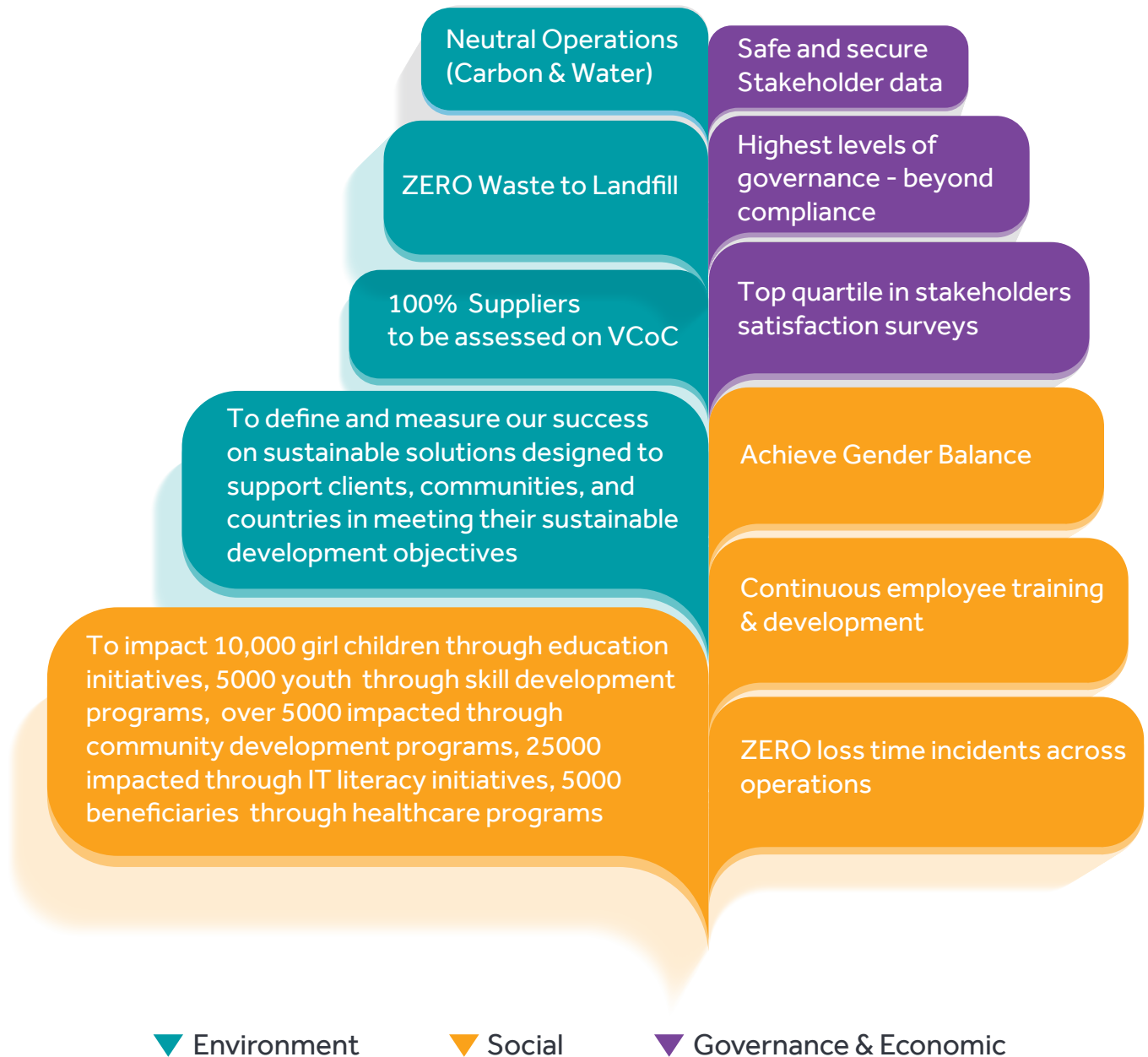- Achieve top quartile scores in stakeholder satisfaction

Goals 2025

Neutral Operations (Carbon & Water)

Safe and secure Stakeholder data

ZERO Waste to Landfill

Highest levels of governance - beyond compliance

100% Suppliers to be assessed on VCoC

Top quartile in stakeholders satisfaction surveys

To define and measure our success on sustainable solutions designed to support clients, communities, and countries in meeting their sustainable development objectives

Achieve Gender Balance

Continuous employee training & development

To impact 10,000 girl children through education initiatives, 5000 youth through skill development programs, over 5000 impacted through community development programs, 25000 impacted through IT literacy initiatives, 5000 beneficiaries through healthcare programs

ZERO loss time incidents across operations

▼ Environment   ▼ Social   ▼ Governance & Economic

Figure 6: Goals and Targets

5.4 Sustainable Development Goals

SDGs, also known as the Global Goals, crafted by the United Nations are a collection of 17 global goals designed to be a blueprint for achieving a better and more sustainable future for all. One hundred ninety-three countries, including India, adopted it as part of a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

We have aligned our sustainability framework to develop a holistic framework to deliver long-term sustainable value not just for the business and the larger ecosystem. At Cyient, we have aligned our sustainability strategy with SDGs transforming our ambitions into action in the 'Decade of Action'.

SDG Aligned Initiatives

2 ZERO HUNGER

End hunger, achieve food security and improved nutrition, and promote sustainable agriculture

- Zero malnutrition cases were recorded in gram panchayats and schools adopted by Cyient.
- 10,850 dry ration kits were distributed to daily wage laborers and low-income workers in the community.

3 GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages

- 2,046 cardiac health check-ups were conducted, which helped prevent cardiac risks for 69 people.
- Open defecation was stopped in all 28 adopted schools by building sanitation facility units.
- Supported design and production of RT-PCR testing kits.
- Developed an ASIC that helps detect intraocular pressure peaks in glaucoma patients.
- Students learning tailoring at Cyient Urban Micro Skill Center (CUMSC) stitched and distributed 659,317 masks to the Telangana State Medical Infrastructure Development Corporation for underprivileged community members and children, teachers, and support staff of government schools.
- Women trained at the Cyient Skill Center stitched 5,092 Personal Protective Suits for government health workers, sanitation, and municipal corporation staff working in the containment zones in Serilingampally Mandal, Telangana.
- CUMSC trained over 200 bedside care assistants during the pandemic who were assigned to hospitals.
- Cyient Foundation extended funding assistance of INR 20 million for creating Covid-19 care infrastructure for patients from rural and underserved communities.

13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts

- Energy conservation practices deployed across our operations and extended value chain reduce our carbon footprint.
- Increased the adoption of renewable energy in operations, and encouraged associates to avail less carbon-intensive transportation.
- Environmental crises triggered by climate change have made it imperative to move towards a circular economy. A sustainability hackathon was organized to help generate ideas around circularity to improve our environmental performance.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns

- Partnered with ITC to produce recycled paper products from the wastepaper collected from Cyient offices.
- Sustainability Hackathon focused on circularity for re-designing products, processes, and solutions to ensure minimal waste and optimized use of resources.

11 SUSTAINABLE CITIES AND COMMUNITIES

Make cities and human settlements inclusive, safe, resilient, and sustainable

- An integrated waste management system to ensure safe disposal and management of operational waste.
- The use of plastic eliminated in our operations.
- Tie-up formalized with a Pollution Control Board certified electrical and electronic waste disposal agency to handle e-waste.
- Manikonda (Tower II) was certified with a GOLD rating by IGBC [Indian Green Building Council] for its design in line with LEED norms. The building uses LED lights, natural ventilation, and modular workstations.

4 QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

- The Cyient Urban Micro Skill Center (CUMSC) trained:

- 2,090 unemployed youth and women in tailoring, baking, beauty courses, retailing, and bedside assistance skills.

- 300 people in Covid-19 caregiving, of which 194 trainees got employed.

- 3,545 unemployed youth and women in skills to improve employability.

- More than 18,500 certifications were awarded to adults who achieved L1 and L2 grades of IT literacy. 10,500 awardees in the L1 category were women.

- Physical and IT infrastructure developed and upgraded in government schools adopted by Cyient.

- Cyient designed an online learning portal to provide learning resources to ensure continuity of education for underserved children during the lockdown.

5 GENDER EQUALITY

Achieve gender equality and empower all women and girls

- Cyient has 9.4% women in senior management, 8.8% in middle management, and 13.7% in lower levels.

- Robust Diversity & Inclusion policy.

- More than 50 young women leaders are being mentored by leadership under the Diversity, Inclusion, Equity Leadership (DIEL) program to build a strong pipeline of women leadership.

- Four women on the Board and part of the senior management.

6 CLEAN WATER AND SANITATION

Ensure availability and sustainable management of water and sanitation for all

- More than 3,000 homes provided with access to toilets, running water, and safe drinking water as per the Smart AP Foundation.

- Built and maintain sanitation facilities in all government schools in Serilingampalli Mandal.

- Goal of zero open defecation achieved in all the government schools in Rangareddy District, Telangana.

- By 2020, we had provided more than 10,000 girl students gained access to clean sanitation facilities.

- Restroom water tap fixed with aerators in most Cyient offices in India to reduce water consumption. Drip irrigation is used for gardening. Low-flow water fixtures are installed in water closets and washbasins to rationalize water use.

- Cyperusalternifolius and Allamanda plant species across our operations help improve groundwater levels.

10 REDUCED INEQUALITIES

Reduce inequality within and among countries

- Vocational training to enhance employability of underprivileged youth on skills like baking, beauty and wellness services, tailoring, retailing, food processing, and bedside care assistance.

- 3,545 unemployed youth and community women have been trained through CUMSC, Cyient IT/ITES Skills Center, and Drone Piloting Skills Academy. This has provided opportunities to earn an independent income and a sustainable livelihood.

- We do not allow or tolerate discrimination of any kind at our workplaces and insist that our vendors also deal fairly with their employees.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

- Tower II at our Manikonda facility was certified with gold ratings by IGBC [Indian Green Building Council] for its energy-saving infrastructure including LED lights, natural ventilation, and modular workstations.

- Eight Cyient offices have received ISO 14001:2015 and ISO 45001:2018 certifications for optimal occupational health and safety systems.

7 AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable, and modern energy for all

- 32% of the total energy consumption in FY22 was from renewable sources.

- 83.72% of the energy consumed at our largest campus, Manikonda, is solar energy.

- Share of renewable energy is being increased across our operations.

6 GOVERNANCE

6.1 Organizational Approach

A transparent governance model is imperative for an organization to stay engaged with its stakeholders, maintain a continuous flow of information, and remain accountable. Cyient is committed to creating long-term value for stakeholders by adhering to the values FIRST, which guide every associate to conduct business with the utmost integrity. We are guided by the belief that good corporate governance should be central to our operations. Following the highest moral and ethical values, legal and regulatory frameworks, and adopting good practices beyond compliance has allowed us to build a solid foundation for our business. It strengthens our ability to create long-term and sustainable value for our stakeholders, including associates, customers, vendors, regulators, shareholders, etc.[16]

6.2 Governance Structure

Cyient maintains the true spirit of Corporate Governance by implementing best business practices to provide value to all stakeholders. Our corporate governance framework reflects our values, principles, management policies, and procedures. Our corporate governance mechanisms are implemented under the oversight of an efficient and experienced Board of Directors. The Board ensures that we meet our business objectives while remaining true to our values. A report on Corporate Governance forms part of our Annual Report in line with the requirements of the Corporate Governance Code stipulated under SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015[17].

Corporate Governance Manual

Cyient adopts the highest governance standards in all our dealings in India and globally. We follow uniform governance processes and practices across our operations. A structured Corporate Governance Manual "Manual" defines our governance philosophy, approach, and practices. It guides the actions of the Board, management, and employees as we take forward endeavors to realize our vision, mission, and ESG-led growth agenda to create sustainable value for all stakeholders.

The Manual has been prepared in line with the Indian regulatory framework, i.e., the Companies Act, 2013 "CA 2013", SEBI (LODR) Regulations, 2015, Place of Effective Management requirements under Income Tax law and other applicable laws, and the Memorandum and Articles of Association of the Company. It incorporates Indian and global corporate governance best practices and the requirements of leading Sustainability Frameworks.

The manual covers key governance aspects, including those related to the Company's structure and principles, ESG agenda, Board, Committees and management structure, the delegation of authority process, subsidiary operations, and Code of Conduct/ethics. It should be read in tandem with the codes and policies of the Company as approved by the Board from time to time. The links to the codes and policies of the Company are also provided in the Manual for easy reference. It is a 'living document' and will be evolved to meet the needs of changing regulations and emerging best practices to enhance the Company's governance mechanisms.

Board Structure

The Cyient Board has a balanced mix of Executive and Non-Executive Directors to facilitate objective, free, fair, and non-partisan decision-making. As of March 31, 2022, the Cyient Board has eleven Directors, including five Independent, three Executive, and three Non-Executive Directors. The Board's composition conforms with India's Securities and Exchange Board's Listing Obligations and Disclosure Requirements (LODR) 2015. Except for Mr. Krishna Bodanapu, son of Mr. BVR Mohan Reddy, none of the Directors are linked to any other Director on the Board.

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[16] GRI 102-26, GRI 103-1
[17] GRI 102-18

Given the Company's global operations and culture, the Leadership, Nomination, and Remuneration Committee (LNRC) has devised the Board diversity policy. The policy considers the diversity of skills, knowledge, relevant industry experience, age, culture, nationality, ethnicity, race, and gender while nominating Board members. In identifying suitable candidates for appointment to the Board, the LNRC considers candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

The Company has an optimum combination of executive, non-executive, and IDs, with at least one-woman Independent Director. We endeavor to have at least one half of the Board as Independent Directors. The Company has a designated Non-Executive Chairman who is not related to the MD or CEO. The roles of the Chairman and CEO are clearly demarcated and separate. The Company has a Lead Independent Director who acts as a liaison between the Non-Executive Directors and the management team. They perform such other duties as the Board and Independent Directors may decide. The Lead Independent Director also presides as Chairman for the meeting of Independent Directors held every year.

The Board of Directors provides oversight of the Company's functioning. It is dedicated to expanding our capabilities to enhance value creation for stakeholders responsibly. The Board is accountable to shareholders and other stakeholders. It ensures that the Company aligns with our stated strategic goals and formulates enabling policies to encourage performance across the Company. They also oversee and manage any potential conflicts of interest that may occur between the parties involved in a transaction. At all times, the Board is led by its primary goal of ensuring that ethical and transparent conduct guides the Company in everything it does and creating holistic and sustainable benefits for stakeholders.

For brief profiles of our board members, visit: https://www.cyient.com/about-us/leadership.

Sustainability Governance Framework

Cyient's comprehensive sustainability governance framework ensures that we adhere to our ESG-led growth goals. It also mandates that we integrate sustainability commitments into every aspect of our business operations. Our governance structure consists of the Board of Directors, Sustainability Committee, and Working Group with specific responsibilities and defined tasks. The Board of Directors serves as the apex committee, setting future goals and providing oversight to the organization's sustainability agenda. The Sustainability Committee oversees the integration of sustainability/ESG aspects across the business, manages goal setting and reporting processes, strengthens relations with external stakeholders, and ensures overall accountability.

The Working Group is responsible for implementing initiatives as per their respective function, managing on-ground teams, and taking inputs on the suitability of different programs related to sustainability. The team comprises function-level representatives who are responsible for supplying data as well as implementing sustainability initiatives at the ground level.

Board Effectiveness

An effective and empowered Board of Directors is imperative for an organization's success. It is the Board's responsibility to represent and protect the interests of all the stakeholders and provide entrepreneurial leadership of the company within a framework of prudence and effective control.

It is critical to continue to exhibit high levels of ethical standards and professional behavior in everything the Company does. The Board outlines our acceptable business conduct along with our vision, mission, culture, and values to steer the Company on a responsible growth path.

The Board guides the senior management in decision making and develops frameworks and policies needed to enable Directors to deliver on their statutory obligations and ensure effective governance.

Board Accountability

The Board is responsible for price-sensitive official filings, reports to regulators, and information to be communicated as required by law. The board determines the nature and scope of risks it is willing to take to achieve the Company's strategic goals. It is also responsible for crafting robust risk management and internal control measures.

Board Membership Criteria

The Leadership, Nomination, and Remuneration Committee is responsible for reviewing and evaluating the Board's composition. It makes recommendations for new directors and evaluates the Board's performance annually. The Committee selects Board members based on merit and objective parameters, including diversity of skills, industry experience, background, and other essential attributes while appointing Board members.

Training of Board Members

Executive Directors are appointed for a five-year term and are eligible for reappointment in line with the Companies Act 2013. Independent Directors are also appointed for a five-year period. The Board reviews the appointment or reappointment of Executive and Non-Executive Directors on the recommendations of the Leadership, Nomination, and Remuneration Committee. All Non-Executive and Non-Independent Directors must retire by rotation. The retirement age for Independent Directors is 70 years.

Board Evaluation and Assessment

According to the Companies Act, 2013 and SEBI (LODR), the Board of Directors is expected to evaluate its own performance and that of Board Committees and Individual Directors annually. The evaluation process is a powerful and valuable feedback tool for improving Board effectiveness, recognizing its strengths, and identifying areas for improvement. The process enhances understanding of the Board's responsibilities and the specific roles of different members. It also fosters communications and clarifications and

strengthens engagement between the Chairman and the Managing Director & CEO.

Every year, after collecting input from all Directors, the Board is evaluated on factors such as its membership and structure and, the efficacy of processes and functioning. This approach aligns with the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017, and the amendments brought in by the SEBI (LODR) Regulations in 2018. The process is overseen by the Leadership, Nomination & Remuneration Committee, which considers all areas of the Directors' performance through peer and self-evaluation. It also evaluates the effectiveness of the Board, Committees, Executive Chairman, and the Managing Director & CEO. The Board's feedback on the efficacy of management support is considered part of the evaluation process. The Directors' input on the Board's composition, induction process, effectiveness, and governance are solicited throughout the review process. Feedback was also sought on the Board and Committee charters, organizational strategy, risk management processes, policies and frameworks, and the quality of the Board's debate and deliberations. KPMG analyzed the responses that were collected as part of the board evaluation exercise and categorized the questions and responses based on a pre-determined framework.

Code of Conduct

A Code of Conduct that governs ethical conduct and ensures compliance with the relevant regulations applies to all Board members, senior management, and all employees. It embodies the Company's fundamental principles of customer value, respect, and integrity and defines the duties of Independent Directors as outlined in the Companies Act of 2013. All Board members and top management personnel have explicitly agreed to abide by the code of conduct. A declaration is signed to that effect by the Managing Director and CEO.

The Code of Conduct is available on the Company's website: http://www.cyient.com/investors/corporategovernance/

Board Processes, Procedures, and Practices

Cyient's structures, processes, and policies have been designed to enhance the Board's effectiveness and smoothen its functioning. A well-defined framework outlines the Board's roles and responsibilities related to the Company's governance, management, and control. The Board collectively evaluates the effectiveness of policies and operational decisions through participative discussions on relevant topics brought to its notice. The Board's responsibilities include convening and developing the agenda of meetings, facilitating dialogue and decision-making, and capturing and sharing minutes. It also defines and reviews the working of different Committees.

Frequency of meetings

At least one Board meeting every quarter. A total of four such meetings are held each year, with no more than 120 days between any two consecutive sessions. The committee meetings are scheduled in tandem with the Board meetings.

E-Initiatives

Cyient has policies to facilitate more efficient information flow to the Board through technology platforms and digital channels. Seamless digital communications channels improve the Board's interactions with Committees, stakeholders, and other organizational representatives.

Committees of the Board

Audit Committee

The Audit Committee oversees the statutory auditors who carry out independent audits of the Company's financial statements conforming with Generally Accepted Auditing Practices (GAAP) and publish the findings.

The Audit Committee for FY22 included:

Member	Designation
Vivek Gour	Chairman, Independent Director
MM Murugappan	Non-Executive Director
Som Mittal*	Independent Director
Ramesh Abhishek**	Independent Director

Table 1: Audit Committee

Risk Management Committee

The Risk Management Committee provides oversight of the strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational, and all other risks that Cyient carries. It approves and reviews a comprehensive risk management framework to adequately mitigate such risks. The members of the Committee in FY22 included:

Member	Designation
Vivek Gour	Chairman, Independent Director
MM Murugappan	Non-Executive Director
Som Mittal*	Independent Director
Ramesh Abhishek**	Independent Director

Table 2: Risk Management Committee

Leadership, Nomination, and Remuneration Committee

The Board's Leadership, Nomination, and Remuneration Committee formulates the criteria for determining qualifications and evaluation criteria of performance for a director and recommends policies relating to the remuneration of the directors, key managerial personnel, and other employees. The policies relating to diversity on the Board are also drafted and implemented by this Committee.

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retired w.e.f 6 February 2022

**appointed on 30 March 2022*

Member	Designation
Matangi Gowrishankar	Chairperson, Independent Director
Vinai Thummalapally	Independent Director
MM Murugappan	Non-Executive Director

Table 3: Leadership, Nomination, and Remuneration Committee

Stakeholders Engagement Committee

The primary responsibility of the Stakeholders Engagement Committee is to engage with stakeholders on an ongoing basis and resolve their queries and grievances. These instances could be shareholder queries about share transfers, receipt of annual reports, intimation about shareholder meetings, or status of dividend payments. The evaluation of the discharge of duties by the registrar and share transfer agents of Cyient also fall under this committee's responsibilities. This committee is entrusted with providing guidance for upholding the standards of investor service by Cyient.

Member	Designation
Vinai Thummalapally	Chairperson, Independent Director
B.V.R Mohan Reddy	Non-Executive Director
Krishna Bodanapu	MD & CEO

Table 4: Stakeholders Engagement Committee

The Environmental, Social, and Governance (ESG) Committee

The Board of Directors of the Company constituted the Environment, Social and Governance (ESG) committee in FY22. This committee subsumed the Corporate Social Responsibility and Diversity and Inclusion Committees to support Cyient's ongoing efforts around environmental, health and safety, corporate social responsibility, inclusion and diversity, sustainability and all other matters pertaining to public policy. At a broader level, this

Committee shall review how ESG can be leveraged as part of Cyient's growth strategy for offerings and internal operations.

Member	Designation
Vinai Thummalapally	Chairperson, Independent Director
Matangi Gowrishankar	Member, Independent Director
Alain de Taeye	Member, Non-Executive Director

Table 5: The Environmental, Social, and Governance (ESG) Committee

Strategy & Client Engagement Committee

The Strategy and Client Engagement committee is responsible for improving customer satisfaction levels and reviewing the findings of the Customer Satisfaction (CSAT) studies. The committee recommends measures to strengthen scores through process improvements and leverage the positive results to grow business and improve operational efficiencies. The company periodically hosts off-site strategy meetings with the Board of Directors and the executive team.

