

# ESG INITIATIVES REPORT

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**Sridhar Pinnapureddy**  
Chairman, CtrlS & Cloud4C

## Foreword:

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**The Earth needs healing. And, corporates like us are at the vantage point.  
We can make a difference.**

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It's imperative to ponder deep on the ESG angle today- Environmental, Society, and Governance goals. While we are answerable to business objectives and stakeholders, I also subscribe to the notion that the bigger a company is, the more responsibility is bestowed on the leader's shoulder - how to address the prevalent inequities and help improve conditions for everyone. We approach this goal by aligning our business objectives to foster positive impact, making sure we are committed in terms of environmental and societal sustainability, accessibility, privacy and security. Only an environmentally responsible corporation gains unique market perception and stronger brand allegiance today.

As a key enabler to the Fortune 500 companies accelerating their digital transformation initiatives, we, at CtrlS, are geared up to make leaders undisruptable, businesses resilient, and catalyze a responsible digital-first economy - innovations in resonance with environmental, social, and individual beneficence. CtrlS has already engineered more than 80 innovations towards green efficiency and development. The prestigious US Green Building Council (USGBC) Regional Leadership Award, Golden Peacock Award for Eco-Innovation for our LEED Platinum v4 O+M certified green data centers are just a testimony of our undying commitment to the cause. We also pride ourselves to be awarded one of the best workplaces for women.

At CtrlS Group of companies (CtrlS, Cloud4C, Pioneer Labs, Schnabel, Big Little Innovations), we are happy to have built a culture of respect and care towards the environment as we empower enterprises on the cloud. We encourage you to invest responsibly for a better, broader tomorrow.



## ESG: An Ode to Responsible Advancement

Environmental, social, and governance (ESG) criteria are a set of parameters to analyze an enterprise's investments and strategies concerning socially, environmentally conscious responsibilities.

Environmental parameters are actions taken by the firm to address climate change factors such as carbon emission, conservation principles, green energy, etc. Other environmental parameters may include water conservation techniques, hazardous and non-hazardous waste management, etc. The social parameters evaluate how the firm manages employee relationships including hiring, non-discriminatory policies, workplace engagement, talent retention, etc. Other criteria may include supplier engagement, customer relationship management, and the communities where it operates. Governance criteria encompass a company's leadership, risk appetite, executive pay, audits, internal controls, and shareholder rights.

Summing up, ESG goals not only inspire a responsible, conscious advancement but also provide an objective analysis that helps investors avoid organizations that pose greater financial risks due to non-compliance with environmental and social best practices.



# CtrlS Fostering Sustainable Innovation

Headquartered in Hyderabad, India, CtrlS is Asia's largest Rated-4 data center provider and one of the leading application-focused cloud managed services providers. Founded in 2010, it addresses the digital transformation efforts of over 4000 leading companies around the globe that includes Fortune 100 Global Multinationals and top of the ET 100 Indian companies. The Company has over 2000 employees.

CtrlS is a recipient of awards and recognition such as CIO Choice Public, Hybrid Cloud Services for Large Enterprises, Best Datacenter in the Managed Services Space and as DR as a Service provider, SME Channels Award - Best Datacenter, Aegis Graham Bell Award Innovation in Cloud Service, CII National Award for Excellence in Energy Management, Energy Efficient Unit and NASSCOM Emerge 50 Emerging Companies in India.

The CtrlS group of companies have been the frontrunner in paradigm-shifting innovations envisioning to become a market leader in sustainable, reliable, environmentally friendly, and cost-effective data center solutions. Launching India's 1st and Asia's Largest Rated-4 Datacenters, DR as a Service (DRaaS), one of the First's in the Industry, Cloud4C - World's First Rated 4 Cloud with a Built-in DR and World's 1st Community Cloud for Banks. CtrlS Service Portfolio comprises of Co-location Services Managed Services Infrastructure as a Service (IaaS) DR as a Service (DRaaS) Cloud (Private, Hybrid, Public) Banking Community Cloud, ERP Community Cloud, Remote Infrastructure Management (RIM), Work Area Recovery (WAR), SAP Colocation Services, SAP HANA Hosting, SAP Disaster Recovery, Total Infrastructure Outsourcing (TIO), Managed Security Services. Our mission is to provide efficient, low-carbon energy data center solutions to our customers and be a trusted, socially responsible partner in their journey towards a sustainable future.. Cloud4C, our Cloud Managed Services Company always prefers to work with Public cloud providers who consciously follow sustainability measures. Even when we partner with any other datacenters worldwide for our Hybrid cloud solutions, our selection criteria places a significant preference on a Datacenter provider with a higher sustainability orientation in the region of operation.

