Tech Mahindra

Corporate Sustainability Report 2015-16

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About the Report

Tech Mahindra has been actively communicating its sustainability initiatives and disclosing its performance through the medium of Sustainability Reports since 2013-14. The current report for the financial year beginning 1 April 2015 and ending 31 March 2016 is the third Annual Sustainability Report.

In our effort to present our sustainability performance by following the latest and most widely used reporting practices, the contents of this report have been arranged as per the G4 guidelines of the Global Reporting Initiative (GRI). The report has been prepared adopting the "In Accordance – Core" option. We have aligned the content following the Indicator Protocols while applying the reporting principles of materiality, stakeholder inclusiveness, sustainability context and completeness in line with the Principles of Inclusivity, Materiality and Responsiveness. The language of report is English and this report is intended for all our stakeholders.

The reporting boundaries include all India operations as listed below

- Tech Mahindra Limited
- Tech Mahindra Business Services Limited
- Tech Mahindra BPO Limited
- Tech Mahindra Foundation (Section 8 Company)

This report has been externally assured by KPMG. The scope and basis of the assurance are described in the assurance letter issued by KPMG. No other relationship exists between Tech Mahindra and KPMG. Some of the data in this would be based on estimation and would differ when taken on actuals.

DATA	BASIS	EXCLUSIONS
Financial	Tech Mahindra Consolidated, Global Operations	None
Human Resources	Tech Mahindra Indian operations, including wholly owned subsidiaries	Subsidiaries not wholly owned by Tech Mahindra
Environmental	All delivery centres in India	None

The boundary of reporting & scope of assurance covers operations Tech Mahindra for the reporting period is as given below:

Bangalore (AMR)	Bangalore (Hosur)	Bangalore (Electronic City)	Bhubaneswar
Chandigarh	Chennai (Sholingallur SEZ)	Chennai (STG & SBC)	Delhi
Gandhinagar	Hyderabad (TMIC)	Hyderabad (TMIC – SEZ)	Hyderabad (TMLW)
Hyderabad (TMTC)	Kolkata	Mumbai	Pune (Manikchand)
Pune (Hinjewadi)	Pune (Sharda Centre)	Visakhapatnam	

Message from Vice Chairman

Sustainability and business walk together at Tech Mahindra. We place belief in the business case arising out of sustainable development, and have, over years, defined strategies to leverage these opportunities. With this, we have created value not only for our customers, but also emerged as a more efficient organization with increasingly optimized business processes.

Our business is characterized by rapid transformation. While keeping pace with the ever-changing world, we continuously evolve to emerge as a trusted business partner, who can guide customers towards modernization. With Communication and Connectivity as our core competence, we have gone from strength to strength, carving out a strong niche in the market, to position ourselves as a preferred enterprise solutions provider. Our services portfolio continues to grow every day, as does our value proposition.

As a leading IT player, we are consciously aware of our responsibility to work in collaboration with our stakeholders, to build solutions that will enable us to tread on the path of responsible growth. We are putting in concerted efforts to enhance our performance in key sustainability areas. We have been looking within and across our value chain to determine aspects which impact the triple bottom line of our business. With a structured stakeholder engagement programme, we have been able to design strategies and initiatives, which not just improve our sustainability credentials but reinforce our overall business philosophy too.

We moved towards reducing our carbon footprint by installing solar modules, retrofitting LEDs and recycling waste water. We have digitalized internal communications in a great way – with virtual meetings through tele/audio-conferencing, which brings down meeting-related travel and other costs considerably. We also launched special initiatives like Ride4Pride (a unique carpool programme), which not only further our sustainability, but also promotes camaraderie.

Human resources, our women and men, are our most important assets. We have instituted talent recognition programmes which bring out the best in them. Our global initiatives like TechM CARES, Josh and other leadership identification programmes allow our associates to lead as well as get recognized for that. Then, we have Wealth of Wellness programmes which puts wellness before business, thereby advancing employee health and overall well-being.

Lastly, but very importantly, we are committed to good corporate citizenship, and aspire to work with the society to make a lasting change in the lives of our extended families and communities. Our corporate social responsibility initiatives (especially SMART, one of the largest skilling initiatives of India, and ARISE, a programme to completely turn-around government schools into centers of excellence) work with the communities to help them rise, for good. Our programmes have a special emphasis on empowerment of girls / young women, inclusion of people with disabilities and corporate volunteering.

As we look forward to the future, with the challenges it has in store for us, we derive inspiration from an unwavering belief in principles of inclusive growth, which will propel us to become a leading corporate with world-class sustainability credentials.

VINEET NAYYAR
Vice Chairman

Message from Managing Director & CEO

With great delight, I present to you Tech Mahindra's third sustainability report. Sustainability has always been at the heart of our strategy and our key tenets of Rise, *Alternative Thinking* and *Driving Positive Change* drive and outline our values on responsible business. The Sustainability report demonstrates our commitment and aspiration to continually improve our performance across the triple bottom line on economic, environmental and social aspects. It is a critical medium for transparent disclosure of our sustainability efforts.

The world economy seems to be recovering from the previous years' turbulences. However, the sentiments remain subdued because of the slowdown in global growth. As an IT player, we are exposed to numerous risks induced by forex fluctuations, and are thus, closely monitoring the movement of USD and Euro. What is heartening though is the upswing in Indian economy which is benefitting from a stable political environment and renewed interest from institutional investors. Innovation-led transformation drives us as we gear up to be a growth partner in the success story of India. We are collaborating with customers through novel solutions, and creating sustainable value. We are glad to participate in the Indian economy in such exciting times.

As a Mahindra Group Company, we are committed to responsible growth, and believe that no business can thrive without sustainability consideration in decision-making. We have therefore embarked on a sustainable approach to our core business and developed a Sustainability roadmap with 3-year targets. We are glad to report that TechM has met the targets across most parameters. We have achieved a commendable reduction since our baseline year of 2012-13 in our Scope 1 & 2 GHG emissions, surpassing our target of 2.5%. Our environment initiatives have led us to reduce dependence on fossil fuel by adopting renewable sources of energy. We are recycling water (with STP going beyond our target of 95%) to bring down the requirement of freshwater.

TechMighties, our employees, remain our core strength and continue to drive our success. To attract and retain the best talent, we have initiated several programs aimed at motivating them and recognizing their achievements. We are also aware of the need to provide growth opportunities for our employees to help them chart rewarding career paths. Tech Mahindra Foundation is our dedicated social arm which is working towards empowerment of girls / young women and providing learning opportunities to students. We have set ourselves ambitious targets in terms of imparting skills to the youth and reaching out to students in order to provide them access to high quality education.

Sustainability is an ongoing journey towards excellence and creating shared value for all our stakeholders. Communicating sustainability performance had started as a voluntary exercise,

and we are now taking it rather keenly. The shift in focus is helping us continuously improve our sustainability performance every year and has been testified across platforms like DJSI and CDP. These achievements encourage us to strive for excellence and aim higher. As we look into the future, we are confident that the strength derived from support of our stakeholders in establishing sustainability approach will act as a catalyst for business growth.

CP GURNANI

Managing Director & Chief Executive Officer

Independent Assurance Statement

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Independent Assurance Statement to Tech Mahindra Limited on their Sustainability Report for Financial Year (FY) 2015-16

To the management of Tech Mahindra Limited, Rajiv Gandhi Infotech Park, Hinjewadi, Pune – 411057

Introduction

Tech Mahindra Limited ('the Company' or 'Tech M') has requested KPMG in India ('KPMG' or 'We') to provide independent assurance on its Sustainability Report FY 2015-16. The Report was prepared by Tech M as per the Global Reporting Initiative's (GRI) G4 Guidelines, 'In-accordance' – Core option.

The Company's management is responsible for the content of the report, identification of the key issues, engagement with stakeholders and its presentation. KPMG's responsibility is to provide limited assurance on the report content as described in the scope of assurance.

Assurance Standards

We conducted the assurance in accordance with limited Assurance requirements of International Federation of Accountants' (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Under this standard, we have reviewed the information presented in the report against the principles of relevance, completeness, reliability, neutrality and understandability.

Scope of Assurance

The scope of assurance covers Disclosures on indicators as specified below for the period 01 April 2015 to 31 March 2016. The General and Specific Standard Disclosures subject to assurance were as follows:

General Standard Disclosure	*Specific Standard Disclosure*
Strategy and Analysis (G4-1) Organizational Profile (G4-3 to G4-16) Identified Material Aspects and Boundaries (G4-17 to G4-23) Stakeholder Engagement (G4-24 to G4-26) Report Profile (G4-28 to G4-31) Governance (G4-34) Ethics and Integrity (G4-56)	**Economic** - Economic Performance (G4-EC2) **Environmental** - Energy (G4-EN3, G4-EN5), Water (G4-EN8), Emissions (G4-EN15 to G4-EN18), Effluents and Waste (G4-EN23), Compliance (G4 - EN29) **Labor Practices and Decent Work** - Employment (G4-LA1,G4-LA3), Training & Education (G4-LA9 to G4-LA11), Equal Remuneration for Men and Women (G4-LA13) **Society** - Local Communities (G4-SO1)

KPMG, an Indian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity

CIN U74140MH2005PTC153503

Limitations in Conducting the Assurance

Our assurance process was subject to the following limitations:

- Verification of claims was limited to data and information presented in the Report for the period 01 April 2015 to 31 March 2016.
- Data and information in the Report outside this reporting period was not subject to verification.
- Any statement/ remarks/ comments indicating intention, opinion, belief and/ or aspiration by Tech M were excluded from the scope of assurance.
- Determine which, if any, recommendations should be implemented.
- The Assurance Statement does not include verification of financial performance indicators/information that was sourced from Tech M's Annual Report FY 2015-16.
- Assurance visits were limited to the premises which are mentioned in the Assurance Procedure.

Assurance Procedure

Our procedures include assessment of the risks of material misstatements of selected performance indicators and disclosures and underlying internal controls relevant to the information published in the Report. Our procedures were designed to gather sufficient and appropriate evidence to determine that the selected performance information is not materially misstated. Our assurance procedures also included:

- Evaluating the Report's content to ascertain the 'in-accordance' option as per Global Reporting Initiative's G4 guidelines
- Testing on a sample basis, the evidence supporting the data and information
- Evaluating the appropriateness of the quantification methods and models used to arrive at the data presented in the Report.
- Verification of systems and procedures used for quantification, collation, and analysis of sustainability performance indicators included in the Report.
- Understanding the appropriateness of various assumptions, estimations and materiality thresholds used by Tech M for data analysis.
- Discussions with the personnel responsible for the evaluation of competence required to ensure reliability of data and information presented in the Report.
- Discussion with senior executives at Tech M premises and corporate office to understand the risk and opportunities from sustainability context and the strategy followed by Tech M.
- Assessment of stakeholder engagement and materiality assessment process for determining material aspects
- Assurance visits to the following sample premises of Tech M:
  - Rajiv Gandhi Infotech Park, Hinjewadi, Pune
  - Oberoi Garden Estate, Chandivali, Mumbai
  - Infotech SEZ, Hyderabad,
  - Noida Special Economic Zone - Phase – II, Noida
  - Chandrashekharpur, Bhubaneswar

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement. Appropriate documentary evidence was obtained to support our conclusions on the information and data verified. Where such documentary evidence could not be collected on account of confidential information our team verified the same during assurance visits.

KPMG

Conclusions

Based on the procedures performed, nothing has come to our notice that causes us not to believe that the Sustainability Report of Tech Mahindra for the Financial Year ended 31 March, 2016 is presented fairly, in all material respects, in accordance with the Sustainability Reporting Guidelines (G4) of the Global Reporting Initiative.

Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 (Revised) standard. Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this assurance engagement, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behavior. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. The firm applies ISQC 1 and the practitioner complies with the applicable independence and other ethical requirements of the IESBA code.

Responsibilities

Tech Mahindra is responsible for developing the Report contents. Tech M is also responsible for identification of material sustainability issues, establishing and maintaining appropriate performance management and internal control systems and derivation of performance data reported. This statement is made solely to the Management of Tech Mahindra in accordance with the terms of our engagement and as per scope of assurance.

Our work has been undertaken so that we might state to Tech M those matters for which we have been engaged to state in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Tech M for our work, for this report, or for the conclusions expressed in this independent assurance statement. The assurance engagement is based on the assumption that the data and information provided to us is complete and true. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this assurance statement. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.

Santhosh Jayaram
Partner
KPMG in India
17 October 2016

Sustainability Roadmap and Achievements

Recognising the need to quantify and track sustainability performance on economic, environmental and social aspects, Tech Mahindra came up with a sustainability roadmap in 2012. This roadmap included 3-year targets for materials aspects, the goal-setting for which was carried out by drawing guidance from Group sustainability framework of Mahindra Group. We also ensured that the targets reflect our organisational philosophy.

Material Aspects	Baseline 2012-13	2014-15	2015-16	Target 2015-16
Eco-Efficiency				
Reduction in Power Usage Effectiveness of Data Centres (%)	1.47	1.73	1.76*	3%
Reduction in Scope 1 & 2 Emissions (%)MTCO2	119474	114942	4.32%	2.5%
Reducing per capita water consumption by 5% (kl/employee)	13.01	13.90	13.73**	12.36
Enhanced used of recycled water (for locations having STP) (%)	-	100	100	95
Operations & Locations adhering to Centralized E-Waste Policy	-	100%	100%	100%
Green Value Chain				
Capacity Building Workshop for suppliers based on annual market spend (Numbers)	0	8	10	10
Employee Care and Development				
Continuous Learning for all Associates (Hours Per Person Per Year)	40	40	40	40
Reduction in overall attrition rate (%)	16***	19	20****	18
Community Development				
TechM Foundation to reach out to direct & indirect beneficiaries in education & employability space (Figures in Lakhs)	-	1.25	3.85	1.25
Establish SMART vocational training centres across all locations of operations with 80% placement	3	65	75*****	75

**There has been increase in the capacity of data centres because of robust business growth. Although our PUE has increased we have also increased the % Renewable Energy in our data centres.*
*** Our specific water consumption has slightly increased because of robust business growth and an increase in workforce and office buildings. But we have achieved 100% water recycling & reuse through STPs installed in our campuses.*
**** Top Performers*
*****This is in line with Market Trends (attrition)*
******This includes 10 SMART centres where process has been initiated*

Awards & Accolades

Tech Mahindra has been recognised for its excellence across all aspects of its business. Some of the notable recognitions received in 2015-16 are

- Amongst the only three Indian companies to be listed on the DJSI World Index for 2016
- Amongst one of the 10 Indian companies to make it to the DJSI Emerging Markets for 2016
- Listed in DJSI - ROBECOSAM Global Sustainability Year Book – 2016 and received Industry Mover, Bronze Class Sustainability Award 2016
- Ranked #1 in the CDP's Carbon Disclosure Leadership Index 2015 with a score of 100/100.
- Gold Rated at CII Sustainable Plus 2015
- Won four awards at the SHRM HR Awards 2015, bagging the top honours in three categories and runners up in the fourth category. Winner of Excellence in Social Media People Practices, Winner of Excellence in Community Impact, Winner of Excellence in Developing Leaders of Tomorrow, Runners Up in Employee Health and Wellness Practices
- Winner of the Silver in the prestigious Innovation Category (Large Enterprises) in this year's Express IT Awards.
- Bagged the Mahindra Rise Star Performer Award for 2015.
- Won the prestigious 'Training Top 125'Award for 2016.
- Recognized by NextDC as 'Highly Commended – As a Service Partner of the Year'.
- Won the Economic Times Telecom Award 2016 in the category of Best Innovation in Cloud Technology for Telecom Companies for its Cloud aggregation Platform.
- Won the National IT Excellence Award under IT Leadership Award (Internet) category, hosted by Asian Confederation of Businesses and Stars of the Industry (Stars Group).
- Winner of the Smart Cities Award under the Best Smart City Initiative category at the Smart Cities Summit and Awards 2016.
- Won the Golden Peacock HR Excellence Award 2015 for Outstanding People Management Practices.

SUSTAINABILITY AWARD
FROST & SULLIVAN
Frost & Sullivan India ICT A
CSR
Paragon
XPRESS INNOVATION AWA
8th Global CSR Summit
-cum-

About Tech Mahindra

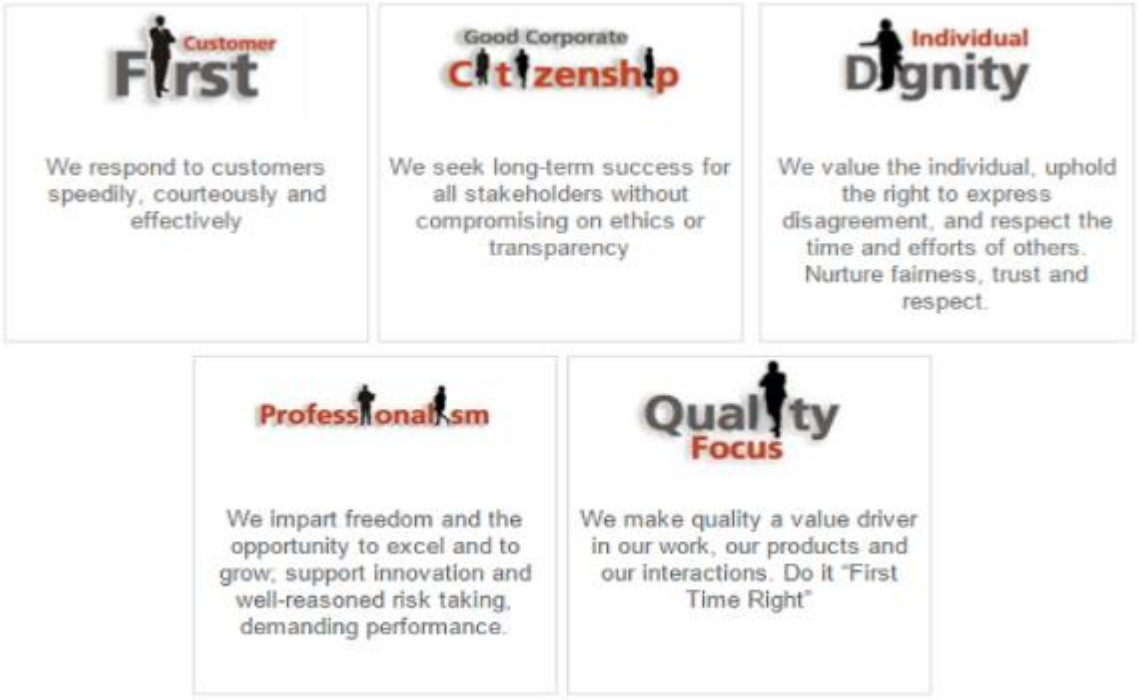
Tech Mahindra is a USD 4 billion company driven by over 105,400 professionals proudly representing us across 90 countries. We are partners to more than 800 organizations around the world including several Fortune 500 companies and are helping them through innovative and customer-centric Information Technology services and solutions. Our innovation platforms and reusable assets connect across a number of technologies to deliver tangible business value to our stakeholders.

