



ICRA
ESG RATINGS

A Group ICRA Company

Category-I ESG Rating Provider

ESG Impact Rating

ESG Rating Perspective
Sify Infinit Spaces Limited (SISL)

May 2025



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ESG RATING PERSPECTIVE



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RATING ACTION

Ratings assigned
 ESG Impact Rating:
 [ICRA] ESG Impact Rating
 Outstanding; Score – 78/100

ANALYST CONTACTS

Sheetal Sharad
 +91 124 4545 815
sheetal.sharad-esg@icraindia.com

Sunil K S
sunil.ks-esg@icraindia.com

Harshit Pandey
 +91 124 4545 816
harshit.pandey-esg@icraindia.com

Anshita Khandelwal
 +91 124 4545 800
anshita.khandelwal-esg@icraindia.com

RATING SCALE

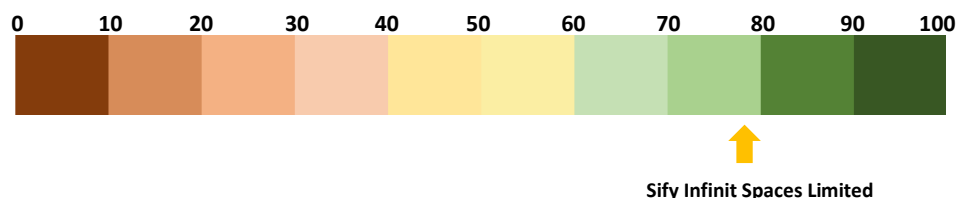
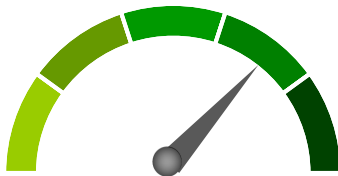
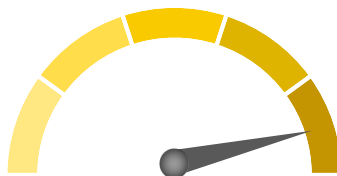
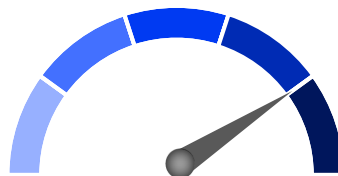


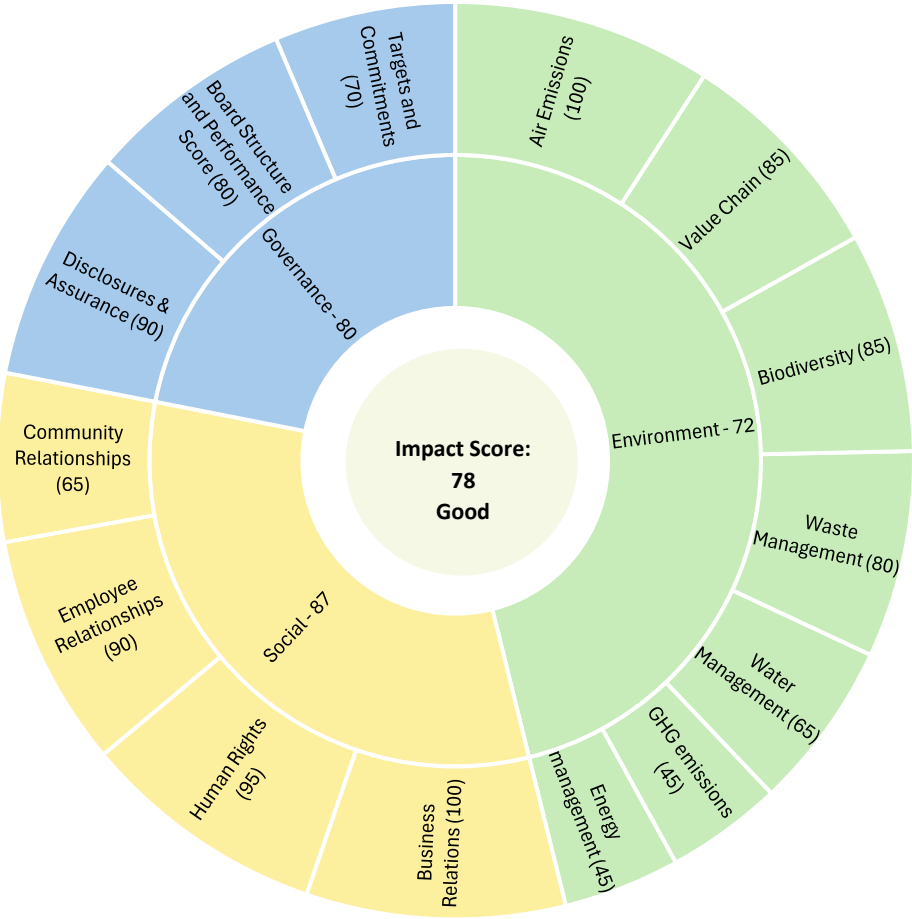
Exhibit 1: Rating Summary

Sify Infinit Spaces Limited	Previous Score	Current Score	Rating Symbol	Rating Movement
ESG Impact Rating	-	78	Good	-

Environment	Social	Governance
		
E Score: 72	S Score: 87	G Score: 80
Good	Outstanding	Outstanding

KEY RATING DRIVERS

Exhibit 2: Key Rating Drivers



RATING RATIONALE

The ESG impact score of 78 (Good) assigned to Sify Infinit Spaces Limited (SISL) reflects its commitment to sustainable and responsible business conduct. SISL, being in the data centre business, has high energy, GHG emission, and water intensities. However, it has a high renewable energy (RE) integration, 100% water and waste recycling, and a procurement strategy focused on sustainable practices, which add to its overall strength. Socially, SISL maintains positive employee and customer relationships with comprehensive benefits and high level of service delivery. SISL's governance practices reflect transparent conduct through comprehensive disclosures and a focus on ESG governance. The company's diverse board and transparent disclosure of its performance, including sustainability related indicators support its governance score. The same also draws comfort from the oversight at a group level given the criticality of the data centre business. Overall, while SISL has made progress in aligning its operations with ESG principles, there are opportunities for further enhancement, especially in settingspecific targets forreducing operational impacts, improving gender diversity and strengthening community impacts.

Key Rating Drivers

Strengths

- **Sizeable RE integration and total recycling of water and waste:** SISL has an extensive strategy to reduce energy and water usage, thereby making its operations sustainable. The company has contracted over 230 MW of RE sources, achieving around 39% RE in its overall energy mix in FY2024. Both PUE and energy leakage were reduced by 27% and 20%, respectively, in FY2024 compared to FY2023, indicating a strong focus on energy conservation. The company ensures 100% recycling of water and waste with the installation of ZLD systems across all its offices, demonstrating its commitment to sustainability.
- **Focus on employee well-being and high-quality product delivery:** The company offers comprehensive employee benefits and maintains an adequate health and safety record with no major work-related injuries in FY2024. Moreover, SISL's career development focused approach is demonstrated through programmes such as the 'first-time managers program' and leadership training, which foster professional growth. SISL's business relationships are particularly well managed through adherence to its service delivery requirements. A large part of its data centre capacity is also TIA942-B:2017: Rated-4, indicating 99.997% uptime and availability, ensuring high customer satisfaction and retention. Moreover, there have been no data privacy or cyber security incidents, which are critical to this business.
- **Emphasis on ESG integration through good governance practices and compliance:** Being part of the Sify Group whose flagship entity, STL, has been listed on the NASDAQ for 26 years, SISL has also imbibed good governance practices and internal control mechanisms. The board of directors includes individuals with varied industry experience and high engagement levels, including those from the parent company. SISL's board has 33% women's representation and 50% independent directors, indicating good diversity. ESG-related aspects are overseen by a board-level committee, with sustainability KPIs integrated across business verticals including performance metrics of top management. As is core to the business too, specific targets related to RE integration and emission reduction demonstrate the focus on sustainability governance. The same is also reflected by the publication of the BRSR, although it is not mandated for a foreign-listed entity in India.