This committee also tracks the progress of the Company's 'Design-Build-Operate-Maintain' strategy. It shares insights on trends in the macro-environment that may impact the company's growth strategy and recommend any modifications or realignment of strategic interventions considering economic and geopolitical shifts. The Committee evaluates potential acquisition targets assessing their strategic fit and financial implications.

Member	Designation
Som Mittal	Chairman, Independent Director
Alain De Taeye	Non-Executive Director
Ramesh Abhishek	Independent Director
Vivek Gour	Independent Director

Table 6: Strategy & Client Engagement Committee

6.3 Enterprise Risk Management

Cyient has an organization-wide ERM framework that is based on best-in-class standards and covers its operations as well as financial, reputation, regulatory, employee, and customer risks. The Cyient Board of Directors has formed an internal Risk Management Committee to identify, evaluate, mitigate, and monitor the risk management process and progress. During FY22, the company conducted an extensive Risk Management exercise, Two Committee meetings were held to identify new risks and monitor mitigation plans for all the identified risks[18].

Risk Description	Risk Impact	Risk Mitigation
Risk of business and reputational loss, regulatory action due to Cyber Security breach	Vulnerability to cyber-attacks leading to loss of data and damage to reputation	• Stringent cybersecurity policy for timely resolution of incidents and periodic reviews of network configurations
Customer concentration	Revenue loss due to loss of large customers	• Deepening existing relationships by improving the Customer Experience Index and identifying opportunities for new relationships
Developing and marketing newer solutions	Legacy technology is getting outdated due to the adoption of newer technologies by customers and competitors	• Continued focus on providing higher value and differentiated services while exploring new business models
Up-skill the existing talent pool	Existing opportunities become difficult to service, and new opportunities become challenging to pick up because of outdated skills	• Managing Cyient for rapid and consistent managerial induction and integration • Timely actions for retention and salary corrections • Focus on hiring quality • Effective Training and Leadership Programs
Business Continuity	Risk of losing current and prospective customers in the event of operations getting adversely affected	• Rigorous implementation of business continuity plans for operations, associates, vendors, and all other stakeholders
Regulatory and compliance risk	Regulatory action and reputational loss for non-compliance with regulatory disclosures, customer contracts, and data privacy	• Inventory ongoing contract compliance obligations, implement compliance checklist for all our domestic and global locations

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[18] GRI 102-11

Risk Description	Risk Impact	Risk Mitigation
Environmental, Social, and Governance (ESG)	ESG issues are increasingly important among investors and the community. There is a risk of some ESG-related issues not being identified despite being material to the business and stakeholders, resulting in some ESG drivers not being incorporated into the Company's performance evaluation and management.	• Considering ESG-related risks while establishing business objectives, defining roles and responsibilities on ESG issues for each function across the Company, frequently reviewing material issues identified in the ESG report, setting specific Key Performance Indicators (KPI) on ESG targets
Risks from social media and the internet	Social media communication by the organization or by associates could convey an unintended message leading to misinterpretation	• Use of monitoring mechanism that provides early warning signs based on web crawling tools, documenting the risks that we face, and putting in place measures to prevent/ mitigate them

Table 7: Risk Management – Risk, Impact and Mitigation

6.4 Corporate Policies

Policy	Description
Sustainability Policy	This policy acts as a driving principle for integrating sustainability components throughout the organization, focusing on attaining long-term growth. Through this policy, Cyient ensures to drive the philosophy of 'Designing Tomorrow Together' by adopting ESG principles such as Risk Management, Regulatory Compliance, Human rights, Business ethics, Stakeholder Engagement, Diversity & Inclusion, Health & Safety, Community, Environmental Stewardship and Sustainable Supply chain.
EOHS Policy	The policy aims to conserve the environment by maximizing the utilization of natural resources and eliminating accidents and incidents. It encourages the operations to generate the least environmental impact possible. It also focuses on ensuring the health and safety of all employees and the prevention of injury and illness. It establishes adequate management controls to comply with all legal and regulatory requirements.
Anti-Corruption Policy	Cyient has zero-tolerance for bribery. This policy helps us prevent violations of the FCPA, UK Act, and other anti-corruption laws. It has adequate procedures for monitoring, detecting, preventing, and punishing any breaches of the Anti-Bribery Laws and other anti-corruption laws. Punishments for companies and individuals on the grounds of corruption are listed in the policy[19].

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[19] GRI 205-1, GRI 205-2

Policy	Description
Whistle Blower Policy	Cyient believes in conducting the affairs of our various constituents fairly and transparently by adopting the highest standards of professionalism, honesty, integrity, and ethical behavior. The Whistle-blower Policy has been developed to provide a mechanism for associates, clients, and vendors of the Company to approach the Ombudsperson/Chairman of the Audit Committee of the Company to report to the management instances of unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct or policy. The policy provides necessary safeguards to protect associates, clients, and vendors from reprisals or victimization, for whistleblowing in good faith.
Board Diversity Policy	This policy solely applies to the Board and helps induct a diverse Board. This helps Cyient benefit from a Board rich in diversity and houses a wide range of skills, academic backgrounds, geographical and industry expertise, backgrounds, genders, etc.
Prevention of Sexual Harassment (PoSH) Policy	The Company is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias, and sexual harassment. All associates have the right to be treated with dignity, and sexual harassment at the workplace or other than the workplace, if involving associates, is a grave offense and is, therefore, punishable. The management has constituted a Committee to consider and redress complaints of sexual harassment. The Chairman and Managing Director may form such committees as may be required for the purposes of the Act at the various locations of the Company.
Human Rights Policy	Our 'Human Rights Policy' is developed in accordance with the UN Guiding Principles on Business and Human Rights and strictly adheres to the human rights laws and guidelines of the International Bill of Human Rights. Our policy applies to all Cyient Ltd. and all our subsidiaries. We aim to increase the enjoyment of human rights within the communities in which we operate. Our Human Rights Policy is a cornerstone in these endeavors. It is based on the following 10 principles: Respect for Human Rights, Community and Stakeholder Engagement, Inclusion and Diversity, Anti-harassment and nondiscrimination, Freedom of Association and Collective Bargaining, Safe and Healthy Workplace, Workplace Security, Modern slavery and Human Trafficking, Child Labor, Work Hours, Wages and Benefits.
CSR Policy	Cyient's 'Global Policy on Corporate Social Responsibility' outlines our philosophy of "Empowering Tomorrow Together" demonstrating our abiding concern for society and the environment. CSR programs at Cyient are focused on four areas: Education & IT Literacy, Skill Development, Innovation & Infrastructure, Community Development & Environment, and Healthcare
Diversity and Inclusion Policy	Our FIRST principles guide our Diversity and Inclusion philosophy: Fairness, Integrity, Respect, Sincerity, and Transparency. We use these values to create value through all our interactions with associates, customers, shareholders, and society. Such interactions include but are not limited to both policy and practices on recruitment, compensation, recognition, professional development, promotions, transfers, etc. Every stakeholder, whether internal or external, is treated equally irrespective of age, color, ethnicity, marital status, gender identity, physical and mental abilities, language, race, religion, or any other marker.

Table 8: Corporate Policies
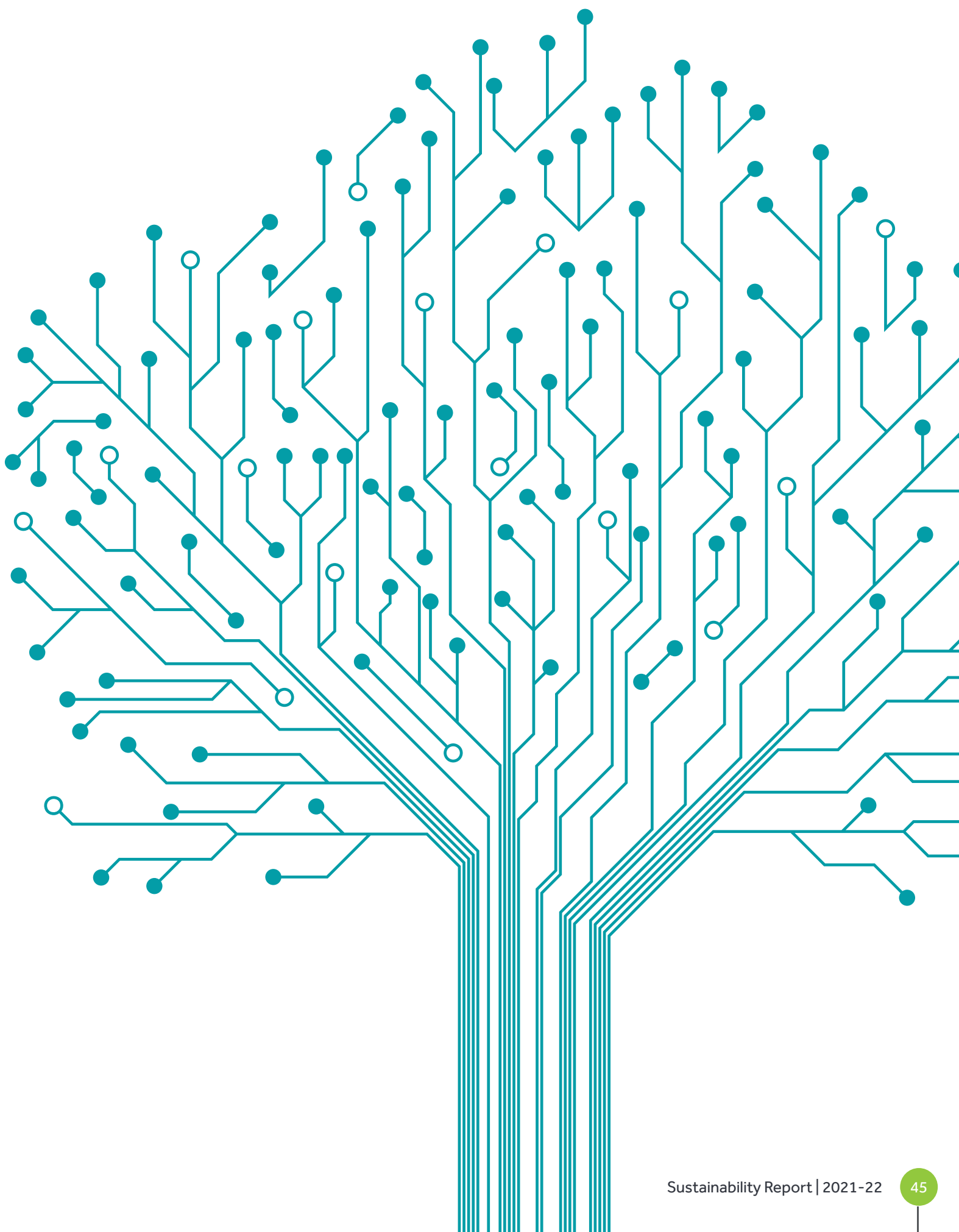
6.5 Information Security & Cybersecurity

At Cyient, protecting the information and data of our organization, our clients or customers, suppliers, and employees or associates from internal and external threats is core to our operational strategy. We implement and continually fortify our Information and Cyber Security framework with best-in-class controls, tools, and processes. These measures cover password and device and email security protocols, handling of sensitive data, data transfer procedures, remote working, guidelines for the use of personal devices, social media and internet access, incident response plan, security requirements, disciplinary action, etc.

Cyient's cyber security strategy is overseen by the Vice President & Chief Information Officer. The CEO, the CIO, and the Finance teams oversee the Cyber security strategy and align the roadmap with organizational priorities. The CEO is also a member of the Risk Management Committee, which is responsible for the oversight of cybersecurity.

We have our Information Security Management System (ISMS) aligned with the ISO/IEC 27001:2013 for Information Technology and Security techniques and ISO/IEC 27002:2013 for information security management and protection of information assets from all internal and external threats. ISMS helps prioritize cyber security activities and implement a risk-based approach to cyber security across the organization. We have a data loss prevention policy to ensure that confidential, business-sensitive, and critical information belonging to the Company, our associates, customers, vendors, and all other stakeholders stays protected. Our Data Retention policy specifies a period after which personal data is deleted permanently. We are answerable to the respective data protection authorities of the different countries in which our customers and we are present. Cyient follows the General Data Protection Regulations (GDPR).
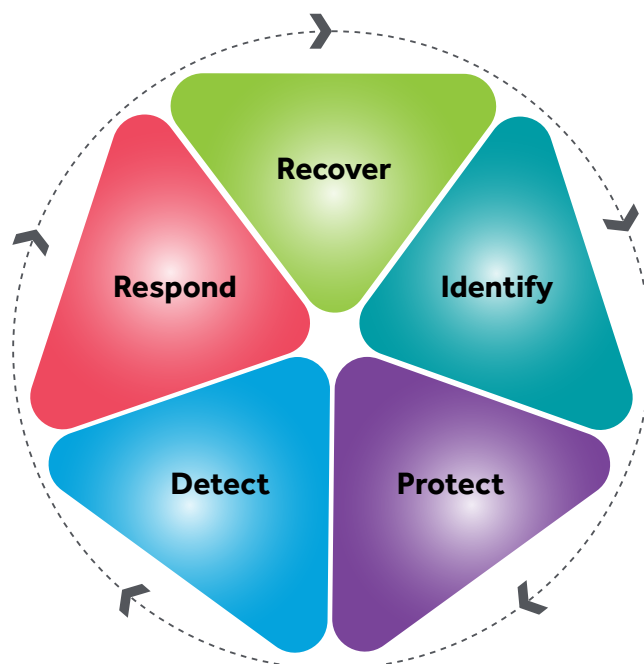

Figure 7: Cyber Security Framework Functions

IT Security/ Cybersecurity Measures

Our associates handle data and information belonging to Cyient and our customers, hence awareness of IT and Cyber security parameters and policies is crucial for our associates. All cyber security and IT security policies are available to all our associates at a centralized process assets library. In addition, Cyient offers three levels of training depending on an associate's tenure at Cyient. The induction program at the time of onboarding a new associate covers the basic principles and practices. A structured training calendar has been designed as then associates can receive annual refresher training. Depending on the projects that an associate is a part of specific on-demand training is provided as per customer security requirements and MSA.

We also provide a convenient platform for an associate to escalate any possible security breaches. Associates can use the intranet portal aligned to the ISO/IEC 27001:2013 standard control network for security incident management. The company has mechanisms in place for proper HR disciplinary action in the event of any IT and cyber security policy violations.

IT Security/Cybersecurity Process & Infrastructure

Cyient has not experienced information security breaches or other cyber security incidents over the past three years. There have been no incidents impacting our IT infrastructure. In FY22, we did not suffer any fines or revenue losses because of breaches. There were no temporary site shutdowns and no interruption of access to data centers for cloud-based applications.

6.6 Data Privacy

A 'Data Leak Prevention' (DLP) tool protects the intellectual property of our customers and us. This aims to protect the personal and confidential data of our customers and information unpublished by us that could be price sensitive. Additionally, we maintain uniformity, transparency, and fairness by enforcing a robust code of practices and procedures to govern the fair disclosure and integrity of unpublished price-sensitive information. Cyient operates in several countries and ensures that all required data privacy regulations are followed. For example, for all territories where the EU-GDPR is in effect, we follow the regulations to the fullest.

There was no breach of consumer data over the previous financial year.[20]
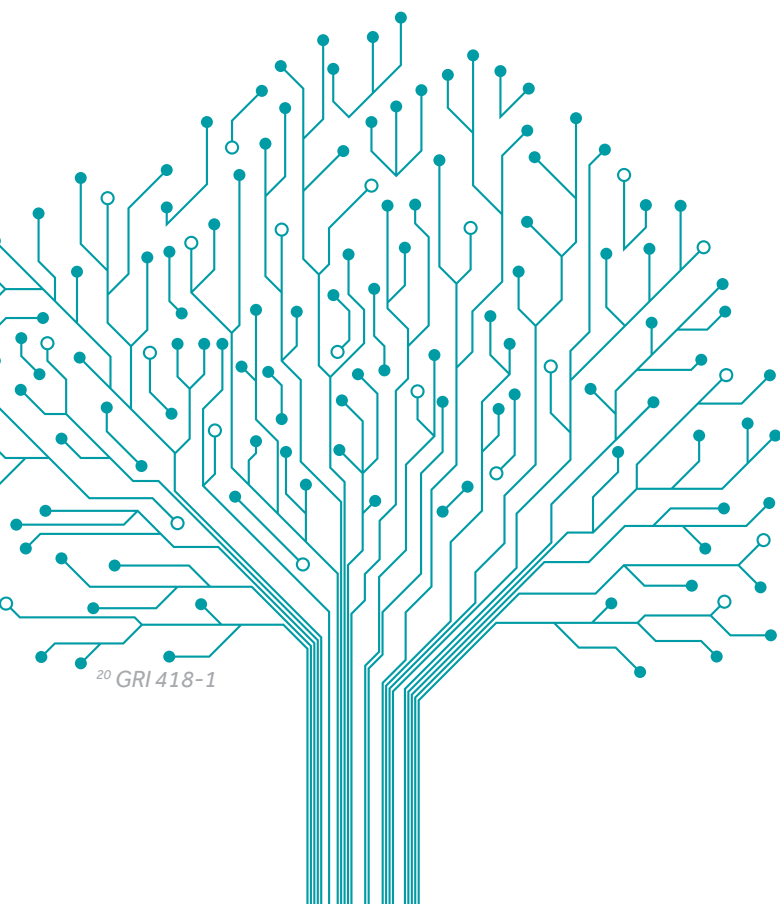
[20] GRI 418-1
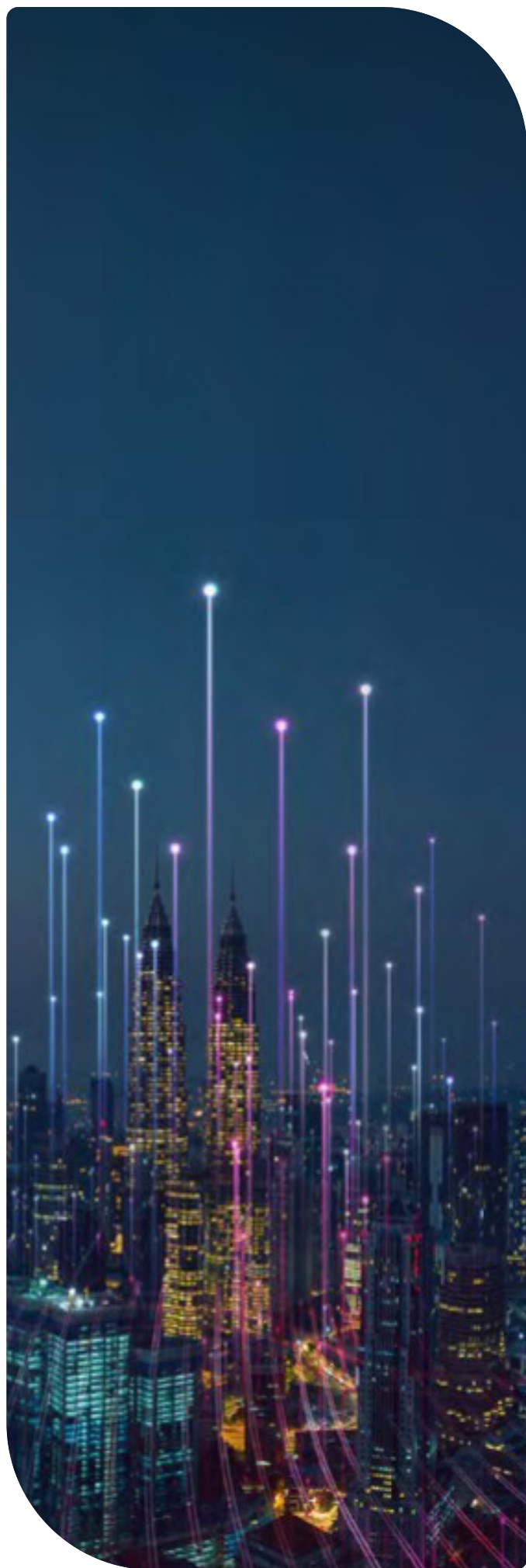
7 ECONOMIC
PERFORMANCE

At Cyient, we harness technology to transform lives and design a better tomorrow for all. Given the depth of our knowledge and breadth of capabilities, we are uniquely positioned to deliver on our brand promise of applying technology imaginatively to solve problems that matter.

Led by our focus on building a sustainable business that balances the needs of people and the planet, we go the extra mile to create long-term holistic value for our stakeholders, including customers, associates, partners, communities, shareholders, and others [20].

Today we have 16000+ associates in 18 countries supporting more than 240 customers. Cyient has been listed on all major stock exchanges of India since 1997.
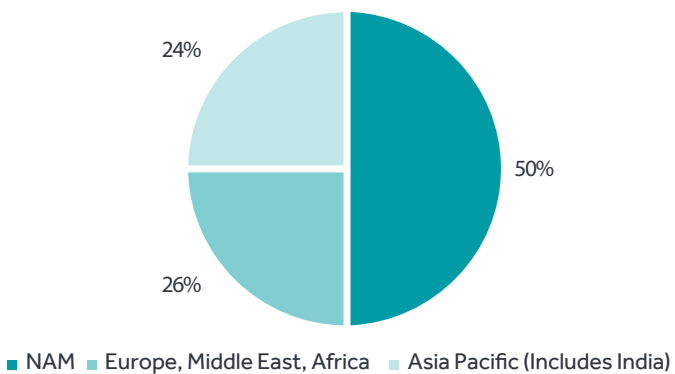
Figure 8: Revenue share by Geography FY 22

NAM ■ Europe, Middle East, Africa ■ Asia Pacific (Includes India)

50% / 26% / 24%

In FY22, we achieved a 10% YoY growth in North America, 9.1% in EMEA, and 7.9% in Asia Pacific, including India, as measured in dollar terms The Communications & Utilities (C&U) and Portfolio business units were the main drivers of growth. Asia Pacific, notably India, has seen considerable revenue growth over the years, while business growth has returned to North America and Europe following the COVID-19-induced de-growth. The exponential growth in the market size of the global green technology and sustainability services market provides a massive opportunity. Cyient intends to tap into it by developing innovative solutions on Artificial Intelligence, digital platforms,

automation, and several other service offerings.
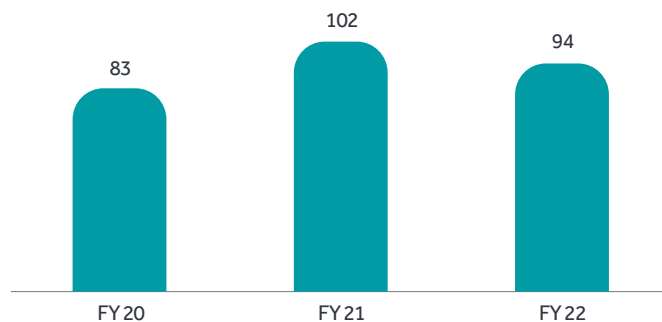
Figure 9: Amount spent on community initiatives (INR Million)

FY 20 — 83 / FY 21 — 102 / FY 22 — 94

The Cyient Foundation, along with NGO partners and associate volunteers, continues to take forward CSR activities across education, skill and community development, Covid-19 relief and rehabilitation, programs to protect the national heritage, etc. We spent INR 94 million on CSR activities in FY22.