Tech Mahindra is part of the USD 16.9 billion Mahindra Group and has earned recognition globally being amongst the Fab 50 companies in Asia as per the Forbes 2015 List. With presence in 90 countries around the world through 49 sales offices and 85 services delivery centres, Tech Mahindra has principle offices in India, United States of America, United Kingdom, Germany, Canada, Australia, Singapore, Malaysia, Philippines, and Brazil etc.

Tech Mahindra offers full range of IT services and industry specific solutions in the domain of Consulting, Enterprise and Communication solutions, Digital Technologies, Networks, Platforms and reusable assets creating business value for its customers. Our services offerings include Communications Services, Consulting, Application Outsourcing, Network Services, Infrastructure Outsourcing, Engineering Services, BPO, Platform Solutions and Mobile Value Added Services.

Core Values and Purpose

Our core values act as guidance in our journey towards excellence. Tech Mahindra has imbibed the values both at the organisational as well as at employee levels and our efforts are driven towards upholding these values.



Mergers and Acquisitions

Mergers

Two wholly owned subsidiaries of Tech Mahindra, Tech Mahindra BPO Limited (TMBL), and New vC Services Private Limited (New vC), merged with the Company during the year 2015-16. As a result of the merger, the entire business and all the assets and liabilities, duties, taxes and obligations of both the merged companies have been transferred to and vested in Tech Mahindra with effect from April 1, 2015.

During the current year, Mahindra Engineering GmbH got amalgamated with Tech Mahindra GmbH.

Acquisitions

Pininfarina

Tech Mahindra and Mahindra & Mahindra (M&M), have jointly entered into an agreement with Pincar S.r.l., to purchase a controlling stake in Pininfarina S.p.A.. Pininfarina is an iconic 85 year old legendary Italian styling brand associated among others with Ferrari, Alfa Romeo and Peugeot. As part of the agreement, Tech Mahindra and M&M shall purchase 76.06 % of Pininfarina shares from the current controlling shareholder Pincar S.r.l. This acquisition will complement existing engineering capability of the Company with High-end styling and Engineering Services.

Consolidated Financial Performance

Economic performance at Tech Mahindra is reported in terms of direct value generated in the FY 2015-16 and amount distributed by means of operating costs, employee wages and benefits and in form of taxes to the government. This also includes risks and opportunities faced by the organization. In the fiscal year 2015-16 the Company's consolidated revenues increased to INR 264,942 Million from INR 226,213 Million in the previous year, a growth of 17.1%. The growth during the year was led by acquisitions as well as organic growth. The geographic split of revenue was balanced with 47% share of Americas, 29% share of Europe, and 24% from Rest of the World.

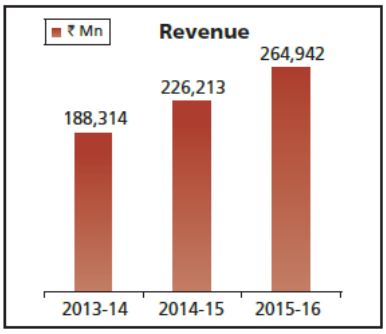
The consolidated Profit before Interest, Depreciation, Tax and Exceptional Items was at INR 48,750 Million, against INR 42,987 Million in the previous year. The consolidated Profit after Tax amounted to INR 31,180 Million as against INR 26,277 Million in the previous year. The number of customers increased from 767 in the previous year to 807 at the end of fiscal year 2015-16.

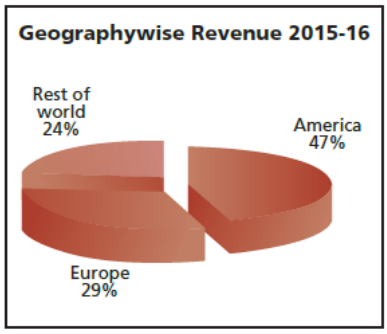
In emerging areas of Big Data, Mobility Network, Cloud, Security, Platforms and Engineering Services, Tech Mahindra is well placed with its breadth of service offerings. Your company has also progressed well in building intellectual property through various Products & Services and Platforms. Your Company is committed towards building a synergistic relationship with its partners to enable, deliver, complete and customized solutions to customers. Tech Mahindra developed an integrated program 'BROP' (Building Relationships and Opportunities and Projects) program, which helps partner organizations and customers to succeed.

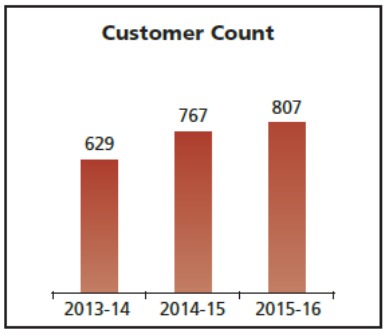
CONSOLIDATED FINANCIAL PERFORMANCE FOR LAST THREE YEARS

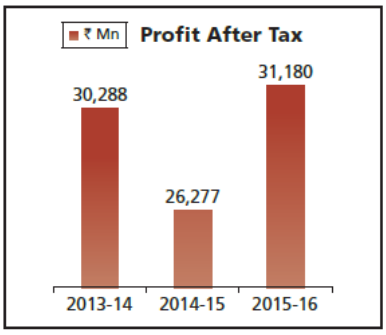
Particulars	2013-14		2014-15		2015-16	
	₹ Mn	US$ Mn	₹ Mn	US$ Mn	₹ Mn	US$ Mn
Revenue	188,314	3,098.2	226,213	3,686.2	264,942	4,037.5
Total Income	189,444	3,119.0	227,278	3,703.7	270,508	4,121.9
EBIDTA (Operating Profit)	41,838	687.1	41,921	681.7	43,184	657.7
PBIT	37,746	622.0	36,872	599.5	41,130	626.1
Interest	799	13.3	691	11.2	961	14.6
PBT	36,947	608.7	36,181	588.3	40,169	611.5
PAT before exceptional items and share of profit/(loss) in Associate	29,424	484.2	26,586	432.2	31,567	480.4
PAT	30,288	498.0	26,277	427.2	31,180	474.6
EBIDTA Margin %	22.2%	22.2%	18.5%	18.5%	16.3%	16.3%
PAT Margin %*	15.6%	15.6%	11.8%	11.7%	11.9%	11.9%
Equity Capital	2,335	39.0	4,804	76.9	4,839	73.0
Net Worth	91,820	1,532.4	122,490	1,960.0	143,677	2,168.5
Net Block Including CWIP	22,966	383.3	28,723	459.6	32,383	488.8
Investments	14,719	245.6	21,028	336.5	24,934	376.3
Current Assets	105,472	1,760.2	122,526	1,960.6	149,451	2,255.7
Current Liabilities & Provisions	45,749	763.5	57,086	913.5	69,560	1,049.9
Total Assets	159,396	2,660.1	198,481	3,175.9	235,070	3,548.0
Current Ratio	2.3	2.3	2.1	2.1	2.1	2.1
ROCE % #	43.0%	43.0%	32.8%	32.8%	29.0%	29.0%
EPS (Diluted, in ₹ and US$) ^^	126.8	2.1	26.7	0.4	31.7	0.5

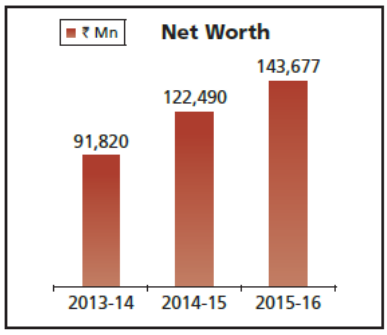
* Before exceptional item and share of profit/(loss) in Associate
\# ROCE% =PBIT/Average capital employed
^^ EPS for FY 15 is post issue of bonus shares in 1:1 ratio and split of one share of ₹ 10 into 2 shares of ₹ 5 each

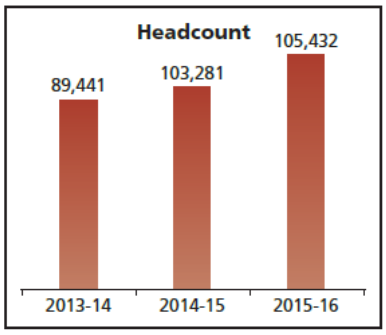












FINANCIAL RESULTS (STANDALONE)

(₹ in Million)

For the year ended March 31	**2016**	2015
Income	**220,782**	192,872
Profit before Interest, Depreciation, exceptional items and tax	**45,221**	33,903
Interest	**(533)**	(479)
Depreciation	**(5,455)**	(4,733)
Profit before exceptional items and tax	**39,233**	28,692
Exceptional items	**-**	613
Profit Before Tax	**39,233**	29,305
Provision for taxation	**(7,033)**	(6,743)
Profit after tax	**32,200**	22,562
Balance brought forward from previous year	**63,559**	43,856
Adjustments on account of Amalgamation	**2,010**	1,140
Profit available for appropriation	**97,769**	67,558
Transfer from Debenture Redemption Reserve	**-**	2,972
Final Dividend Including tax*	(7)	(33)
Reversal of Provision for Tax on Dividend	1,137	-
Dividend (Proposed)	**(11,614)**	(5,765)
Tax on dividend	**(2,364)**	(1,173)
Transfer from General Reserve	**7,732**	-
Balance carried forward	**92,653**	63,559

* In respect of equity shares issued pursuant to exercise of Stock Options after March 31, 2015 but before book closure period, the Company paid dividend of ₹ 5.5 Million for the year 2014-15 and tax on dividend thereto of ₹ 1.1 Million as approved by the shareholders at the Annual General Meeting held on July 28, 2015.

For more details on our Financial Performance please refer to the Annual Report 2015-16

Risks and Opportunities

At Tech Mahindra, Risk assessment is entrusted with the Enterprise Risk Management Team in conjunction with various business functions. The risks identified are regulatory, physical & non-tangible risks. We have constituted a Risk Management Committee along with approved detailed framework for Risk Management. The purpose of the Committee is to review the adequacy of organisational Risk management process. The Chief Risk Officer & the Risk Management team review the organization's risk Management processes for risks under all categories including environment & climate change. For climate change risks monthly reviews are conducted in coordination with the Corporate Sustainability team.

Some of Tech Mahindra's key risks and their corresponding mitigation strategies have been highlighted below.

High Concentration in Communication Vertical

Risk: For the Financial year 2015-16 (FY16); Communication Vertical had a revenue share of 52% of the total business. This is much higher when compared to leading Indian and global IT peers of TechM.

Mitigation Strategy: TechM has Communications in its DNA since its formation as a JV with British Telecom in year 1986. The Company until FY 2013 (that is before the merger of Mahindra Satyam) had almost 100 per cent revenue from Communications vertical. The Merger of Mahindra Satyam with Tech Mahindra in June 2013 has helped Tech Mahindra (the merged entity) diversify and halve its Communication vertical revenue exposure. Further some of our peers also have over 40% exposure in a single vertical

Global Economy risk

Risk: TechM's export revenues are over 95% and it derives 47% revenue from US, 29% from Europe and 24% from the Rest of the World. The Economic growth activity in these nations could directly or indirectly impact TechM customers' IT spends. A slowdown in these economies would pose lower growth or deferred IT spends thus impacting growth for TechM.

Mitigation Strategy: TechM has been operating in volatile business environment for almost three decades and its business model has evolved to deal with changes in the business and IT spend outlook of its clients. Global clients prefer offshoring and India as a preferred destination for offshoring because of its compelling value proposition across people and technology. TechM's business has been growing while the IT services' spend in some of the verticals such as communications has been flat or negative over the past few years.
However severe adverse Global Economic activities risks can impact any Company including Tech Mahindra and remains business risk akin to any IT services business.

Regulatory changes risk

Risk: The Company has operations in over 90 countries and its employees work onsite at client facilities and locations on visas granted for extended or short term work. Any changes in immigration laws or any local regulations can impact the profitability and growth.

Mitigation Strategy: TechM has been in the software services business for almost three decades and has been complying with the local regulations. The Company has adequate and well defined internal processes including contingency plans to deal with the changing regulatory environment. The Company has delivery centres in overseas geographies including USA and has been hiring local employees. TechM has been engaging with its clients on a regular basis

to discuss and deal with any critical regulatory issues which might have an impact on its business.

M&A and Integration Risk

Risk: The Company has a focused M&A strategy. The Company has acquired multiple companies in the past 2 years. M&A's and its integrations by nature involve risks relating to failure to achieve strategic objectives, financial loss, cultural and financial integration etc.

Mitigation Strategy: Acquisitions and M&A's have not been new to the Company. The Company has well laid out and defined plans and acquisition policy. It uses M&A to fill up gaps in its portfolio of competency / services, verticals and client / geography access.

TechM has a dedicated and professional M&A team led by the executive Leadership. The Company undertakes extensive due diligence and deals are evaluated by the Board. Management's experience with all the acquisitions done until now has been quite satisfactory and in-line with its expectations.

Competition risk

Risk: The global IT services industry is highly competitive with competition arising from Indian IT companies and MNC IT services companies having sizable presence in low cost geographies, deep pockets, strong client relationships, In house and Captive services companies etc. The stiff competition can lead to pressure on pricing, vendor consolidation and hence can impact Company growth and profitability.

Mitigation Strategy: IT services companies including Tech Mahindra have been operating under competitive environment for several years. Tech Mahindra has not only been able to become competitive from a multiple services and competency perspective, but has also been able to move up in the IT services value chain. The Company has deep domain knowledge, skilled workforce, delivery capabilities and efficient sales force and relationship managers to help retain its competitive positioning amongst peers

Technology risk

Risk: Digitalization is emerging as a disruptive force for customers, buyers and technology. This disruption coupled with changes in delivery models and consumer spending patterns could be a threat to the growth in traditional IT spends and technology obsolescence.

Mitigation Strategy: TechM has been a specialist provider of connected solutions and has been investing in competencies required for a digital enterprise. It has identified seven technology areas of focus as part of its vision. The Digital Services portfolio of TechM is called NMACSSS – Network, Mobility, Analytics, Cloud, Security, Social Media and Sensors. NMACSSS is an integrated technology strategy to enable business transformation for TechM customers. The Company invests in centres of excellence and provides ample opportunities to its employees through internal and external training on technology and domain skill upgrades.

Employee related / Supply Side risks

Risks: IT being a manpower driven services industry will be associated with supply side risks on availability of talented pool of people, domain and technology experts. Also attracting talented people and attrition remains a risk.

Mitigation Strategy: The Company has a strong in-house and external training curriculum which covers latest technologies and soft skills. The Company has been engaging with employees across locations and levels through various employee friendly initiatives. TechM has been diversifying its fresher talent pools by recruiting science graduates, diploma holders and certified skilled undergrads, while increasing hiring of local people in onsite locations. TechM has a comparable remuneration structure, matured HR process and various employee friendly incentives. The Company provides opportunity to all its employees and runs various programmes for employee enhancement and growth like the Global Leadership Cadre (GLC), Young CEO program, Shadow board, 1000 Leaders program etc.

Currency risks

Risks: The exchange rate of TechM's major billing currencies like GBP, USD, Euro and AUD has fluctuated widely in the recent past and may continue to fluctuate significantly in the future thus resulting in wide fluctuation in not only revenues but also ForEx losses and gains. Adverse currency impact could also lead to impact on Company's profitability being hit.

Mitigation Strategy: TechM has a well-established hedging policy which has been followed consistently over the past years. Hedging is undertaken to protect the Company from unfavourable currency movements & the Company does not undertake any speculative hedging. More than half of its revenue is contributed by its onsite activities and a substantial portion of overall cost is incurred onsite which provides as a natural hedge. The Company has a dedicated Treasury Department which seeks advice from expert professionals and banks for its hedging decisions.

Business Risks and Opportunities due to Climate Change

Fuel and energy taxes

Risk: Mission on energy efficiency initiated by National Action Plan on Climate Change (NAPCC) targets various energy intensive industries like steel, chemical, paper etc. to achieve higher levels of energy efficiency. While the IT services industry does not yet fall under the purview of this program yet, it is a possibility that this program might be extended to IT industry.

Mitigation Strategy: We have implemented an Environment policy, identified sources of energy consumption and have set reduction goals for bringing down our energy consumption as well as GHG emissions. We are also working towards integrating renewable sources of energy and are exploring opportunities to purchase electricity from wind and solar power producers.

Weather-related risks on our associates, facilities and operations

Risk: Precipitation patterns are changing in India and extreme precipitation and incidents of floods can also result in the spread of water-borne diseases. This would affect the daily lives of our associates and their ability to report to work, resulting in loss of productive man hours

Mitigation Strategy: We have carried out a thorough risk assessment to determine the criticality of natural calamities and have evaluated their potential impact on our business activities. We are addressing these risks through our Business Continuity Planning and adequate measures are being taken to mitigate risks arising out of such events.

Natural Disasters

Risk: Few of our facilities are located in coastal areas that can be affected by the rise in sea levels threatening the safety of our associates who may require evacuation. This will negatively impact our business continuity thereby reducing our capacity to deliver our services.

Mitigation Strategy: We have been conducting Business Continuity Planning (BCP) exercise which is aimed towards developing readiness of our response against such eventualities and ensuring uninterrupted services to customers. We have a Disaster Recovery plan in place and periodic mock drills are conducted to ensure preparedness.

Health Risks to our associates

Risk: Health risk to our employees is another physical climate driver. Climate Change and its physical risks can trigger epidemic diseases. For example, during floods, cholera and diarrhea are very common. New and modified diseases are also expected to spread which could leave the current immunity profiles inadequate to combat these. This can affect our employees and in turn affect the business.

Mitigation Strategy: In order to mitigate health related risks among our associates, we have implemented several health management initiatives such as Wealth of Wellness which focus on holistic and healthy living for every employee. We also conduct routine health checkups and counselling sessions to create awareness about following a healthy lifestyle.

Occupational Health and Safety risks

Risk: Prolonged periods of sitting before the computer can cause injuries like musculoskeletal problems, overexertion of certain body parts due to repeated motion, degree of immobilization and levels of constrained postures & computer related morbidity. Continuous exposure to computer screens can lead to eye sight problems. The safety of staff in the office premises may also be endangered due to slippery/uneven stairs, restricted accesses, ascent/slopes, electrical livewires and hazardous storage areas.

Mitigation Strategy: It has always been our effort to encourage employees to adopt ergonomic practices while working on computers. We recommend those working for prolonged durations to take breaks at periodic intervals. We also organize workshops and sessions regularly to promote good practices. In order to mitigate safety hazards, we have ensured that all our facilities are designed as per the safety standards and warnings are displayed prominently wherever required.