Weaknesses

- **High resource use, including energy and water, typical of nature of operations:** Due to the nature of its business, the company has high overall energy, GHG emission, and water consumption intensities. However, it is making efforts to reduce these through targeted initiatives. The company's ability to reduce its impact amid ongoing capacity expansion and gradual ramp-up of utilisation remains crucial in defining its environmental footprint. There are constraints related to RE integration due to state-level regulations, leading to slow progress in overall emission reductions
- **Modest CSR budget with no third-party project specific impact assessments:** The group's CSR is focused on initiatives across healthcare, social welfare, environmental sustainability. This also includes aspirational district of Andhra Pradesh. Through its programme, the company focuses on selected impactful initiatives, although due to the modest CSR budget (Rs. 2.16 crore in FY2024), the company is yet to diversify its CSR as outlined in its CSR policy. In addition, the lack of third-party, project-specific impact assessments, along with low job creation in rural areas, constrain the overall community impact profile of the company.
- **Scope for improving diversity across operations:** While the company has two women directors and several senior-level positions—including those in finance and human resources—held by women, there remains scope for improvement at the KMP level, as well as in overall gender diversity and the gender wage gap, which currently stands at 0.69.

Rating sensitivities

Positive factors

ICRA ESG could upgrade SISL's rating if there is an increase in its RE infrastructure in line with its business expansion and RE integration strategy. A decline in energy, GHG emissions and water consumption aligning with its internal targets, and focused initiatives on biodiversity would further improve the score. Additionally, a lower attrition, a favourable wage gap and an enhancement in CSR focus areas and job creation in rural areas will benefit the social profile. Enhancing women's diversity, with assurance of sustainability data would also favourably influence the ratings.

Negative factors

ICRA ESG could downgrade SISL's rating if there is slower than expected progress in expanding its RE capacity or improving other environmental impacts in relation to the scale growth. Furthermore, any deviation from the current standards of waste management and value chain could negatively impact the ratings. Breaches in IT security and quality of service delivery, weakening of board and governance structures, instances of severe fines and penalties levied by regulatory bodies or failure to provide detailed updates on progress towards sustainability goals, could also negatively affect the ESG rating.

Analytical Approach

Analytical Approach	Comments
Rating methodology	ESG Impact Rating Methodology
Rating scale	ESG Rating Scale
Last review date	NA
Data Availability	Excellent
Rating boundaries	For arriving at the rating, ICRA ESG has considered the standalone operations, and the sustainability aspects disclosed through Business Responsibility and Sustainability Reporting, Integrated Annual Report, and other sustainability disclosures in the public domain, along with the inputs received from the management meetings with ICRA ESG analysts. SISL represents the data centre business of the group, thus the disclosures of the parent, Sify Technologies, also represent the ESG profile of SISL, as discussed and shared by the management.

About the company

Sify Infinit Spaces Limited (SISL) was established in 2017 as a subsidiary of Sify Technologies Limited (STL) and is a leading data centre services provider headquartered in Chennai, Tamil Nadu, India. SISL offers data centre co-location services. The company hosts critical deployments for multiple hyperscalers and has AI-ready and liquid-cooled data centres certified for GPX-ready workloads. SISL has demonstrated steady revenue growth over the years, reporting revenue of Rs. 1,114.17 crore in FY2024 compared to Rs. 1,021.34 crore in FY2023. Similarly, STL's consolidated revenues also improved from Rs. 3340.37 crore to Rs. 3563.39 crore during the same period.

STL holds 100% stake in SISL. STL has been listed at NASDAQ since 1999 and is promoted by Mr. Raju Vegesna. The Sify Group has its presence in data centre infrastructure, network services, cloud and digital services. SISL represents the data centre business, which is a key segment for the group. Operating 11 strategically located data centres across India, SISL is committed to sustainable operations, having contracted over 230 MW of renewable energy to power its facilities till date, in view of the high energy consumption in the industry and end-user demands. Over the years, SISL has been implementing sustainability agendas, which are being driven at the group/parent level.

Key ESG Indicators

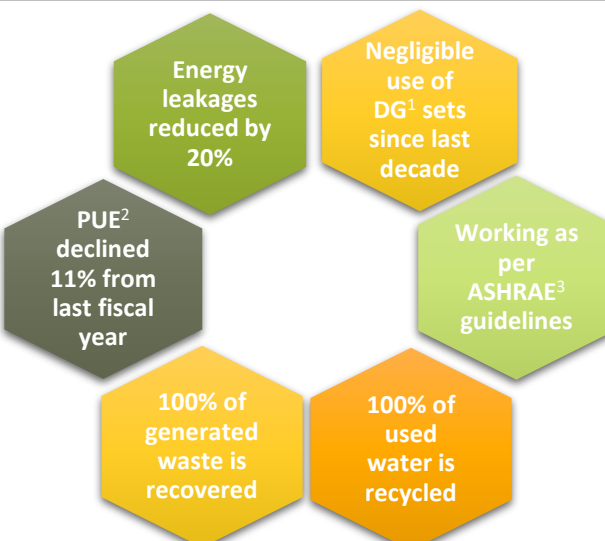
Parameters	Unit	FY2024
Environment indicators		
Energy intensity	Million MJ/ Rs. crore	1.82
Renewable energy consumption	%	39
Scope 1 + Scope 2 intensity	tCO2e/Rs. crore	222.16
Water consumption intensity	m ³ / Rs. crore	5503.79
Waste generation intensity	tonnes/ Rs. crore	0.31
Social indicators		
Employee turnover	%	19.05%
POSH complaints reported	Number	0
Income inequality ratio	Ratio	48:1
CSR inhouse volunteers	Yes/No	Yes
Governance indicators		
Presence of reg-tech system	Yes/No	Yes
% of women in BOD	%	33.00%
Average attendance in board meetings	%	100.00%

Source: Company, ICRA ESG's Analysis; NT – Not Tracked



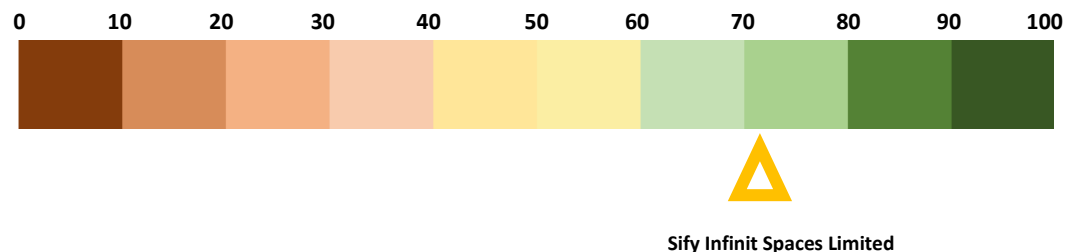
ENVIRONMENTAL IMPACT

KEY RATING FACTORS (ENVIRONMENT)








Energy Intensity		Sustainable Sourcing		Air Emissions		
1.8 million MJ/Revenue (Rs. crore)		~40% of products sourced sustainably		Nil		
Water Consumption Intensity		Waste Generation Intensity		Scope 1 & Scope 2 Intensity		
5503.79 kl/ Revenue (Rs. crore)		0.3102 tonnes/ Revenue (Rs. crore)		222.16 tCO ₂ e/ Revenue (Rs. crore)		
Other Environment Indicators		Waste Management Initiatives		Environment Related Targets		
Yes	Diverse CSR Policy			Decarbonisation	Greening	GreenBuild
Yes	Target to Reduce GHG Emissions			Achieve 50% reduction in carbon footprint by 2025	Target of 50% carbon cut by 2023 using renewable energy	Build all new data centers in line with green building strategies
No	Scope 3 Emissions Reporting			Shift to renewable energy via PPAs ⁴	Contract 231 MW of renewable energy capacity	Expand ISO 14001 certification across all facilities
Yes	Zero Liquid Discharge					
Yes	SDG Alignment					

¹Diesel Generator²Power Usage Effectiveness³American Society of Heating, Refrigerating and Air-Conditioning Engineers⁴Power Purchase Agreements

ENVIRONMENTAL IMPACT SCORE



BREAK-UP OF ENVIRONMENTAL IMPACT SCORE

	KPI	Score	Symbol
	Energy Management	45	<i>Moderate</i>
	GHG Emissions	45	<i>Moderate</i>
	Air Emissions	100	<i>Outstanding</i>
	Water Management	65	<i>Good</i>
	Waste Management	80	<i>Outstanding</i>
	Biodiversity	85	<i>Outstanding</i>
	Value Chain (environmental aspects)	85	<i>Outstanding</i>



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Energy management (Moderate, 45)

Energy usage is at the core of SISL's business, which involves operating data centres on a continuous basis. As a data centre company, it ensures safe storage and processing of its client's data on its hardware. Ensuring full uptime on its service is a key deliverable of the company and, thus requires consistent usage of energy. While this leads to high energy usage and consequent emissions, moving to renewable sources is, therefore, a sustainable and responsible business practice.