## HIGHLIGHTS



Reduced

**11,360 T of CO<sub>2</sub>**  
emission in the last year 2020-21



In 2020-21, the company spent  
over Rs 4 lakh to acquire  
**21621 hours**  
of employee training.



**77225 kgs**  
of battery waste and  
**2.35 tons**  
of E-waste disposed in  
environmental friendly manner  
in last 3 years



The organization spent  
**Rs 1.46 crore**  
in 2020-21 towards meeting  
its CSR obligations.



100% suppliers comply to  
**ISO 27001**  
and Supplier Code of Conduct.



It was also awarded as a  
**'Great Place  
to Work for  
Women'** in 2020.



## A Commitment towards Sustainable, Inclusive Growth

CtrlS Datacenter Limited's vision is to become the market leader in sustainable, reliable, environmentally friendly, and cost-effective data center solutions. Exponential growth in computing power combined with communication tech disruptions allow businesses to leverage cutting-edge digital innovations across the world. The nerve center of this global digital marketplace is the data center that allows organizations to concentrate on their core activities without worrying about the backend computing infra, processes, systems, and operations. The data center industry continues to grow and consume increasing amounts of energy and natural resources, thereby generative gargantuan amounts of e-waste. As a result, the industry has a unique opportunity to deliver highly efficient and productive solutions that meet the needs of an increasingly connected world.

CtrlS Datacenter Limited is Asia's largest level 4 rated with a zero-hour downtime and a US GBC LEED Platinum Certified data center. To provide value to our customers, and to meet our societal commitments and obligations to the environment, we are constantly evaluating and improving our operations to create a sustainable business value chain.

We aspire to be a zero-incident organization providing the most energy-efficient data center solutions. We reinforce our commitment to the environment by reducing, reusing, and recycling our e-waste and educate our shareholders, employees, customers, suppliers, and other stakeholders.





# Materiality Assessment

Materiality assessment starts with the listing of all the broad parameters and the sub-parameters within the broader set of measurable criteria. The criteria and issues that were significant for both business and the stakeholders were determined through a process of intense discussion. The 3x3 prioritization matrix was employed.

## Environment

- Energy consumption
- Renewable energy
- Carbon footprint
- Waste management
- Water management
- Environmental friendly design

## Social

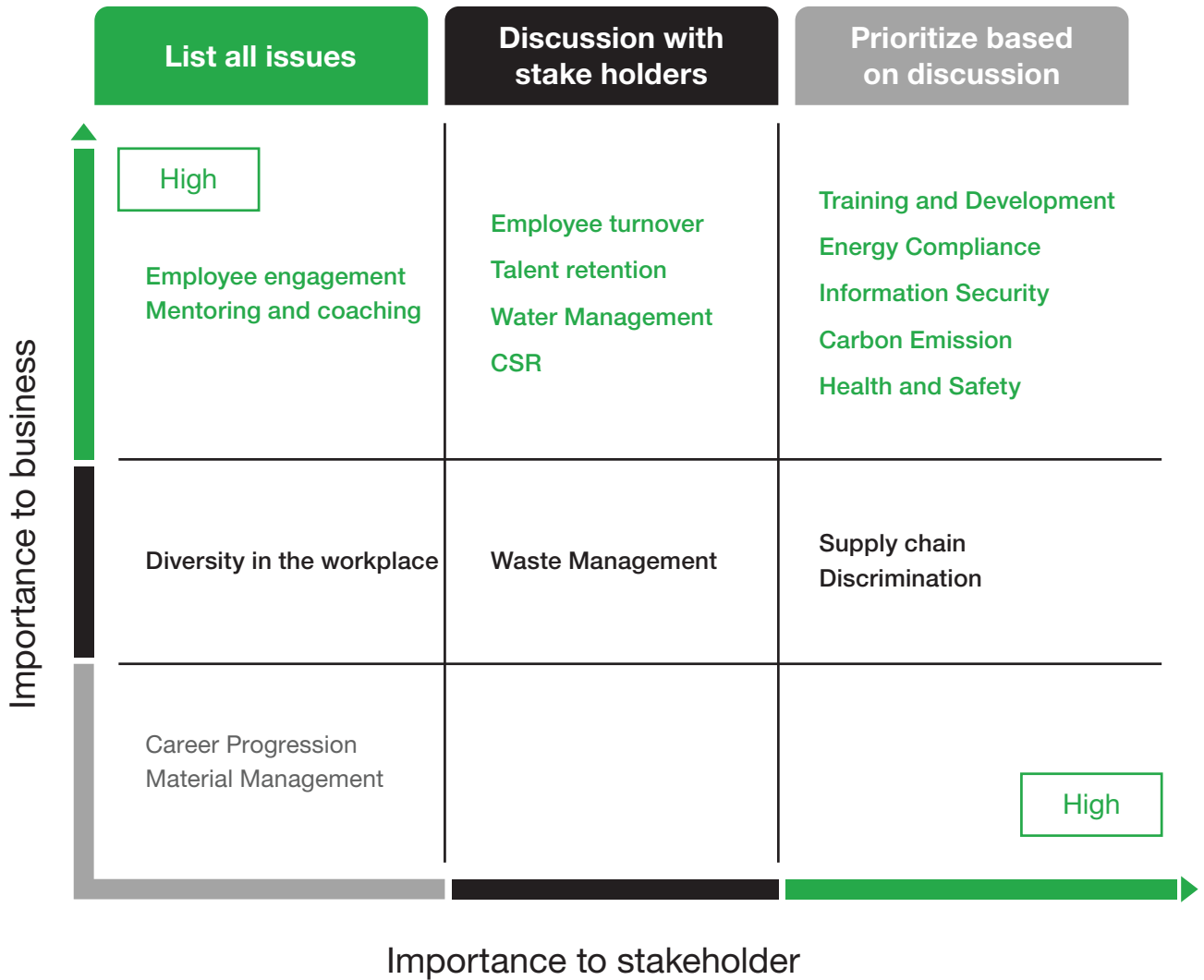
- Employee turnover
- Talent retention
- Training and development
- Successful planning
- CSR activities
- Career progression
- Health and safety
- Diversity in the workplace
- Employee engagement
- Mentoring and coaching

