CSR Vision and Policy Document

TECH MAHINDRA LIMITED

ABSTRACT

The document outlines the Vision and Policy of Tech Mahindra Limited towards Corporate Social Responsibility, in accordance with Section 135 of the Companies Act 2013 and the Rules thereunder.

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CSR POLICY OF TECH MAHINDRA LIMITED

Introduction and Background

Tech Mahindra Limited (TML) is a leading provider of solutions and services in the Information, Communications & Technology (ICT) industry serving large number of global customers, including Fortune 500 companies. A company with reservoir of skilled professionals, its proven global delivery models, distinctive IT skills and decades of domain expertise help clients realize their business aspirations.

Tech Mahindra Limited has been a socially responsible company since inception, and has been contributing 1.5% of its PAT for CSR activities to benefit the socially & economically disadvantaged communities. This is being done by consistently investing in programmes of Education for the underprivileged and the differently abled as well as equipping youth with market-linked skills and opportunities. Along with this, TML is also venturing into higher education through setting up of the Mahindra Educational Institutions (MEI) that focuses on higher technical education.

In 2007, Tech Mahindra Limited set up Tech Mahindra Foundation (TMF), a Section 25 company (referred to as a section 8 Company in Companies Act 2013) of dedicated professionals to carry out its CSR activities.

CSR Vision and Objectives

CSR Vision

The CSR vision of Tech Mahindra Limited is "*Empowerment through Education*."

For Tech Mahindra Limited, Corporate Social Responsibility means responsible business practices through the involvement of all stakeholders in the decision making process and in operations. It entails having business policies that are ethical, equitable, environmentally conscious, gender sensitive, and sensitive towards the differently abled.

- Tech Mahindra Limited commits itself to creating a more equitable and inclusive society by supporting processes that lead to sustainable transformation and social integration.

  TML shall implement this mainly through TMF and MEI (Section 25 Companies set up under the Companies Act 1956).

→ TMF, through vibrant and innovative partnerships with the government, NGO's, CBO's and other organisations, will promote quality education and employability for vulnerable sections of society.

→ MEI will promote innovation and technology development through provision of quality technical education.

Objectives of the Policy

The **objectives** of this policy are to -

- Demonstrate commitment to the common good through responsible business practices and good governance

- Actively support and be part of the state's development agenda to ensure sustainable change

- Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models

- Engender a sense of empathy and equity among employees of TML to motivate them to give back to the society

Applicability

1. Tech Mahindra (hereby referred to as the Company) CSR policy has been developed in consonance to Section 135 of the Companies Act 2013 (referred to as the Act in this policy) on CSR and in accordance with the CSR rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India in 2014.

2. The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the Act.

3. This policy shall be applicable to Tech Mahindra Ltd. including all its subsidiaries, and all their employees.
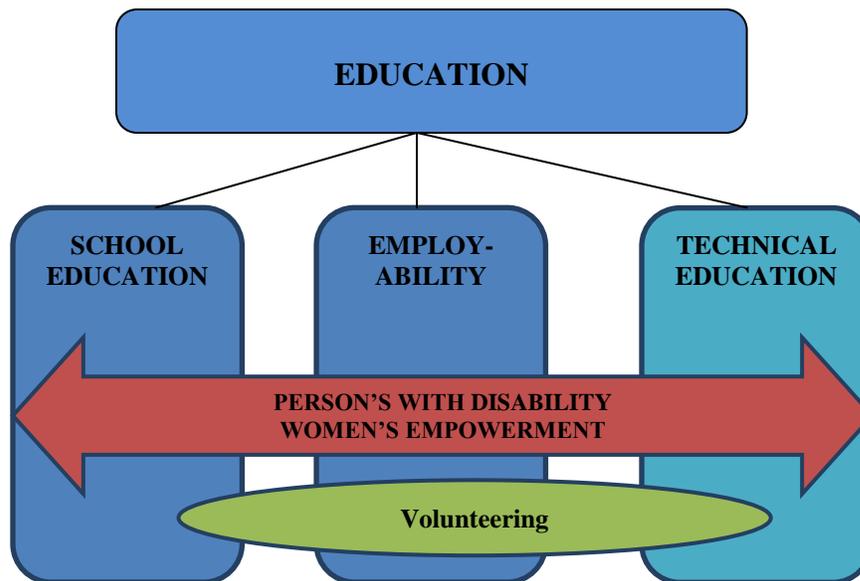
CSR Budget

CSR Committee will recommend the annual budgeted expenditure project wise to the Board for its consideration and approval.