SISL has demonstrated a commitment to sustainability, with a strategic focus on reducing energy consumption and increasing the share of renewables across its operations. In FY2024, the company consumed a total of 2,031,166 GJ of energy, of which approximately 761,736 GJ—around 39%—was sourced from renewable sources. This translates to an energy intensity of 1.82 million MJ per Rs. crore of revenue. While this figure may appear high, it reflects the energy-intensive nature of the data centre industry, where maintaining full uptime and service reliability is non-negotiable. Moreover, energy usage in data centres is not always linear to capacity utilization—baseline energy loads are required to keep infrastructure operational regardless of actual usage levels. This means that even during periods of lower client demand, energy consumption remains relatively stable, contributing to higher intensity metrics. To address this challenge, SISL is investing in energy-efficient data centres with low Power Usage Effectiveness (PUE). The company currently operates 14 data centres with a combined IT power capacity of more than 227 MW, which is expected to expand to over 407 MW by 2025. SISL has contracted 231 MW of renewable energy (RE) capacity through power purchase agreements (PPAs), primarily to power its flagship hyperscale data centres in Mumbai and upcoming greenfield projects. Recent developments include the commissioning of a 67 MW solar project in Maharashtra and the launch of India's first AI-Hub Data Centre in Lucknow, which is being developed in four phases, integrating advanced computing and energy-efficient technologies. Other major hyperscale campuses include Noida 02 (over 130 MW), Mumbai Rabale (over 377 MW), and Chennai 02 (over 130 MW), all designed with green building principles and RE integration.

While SISL has made significant strides in contracting renewable energy, the actual transition to clean energy across all operational sites is still underway. Additionally, the recent expansion of its data centre capacity has increased overall energy demand, further contributing to elevated Scope 2 emissions. SISL's environmental stewardship is reinforced by its ISO 14001 and ISO 50001 certifications for environmental and energy management. These initiatives reflect the company's proactive approach to embedding sustainability into its core business strategy. However, the overall score is moderated by the inherently high energy intensity of the data centre business and the current level of RE adoption, which is still evolving.

GHG emissions (Moderate, 45)

This practice of investing heavily in upfront infrastructure contributes to high emission intensity for the associated period in SISL's operations. In the data centre industry, large-scale capital expenditure (capex) is required early in the lifecycle to build high-capacity, energy-intensive facilities that are designed to support future client demand. However, revenue generation from these assets scales gradually as utilisation increases over time through client onboarding. This mismatch between energy consumption and revenue realisation—especially during the initial post-capex phase—leads to elevated emission intensity. The GHG emission score assigned to SISL not only reflects its efforts to advance its sustainability agenda by actively working to reduce GHG emissions across its operations, but also reflects the high emission intensity attributed to the nature of its operations. In FY2024, the company reported Scope 1 emissions of 2,954.90 tCO₂e, translating to an emissions intensity of 2.65 tCO₂e/Rs. crore of revenue. Air emissions are naturally minimal in the data centre sector, as operations are predominantly powered by electricity rather than fuel-based combustion. Unlike industries that rely on heavy machinery or manufacturing processes, data centres do not require large-scale burning of fossil fuels, which

significantly reduces the potential for air pollutants. In FY2024, SISL's Scope 2 emissions stood at 244,578.79 tCO₂e, with an intensity of 219.51, resulting in a combined Scope 1 and 2 emissions intensity of 222.16. tCO₂e/Rs. crore. The company has not disclosed its Scope 3 emissions for FY2024.

SISL is committed to a low-carbon future by embedding ESG principles into its operational and strategic frameworks. The company also expects its suppliers to align with sustainable practices, including emissions reduction and the use of eco-friendly materials.

As part of its climate goals, SISL aims to reduce its GHG emissions by 29% by FY2025 and cut its overall carbon footprint by 50% by 2023, primarily through the adoption of renewable energy. The company's Sustainability Action Plan underscores the urgency of climate action, emphasising adherence to ASHRAE standards for energy-efficient HVAC systems in its facilities.

Air emissions other than GHG emissions (Outstanding, 100)

Air emissions are inherently low in the data centre industry, as the core operations rely primarily on electricity rather than combustion-based processes. Unlike manufacturing or heavy industrial sectors, data centres do not involve large-scale on-site fuel burning, which significantly limits the generation of air pollutants. SISL utilises diesel generator (DG) sets equipped with advanced wet scrubbing technology to control air emissions. However, the reliance on these generators is extremely limited—they have been operated for only 11 hours over the past few years, primarily during emergency flood conditions. As a result, the company's air emission intensity is effectively negligible. SISL has established a strategic objective to maintain zero air emissions, a critical component in the sustainable operation of its data centres. The infrastructure is purposefully engineered to eliminate air emissions, and the company is committed to preserving this standard over the long term. This proactive approach reflects SISL's broader environmental philosophy, emphasising clean operations and minimal ecological impact.

Water management (Good, 60)

Water plays a critical role in data centre operations, primarily for cooling IT infrastructure and maintaining optimal temperature and humidity levels. Due to the high heat generated by servers and networking equipment, data centres require extensive water usage for cooling systems—especially in large-scale facilities operating 24/7. This makes water management a key sustainability focus for companies like SISL. The company measures its water management success through focus on Water Use Efficiency (WUE). SISL consistently meets or exceeds its annual WUE reduction targets, underscoring its dedication to long-term water sustainability.

In FY2024, SISL recorded a total water consumption of 6,132,323.27 cubic metres, corresponding to a High-Water Consumption Intensity of 5,503.79 m³/Rs. crore of revenue. Demonstrating a commitment to sustainable water management, the company has implemented Zero Liquid Discharge (ZLD) systems across all its data centre locations. Therefore, no wastewater is released into the environment; instead, it is fully treated and repurposed for non-potable uses such as landscaping and gardening.

SISL also actively practices rainwater harvesting, further enhancing its ability to meet operational water needs while reducing dependency on external water sources. The company's water management strategy emphasises water pollution prevention and efficient wastewater treatment, while maintaining strict compliance with environmental regulations.

Waste management (Outstanding, 85)

SISL's generated waste comprises non-hazardous materials from its data centre operations, including packaging waste, e-waste, and general office waste. In FY2024, SISL generated 345.66 tonnes of waste, resulting in a waste generation intensity of 0.3102 tons per/Rs. crore of revenue (Rs. 1,114.2 crore). The company achieved 100% recovery of the waste produced, reflecting its ability to negate environmental impact.

SISL's sustainability strategy includes waste management practices, with a particular focus on responsible e-waste disposal and the development of green data centres to minimise environmental impact. A green data centre entails energy-efficient infrastructure, RE integration, advanced cooling technologies, and sustainable building materials. While it contributes to waste reduction, its relevance extends beyond waste management to encompass carbon footprint reduction, energy conservation, and overall environmental stewardship. While the company has not set formal waste reduction targets, it successfully recycled 221.2 tonnes of waste in FY2024, underscoring its proactive approach to sustainability.

Through continuous improvement in waste handling and recycling, SISL reinforces its dedication to reducing its ecological footprint and promoting a circular economy. Currently, there is no clearly defined target for waste reduction, and progress towards minimising waste is not consistently monitored or reported. This lack of structured oversight may hinder efforts to achieve meaningful improvements.