Air Quality

Risk: Poor air quality due to release of contaminants through AC vents into the work place environment can result in possible respiratory irritation, discomfort or illness. Hence, workplace air quality is a critical risk for us which can affect our employees and in turn be detrimental for the business.

Mitigation Strategy: Our HVAC systems which have been designed in compliance with all applicable standards and have adopted global best practices are serviced at periodic intervals. At all our campuses, we have created adequate open spaces, landscaped with trees and gardens in order to provide fresh air and a rejuvenating atmosphere for our employees.

Tech Mahindra Business Offerings

Tech Mahindra offers a full range of IT services and industry specific solutions to help clients take advantage of opportunities in spaces of Consulting, Enterprise and Communication solutions, Digital Technologies, Networks, Platforms and reusable assets that connect across many technologies to derive tangible business value. In its eventful journey spanning over almost three decades, Tech Mahindra has transformed itself from being a 'Communications-focused' to a 'business centric' IT powerhouse.

Sectors

Solutions and Services

Corporate Governance

Sound corporate governance practices are the cornerstone for the ultimate success of any organisation. At Tech Mahindra, we are proud to have inherited the rich legacy of ethical governance practices from the Mahindra Group which has allowed us to achieve our strategic goals and meet our responsibilities towards all stakeholders. Our governance philosophy is based on our culture, policies, relationship with stakeholders, commitment to values and ethical business conduct. We strive to maintain the highest standards while conducting business and our efforts are dedicated towards being transparent, accurate and timely in our disclosures conforming to prescribed regulatory guidelines.

There were no significant fines or non-monetary sanctions for non-compliance with laws and regulations for FY2015-16.

In order to receive guidance on business strategy and prepare ourselves for future challenges, our Board comprises of a balanced mix of eminent executive, non-executive and independent directors. The Board consists of 5 Independent Directors including 1 Woman Director, 3 Non-Executive Directors and 2 Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act.

The names and categories of the Directors on the Board, as on 31st March, 2016 are given below:

Name of the Director	Designation
Mr. Anand G. Mahindra	Chairman
Mr. Anupam Puri	Independent Director
Mr. Bharat Doshi	Non-Executive Director
Mr. Meleveetil Damodaran	Independent Director
Mrs. M. Rajyalakshmi Rao	Independent Director
Mr. Ravindra Kulkarni	Independent Director
Mr. T N Manoharan	Independent Director
Mr. Ulhas N. Yargop	Non-Executive Director
Mr V S Parthasarathy	Non-Executive Director
Mr. Vineet Nayyar	Vice Chairman
Mr. C.P. Gurnani	Managing Director & Chief Executive Officer

Board Committees

Keeping in view of the better Governance and focused discussion, the Board has constituted various committees with specific terms of the reference and scope.

Governance Policies

Code of Ethical Business Conduct

All the Directors and Senior Managerial Personnel have affirmed compliance with the Code of Ethical Business Conduct (CEBC) as approved and adopted by the Board of Directors and a declaration to that effect is signed by the Managing Director. The CEBC training programs & certifications are mandatory for all associates, and aims to apprise employees on various fundamental risks related to corruption, bribery, conduct and also mechanisms to report any such cases to the corporate ombudsman. The CEBC Policy can be accessed here.

CEBC mandate completion increased from 76% to 90%

Non-Alliance with Political Parties

Tech Mahindra as a company complies with the applicable laws and the governance systems of the country in which it operates. The company does not campaign for, support or offer any funds or property as a donation or otherwise to any political part of any independent candidate for the political office. The company strives to preclude any activity or conduct which could be interpreted as a favor to and from any political party or person.

The company does not make contributions to political parties to influence any decision or gain a business advantage. The company makes donations that are legal and ethical under local laws and practices.

Whistle Blower Policy

The Whistle Blower Policy encourages employees to report any instance of unethical behaviour, fraud, violation of the Company's Code of Ethical Business Conduct (CEBC) or any behaviour which may otherwise be inappropriate and harmful to the Company. The policy has been communicated to all employees and is available company website here. An ombudsman has been appointed along with dedicated a telephone line to enable employees to raise their concern and report cases.

Anti-Corruption and Anti-Bribery

During the year there have been no incidents of corruption or legal actions for anti-competitive behaviour, anti-trust, and monopoly practices**.** Our Anti-Corruption and Bribery Policy is available here.

Anti-Sexual Harassment Policy

Tech Mahindra has zero tolerance on sexual harassment at workplace. There is an Anti-Sexual Harassment (ASH) policy in place which is routinely communicated through mailers and town hall meetings. The policy is strictly enforced and associates are encouraged to report all such issues which are investigated thoroughly and confidentially. The policy is available on our public website here.

ASH mandate completion increased from 86% to 92%

Our Code of Ethical Business Conduct (CEBC) and Anti Sexual Harassment (ASH) policies aim to reinforce our commitment to the embodiment of ethics, good governance, values and acceptable standards of corporate behaviours within our Organization and with all our stakeholders.

To ensure a 100% completion of this organisation level mandate, we are also enhancing the module by automating a few features, making it more stringent. Associates who have not completed the mandates are being notified.

Human Rights

Tech Mahindra follows the International Human Rights norms and National Labour laws that protect and empower all associates within Tech Mahindra's scope of control and influence, who produce products or provide services for Tech Mahindra, including associates employed by Tech Mahindra itself, as well as by its suppliers/subcontractors, and sub-suppliers.

Tech Mahindra policies ensures non-employment of Child Labour, Forced and Compulsory Labour, promotes Health and Safety, Freedom of Association & Right to Collective Bargaining and there is no discrimination on the basis of caste, gender etc within the company.

Sustainability Structure

The Chief People Officer at Tech Mahindra, Mr. Rakesh Soni is part of the group-level Mahindra Group Sustainability Council, which formulates the vision & strategy for the group companies. He is responsible for driving key sustainability strategies within Tech Mahindra. The Mahindra Group Sustainability Council also comprises of Tech Mahindra board member Mr. Ulhas Yargop and Mahindra Group Sustainability Head Mr. Anirban Ghosh.

We also have a Tech Mahindra Sustainability Council which acts as the executive body, focusing exclusively on the sustainability agenda of the organization. The Council comprises of the CFO, Deputy CFO, Chief People Officer, Chief Sustainability Officer and Heads of Corporate Services and Legal. The Tech Mahindra Sustainability Council periodically identifies key risks, reviews overall performance of sustainability programs and provides vital insights on the climate strategy once every quarter. The Chief Sustainability Officer is also a member of the Management Council of Tech Mahindra (the highest governing Council of Tech Mahindra) and the Corporate Sustainability Council.

The Tech Mahindra Sustainability Council members carve the strategy and roadmap for the organization's sustainability. Our Sustainability Champions and Green Marshals drive the overall sustainability programs and initiatives which align to our company's strategy and to the group-wide strategy of Mahindra.

The Tech Mahindra Corporate Sustainability cell is headed by the Chief Sustainability Officer, Mr. Sandeep Chandna who reports to the Vice-Chairman Mr. Vineet Nayyar of the organization. Mr Vineet Nayyar is also part of the highest governing body viz. Board of Directors of the company.

Stakeholder Engagement and Materiality Assessment

Tech Mahindra strategically employed diverse dialogue platforms to access multiple perspectives and the concerns. The basis for identifying the key stakeholders was the importance and criticality of business functions. The entire process was in alignment with GRI G4 guidelines.

A list of these engagements is mentioned here, in reference to the respective stakeholder group along with critical focus areas identified by the group.

Stakeholder Groups	Key Concerns	Engagement Mechanism	Feedback Mechanism	Frequency of Engagement
Customers	Customer satisfaction	Meetings, interviews, personnel visits, interaction with top management, publications, media & communications, feedback camps, customer visits and support programmes, conferences and seminars, public events and forums	SMS, E mail and Online surveys	Monthly, Quarterly, Bi-annually, As and when required
Associates	Employee satisfaction, Interaction with management	Conferences & workshops, publications, newsletters & reports, online portals, performance reviews, team meetings, town hall meetings, Senior Management interactions, CSR and volunteering events, recreational activities, feedback surveys, one-to-one interactions.	SMS, E mail, Online surveys, counsellors	Daily, Weekly, Monthly, Annually, As and when Required

Shareholders/Investors	Meeting the interests of stakeholders	Annual report, sustainability report, press releases, investor presentations, corporate website, quarterly and annual results, disclosures on sustainability platforms	Annual meetings, Submission of online queries	Monthly, Quarterly, Bi-annually, Annually
Academic Institutions	Industry interaction	Strategic tie-ups on innovations and capacity building of associates, to identify young talent pool	Online surveys and meetings	Bi-annual, Annually, As and When Required
Vendors/Partners & Collaborators	Maintaining the quality of products and satisfaction of vendors	Supplier & vendor meets, workshops & training, policies	Vendor engagement meet	Annually
Government/NGO	Responsible corporate citizenship	CSR programs in aspects of education & employability	Meetings and interactions	Quarterly, Bi-annually, Annually
Community	Developmental activities	Social Innovation projects	Personal Interviews, Surveys	As and when required
Industry Bodies	Public advocacy	Conferences and seminars, Working Committee Meetings, Meetings, Disclosures at sustainability platforms, Conferences & summits	Online surveys	Bi-annually, Annually, As and when required

Our materiality assessment exercise began with identification and prioritisation of key stakeholder groups. The basis for identifying the key stakeholders was the criticality of business functions and stakeholders within the business operations of the company. From a comprehensive list of stakeholders, prioritization was done based on their influence on business. The identification and prioritisation exercise was carried out through detailed discussions and consultations with Senior Management and representatives of various functions.

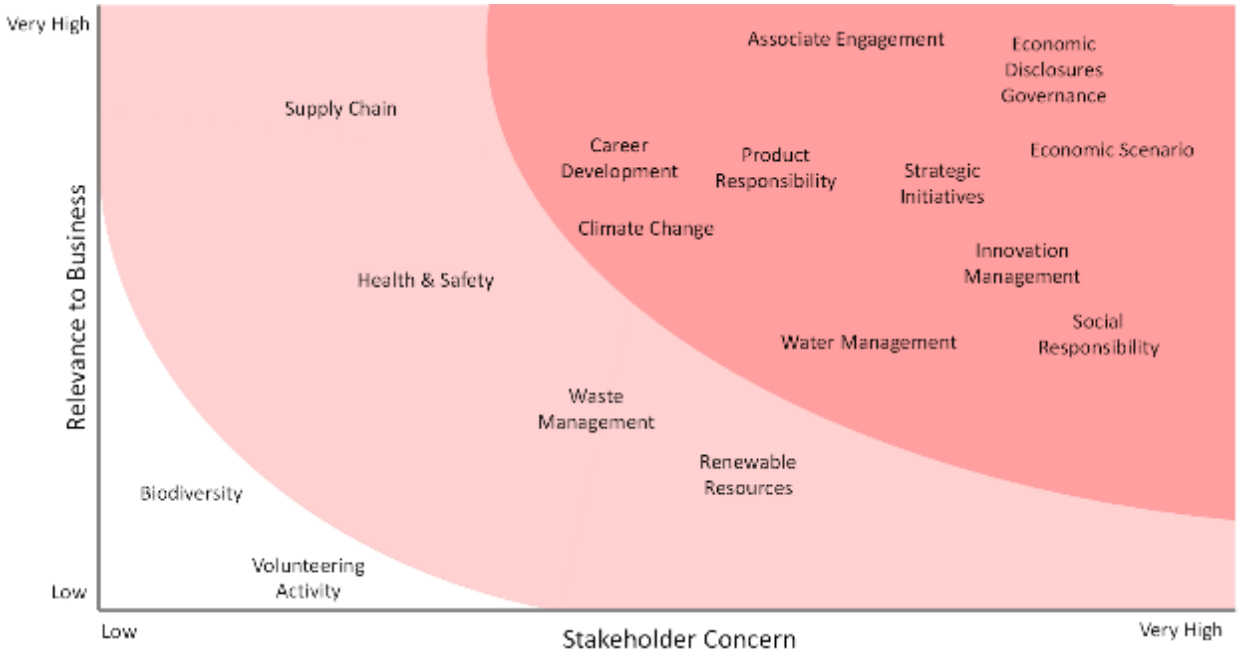
In order to determine key issues important for the organisation, comprehensive stakeholder engagement exercises were carried out involving interactions with various stakeholder groups utilising wide range of engagement mechanisms. Detailed interactions with stakeholders were

conducted by responsible functions throughout the year and the feedback from such ongoing engagements were used in determining important issues from business and stakeholder perspective.

We also referred to industry best practices and public information available in journals and publications for understanding the key sustainability issues for the business and incorporated those in our list of key issues.

These key sustainability issues were then prioritised taking inputs from both internal and external stakeholders in a systematic manner. The prioritisation activity served to highlight the issues which are important from the business perspective and are also high on stakeholder concerns. These high priority issues then became a starting point for our sustainability roadmap formation.

The Materiality Matrix represents the material aspects which were identified from our materiality exercise. The top corner of the matrix lists down the material issues critical to our business operations. The material issues identified are in alignment with our core sustainable business strategy. For all material aspects, we have defined the reporting boundary to be within the organisation.



Employee Engagement

Tech Mahindra recognizes that associates are the most valuable part of the organization and understands that people have to be encouraged, recognized and rewarded to create, grow and sustain a world-class organization. The organization also promotes an open feedback culture and empowers associates to act as agents of change in their own domains. The company believes in giving back to the society and motivates associates to regularly engage in volunteering services.

HR engagements in Tech Mahindra have been developed based on the feedback given by associates through formal surveys. These not only help gauge associate engagement levels and their needs, but also help learn about workplace strengths and weaknesses.

Tech Mahindra launched an online survey TECH MAHINDRA CARES which measures associate experience across key engagement dimensions like Career, Alignment, Recognition, Empowerment and Strive. The Action Planning feature post the survey is a step towards collaborative decision making that influence aspects such as jobs, work environment, or the direction of company as a whole.

Tech Mahindra recognizes the right to freedom of association & encourages associates to connect, discuss ideas and raise issues through readily available internal tools and platforms. Some of the avenues like Freevoice (a portal where associates can air their issues), IRIS (our Idea bank), All hands Meets and Redressal committee offer an opportunity for associates to interact with the management, raise concerns and resolve issues/ conflicts in a fair and transparent manner. There was no operation identified in which the right to exercise freedom of association and collective bargaining was at significant risk.

Customer Engagement

The business functions at various touch points reach out to customers to understand their needs and deliver services exceeding the customer's expectations. At the same time due to the power and support of the Talent team and the Innovation management team, the organization has scaled itself to be future ready with an array of services in digital age.

Tech Mahindra as a Consulting, Digital Transformation, Integrated Engineering, Business Services and Solutions, provider, has helped customers across the globe achieve business goals. In a dynamic world of challenges it is imperative to understand the needs of customers and excel on customer expectations.

Hence, Tech Mahindra has maintained a constant dialogue with customer channels to ensure a close relationship with our customers. This mutually benefits as the organization continues to understand the needs of the customers better and at the same time helps customers understand the products and services offerings better. Such platforms of interaction also enable us in capturing the pulse of the industry and understand the future landscape; at the same time helping the company adapt to these changes.

We conduct an annual survey to evaluate the needs and feedback of the customers. The Customer as Promotor Score is computed from the response of the customers to one pointed question, also known as, the ultimate question, **"How likely is it that you would recommend this organization to a friend or colleague?"** This survey provides us an excellent opportunity to gauge customers and understand their key issues.

For the fiscal year of 2015-16, no grievances on breach of customer privacy or security were filed through company's grievance mechanisms. **There were no monetary fines/penalties against the company on basis of any non-compliance of laws and regulations concerning the use of its products and services.**

Tech Mahindra has implemented a strong and robust IT security system in place. **There have been no incidents to our IT infrastructure this year and we did not pay any penalties or suffer any revenue losses.**

Community Engagement

Being a responsible corporate citizen, Tech Mahindra has always been committed to work towards betterment of the socially and economically disadvantaged amongst the society. Tech

Mahindra Foundation (TMF) has been playing an active role in reaching out to the communities and engaging with them in order to understand their needs and expectations. This has led to designing of social projects which address the requirements of communities and empower them in the best manner.

It has been TMF's endeavour to promote quality education and employability for vulnerable sections of society through novel and collaborative partnerships with Government, NGO's and other organisations across India. To achieve this objective, several programmes aimed at access to education and empowerment of communities has been initiated.

Persistent interactions and follow-ups have enabled TMF to determine the impact and effectiveness of its initiatives. Engagements at the grass-root level have enabled us to forge long-lasting relationship with society.

Disclosure of Management Approach

Tech Mahindra nurtures a business philosophy of alternative thinking, strategically leveraging sustainability as our competitive advantage. This ideology of Sustainability is reflected in our rigor and strategic thinking across the organization. Connectedness with each of our stakeholders is crucial and paramount to us and we have identified and taken targets against high impact material issues, concentrating individually on each one of them with the sole purpose of developing a sustainable business model. We ensure that we not only transparent in our disclosures but also go beyond in our efforts to create a better ecosystem for our stakeholders.

Tech Mahindra follows a structured and well-understood strategic approach - right from identification of stakeholders, to arriving at key materiality issues which are aligned with business strategies, and accordingly customizing sustainability targets.

The sustainability approach encompasses the TRIPLE BOTTOM LINE principle and recognizes that People, Planet and Profit as the central pillars of Corporate Sustainability. Tech Mahindra has proactively engaged with its stakeholders to identify, filter out and prioritize material issues critical for business sustainability.

Human capital Management

Our most important resources are our associates and a lot of efforts are invested in implementing employee-friendly policies, trainings and skill development. The rapport developed with the organisation thus help in the smooth flow of our operations and in retaining our experienced employees, minimizing attrition and lessening the costs of hiring new replacement resources.

We run training and higher education programs through tie-ups with competent colleges which precludes employees leaving the organization for higher education. Many leadership programs like Young CEO, 1000 Leaders, Global Leadership Cadre, Aimers, etc are initiated to meet the aspirations of the employees for the leadership roles. The Performance appraisal system has also been simplified for the growth of the employees. Employee engagement programs like Josh and Green Marshals give the employees a platform to engage in co-curricular and societal activities, some of which are incentivized and rewarded. We promote work-life balance for employees through policies, initiatives and events and encourage a healthy life style through facilitating sports, yoga and fitness centres at most of our facilities.

Innovation

Tech Mahindra has enabled a 6-pillar Innovation Growth strategy across the organization through following programs: IRIS; Intrapreneurship Program; Innovation with Start-ups; Portfolio Management; University Collaboration; In-House IPR Patents, Copyright, Trademark related services; to work on next generation technologies, collaborating with Global Universities, niche play start-ups, research collaboration with innovators, encouraging our own associates to seed their idea into something larger and meaningful like an entrepreneur, collaborate with partners like IBM, Google, Microsoft, etc. in co-innovation space and more.