7.1 Financial Performance

In FY22, we continued our growth momentum and delivered a robust performance, clocking revenues of $608.2 Mn. This represented a growth of 9.2% YoY, with both DLM and Engineering Services contributing positive returns. Our services business at $503.5 Mn witnessed a gain of 9.2% YoY, while DLM at $ 104.7 Mn observed an increase of 9.5% YoY. The growth in the services business was led by Communications, Utilities, Mining, and MedTech business verticals. In addition, we recorded our highest-ever net profit of INR 522.3 crores, with a YoY increase of 40.6%. Our EBIT margin increased by 381 bps to 13.9% compared to last year[21].

We closed the year with a strong order book of seven large deals. Our DLM business is poised to take advantage of the shift to 'Make in India' with the help of our new facility in Hyderabad. As the world leaves the pandemic behind, many of the sectors we serve will gradually get back to profitable ways, opening opportunities to renew projects put on hold.

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[20] GRI 103-1
[21] GRI 102-45

We have invested in technology and building associate capability to support our focus on five megatrends - human well-being, hyper-automation and smart operations, megacities and intelligent transportation, sustainability and ESG, and meta mobility and space travel. These investments position us well to continue growing business while balancing our financial and non-financial parameters.

The table below shows three-year data for top-line growth, operational costs, salaries paid, etc.,[22]

Economic Value (INR million)	FY20	FY21	FY22
Economic Value Generated	45,857	42,723	46,465
Revenue	44,274	41,324	45,344
Other Income	1,583	1399	1,121
Economic Value Distributed	42,061	37,643	39,538
Operating Costs	38,381	35,300	37,166
Payment to Capital Providers	2,138	949	626
Payment to Governments	1,459	1,292	1,652
Community Investments	83	102	94
Economic Value Retained	**3,796**	**5,080**	**6,927**

Table 9: Economic Highlights

Note(s): The table provides consolidated financials of our operations.

The total operating costs include employee wages and benefits as well as operating, administration, and other expenses.

Direct taxes represent the government mandated taxes.

Economic value retained represents the economic value generated minus the economic value distributed.

Tax Strategy

Cyient is committed to comply with all the tax related laws and regulations. As an effort to be transparent about its tax strategy, Cyient formulated its maiden Tax Transparency Report in FY 22 which is also available for its stakeholders on the website. Organization's approach to tax, principles, governance framework, tax contribution, and collection in Cyient's regions of operation are some of the major elements captured in this report.

7.2 Strategy Going Forward

As a consulting led, industry-centric, technology solutions provider, Cyient will continue to focus on our S3 strategy. This transforming from a services organization to a solutions organization will allow to deepen how we bring value to our clients. We enable organizations transform first at a consultative level and then help them accelerate innovation at the intersection of engineering and operations. INTELLICYIENT, our suite of six Industry 4.0 solutions that supports digital industrial transformation for asset-heavy enterprises, has gained momentum across the value chain of transformation.

Over the years, Cyient's strengths have been rooted in mechanical design, data services, and build to print (B2P) manufacturing. These areas have provided us the foundation for new, solutions-led growth. As we move forward, we will continue to strengthen and sustain these core services. To accelerate our S3 execution, we will focus on 5 key pillars of growth - Digital, Embedded, Geospatial, VLSI, and Network capabilities to create a strong portfolio of offerings for our markets and customers. The five pillars create growth opportunities across all our verticals, including aerospace, rail, automotive, mining, utilities, communications, healthcare, semiconductor and geospatial. The Five pillars represent horizontal capabilities that enable us to pursue "multi-threaded" opportunities across our customer base. While we continue to strengthen our capabilities internally, we are also pragmatically looking at opportunities to acquire organizations that will help accelerate our strategy and strengthen our positioning.
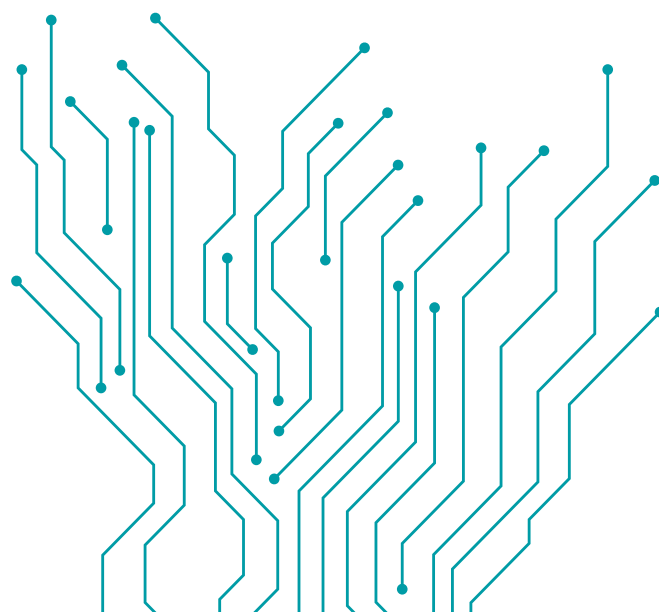
8 ENVIRONMENTAL
PERFORMANCE

8.1 Organizational Approach

Addressing the growing impact of climate change and containing associated socio-economic disruptions is humanity's collective and urgent responsibility. However, it is heartening to note that governments, corporates, and communities are coming together to think of new ways, revive traditional practices, and draw on the power of science and innovation to limit environmental damage. Cyient has not been affected by any incidents of non-compliance with environmental laws and regulations[23].

As a complex engineering solutions company with sustainability embedded in our DNA, Cyient has the technical depth and innovation leadership to limit and mitigate environmental impact. Responsible practices underlie not only our operations but are also the driving force behind the design and delivery of our client solutions. Interventions to reduce our energy and water consumption and circular business processes are integrated into our operational framework. We continually evaluate ways to reduce the waste generated across our footprint and ensure its disposal through authorized channels. Our partners and vendors are aligned with our ESG goals and help us run a clean value chain, end to end.

8.2 Energy

Responsible organizations worldwide, individually, and collectively, are taking steps to reduce energy use and offset their carbon footprint. Cyient is a proud partner in this journey and is committed to running sustainable operations and limiting and mitigating our environmental footprint by all feasible means. The volumes of energy we consume include the power we use to run our operations and logistic value chain, the transportation of our
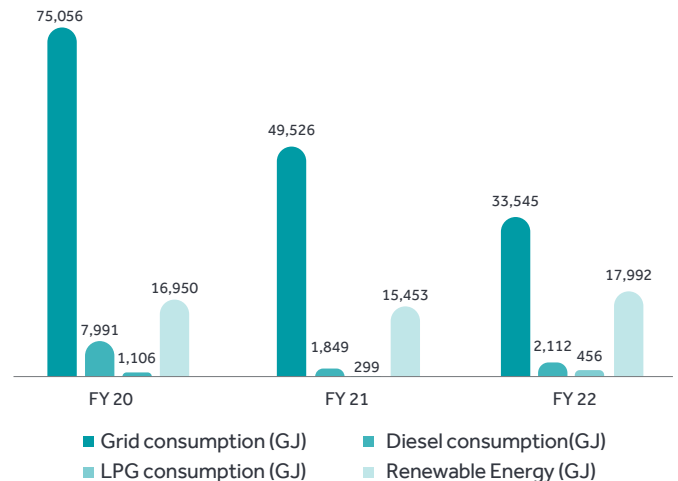
associates to and from the office, business travel, etc. We manage our energy usage by reducing demand and increasing the share of renewables in the energy mix.
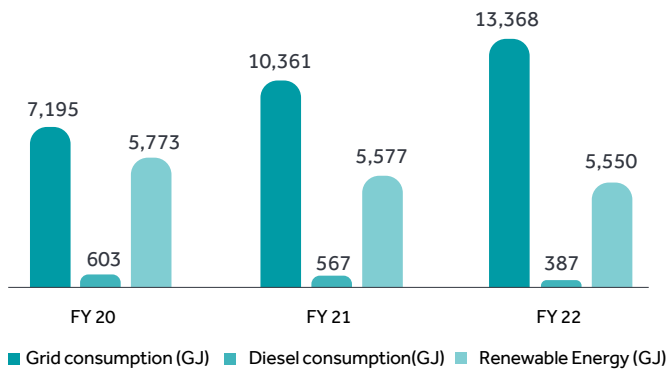
8.2.1 Energy Consumption

We track our energy consumption across all our Engineering Services and DLM locations in India and several of our global offices around the world[24].

Figure 10: Energy Consumption by source - India - Engineering Services

The energy consumption trends at our Engineering Services locations are encouraging. Our overall energy consumption stands at 54,107.51 GJ for FY22. This represents a marginal increase of 4% over FY21 due to business recovery as the pandemic spread slowed down. We also increased the share of renewables in the total energy consumption in the same period. Through the year, we completed the installation of solar panels in Vizag, Kakinada, and Warangal, delivering 400kV of power through renewable sources. In FY23, we will expand solar power capabilities at our facilities in Shamshabad by 400 kV and Madhapur by 100kV.

Figure 11: Energy Consumption by source – India – DLM

8.2.2 Energy Savings

Parameter	FY 22
Total annual investment [INR Lakhs]	91
Total savings/year [INR Lakhs]	18
Average pay-back period [Years]	5

Table 10: Energy Savings

Despite the pandemic-related operational limitations, we added a new DLM facility in Hyderabad in FY21. Together with the DLM Bangalore and Mysore facilities, this new facility is helping us scale production volumes significantly. Even as businesses were disrupted globally and in India, our DLM teams continued production throughout the reporting year. As a result, we saw an increase in our overall energy consumption in FY22. However, we used a considerable volume of solar energy in addition to Grid and Diesel Generator supplied power to keep operations running. The absolute volumes of renewable energy stayed at FY21 levels.

Cyient has a global presence in EMEA, APAC, and NAM. In this report, electricity energy consumption has been reported for two locations in EMEA (Cheddar Business Park in Somerset and Apex Plaza in Berkshire) and three in NAM (Jupiter in Florida, New Britain in Connecticut, and Riverview in Connecticut). The FY22 electrical energy consumption in EMEA was 586.77 GJ (only for the period April 2021 to August 2021 for Apex Plaza). In NAM, the electrical energy consumption in FY22 was 11195.05 GJ (only for the period April 2021 to February 2022 for Riverview).

We are bringing down energy usage through new installations and energy-efficient replacements. While this entails additional investments, it also brings substantial annual savings through reduced energy charges. We expect to get returns on these investments in about five years. Since we operate out of multiple sites, every facility offers us opportunities for smarter energy use without making capital-intensive physical changes. Environment-friendly alternatives are replacing energy-intensive devices, including LED bulbs, light motion sensors, and air-cooled chillers. We are expanding natural ventilation channels and using modular workstations in our offices[25]. Additionally, we are increasing the share of renewables in our energy mix with solar power and the installation of rooftop solar panels.

8.2.3 Energy Intensity

Monitoring energy intensity helps effectively manage the energy consumption per square meters (sq.m) of operational space. It is measured as a ratio of annual kWh of energy consumed and sq.m of infrastructure footprint. Our energy intensity has come down significantly from pre-pandemic levels. Managing the energy intensity of our operations is a key benchmark for us. We will continue to look for ways to improve our energy intensity performance as we evaluate additional sites for green building certification.

145.48   96.39   100.31

FY 20   FY 21   FY 22
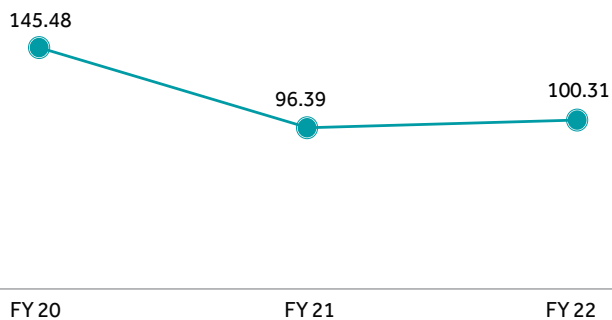
**Figure 12: Energy Intensity (kWh/sq.m) - India –
Engineering Services**

The decrease in energy intensity from FY20 to FY21 was quite steep. This was because most of our associates were working from home, further bringing down the Scope 2 emissions at our facilities.

In FY22, we had a marginal increase in energy intensity over FY21 due to the addition of new locations and expansion of our operational footprint[26].

Green Building

A green building is designed, constructed, or operated in a way that reduces or eliminates negative impacts and is more resource-efficient than conventional buildings. These buildings create positive impacts on our climate and the environment. They are more energy-efficient, consume less water, conserve natural resources, and generate less waste. Green buildings preserve precious natural resources and improve our quality of life.

As a testimony of our continuous efforts to responsibly design and operate our office spaces, Tower 2 at the Manikonda office has been certified GOLD under Indian Green Building Council Leadership in Energy and Environment Design. A major share of the materials used in the construction has been procured locally, thereby reducing the carbon footprint associated with sourcing. We continue to expand our portfolio of facilities that are certified as green buildings.

[26] GRI 302-3

Case Study
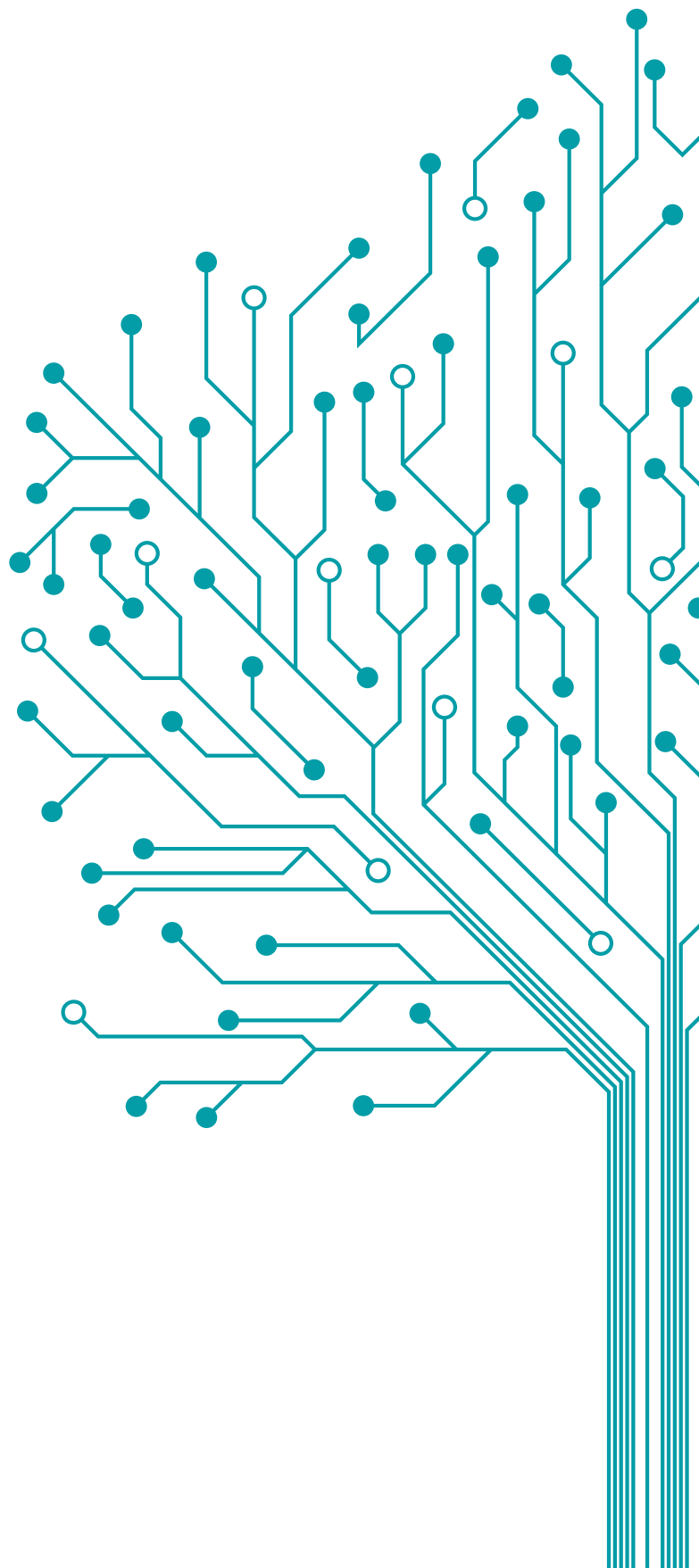
Sourcing Green Power

Objective

Green power is any electricity that is generated using low-impact, alternative energy sources that have zero-emissions. At Cyient, we are focused on reducing our carbon footprint through measures such as moving away from coal-generated power and increasing the share of renewables like solar power in our energy mix.

We undertook a project to install rooftop solar panels at three of our facilities – Visakhapatnam, Kakinada, and Warangal. We faced some delays in getting the necessary approvals from the appropriate authorities at the SEZ. Additionally, our Visakhapatnam facility is at a higher altitude and closer to the sea, which magnified the impact of wind. Therefore, we had to build in special design elements to enable the installation to withstand higher wind loads.

Impact

The project was able to ensure an additional power supply of 400 KW to replace the use of grid electricity. The team was undeterred by the challenges and successfully commissioned the solar panels at all three locations within March 2022.

Specific features

The solar panels used high-quality inputs like Indelec lightning arrestors and earthing kits, Renew solar PV modules, Sungrow inverters, Polycab cables, mounting structures from the Tata group, and L&T switchgears. The cost per unit savings of this project.

Vizag Location

Kakinada Location
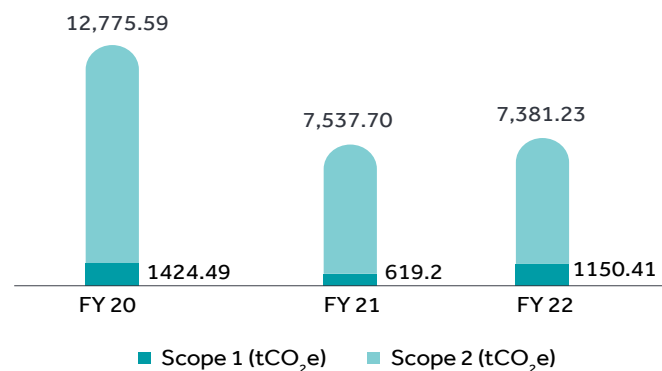
Warangal Location

8.2.4 Greenhouse Gas Emissions

We understand that the energy used to run our operations generates an associated carbon footprint. We continuously monitor operational GHG emissions from Engineering Services, and DLM facilities in India and many of our global offices and have implemented mitigating measures to reduce them. We monitor Scope 1 and Scope 2 emissions in metric tons of carbon dioxide equivalent across our facilities.

Scope 1 indicates the emissions generated from operations directly owned or controlled by us. Scope 2 are indirect emissions arising from the generation of purchased energy or electricity to run operations [27].
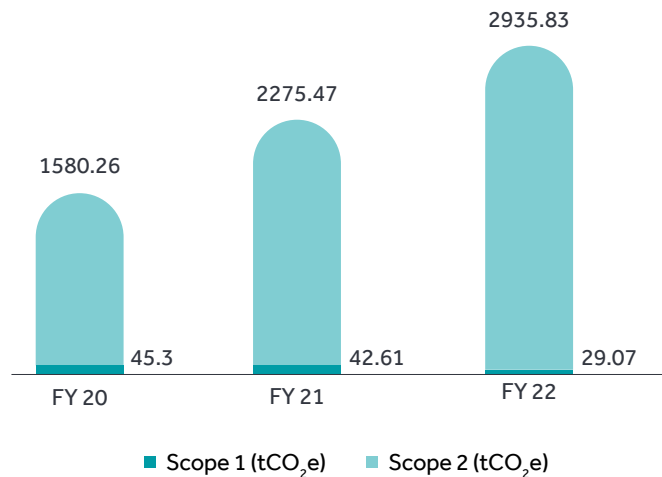

Figure 14: GHG Emissions (tCO$_2$e) – India - DLM

Our DLM business line offers design, manufacturing, testing, and certification services for global product companies. The primary sources of Scope 1 emissions for this business vertical are the DG sets needed to power our facilities. Scope 2 emissions are linked to the amount of electricity we purchase from the Grid to run our operations. In FY 22, the DLM business added a new facility in Hyderabad to supplement our DLM facilities in Bangalore and Mysore. This ramped up production significantly and increased our Scope 2 emissions. We will continue to implement energy conservation measures to bring down our emissions.

Figure 13: GHG Emissions (tCO$_2$e) – India - Engineering Services

Our Engineering Services business offers electrical, systems, mechanical, plant, manufacturing, and network engineering services to clients. The primary sources of Scope 1 emission for this business unit are from Diesel Generators (DG) to power offices and the LPG used to prepare food in the cafeterias. Scope 2 emissions result from the electricity we purchase from the Grid for use in our offices. Since Scope 2 emissions have been the major contributor to our GHG emissions, we are trying to increase the energy conservation through new installations and retrofits on the energy-consuming equipment like lighting, chillers, etc.[28]

We recorded GHG emission levels at seven Cyient offices outside India in the EMEA (Cheddar Park and Apex Plaza) and NAM regions (Jupiter, New Britain, and Riverview). The EMEA and APAC regions recorded Scope 2 emissions due to electrical energy consumed. In the NAM region, we recorded both Scope 1 emissions due to consumption of CNG and Scope 2 emissions. The NAM region emitted the carbon dioxide equivalent of 854.32 metric tons of greenhouse gases in FY22, while the GHG emission recorded in EMEA was 34.64 metric tons of carbon dioxide equivalent.

Cyient has plans to begin reporting Scope 3 emissions as well. This will mainly cover business and employee commutes. To facilitate this, we have initiated the tracking of GHG inventory. An employee survey has also been rolled out to track the details of their commutes.

8.2.5 Data Centre Management

Our data centers enable the sharing of mission-critical computing applications and data between our locations and with our customers. Our email servers, financial management architecture, and project management systems are managed out of our data centers, making them critical for internal and customer-facing business continuity. These data centers require a significant amount of infrastructure and energy to build and run. This includes energy to run operations, robust cooling systems, uninterrupted power supplies, etc. Benchmarking the energy efficiency of our data centers is a crucial step in optimizing energy usage, equipment functioning, and rack space to reduce.