## Governance

- Leadership team
- Legal compliance
- Business performance
- Ethical trade
- Supply chain
- Procurement



# Our Approach



ESG parameters are aligned towards the UN Sustainability Goal 2030.

# United Nations Sustainability Goals 2030

The United Nations sustainable goals comprise 17 sustainable development goals (SDG) harboring 169 targets. These goals have been specifically chartered to address global non-uniformities at every scale: eradicate poverty, protect the planet, bring prosperity, foster peace. Organizations, hence, must align their sustainable development goals to these 17 SDG to be in alliance with the broader, global vision of a better tomorrow. As the organization embarks on such a journey, it will bring in sustainable development, long-term business growth, and profitability thereby enriching the lives of the people and the environment associated with it.

CtrlS is committed to enhancing its contribution to the overall development of the nation, the prosperity of the people, and protecting the environment.





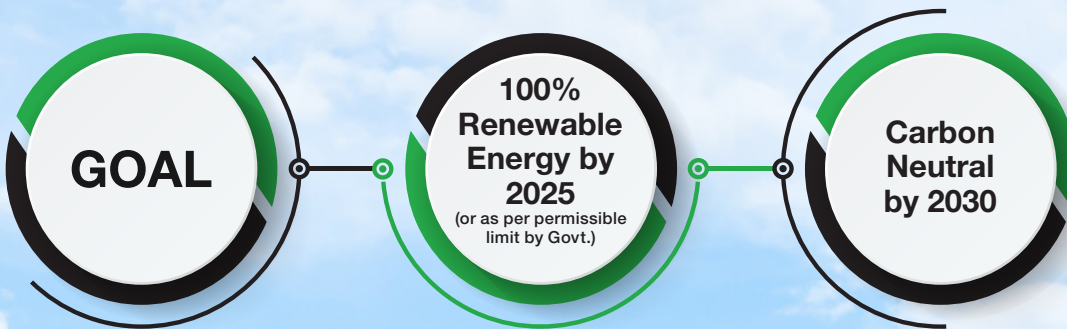
# Environmental Initiatives

## Energy Efficiency

The data centers have a voracious appetite for energy consumption. Energy consumption is driven not only by the running servers but also by the huge energy cooling systems to prevent overheating. The organization gives considerable importance to increasing its energy efficiency in all its operations. The organization operates the World First World's First LEED Platinum Certified v4 O+M Datacenter. Further, the organization implemented more than 25 energy conservation and efficiency improvement initiatives with an estimated annual savings of 13.8 GWh in the last twelve months.