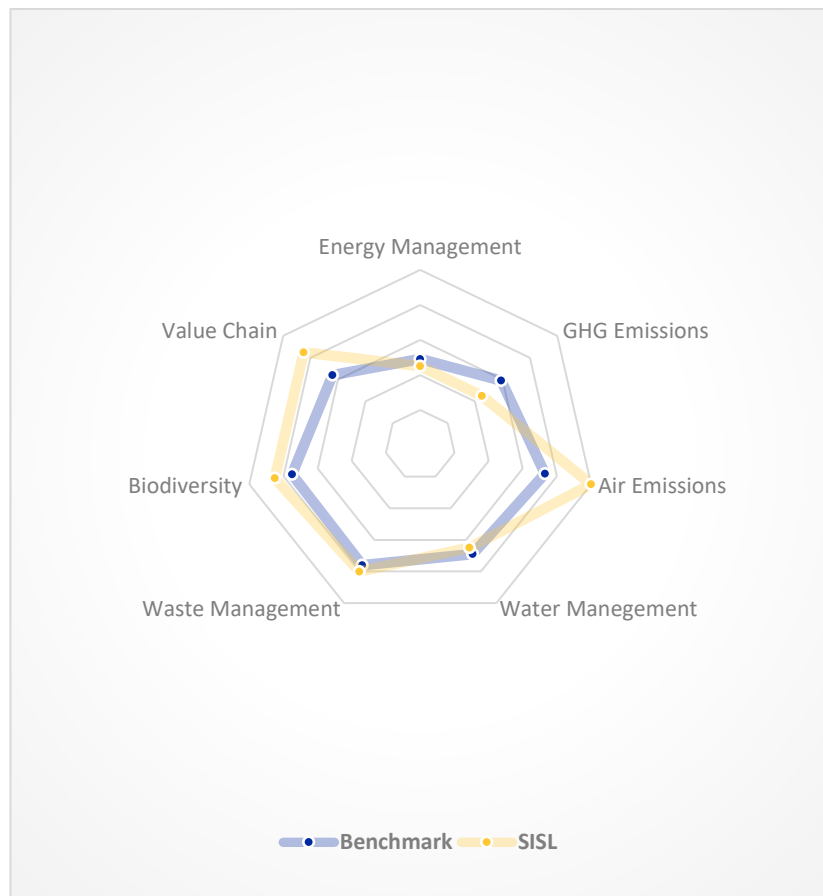
Biodiversity conservation (Outstanding, 85)

With a strong presence across six major metropolitan hubs—Mumbai, Chennai, Hyderabad, Bangalore, Delhi, and Kolkata—SISL integrates biodiversity conservation into its CSR framework. The company places significant emphasis on environmental sustainability, supporting initiatives that protect native flora and fauna, while contributing to national efforts such as the Clean Ganga Fund. Importantly, SISL's operations do not have a direct negative impact on biodiversity. Its data centres are located in urban and industrial zones, minimising disruption to natural habitats. Moreover, the company maintains approximately 3% green cover in the Rabale data centre area and is committed to expanding this area as part of its sustainability vision. Although SISL has not yet formalised biodiversity-specific targets, it actively engages in tree plantation drives, implements measures to mitigate air and water pollution, and ensures 100% water recycling through ZLD systems. These efforts reflect its broader commitment to preserving local ecosystems and promoting ecological balance across its operational footprint. Looking ahead, SISL is expanding its data centre footprint with sustainability at the core. New facilities are being developed in Lucknow, where a four-phase, AI-ready data centre is under construction; as well as in Thane, Maharashtra, where environmental clearance has been sought for major expansion. All upcoming data centres are being designed in line with green building principles, integrating renewable energy sources, advanced cooling technologies, and low PUE standards.

Value chain (Good, 70)

The company's suppliers mainly include vendors, service providers, consultants, and third-party entities involved in delivering IT infrastructure, network equipment, and digital services. SISL reports that approximately 80% of its goods are sourced sustainably, reflecting its growing commitment to responsible procurement. The company holds its suppliers to high standards through a strict Supplier Code of Conduct, which mandates compliance with environmental regulations and encourages efforts to minimise ecological impact. This dedication to environmental stewardship is further reinforced by SISL's certifications in ISO 14001 for environmental management and ISO 50001 for energy management. These standards guide the company in promoting sustainable practices across its supply chain, ensuring that environmental responsibility is embedded at every level of its operations. SISL does not currently have a formal programme or initiative specifically aimed at promoting an environmentally responsible supply chain, its certification under ISO 14001 reflects a general commitment to environmental management practices.

ENVIRONMENT

Exhibit 5: Environmental Parameters¹

Strong Areas

- **Certified Environmental and Energy Management:** SISL's major data centres are certified under ISO 14001 and ISO 50001, reflecting robust systems for environmental and energy management.
- **Responsible Sourcing Practices:** Nearly 40% of SISL's procurement—covering construction materials, electrical components, and mechanical systems—is sourced from MSMEs² and small-scale producers through sustainable sourcing frameworks, supporting both local economies and ethical supply chains.
- **Green Building Commitment:** SISL is committed to ensuring that all future infrastructure developments are Green Building certified, reinforcing its focus on sustainable construction and energy efficiency.
- **Comprehensive Waste Management:** The company demonstrates strong circularity practices by recovering 100% of its generated waste, minimising its environmental impact and promoting resource efficiency.

Weak Areas

- **No Scope 3 Reporting:** SISL does not yet report its Scope 3 emissions. As it uses DG sets equipped with advanced wet scrubbing technology to control air emissions.
- **Lack of Alignment with International Climate Frameworks:** Currently, SISL's environmental targets are not formally aligned with international frameworks such as the Science Based Targets initiative (SBTi) or the Paris Agreement. However, the company has expressed its intention to pursue such alignments in the near future.
- **High Resource Usage:** SISL's operations are highly energy-driven, resulting in elevated resource intensities—1.82 million MJ of energy, 5,503.79 m³ of water, and 222.16 tCO₂e/ Rs. crore of revenue—highlighting the impact of its business model.




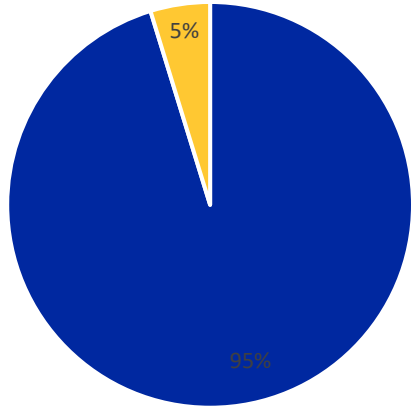
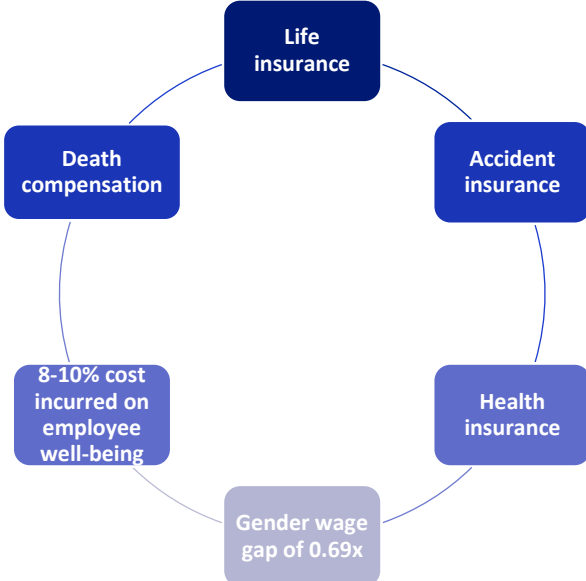