Focus Areas

TML will implement its CSR activities in accordance with Section 135 of the Companies Act 2013 and the Rules notified thereafter.

Currently the CSR focus area for Tech Mahindra Ltd is promotion of **Education**. Within this broad theme specific areas such as school education, education for employment, and technical education are included. Persons with disability and Women's Empowerment are cross-cutting themes in these focus areas. The interventions in these thematic areas will be prioritized to reach the underserved segments of the population like women, economically and geographically disadvantaged, and vulnerable and marginalized population. The company also lays emphasis on employee volunteering in all its CSR efforts. These programmes shall be implemented through two organisations: Tech Mahindra Foundation and Mahindra Educational Institutions.

School Education: Education is the tool for creating an empowered, enlightened society capable of rising to its full potential. Availability of Quality Education for all classes is the way to ensure an equitable and just social system. TMF aims to improve the quality of school education in India through school improvement programmes, capacity building of all stakeholders and supplementary education.

Employability: The Tech Mahindra Foundation intends to support the Government of India's larger vision of skill development of youth through developing their market-oriented skills and linking them to potential employers. This programme seeks to benefit school drop-outs, people with disabilities, and those unable to go into higher education, among others with specific focus on women.

Technical Education: Mahindra Education Initiative shall establish institutions of higher learning, promote research and development and collaborate with other renowned institutions to contribute towards the goal of high quality technical education systems in India
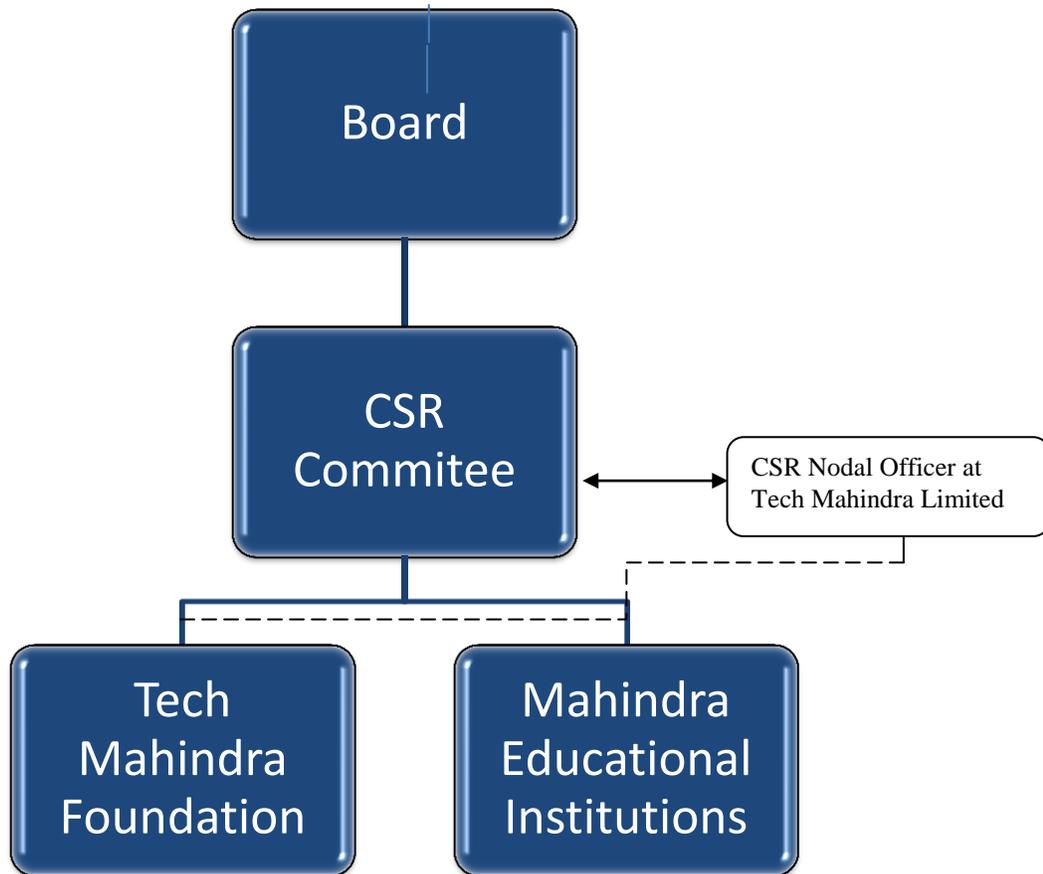
Implementation

The Company's CSR programmes will be identified and implemented according to the Board's approved CSR policy. This CSR Policy builds on the learnings from and good practices of the Company's ongoing CSR activities running since 2007. The Company will enhance its monitoring and evaluation mechanism so as to ensure every programme has:

I.   clearly defined objectives (developed out of existing societal needs determined through baselines/studies/research), targets and time lines.