Figure 15: PUE Ratio – India

We follow the Power Usage Effectiveness (PUE) metric to measure the efficacy of energy management measures at our TIA 942 certified corporate data centers. PUE is expressed as a ratio of the energy entering a data center and the amount used by the computing equipment in the data center. Therefore, the ideal PUE would be 1, indicating that the data center draws only the energy required to run the IT infrastructure.

 An ideal PUE can be achieved in two ways – by optimizing core data center infrastructure and by increasing the appropriate use of technology. Some of our interventions for the core infrastructure have been the effective use of rack space, effecting cold aisle containment, improving energy efficiency, and intelligently using power. We have harnessed technology by adopting hypervisors and incorporating the latest server infrastructure technology. This allows a high degree of data

visualization despite reduced server footprints while also helping to reduce power and cooling requirements and required rack space at the data centers.

Region wise PUE Ratio	FY 20	FY 21	FY 22
India	1.69	1.63	1.63
Renewable Energy Contribution (%)	69.4	83.6	86.4

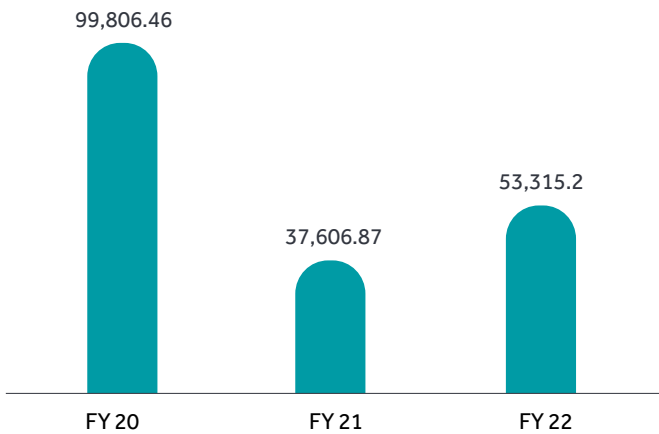**Table 11: PUE Ratio and Renewable Energy Contribution - India**

Over the last two years, the reduction in our PUE has been gradual, and we hope to move the PUE ratio closer to 1 in the coming years. The share of renewable energy used to power the Cyient corporate data center in Manikonda, Hyderabad, India, has steadily increased since FY19, from 69.4% to 86.4% in FY22.
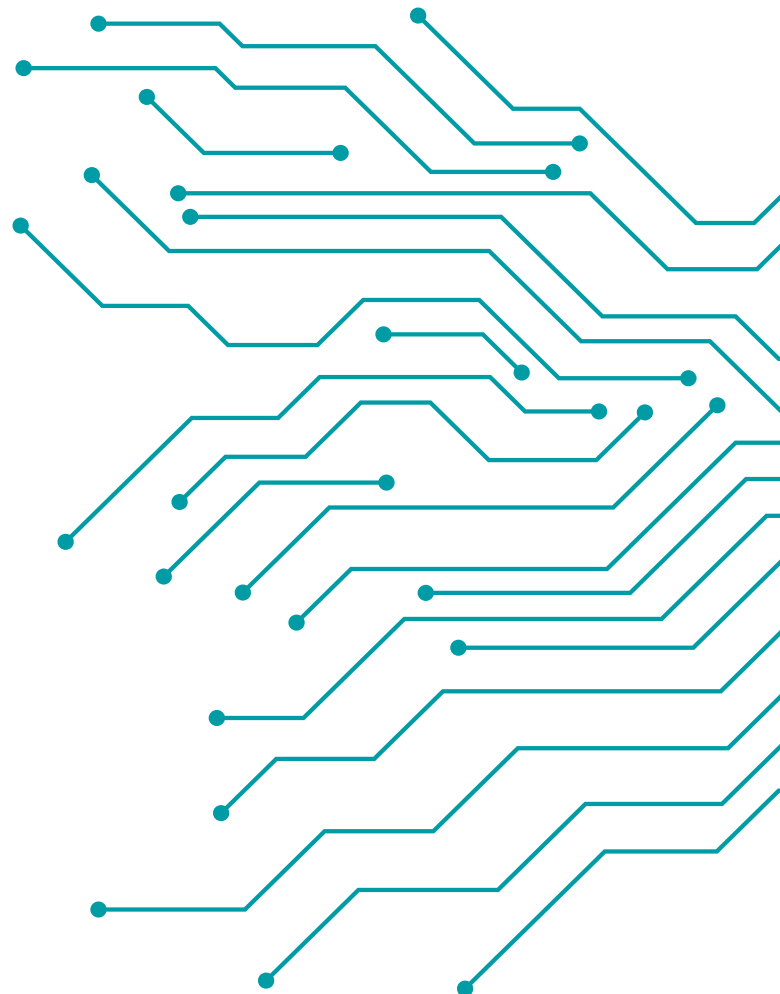
8.3 Water

As per the United Nations, water use has grown at twice the rate of population growth in the last century. Rapid climate change and urbanization add to the increased demand for water resources. At Cyient, we strive to become water neutral. We focus on rationalizing consumption as well as recycling and reuse of water. Tracking usage and recycling and reusing water are undertaken across our Engineering Services and DLM locations in India and for several global locations where we are present.

Water for human use can be sourced from surface channels, including lakes, rivers, streams, etc., or below the ground and the sea. Most of the water we use in our operations is drawn from third-party sources like Municipal Corporations.[29]

While the overall volume of water used across our business footprint has come down, we continue to focus on its reuse and recycling to reduce usage further.

For all the locations except one, our water consumption includes the amount we use for drinking and housekeeping (cleaning, sanitizing). We strive to minimize water run-off by reusing it for cleaning or gardening and discharging it to the Common Effluent Treatment Plant (CETP). The reused water in our sites is obtained from Sewage Treatment Plants (STPs) and used for flushing or landscaping. We have also installed rainwater harvesting systems and aerators in handwashing units to conserve water.
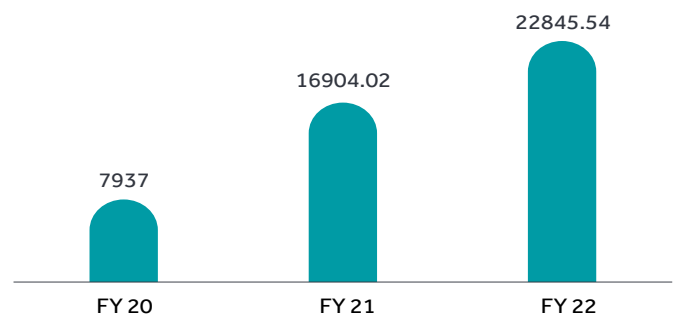
Figure 17: Total Water Consumption (KL) - India – DLM

Figure 16: Total Water Consumption (KL) – India – Engineering Services

The DLM operations in India have recorded an increase in overall volumes of water used since FY19, given the growing production volumes. We set up a new DLM facility in Hyderabad in FY21, in addition to the existing facilities in Mysore and Hyderabad. All three facilities were operational despite the pandemic-related limitations. Therefore, our overall production volumes increased during the reporting period, as did our water consumption. The water consumption figures have been recorded from our Mysore and Hyderabad facilities.

■ Water Treated STP ■ Water Recycled & Reused
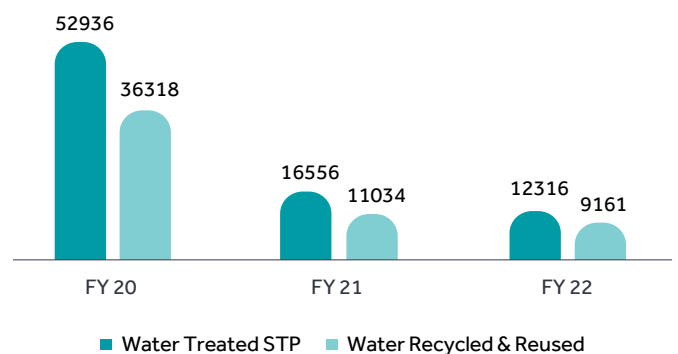
Figure 18: Water recycled and reused (KL) - India – Engineering Services

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We considered only 3 locations – Manikonda, Kakinada, and Bangalore – for recording the volumes of water recycled and reused. At all these facilities, we have in-house sewage treatment plants to treat and recycle the water used for landscaping and flushing. This has brought down our use of freshwater. The volume of wastewater we have been able to treat has reduced over the last two years because of low employee occupancy in offices due to pandemic related restrictions.

8.4 Waste

Globally, the growing volumes of waste are polluting our water bodies, causing diseases, affecting flora and fauna, and triggering other environmental damage. Managing the amount of waste generated and ensuring its responsible disposal is a worldwide concern that needs urgent action. At Cyient, we use the resources we need for our operations and across our value chain responsibly to minimize waste. We support this with an integrated waste management program built on the philosophy of the three Rs – Reduce, Recycle, and reuse. Measures like source segregation, safe management, and waste disposal through authorized vendors approved by the Pollution Control Boards (PCB) are some ways that take this approach further. We are working to trace our waste disposal workflow to validate its end-use and streamlining processes to reduce waste generation. This is being done at all Engineering Services and DLM locations in India and at some of our global offices.[30]

Our efforts have helped reduce the volumes of hazardous and non-hazardous waste generated across our operations in FY22.
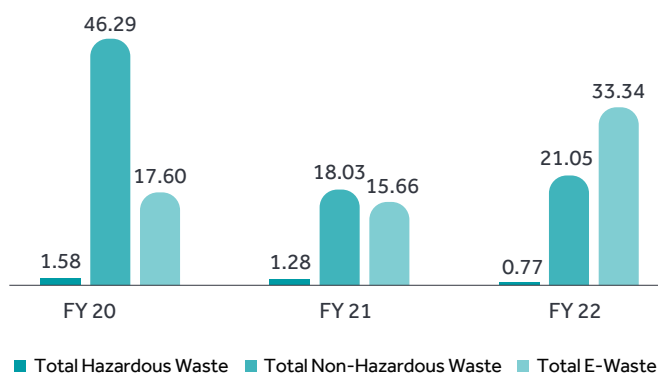
Figure 19: Total Waste Generated (MT) - India- Engineering Services

Our Engineering Services vertical's core business is in delivering IT services to clients globally, and our primary sources of waste include e-waste, computer peripherals, etc. This e-waste is collected and safely stored for three years. Thereafter, it is disposed of through Pollution Control Board (PCB) authorized vendors once in three years. We disposed of the stored e-waste in FY22, reflecting the higher volumes in the reporting year.

Hazardous waste figures include the lube oil from the DG sets, while non-hazardous waste includes food, plastic, paper, and metal & scrap. We propose to set up organic waste composters to reuse our organic waste in gardening.
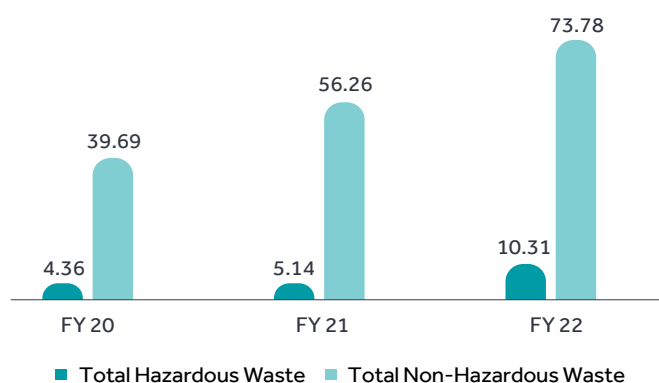
Figure 20: Total Waste Generated (MT) - India- DLM

Our DLM vertical is into electronic manufacturing processes and manufactures printed circuit board assemblies (PCBA), cable harnesses, box-builds, etc. All the leftover components are discarded during the manufacturing process. They get disassembled and disintegrated to be reused in the following process. This process flow leads to the generation of zero e-waste at our DLM facilities.

The volume of hazardous and non-hazardous waste increased in FY22 due to the addition of a new DLM facility in Hyderabad in FY21.

8.5 Biodiversity

None of our facilities, either owned or leased, are adjacent to protected areas and areas of high biodiversity value. However, we stay committed to preserving and enhancing the biodiversity around our operations to reduce the carbon footprint of our operations through tree plantations. Till date, we have planted over 15068 trees.

As part of 'Go Green', one of our CSR activities, we developed over 10,180 sq.m. of land belonging to the Urban Forestry Division in Hyderabad into a park in FY22. We planted trees lining 1275 meters of pathways in partnership with the Confederation of Indian Industry. Additionally, we developed a green belt around the National Investigation Agency (NIA) premises in Hyderabad [31].

8.6 Responsible Supply Chain

As a complex engineering company, our efficient functioning is powered by a seamless network of suppliers and partners. A sustainable supply chain needs to be cognizant of and minimize and mitigate the impact of its functioning on the environment and the community. This includes the potential environmental or social impact of sourcing raw materials, transportation, and storage (inputs, intermediaries, and finished products), and customer delivery. We regularly monitor the value chains of our suppliers to ensure their activities are aligned with our sustainability goals. Local sourcing of materials is helping to reduce the carbon footprint of our value chain and creating economic opportunities for the inclusive development of our communities [32].

We released our Vendor Code of Conduct (VCoC) two years back, laying the framework for an ethical, transparent, and sustainable value chain. Robust audits and training ensure that the code is understood and assimilated into the business practices of our vendors. Periodic 'Vendor Meets' help us align our partners with our sustainability agenda and reiterate the importance of transparent business practices. We ensure they have instituted policies for employee management, including the 'no-child labour' and 'no forced or compulsory labour' stipulations.

We amend the VCoC to keep it relevant for evolving risks or external developments material for our business. We introduced amendments related to Conflict Minerals, Environment, and Community

Development in the reporting year. The term 'Conflict Minerals' refers to raw materials mined or extracted in a part of the world where an armed conflict is occurring, which could influence mining activities. Vendors are expected to comply with all applicable conflict minerals rules and adopt policies and procedures to avoid/prevent sourcing minerals from conflict regions. The new section on Environment encourages our vendors to run their operations responsibly to reduce water and energy consumption, mitigate carbon emissions, and protect biodiversity. We also expect our vendors to align with the Cyient philosophy of empowering communities, increase local sourcing and empower members through sustainable employment and basic education.

A Sustainable Supplier Assessment Framework has been envisioned, which will be rolled out in phases. The cycle will begin by identifying a set of suppliers who are critical to operations. The sustainable supplier questionnaires will be administered to all the suppliers across Engineering Services and DLM businesses. Their responses will be audited before being assessed and rated [33].

Based on the ratings these critical suppliers get, we will explore ways to improve their ESG performance. This will include but not be limited to capacity-building workshops and technical interventions. These efforts are expected to help suppliers understand the importance of sustainability and adopt similar practices in their operations, aligning them better with the ESG efforts of Cyient.

The areas of improvement for the framework will be analyzed after the primary roll-out is completed. Once the subsequent roll-out cycles are implemented, we intend to offer rewards and recognitions to suppliers best aligned with our ESG policies.

Table showing total number of suppliers and local suppliers from FY19 to FY22.

[31] GRI 304-3
[32] GRI 102-9
[33] GRI 102-10

Parameter	FY 21	FY 22
Total number of suppliers	837	1591
Number of local suppliers (India-based)	261	900
Spending on local suppliers (million INR)[34]	3972	4582

Table 12: Number of Suppliers and Local Suppliers - India - Engineering Services

Parameter	FY 21	FY 22
Total number of suppliers	1307	1344
Number of local suppliers (India-based)	778	810
Spending on local suppliers (million INR)[35]	826	728

Table 13: Number of Suppliers and Local Suppliers - India - DLM

A truly sustainable supply chain needs the local procurement of different products and services. This reduces the transportation costs of goods and services. We also find local suppliers much more responsive. The spending on local suppliers helps pump money into the community around us, which indirectly improves their quality of life. In FY22, we improved the share of local suppliers from 31% in FY21 to 57% in FY22.

We assess 50% of the suppliers for our DLM vertical on specific environmental and social criteria.[36] The base criterion is that they must have a formal environmental policy. The business activities of the suppliers must comply with all domestic regulations pertaining to ESG parameters. All quality and environmental systems need to be documented. The suppliers should have a periodic calendar for internal quality and environmental audits. We expect our suppliers to adhere to specific EOHS requirements for employment, place of work, and employee safety.

[34] GRI 204-1
[35] GRI 204-1
[36] GRI 308-1, GRI 414-1

Sustainability Hackathon: Navigating the New Powered by Innovation

Climate change has caused a worrying increase in the number of environmental triggers in recent years. It is time that the world moved away from the use-and-throw mindset of a linear economy to adopt circularity principles of recycle, reuse, and reduce. This was the thought behind the month-long sustainability hackathon we hosted for startups and academia to share ideas, products, and solutions on the theme of sustainability. A hackathon is a collaboration activity that brings together enthusiasts and experts on a digital platform to brainstorm and design solutions to solve a problem. We saw participants join the hackathon from across the world.

The participants were asked to design solutions woven around these themes:

Sustainable energy for mobility – The rapid urbanization around the world has increased the density of population in our cities. Continued individual transport by urban dwellers is upsetting the environmental balance in more ways than one. Collaborative approaches, shared use of mobility and green transportation are some of the ways we can limit the growing environmental footprint of urban transportation. Participants were asked to collaborate and come up with shared mobility and smart charging solutions, alternate fuel sources and energy optimization, rationalization of greenhouse gas emissions across shared utilities, urban planning etc.

Recycle and reuse – Extending the life of things that are usually thrown away after a single use can result in cost savings for users, and reduced emissions for producers. For the world, this would mean less waste generation and slower filling up of landfills. We invited participants to suggest re-engineering and redesign solutions around reuse and recycle using IoT, Cloud, and artificial intelligence. Contestants were encouraged to think of solutions around ESG goals of organizations which could help in aligning with the sustainable development goals recommended by the UN.

Disaster forecasting and management – While the world is taking steps for sustainability, it is also important to safeguard humanity from climate events which have already been set in motion in the past. We invited participants to build cognitive prediction models for climate events using artificial intelligence. These could be events related to forest fires, trailing dam accidents, and any other incidents that could occur triggered by an imbalance in the ecological systems.

A smarter supply chain – The recent pandemic showed us how a robust supply chain in a deeply interconnected world is imperative if manufacturing of products is to continue unhindered. An efficient, precise, and accountable traceable solution helps to enhance the visibility of products and assets across the value chain. Making every stage of a supply chain easily traceable also helps pinpoint nodes which have a harmful impact on the climate. We asked participants to come up with supply chain solutions that could prevent disruptions and environmental damage impacting the aerospace, transportation, automotive, manufacturing, semiconductor, and healthcare sectors.

The winners of the hackathon were given access to our rich ecosystem of partners, suppliers, subject matter experts, and technical centers so that they could scale up their ideas and take them to market. We helped them to translate their ideas into proof of concepts to attract investors and allowed them to test their solutions across our value chain and customer opportunities.

9.1 Organizational Approach

As a consulting led, technology solutions company, Cyient has been bringing the best of innovation and technology to customers for more than three decades. This has been possible because we have the best people who can harness technology to solve problems that matter while being their best selves at work. Our talented associates are the reason for every customer success story. We are committed to nurturing an organizational culture that encourages an innovation mindset and empowers our associates to navigate the new and build a better tomorrow for themselves, the company, the community, and our investors[37] .

9.2 People Management

The people management function at Cyient has clear objectives to hire, retain, inspire, and develop the best people in a safe and inclusive work environment.

We seek to hire the best people who can see a better vision of tomorrow and are ready to build it. We craft our policies thoughtfully, inclusively and match them with actions. This ensures that the workspace is conducive for our associates and makes them proud of the work they are doing. Empowering and enabling our teams acts as a successful retention policy for associates. Additionally, we focus developing future leaders. We have a world-class training and development framework that allows our associates to explore a broad range of career experiences. Our people strategies are designed to build the capacity and confidence of our associates so that they can lead Cyient and our stakeholders towards a sustainable future.

9.2.1 Human Rights

Our engagements with external stakeholders create sustainable value because of the inclusive and encouraging workplace that neither discriminates nor exploits anyone. We have a relentless focus on upholding human rights across our organization and the value chain. The FIRST principles guide us in framing our policies - Fairness, Integrity, Respect, Sincerity, and Transparency. These principles govern our actions across functions, location, and hierarchy.

Our policies on human rights are aimed at our internal stakeholders, our immediate business partners, as well as the broader community outside Cyient. The human rights framework followed at Cyient has been created taking guidance from the International Bill of Human Rights and the UN Guiding Principles on Business and Human Rights.
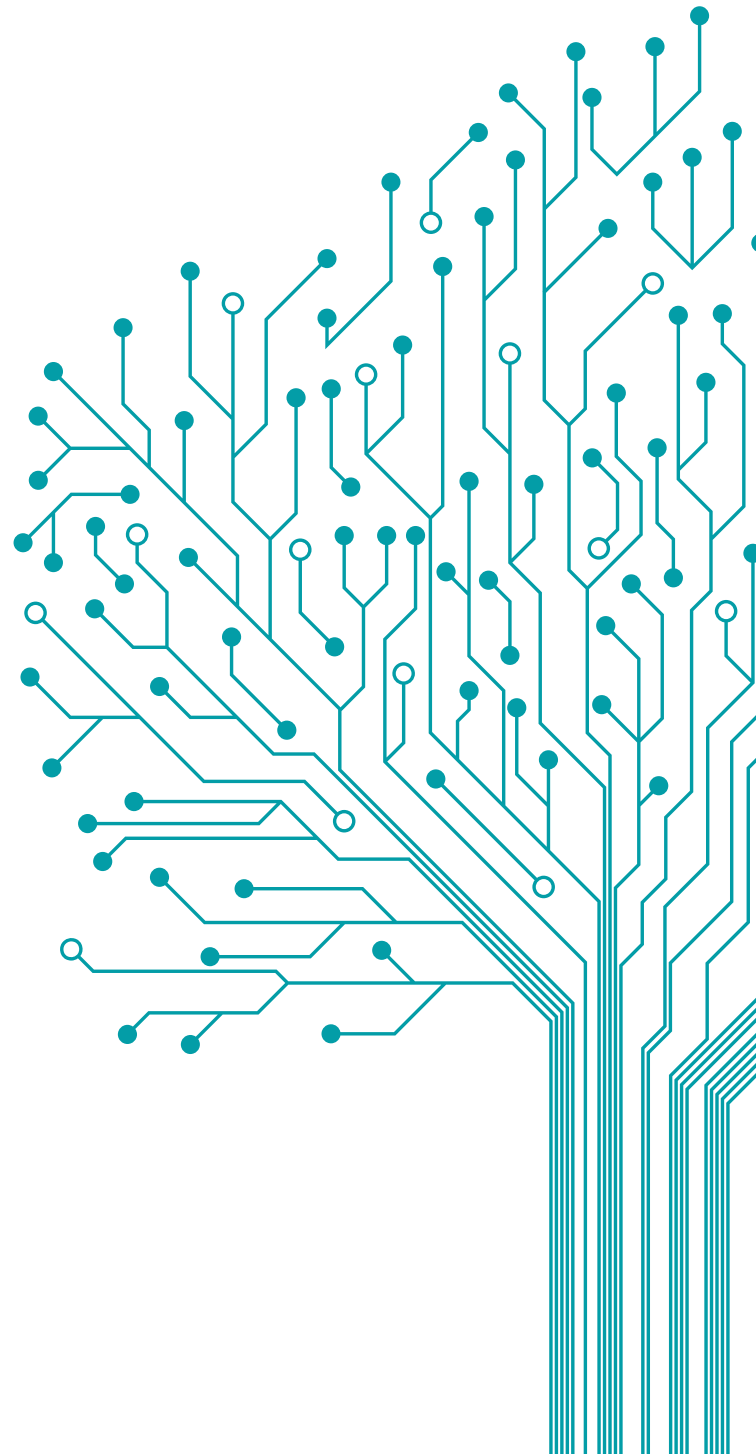
Human Rights Policy

As a responsible company, Cyient follows fair business practices that respects the human rights of all our stakeholders. We have a structured human rights policy that governs our actions and are binding on all associates and the value chain. We do not condone any form of discrimination, nor do we allow actions that can affect the physical and mental health of those we work with. We offer our associates a conducive workplace where they feel safe and can give their best to their customers and have fulfilling careers with us. Our suppliers and contractors are also encouraged to embrace the human rights across their value chains as well.