¹ Benchmark prepared with ICRA ESG Rated entities

² Micro, Small, and Medium Enterprises



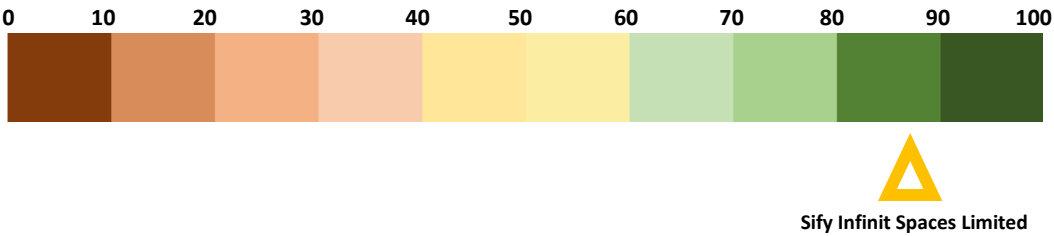
SOCIAL IMPACT

KEY RATING FACTORS (SOCIAL)





 Number of POSH* Complaints	 Income Inequality Ratio (pay ratio)	 Employee Turnover Rate
0	48:1	19%
% Women in Workforce	Employee Benefits and Metrics	Cyber Security & Data Privacy
 <p>■ % Men ■ % women</p>		<div data-bbox="1489 598 1792 782">Dedicated data privacy and cyber security policy</div> <div data-bbox="1825 598 2128 782">No consumer complaints related to data privacy in FY2023 and FY2024</div> <div data-bbox="1489 805 1792 997">~40% inputs sourced sustainably</div> <div data-bbox="1825 805 2128 997">No security breaches/ cyber security threats encountered recently</div>
SISL's Targeted CSR Efforts	 SISL provides clean drinking water in underserved areas by treating local water sources and installing tanks in places like Tirupati and Shirdi.	
	 SISL supports vulnerable groups like the elderly without medical access and orphaned children by providing essentials such as shelter, education, food, and care.	

* POSH – Prevention of Sexual Harrassment

SOCIAL IMPACT SCORE



BREAK-UP OF SOCIAL IMPACT SCORE

	KPI	Score	Symbol
	Employee Relationships	90	Outstanding
	Human Rights	95	Outstanding
	Business Relationships	100	Outstanding
	Community Relationships	65	Good



Employee relationships (Outstanding, 90)

In FY2024, SISL reported a strong safety performance with zero workplace injuries and Lost Time Injury Frequency Rate (LTIFR). No high-consequence incidents occurred, and internal health and safety assessments were routinely conducted. The company's Occupational Health and Safety Management System is deeply integrated into its operations as it has ISO 45001 covering the workspace, and a structured grievance redressal mechanism that ensures unresolved issues are escalated to the C suite level.

The observed wage gap is below unity, reflecting an unfavourable disparity in earnings between male and female employees. ICRA ESG notes that this is influenced by modest workforce diversity, partly led by the limited availability of women with highly technical skills, as well as the relatively limited representation of women in senior or leadership roles. The lack of availability of women workforce for night shift roles is another reason. While this highlights an area for improvement, it also underscores the importance of addressing structural challenges to foster greater gender equity in compensation.

SISL provides a comprehensive range of insurance benefits to its employees, including group medical coverage, term life insurance, and personal accident policies. Benefits also include seven days of paternity leave. Additionally, SISL reflects its adherence to employee welfare standards by offering life insurance coverage in accordance with the Employee's Compensation Act, 1923, as part of its compensation package in the event of an employee's death. Moreover, facilities exist for employees at its data centre locations to support round-the-clock and night shift work, which is characteristic of this business. Additionally, SISL demonstrates its commitment to employee welfare by allocating 8–10% of its profits (excluding salaries) to welfare initiatives.

The company recorded a moderate attrition rate of 19.05%, which is relatively stable for the industry. This figure reflects both voluntary and involuntary exits and serves as a key indicator of employee satisfaction and organisational health. To address retention and foster career growth, SISL has implemented a range of development programmes, including induction training, first-time manager workshops, and leadership development initiatives.

Human rights (Outstanding, 95)

SISL integrates Prevention of Sexual Harassment (POSH) training into its onboarding process to ensure all new employees are well-informed about the company's policies and expectations.

SISL reported no complaints under the POSH framework during FY2024. However, there were isolated instances in previous years, which were addressed through formal inquiries conducted by the POSH committee, which also reflect the smooth working of these policies. These investigations followed established procedures and were thoroughly documented, demonstrating strict compliance with internal policies and legal obligations.

The company's grievance redressal framework is designed for structured conflict resolution, beginning at the supervisory level and escalating to the CXO team when necessary. This ensures that all concerns are addressed promptly and fairly, reinforcing a culture of accountability and transparency.

SISL also holds its suppliers to high ethical standards, requiring them to uphold human rights and report any labour-related incidents.

SISL's current performance in the area of diversity, equity, and inclusion (DEI) indicates room for improvement. Women represent only 4.76% of the workforce in both staff and decision-making roles, and the increase in the employment of Persons with Disabilities (PWD) stands at a modest 0.4%. Additionally, just 0.5% of women are identified as successors for senior

leadership positions. While the company has expressed a commitment to DEI, these figures suggest that tangible progress toward building a more inclusive and representative workplace remains limited.

Business relationships (Outstanding, 95)

As part of its approach to fostering strong business relationships and stakeholder engagement, SISL emphasises transparent and accessible communication across the organisation. In alignment with the Business Responsibility and Sustainability Report (BRSR) framework, the company employs four key communication channels: Email, One-to-One Calls, the Akash Portal, and a dedicated WhatsApp Bot. These platforms ensure timely information flow and responsiveness to stakeholder needs. Additionally, SISL promotes safe and responsible product usage through its prominently displayed Environmental, Health, and Safety (EHS) Policy, reinforcing its commitment to operational integrity and stakeholder well-being. SISL maintains a Data Privacy Policy that underscores its commitment to information security and regulatory compliance. The company has not reported any data breaches or privacy violations in recent years, reflecting the effectiveness of its security protocols. SISL's data centres are equipped with advanced surveillance infrastructure, including 24x7 CCTV monitoring, biometric access controls, and multi-layered physical security managed by a professionally trained security workforce. These facilities are also supported by AI-ready infrastructure and are certified for high-performance workloads, ensuring both operational efficiency and data protection. The company's privacy framework is aligned with global best practices, and it employs tools such as Google Analytics and secure cookie-based tracking to enhance user experience while safeguarding personal data through robust encryption, transparent consent mechanisms, and strict access controls.

The company has maintained a good track record with no major reported product recalls or contract terminations in the past several years, which reflects the focus on its service quality.

While the above covers relationships with stakeholders like customers, the company is also able to contribute to inclusive growth. SISL sources approximately 40% of its procurement inputs from MSMEs and small-scale producers, particularly for civil construction materials, electrical components, and mechanical equipment used in its data centre infrastructure.

Community relationship (Good, 65)

SISL's CSR efforts are spearheaded by the Raju Vegesna Foundation, which comprises a dedicated team of 11 members. The foundation strategically plans and allocates the CSR budget, prioritising impactful, large-scale initiatives over fragmented efforts. In FY2024, SISL allocated a CSR budget of Rs. 2.16 crore, reflecting a focused and strategic approach to social responsibility. This allocation underscores the company's commitment to creating meaningful impact through well-planned initiatives. When compared to previous years, the budget signals a shift towards more efficient and targeted deployment of resources, ensuring that every rupee spent contributes to sustainable and scalable outcomes.