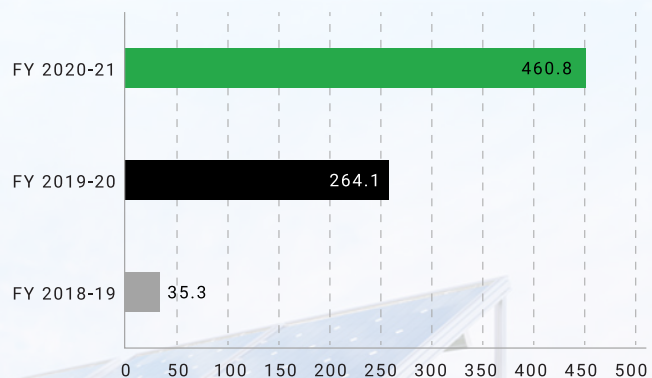
World's First  
**LEED Platinum Certified**  
v4 O+M Datacenter



## Carbon Footprint

With a focus on reducing its impact on climate change, Ctrl is relentlessly in pursuit of its goal to enhance its renewable energy usage. There has been a 1200x increase in the use of renewable energy in the last three years. CtrlS has installed solar panels along the walls of its data center and has installed 1MW BIPV solar plant at Mumbai DC and a 30 KW solar plant at Bengaluru. The organization monitors its direct and indirect carbon emissions. It is estimated that with its energy efficiency initiatives, the organization has reduced 11,360 T of CO2 emission in the last year.

### Renewable Energy (Solar)





## Water Management

CtrlS is committed to reducing its water footprint. It has initiated several programs to reduce, recycle and reuse water, installing stormwater harvesting at Hyderabad, Noida & Bengaluru. It carries out recycling of water at its Bengaluru site and is in process of setting up STP/WTP for recycling at Bengaluru. It collaborates with community STP/ETP/WTP at Mumbai. Further, the organization has established an online monitoring and auto chemical dosing system at all datacenters to reduce the blow-down water for HVAC systems. Further water consumption reduction initiatives include the usage of low flow plumbing fixtures, usage of dual flush WC, and usage of waterless urinals. **The organization has set up a goal for 50% usage of recycled water by 2024 at the Mumbai Datacenter premises.**

## Waste Management

CtrlS has a well-established waste disposal program including hazardous and non-hazardous waste. The hazardous waste primarily includes E-waste and other waste generated from maintenance and other project-related activities. E-waste is disposed off through a pollution control board-approved vendor complying with all compliance requirements and periodic reports. Other hazardous wastes include battery and oil contaminated waste which are regulated and disposed off through approved vendors. Organic waste converters/composters are deployed to recycle solid waste. **CtrlS has disposed off 77225 kgs of battery waste and 2.35 tons of e-waste in an environment-friendly manner.**





# Governance

## The Governance Team

Risks are inherent in business. During times of economic crisis, the resilience of organizations is demonstrated in their ability to anticipate, prepare, and effectively manage risk incidents. CtrlS operates under the direction of the chairman and managing director (CMD), chief information officer (CIO), and board of directors. CtrlS has a formal board of directors (BoD) that is appointed on behalf of the shareholders, the roles and responsibilities are segregated from management responsibilities. The responsibilities of the board of directors and business unit heads include the following: reviewing, approving, monitoring, fundamental, financial, and business strategies, assessing major risks facing CtrlS, and reviewing options for their mitigation. The board ensures that all processes are in place for maintaining the integrity and confidentiality of the entity, the financial statements, compliance with laws and ethics, relationship with User Entities and suppliers, and relationship with stakeholders. The CMD, CIO, and BoD have established several committees including Business Relationship Committees for addressing specific areas with well-defined objectives and activities.

## Risk Assessment

CtrlS is committed to reducing the risks of our customers. Risk assessment is carried out to address various nature of risks including health and safety, information security, business continuity. Risks are identified and addressed at various levels. Operational risks such as health and safety are addressed in the various controls. Business risks are determined through the quality management risk assessment process. The same is addressed through the business continuity management system that covers all business processes and information systems and applies to the entire business scope including colocation services, managed services, security services, and other businesses.

## Compliance Policies and Procedures

CtrlS maintains extensive and exhaustive policies and procedures required to ensure that controls are documented and adhered to. The Code of Business Ethics and Compliances sets out basic principles for all directors, business unit heads, managers, and employees to follow. The policy defines requirements for anti-harassment including sexual harassment, environment, health and safety, and other codes of business ethics. The Anti-Corruption and Anti-Money Laundering Policy has been established to achieve compliance with anti-corruption and anti-money laundering laws, implement national and international conventions and guidelines. Other policies include Policy on Preventing Fraud and Whistleblower Policies. Policies and procedures undergo annual reviews or whenever any change is required.

