

## **Sustainable Supply Chain Management Policy**

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## 1. OBJECTIVE

This policy aims to promote Sustainability for our suppliers and partners. It enables social, ethical and environmental performance of supplier in line with the Code of Conduct

We bind all our suppliers to follow social, ethical and environmental minimum standards of conduct and encourage each supplier to adopt practices with preferred and favored standards under our Supplier Code Of Conduct.

## 2. SCOPE

This policy applies to the sourcing of products or services for Tech Mahindra's key suppliers including products or services sourced from: local or international suppliers; by tender (Request for Proposal); or Purchase Order (PO) or by negotiation with a targeted or strategic supplier or a joint venture partner.

## 3. ACRONYMS AND DEFINITIONS

| Term/ acronym | Explanation                          |
|---------------|--------------------------------------|
| Tech M        | Tech Mahindra Limited                |
| SSCM          | Sustainable Supply Chain Management  |
| RAP           | Remedial Action Plan                 |
| GRI           | Global Reporting Initiative          |
| SME           | Small and Medium Enterprise          |
| UNGC          | United Nations Global Compact        |
| SAP           | Sustainability Action Plans          |
| PO            | Purchase Order                       |
| ESG           | Environmental, Social and Governance |

## 4. THE POLICY

We are committed to:

1. Engage suppliers that demonstrate a commitment towards Sustainability. with an overall philosophy, management approach, and strong governance and policy implementation. Suppliers must share our commitment to best practice, continuous improvement, and collaborative approaches, and commit to our requirements as per the SSCM Supplier Code of Conduct.
2. Deal in good faith, ethically and responsibly with suppliers, and build trusting, cooperative and long-term relationships.
3. Comply with all local and international laws and regulations of social, ethical and environmental issues
4. Seek higher standards of performance from key suppliers via our SSCM Questionnaire covering social, ethical and environmental aspect and, where necessary, Remedial Action Plan(RAP).
5. Adopt an approach that makes efficient use of Tech Mahindra and supplier resources, as per the Tech Mahindra SSCM Code of Conduct for Suppliers.

6. Deliver social and environmental benefits for Tech Mahindra, our suppliers and the broader community, by encouraging practical and effective social, ethical and environmental responsibility by our suppliers.
7. Encourage our suppliers to make available cost-effective, environmentally and socially responsible products and services
8. Create other benefits for our company, such as reduced costs, improved risk management, enhanced quality, and product or service innovation.
9. Ensure SSCM does not discriminate against SME or local vendors (where such vendors could meet the needs of Tech Mahindra)
10. Ensure both the accuracy of the information provided by suppliers and improvement of the underlying performance, through the use of audits, third party verification and similar processes.

## **5. VENDOR EVALUATION AND PERFORMANCE REPORTING PROCESS**

1. As part of evaluating potential suppliers, Tech Mahindra assigns weightings to the social, ethical and environmental performance of suppliers within the sourcing process, and through our SSCM Code of Conduct sets minimum standards for all suppliers.
2. In addition, we undertake detailed assessment of high spend suppliers to ensure a more in-depth understanding of the social, ethical and environmental business practices of those suppliers.
3. This assessment process is comprehensive, uses unambiguous criteria and is designed to apply to all business units across Tech Mahindra.
4. In addition to our assessment processes we offer to work with our suppliers, to assist them in improving their SSCM performance and reporting.

Where there is a failure to meet Tech M's SSCM performance standards and a supplier is unwilling to agree to remedy the issue, Tech Mahindra will take action to address the situation.

## **6. SSCM PERFORMANCE ASSESSMENTS PROCESS**

Tech Mahindra draws on the principles of the United Nations Global Compact to determine its SSCM policy and, acknowledges the Global Reporting Initiative (GRI), (including GRI reporting indicators) as providing the framework for reporting on environmental, social and economic impacts. We check the compliance and practices of our supply chain through supplier assessment, and onsite audits Our key focus is to assess on basis of ESG parameters and verify if policies of the organizations, business continuity management systems practices and strategies and initiatives to overcome sustainability risks are in place,

TechM asks suppliers to adhere to Supply Chain Code of Conduct through PO's (Purchase Orders)

## **7. SUPPLIER PARTNERSHIP AND DEVELOPMENT**

There are many benefits that could be realized from working collaboratively with key suppliers on sustainability issues. These benefits may include:

- Greater trust and ability to learn and share best practices through information sharing and transparency.

- Ability to find areas of mutual interest and value, for example to help address our Sustainability Strategy priorities of embracing societal change, finding solutions to environmental challenges; and improving our customers' relationship.
- Stronger integration and acceptance of SSCM into our 'business as usual' sourcing work.

We will consider ways of working towards this goal, including:

- Providing a governance process for coordinating requests made by and of our suppliers, to ensure that these are strategically aligned with areas of mutual interest, such as meeting our overall sustainability objectives.
- Supplier development training to develop knowledge and awareness.
- Supplier recognition and reward programs that promote best practice.

## 8. ROLES AND RESPONSIBILITIES

We recognize the importance of ensuring we have the right internal roles and responsibilities to ensure commitment, oversight and support for the Framework. A supportive organizational culture is also imperative to effectively implementing this Framework.

| Roles   | Responsibility  |
|---|---|
| a. Procurement Team,<br>b. Resource Management Group<br>c. Education Services Group.<br>d. Technology Infrastructure Management | 1. Data management of suppliers<br>2. Providing details of suppliers/vendors for audit purpose  |
| Corporate Sustainability Team   | 1. Sending out the Supply Chain questionnaire<br>2. Assessments and Audits of suppliers<br>3. Facilitating responses from the suppliers |
| QWAY  | Process Improvements  |

We also seek to ensure that we:

- Integrate SSCM into relevant business and sustainability strategies
- Assign roles and responsibilities for integrating sustainability into our sourcing processes
- Provide appropriate training and employee engagement for staff involved in SSCM.

## 9. REFERENCES

- SSCM Supplier Code of Conduct- CSUS-PO002
- SSCM Questionnaire- CSUS- CL001.
- <http://www.unglobalcompact.org>
- <http://www.globalreporting.org>
- Supplier Code of Conduct: <https://files.techmahindra.com/static/img/pdf/SSCM-Supplier-Code-Of-Conduct.pdf>

**10. REVIEW**

We view the SSCM policy as an ongoing, long-term commitment to continuous improvement in the quality of sustainable business practices of TechM suppliers. The policy is reviewed every year considering the views and suggestions of respective department heads and suppliers.