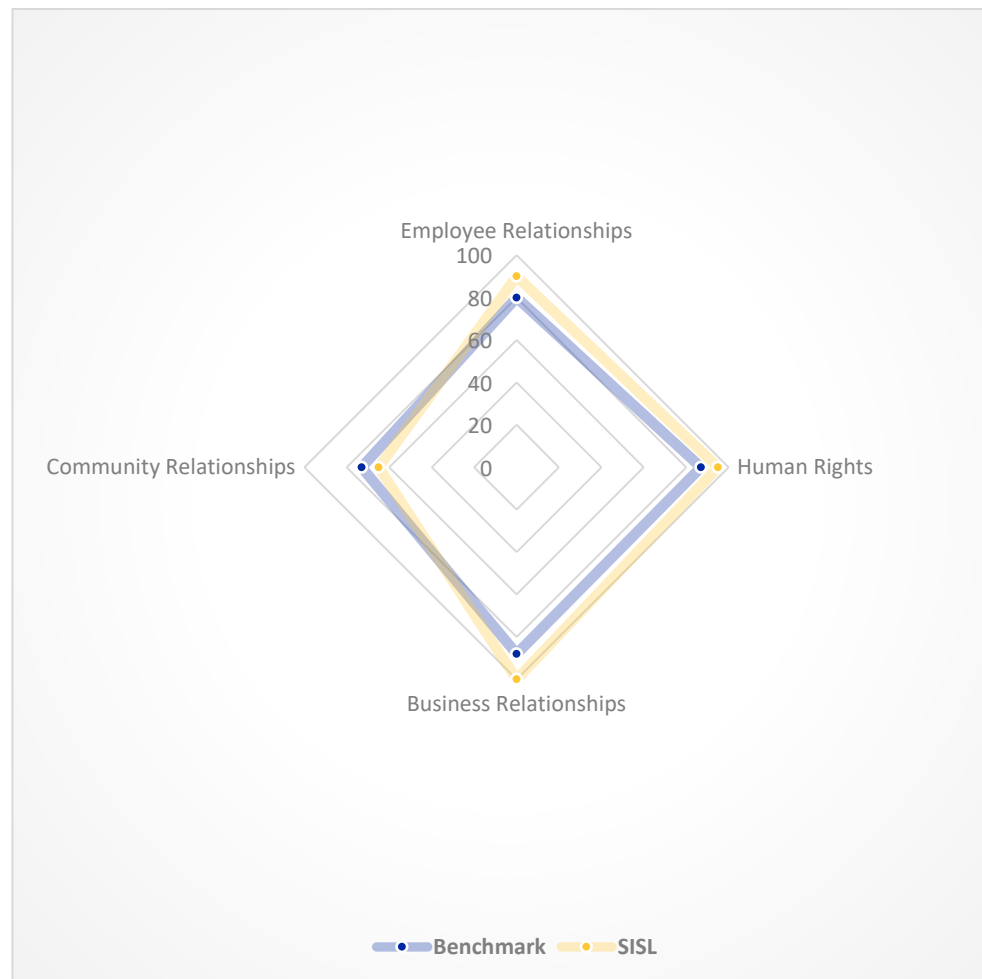
The company demonstrates a strong commitment to social responsibility by supporting vulnerable communities and has established a transparent and responsive system for addressing community grievances. Through initiatives such as funding orphanages and schools, providing meals for elderly individuals lacking medical support, and caring for destitute children, SISL addresses critical social needs. Additionally, the company invests in the development of potable water infrastructure in underserved areas by treating local water to make it safe for consumption.

The company has supported several humanitarian initiatives, often in collaboration with its employees, through a matching contribution programme. During the Covid-19 pandemic, employees collectively raised a substantial amount of funds, which were directed toward supplying oxygen cylinders and Remdesivir to hospitals across India. Similarly, in response to the 2018 Kerala floods, the company dispatched two lorries carrying essential goods and supplies to affected areas. Additionally, the company has donated dialysis machines to the nearby VHS

Hospital and continues to monitor their usage through regular audits to ensure they are functioning effectively and serving those in need. These efforts reflect a consistent approach to social responsibility, though they remain largely employee-driven and event-specific.

In relation to its CSR activities, the company does not currently conduct impact assessments or similar evaluations to measure the effectiveness of its initiatives. Financial assistance to support destitute populations, such as old age homes and orphanages, is provided on the basis of specific eligibility criteria. These include Government recognition, a minimum operational history of three years, the presence of certified caretakers with proper documentation, and successful completion of an internal audit. While these criteria help ensure accountability and responsible use of funds, the company's CSR efforts remain limited in scope, particularly in terms of broader economic development. Notably, the company has not been able to generate employment opportunities in smaller towns, as its operations are concentrated exclusively in metropolitan areas.

SOCIAL

Exhibit 6: Social Parameters¹

¹ Benchmark prepared with ICRA ESG Rated entities

Strong Areas

- **Track Record of Safe Workplace:** SISL reported zero workplace injuries and maintained an LTIFR of zero in FY2024. SISL's Occupational Health and Safety Management System is well-integrated, and internal assessments are regularly conducted, reflecting a strong safety culture.
- **Robust Data Privacy and Secure Infrastructure:** The company has a comprehensive Data Privacy Policy and a flawless record in data protection through networks as well as physical security. This is critical given the sensitivity of the data managed for counterparties in its data centre operations.
- **Ethical Business and Supplier Engagement:** SISL enforces a strict Supplier Code of Conduct, requiring adherence to health, safety, and human rights standards. Additionally, 40% of its inputs are sourced from MSMEs and small producers, promoting inclusive economic growth and supporting local businesses.




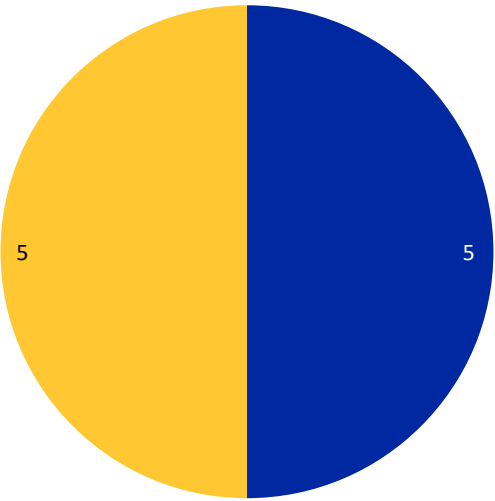
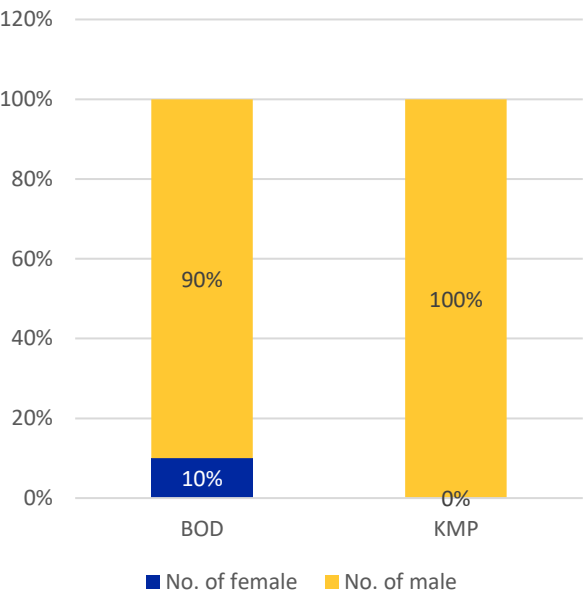
Weak Areas

- **Gender Under-representation and Wage Disparity:** The company acknowledges a wage gap due to the under-representation of highly skilled women and their low representation in senior roles. This highlights a need for stronger gender diversity and inclusion initiatives, particularly in leadership positions.
- **Limited CSR Focus Areas and Absence of Independent Impact Evaluations:** With a CSR budget of Rs.2.16 crore in FY2024, the group focuses on healthcare, social welfare, and environmental initiatives, including efforts in Andhra Pradesh's aspirational districts. However, lack of third-party impact assessments, and minimal rural job creation have constrained the overall reach and effectiveness of its CSR activities.
- **Limited Community Engagement Impact:** Although SISL has a well-defined CSR framework, its community engagement appears less impactful than other areas of its performance. Its initiatives, while targeted and meaningful, may not have achieved widespread reach or visibility, particularly in rural and semi-urban regions where the company has limited operational presence.