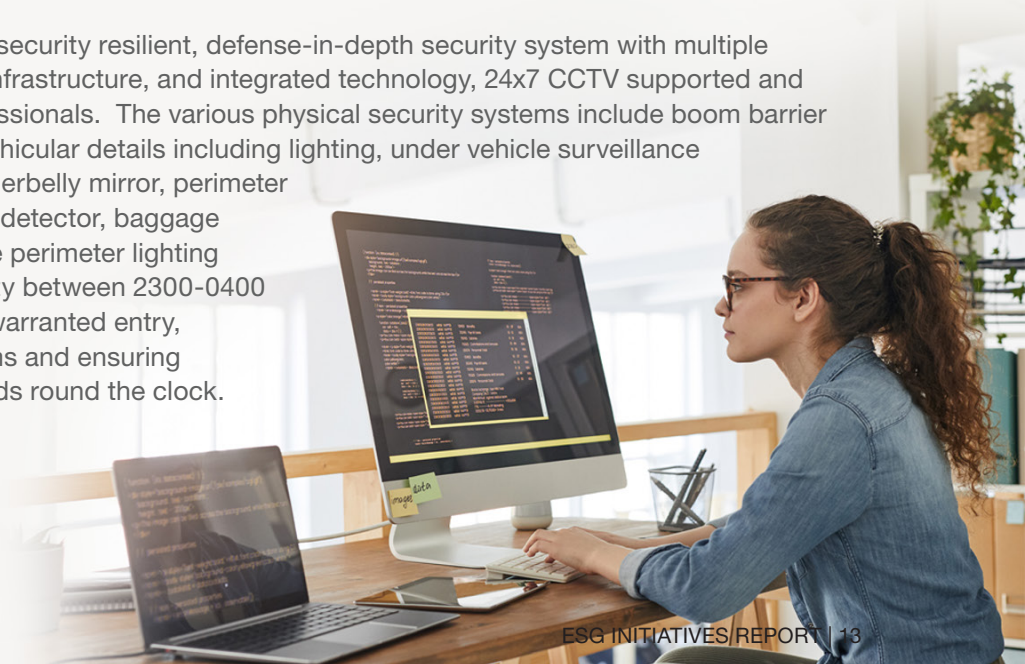


## Information Security and Cybersecurity

Ensuring information and overall organizational cybersecurity is a fundamental requirement. For ensuring the highest levels of performance without compromising on threats management, the organization has taken all necessary and has implemented best practices. The organization has taken adequate steps in protecting customer's business data and also ensuring data privacy for the private and sensitive data in its custody. The organization has implemented state of art infrastructure to protect data from external threats and planned attacks. The organization maintains its security management system through regular external third-party audits and regular periodic internal audits. Employees are trained on the policies and procedures.

## Physical Security

CtrlS facilities are secured via a security resilient, defense-in-depth security system with multiple physical shields, local security infrastructure, and integrated technology, 24x7 CCTV supported and enabled by onsite security professionals. The various physical security systems include boom barrier or bollard, cameras capturing vehicular details including lighting, under vehicle surveillance recorder (UVSR), the vehicle underbelly mirror, perimeter electric fence, door frame metal detector, baggage scanner, access doors adequate perimeter lighting during nights and in high intensity between 2300-0400 hrs to deter and prevent any unwarranted entry, closed-circuit monitoring systems and ensuring adequate physical security guards round the clock.





## Robust Supply Chain

Suppliers are integral to any organization's success. CtrlS has a robust process of supplier selection. The organization gives considerable importance to connected social and environmental factors before selecting a supplier. This is achieved via the supplier Code of Conduct Policy that is an exhaustive document on the environmental, social, and health & safety requirements to which vendors must adhere to be CtrlS Suppliers. The code further includes criteria such as Code of conduct includes provisions for Compliance Requirements, Human rights, fair labor conditions without discrimination, anti-child and forced labor ethics, health, safety, and environmental management, Business ethics, Secure business, procurement by the supplier. The supplier agrees to Inspections and corrective actions.

Further CtrlS's suppliers are committed to securely conduct business in sustenance to above environmental, societal, and ethical factors. In addition, suppliers commit to minimizing exposure to security and continuity threats such as terrorism, crime, pandemics, and natural disasters. They ensure that they create, retain, and dispose of business records in full compliance with applicable legal requirements along with appropriate confidentiality to protect privacy. CtrlS is also open to address any supplier-related issue. In the context of our business relationship, if the supplier or their employees believe that the terms of this CtrlS Supplier Code of Conduct are not adhered to, or that CtrlS is not acting following its own CtrlS Code of Conduct, then CtrlS encourages to raise the concerns via the CtrlS stakeholder reporting channels.