We have state-of- the-art i5 Labs for developing differentiation solutions for customers/ industry verticals using cutting edge technologies like Big-data and Hadoop architecture, Bio-sensors and wearable devices, Cognitive computing, Real-time analytics and visualisation, Bitcoin and distributed computing for IoT networks and Natural Language Processing techniques.

Environmental Management

Tech Mahindra's comprehensive environmental strategy has structured processes and accountabilities to check energy and water consumption, GHG emissions and waste generation. To conserve energy, we are increasing sourcing of electricity from renewable sources, and taking initiatives such as occupancy sensors, procurement of energy efficient lighting, products, green procurement of laptops and server virtualization. To dent GHG emissions, we are replacing travel with as much virtual meetings as possible, promoting carpooling initiatives like Ride4Pride. For waste management, we have installed Sewage Treatment Plants (STPs) at our major campuses, adopted comprehensive waste management policy. We are assessing and actively engaging with our suppliers at regular intervals to improve their processes to prune down their emissions. The Green Marshal initiative through employee participation creates environmental awareness. Our state- of-the-art green campuses for local climate control have already helped us surpass our target of 2.5% of Scope 1&2 Emissions for FY15-16. We are currently in the process of setting a long term target which would be science based.

Public Policy Participation on Sustainability and Climate Change

Through memberships with various National and International forums, Tech Mahindra has been proactively voicing its opinions on issues pertaining to sustainability and climate change. We also share our experiences gained during deployment of sustainability initiatives and derive maximum out of the participation opportunities through knowledge sharing and learning from best practices.

Confederation of Indian Industry (CII)

Mahindra Group is a part of the Western Region Maharashtra Environment committee of CII. By virtue of this partnership, Tech Mahindra has been able to interact and engage with other stakeholders to spread awareness and share recommendations for various new or updates to existing policies

Tech Mahindra actively supports the initiatives and efforts of CII and the sustainability Wing Centre which seeks to bring transformation through a complete program of policy advocacy, knowledge creation, knowledge dissemination and 'on-ground' model projects.

National Association of Software and Services Companies (NASSCOM)

NASSCOM is the premier trade body and the chamber of commerce of the IT-BPM industries in India with membership base constituting over 95% of the industry revenues in India and employing over 3.1 million professionals. NASSCOM has been strongly advocating the need for ICT industry to step up the involvement in sustainable development activities. There is strong belief that ICT has the potential to become agent for changing the lives of underserved communities.

Tech Mahindra aligns itself with the outlook of NASSCOM and has been innovating to come up with solutions enable bridging the digital divide and bringing access to technology and information closer to the society. Tech Mahindra also supports the NASSCOM events on climate change.

WRI India

With an increasing domestic policy push on renewable energy and rising fuel levies, with stronger international stakeholder engagement, companies are exploring tools – such as voluntarily applying an “internal” carbon price – to address risks and opportunities related to climate change policies. There is clear interest in the Indian private sector to explore adopting internal carbon pricing, given increasing levies in the country and globally, as well as the need to prepare corporate readiness for potential carbon regulations.

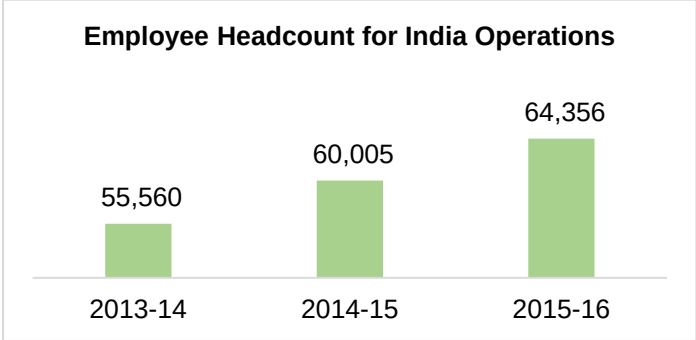
Tech Mahindra was recently part of a high level workshop hosted by the Mahindra group with the World Bank's Carbon Pricing Leadership Coalition (CPLC), World Resources Institute (WRI), CDP, the World Business Council on Sustainable Development to explore the landscape for internally pricing carbon within the Indian corporate sector, and encourage businesses to voluntarily take action on carbon pricing**.** The workshop discussion centered on identifying the role of internal carbon pricing with respect to overall business objectives and potential approaches to incorporate it within operations. It aimed to bring together international and Indian businesses to facilitate the development of best practice guidance and other tools and resources on implementing a voluntary corporate carbon pricing program. International perspectives from TOTAL, RUSAL, Yale University, Japan-IGES provided insights from international experiences using an internal carbon price, and reflections on common questions global companies share with their Indian peers.

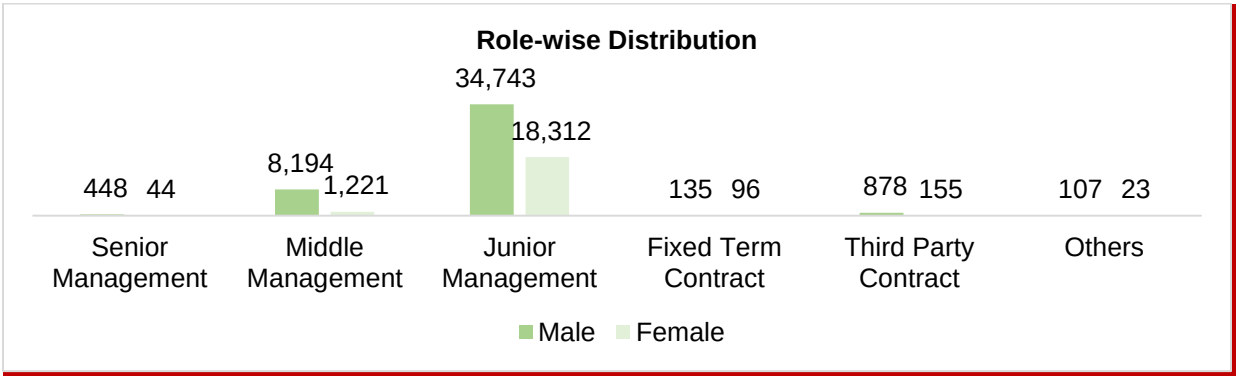
Human Resource Management

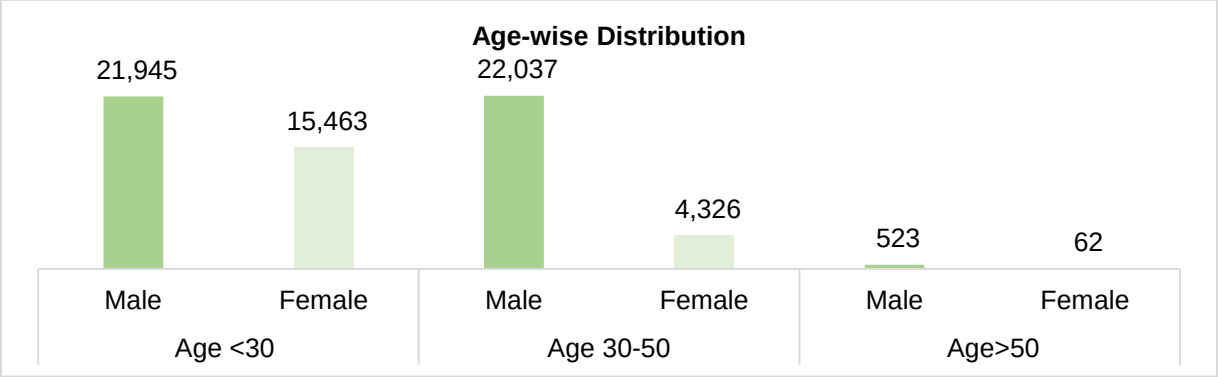
Tech Mahindra takes enormous pride in its associates and is dedicated to making the organization a great place to work for. In alignment with its commitment to nurture people and their talent, the organization has continuously strived to empower its workforce by providing opportunities for learning and development. The policies, processes and benefits are all aligned to ensure that the associates work in a transparent and inclusive environment that help them develop into a technically sound and functionally adept professionals.

With the expertise of 105,000+ associates spread across 90 countries, Tech Mahindra has a diverse workforce that connects, collaborates and celebrates together. The culture at Tech Mahindra is driven by the 3 strong pillars that co-exist within its ecosystem- **Accepting No Limits, Alternative Thinking and Driving Positive Change**. The company encourages associates to celebrate the essence of life even while at work and strongly believe in providing a good work - life balance.

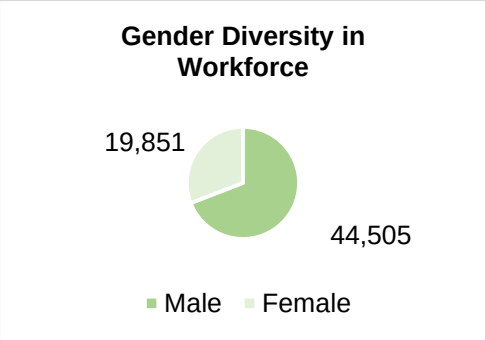
Tech Mahindra works towards attracting and retaining the best talent in the industry, ensuring that they have specialized skills which are greatly valued in the industry globally. The organization tries to offer the best possible benefits to the associates and ensures that the associates' interests are largely protected. But in case there is a bifurcation of services, the notice period for termination of services stands at 2 months from either side.







Tech Mahindra has several initiatives to engage, encourage and promote women leaders at work place. As the number of women working at Tech Mahindra continues to grow, we have initiated various programs to support their goals and aspirations. The employee count of women in Tech Mahindra operations in India (which includes IT associates, BSG & Contactors) for FY 2015-16 was 31%.



Tech Mahindra is committed to follow global best practices and adhere to United Nations Global Compact (UNGC) and UN Guiding Principles on Business and Human Rights. These principles also guide our policies and practices dealing with our operations, partnerships, investment agreements and contracts and Covers Company's position on compliance with international guidelines and norms providing a healthy ecosystem to our associates

Talent Acquisition

In order to successfully scale up, acquisition of high quality talent in the required numbers is very much a necessity. Tech Mahindra has a well-defined workforce planning strategy and processes set up by business units and corporate functions. Manpower requirements are also fulfilled by up-skilling the existing resource pool.

In order to attract qualified diverse applicant pools the company follows the below mechanisms:

- Focused drives across campuses
- Online job portals
- Recruitment agencies
- Employee referral schemes

During the year 2015-16, we hired 29,719 associates for our Indian operations. This includes hiring of 20,093 male associates while 9,626 female associates were during this period. It has been our firm commitment to enrich our organisation's strength by attracting the best available talent. We engage with leading educational campuses for our hiring activities while also offering rewarding opportunities to experienced professionals.

During the reporting period of 2015-16, 28,767 associates separated from Tech Mahindra. This included 20,471 male associates while there were 8,296 female associates. The rate of attrition in IT for the year was 20%. We have instituted robust HR processes to ensure that we are able to gather the perspectives of separating employees in order to identify opportunities of improvements.

Workplace Benefits

In order to attract and retain the best talent in the industry, Tech Mahindra offers industry leading benefits to employees. All mandatory benefits like Provident fund, Healthcare options like hospitalization, disability and invalidity coverage, life insurance and accident insurance, parental leave, paid leave, travel and relocation benefits, retirement benefits, stock options, are provided for permanent employees.

All statutory workplace benefits are provided to contractual/part-time and fulltime associates. Compensation levels are merit-based, determined by qualification, experience levels and special skills and does not discriminate on the basis of any diversity.

The TechM leave policy ensures that associates are entitled to maternity (3 months paid leave with an option of extending it to 6 months) and paternity leaves (5 days). 3039 associates took advantage of the same in FY 2015-16.

Tech Mahindra abides by the local employment/labour laws prevailing in the countries where it operates. All employee benefits are provided to the permanent (full time) & contractual (fixed term/part-time) employees based on the entitlements mandated by the law in the countries where it operates, the locations where Tech Mahindra recruits & hires.

The company does not differentiate compensation offerings amongst its employees (basic salary and remuneration) based on gender at any of the locations it operates. The remuneration is based on the role an employee, his/her performance and his/her total years of experience

Training and Skill Development

Learning and skill development has been recognised as one of the most important focus area at Tech Mahindra. We have established effective performance and career management processes which coupled with 360 degree learning and focused leadership development programs help associates grow professionally.

Tech Mahindra has launched Project Management for Practitioners for all practicing Project Managers and covered Project Management process, systems and workflows, critical gap areas in Project Management in the organization along with generic principles and best practices. A 3-day intensive program with hands-on talk sessions by Delivery & Quality SMEs and on-the-ground improvement projects and reviews after the formal training provided the following benefits

- Plugging critical gaps in Project Management
- Standardization of Project Management implementation and practice in organization
- Improvement in various parameters related to Project health and Quality

Business Wait Reskilling program was launched to reskill buffer/ bench associates in Business wait as per open positions to enable them fill up open/ billable positions. This enabled effective utilization of bench and reduction in external hiring leading to increase in billability and reduction in cost, creation of Pipeline for new/ emerging skills, engagement with associates on business wait leading to improvement in associate satisfaction.

At Tech Mahindra, the average hours of training for lateral associates were 45 hours per FTE (Full Time Employee) while those for Fresh Graduates was 577 hours per FTE to make them deployable and productive in projects. The average cost of training was US$ 60 per FTE.

Training Details	Percentage
% Reach (% associates who have been trained in a year)	91%
% associates with formal competency mapping	70%
% associates with role complaint skills	50%
Skill Gap Reduction	50%

Employee type	Training Hours devoted		Total
	Male	Female	
Senior Management	10977	1497	12474
Middle Management	392083	56657	448740
Junior Management	1574286	935417	2509704
Workmen	1970151	992051	2962202
Fixed Term Contract	1045	598	1643
Third Party Contract	5989	920	6909
Others	162	3	165

Employee Category	Training KRA (Days/ Employee)	Achieved Training Days/ Associate
Junior Management	5 days	6.11
Middle Management	4 days	5.21
Senior Management	3 days	2.10
Overall		**5.85**

Training Details by Employee Gender	Employees	Total Training Days	Average Training Days per Employee
Female	19851	124196	6.26
Male	44501	247168	5.55

Learning and Development KPIs	Performance
Training cost per employee	INR 3,975 per employee
Number of FTE External Hiring Avoided	1255
Direct Revenue generated due to Learning services	USD 146,122
Internal Customer Satisfaction Index (ICSAT)	3.89
Percentage of open positions filled by internal candidates	63%
Cost Savings due to Learning Interventions	USD 12.7 Million

Rewards and Recognition

In line with the Company's philosophy of timely recognition of associates for outstanding efforts, the company has designed a Rewards Program that rewards associates for their contribution and value addition to the organization and also to encourage desired behaviours that boosts the success and goodwill of the organization.

- Recognize associates who are committed to the Company's growth through their sustained high-quality efforts and excellence.
- Recognize associates who epitomize the values of the organization and are role models to be emulated by their peers.
- Reward associates for participation and contribution in activities of strategic importance, to promote a healthy work-life balance.

- Recognize associates for their continuous and long-term association with the organization

The intent is to recognize associates as individuals or as part of a team for exceptional performance which helps the Organization in pursuing its strategic goals and objectives. Tech Mahindra aspires to create a culture of rewarding excellence and appreciation amongst colleagues at the workplace, thereby building an organization where Quality and Merit is encouraged and recognized real-time.

Special Praise on Time (SPOT)	•Immediate peer-to-peer award
Bravo	•By supervisor for one-time task
Pat on the Back (POB)	•Successful completion of one-time task
Associate of the Month	•For exemplary performance
Grand Salute	•Quarterly award to individual
Best Team Award	•Outstanding team for project
Long Service Award	•For completing 5, 10, 15, 20 or 25 years of service

Tech Mahindra follows a multidimensional Performance Appraisal employing 180-degree Feedback approach of employees being appraised by one level superior or manager. 100% of all eligible employees are appraised through a Performance Indicator system which integrates all the 3 types of performance appraisals. We have pre-defined and measurable yearly goals and targets, which follow a multi-dimensional 180-degree feedback appraisal system and also have comparative ranking of employees with associates in the same peer group.

Special Leadership Programs

We have established several internal programs which aim to identify and nurture young leaders and provide them learning and exposure. This allows them to demonstrate their skills to the fullest extent and goes a long way in ensuring career growth.

Global Leadership Cadre

Under this program, we select and groom potential candidates and prepare them to take up leadership roles.

Achievers in the Making

We are fully aware of the entrepreneurial spirit of our young associates and this program serves to identify such employees who are then provided with support and guidance to advance in their career roles. We facilitate their interaction with leaders and provide them opportunities in client facing interactions so that they can demonstrate their capabilities.

1000 Leaders

1000 Leaders program aims to identify potential talent from the general, management and specialist tech streams who are then trained to move up into leadership roles. We encourage horizontal as well as vertical movement in the organisation.

Young CEO

We select candidates for this program through a rigorous process of nominations, psychometric assessments and leaders' validation and appoint them as a Young CEO in the areas of M&A, New business initiatives, Platforms, JVs and new Geographies.

Shadow Board

Shadow Board members, selected from high-talent pool of young managers, are expected to observe and analyse trends in the industry and in the organization and come up with profitable ideas

Diversity and Inclusion

Diversity and Inclusivity at workplace is considered as an instrument for growth and is not limited to just providing equal employment opportunities and follow the code of ethical conduct but extends to valuing and celebrating the uniqueness of every individual by fostering an environment of inclusion and empowerment. The following details are for all employees across TechM ltd

Diversity Indicator	Category	Female	Male	Total	Female %
Female share of total workforce (%)	All band (U to E)	26592	61825	88417	30%
Females in management positions (as % of total management workforce)	P1,P2,RG1, RG2,E1, E2, E3	1900	14690	16590	11%
Females in junior management positions, i.e. first line management (as % of total junior management positions)	P1,P2,RG1	1839	14007	15846	12%
Females in top management positions, i.e. maximum two levels away from the CEO (or comparable position) (as % of total top management positions)	RG2,E1,E2, E3	61	683	744	8%

Some of our Diversity & Inclusivity initiatives are:

Leadership Talks

Interactions with senior women leaders from across the globe engage in discussions around growth & development of women associates and encourage them to strive for top leadership positions in the organization.

Women Safety@TechM

Empower women on safety issues - A special emphasis is laid on the safety of women associates and hence, initiatives like Women self-defense workshops, GPS enabled cabs, regular transport surveys, training bus/cab drivers on female safety, etc. are conducted regularly by the organization.