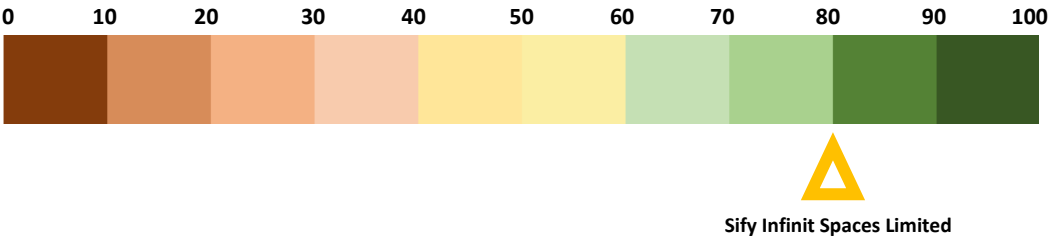
GOVERNANCE IMPACT

KEY RATING FACTORS (GOVERNANCE)




 Presence of a Sustainability Committee	 Qualified/ Modified/ Disclaimer Opinion	 Reg-Tech System Installed
Yes (ESG Committee)	Unmodified/ Clean Opinion	Yes
Number of Independent Directors	Women's Participation (senior level)	Other Governance Indicators
 <p>5 Independent Directors 5 Non-independent Directors</p>	 <p>120% 100% 80% 60% 40% 20% 0%</p> <p>90% 100%</p> <p>BOD KMP</p> <p>No. of female No. of male</p>	<p>100% • Average attendance of Board of Directors</p> <p>Yes • Publication of sustainability reports</p> <p>Reasonable • Level of ESG assurance</p> <p>No • UNGC membership</p> <p>No • Target aligned with Paris Agreement on 1.5°C pathway</p>

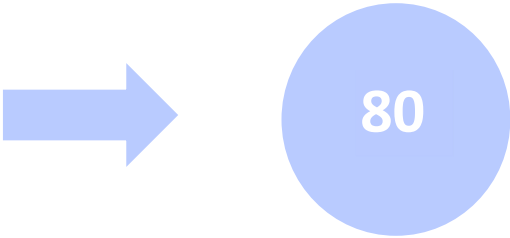
* The company publishes its Sustainability Report at a group level.

GOVERNANCE IMPACT SCORE



BREAK-UP OF GOVERNANCE SCORE

	KPI	Score	Symbol
	Board Structure and Performance	80	Outstanding
	Disclosure and Assurance	90	Outstanding
	Targets and Commitments	70	Good



Board structure and performance (Outstanding,83)

SISL's six-member Board of Directors (BOD) includes three independent directors, ensuring adherence to regulatory norms and promoting balanced governance. The directors bring a broad spectrum of expertise spanning operational leadership, strategic planning, financial oversight, telecommunications, defense, and digital innovation. Mr. Raju Vegesna serves as the Chairman and Managing Director, providing strategic leadership and continuity. The BOD includes two women highlighting the company's commitment to gender diversity at the board level. Although there are no women currently serving in Key Managerial Personnel (KMP) roles, women hold senior positions in the Human Resources and Finance departments, contributing significantly to the company's leadership and operational effectiveness.

With Sify Technologies Ltd. holding 100% ownership, all board resolutions are passed unanimously, reflecting a cohesive and aligned decision-making process. During FY2024, the board convened seven times, with full attendance at each meeting, demonstrating strong engagement and commitment. There have been no recent resignations, ensuring stability in governance. All related party transactions (RPTs) are conducted at arm's length, with net receivables totaling approximately Rs. 23.71 crore, underscoring the company's adherence to transparent and compliant financial practices.

The BOD at SISL represents a diverse and accomplished group of professionals with expertise spanning technology entrepreneurship, operations, finance, public administration, and social impact. Mr. CR Rao, a legal and HR expert turned COO, has played a key role in operational efficiency and expansion. Mr. Raju Vegesna, a seasoned tech entrepreneur, leads the company as Chairman and Managing Director, bringing deep industry insight. Mrs. Bala Saraswathi Vegesna contributes financial and operational leadership, particularly in philanthropic initiatives. Mr. Arun Seth, a telecom pioneer and startup mentor, adds strategic depth in digital and nonprofit sectors. Dr. Ajay Kumar, a former Defence Secretary and academic, offers valuable experience in governance and national digital initiatives. Ms. Padmaja Chunduru, with over four decades in banking and capital markets, strengthens the board's financial and regulatory expertise. Collectively, their varied backgrounds enhance the company's strategic direction and commitment to sustainable growth.

Disclosures and assurance (Outstanding, 100)

The company has demonstrated compliance with statutory obligations, having consistently paid all undisputed dues within the prescribed timelines. As of the year-end, there were no outstanding statutory liabilities overdue for more than six months. Additionally, SISL has adhered to regulatory requirements by publishing its financial results within the mandated timelines. As of March 31, 2024, the statutory auditor has confirmed that SISL's standalone financial statements present a true and fair view of the company's financial position.

SISL has not experienced any resignations in recent years, indicating a period of workforce stability. While this may reflect employee retention, it is important to consider broader organisational dynamics and engagement practices when evaluating long-term talent sustainability.

Given that SISL is wholly owned by Sify Technologies Limited (STL), investor engagement activities, such as investor calls, are not conducted. The board, led by Mr. Raju Vegesna, held seven fully attended meetings in FY2024, with all resolutions passed unanimously due to 100% shareholding by STL. The company's sustainability disclosures are part of the parent company's sustainability report and BRSR, but SISL has not obtained external assurance on its sustainability-related disclosures. Moreover, the company is developing a model to link sustainability performance with senior management Key Performance Indicators (KPIs).

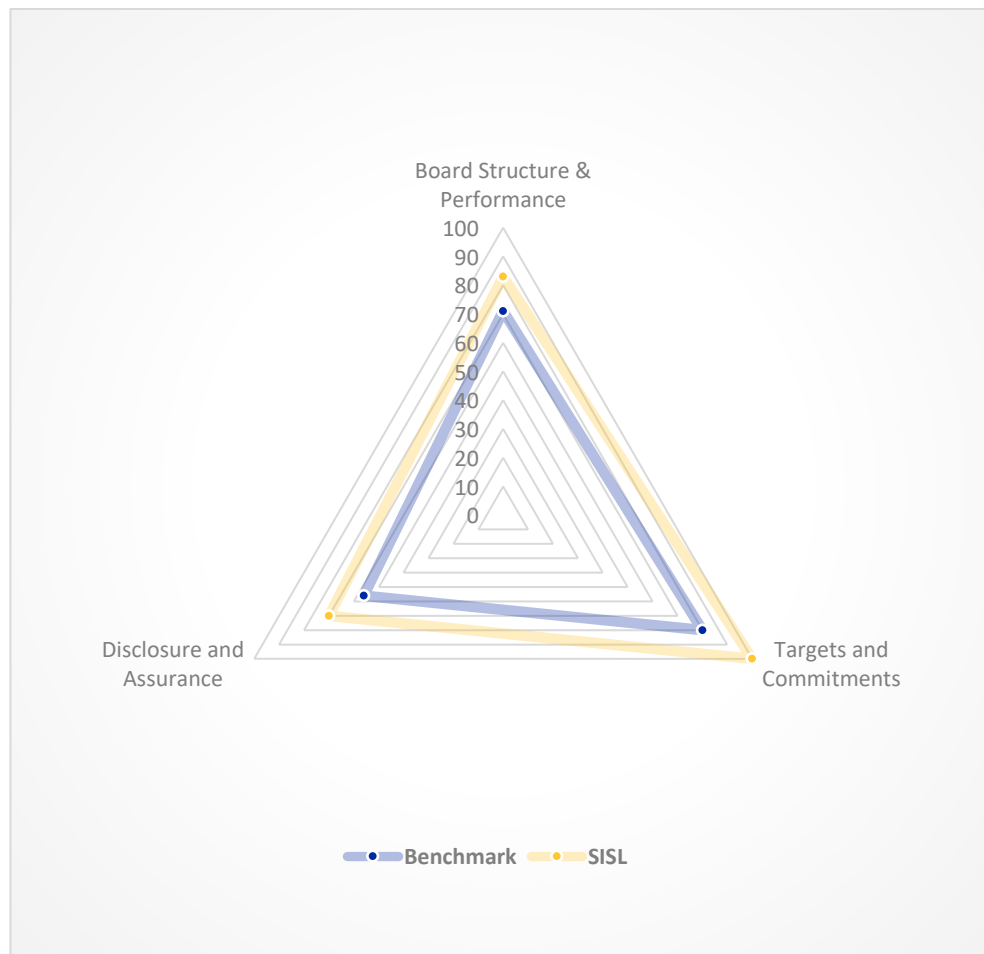
Targets and commitments (Good, 70)

As part of its sustainability strategy, SISL has taken steps to align its operations with global climate goals and responsible business practices. Currently, sustainability performance is integrated into the KPIs of its senior leadership, including the CEO and other C-suite executives. However, the company is still actively developing a framework to embed sustainability metrics into executive performance evaluations. This initiative is still in its early stages and has not been finalised, though regular progress updates are being shared internally.