# Societal Sustainability: Supporting the World Within

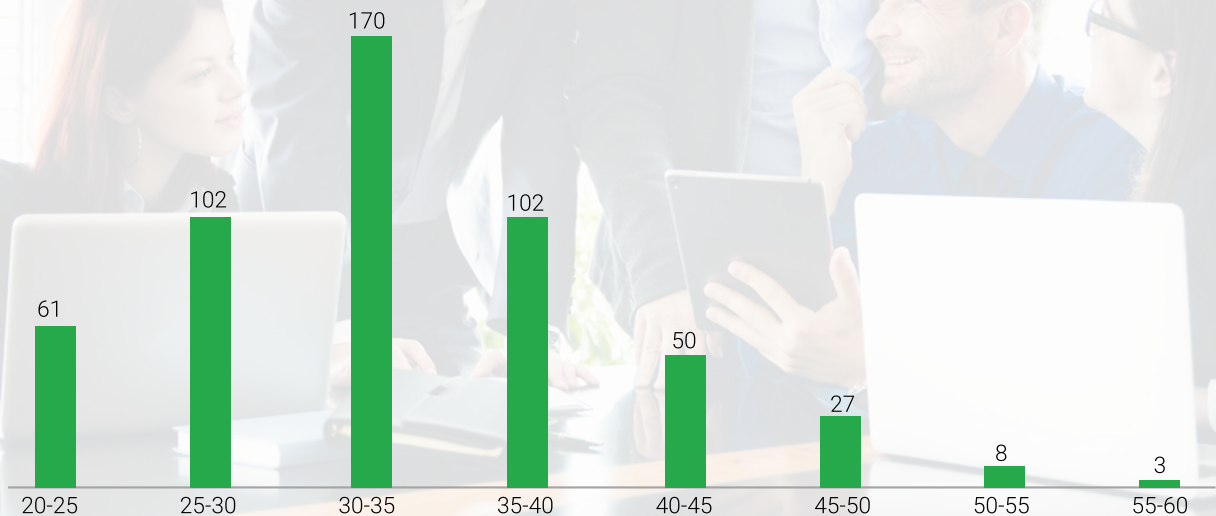
## Diversity in the Workforce

CtrlS has a young workforce, although people from all age brackets represent the organization, starting from 20 to 60. However, the maximum number of employees, 72 percent of the workforce belong to the most active and agile age bracket, 25 to 40 representing multiple states and cultures.

Male employees dominate the CtrlS workforce and account for a little more than 90 percent of the total number of employees. However, 39 out of the 50 women occupy senior positions in the organization. In 2020-21, 42 employees received career development grants from the company, out of which 25 were women. This is another indicator of importance given to gender-based diversity in the workforce.

However, the sense of inclusivity in diversity extends far beyond the gender empowerment goals. Our team represents varied ethnicities, origins, cultures, values, color and creeds, religions, and personalities. And that contributes directly to our core innovation mindsets, empathetic work environments, and collaborative growth. The company has been awarded twice the 'Best Place to Work', in 2019 and 2020. In 2020, it was also awarded as a 'Great Place to Work for Women' in the year 2020.

### Agewise Distribution of Workforce





## Development and Well-being

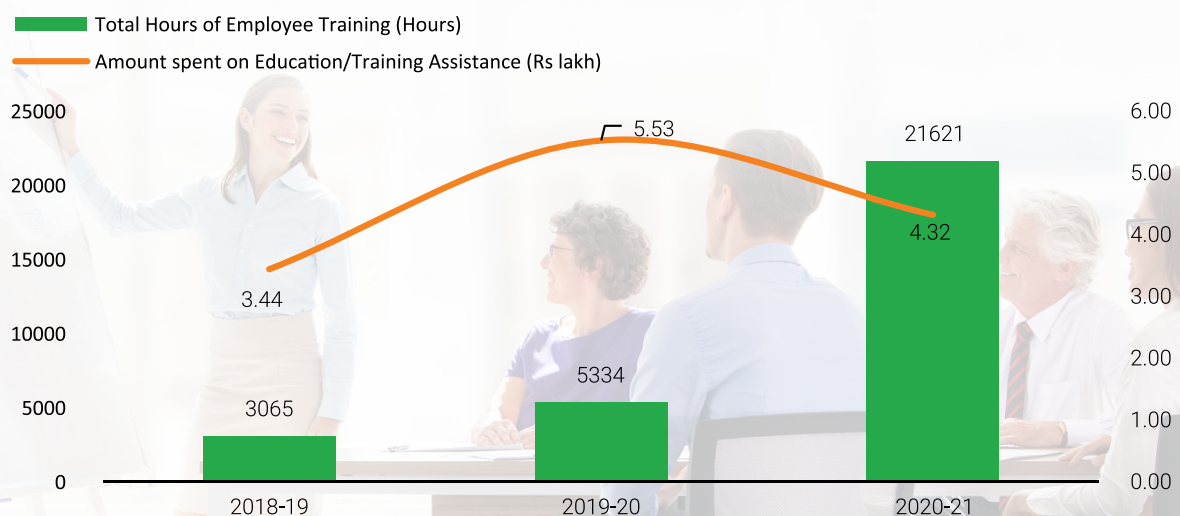
Sustaining a high-engagement, high-performing culture requires commitment and investment in employee learning and development. An effective learning ecosystem needs to be nurtured in an organization to fast-track inclusive goals and visions. CtrlS seems to be well on track with its strong commitment to keeping its employees updated with the rapid technology changes.