Our human rights policy covers the following aspects:

- Respect for human rights

- Community and stakeholder engagement

- Inclusion and diversity

- Anti-harassment and non-discrimination

- Freedom of association and collective bargaining

- Safe and healthy workplace

- Workplace security

- Modern slavery and human trafficking

- Child labor

- Work hours, wages, and benefits

Anti- Discrimination

Our workplaces are free of discrimination. We provide access to several channels and platforms that our associates can use to escalate if they feel discriminated against. This applies to our suppliers as well. We insist that factors like pregnancy, childbirth, medical conditions, race, religious creed, color, gender, national origin, or ancestry, physical or mental disability, marital status, age, and sexual orientation are not considered during employment or opportunities for career advancement. The sustained zero-tolerance for any such acts at all our locations has borne fruit[38] .

Category	FY 21	FY 22
Child labor/ forced / involuntary labor	Nil	Nil
Sexual Harassment	Nil	1
Discriminatory employment	Nil	2

Table 14: Number of Incidents

We undertake efforts to ensure that all concerned stakeholders are familiar with the Cyient Business Code of Conduct and Human Rights policies and are aware that any complaint in violation of such policies will be investigated. The appropriate committee has reviewed it and the recommendations have been implemented in line with our policy. Cyient upholds its principles of diversity and non-discrimination by providing a platform for indigenous peoples to escalate cases where their rights were violated. During the current reporting period, there were no incidents of any such violations[39] .

Freedom of Association and Collective bargaining

Cyient respects and supports the rights of its suppliers and associates to form legally recognized associations that ensure they are suitably represented during discussions with management. This allows us to objectively hear the collective concerns of our associates and suppliers. The associations choose representatives who bargain collectively with Cyient on issues that matter to their members. Cyient has set up committees for issues that affect our associates, like transportation facilities, canteens, etc. These are discussed with the representatives and resolved in line with the relevant policy. No issues that required collective bargaining were raised in the reporting year [40].

Child Labour

Cyient does not allow anyone below the legally permissible age to be employed within its operations. We have a policy of preventing the employment of children as stipulated by the International Labor Organization and the governments of the countries where we operate. The same mandate applies to our suppliers and the entire value chain, and relevant clauses are included as part of our agreements with them [41].

Forced and compulsory labor

We have a stringent policy that forbids any form of modern slavery across our operations. This includes but is not limited to human trafficking, slavery, forced labor, forced marriage, debt bondage, or deceptive recruiting. Our suppliers are required to adopt and implement the same policies in their business practices and workplaces. All our operations are free from any kind of forced or compulsory labor. We have also adopted the Modern Slavery Statement of the UK and the Modern Slavery Policy of Australia that govern our operations and third-party vendors who provide us with resources in those countries[42] .

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[38] GRI 406-1
[39] GRI 411-1
[40] GRI 407-1, GRI 102-41
[41] GRI 408-1
[42] GRI 409-1

Security practices

Our security personnel are our first layer of enforcement of our human rights policies. They are sensitized to and trained on relevant policies and operational procedures for respecting human rights. They are sensitized to and trained on relevant policies and operational procedures for respecting human rights. During Covid 19, they were trained on precautions that need to be taken on account of the pandemic.

Corruption and Bribery

Cyient has a comprehensive policy for the prevention of any kind of corruption. Given the scale of our operations in several continents and countries, this document includes provisions to cover the anti-corruption and bribery requirements of those countries as well. Our policy has incorporated relevant clauses from the US Foreign Corrupt Practices Act of 1977 and the UK Bribery Act of 2010. As we continue to grow our business worldwide, we ensure that our associates and vendors conduct business the right way. We encourage them to familiarize themselves with the policy. This year, no cases of corruption or bribery were reported.

We did not make any monetary contributions to lobbyists, politicians, trade associations, or any other tax-exempt groups during the reporting year. Cyient did not make any sponsorship or charitable contributions in FY22.[43]
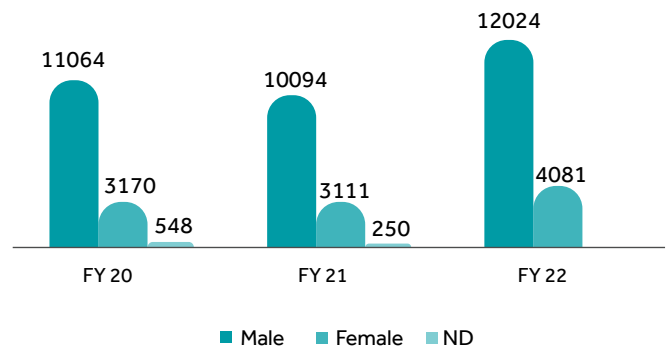
9.2.2 Associates

We have 16,105 associates working in 18 countries to build a better tomorrow. More than 86% of our associates are from India and operate from this location. A conducive and safe workplace encourages the associates to grow professionally and take Cyient to new heights. Our diverse and inclusive culture enables us to attract talent who bring a broad spectrum of skills, experiences, cultures, and ways of thinking to enrich our organizational culture. Because of our inclusive hiring and promotion practices, we have been able to improve the diversity of our workforce. The share of women in our workforce has steadily grown from 21% in FY 20 to 25% in FY 22 [44].

Associates Category	Age Group (Yrs.)				Gender	
	<30 yrs	30-50	>50	ND	Male	Female
Regular - Full time	7555	6983	661	243	11547	3895
Regular - Part time	6	15	86	0	80	27
Contract - Full time	200	149	68	125	387	155
Contract - Part time	0	5	6	3	10	4
Total	7761	7152	821	371	12024	4081

Table 15: Associates Breakup by Age Group and Gender (FY22)

48% of our workforce are less than 30 years. Being a company that harnesses technology, a younger workforce under the able guidance of the experienced associates motivates us to take innovative measures to navigate the new and build a sustainable tomorrow for our customers and us.

Figure 21: Associates Breakup by Gender
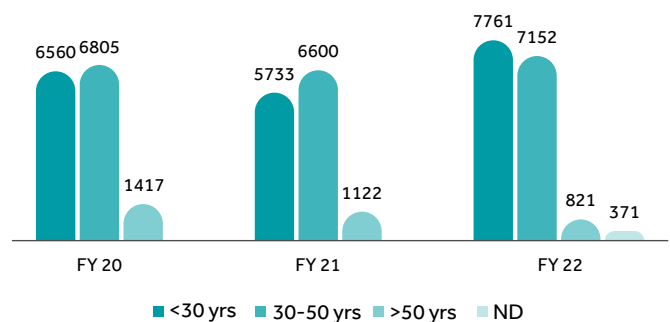
Figure 22: Associates Breakup by Age

We serve customers in several countries. However, the largest proportion of our associates are based in India. India's vast technical talent pool provides us with ready access to the resources we need to serve our customers. As we expand our business footprint worldwide, we are gradually increasing our headcount at APAC, EMEA, and NAM with a specific focus to hire locally.

As we navigate the new, we reiterate our commitment to fostering innovation and "Exponential thinking". We aim to attract talent who are passionate about solving complex problems to help our customers succeed in their most critical business missions.

During the pandemic, organizations had to move to a work-from-home or hybrid model rapidly. Over the last two years, remote working has become commonplace. Our attrition levels reflect the changing dynamics and the growing prevalence of remote and hybrid work models. Employees are looking for options where the flexibility of location and time are offered. With remote job openings growing more than five times during the pandemic, job seekers have a plethora of opportunities to tap. These trends have increased attrition and job-hopping in the industry [45]. During FY 22, the voluntary turnover rate was 26.2%

Age	FY 22
<30	34.7%
30-50	20.2%
>50	14.9%
Overall Turnover	29.20%

Table 16: Associates Turnover Rate by Age

Gender	FY 22
Male	25.96%
Female	26.46%

Table 17: Associates Turnover Rate by Gender

| Region	FY 22
INDIA	25.63%
NAM	32.90%
EMEA	23.55%
APAC	15.31%

Table 18: Associates Turnover Rate by Region

Operational shutdowns, expansions, takeovers, mergers, or other restructuring exercises can result in significant transitions, including the need to reallocate impacted resources.

Hiring

Our success as an organization results from the competencies and contributions of our associates. A comprehensive hiring strategy and framework help us to attract the best talent by engaging with leading institutes to recruit fresh talent and offer rewarding opportunities to experienced professionals. Our innovative tools and strategies to recruit talent give us an edge over the competition. This year, we launched a digital campaign to hire campus pass-outs and received 30,000 profiles. After evaluating the profiles, shortlisted candidates were assessed online at nodal centers identified by Cyient. Currently, the shortlisted candidates are being interviewed. The digital hiring intervention boosted our efforts to offer early career options to talent and expand the reach of our efforts beyond the regular campus hiring.
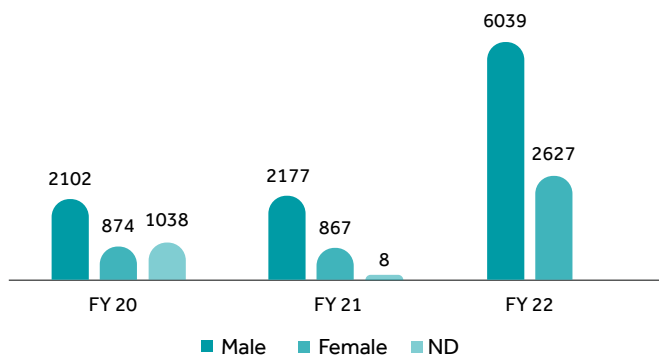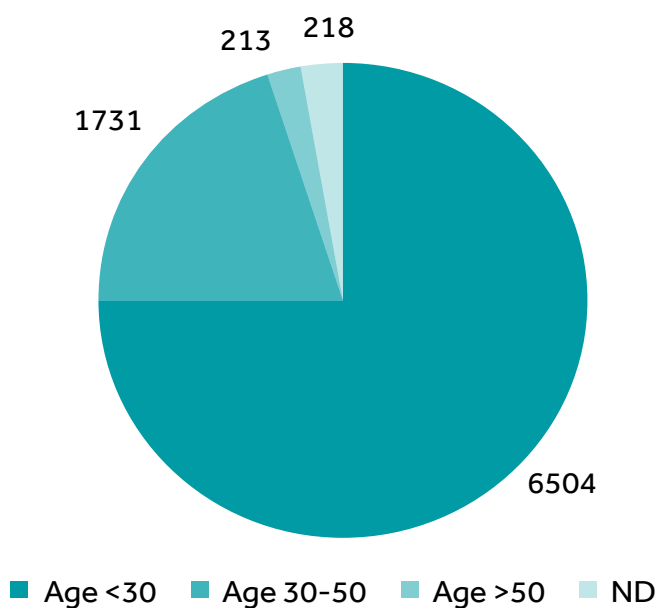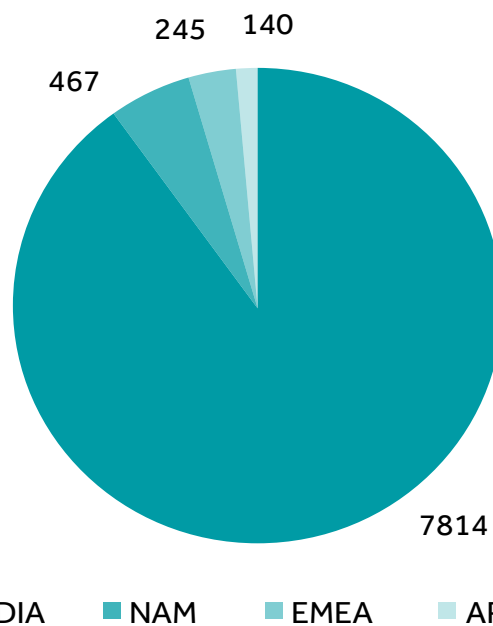
Figure 23: New Associate Hires by Gender

After cautious hiring during the pandemic, we have resumed our growth plans this year. To meet our growing business needs and expansion goals, in FY22 we ramped up hiring by almost three times, which is more than the combined hiring of the previous two years. With our focus on building a diverse workforce, nearly 30% of the new hires in FY22 were women, a significant jump over previous years[47] .

Figure 24: New Associate Hires by Age

Figure 25: New Associate Hires by Geography

The hiring cost of an external applicant includes salary and recruitment expenses incurred for recruitment firms, advertisement, on-ground events, etc. This cost went up slightly in FY22 as we ramped up hiring three times compared to the previous reporting year.

We also encourage internal talent who have the necessary skills and experience to apply for open positions. In FY22, the percentage of open positions filled by internal candidates stood at 0.31%, compared to FY21 and FY20 when it was 1.05% and 0.35%, respectively.

Diversity and Inclusion

At Cyient, our commitment to foster an inclusive workplace encourages diversity of thought, experiences, backgrounds, cultures, gender, etc., and inspires our talent to reach their optimal potential. The diversity of our workforce is a competitive differentiator that helps us create

unmatched value for our customers and other stakeholders. We do not discriminate against talent on any grounds, be it age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our associates unique.

Cyient values diversity and has rules and workplace norms in place to ensure all Associates feel welcome. A Board-level subcommittee oversees our diversity and inclusion (D&I) endeavors, and the D&I council leads our activities with a special focus on women. The council identifies women associates with potential and grooms them to become future leaders.

Category	Gender		Age		Total
	Male	Female	30-50	>50	
Board of Directors	10	1	3	8	11
Senior Management	16	3	9	10	19

Diversity of Governance Bodies[48]

While the percentage of women in our workforce is 25%, we also keep track of the percentages of women in different grades and job roles. Women associates are at the helm of several functions and teams in Cyient. Share of women in all management positions is 14%. Women form 13% of our senior management positions within two job levels below the CEO.

Gender Pay Indicators

Cyient encourages and ensures fair, and market benchmarked compensation to all associates. Being a meritocratic and inclusive organization, we do not differentiate between the salaries of men and women associates with comparable experiences and handling similar roles and responsibilities. For almost all levels in the hierarchy, the average pay for women is comparable to that of men.

Our structured talent acquisition policies and framework enable us to attract the right talent,

transcending boundaries of gender, culture, expertise, academics, etc. We believe in pay parity where people of similar education, experience, and job role are offered comparable salaries for all levels. Our remuneration comprises of basic salaries, non-monetary incentives, and allowances. An associate's basic salary does not include bonuses, benefits, or any other compensation from the employer [49].

Associate Category	Ratio of Basic Salary of Women to Men	Ratio of Remuneration of Women to Men
Senior Management (Band G & H)	0.98	1.08
Middle Management (Band E & F)	1.18	1.17
Junior Management (Band C & D)	0.93	0.94
Staff (Band 1 ~ 2 and Band A and B)	0.89	0.89

Table 19: Gender Pay Indicator

Inclusion Ambassador Program

Our inclusion ambassador program is managed by volunteers across our global associates. The inclusion ambassadors are empowered to transform the culture of Cyient through one "nudge" or reminder at a time. The program has helped us mainstream inclusive behaviors and eliminate unconscious biases in recruitment and leadership practices. Our 'No Meeting Wednesdays' are an example of one of the nudges which help associates recognize the importance of using time effectively.

Support for Persons With Disabilities

Persons with disability (PWD) have to face biases daily, which creates many challenges in pursuing professional careers. We have institutionalized our commitment to provide employment opportunities to PWD by tying up with an external agency involved in training and connecting them with potential employers, including Cyient. We carry out sensitization and awareness activities

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[48] GRI 405-1
[49] GRI 405-2

for our managers and senior leaders to help them assimilate such associates into the organization and meet their specific needs like accessibility and accommodation.

9.2.3 Benefits for Associates

We have a bouquet of benefits for our associates, all of which are not mandated by the law. We believe in going above and beyond the regulations to provide additional support to help our associates provide a more fulfilling life for their families.

During the pandemic, organisations had to quickly transition to a work-from-home or hybrid approach. Cyient has provided work-from-home and flexible working hours options to its employees over the last two years. Cyient has a Crèche-Expense Reimbursement Policy to enable the female associate to return to office, this policy supports women employees with children ages 6 months to 6 years old who utilize daycare facilities.

Our benefits include protection in case of death, illness, or disability, different allowances for specific expenses, and thoughtfully curated leave opportunities. The permanent associates on our payroll are offered life, health, and disability insurance. We also encourage both male and female associates, whether permanent or temporary, to avail parental leave. A bereavement leaves over and above the normal allocation of leave is offered in case of the loss of loved ones to all associates. Permanent Associates are also provided retirals and stock options as per eligibility and allowances for food and conveyance. Both permanent and temporary associates are eligible for retirement provisions and transportation[50] .

The provision of parental leave was availed by 114 female associates, of whom 113 returned to work once their leave ended. 375 male associates availed of parental leave, and 374 returned to work after their leave was over. 72 out of 87 female associates and 217 out of 285 male associates who returned to work after availing parental leave have continued with Cyient for more than a year after rejoining work. For FY22, the rate of return to work was 99%, and the retention rate was 77%[51] .

9.2.4 Learning and Development

Training

Our drive for ensuring that our associates can give their best for customers does not end with our hiring practices. We make a wide array of training and development programs available to ensure that our associates continue to grow professionally. The senior management at Cyient set an excellent example for their teams by participating in training enthusiastically.

Apart from the year-long training programs offered for different levels of seniority, we have two streams of development programs for our associates. They are designed as Technical Leadership Program (TLP) and Business Leadership Program (BLP), each with specific objectives.

TLP is directed at subject matter experts (SME) in specific job bands across sectors to become conversant with the latest technology trends. With technology getting outdated rapidly, our SMEs must keep abreast of the latest developments to remain trusted advisors for our customers. The program helps associates better understand customer needs, improve customer experience, manage Intellectual Property, and acquire consultative leadership skills. This year, 40 SMEs participated in our pilot TLP module, covering design thinking, the Internet of Things (IoT), and digital solutions.

BLP is part of our strategy to develop leadership talent within Cyient. BLP is an extensive development program consisting of Workshop Sessions, Leader Talks, and Action Learning Projects. The program aims to help us fill up to 75% of our open leadership positions internally.

This program covers 25 leaders each year. The program seeks to enhance the retention of leaders, promote career growth, improve team engagement and customer satisfaction, and strengthen the leadership pipeline. In FY22, 25 associates participated in this program based on their leadership potential.

Associate category	Number of Participants	Training Hours
Male	12710	725005
Female	4321	338246
ND	5594	92543

Table 20: Hours of training given to Associates in FY 22 by Gender

Associate Category	Participants (No.)	Training Hours
Senior Management (General Manager & Above)	90	1379
Middle Management (Senior Manager to Deputy General Manager)	279	6507
Junior Management (Assistant Manager, Deputy Manager & Manager)	4170	75299
Staff (All Executives, Assistants & Trainees)	11255	156654

Table 21: Hours of Training given to Associates in FY22 by Management Level

In FY22, training hours availed by associates improved across hierarchy and gender. The average training hours utilized per Full-Time Associates (FTE) was 38 hours. The average spends on training per FTE stood at INR 1800 in the same period [52].

Description	No. of Hours offered	No. of person attended
Internal Courses for Skill Upgradation	915875	9411
External Courses for Skill Upgradation	239921	15658

Table 22: Programs for Upgrading Associate Skills

Apart from the internal training programs conducted as per our training calendar, we also provide additional opportunities for skill upgradation in the form of funding support to associates to pursue courses at external institutions[53].

We offer associates a range of skill and leadership development and behavioural programs to help them up-skill and build enriching careers with us. Additionally, we also fund learning and development programs at select institutes to help eligible associates as another way of progressing their careers.

Feedback Level Mechanism

Like any other intervention, training and development programs continue to become more effective if a powerful feedback mechanism is embedded into the learning design of these programs. Cyient uses the globally recognized Kirkpatrick Model to evaluate our training programs holistically. This model considers the effectiveness of the program basis participants' reactions (L1), learning effectiveness through tests or interviews (L2), manager feedback on behavioural applications of learning (L3), and measurable business goals because of the learning (L4).

At Cyient, we evaluate the effectiveness of our training programs using L1 and L3. The L1 feedback is taken from the participants and asks how engaging and relevant to the workplace the session was. We take L3 feedback from the respective managers of all participants to understand whether the training made any change in their workplace behaviour.

Mentorship Program

DIEL 1.0 (Diversity, Inclusion, Equity, and Leadership) is a structured mentorship program launched a few years back to groom female mid-level managers for leadership roles. In the subsequent version, DIEL 2.0, we decided to extend the program's coverage and open it up to all associates irrespective of gender.

Associates Receiving Regular Performance and Career Development Reviews

We provide regular feedback and conduct performance and career development reviews with all our associates[54]. This helps our associates to understand their strengths and weaknesses, which they can work on to strengthen their career paths.