SISL manages its research and development (R&D) initiatives through internal teams, with a strong emphasis on in-house innovation with the help of subject matter experts. AI modeling and digital portals are developed internally, while the engineering and project teams oversee all aspects of design, execution, and operations. Although there is no dedicated R&D department, domain experts in electrical systems and cooling technologies continuously work to enhance operational efficiency and design, with a particular focus on sustainability areas such as energy and water optimisation.

The company has set ambitious environmental targets, aiming to reduce GHG emissions by 29% by FY2025 and cut its carbon footprint by 50% by 2023 through the adoption of renewable energy sources. SISL aligns its sustainability efforts with three key United Nations (UN) Sustainable Development Goals (SDGs): Affordable and Clean Energy (SDG 7), Responsible Consumption and Production (SDG 12), and Climate Action (SDG 13), reinforcing its commitment to responsible and forward-looking business practices. However, the company is getting these targets validated for alignment with the Paris agreement 1.5°C pathway, limiting the effectiveness of the targets undertaken by the company.

GOVERNANCE

Exhibit 7: Governance Parameters¹

¹ Benchmark prepared with ICRA ESG Rated entities

Strong Areas

- **Adequate Governance and Board Composition:** SISL's board comprises six well-qualified directors, including two women and three independent directors, fully meeting regulatory requirements. With 100% attendance across seven meetings and no resignations, the board demonstrates strong engagement, commitment, and organisational stability.
- **Commitment to Sustainability Goals:** SISL targets a 29% GHG emissions cut by FY2025 and a 50% carbon footprint reduction by 2023 via renewable energy. Its focus on SDGs 7, 12, and 13 reflects a strategic sustainability commitment.

Weak Areas

- **Limited ESG Disclosure and Assurance:** The company does not publish a standalone sustainability report or BRSR, nor seek third-party assurance, limiting transparency and potentially impacting stakeholder trust in its ESG efforts.
- **Absence of Formal R&D Structure:** Despite strong internal innovation, the absence of a dedicated R&D team may limit focus, structure, and scalability, with efforts currently spread across engineering and operations.
- **Lack of Targets Aligned with International Standards:** The company is yet to set a long-term Net Zero target and has not taken membership in bodies like UNGC, showing the lack of alignment with international standards.

ESG BENCHMARKING AND COMPETITIVE ANALYSIS

Exhibit 8: Peer Comparison – Quantitative Parameters

Parameters	Sify Infinit Spaces Limited	Nxtra by Airtel	CtrlS Data Centre	STTelemedia Global Data Centres
General Information				
Total Capacity (MW)	100+ MW	400+ MW (600 MW by 2026)	200+ MW	300+ MW
PUE	~1.4	~1.45	~1.42	~1.35
Renewable Energy Use	231 MW green power	50%+ RE, fuel cell tech	Solar campuses	Green PPAs
Carbon Goals	Net-zero roadmap	Net-zero by 2031	Carbon-neutral goal	Net-zero by 2030
Cooling Tech	Liquid & air	Efficient HVAC	Solar + advanced cooling	Liquid cooling
TCO Optimization	AI-led ops reduce OPEX	Airtel bundling benefits	Tier IV reliability justifies cost	Efficient design reduces TCO
Edge Capabilities	Yes	Yes	Yes	Yes
Environmental Aspects				
No. of Facilities	14+	120+	10+	28+
Latency	Low	Low	Very Low	Low
Physical Security	10-layer security	Multi-tiered	Biometric, CCTV	24x7 surveillance
Cybersecurity	AI/ML-based	Airtel-grade	Tier IV-grade	Threat detection
SLA Guarantees	99.999% uptime	99.99% uptime	Tier IV SLA	99.999% uptime
AI/Automation	AI-led ops	Smart DCs	Automated NOC	AI-driven ops
Customization	High	Medium	High	High
Focus Areas	Enterprise, BFSI	Telecom, Cloud	BFSI, Govt, Pharma	Hyperscale, Enterprise
Proximity to Hubs	Yes	Yes	Yes	Yes
Social Aspects				
Tier Certifications	Tier III & IV	Tier III	Tier IV	Tier III & IV
Uptime SLA	99.999%	99.99%	99.995%	99.999%
Certifications	ISO 27001, SOC 2	ISO 27001, PCI-DSS	ISO 27001, HIPAA	ISO 27001, SOC 2, PCI-DSS
Revenue CAGR (FY20–23)	~16%	~18%	~20%	~22%
Network Throughput	High-speed interconnects	Carrier-neutral, Airtel backbone	Tier IV certified, high throughput	Dense interconnectivity
Cloud Integration	Yes	Airtel Cloud, AWS, Azure	Yes	Yes

Custom Solutions	Yes	Yes	Yes	Yes
Cost per Rack/kW	Competitive	Economical	Premium	Balanced
Locations	14 DCs across India	120+ sites	Mumbai, Hyderabad, Noida, Bengaluru	28+ DCs
Carrier Neutrality	Yes	Yes	Yes	Yes

Source: Company, ICRA ESG Research

ACTION AND FUTURE GOALS

Environment

- Targets:** SISL targets a 29% GHG emissions cut by FY2025 and a 50% carbon footprint reduction by 2023 via renewable energy
- RE Adoption:** Company is using 39% of renewable energy in its total energy usage
- Green Building Certification:** All upcoming data centres will only be built in IGBC certified Green Buildings

Social

- Community Engagement:** SISL remains committed to supporting underprivileged individuals, including the elderly and orphaned children, by addressing their basic livelihood needs and other essential requirements.
- Sustainable Procurement:** SISL procures ~40% of its goods through sustainable sources and plans to increase this, going forward.
- Health Initiatives:** SISL has donated three dialysis machines to VHS Hospital and maintains continuous oversight to ensure they are properly maintained and effectively serve the needs of the intended beneficiaries.

Governance

- Sustainable Development Goals (SDGs):** Align operations with SDGs, including SDG 7, SDG 12, and SDG 13, to promote affordable and green energy, responsible consumption and production, and climate action.
- Vendor Check:** SISL conducts thorough evaluations of its vendors and suppliers during the onboarding process, with a strong emphasis on their ESG practices. Regular audits and assessments are carried out at defined intervals to ensure continued compliance and alignment with SISL's sustainability standards.

ANNEXURE I: GENERAL FACTSHEET

Name of the Company/ Firm	Sify Infinit Spaces Limited
Promoter Group	Sify Technologies Limited, founded in 1995 and headquartered in Chennai, India, is a leading integrated Information and Communication Technology (ICT) service provider. Listed on the NASDAQ under the symbol SIFY, the company offers a wide range of services including network connectivity, data centre solutions, cloud and managed services, and digital transformation support. With over 4,300 employees, Sify has built a strong presence in India and serves a global clientele. Sify continues to expand its data centre and network capabilities, reinforcing its position as a key player in India's digital infrastructure landscape.
ICRA ESG Assigned Ratings	[ICRA ESG] Impact Rating 78, Good
Sector (as per SEBI)	Colocation Services
Sub-sector	Data Centre
Rating Methodology	ESG Impact Rating Methodology
Rating Scale	ESG Rating Scale
Common Directors (if any)	None
Location of Corporate Office	Chennai, Tamil Nadu
Reporting Boundary	For arriving at the rating, ICRA ESG has considered the standalone financial statements of the company including its publicly available documents. ICRA ESG has further taken into consideration the ESG relevant information shared by SISL along with discussions with its key function heads during multiple management meetings.
Data Availability	Good

ANNEXURE II: RATING HISTORY

RATING HISTORY FOR PAST THREE YEARS

S. No.	Parameter	Current Rating		Previous Rating	
		Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
		May 26, 2025	-	-	-
1	ESG Impact Rating	78, Good	-	-	-

Source: ICRA ESG



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