Special Initiative

Equal opportunities & support towards differently-abled professionals. Tech Mahindra believes that differently-abled associates increase the quality of organizational diversity and encourage collaborative work within the organization

Zero Tolerance at Workplace

Tech Mahindra believes in **'zero tolerance' to any action against workplace harassment** or discrimination and promotes a work environment that encourages mutual respect and congenial relationships between associates, vendors, and customers. The Anti-Sexual Harassment policy

of the company encourages associates to report incidences of workplace harassment or discrimination.

Colors (Connect, Origin, Laughter, Optimism, Reason, Strength)

Colours is a learning program to help women associates discover their true potential.

Mentoring Table

A program specially designed for women Associates that enables focused learning with experienced leaders who are identified as Mentors.

Role Model

This is a series of highly interactive talks by inspiring women leaders from various fields such as corporate, academics, sports, entertainment & administration where these eminent leaders speak about their experiences and share their wisdom

Starting Over

Starting Over is a lateral recruitment initiative from Tech Mahindra which taps into the pool of highly talented female professionals who have taken a break from their career and seek to identify opportunities matching their skill-sets and rejoin the mainstream.

WAT A Power

It aims to provide the platform to educate, network, connect, share, help, spread awareness and empower woman associates of Tech Mahindra.

Financial Planning

Investor Sessions for Women to help Financial & Retirement planning

Fire-side Chats

External Women Leaders/achievers speak on their achievements and Challenges. Also includes chat with renowned achievers who are specially abled.

Work Life Balance

Tech Mahindra ensures that our associates our encouraged to maintain a work-life balance through various initiatives which bring a sense of connect not only between associates but also with their families.

Samanvay: Enabling families to bond with the organization through learning interventions.

Family Day - 2nd October has families invited to offices for fun-filled interactions

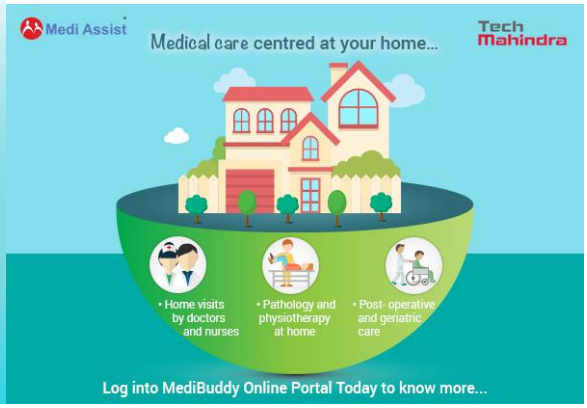
Ekatvam –Tech Mahindra's Annual Associate extravaganza which connects and celebrates the talents of our associates and their families.

Child Care Facility is available at most campuses

FreeVoice: The FreeVoice portal is a platform for all associates to give feedback, express opinions and bring forward issues & best practices.

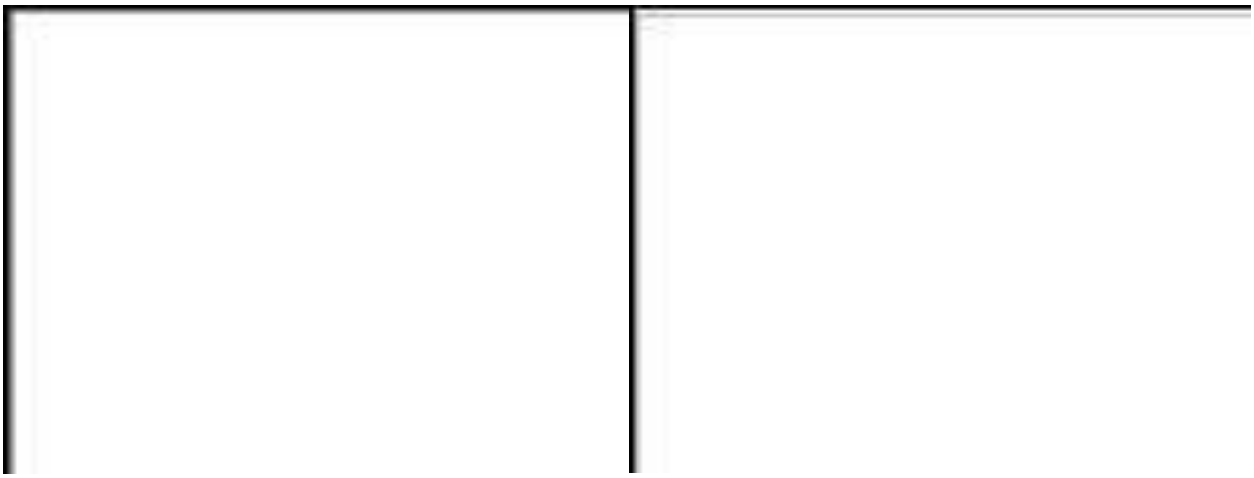
Josh - a voluntary group formed by 'life enthusiasts' who run fun, delight and connect events at TechM. The Josh Team Members ensure that TechMighties remain encouraged and entertained while also enabling the society around them

Medical Check-ups- Associates are encouraged to take advantage of the corporate-sponsored annual health check and also get a health check-up for their dependents at a discount which gets tax exempted



Wealth of Wellness – A comprehensive Health and Wellness program run with the objective of ensuring Associate wellness and includes programs building awareness on health and wellness, preventive programs, fitness programs, spiritual & mental/emotional wellness programs and work-life fit programs

Let's Talk - The in-house psychological counseling service that promotes the overall mental and emotional wellbeing of Associates and their families.



IRIS (Ideate, Refine, Implement, Shine) - A structured innovation process focused towards harvesting ideas from Associates on specific set of business themes

Intrapreneurship Program - The Intrapreneurship Program is an internal venture capital program which funds and assists Associates who have a unique Product/Service/Solution idea

MyBeat Plus – An internal social networking platform that enables associates and the organization to Connect, Co-create and Celebrate seamlessly

Ride4Pride – A Green initiative where associates share their ride and in turn save fuel, reduce pollution and save money.

Wealth of Wellness

Tech Mahindra has constructed a comprehensive Health and Wellness program christened Wealth of Wellness (WoW) that brings fitness to everyone's door steps, or more aptly, to their desks. The program is driven by the Location Councils, a group of empowered associates from across job levels whose objective is to establish a connected workplace and promote positive change. The WoW program offers a bouquet of sessions, events, camps, webinars, talks, infrastructure, workshops, contests, special day commemorations and other initiatives to ensure awareness of physical, emotional and spiritual fitness, and encourage a work-life balance. This transformational journey from 'Wellness of Business' to 'Wellness of Being' has further strengthened our resolve to foster wellness, not just for the associates but for the community at large.

The effectiveness of WoW program is tracked on the basis of:

- Absolute and comparative participation / utilization
- Scores related to health & wellness in Associate Engagement Survey
- Benchmarking with competitors and peers
- Direct feedback on the initiative
- Indirect feedback from councils, business leaders and location HR representatives

Success Measures

- 43% increase in Associate participation YoY
- 9 % increase in Associate satisfaction levels w.r.t. to Wealth of Wellness offerings
- 2,200 programs / events across 20 different areas impacting 73,327 Associates
- Recognized as the 2nd ranked organization in the country w.r.t. Employee Health and Wellness initiatives as per SHRM Annual HR Awards 2015

Rise for Fitness Celebrations

International Yoga Day

JOSH

JOSH is a voluntary effort by enthusiastic associates who come together to collectively organize as well as participate in variety of events spread across the year. These events not only provide much needed break from the routine work but also bring together the organization for several causes of social welfare.

EVENT CATEGORY	EVENTS
Organizational	M&M Founders day, Collaboration Day, Football Fever, Mahindra Rise launch, Annual Bash (Ekatvam)
Social Welfare	Environment day, Nanhi Kali donation drives, Care visits, NGO stalls within the office, Blood donation camps, School kit donation to NGO, Chocolate sale by NGOs, Celebrating festivals and M&M Founder's day with children from various NGOs.
Festivals	Diwali, Dussehra, Christmas, Monsoon carnival, Onam, Teej, Karwa chauth, Janmashtami, Rakhi all celebrated with dance song and various contests.
Sports	Football, Basketball, Table Tennis, Carrom, Swimming, Marathon, Cricket, Chess, LAN Gaming tournaments, track & field events, trekking
Creative	Cubicle/floor decoration for Football Fever, Christmas tree decoration, Diwali candle making contest, Rangoli, Mehendi, Digital art contest, Face painting contests, pencil sketch contest, poetry & lyrics writing contest, Quizzes, Crossword contest, Greeting card making contest, open houses.
Entertainment	Gol-guppa contest, Rasgulla contest, DJ nights, Dandiya fest, Ludo tournaments, Antakshari, Family day, Traditional day, Kids' talent show, Talent hunt, Treasure hunt, Fun games like Lemon-on-spoon, Bite-the-bun etc

Hobbies	Photography workshops, dance & music competitions, Karaoke contest, Sufi night, various in-house music bands, laughter clubs, yoga, fitness routine, Salsa.

Ektavam2016- Extravenganza @ Tech Mahindra

The most awaited event of the year, Ekatvam was celebrated across all locations. The bar was raised higher once again and gave all our associates a once in a lifetime experience.

The annual associate event of Tech Mahindra provided opportunity to all associates to come together and celebrate while enjoying the stellar shows of various cultural events put up by Tech Mahindra fraternity.

Accessibility

Tech Mahindra is committed to being an inclusive organization and has identified accessibility – both physical and online as one of its key missions. Tech Mahindra supports the Technical Taskforce of the Business Disability Forum, a non-for-profit organization which helps in removing barriers that hamper disabled people in accessing online portals and websites. Tech Mahindra also helped facilitate a study for this forum to understand the landscape of accessibility in IT companies across India.

Environment Management

Environmental conservation has always been a key priority issue for Tech Mahindra. We have always wanted to improve our understanding of our impacts arising out of our business activities. Whether it is for energy, water, air emissions, GHG emissions or for waste generation, we have set up structured processes and accountabilities for these aspects to track our performance and ensure that we are meeting our targets. In this way we strive hard to be in compliance with environmental laws and regulations. Moreover we have a management committee in place to handle cases of non-compliance for preventing future non-adherence to defined laws and regulations.

For the year of 2015-16, no grievances on environmental impacts were filed through company's grievance mechanisms. There were no penalties against the company for environmental non-compliance.

Environment Policy

Tech Mahindra strives to reduce the ecological footprint of the organization and its value chain while still ensuring business growth. This is supported by our Environmental policy, which aims to create a pollution-free and environmentally-friendly IT enterprise while adding value to Society, Customers, Employees, Investors, Government and other stakeholders. The policy supports our strategy for environmental protection. We focus investments in clean energy, recycling the waste, emissions reduction, waste treatment and reduction of carbon footprint.

Our Environment Policy can be accessed on Tech Mahindra website here.

Air Quality

It goes without saying that clean fresh air is the basic requirement for a healthy lifestyle. A clean and fresh working environment not only maintains health but also improves concentration. In recognition of this fact, it has been our objective to ensure that the air quality at all our facilities meets the applicable compliance norms. At all our campuses, we have strived to create a natural and refreshing environment by planting trees and dedicating open spaces. We firmly

believe that this will not only create a workplace which our associates will look forward to but will also add to their productivity.

Ambient Air Quality (microgram/m^3)	PM 10	PM 2.5	SO_X	NO_X
Tech Mahindra	48.48	25.2	4.98	19.6

Air Emissions (Stacks) in tonnes	Sum of TPM	Sum of SOx	Sum of NOx
Tech Mahindra	0.01	0	0.01

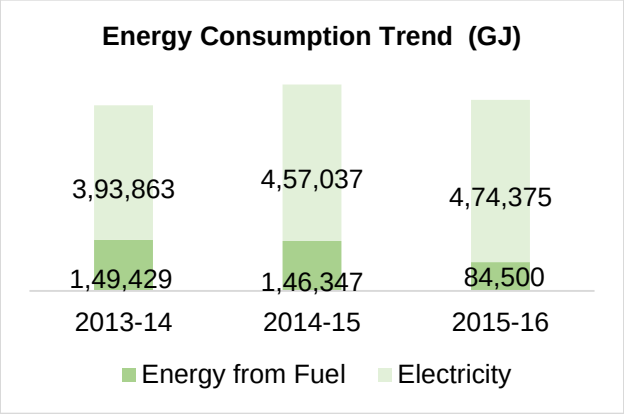
Owing to the critical requirement of uninterrupted power supply and due to interruptions in grid electricity supply, our campuses have diesel generators for back-up purposes. These DG sets are of the highest quality offering clean burning of fuel and ensuring silent operation. We are continually evaluating alternate ways for reducing the use of DG sets.

Energy Management

The energy demand for our operations arises out of lighting, cooling and connected load. Energy management has emerged as one of the high priority issues and conservation of energy has a strong business case for itself. Our Sustainability roadmap reflects our commitment to energy conservation and exploring alternate sources of energy.

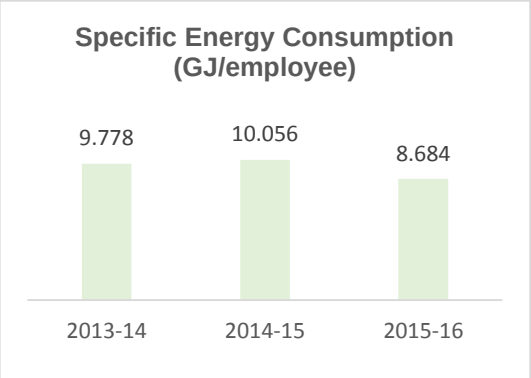
Our major energy consumption is in the form of electricity which we purchase from grid. In order to maintain uninterrupted power supply, we have back up diesel powered generators which are used only when the grid electricity supply fails. Apart from this, fuel consumption in company owned vehicles in the form of petrol and CNG makes up total energy consumption on premises by our owned assets.

Energy Consumption 2015-16	Energy (GJ)
Diesel	35,174.1
Petrol	442.463
CNG	28.2045
HSD	48,855



GJ	FY 2013-14	FY 2014-15	FY 2015-16
Direct Energy	149429	146347	84500
Indirect energy	393863	457037	474375
Total	**543292**	**603384**	**558875**

Total Energy/Employee Count Energy Intensity	
FY 2013-14	9.778465634
FY 2014-15	10.05555784
FY 2015-16	8.684116477



We have taken up installation of solar panels and actively evaluating options to increase sourcing of electricity from renewable sources. Through several energy conservation initiatives such as occupancy sensors, procurement of energy efficient lighting, green procurement of laptops and server virtualisation, we have been able to reduce our specific energy consumption over the years

In order to utilise the abundant potential of renewable energy, we have setup solar modules, installed wind turbine and solar water heaters at our campuses leading to clean energy generation. These initiatives are a humble beginning but we are committed to pursuing renewable sources of energy to ensure that our energy demand is met in an increasingly sustainable manner.

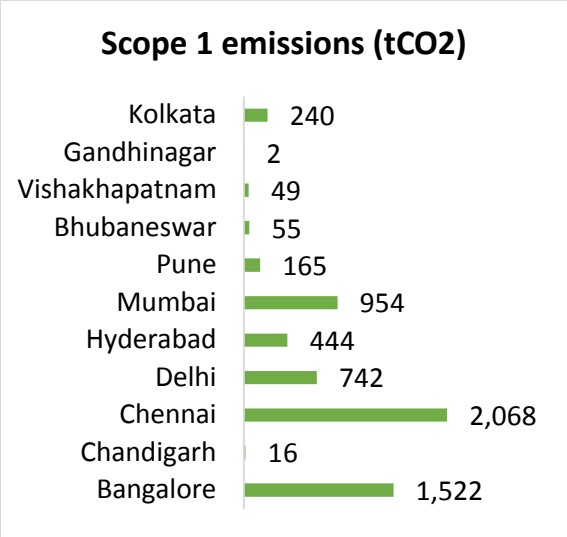
6312	2442 kWp	4,277	1,159,067 kWh	607,296 kWh
LED Lights Installed	Solar Panels Setup	Occupancy Sensors	Saved from Sensors	Saved from Green Laptops

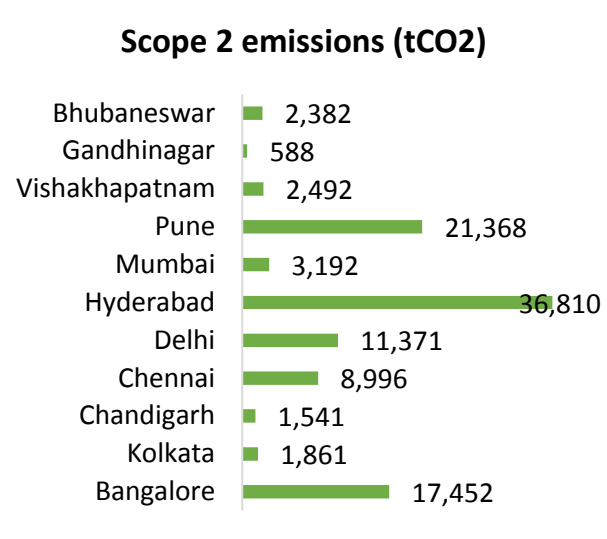
Greenhouse Gas Emissions

Greenhouse Gas (GHG) emissions result from combustion of fuels and are categorised as Scope 1, 2 and 3 on the basis of the activity for which the fuel is consumed.

For Tech Mahindra, Scope 1 emissions are due to diesel consumed in the generator sets and fuel consumed for the running of company-owned vehicles. Scope 2 emissions are from the electricity purchased from the grid. Scope 3 emissions arise out of employee commute, business travel, inbound logistics and waste disposal.

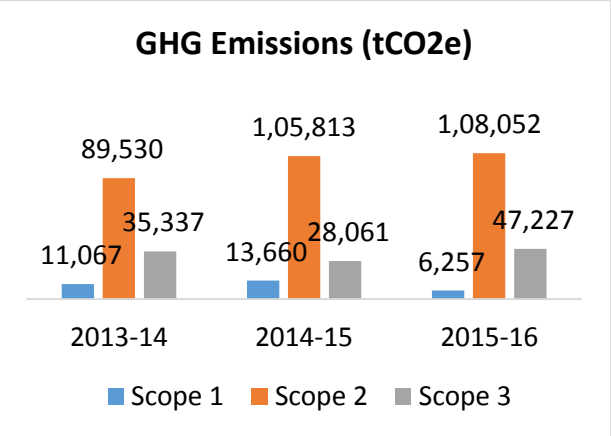
Our approach towards reducing GHG emissions is to not only improve upon our energy efficiency but also increase the share of renewables. We have been giving high importance to this aspect and the commitment from top management in the form of corporate targets demonstrates our dedication to curtailing our GHG emissions.