The table below represents the number of associates who received a regular performance and career development review during the reporting period FY 22

Category	Male	Female	Not Defined
Senior Management (General Manager & Above)	65	6	1
Middle Management (Senior Manager to Deputy General Manager)	203	27	0
Junior Management (Assistant Manager, Deputy Manager & Manager)	2508	423	12
Staff (All Executives, Assistants & Trainees)	3929	1480	72

Table 23: Number of Associates Receiving Regular Performance and Career Development Reviews in FY 22

The high levels of associate engagement signify their deep alignment with our mission, vision, and business goals. The levels of engagement have risen steadily over the years, and in FY22, the percentage of associates who felt engaged was 84%.

Associate Engagement (%)	FY 20	FY 21	FY 22
Actively engaged associates	78	86.5	84
Total associates	100	100	100

Table 24: Percentage of Actively Engaged Associates

Well-being of Associates

The reporting year FY22 saw several wellness programs conducted for associates. These activities were categorized under three broad heads – Fun and festival engagements, Associate well-being activities, and Panel discussions.

Many of the engagement activities coincided with different festivals or commemorative days, like Volunteer's Day, Holi, Sankranti, New year virtual bash, Ugadi funfair, and Women's Day. We had events to salute our Covid warriors and another to celebrate wildlife photography.

Our well-being initiatives consider both physical and mental well-being. Such activities included sessions on Lasik surgery, PAP smear test, breast cancer awareness, Covid and vaccinations, sports injuries, obesity, hair and skincare, tummy tuck surgery, behavioral disorders in children, etc.

Virtual panel discussions were held through the year and covered topics like Happiness@Work, gender equality, and professional growth.

The 'C'ynchrony Engagement initiative brought the last quarter of the reporting year alive with a bouquet of 30 different activities. Twelve of these were under the Funtastic Pillar of Engagement, and there were 14 wellness initiatives. We also had four panel discussions with eminent experts from within Cyient and outside.

We saw between 15 to 20% participation in these activities from geographies beyond India.

9.3 Occupational Health and Safety

Ensuring the health, safety, and well-being of our people at the workplace and across our value chain is a strategic imperative for us. Motivated people operating in safe workplaces are critical for our continued ability to meet customer commitments and create long-term sustainable prosperity for all our stakeholders across the value chain. At Cyient, Employee Health and Safety (EHS) parameters are integrated with the Human Resources (HR) framework.

We have a comprehensive Environmental, Occupational Health and Safety (EOHS) policy with appropriate controls, checks, and interventions to address and eliminate EHS risks. Our EOHS policy is publicly disclosed, and meetings with workers' representatives (chosen by workers) are held to communicate relevant information between associates and management[55] . Safety champions trained on EOHS norms are available on every floor of our offices. Half-yearly mock drills are conducted to keep our people aware of existing safety protocols. All employees undergo safety training programs each quarter to learn new protocols or refresh their skills and learnings. These programs include evacuation drills and fire safety drills, among others[56] .

Our efforts to modify, scale, and strengthen our EHS systems run alongside our journey of sustainable growth. We have revamped our online EHS incident reporting tool and incident management procedure to make the process more robust and facilitate easier reporting. The fire and safety teams get notified instantly in the case of any incident[59] .The employee or teams registering the incident are mailed at the beginning of any investigation. They are also kept informed of actions taken, and the process is closed only after informing respective individuals. We are also increasing focus on measures to monitor and avoid kitchen hazards. All Cyient locations in India are equipped with AEDs, so our employees can access these portable, life-saving devices for anyone experiencing sudden cardiac arrest at the workplace.
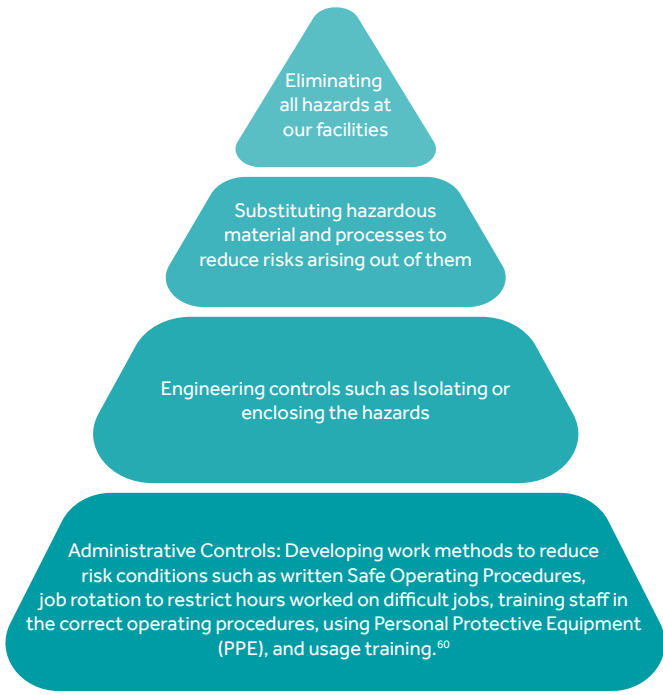
Facilities certified under ISO 45001[57]

- Cyient Limited Corporate Office, Madhapur

- E-City, Bengaluru

- Cyient Australia Pty Ltd., Melbourne

- Cyient Australia Pty Ltd, Sydney

- Cyient Europe, Cheddar

- Cyient DLM Private Limited, Unit-1&2, Mysore

- Cyient DLM Private Limited, Hyderabad

- Cyient DLM Private Limited – Rajajinagar

- Uppal

- Manikonda

To ensure that our employees are healthy and fit to work, we conduct free medical check-ups regularly for our employees to ensure they are in good health and positive frame of mind to deliver their best to Cyient and our stakeholders. Our vendors are mandated to apply the same principle across their operating environments to ensure that we maintain a safe and healthy value chain and minimize disruptions. We have automated our transportation system and strengthened our security systems to reinforce employee safety during their commute to the workplace[58] .

Cyient's EOHS Policy

Cyient shall strive to have a minimal impact on its operations on the environment. We shall ensure the health and safety of all our associates and interested parties in line with our business objectives. Cyient shall implement and comply with applicable legal and regulatory requirements. Our EOHS policy is committed to continuously improving the EOHS management system to prevent any injury to people and minimize pollution. The policy is reviewed periodically to stay relevant to changing times and needs.

Objective of the policy

- Manage environmental, health, and safety system effectively by monitoring the processes and achieve continual improvement

- Provide and maintain a safe work environment

- Protect the environment by minimizing pollution and strive towards optimum consumption of natural resources and energy

- Provide the necessary information, instruction, training, and supervision to ensure the health and safety of all stakeholders

- Elimination of accidents and incidents

[55] GRI 403-4
[56] GRI 403-5
[57] GRI 403-1
[58] GRI 403-6
[59] GRI 403-7

Cyient's hazard management framework

Eliminating all hazards at our facilities

Substituting hazardous material and processes to reduce risks arising out of them

Engineering controls such as Isolating or enclosing the hazards

Administrative Controls: Developing work methods to reduce risk conditions such as written Safe Operating Procedures, job rotation to restrict hours worked on difficult jobs, training staff in the correct operating procedures, using Personal Protective Equipment (PPE), and usage training.[60]

Framework for robust EOHS Management at Cyient

As per the **Aspect Impact, Hazard Identification, Risk Assessment (AIHIRA) Process**, we identify Hazards and Risks to meet applicable environmental regulations and other compliance requirements. The process evaluates potential environmental risks and associated impacts across our operations and directs actions needed to contain or mitigate the same. It also has built-in mechanisms to review. the effectiveness of our endeavors in line with organizational goals.[61]

The policy identifies specific objectives and responsibilities along with operational control frameworks to reduce the impact of Cyient's business on the environment and the health and safety of associates. The recommended measures are implemented across our owned and leased facilities. The responsibility for implementing this procedure lies with the respective location Head, Fire & Safety.

The AIHIRA framework also includes a **Hazard Identification and Risk Assessment (HIRA)** framework. Under this framework, many parameters are assessed, including workplace organization, social factors, routine and non-routine workplace activities, and past incidents, among others. This helps to identify and categorize the possible hazards, which are then recorded in the OR-002-AIHRA Hazard Identification and Risk Assessment statement.
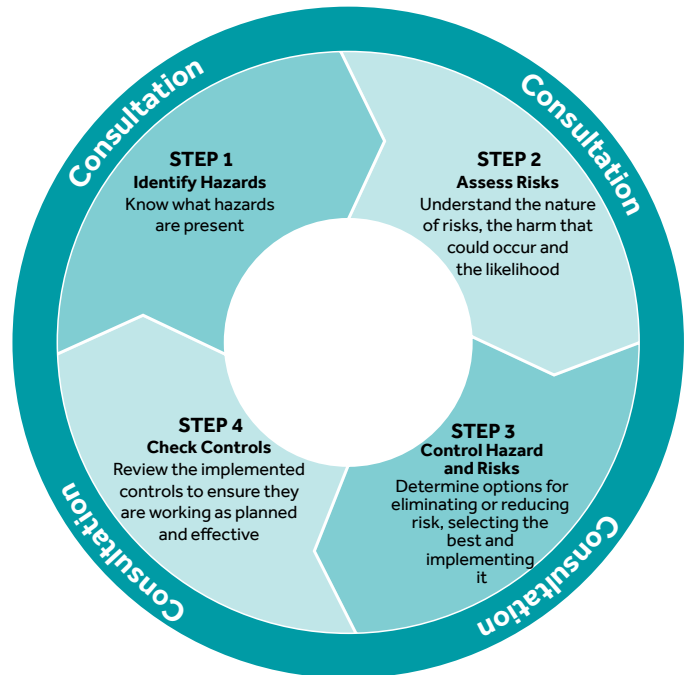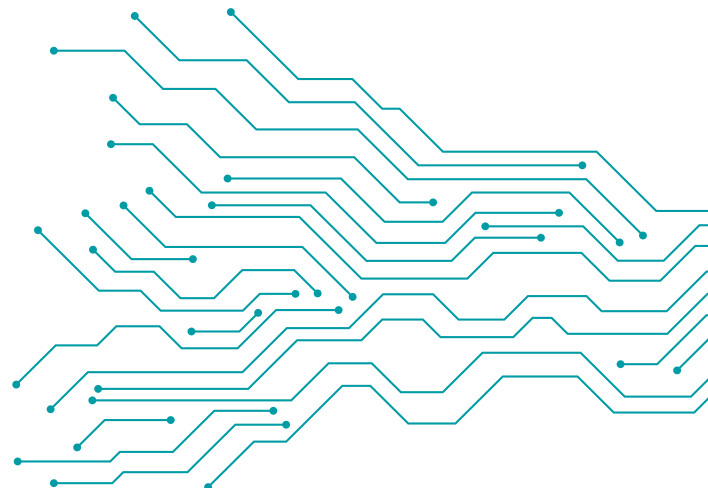

Consultation

STEP 1 Identify Hazards Know what hazards are present

STEP 2 Assess Risks Understand the nature of risks, the harm that could occur and the likelihood

STEP 4 Check Controls Review the implemented controls to ensure they are working as planned and effective

STEP 3 Control Hazard and Risks Determine options for eliminating or reducing risk, selecting the best and implementing it

Figure 26: AIHRA procedure


Hazard Classification	
Chemical hazards	**Biological hazards**
Caused by the physical, chemical, and toxic properties of chemicals, reactive, corrosive, and flammable substances	Animal and insect bites such as snakes, dogs, bees, and rats, exposure to contagious diseases, viral infections, and allergies
General hazards	**Exposure to energy sources**
Falling on slippery areas, tripping on obstacles in walkways, open pits & drains, improper housekeeping, contact with sharp objects	Falling objects, entanglement of rotating machinery, falling from heights while working
Ergonomic	**Exposure to heat**
Repetitive movements, improper set up of workstation, working in confined space and awkward postures, congested place work, inadequate headspace, manual lifting of heavy loads in wrong postures	Steam, hot oil, fire, explosion, electrical shock due to defective electrical appliances, improper maintenance, open electrical circuits
Human behavior	**Job factors**
Carelessness, not adhering to rules or practices, unskilled staff, employees with medical problems	Missing or unclear instructions; Poorly maintained equipment; High workload; Noisy and unpleasant working conditions; Poor design of plant and equipment; ineffective training.
Mental capabilities	
Stress, low understanding, lack of proper communications, disheartened, improper work planning leading to workload, etc.,	Inadequate supervision; Inadequate resources (e.g., people and equipment);

Table 25: Hazard Classification

We have got very encouraging results from proactively identifying workplace hazards and assessing the attending risks so that they can be mitigated. Across our team of associates and vendors, there have been zero injuries and fatalities reported for FY22[62] . Our occupational health and safety management system has ensured that our workplaces worldwide enable Cyient associates and partners to work to their best potential without any physical or psychological risk.

The organization has implemented an occupational health and safety management system for all its associates based on legal requirements and/or recognized standards/guidelines[63] .
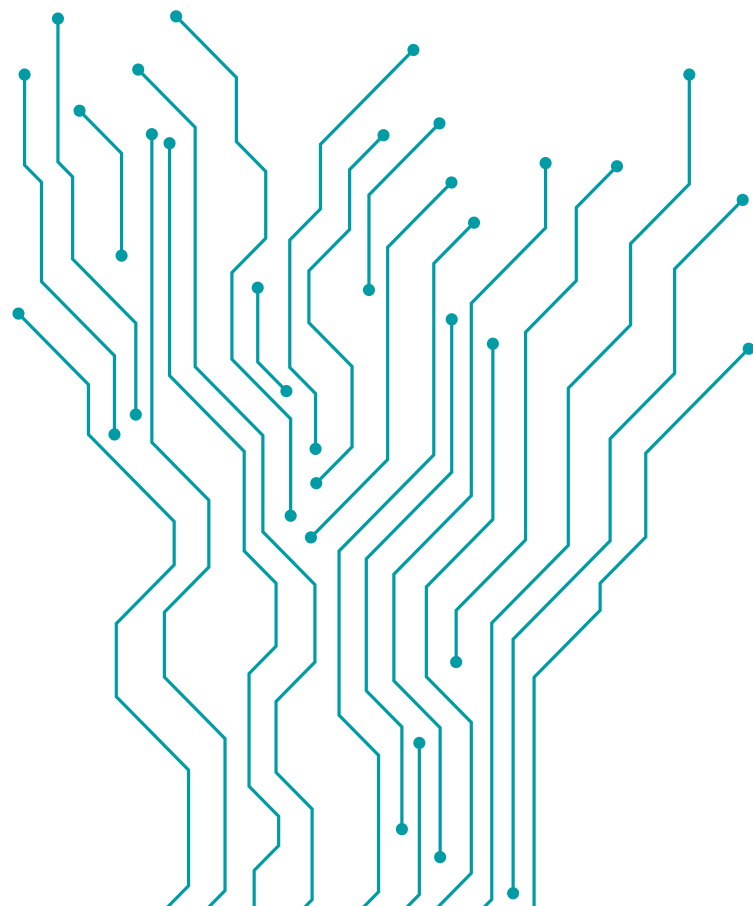
9.4 Community

Empowering the communities in which we operate forms a key pillar of our ESG-led growth strategy. The holistic and inclusive development of society propels India's economic growth, benefiting our company and all our stakeholders. Our Corporate Social Responsibility (CSR) initiatives, led by our philosophy of "Empowering Tomorrow Together," are designed to contribute to the UN SDGs. Our programs leverage technology to facilitate quality education, IT Literacy, and skill-building, protect the environment and foster social innovation. Additionally, we have been at the forefront of enabling our communities to fight the pandemic during the last two years[64].

9.4.1 CSR Governance

Guided by the CSR Committee constituted by our Board, we have a CSR policy as per Section 135 of the Companies Act, 2013 that lays out the roadmap for our community development programs. Our CSR Committee members are Vinai Thummalapally, BVR Mohan Reddy, and Krishna Bodanapu. Our efforts on the ground are spearheaded by the Cyient Foundation and the Cyient Urban Micro Skill Center (CUMSC). We are supported by a network of efficient NGO partners who help deploy program-related interventions to create the desired societal impact. The enthusiastic participation of our associate volunteers further enhances the reach and impact of our CSR programs. The CSR Committee was subsumed on the constitution of the ESG Committee, which currently deals with all related matters. We are already into our' decade of action' and have set ourselves challenging targets for the coming years.

CSR Vision

Our CSR vision is to empower the community through education and sustainable employment. We believe education and skill development can empower any individual. Empowered individuals make a better nation. We are committed to turning our vision into reality by:

- Helping underprivileged children to access the quality education

- Enhancing the skills of unemployed women and youth to gain a sustainable livelihood

- Participating in projects with social innovation aligned with business innovation.

CSR Mission

We aim to achieve long-term, holistic development of the community around us and create and support programs that bring about sustainable changes through education, skills, community development, and quality health care systems. The CSR Policy, projects, and programs may be accessed at http://www.cyient.com/ about-us/corporate-social-responsibility

Awards and Recognitions

Cyient Foundation has been recognized for the last six years with the appreciation and award from CII Telangana for our tree plantation activities. We developed a green belt around National Investigation Agency (NIA), Hyderabad, by planting trees around 1275 meters of pathways in coordination with CII.

Organizations supported[65]

- Governments of Andhra Pradesh and Telangana

- Indian Institute of Technology (IIT), Hyderabad

- Telangana State Aviation Academy

- Greater Hyderabad Municipal Corporation

- Indian School of Business (ISB)

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[64] GRI 413-1
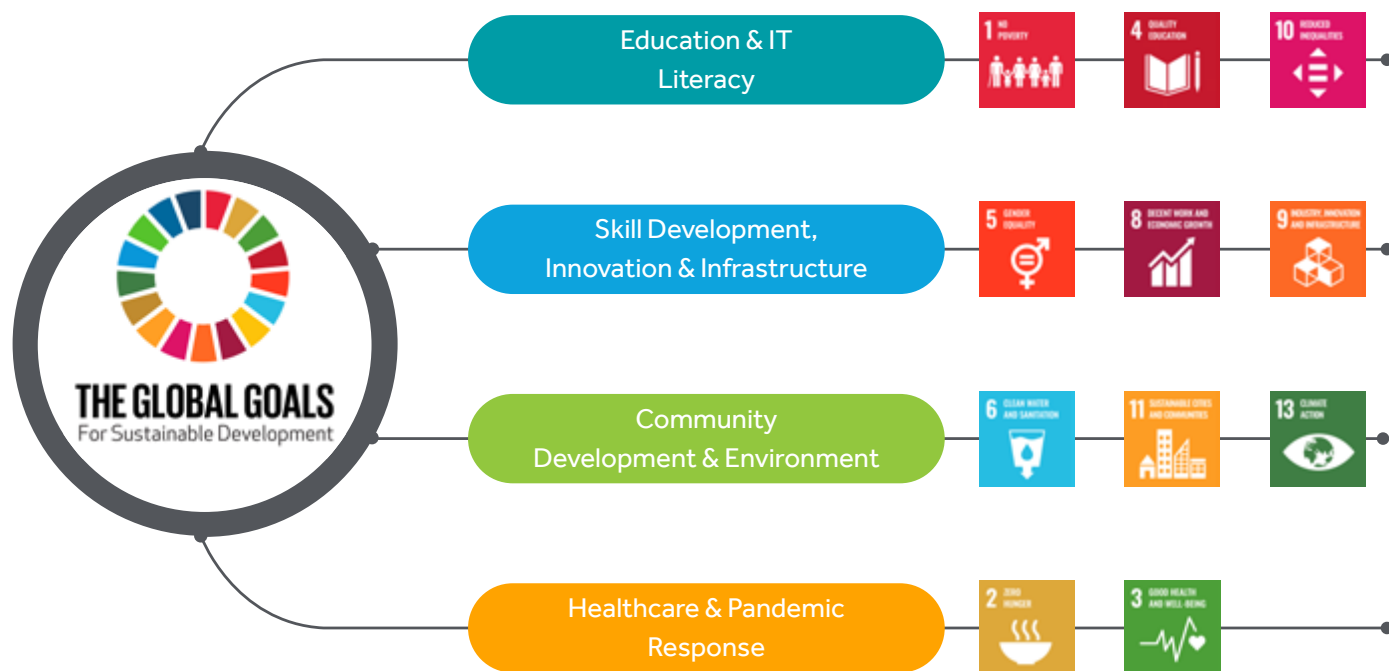[65] GRI 102-12

9.4.2 CSR Intervention

Figure 27: SDG Aligned CSR focus areas

Education and IT Literacy

We believe education can make far-reaching differences to a nation's future. However, millions of children in India are not part of the formal education system. The onset of the pandemic created even more hurdles for underprivileged children to continue with their schooling in a remote mode, given the lack of digital and device access. For more than a decade, Cyient has adopted government schools to enhance the quality of primary and secondary education, broaden access to education and build and upgrade infrastructure to create inclusive and safe learning environments. We also focus on improving teacher capability and competencies and running STEM programs. Additionally, leveraging our technology leadership, we impart basic IT skills to youth and adults to enhance their employability through Cyient Digital Centers (CDCs). The CDCs use the National Digital Literacy Mission curriculum to deliver Level 1 and 2 courses through qualified faculty.