In 2020-21, the company spent huge amounts to acquire 21621 hours of employee training. CtrlS has an internal document on the training process that identifies training needs, actions, and measures to evaluate the quality of the training imparted. The training process document also spells out particular roles of the managers at different levels for departments, special requests, and the organization as a whole. The spending for employee training increased by over 60 percent in 2019-20. Although there is a dip in the expenditure in 2020-21, the hours of training increased substantially, by over four times, compared to 2019-20. The fall in training expenditure in 2020-21 was due to a rapid increase in training for the junior management. Sixty-eight percent of training hours went to the junior management in 2020-21 as against 56 percent in the previous year.

The well-being of employees is one of the top priorities in CtrlS. The company endeavors to provide a dynamic and welcoming workplace that embraces diversity, fosters collaboration, and encourages employees to bring their best ideas to work. A regular survey may be undertaken to derive greater benefits. The effectiveness is duly tracked from feedbacks and subsequent performance parameters:

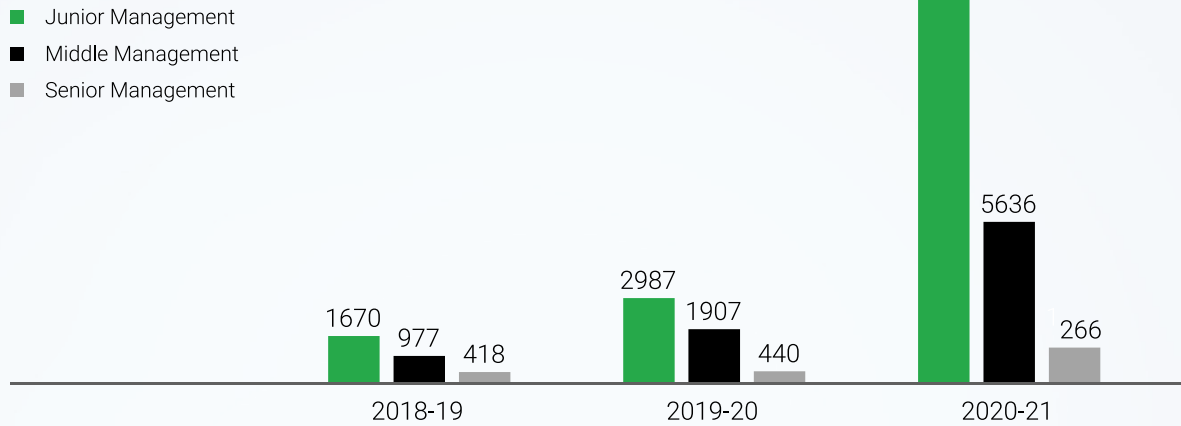
- The actionable feedback loop between managers and employees
- Alignment between CtrlS' core set of values with the employees' values
- The connection between CtrlS' strategic objectives with the strategic objectives of the employees and their teams
- The appreciation level for employees' contribution to CtrlS' success.