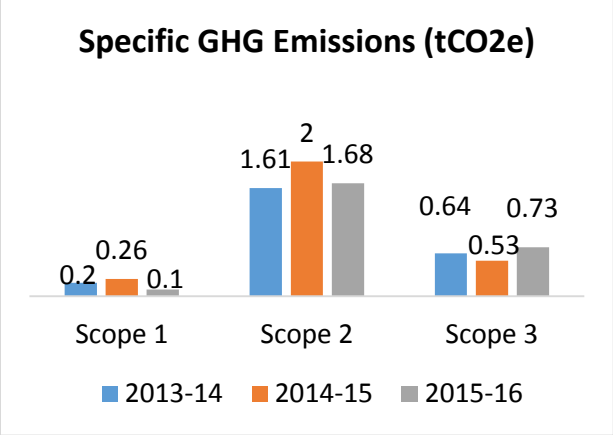


Scope 3 FY 2015-16	
Inbound Logistics	18868
Daily Commutation	1733
Air Travel	25959
Paper Consumption	667
Total (MTCO2)	**47227**
Specific emissions	0.73384
Denominator	64356

MTCO2	FY 2013-14	FY 2014-15	FY 2015-16
Scope 1	**11067**	**10838**	**6257**
Scope 2	**89530**	**104103**	**108052**
Scope 3	**35337**	**42791**	**47227**



GREENHOUSE GAS (GHG) EMISSIONS INTENSITY			
MTCO2/Emp Count			
	Scope 1	Scope 2	Scope 3
FY 2013-14	0.20	1.61	0.64
FY 2014-15	0.18	1.73	0.71
FY 2015-16	0.10	1.68	0.73



1830.95 tCO_2	2.07 tCO_2	950.43 tCO_2	121.21 tCO_2	497.98 tCO_2
Saved from Solar	Saved from Wind	From Occupancy	Saved from Solar Heaters	Saved from Green

Solar plants commissioned	
Location	**Investments INR Cr**
Pune Hinjewadi	1.65
TMCC - Chennai	7.16
TMIC SEZ - Hyderabad	1.54
TMLW - Hyderabad	1.36
TMIC - Hyderabad	0.6
TMTC - Hyderabad	4.18
Total	**16.49**

The solar plant capacity installed in FY 15-16 is 1928 KWp making the total capacity 2442 KWp.

In order to reduce our travel-induced GHG emissions, we have adopted the latest infrastructure to conduct virtual meetings through online platforms. As a result we have been able to considerably cut down on our travel requirements for meetings. We also encourage our employees to carpool to work and our carpool portal is a small step in facilitating sharing of rides amongst colleagues. Through the Ride4Pride initiative, we have encouraged associates to reduce the impact of the commute to work by travelling with other associates. The initiative has evoked tremendous response and has been successful in inculcating environment conservation practices.

Emissions due to upstream production of paper consumed in our offices have been calculated by considering an emission factor of 0.00714 tCO_2/kg paper. For calculating emissions due to business travel, we have considered air travel information in terms of air travel distance and used appropriate emission factors to arrive at the results. Employee commute emissions are calculated from the distance travelled and fuel consumed by buses which are used for picking up the employees and dropping them back. For Scope 1 emissions, IPCC emission factors have been referred to while Scope 2 emissions have been calculated using emission factors as published by CEA.

Water Management

Our campuses which are spread across vast areas and serve as workplace to a huge number of associates also demand significant water resources for drinking, cooling and horticulture purposes. It has been our endeavour to reduce the fresh water intake at all our locations and increase the use of recycled water through various recycling and treatment approaches. Water management has emerged as an important sustainability issue and we have enacted a

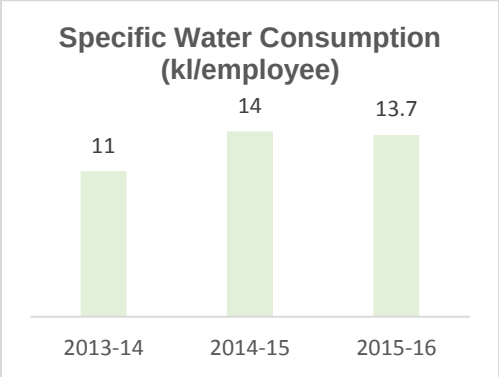
comprehensive water management policy. Even though the bulk of our water demand is for domestic purposes, we are taking several initiatives towards efficiently using water and reducing wastage.

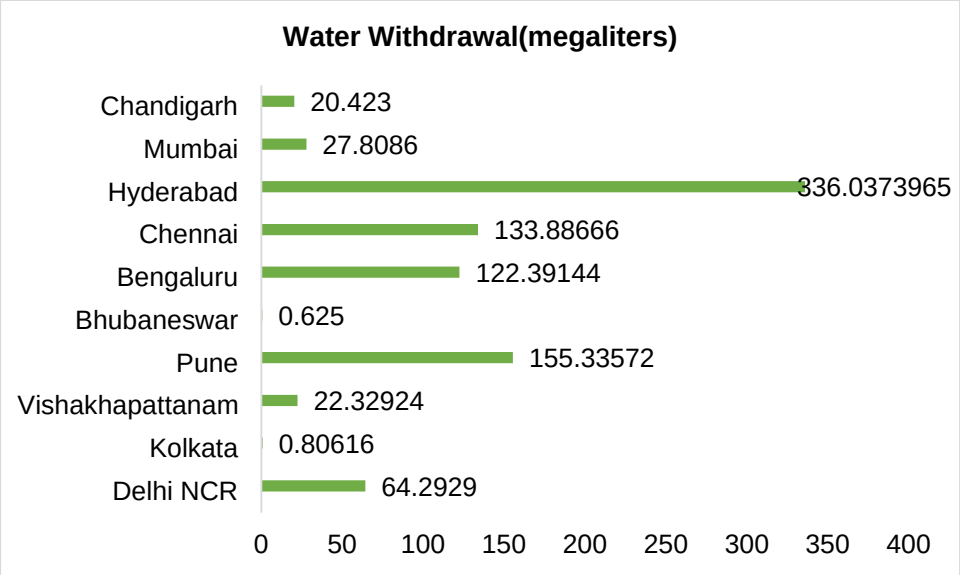
Having now set up Sewage Treatment Plants (STPs) at all of our major campuses, we have been able to recycle all waste water and reuse the recycled water within our campus boundaries. As a result, our campuses with STPs are now zero discharge facilities. We do not affect any water source due to our water withdrawal.

Water use (Kl)	FY 2013-14	FY 2014-15	FY 2015-16
Total volume of water withdrawn	620390	834104.267	883936.1165
Total volume of water discharged	129739.2	182433.248	340733.2217
Total volume of water consumed	490660	651671.019	524204.9565
Total volume of recycled water used	4860	346054.916	405139.2

Water Source	Total(megaliters)
Bottled Water/process water	6.24
Groundwater(renewable)= Ground water + Water from Tanker	591.53
Municipal water	258.7
Wastewater from another source	27.46

Considering the fact that a sizeable amount of potable water is purchased for our facilities from the Municipality as well as external agencies, it goes without saying that every drop of water conserved also brings along significant cost savings, in turn, reducing the expenditure towards purchasing water. Other proactive measures such as setting up rainwater harvesting mechanism, continually tracking of water consumption and encouraging water conservation practices amongst our employees are some of our efforts in direction of reducing our water footprint.





Waste Management

At each of our campuses, we are making a conscious effort towards reducing waste generation. We understand that proper management and disposal of waste is crucial from the environment perspective and have hence established a policy for systematic collection, segregation, recycling, reuse and disposal of waste. Major hazardous wastes generated from our activities include used oil, computers and IT peripherals and batteries from UPS and inverters. Non-hazardous waste such as paper waste, plastic waste, metal waste and canteen waste are also generated from our facilities.

	FY 2013-14	FY 2014-15	FY 2015-16
Hazardous waste			
Solid (MT)	**14**	**51**	**166**
Solid (Nos)	**243**	**1008**	**6430**
Liquid (KL)	**9**	**5**	**8**
Non-Hazardous waste			
Solid (MT)	**385**	**532**	**476**

121.3 ton

E-Waste Disposed

53.7 ton

Manure from Composting

We handle hazardous waste as per the applicable hazardous waste management rules notified by Central and State Governments. We have an E-waste management policy in compliance with the E-waste (Management and Handling) Rules, 2011. Hazardous waste and E-waste is disposed only through authorised recyclers certified by Government agencies for handling the waste.

We have been composting organic waste and using it as manure for our horticulture activities. This has prevented the waste from going to landfill while also providing nutrients required for landscaping of our campuses. For all other types of waste, we try and recycle internally, if feasible, else hand over to responsible vendors for recycling.

Biodiversity Management

Biodiversity forms a support system used by millions for growth and development. The rich biodiversity has been instrumental in providing humanity with food security, healthcare and industrial goods, all that is required for fulfilling the basic necessities of life and leading to a better standard of living. The diversity of life on earth is so rich that if we use it sustainably, we can preserve it for generations to come.

We at Tech Mahindra understand the importance of biodiversity as an important resource for our growth and development. None of our operating locations are located in the vicinity of biodiverse rich or protected area. There are no IUCN Red List species in the vicinity of our operations or operating locations.

We are committed to conserve & enhance biodiversity. One such step towards biodiversity is a swan pond maintained and managed within heart of our Tech Mahindra Hinjewadi campus, at Pune, India.

The aim to develop and maintain a natural surrounding was a prime driver in instigating this initiative. The campus also has many species of plants, shrubs & trees which not only helps maintain a green area but at the same time enables in local climate control for our office and surrounding areas.

Our initiative for incorporating biodiversity in our day to day operations has helped us reduce our carbon emission footprint, building a greener campus landscape and helping us manage waste via nutrients recycling.

Tree saplings were planted in Tech Mahindra for FY2015-16: 4,414

The swan pond is just one such initiative within Tech Mahindra towards biodiversity. We plan to launch more initiatives within Sustainability framework in aspects of Energy emissions, water conservation and Corporate Social Responsibility.

Green Marshals- our Environment Warriors!!

With our natural resources fast depleting mostly due to ignorance and apathy, there is an urgent need for advocating the advantages of sustaining and conserving natural resources. Society has to understand the advantages of a sustainable environment and TechM associates have joined in this campaign enthusiastically. The Green Marshals at TechM are a small band of passionate associates who spearhead the cause of environment and sustainability across all our centres.

They encourage and initiate activities and advocacy campaigns that bring about awareness about the need and urgency of sustaining nature. They cheerfully get Techmighties involved in various activities ranging from Green quizzes to promoting carpooling and encouraging waterless car wash. They connect and convince associates to focus on less wastage of food, water, electricity and have even motivated external vendors to

use less plastic in their businesses. The GMs organise Green and Sustainability week and also hold awareness rallies involving the senior members of the organisation to highlight the involvement.

Some of the more impactful initiatives are

- Planting trees that are natural to the areas will need less water and upkeep while giving us a green cover. So the GMs have undertaken the practice of getting associates plant trees across and outside our campuses.
- Making available cycles for commuting within the campus thus encouraging a health and environment initiative
- Getting associates to compete through cycling races, green rangolis, green quizzes,
- Promoting carpooling through 'Drive with a Leader' and 'Ride 4 pride' events
- Underlining the practice of segregating waste and use of dust bins
- Convincing internal units to use and waste less paper by going digital
- Implementing weekly ' Lights off' at places with no occupancy sensors
- Food waste to compost @ home, equipment sell
- Organising Free PUC check-up camps and sale of plants
- Showcasing eco-friendly products, home composting, and organic farming workshops
- introducing and promoting waterless car wash

Sustainable Supply Chain

Being a responsible corporate citizen, we have evaluated the impact of our activities beyond our premises and assessed the value chain. We take utmost care to ensure there are minimal actual and potential negative environmental impacts in the supply chain.

In order to encourage our suppliers to follow our commitment to sustainable development, we have a Supplier Code of Conduct in place which is applicable to all suppliers and vendors of the company that supplies any product or service and is available on our website here. All suppliers are assessed at regular intervals and the company actively engages with high spend and high risk suppliers to improve their processes. Supply chain sustainability has been identified as one of the material issues during our stakeholder engagement exercise and we have been carrying out capacity building workshops and supplier audits for our major suppliers.

One such engagement is the capacity building workshop with key suppliers. This is followed up with sustainable supply chain questionnaire to assess our critical suppliers. The questionnaire assessed the suppliers on various topics like ethics, labour practices, human rights, environment & society.

We also carry out comprehensive analysis of our expenditure towards suppliers for both IT and non-IT consumables which allow us to carry out risk analysis and classify these vendors on the basis of business impact, ability to fulfil the order and market risk analysis. For the year 2015-16, of our total procurement expenditure, we spent nearly 65% on our top 20% suppliers.

The entire spend analysis process & takeaways are embedded in the procurement system of the company. The risk assessment activity consists of our organisational processes for identifying, managing and mitigating risks and also evaluation of suppliers' own risk assessment framework. Some of the key risks identified include dependency due to single vendor saturation, purchasing power risk, ethical business practices violation and ability to deliver quality services and products.

Capacity Building of Suppliers

As a proactive measure, Tech Mahindra has reached out to top 20 suppliers based on annual market-spend of our organization & shared with each of them a sustainable supply-chain questionnaire. The questionnaire requires having their inputs on sustainability aspects and specifically investigates whether the suppliers are managing their impacts on the environment by complying with regulations regarding land and water management, waste and recycling, the handling and disposal of toxic substances etc.

On the basis of our findings from this interaction with suppliers, we conducted capacity building workshop for top suppliers wherein we focused on importance of sustainable supply chain, human rights and labour laws, global trends in green supply chain & Tech Mahindra initiatives in area of supply chain sustainability. This is guided by our Sustainable Supply Chain Policy which is available here on our website.

Green Procurement

Our procurement team has a mandate to ensure that our sourcing practices take into consideration the environmental impacts of the products which we procure. In this regard, we ensure that all laptops, desktops and other electrical appliances procured have highest energy rating. Since efficient products consume less energy, we also save significant cost incurred in purchasing electricity. As a result any incremental cost of higher efficiency products is paid back in very short time.

Innovation at Tech Mahindra

Tech Mahindra has put together a strategy that enables our customers to achieve their sustainability goals and objectives. Whether it's green IT solutions and service offerings that enable sustainable business practices or green engineering solutions, the company is strategically positioned to enable its customers achieve and exceed their sustainability goals.

Like last year, Tech Mahindra's Innovation organisation continued to deliver exciting innovations to customers. At Tech Mahindra's Innovation organisation, we focus on Empowering Life, Embracing Livelihood and Enhancing Technologies. The underlying message in every initiative we took has been to reinforce the RISE™ values of the Group.

Tech Mahindra is looking to make Innovation as the Change agent for next-gen growth driver for the company and in this context has enabled a 6-pillar Innovation Growth strategy across the organisation.

Led by the Global Head of Innovation, the unit focusses on working on next-generation technologies, collaborating with Global Universities, niche-play start-ups, research collaboration with innovators, encouraging our own associates to seed their idea into something larger and meaningful like an entrepreneur, collaborate with partners like IBM, Google, Microsoft, etc. in co-innovation space and more. Apart from this, the Innovation organisation has invested in state-of-the-art labs (called i5 Labs) for developing differentiation solutions for customers/industry verticals using cutting edge technologies like

- Big-data and Hadoop architecture
- Bio-sensors and wearable devices
- Cognitive computing
- Real-time analytics and visualisation
- Bitcoin and distributed computing for IoT networks
- Natural Language Processing techniques

The organization has been part of business impacts stories and now increasingly contributes to transformational strategies. However, at Tech Mahindra, Innovation management also aims to be inclusive of all our stakeholders and represent the common interests of the Group. The initiatives of managing Intellectual Properties (IPs) in the form of Patents, Trademarks or

protecting and encouraging ideations, operating regular events in the form of ideation events, Hackathons, Code-marathons, industry-academia research collaborations are all executed under the Innovation unit at Tech Mahindra.

We have seen tremendous interests from the Industry and academia in partnerships. Some of the ambitious initiatives taken at Innovation unit at Tech Mahindra for the larger good include the Big Data Analytics for Large Crowd Surveillance and Security. The use case includes a Global interest program in the Ujjain Kumbh Mela, to study the impacts of Crowd movement on the safety and convenience of the people in the vicinity.

The researchers at Tech Mahindra have been actively investing their time and efforts in developing predictive analytics and algorithms that can be extrapolated for any large crowd management programmes. Initiatives like these are aligned to multiple business verticals of Tech Mahindra including Cloud, Mobility, Security, Big Data & BI.

Tech Mahindra witnessed dynamic growth and diversification into new vertical businesses over the last year and one of the major contributors into this stupendous growth has been its focus on R&D. Some of the innovations at Tech Mahindra over the last year have been as follows:

SOTAF™ (Service Optimization Through Automation Framework)

The company has created a Framework called SOTAF™ (Service Optimization Through Automation Framework). We are using industry led orchestrators such as ServiceNow and BMC along with Cortex orchestrators to automate end-to-end Operations processes. SNOW & Cortex Orchestrators are going to be our preferred tools for orchestration. As part of the AQT initiative, we are also working on Talend an open source orchestrator. We have automated multiple Operations processes for multiple customers.

Life Sciences and Healthcare

Genomics to facilitate Personalized Medicine

Tech Mahindra's new Platform Analytics Solution for genomic medicine supports personalized treatment for patients and ensures better diagnosis. The leading edge genomics will help in accelerating the drug development process and discovering targeted therapeutic molecules and treatment regimens. It will also help in selecting the right target candidates/subjects at clinical trials.

Crowdsourcing of Adverse Events

Focusing on reduction of underreporting of adverse events, Tech Mahindra's Crowdsourcing solution captures and analyses the voice from social media about any drug related adverse events for potential Signal Detection. Further data mining provides directions for managing the next-generation safety data management platforms.

Repurposing for Orphan Drugs

The company is working on "Repurposing for Orphan Drugs", A comprehensive tool that provides multidimensional, multivariate research data visualization. It helps in improving patient

care by accelerating the development of targeted candidates and provides trends and anomalies along the development value chain.

IDMP Compliance Solution

IDMP is likely to be mandated from Q1 2017 by EMA regulatory. Our beta solution for IDMP comprises of 2 parts – MDM built by Tech Mahindra MDM practice team and agIDMP for IDMP in partnership with Aris Global that does regulatory interfacing. Both the pieces of the solution are demonstrable and on par with current draft guidance of IDMP from EMA regulator.

Manufacturing

AHMS (Aircraft Health Monitoring System)

AHMS helps both Bombardier and the operators to mitigate the new model launch challenges. The Solution helps build strong relationships with existing customers and also acts as a great leverage in acquiring new customers as it increases aircraft dispatch reliability, TAT, reduced man hours, quicker trouble shooting, remote monitoring, reduced warranty costs and increased positive passenger perception about the airline.