FY22 Highlights

- To date, more than 2.1 lakh children have gained access to quality education through teaching aids, school infrastructure, health, and nutrition, and ICT/IoT facilities in 28 Cyient adopted schools

- Trained over 1000 Government teachers on the usage of ICT

- Improved infrastructure in 28 schools to create inclusive and safe learning environments

CDCs

More than 35,000 children and adults (between 16 and 60 years) in four states of India received IT education at 80 CDCs to improve their employability. This includes 20000+ adult women, of whom 55% had no IT background previously, certified for the Level 1 program. 83% of adults/children who attended the program found it helpful in using and accessing e-governance services. Over 6000 children used CDCs to attend online classes.
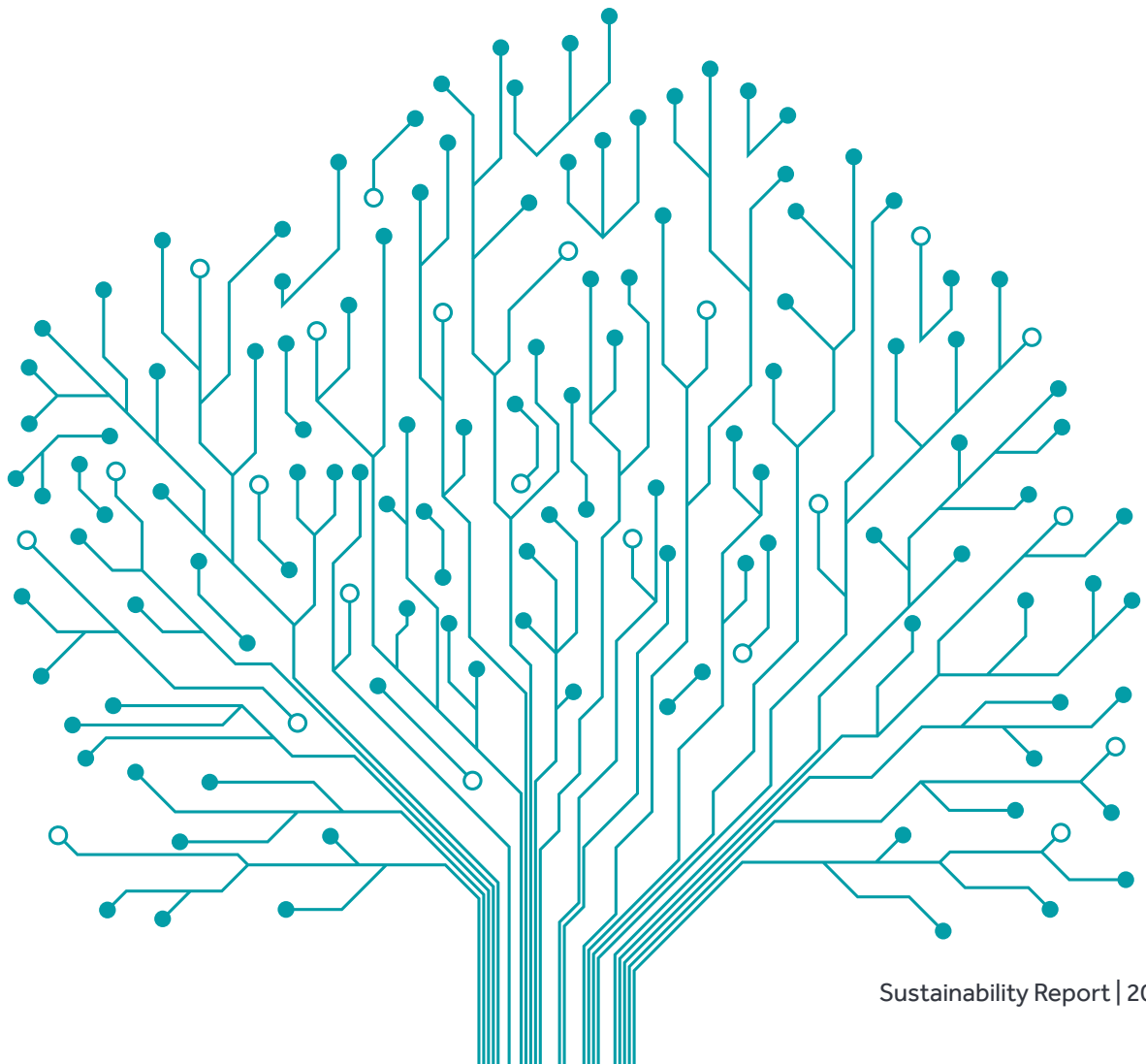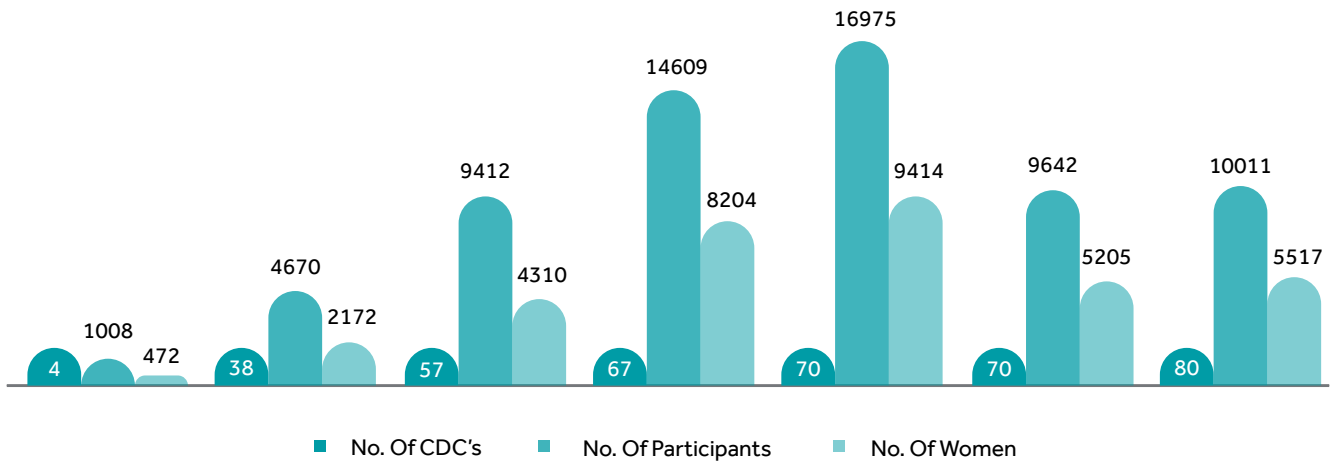
Figure 28: Impact of IT Literacy

In the last seven years women's participation has increased from 45% to 55%, L1 certification has increased from 51% to 80.3% and L2 certification has increased from 47.0% to 78.1%. In FY21 and FY22 over 6000 school children without smart devices attended online classes in the CDCs.

Skill Development, Innovation, and Entrepreneurship

Along with education, the underserved communities urgently need skills that improve their potential for employment. Our CSR programs deliver vocational training to youth and women. These interventions aim to end discrimination against women and girls through skilling and empowerment through CUMSC. We have collaborated with leading institutions like IIT Hyderabad to foster innovation and research. Such collaborations aim to offer a technology platform to future entrepreneurs to fuel the development of technology solutions and industrial diversification.

FY22 Highlights

- CUMSC trained over 2100 unemployed youth and women in tailoring, baking, beauty courses, retailing, and bedside assistance skills for sustainable livelihood generation. Currently, 84% are employed or self-employed

- Cyient IT/ITES Skill Centre trained over 556 rural unemployed diploma holders and graduates (non-engineering) in IT skills in Telangana, enhancing their employability. 499 students have secured employment. Of these, 46% of trainees are women. 95% of the trained and certified candidates were placed in various IT/ITES companies, including Cyient. They are getting an average annual income of INR 2.5 Lakhs.

- Assisted the Telangana State Aviation Academy in establishing a Drone Piloting Skills Laboratory

Community Development and Environment

The promise of a better tomorrow must usher in a healthy existence for all. As we seek ways to prosper economically, we must stay committed to protecting the environment and replenish what we draw from it as feasible. This will ensure that humans and nature can coexist and thrive sustainably. Our endeavors aimed at community development and protecting the environment involved providing safe drinking water, wastewater management & reuse in Cyient Adopted Villages and Schools. We run campaigns and interventions to end open defecation, including a Water, Sanitation, and Hygiene (WASH) program in Serilingampally, Telangana, to improve community sanitation and hygiene. Our efforts also focus on developing urban forests to build safe, inclusive, and green public spaces.

FY22 Highlights

Water Conservation - Harvesting in five Locations

measuring 18,012 Square Meters of Land in and around adopted schools and villages. Developed 41 Rainwater Harvesting pits to recharge groundwater.

Go-Green Initiatives

- Developed over 10,180 Square Meters of Urban Forestry Division Land in Hyderabad into a park

- Planted over 15068 trees, developed water conservation systems

- Planted trees around 1275 Meters pathways in coordination with CII, Developed green belt around National Investigation Agency (NIA), Hyderabad

- An assessment by Hyderabad Management Association (HMA) in technical assistance with Adva Enviro Solutions Private Limited showed groundwater levels increased by 6 to 9 Feet
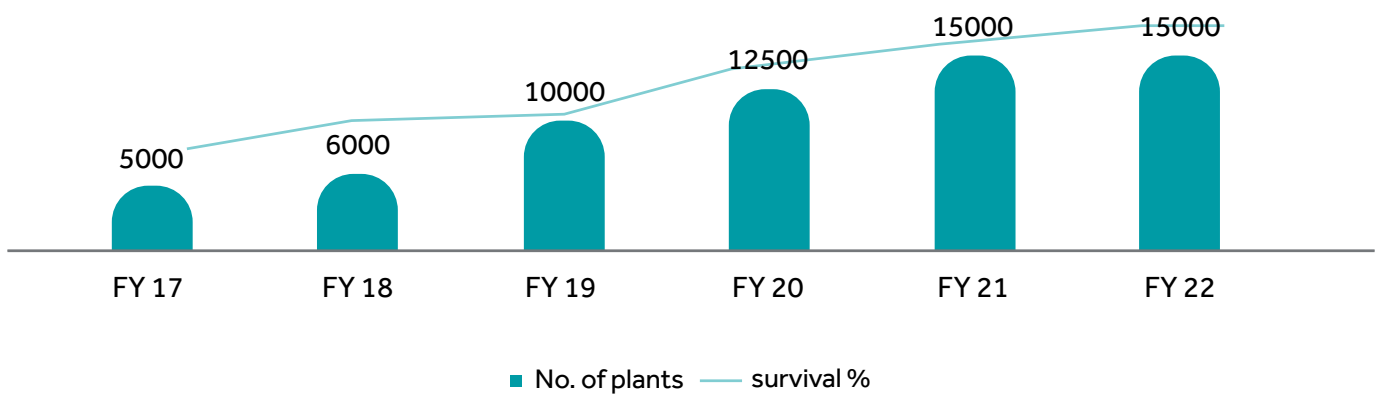

	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
No. of plants	5000	6000	10000	12500	15000	15000

■ No. of plants —— survival %

Figure 29: Telangana Haritha Haram - Plantation Initiative

Plantation spread over 28,000 Square Meters of Land in and around Telangana and AP with 60,000 samplings in the last six years with a survival rate of 85%. Recognized by Confederation of Indian Industry, Telangana for the sixth consecutive year for plantation initiatives.

Healthcare and Pandemic Response

India has made significant progress in improving public health infrastructure. However, given the growing population and emerging healthcare issues, there remains much scope for improvement. At Cyient, our CSR efforts have focused on enhancing community health, especially for women and children. We provide nutritional supplements to women and children to reduce maternal and infant mortality of children below five years through Anganwadis in the adopted villages. We support research to develop affordable medicines and deepen knowledge of sustainable food production and resilient agricultural practices. The Cyient Foundation committed to contributing INR 2 crore to The Asian Healthcare Foundation (AHF) over four years. AHF is recognized as a Scientific and Industrial Research Organization by the Department of Scientific and Industrial Research, Government of India. The contribution will be used to develop innovative healthcare solutions through its science and research facility.

Our healthcare initiative got added impetus due to the support of Cyient associate volunteers in Mokshagundam, where the PHC staff screened over 1282 patients using Cardiac Equipment. These check-ups saved 39 lives from potential heart attack risks in FY22.
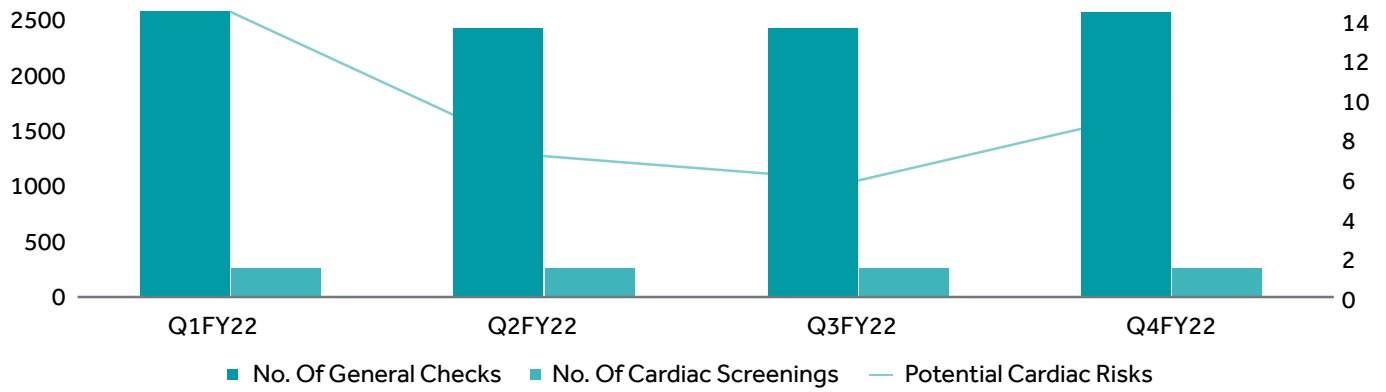
Figure 30: Impact of Healthcare programs

Through the pandemic, we stood by our communities to help them with medical supplies, food, and healthcare facilities. Cyient Foundation continued assisting the Governments of AP, Telangana, and Karnataka, as well as the Ministry of Healthcare and Greater Hyderabad Municipal Corporation, in fighting the pandemic. Through FY22, we

- Assisted in developing makeshift hospitals and treated over 10,000 Covid-19 patients. Provided over 57,525 free quality packed meals to patient attendees in and around Covid-19 Care Centres.

- Distributed over 6,120 dry ration kits to the needy in the community

- Supported the state governments of Telangana & Andhra Pradesh by distributing more than 3.36 lakh masks and over 19,000 PPE Kits to health workers, community members, and school children. These items were stitched by CUMS trainees.

- Funded 7,009 RT-PCR Tests for those who could not pay

- The Cyient Urban Micro Skill Centre and our implementation partners trained over 1000 bedside care attendants who were deployed in Covid-19 Care Centres, Isolation Centres, and Government Hospitals

Associate Volunteering Contributions

It is a source of immense pride and satisfaction for Cyient that our associates firmly believe in walking the talk. This is evident from the hearty participation of our associates in our CSR activities. Close to 1700 associates have collectively volunteered almost 30,000 hours of their time in the reporting year. Our associate volunteering efforts have brought solace and succor to many and boosted our efforts to create a better tomorrow for many.

Activity	No. of Volunteers	No.of Volunteering Hours	Impact Created/Outcome
Audio recording: Digital Audio recording Centre (Digital Library)	106	424	Textbook recording for converting Textbook to audio format
Teachers Capacity Building Teachers Training	161	6888	Trained 557 Government School teachers on ICT Usage
Covid19 Relief Work	993	26232	Participated in distribution drives for food and other essentials
Environmental Interventions	437	1370	Urban Land Development and Plantation

Table 26: Impact of Associates Volunteering

Community Development through village adoption; building blocks of a Smart Village

Moksha Gundam Village in Bestavaripeta Mandal in Prakasam District of Andhra Pradesh, India, was plagued with a lack of necessities, such as good education infrastructure, clean water, sanitation, and healthcare. Poverty, gender discrimination, and inequality were the other societal challenges. With this backdrop, to achieve a long-term, holistic community development, Cyient Foundation adopted Mokshagundam village about seven years ago.

Mokshagundam village was a classic case of backwardness and underdevelopment due to a lack of infrastructure and planning. The village had no drinking water supply at home, though all households had a pipe connection. While space provisions were made, 50 houses did not have a toilet. The village lacked a primary healthcare center, with residents being forced to travel 13 km for medical assistance. This also resulted in limited or no intervention to avoid malnutrition among the backward and socially challenged communities, with an annual death ratio of 3% among children below six years.

For education, the village had two Aanganwadi centers and one upper primary school, which lacked funds. About 130 children from cultivation laborers and daily wage laborers families attended classes from first to the eighth class, primarily to receive a meal under the mid-day meal scheme.

The project

Cyient adopted a multi-pronged approach as part of its interventions to fulfill its quest of bringing social upliftment to create a model smart village. Over the years, Cyient focused on building water and sanitation facilities, constructing roads and other infrastructure, energizing education, and healthcare facilities, and preserving heritage to help change Mokshagundam.

Education

Cyient adopted the village school and developed necessary infrastructures like appointing teachers, building, and creating digital classrooms with labs and computers, and facilitating sanitation and clean drinking water.

Outcome

- 100% attendance in school among 6 to 15 years
- Achieved 86% IT literacy in the community and on e-Governance awareness

Water and sanitation

Cyient developed three RO plants and installed prepaid swipe machines to supply water through prepaid cards, supplying purified water to 3000+ households. We also helped provide four borewells and water harvesting pits for groundwater recharge. With the support of the Panchayati Raj Department, Cyient got the village's overhead tank constructed to supply water through existing pipelines. To stop open defecation and promote hygiene, Cyient worked with the government to build toilets in the houses and community areas and provide water supply to hospitals, temples, and Panchayat offices.

Outcome

- 0% open defecation
- Water supply to 3000+ households
- Water conservation and groundwater recharging

Roads and Infrastructure

Under the public-private partnership with the Panchayati Raj Ministry, Cyient completed over six kilometers of concrete and black-top roads in the village

Outcome

- Concrete and blacktop roads
- Close engagement with the government on PPP models

Healthcare

Under the Cyient SMART Village Smart Ward, we have leveraged innovation in healthcare to deliver on our commitments. The Mokshagundam village lacks critical equipment for cardiac-related testing, and villagers are referred to Nandyal, 75 Kilometers away, for a check-up and related diagnosis.

To bring screening closer to the village, Cyient Foundation, in association with Cardiac Design Labs (CDL) of Bangalore, donated an advanced ECG portable device that is easy to operate and transport. Specialists from CDL and Cyient trained the PHC and nearby doctors and the nursing staff to use the equipment.

Outcome

- Achieved 0% malnutrition and 0% early deaths

- Initial cardiac screening done at the PHC for over 1282 patients around the village

- Saved over 35 lives from potential heart attack risks during Covid19 restrictions

Protecting heritage

To support the village's heritage and culture, Cyient refurbished the Shri Mukteswaram temple by building sanitation facilities and painting work the premises.

Education Initiatives – Providing Quality Education to Underprivileged Children in Government Schools

A study covering government schools was carried out in Hyderabad, Ranga Reddy Districts of Telangana & Kakinada Rural, and Prakasam Districts of Andhra Pradesh between 2017 to 2022. It showed that one of the region's most significant challenges was increasing new admissions and reducing dropouts in Government schools. Children from the low socio-economic class do not pursue schooling due to financial problems. Quality education is out of reach for underprivileged children. A large segment of students from disadvantaged and the SC/ST communities struggle to complete even the SSC level and are hence not eligible for jobs.

Government Schools lack basic facilities such as classrooms, blackboards, drinking water, and sanitation facilities. Over 50% of the government schools in Telangana and Andhra Pradesh do not have electricity and lack Computer and science labs and libraries. Inexperienced teachers, high student-teacher ratios, and dated learning methodologies discourage students from enrolling in government schools.

The Cyient Foundation took up the cause of enhancing the capabilities of these government schools in Telangana and Andhra Pradesh.

Our Strategy

We started our initiative by adopting two government schools having 850 children in 2007-08. Our goal was to provide facilities at par with Kendriya Vidyalaya at these schools.

The Foundation built classrooms, restored electricity in the labs, and provided blackboards, drinking water, and sanitary facilities. Cyient Digital Centers and Cyient Digital Libraries were established in these schools to enhance the quality of education. The Foundation appointed teachers (Cyient Vidya Volunteers) to supplement the teaching staff.

The Foundation provided notebooks, school uniforms, examination kits, and nutritious food supplements to attract students to these schools. The teacher-pupil ratio was improved to 1:4 with a focus on science, math, and English teachers. The curriculum was enhanced to inculcate leadership qualities and soft and life skills. A female teacher was included in each shift to encourage girl students to join. Special sensitization campaigns through Cyient volunteers and separate sanitation facilities were set up for girls to encourage parents to send their daughters to school. Additionally, Cyient Associates volunteers meet children, parents, and community members to create awareness of education and its social impact. The volunteers conduct career guidance programs for SSC pass students and demonstrate sustainable earning sources.

Currently, the Foundation supports 28 schools benefiting over 20500 students. The overall dropout rates in these adopted schools have reduced to 4%, and for the girls, it has reduced to 3%. Girl child literacy increased to 88%. No malnutrition cases have been reported in the schools, and open defecation in the school premises has stopped.
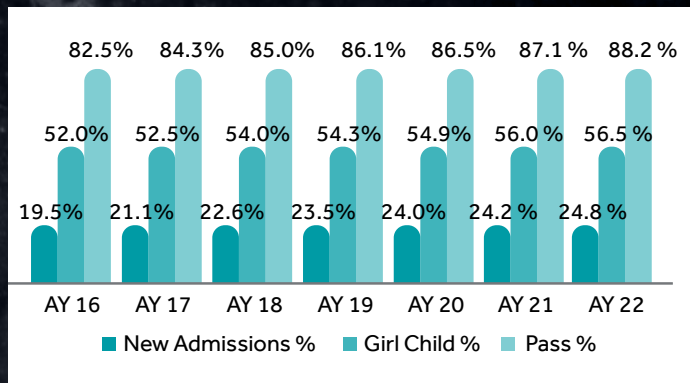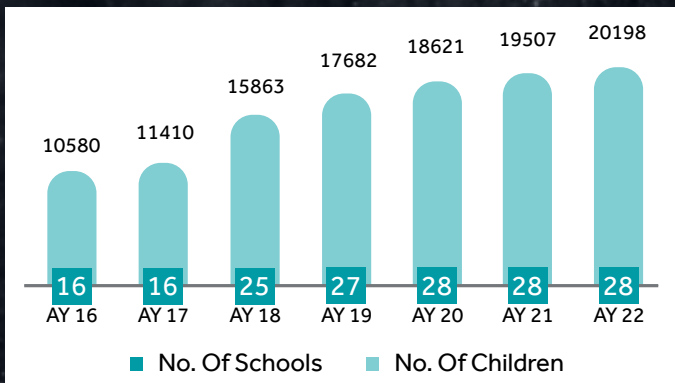
Figure 31: Impact of Education programs

In the last five years, new admissions increased from 19.5% to 24.8% and girl child enrolment increased from 52.0% to 56.5% and SSC pass % increased from 82% to 88.2%. In FY22, Cyient supported 20100+ children in 28 adopted schools in and around our facilities across India

Coming Full Circle:
From Student to Teacher

E Ravali gets up early each day to help her mother with daily chores before heading out to the school where she works as a volunteer. It has been the same routine ever since she can remember. "Earlier I helped before going to school to learn and now I help before going to school to teach, "she says with a smile.

Ravali's father worked as a watchman, and her mother was a cleaner at a Cyient-adopted school in Hyderabad. With no economic support, completing her education was a distant dream. Ravali started studying in the same school where her parents worked. After completing Grade 10, she was selected in the Civil Engineering Diploma program at the Polytechnic for Women in Vikarabad. However, financial constraints did not allow her to take up the program.

It was then that Ravali and her parents approached the Cyient Foundation for financial aid. "With the help of the Foundation, I could complete my engineering studies and earn this diploma," she says.