### Hours of Employee Training and Amount Spent





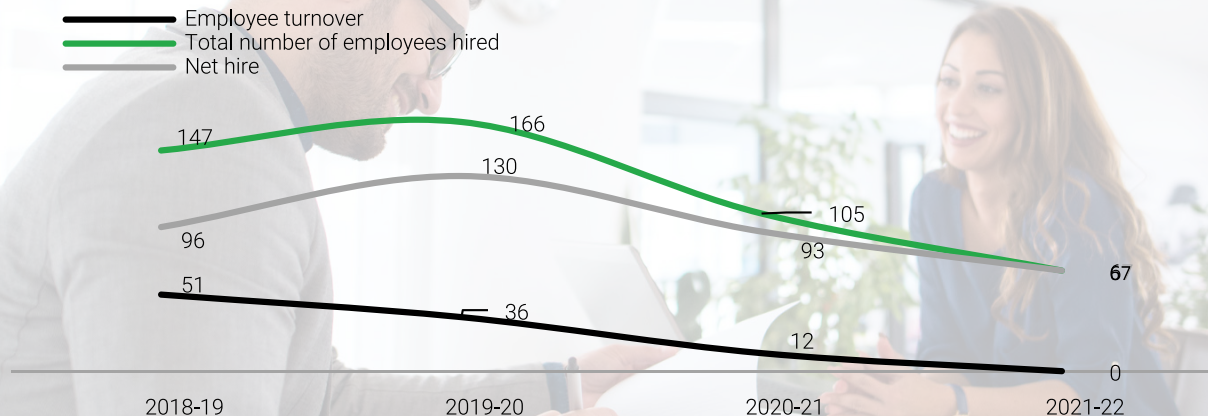
### Distribution of Training Hours



### Hire and Turnover

The company is in an expansion mode and is accordingly hiring personnel to support its pragmatic business plans. The average number of employees hired since 2018-19 is 121. There are three points to be noted, though. First, the prevalence of the pandemic situation since March 2020 has impacted the process of hiring. Hiring has increased by 13 percent (147 to 166) in 2019-20 over the previous year. Secondly, the net hire (employees hired – employee turnover) is still quite substantial. Third, the ongoing financial year data, i.e., 2021-22, may change as three more quarters are left.

### Employee Hire and Turnover



## Succession Planning

CtrlS has a young talent pool, and it is important to manage their transition effectively into senior leaders of the organization. At present, through minute scrutiny of the employee performances and implementation of a generous reward and recognition plan, the company is choosing its future leaders wisely. However, the need for properly documented, data-powered succession planning is felt. The existence of succession planning sends a strong positive signal to the employees that the company is focused on their career progression and that its robust foundation will not be shaken in case of the sudden and unwelcome departure of key people in the organization. It also assures the clients and customers that the company will be managed efficiently under all foreseeable adversities.

## Mentoring, Coaching, and Internship

Employability, resilience, and success in today's world of work require continuous upskilling, reskilling, and collaborative learning culture. Learning (education) includes an assessment to identify strengths and opportunities and formal training to develop skills and capabilities. While all the employees of CtrlS have access to on-demand learning, a great deal of their development comes from experience and exposure — activities and projects to apply and continue developing skills (experience) supported by ongoing coaching and guidance from managers, peers, and mentors (exposure).

## Corporate Social Responsibility

The organization spent Rs 11 lakh in 2018-19 and Rs 1.46 crore in 2020-21 towards meeting its CSR obligations. The company made the expenditure in 2020-21 to procure and donate oxygen concentrators and other items to support the fight against the coronavirus. The company is working on its CSR vision to make a more profound impact on its interventions in the coming days.

## Occupational Health and Safety

The objective of the organization is zero injuries, zero incidents. Accordingly, it has implemented a health and safety management policy in all its centers. There is an EHS Committee which looks after regular evaluation of processes and introduction of best practices. Antea Group, an international EHS consulting firm, has been engaged by the company to advise on such EHS matters.

CtrlS has put in place stringent occupational health and safety measures across all its locations. The Mumbai center, for instance, reported a sharp fall in the employee DART (Days Away, Restricted or Transfers) rate of 28 percent in 2020-21. The Lost Time Incident Severity Rate (LTISR) for Mumbai was 9.49, mainly because of the man-hours lost in operations in 2020-21. The Gachibowli center in Hyderabad reports a DART of 0.87 in 2020-21.

CtrlS ensures that safety is earmarked as a top priority at the organization level, with a top-down approach. The employees are being engaged continuously to understand and appreciate the importance of safety. Frequent activities such as training programs, safety inductions, toolbox talk briefings, and so on are regularly conducted to maintain a proactive level. In addition, special EHS training is conducted fortnightly as per the pre-defined yearly EHS Calendar. There is a clear and documented EHS Process, SOP, rules, and a system of regular monitoring in place in the organization. Employees and workers are also awarded for their adherence to safety measures and involvement in the OHS process.



# For bigger dreams and brighter mornings ahead.

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A responsible and sustainable future empowered by digital innovations and tech transformations is the vision ahead for CtrlS Data Center Limited. Some undertakings in resonance with that goal include setting up organizational policies and target-oriented approaches to achieve the same with perseverance, diligence, and promise. The management intends to set up even more ambitious targets and future-proof the business in sustenance with environmental growth, societal prosperity, and individual enhancement. A strong leadership team aligned with a powerful mission defines what CtrlS aspires to be in the forthcoming years - Sustainable, innovative, growth.

## CtrlS Group



CLOUD4C  
A CtrlS Company



CtrlS™  
Asia's Largest  
Tier 4 Datacenter



Pioneer Online  
Online. Everytime



SCHNABEL  
dc consultants india  
private limited



BIGLITTLE  
INNOVATIONS