Apart from Real Time Monitoring, the solution is built with powerful aerospace analytics which will be a game changer. Integration with Other Digital Applications like ERP, E-Log Book, Reliability etc. will make an all-digital Aerospace solution providing access to the airlines/operators to apply analytics and take great business value added decisions.

Factory of the Future

The company has developed and implemented the Factory of Future solution which is an amalgamation of several technology platforms aimed at transforming the way Manufacturing will be done - a set of solutions that aims to achieve a new paradigm of operations for the "smart factory" consistent with global industry initiatives such as Industry 4.0. This includes use of Plant Controls & Automation, The Internet of Things and the Internet of Services, Advanced Analytics and Human-Machine Interfaces.

Connected Aftermarket Suite

The company is building a Connected Aftermarket suite which leverages the software, sensors, and IP-enabled connectivity of connected products combined with a 1080-degree, high-definition view of the smart product, consumer and environment to enhance traditional after-sales areas like maintenance, product repair, and replenishment of consumables.

Digital Warranty Platform

The company is building an end to end Digital warranty platform bringing in together the features of Connected Cars solution (Telematics), Predictive Analytics Platform, digital marketing and BPO offering. Some of the solution tenets are Warranty cost prediction and early warning system, Warranty Marketing & Campaign management, Vehicle diagnostics and Mobility integration.

SCM Analytics on Cloud

The company has developed a cloud based solution which addresses the present complex supply chain threats by providing end to end information visibility. It covers major functional dashboards like procurement, inventory, production etc. and point solutions which includes spend analytics, demand forecasting etc. It also includes role based dashboards- Supply chain

Director, VP procurement, SCP manager, Logistics Head, Warehouse Manager, Production Head, and Sales Head.

Testing Services

Tech Mahindra Testing Services has increased focus & investment on innovation and R&D to contribute towards its client's efficiency and growth while reducing the overall cost tremendously. With the focus on creation of CoEs, Digital labs, etc, we launched over 20 innovation solutions last year. Through our dedicated team of consultants and solution architects we ensure interactions with the clients on their needs and capture market requirements for creating new offerings.

iAF on Mobile and SFDC (Integrated Automation framework)

The upgrade of Tech Mahindra's in-house automation framework enables automated test execution on different applications/systems/devices using an open source tool, Selenium. With the inclusion of new features, the framework now supports API Test automation and Appium mobile automation. The new version also has a very user friendly product like GUI for ease of use.

eRAP (Requirement and Planning Tool)

eRAP is a Test Requirement Management and Planning tool for traceability of requirements during the test life cycle including reports and complete information such as timeline events, roles, estimations, caveats, actions, risks, issues, approval history and live commentary. This tools is integrated with eConvergence, Tech Mahindra's in-house Test Management solution which gives and E2E solution related to Test Management issues.

TEMS (Test Environment Management Solution)

Tech Mahindra's in-house framework built for continuous integration testing through open source technologies. The new version has the capability to integrate with Nagios monitoring tool and Integration with MS technologies for build and deployment. The unique features of TEMS include environment booking & allocation, build and deployment Automation, Automated sanity check by using iAF, Environment monitoring with in-house developed scripts.

INTELLIoTEST (Intelligent IoT Testing Solution)

This solution is a comprehensive testing framework catering to all types of testing needs for Internet of Things implementations/ projects. The customers can use the solution to plan, design and execute all types of tests through web based portal. The solution is designed to be hosted on internal private cloud and made accessible to the customer through licensing mode.

The framework will help simulating IoT sensors, gateways, actuators apart from executing automated functional tests, performance tests, security tests, Big Data and analytics testing, mobile device based testing, network virtualization and network testing etc. The E2E view of all testing will be available online in the dashboard and customizable reports will be available for different type of users.

Technology, Media and Entertainment

Zeus - A Sport Platform

Solution caters to managing and conducting events. Configurable, customizable, multi-lingual. Hosted on the Azure cloud. Can be integrated with 3rd party solutions. Forms a part of the overall Digital stadium experience.

Arena - A Direct to Consumer Platform

The solution caters to delivering content over web and mobile devices. The solution is capable of integrating with Ad services and monetize content. The solution also supports content commerce, recommendation engine, cloud based content delivery.

ConFY

The Solution enables Semicon Manufacturers to test the Equipment used in Manufacturing for Conformance of Semicon Industry Standards.

mSportz

Live Streaming of games over mobile driving engagement and improving customer management.

SMERDA

SMERDA helps semiconductor manufacturers analyze the massive data sets from various sources to analyse the manufacturing data for preventive maintenance and performance analysis. The Solution provides end-to-end solution for data collection, alerts, analysis, reporting.

Sustainability Solutions

Energy and Utilities Unit

We have consolidated our experience in Energy, Natural Resources and Utilities domain to come up with RAPIDU, a connected platform, for Energy, Utilities & Carbon Management, Power utilities, Telecom operators, and Building / Facility owners, in reducing their energy consumption and costs, plus reducing carbon footprint through a continuous management program

Data Centers Management

With the large scale and multi-tenancy of our data centers, we are able run cloud services at much greater efficiencies and customers reduce their GHG emissions by outsourcing their IT services to Tech Mahindra cloud.

Smart Grids

We have established ourselves as a leader in smart grids by working with clients to perform a variety of services from planning to build individual components to wholesale deployments in this emerging area

Tech Mahindra Foundation – Giving Back to the Society

'EDUCATED, SKILLED AND ABLE WOMEN AND MEN ARE A COUNTRY'S TRUE STRENGTH'

The CSR vision of Tech Mahindra is **Empowerment through Education** which ensures that all social investments of the Company are accordingly aligned to the attainment of this overall vision. The TML has established Tech Mahindra Foundation (TMF) in 2007 and Mahindra Educational Institutions (MEI) in 2013 under Section 25 of Companies Act, 1956 (referred to as a Section 8 Company in Companies Act, 2013) of dedicated professionals to carry out its CSR activities. The TMF has been focusing on implementation projects related to education and employability while MEI implements higher education projects.

Average net profit of the Company for the last three financial years	**Prescribed CSR Expenditure**
Following is the net profit* before tax (PBT) for the last three financial years: **FY 2012-13: INR 720 Crores** **FY 2013-14: INR 3,004.7 Crores** **FY 2014-15: INR 2,485.7 Crores** **Average net profit before tax: INR 2,070.1 Crores** * *Excluding Foreign branch profits*	Two per cent of the average profit before tax of the immediately preceding three years- that is, 2% of INR 2,070.1 Crores **INR 41.40 Crores**

Details of CSR spend during the financial year

(a) Total amount to be spent for the financial year 2015-16: INR 41.40 Crores
(b) Amount unspent, if any: Nil

Please refer to Annual Report FY 15-16 (ANNEXURE VII, Page 44-45) for further details

The Tech Mahindra Foundation focuses its work on three areas of development – School education, Employability and Technical education working as per the CSR Policy available on website here. In FY2015-16, TMF ran 160+ projects with almost 90+ partners across India. With these, the Foundation, which has established itself as one of the leading CSR Foundations in the country, reached out to more than 150,000+ children and youth across India directly and around 400,000 persons indirectly.

The core values of corporate social responsibility at Tech Mahindra Foundation include

- Empowerment of girls/women
- Empowerment of people with disabilities
- Corporate volunteering

These values are reflected in the following ways –

- 50% beneficiaries on Tech Mahindra Foundation's programmes are girls/young women
- 10% beneficiaries on the programmes are persons with disabilities
- the Foundation encourages volunteering by Tech Mighties (Tech Mahindra associates) and aims to have at least 10% of the total workforce at Tech Mahindra as volunteers on its programmes.

EMPLOYABILITY

With a belief that Educated and skilled young women and men are a country's true strength, Tech Mahindra Foundation runs a large Employability programme for youth, to equip them with skills that will make them readily employable and place them in jobs with some of the most inspiring brands in the country. The Foundation's initiatives in Employability fall under its flagship programme called Skills for Market Training, or SMART.

SMART

The Skills for Market Training (SMART) program is one of the largest skilling initiatives run under corporate social responsibility in India. It is a model vocational training programme for youth from underprivileged backgrounds, which helps them actualize their potential in a career of their choice. The SMART programme equips youth from urban communities with the requisite skills and attitudes for them to gainfully participate in the new economy.

Aligned with the Government of India's vision on skilling, the SMART program is one of the most powerful programs in the country today, which will train more than 16,000 graduates this year and place them in well-paying jobs with some of the most coveted companies in the country.

Some of the unique features that make SMART stand apart from the regular vocational training courses in India include –

- SMART focuses on training youth from urban, disadvantaged families and communities, many of whom are first generation learners and earners. It also places a significant weightage to train youth who are in immediate need of jobs
- The SMART program is designed with a vision in mind – it focuses on training today for jobs of tomorrow. With the future in view, it prepares youth to take on the challenges of newer-age careers by equipping them with skills in trades like Customer Relationship and Skills, Tally etc.
- All the trades in the SMART program start with a Foundation Course, which train students in three areas – spoken English, basic IT/computers and workplace-readiness. Together, these courses equip the youth with the quintessential people and soft skills that help them navigate through their everyday work with confidence and comfort at a very early stage
- The program lays great emphasis on practical training, in addition to the concepts and theories of the trades. Students are regularly taken out for industry visits, and guest lectures are organised to bring industry expertise right inside the classroom
- Full placement support is offered to the graduates, who get placed at a country-level average placement rate of 75-80%, with average salaries ranging from INR 8000-12000.
- The Foundation maintains a regular connect with the graduates and has real time monitoring of the program through a robust management information system (MIS)

This year, the Foundation is also escalating its efforts to set up the SMART Academies, which will be larger institutions training more than 1000 youth every year. The first SMART Academy for Healthcare will be launched in Delhi begin courses from May 2016.

SMART+

SMART+ or SMART for persons with disabilities was launched in 2013-14 – to include youth with disabilities under the skilling initiatives of the Foundation. The Programme has enabled youth with a diverse range of disabilities – sight impairment; hearing/ speech impairment and loco-motor disabilities to receive hands on training and exposure to the rich curriculum and resources of SMART.

SMART-T

Drawing upon industry research and experience of running a large employability programme, the Foundation realized the need of bridging the demand and supply gap for trained, skilled manpower across various trades in technical domains. The Foundation offers a variety of trades through the SMART –T programme, a number of them in formal partnership with some of the leading agencies in technical training.

Tech Mahindra Foundation's SMART program, with 10 locations, 16 trades, 66 centres and over 16,000 youth, is one of the biggest skilling initiatives in the country today.

Impact Assessment:

KPMG, an independent consultant, conducted an impact assessment of SMART programme. Some of the key highlights from their report are:

- The SROI is Rs 13.29
- More than 15,000 youth with socio-economically deprived background were trained till March 2015
- Average per month salary for SMART students is Rs 7,733
- 63% students received job offer within one month of training completion

- 72.19% students are placed from SMART centres
- 96.30% students have experienced increase in confidence level

EDUCATION

With a stated motto of empowering through education, Tech Mahindra Foundation believes that the national efforts for ensuring universal elementary education through the Right to Education (RTE) Act 2009 need to be reinforced by civil society. The Foundation's work in Education, focuses on three thematic areas – whole school turn-around, capacity building of teachers and learning enrichment.

Tech Mahindra Foundation's work in School Education is carried out under the ambit of following programmes:

- All Round Improvement in School Education, or ARISE
- ARISE+, or ARISE for children with disabilities
- Shikshaantar
- Shiksha Samwardhan

ARISE

The largest intervention under Tech Mahindra Foundation's school education programme is the All Round Improvement in School Education or ARISE. This programme works with the Municipal Corporations in six cities of India to develop existing Government/ Non- Government schools to turn them into schools of excellence. The Programme builds upon four specific connected domains of school improvement:

Academic - focuses on educational achievements and measures to improve them- ensuring that children acquire grade appropriate learning.

Social - attempts to build upon values of friendship and collaboration between schools and families/communities of children through connecting, networking, and ensuring that communities participate actively in the process of Education along with children, teachers, school management and teachers

Infrastructural – makes schools happier and effective places of learning.

Organizational- attempts to add an effective management component to the schools- to ensure that schools evolve as effective units of education, functioning effectively as well managed organizations

ARISE+

Is a special programme which encompasses the Foundations work in the area of school education for children with disabilities. Through ARISE+ programme the Foundation reaches out to some of the most disadvantaged children in India, for whom simple, taken for granted activities like going to school, making friends, gathering knowledge, and returning back constitute daily hardships. The foundation works with diverse groups within this domain and empowers children with physical disabilities (sight impairment, hearing/ speech impairment and

loco-motor disabilities) and mental disabilities across India. ARISE+ essentially focuses on the following interventions:

- Early detection of disabilities
- Equipping to parents teachers and caregivers with techniques to look after children with disabilities
- Support in Education of children with disabilities

SHIKSHAANTAR

The second initiative under the Foundation's school education programme, Shikshaantar, literally means creating a difference in Education. It works with the belief that the quality of teaching is one of the major determining factors that ensures children learn and are retained in schools. It places the teacher at the centre stage of education.

The most important component of the Shikshaantar programme is the capacity building and training of teachers, principals, school inspectors, education officers, leaders. Shikshaantar is an initiative for using in-service training of government teachers as leverage for bringing about systemic reform in the quality of teaching in schools. It works with a vision to achieve quality enrichment in education by developing an effective in-service teacher education programme which prepares professionally competent and compassionate education professionals, dedicated to serving the diverse cultural, linguistic and exceptional learning needs of the most marginalized children.
The Foundation has collaborated with the Municipal Corporations of Bengaluru, Chennai, Delhi (East), Greater Mumbai and Pune, as well as Academic organizations.

In-Service Teacher Education Institutes

The Foundation runs an In-service Teacher Education Institute (ITEI) in a public-private-partnership (PPP) mode with the East Delhi Municipal Corporation (EDMC). Through the In-service Teacher Education Institute (ITEI), the Foundation is building capacities of thousands of teachers, school heads and education functionaries in the Municipal primary school system of Delhi. The teachers benefit from over 75 experts in pedagogy and training, who conduct regular trainings at the Institute, which are coordinated by the Foundation's team of subject matter experts.

At Chennai, the Foundation enhances the English Language capacities of teachers in the Corporation of Chennai (COC) system, particularly on subject matter and pedagogy, building a sustainable and cost effective network for English language teacher development.

Tech Mahindra Foundation is one of the only corporate social responsibility initiatives in the country, which conduct such large scale trainings of teachers, in close partnership with the government systems of teacher training.

MAHINDRA EDUCATIONAL INSTITUTIONS: TECHNICAL EDUCATION

The Company's initiatives in technical education are delivered through the Mahindra Educational Institutions (MEI), under which the Foundation has extended infrastructural and operational support to Mahindra Ecole Centrale, a state-of-the-art institution, for world class engineering studies, in Hyderabad. The institution offers a four year B Tech Program in

association with Ecole Centrale, Paris under an industry-academia memorandum of understanding with Jawaharlal Nehru Technological University, Hyderabad.

The institution's vision is to train engineers, to be entrepreneurial and innovative as well as technically trained, so that they are capable of meeting the greatest challenges of the era. It is aligned to MEI's work for the cause of promoting quality higher education by establishing institutions of higher learning, encouraging education and research work in different disciplines and to promoting innovation and technological development.

VOLUNTEERING

Driving positive change, one of the three pillars of Mahindra RISE rests in a big way on creating opportunities that allow associates to do good while they do well professionally. Volunteering is thus one of the core values that are part of the culture of all Mahindra and Mahindra Group companies. Tech Mahindra too, lives the value, through corporate volunteering and encourages volunteering by engaging associates to contribute their time and skills to diverse social initiatives run by the Foundation, across India and aims having at least 10% of its associates spend 10% of their free time in CSR activities.

During 2015-16, 10,000+ volunteers contributed close to 50,000 hours to the Foundation's social initiatives through 430+ activities across India.