"When I was still a student, Cyient's Chairman, Mr. BVR Mohan Reddy visited our campus on Independence Day and spoke about giving back to society. Something clicked and I knew then that I would be part of that "giving back" process," she adds.

Today, Ravali is a diploma holder in civil engineering and also works as a vidya volunteer at another Cyient adopted school. "I hope Cyient's warm-hearted association with me stays forever." The Cyient Foundation hopes for that too.

Chain of Change:
It Begins with Us

Balancing the responsibilities of a full-time job with voluntary work is not easy. However, when you are employed with an organization that ardently gives back to society, it becomes just that much easier.

An active member of our more than 4,000- strong CSR volunteer team, Siva Jyothi Sankham has regularly contributed to the community support programs initiated by the Cyient Foundation. From imparting computer education and leading summer camps at Cyient-supported schools to conducting career counseling sessions and inspiring financially weak parents to educate their children, Siva Jyothi has done it all.

She has worked relentlessly to create health and hygiene awareness in Cyient-adopted schools with special lectures for girls on menstrual hygiene and awareness and helped students learn ergonomic exercises. Conducting evening classes and raising road safety awareness are some of her regular contributions. Such is her commitment that Siva Jyothi has also involved her family member in contributing to the causes she believes in.

"Every month, the first and the third Saturdays are booked for school visits with my family who help conduct extracurricular activities for middle school students. It's so humbling to be greeted by these children who welcome me with 'Namaskaram teacher' or Good morning akka,' and enthusiastically ask about the programs I will be conducting next."

Her nine-year-old daughter is an active participant in all of Siva Jyothi's sessions and is already turning into an art and craft mentor for the students at Cyient-supported school. The Cyient Foundation is privileged to have associates who go all out to make a difference in the world we live in.

Towards building a sustainable livelihood program for the unemployed, disadvantaged urban youth

The economic value of education and skills in economic development is widely known. Cyient believes that the role of skill and education impacts productivity, employability, and human capital formation. It also has a profound positive influence on reducing the level of poverty.

Cyient's background in designing systems and solving complex problems helped bring in several experiences and deploy technology-based solutions to make the existing skill development ecosystem more effective

With this backdrop, Cyient Foundation has established the Cyient Urban Micro Skill Centre (CUMSC), the flagship initiative of Cyient Foundation and the Cyient IT/ITES Skill Centers, which acts as a platform between academia and industry in the Telangana state. CUMSC has been developed as a PPP model with the Telangana Government.

It brings together the government, corporates, non-profits, and citizens for the common purpose of social development.

We pioneered a collective action model to bring about large-scale social transformation across the city of Hyderabad and Ranga Reddy District. Participants are trained in baking, beauty services, retailing, and bedside assistance. It empowers them to be self-employable or have access to sustainable skilled employment through industry connects.

One of the projects at the CUMSC was to foster environment-friendly initiatives in communities by discouraging plastic usage and promoting cloth and paper bags. CUMSC women stitched 36,580 cloth and paper bags and sold them through the District Collector's office in Rangareddy, Telangana.

In one of the largest urban slums of Serilingampally Mandal, Telangana, Cyient Foundation has built a state-of-art skill center as per the National Skill Development Corporation, India guidelines. The Cyient IT/ITES Skill Centre provides IT literacy to non-IT literates, including basic internet skills to enhance their employability. The skills centre works with unemployed diploma holders and graduates. It also runs a crèche for underprivileged working women.

Some of the other key interventions in CUMSC and Cyient IT/ITES Skill Centres include community mobilization. A comprehensive placement ecosystem has been created with the support of Cyient CSR Volunteers, implementation partners, the local community, and NGOs. In addition, structured counselling for making appropriate career choices is provided to aspirants.

Every three months, a batch of 50 youth train at these centres. The Cyient Foundation provides free food and accommodation to all the candidates.

Impact and Outcome

CUMSC has helped beneficiaries to increase their monthly earnings by at least Rs. 5000 to Below Poverty Line communities. It has helped women gain independent income through employment and entrepreneurship.

Some of our interventions have had enthusiastic participation:

Course Name	No. of Trainees	Women (%)	Employed	Employment (%)
Tailoring	449	100	386	86
Retailing	380	82	304	80
Beauty	348	100	267	76
Bakery	324	86	265	81
Bedside Care	1006	100	945	94

Table 27: Impact of CUMSC skill development interventions

The Cyient Urban Micro Skill Center (CUMSC) has trained 2,507 unemployed youth and women in tailoring, baking, beauty courses, retailing, and bedside assistance skills. It provided 100% placement assistance and helped in sustainable livelihood generation.

The CYIENT IT/ITES Skill Centre has trained 17 batches, comprising 556 students, including 46% women. Among these, 499 students were successfully placed. 95% of the candidates have been placed at various IT/ITES companies, including Cyient. The average income of those placed in jobs stands at Rs. 2.5 lakhs per annum.

CUMSC and IT/ITES Skill centres scientific approach:

- Decentralised and locally driven skill development initiatives

- Creating awareness and mobilisation

- Creating capacities/ infrastructure

- Integration, Mobility and Transition

- Greater industry linkage

10 APPENDIX

10.1 Abbreviations

Abbreviation	Full form
AED	Automated External Defibrillator
AIHIRA	Aspect Impact, Hazard Identification, Risk Assessment
ASIC	Application-Specific Integrated Circuits
APAC	Asia-Pacific
AHF	Asian Healthcare Foundation
BLP	Business Leadership Program
BSE	Bombay Stock Exchange
C&U	Communication and Utilities
CEO	Chief Executive Officer
CETP	Common Effluent Treatment Plant
CDC	Cyient Digital Centers
CII	Confederation of Indian Industry
CoE	Center of Excellence
COVID-19	Corona Virus Disease
CNG	Compressed Natural Gas
CSR	Corporate Social Responsibility
CSP	Communication Service Providers
CUMSC	Cyient Urban Micro Skill Center
CSAT	Customer Satisfaction
D&I	Diversity and Inclusion
DIEL	Diversity, Inclusivity, Equity driven Leadership
DG	Diesel Generators
DLM	Design-led Manufacturing

Abbreviation	Full form
DLP	Data Leak Prevention
EHS	Environment, Health and Safety
ELP	Emerging Leader Program
EMEA	Europe, the Middle East, and Africa
EOHS	Environmental, Occupational, Health and Safety
ERM	Enterprise Risk Management
ER&D	Engineering and Research and Development
ESG	Environment, Social and Governance
EU-GDPR	European Union - General Data Protection Regulation
FCPA	Foreign Corrupt Practices Act
FIRST	Fairness, Integrity, Respect, Sincerity, Transparency
FOTA	Firmware over-the-Air
FTE	Full-Time Employee
GJ	Giga Joules
GHG	Green House Gas
GRI	Global Reporting Initiative
GDPR	General Data Protection Regulations
HMA	Hyderabad Management Association
HMLR	HM Land Registry
HRD	Human Resource Development
ICT	Information, Communication and Technology

Abbreviation	Full form
IC	Integrated Circuit
IGBC	Indian Green Building Council
IIT	Indian Institute of Technology
INR	Indian Rupee
IoT	Internet of Things
ISB	Indian School of Business
ITES	Information Technology Enabled Services
IAQG	International Aerospace Quality Group
ISMS	Information Security Management System
KL	Kilo Litre
LEAP	Leadership Accelerator Programme
LED	Light-emitting diode
LEED	Leadership in Energy and Environmental Design
LODR	Listing Obligations and Disclosure Requirements
LPG	Liquefied Petroleum Gas
MSA	Mail Submission Agent
MD	Managing Director
MoU	Memorandum of Understanding
MT	Metric Ton
NAM	North America
NIA	National Investigation Agency
NVGs	National Voluntary Guidelines
NDLM	National Digital Literacy Mission

Abbreviation	Full form
NGO	Non-Governmental Organization
NHRD	National Human Resource Development
NSE	National Stock Exchange
OEM	Original Equipment Manufacturer
PUE	Power Usage Effectiveness
PCB	Pollution Control Board
PCBAs	Printed Circuit Board Assemblies
PoSH	Prevention of Sexual Harassment
PPE	Personal Protective Equipment
PWD	Persons with Disability
RT-PCR	Reverse Transcription-Polymerase Chain Reaction
SaaS	Software-as-a-Service
SEBI	Securities and Exchange Board of India
S&P	Standard and Poor
SME	Subject Matter Experts
SPDP	Smart Power Distribution Panel
STP	Sewage Treatment Plant
STEM	Science, Technology, Engineering, and Mathematics
SSC	Secondary School Certificate
UK	United Kingdom
UN SDGs	United Nations Sustainable Development Goals
USA	United States of America
USGBC	U.S. Green Building Council

10.2 GRI Content Index

GRI Standard	Disclosure Title	Page number
GRI 102: General Disclosures		
Organizational profile		
102-1	Name of the organization	11
102-2	Activities, brands, products, and services	11
102-3	Location of headquarters	15
102-4	Location of operations	21
102-5	Ownership and legal form	Cyient is a public limited company registered under the Company Act 1956
102-6	Markets served	15
102-7	Scale of the organization	15
102-8	Information on employees and other workers	71
102-9	Supply chain	62
102-10	Significant changes to the organization and its supply chain	62
102-11	Precautionary Principle or approach	42
102-12	External initiatives	81
102-13	Membership of associations	16
Strategy		
102-14	Statement from senior decision-maker	4
Ethics & Integrity		
102-16	Values, principles, standards, and norms of behavior	11
Governance		
102-18	Governance structure	37
102-26	Role of highest governance body in setting purpose, values, and strategy	37
Stakeholder Engagement		
102-40	List of stakeholder groups	24
102-41	Collective bargaining agreements	70
102-42	Identifying and selecting stakeholders	24
102-43	Approach to stakeholder engagement	24
102-44	Key topics and concerns raised	24
Reporting Practices		
102-45	Entities included in the consolidated financial statements	49
102-46	Defining report content and topic Boundaries	21
102-47	List of material topics	25

GRI Standard	Disclosure Title	Page number
102-48	Restatements of information	No change
102-49	Changes in reporting	21
102-50	Reporting period	21
102-51	Date of most recent report	17
102-52	Reporting cycle	21
102-53	Contact point for questions regarding the Report	21
102-54	Claims of reporting in accordance with the GRI Standards	21
102-55	GRI content index	100
102-56	External assurance	106
Management Approach		
103-1	Explanation of the material topic and its Boundary	37,49,53,67
GRI 200: Economic Performance		
Economic Performance		
201-1	Direct economic value generated and distributed	50
207-1	Approach to tax	50
207-2	Tax governance, control, and risk management	50
Procurement Practices		
204-1	Proportion of spending on local suppliers	63
Anti-Corruption		
205-1	Operations assessed for risks related to corruption	43
205-2	Communication and training about anti-corruption policies and procedures	43
GRI 300: Environment Performance		
302-1	Energy consumption within the organization	53
302-3	Energy Intensity	55
302-4	Reduction of energy consumption	54
Water and Effluents		
303-4	Water discharge	60
303-5	Water consumption	60
Biodiversity		
304-3	Habitats protected and restored	62
Emissions		
305-1	Direct (Scope 1) GHG emissions	58
305-2	Energy indirect (Scope 2) GHG emissions	58
305-5	Reduction of GHG emissions	58

GRI Standard	Disclosure Title	Page number
Effluents and Waste		
306-3	Waste generated	61
306-5	Waste directed to disposal	61
Environment Compliance		
307-1	Non-compliance with environmental laws and regulations	53
Supplier environmental assessment		
308-1	New suppliers screened for environmental performance	63
GRI 400: Social Performance		
Employment		
401-1	New employee hires and employee turnover	72,73
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	75
401-3	Parental leave	75
Occupational Health and Safety		
403-1	Occupational health and safety management System	78
403-2	Hazard identification, risk assessment, and incident investigation	79
403-3	Occupational health services	79
403-4	Worker participation, consultation, and communication on occupational health and safety	78
403-5	Worker training on occupational health and safety	78
403-6	Promotion of worker health	78
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	78
403-8	Workers covered by an occupational health and safety management system	80
403-9	Work-related injuries	80
403-10	Work-related ill health	80
Training and education		
404-1	Average hours of training per year per employee	76
404-2	Programs for upgrading employee skills and transition assistance programs	76
404-3	Percentage of employees receiving regular performance	77

GRI Standard	Disclosure Title	Page number
Diversity and equal opportunity		
405-1	Diversity of governance bodies and employees	71,74
405-2	Ratio of basic salary and remuneration of women to men	74
Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	70
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	70
408-1	Operations and suppliers at significant risk for incidents of child labor	70
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	70
411-1	Incidents of violations involving rights of indigenous peoples	70
Community		
413-1	Operations with local community engagement, impact assessments, and development programs	81
413-2	Operations with significant actual and potential negative impacts on local communities	None of our operations have a negative impact on the local communities
Supplier social assessment		
414-1	New suppliers screened as per social criteria	63
Public Policy		
415-1	Political contributions	71
Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	47
Socio-economic compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	67

10.3 List of Figures and Tables

Assurance Statement

The Directors and Management,
Cyient Limited,
Plot No. 11, Software Units Layout,
Infocity, Madhapur, Hyderabad - 500 081, India

Cyient Limited (hereafter 'Cyient') commissioned TUV India Private Limited (TUVI) to conduct independent external assurance of non-financial ESG performance indicators disclosed in Cyient's Sustainability Report (hereinafter 'the Report') for the period April 01, 2021 to March 31, 2022. This engagement was comprised a "limited assurance" of Cyient's sustainability information for the applied reporting period. The Verification was conducted from August 2022 to December 2022 through remote assessments at the Cyient Corporate Office, and the sampled locations as stated under the para "Scope and Boundary" below. The Report is based on the principles of GRI 2020 standards. This assurance engagement was conducted in accordance with ISAE 3000 (revised).

Management's Responsibility

Cyient has developed the Report content and is responsible for identification of materiality, corresponding sustainability issues, identifying, establishing, reporting performance management, data management, and quality. The management of Cyient is responsible for the information provided in the Report as well as the process of collecting, analysing and reporting the information presented in web-based and printed Reports, including website maintenance and its integrity. The Cyient 's management is responsible for the accurate preparation of the Report in accordance with the applied criteria in such a way that it is free of intended or unintended material misstatements.

Scope and Boundary

The scope of work includes limited assurance of the following non-financial performance / KPI disclosures as disclosed in the Report. In particular, the assurance engagement included the following:
  i.   Review of the disclosures submitted by Cyient;
  ii.   Review of the quality of information;
  iii. Review of evidence (on a sample basis) for identified non-financial indicators

TUVI has verified the below-mentioned disclosures given in the Report:

Topic	Indicator	GRI Disclosure
Governance	Governance structure	102-18
Water	Water consumption	303-5
Waste	Waste generated	306-3
Emissions	Direct (Scope 1) GHG emissions	305-1
	Energy indirect (Scope 2) GHG emissions	305-2
Energy	Energy consumption within the organization	302-1
	Energy intensity	302-3
	Reduction in energy requirements of products and services	302-4
Occupational Health and Safety	Occupational health and safety management system	403-1
	Worker participation, consultation, and communication on occupational health and safety	403-4
	Work-related injuries	403-9
Employment	New employee hires and employee turnover	401-1
	Benefits provided to full-time employees that are not provided to temporary or part-time employees	401-2
	Parental leaves	401-3
Diversity and Equal Opportunity	Diversity of governance bodies and employees	405-1
	Ratio of basic salary and remuneration of women to men	405-2

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Training and education	Training and education	404-3
Local communities	Operations with local community engagement, impact assessments, and development programs	413-1
Customer Privacy	Substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1

The reporting boundaries for the above topics include 38 locations across 18 countries in the Europe, Middle East, and Africa (EMEA), North America (NAM), and Asia Pacific (APAC) region. A remote verification (via, web-based video conference calls, and telephone calls), was conducted at India Corporate Office and below locations from August 2022 to December 2022:

1. *Manikonda- C96C+J5J, Lanco Hills Rd, Sai Vaibhav Layout, Manikonda Jagir, Telangana 500089,*
2. *Madhapur, Jubilee Enclave, HITEC City, Hyderabad, Telangana 500081),*
3. *79, 1, Mundhwa Rd, Pingale Wasti, Koregaon Park Annexe, Mundhwa, Pune, Maharashtra 411036,*
4. *Plot No. - 7, Dadri Main Rd, Noida Special Economy Zone, sec 82, Phase-2, Noida, Uttar Pradesh 201305*
5. *NGO's Quarters, Rajaji Nagar Industrial Town, Rajajinagar, Bengaluru, Karnataka 560044.*

The assurance activities were carried out together with a desk review as per reporting boundary.

Limitations

TUVI did not perform any assurance procedures on the prospective information, such as targets, expectations, and ambitions, disclosed in the Report. Consequently, TUVI draws no conclusion on the prospective information. During the assurance process, TUVI did not come across any limitation to the agreed scope of the assurance engagement. TUVI expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement.

Our Responsibility

TUVI's responsibility in relation to this engagement was to perform a limited level of assurance and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) for limited non-financial indicator. This engagement did not include an assessment of the sufficiency of the principles of GRI Standards: Core option, and ISAE 3000 (revised), other than those mentioned in the scope of the ESG data assurance. TUVI's responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial quantitative and qualitative information disclosed by Cyient. This assurance engagement assumes that the data and information provided to us by Cyient are reliable, complete and true.

Verification Methodology

During the assurance engagement, TUVI adopted a risk-based approach, focusing on verification efforts with respect to disclosures. TUVI has verified the disclosures and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

i.   TUVI examined and reviewed the documents, data, and other information made available by Cyient for non-financial disclosures;
ii.   TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of Cyient;
iii. TUVI reviewed the level of adherence to principles of GRI standards: Core option.
iv.   TUVI examined and reviewed the documents, data (on sample basis) and other information made available by Cyient for the reported disclosures including the Management Approach and performance disclosure;

Opportunities for Improvement

The following are the opportunities for improvement reported to Cyient. However, they are generally consistent with Cyient management's objectives and programs. Cyient already identified below topics and Assurance team endorse the same to achieve the Sustainable Goals of organization.

i.   In order to strengthen the database, Cyient can develop dedicated EGS platform to capture the sustainability performance data online;
ii.   In order to make progress transparent to all stakeholders, Cyient may start reporting annual

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basis achievements of targets;

iii. Cyient may perform GHG verification of all the indirect GHG emissions sources as per ISO 14064 Standard;

iv. Cyient can establish and conduct an internal audit of sustainability disclosure data. Periodic validation and verification of data can be performed by the internal team.

Our Conclusion

In our opinion, based on the scope of this assurance engagement, the disclosures on sustainability performance reported in the Report along with the referenced information provides a fair representation of the material topics, related strategies, and performance disclosures and meets the general content and quality requirements of the GRI Standards: Core option.

Disclosures: TUVI is of the opinion that the reported disclosures generally meet the GRI Standards reporting requirements in accordance with the "Core" option. Cyient refers to general disclosure to report contextual information about Cyient, while the Management Approach is discussed to report the management approach for each material topic.

Universal Standard: Cyient followed GRI 101: Reporting Principles for defining report content and quality, GRI 102: General Disclosures were followed when reporting information about an Organization's profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process. Furthermore, GRI 103 was selected for Management's Approach on reporting information about how an organization manages a material topic. TUVI is of the opinion that the reported specific disclosures for each material topic generally meet the GRI Standards reporting requirements in accordance with the "Core" option.

Topic Specific Standard: 200 series (Economic topics), 300 series (Environmental topics), and 400 series (Social topics); These Topic-specific Standards were used to report information on the organization's impacts related to environmental and social topics. *TUVI is of the opinion that the reported material topics and Topic-specific Standards that Cyient used to prepare its Report are appropriately identified and addressed.*

Limited Assurance Conclusion: Based on the procedures we have performed, nothing has come to our attention that causes us to believe that the information subject to the limited assurance engagement was not prepared in all material respects. TUVI found the sustainability information to be reliable in all material respects, with regards to the reporting criteria ("Core") of the GRI Standards.

This assurance statement has been prepared in accordance with the terms of our engagement. In accordance to the ISAE 3000 (revised) requirements

Independence:

TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. It is confirmed that the Assurance Team is selected to avoid situations of self-interest, self-review, advocacy and familiarity. The Assessment Team was safeguarded from any type of intimidation.

Quality control:

The Assurance Team complies with the Code of Ethics for Professional Accountants issued by the IESBA, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In accordance with International Standard on Quality Control, TUVI maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In the context of Assurance, the following contemporary principles has been observed:

Evaluation of the adherence to other contemporary Principles

Inclusivity: Stakeholder identification and engagement is carried out by Cyient on a periodic basis to bring out key stakeholder concerns as material topics of significant stakeholders. In our view, the Report meets the requirements.

Materiality: The materiality assessment process has been carried out based on the requirements of the GRI Standards, considering topics that are internal and external to the Cyient range of businesses. The Report fairly brings out the aspects and topics and their respective boundaries of the diverse operations of Cyient. In our view, the Report meets the requirements.

Responsiveness: TUVI believes that the responses to the material aspects are fairly articulated in the report, i.e., disclosures on Cyient policies and management systems, including governance. In our view, the Report meets the requirements.

Impact: Cyient communicates its sustainability performance through regular, transparent internal and external reporting throughout the year, aligned with GRI, and its policy framework encompassing the Environmental, Social, Ethical and other policies. Cyient reports on sustainability performance to the Top Management, who oversees and monitors the implementation and performance of objectives, as well as progress against goals and targets for addressing sustainability-related issues.

TUVI expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement. The intended users of this assurance statement are the Management of Cyient. The Management of the Cyient is responsible for the information provided in the Report as well as the process of collecting, analyzing, and reporting the information presented in web-based and printed Reports, including website maintenance and its integrity. TUVI's responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial quantitative and qualitative information (Sustainability Performance) disclosed by Cyient in the Report. This assurance engagement is based on the assumption that the data and the information provided to TUVI by Cyient are complete and true.

Our Assurance Team and Independence

TUVI is an independent, neutral third-party providing sustainability services with qualified environmental and social specialists. TUVI states its independence and impartiality and confirms that there is "No Conflict of Interest" with regard to this assurance engagement. In the reporting year, TUVI did not work with Cyient on any engagement that could compromise the independence or impartiality of our findings, conclusions, and recommendations. TUVI was not involved in the preparation of any content or data included in the Report, with the exception of this assurance statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.

For and on behalf of TUV India Private Limited

Manojkumar Borekar
Project Manager and Reviewer
Head – Sustainability Assurance Service

Date: 22-12-2022
Place: Mumbai, India
Project Reference No: 8120474188
www.tuv-nord.com/in