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G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	UNGC- 36 GRI- 68 National Voluntary Guidelines – 74
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations	33
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G4-18	The process for defining the report content and the Aspect Boundaries	3, 27
G4-19	All the material Aspects identified in the process for defining report content	3, 27
G4-20	For each material aspect, whether the Aspect is material within the organization	3,16,17,27
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G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	3, 15
Stakeholder Engagement		

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G4-25	Basis for identification and selection of stakeholders with whom to engage	27
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	27
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	27,29
Report Profile		
G4-28	Reporting period (such as fiscal or calendar year) for information provided	3
G4-29	Date of most recent previous report (if any)	3
G4-30	Reporting cycle (such as annual, biennial)	3
G4-31	The contact point for questions regarding the report or its contents	74
G4-32	The 'in accordance' option the organization has chosen, the GRI Content Index for the chosen option, the reference to the External Assurance Report, if the report has been externally assured	8, 68
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Governance		
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G4-56	The organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	23, 24
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Economic Performance		
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G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	16-17
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	20
G4-EC3	Coverage of the organization's defined benefit plan obligations.	36
Indirect Economic Impacts		
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Environment		
Energy		
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G4-EN6	Reduction of energy consumption	49-50
Water		
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Effluents and Waste		
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G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	46
Transport		
G4-EN 30	Significant impacts of transporting products and goods and materials used of organisations operations and transporting members of workforce	48, 49
Overall		
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Labour Practices and Decent Work		
Employment		
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G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	36
G4-LA3	Return to work and retention rates after parental leave, by gender.	37
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ANNEXURE I

Business Responsibility Report

(As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

SECTION A- GENERAL INFORMATION ABOUT THE COMPANY

CORPORATE IDENTITY NUMBER (CIN) OF THE COMPANY	**L64200MH1986PLC041370**
NAME OF THE COMPANY	**Tech Mahindra Limited**
REGISTERED ADDRESS	Gateway Building, Apollo Bunder, Mumbai – 400 001. Tel: +91 22-2289-5500
WEBSITE	www.Tech Mahindra.com
E-MAIL ID	investor.relations@Tech Mahindra.com CorporateSustainability@Tech Mahindra.com
FINANCIAL YEAR REPORTED	01.04.2015-31.03.2016
SECTOR(S) THAT THE COMPANY IS ENGAGED IN (INDUSTRIAL ACTIVITY CODE-WISE)	Computer Programming, Consultancy and Related services
LIST THREE KEY PRODUCTS/SERVICES THAT THE COMPANY MANUFACTURES/PROVIDES (AS IN BALANCE SHEET)	Telecom Services; Consulting; Application Outsourcing, Infrastructure Outsourcing, Engineering Services, Business Services Group, Platform Solutions and Mobile Value Added Services
TOTAL NUMBER OF LOCATIONS WHERE BUSINESS ACTIVITY IS UNDERTAKEN BY THE COMPANY	Refer to page no. 59 in the Annual Report
MARKETS SERVED BY THE COMPANY – LOCAL/STATE/NATIONAL/INTERNATIONAL/	Refer to Management Discussion and Analysis; Report at page no. 59 in the Annual report

SECTION B - FINANCIAL DETAILS OF THE COMPANY

Paid up Capital (INR)	**483.9 Cr**
Total Turnover (INR)	**20,969.8 Cr**
Total profit after taxes (INR)	**3,220 Cr**
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	**-** more than 2% - Tech Mahindra's spending in Corporate Social Responsibility is substantially higher than the amount mandated under Companies Act, 2013. Tech Mahindra spent INR 46.91 Cr against the mandated spend of INR 41.40 Cr.
List of activities in which expenditure in 4 above has been incurred:-	Refer Annexure VIII to Directors Report at page no. 43

SECTION C – OTHER DETAILS

Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has 144 Subsidiary Companies and 4 Associate Companies as on March 31, 2016
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	Yes. Our Sustainability report released every year extends only to our India operations as also the initiatives done by the Tech Mahindra Foundation. But our policy on Code of Conduct and the Corporate Governance policies are followed by the company as well as by all subsidiary companies (except for Tech Mahindra Business Services Ltd, COMVIVA Technologies Ltd, Satyam Venture Engineering Services Pvt Ltd, Lightbridge Communication Corporation, Sofgen Holding Ltd, FixStream Inc and their subsidiaries) albeit with modifications depending upon the business requirement of the country they are operating in.
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Yes. The Suppliers and vendors are important stakeholders of our company and we value our collaborations with them. We have a Supply Chain Management policy along with a Supplier Code of Conduct policy which extends to all suppliers who conduct business with us. We also have capacity

	building workshops for our top 20 suppliers (who garner 80% of the market spend) on the importance of a sustainable supply chain, human rights and labor laws and the global trend in the green supply chain. The Company aims to help suppliers understand the importance of sustainable development as well as create a platform for all stakeholders to discuss their concerns and challenges. The percentage of total number of Tech Mahindra vendors covered here is less than 30%

SECTION D – BUSINESS RESPONISBILITY INFORMATION

DETAILS OF DIRECTOR/DIRECTORS RESPONSIBLE FOR BR	
Details of the Director/Director responsible for implementation of the BR policy/policies	DIN Number – 00018234 Name – CP Gurnani Designation - Managing Director & CEO
Details of the BR head	DIN Number (if applicable) NA Name – Sandeep Chandna Designation – Chief Sustainability Officer Telephone number – 09923796467 E-mail id – sandeepch@TechMahindra.com

PRINCIPLE-WISE (AS PER NVGS) BR POLICY/POLICIES

Tech Mahindra has in place the Business Responsibility Policy http://www.techmahindra.com/investors/corporate_governance.aspx which addresses the 9 principles as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business. This policy is applicable to all TechM associates and ensures our business practices are governed by these principles.

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3: Businesses should promote the wellbeing of all employees.

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5: Businesses should respect and promote human rights.

P6: Businesses should respect, protect, and make efforts to restore the environment.

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8: Businesses should support inclusive growth and equitable development.

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

	Questions	P1: Ethics and	P2: Sustainable Services	P3: Wellbeing of employees	P4: Responsiveness to Stakeholders	P5: Respect Human Rights	P6: Environ-mental Responsibility	P7: Public policy advocacy	P8: Support inclusive growth	P9: Engagement with Customers
1.	Do you have a policy//policies for....	Y	Y	Y	Y	Y	Y	Y Note 1	Y Note 2	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	N Note 3	Y
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	NA	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y Note 5	Y Note 5	Y Note 5	Y Note 5	Y Note 5	Y Note 5	Y Note 5	Y Note 5	Y Note 5
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note 1: *There is no distinct policy on public advocacy. However, details of our advocacy stance is part of our Sustainable Policy*

Note 2: *There is no separate policy, but is included in our CSR and Sustainability policy*

Note 3: *While there is no formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders.*

Note 4*: As per the approval matrix of the company, policies are approved by the concerned Head of the department.*

Note 5: *All TechM policies are uploaded on the BMS site on the TechM intranet for the information and implementation by the internal stakeholders. They are also available on the Tech Mahindra website* http://www.techmahindra.com/investors/corporate_governance.aspx , http://www.techmahindra.com/company/Sustainability.aspx; http://www.techmahindra.com/society/default.aspx

GOVERNANCE RELATED TO BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

- **Within 3 months**

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

- **Tech Mahindra has been publishing its standalone Sustainability Report since 2013-14. The Report as per the GRI framework is published annually according to the GRI G4 guidelines and are accessible on the Company website** http://www.techmahindra.com/company/Sustainability.aspx

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

- The Company has well-defined Code of Conduct policies for Directors as well as for employees of the Company, Joint Ventures and NGOs that completely cover all issues relating to ethics, bribery and corruption. Tech Mahindra also has a separate Supplier Code of Conduct policy for all our suppliers, vendors, and Companies who provide us with products and services.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

- There were 331 Whistle blower complaints received during the financial year April 01, 2015 – March 31, 2016, of which 226 complaints relate to fake offer letters from unknown sources. The balance complaints were satisfactorily resolved by the management.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

	Product	**Social/ Environmental Benefits**
1	Saral Drishthi: sZenseEYE	Smart Goggles for the Visually Impaired: aids the visually challenged in hands-free navigation, effectively and intuitively using its Sensory Feedback Technology and Smart Computer Vision Algorithms.
2	Saral Suraksha-:	India's web & mobile application for women's safety sends SOS alerts with a 'Tap of a Button'. Has a wearable GPS device

	FightBack	which is paired with the user profile and so works without the app too. Integrated with backend customer care 24x7 and is supported by ambulance and police via the 108 service.
3	MaaS	Microgrid as a Service solution encourages the use of renewable energy. Integrates renewable energy sources with Grid-based energy so that customers receive reliable energy all the time. Also looks at the market price of energy sources and provides the cheapest available energy to customers thus reducing their energy bills.
4	Smart Parking	Green and hassle-free solution for parking management system for premises/ buildings/ cities using Sensor technology (IoT). A complete ecosystem where the user can reserve parking space in advance using an app for a problem-free parking experience. The parking space owner can also see the parking lot status dynamically on his dashboard.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

- Tech Mahindra being a Software Services company, these details are negligible

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- Yes, the company has procedures in place for sustainable sourcing including transportation.

a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

- TechM has a Sustainable Supply Chain Management Policy and the Suppliers Code of Conduct policy which have to be stringently followed by our vendors. Tech Mahindra prefers suppliers with sustainable practices and ability to deliver on key strategic growth initiatives.
- The procurement team ensures that all laptops, desktops and other electrical appliances procured are of high quality and have the highest energy efficiency. The energy-efficient laptops & desktops ensure that there is a clear cost saving ranging from 30%-65% against usage of standard non-efficient laptops and desktops.
- Our supplier analysis also takes into account the sourcing strategy of the supplier and proximity of the supplier to the location where the order request has been raised so as to improve logistics and save time, cost & emissions from unwanted transportation through longer routes.
- A significant proportion of our procurement spend is on construction of new facilities and campuses. Our Chennai campus is LEED Gold certified. Procurement norms of the LEED standard require that we procure construction materials and equipment that meet the

required environmental norms and standards in Energy and Water Efficiency, Waste Management and Impact on Biodiversity.
- We conduct supplier audits which help us understand the potential risks within the Supply Chain from ESG perspective. Suppliers who can strategically help in adaptation to new technology and procedures for newly constructed campuses & buildings are preferred.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- All IT suppliers of Tech Mahindra are MNCs and so the IT goods cannot be sourced locally. But the company encourages sourcing non-IT goods and services from local suppliers. The TechM Sustainable Supply Chain Management Policy includes a clause on procurement of goods and services from local and small communities. During supplier evaluation process, if all other factors are on par between potential suppliers, then the company will give preference to the local supplier or small producer and thus procure goods locally. For consumable and operational services, the company prefers to connect with local vendors to supply the necessary manpower and other requirements.

  a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

- Tech Mahindra conducts capacity training workshops for our suppliers touching upon topics such as Human rights and labour laws, the global trend in green supply chain and Anti-corruption. Through this capacity building workshop Tech Mahindra aims to help suppliers understand the importance of sustainable development as well as create a platform for all stakeholders to discuss their concerns and challenges.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

- Yes, > 10%. The company has a mechanism to recycle waste but since we do not manufacture products we don't deal with product recycling.
- **Water:** Sewage Treatment Plants are set up at 8 major facilities to recycle and treat waste water. The campuses that have STP installed are Zero Discharge Facilities and recycle the sewage generated completely. The total volume of water recycled in FY 15-16 is 405139.2 KL and this was reused for non-operational purposes like landscaping.
- **E-waste:** The e-waste generated includes defunct computers, monitors, servers, electronic and electrical items. For India operations, management of E-waste is as per E-waste Management policy which complies with the Government of India's E-waste (Hazardous Waste Handling and Management) Rules, 2011. The e-waste is disposed off for recycling through government-authorized certified vendors. FY 15-16 saw 121.35 ton of E-waste sent for recycling through an authorized vendor.
- **Other waste:** Scrap waste comprising of plastic, office waste, packaging and paper is given to vendors for recycling. Vermicomposting of wet waste has yielded 53.7 tons of manure that was used for landscaping. The food waste generated in cafeterias is given to the vendors to generate fertilizers and animal feed.

Principle 3

1. *Please indicate the Total number of employees.* **88417**

2. *Please indicate the Total number of employees hired on temporary/contractual/casual basis.* **6973**
3. *Please indicate the Number of permanent women employees.* **26592**
4. *Please indicate the Number of permanent employees with disabilities* **49**
5. *Do you have an employee association that is recognized by management?*
   We do not have any employee association recognized by the management in India
6. *What percentage of your permanent employees is members of this recognized employee association?*
   NA
7. *Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.*

No.	Category	No of complaints filed during the year	No of complaints pending as on end of financial year
1	Child labour/forced labour /involuntary labour	0	0
2	Sexual harassment	26	1

8. *What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?*
   (We have also included the Behavioral trainings given to the non-IT employees here)
   a. Permanent Employees - **90.09 %**
   b. Permanent Women Employees - **88.75 %**
   c. Casual/Temporary/Contractual Employees - **52.17%**
   d. Employees with Disabilities – **89.80%**

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

- Yes, the company has classified and prioritized our internal and external stakeholders
  - Academia
  - Associates
  - Customers, Clients and Partners
  - Government Bodies
  - Investors and Shareholders
  - Industry bodies
  - NGOs, CBOs and beneficiary Communities
  - Suppliers and Vendors
  - General Public

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

- Yes, the Tech Mahindra foundation has clearly identified marginalized stakeholders:
  - Children and youth from disadvantaged backgrounds
  - Girls/young women
  - Persons with disabilities

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The CSR focus of Tech Mahindra Limited is 'Empowerment through Education'. Under this broad theme, the Tech Mahindra Foundation works with the disadvantaged community in each area of work including education and employability.

a. School education: Tech Mahindra Foundation's work in School Education is carried out under the ambit of following programmes
   - ARISE, All Round Improvement in School Education
   - ARISE+, ARISE for people with disabilities
   - Shikshaantar
   - Shiksha Samwardhan

b. The Foundation's initiatives in Employability fall under its flagship programme called Skills for Market Training, or SMART. The initiatives include –
   - SMART
   - SMART+, or SMART for people with disabilities
   - SMART-T, or SMART for technical training
   - SMART ACADEMY

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

- Policies on Human Rights, including the Code of Ethical Business Conduct, Anti-Sexual Harassment and the Whistleblower policies along with the group Business Responsibility Policy cover all aspects on Human Rights for the Company and also extend to all stakeholders of Tech Mahindra.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

- There were no employee complaints regarding the violation of human rights in TechM.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

- No, all policies relating to Environmental protection applies to all levels of the organization across Tech Mahindra facilities excluding Sales and Client Offices. Tech Mahindra policies are in sync with the Mahindra &Mahindra Group environmental policies.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

- Yes, the company has strategies/ initiatives to address global environmental issues such as climate change & global warming. Please refer to the details in the Sustainability Report & Sustainability Brochure on the below link: http://www.techmahindra.com/company/Sustainability.aspx

3. Does the company identify and assess potential environmental risks? Y/N

Yes, we have a continuous process of identifying, assessing, and monitoring environmental risks across all locations. At Tech Mahindra, Risk assessment is broadly entrusted with the Enterprise Risk Management Team in conjunction with various business functions. The risks identified are regulatory, physical & non-tangible risks.

- Weather-related risks on our associates, facilities and operations
- Natural Disasters affecting our Business operations which includes Associates
- Occupational Health and Safety risks
- Brand Reputation
- Changing consumer behaviour
- Climate Change Risk

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

- No

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

- Yes, we do have a roadmap to reduce emissions through various initiatives which addresses energy efficiency and renewable energy. Please refer to the details in the Sustainability Report & Sustainability Brochure on the below link: http://www.techmahindra.com/company/Sustainability.aspx

Renewable Energy

- Carbon Emission savings of 1830.95 $MTCO_2$ from the 2442 kWh capacity solar plants at our campuses in Hyderabad, Chennai and Pune
- Carbon Emission savings of 121.21 $MTCO_2$ & electricity generated 147825 KWh through the solar heaters at our campuses in Hyderabad and Pune

Energy Saving Initiatives

- Installation of 4277 Occupancy Sensors at Pune, Hyderabad, Noida & Chennai campuses saved electricity of 1159067 kWh with Carbon Emission savings of 950.43 $MTCO_2$
- Heat Recovery Wheels in Air-conditioning
- Replacing of CFL fittings with 6312 LED fittings in a phased manner
- Switching ‘’OFF” Lifts every Friday
- VRF Air-conditioning equipment installed
- Restriction on Air conditioning operation during non-working hours
- Switching of redundant transformers during weekends

Travel

- Reducing travel through stringent policies coupled with awareness on usage of Lync, Live meeting Video Conferencing/Tele presence
- Encouraging employees to utilize either the transport facility provided by the organization or public transport
- Promoting the use of Car pool tool to reduce the fuel consumption and vehicular emissions
- Periodic free pollution check for the vehicles of Associates/Vendors

IT

- Offering entire gamut of options like Cloud solutions, data center consolidations to help our customers reduce greenhouse gases.
- Developing Mobile Apps for developing smarter solutions in going green.

- Replacing old hardware with new technology which helps us to reduce power consumption and improved efficiency. 70% reduction in power consumption when compared to conventional systems.
- Server virtualization: The Infrastructure Management Services team has virtualized 4068 servers

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

- Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

- The Company received one show cause notice from SPCB on 18th April 2015 which was responded on 6th May 2015

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, Tech Mahindra is a member of the following trade and chamber or association

- National Association of Software and Services Companies(NASSCOM)
- Confederation of Indian Industry (CII)

TechM is also part of the following forums through our association with the larger M&M group.

- World Resources Institute (WRI)
- Carbon Pricing Leadership Coalition (CPLC),
- The Energy and Resource Institute (TERI)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

- Tech Mahindra is part of various forums that advocate the cause of sustainability and climate change actions. Tech Mahindra likes to keep abreast of the latest developments in this field and explore more opportunities to work on sustainability aspects in collaboration with industry bodies. TechM interacts and engages with businesses and the government to address issues of sustainability, environmental degradation, climate change and inclusion among others to try bring about a transformation. As one of the first few organizations to achieve a carbon disclosure score of 100 this year, we have publicly shared the key actions undertaken by Tech Mahindra to achieve this. TechM supports the CII's sustainability program of bringing transformation through policy advocacy, knowledge creation, knowledge dissemination and 'on-ground' model projects. Tech Mahindra aligns itself with NASSCOM's report on 'Sustainable Tomorrow – Harnessing ICT Potential' where our solutions are positioned as key enablers to help customers achieve goals of climate change and environment sustainability. With an increasing domestic policy push on renewable energy and rising fuel levies, TechM is also in the process of exploring applying an internal carbon price to address risks and opportunities related to climate change policies. TechM was part of a workshop with WRI which aimed to bring together international and Indian

businesses to facilitate the development of best practice guidance and other tools and resources on implementing a voluntary corporate carbon pricing program.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

- All social initiatives and projects are handled through the Tech Mahindra Foundation which focuses on three areas of development – school education, employability and technical education. It has been running 150+ projects with 100+ partners across India and has reached out to 80,000 primary and 400,000 secondary/tertiary beneficiaries. The Foundation has an inclusive approach wherein it also supports disabled children and youth in its programmes. Through SMART+ and ARISE+ programme, the Foundation helps disabled children and youth gain education, earn an income and live independently.
- The internal associates' team, JOSH also takes up social activities as part of its programs and encourages volunteering by associates in the nearby areas. TechM HR invites associates to be part of the Employee Social Responsibility Options (ESRO) initiative where the associate can get funding for the NGOs where they have been volunteering over a sustained period of time.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

- The TechM Foundation works with around 100 partners across India. A few select projects are implemented through the in- house TMF team.

3. Have you done any impact assessment of your initiative?

- Yes, an external agency, KPMG conducted an impact assessment of the Employability (SMART) programme. They reported a Social Return on Investment (SROI) of 13.29 for the SMART vocational training programme.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

- The spend by the TechM Foundation during FY 2015-16 is **INR 29.74 Cr** on its Education and Employability programme. The spend on Technical Education by Mahindra Educational Institutions is **INR 17 Cr**

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

- Sustainability is one of the key elements in the design and vision of the Foundation's initiatives. The community is involved with the interventions from inception and through the process of implementation. The SMART program involves young adults from the community. They actively participate in the program and spread the word in their respective communities. The success of these youth from the SMART centres encourage people in these communities to encourage their children also to be part of this programme

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

- For FY 2015 - 16, we have addressed all customer complaints and there are no major customer grievances pending.
- Our customer centric culture spans across the organization ensuring better services, experience and a better value for money for our customers. Customer escalations and complaints are treated with utmost importance in the organization. The Customer Centricity Office tracks all critical customer escalations and expedites the necessary actions required to close these complaints quickly. We have a Chief Customer Officer who proactively manages all customer escalations. His contact details are updated on the external TechM website http://www.techmahindra.com/company/customer_centricity_office.aspx for easy access and connect with all our customers.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

- N.A. Tech Mahindra delivers IT services and is not a product company

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

- There has been no case filed by any customer against TechM regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

- Yes, our customer-centric initiatives include meeting customers pro-actively to understand the pulse on the ground, monitoring customer concerns and measuring customer satisfaction through a customer survey known as NPS (Net Promoter Score) or CaPS (Customer as Promoter score) via a third party. We also run the P-Sat (Project Satisfaction Survey) for all our projects

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