II. a robust progress monitoring system

III. impact assessments

IV. a reporting framework and system in alignment with the Act and Rules.

The company will implement its CSR programs through its two institutions: Tech Mahindra Foundation and Mahindra Education Institutions.

The first two thematic areas (School Education and Employability) will be implemented by Tech Mahindra Foundation. Mahindra Educational Institutions will establish new institutions of higher technical learning and collaborate with existing academic institutions to promote quality learning.

Tech Mahindra CSR Governance Structure

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                    │    Board    │
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                    │     CSR     │◄────►│  CSR Nodal Officer at │
                    │  Commitee   │      │  Tech Mahindra Limited │
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       │    Tech     │          │   Mahindra    │
       │  Mahindra   │          │  Educational  │
       │  Foundation │          │ Institutions  │
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Roles and Responsibilities

Board

The Board of Tech Mahindra Limited will be responsible for:

- approving the CSR policy as formulated by the CSR Committee

- ensuring that in each financial year the Company spends at least 2% of the average net profit before taxation excluding profits arising from overseas branches made during the three immediate preceding financial years.

- ensuring that every financial year funds committed by the Company for CSR activities are utlized effectively, and regularly monitoring implementation.

- disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activites on the Company website.

- ensuring annual reporting of CSR policy to the Ministry of Corpoarte Affairs, Government of India, as per the precscribed format.

As per Section 135 the reasons for under spending of the allocated CSR budget shall be specified in the Board's Report.

The surplus arising out of the CSR activities, if any, will not be considered as a part of the business profits of the company.

CSR Committee

I. **Composition of the The CSR committee**: will consist of three or more directors of which, one will be an independent director.

II. **The CSR committee of Tech Mahindra Limited will be responsible for:**

- formulating the CSR policy in compliance to Section 135 of the Companies Act 2013

- identifying activties to be undertaken as per Schedule VII of the Companies Act 2013 .

- recommending to Board the CSR expenditure to be incurred.

- recommonding to Board, modifications to the CSR policy as and when required.

- regularly monitoring the implemention of the CSR policy

Monitoring and Reporting Framework

Tech Mahindra Limited's CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the activities of Tech Mahindra Foundation and Mahindra Educational Institutions. The respective heads of TMF and MEI will present their annual budgets and list of programmes, projects, and activities to the CSR Committee for its approval. The Committee will in turn recommend this to the TML Board for its final approval.

In compliance with the Act and to ensure funds spent on CSR programmes are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework will be put in place. The monitoring and reporting mechanism is divided into three distinct areas:

I. Programme Monitoring:

II. Evaluation:

III.   Reporting and Documentation:

Programme Reporting

I.   Programme monitoring mechanism will ensure:

→   the CSR policy is implemented as per the Act and the Rules

→   The CSR policy is implemented ensuring that all projects/programmes as budgeted are duly carried out.

II.   CSR spends will be closely monitored and funds shall be released against verified utilizations as per the approved work plans. This may include monthly field visits, comprehensive documentation, and regular interaction with beneficiary communities.

III. CSR spends will be audited in an accountable and transparent manner.

IV.   Quarterly reporting and review by the CSR committee and six monthly reviews by the Board.

Evaluation

I.   A robust MIS monitoring mechanism and evaluation plan will be put in place (Annex 3)

II.   Expected outcomes, outputs and inputs will be clearly defined for each programme as per stated timelines.

III. There shall be clarity about the scope of the programme and the need before evaluations are undertaken.

IV.   Third parties will be engaged to ensure objective assessment across baseline and end line parameters.

V.   Head of CSR will be authorized to decide whether it will be internal, external or third party evaluation

Documentation and Reporting

The CSR Committee will prepare the annual CSR report to be filed by the Company on approval of the Board. This report will ensure:

→ CSR projects and programmes are being properly documented.

→ An MIS is maintained on expenditure across sectors and geographies and beneficiaries impacted. The MIS structure will be in alignment with the prescribed reporting format (see annex 2)

→ Accountability is fixed at each level of CSR process and implementation.

→ A repository of case studies and good practices is being maintained.

Annex: 1 Details of the Organization: TMF & MEI

Tech Mahindra Foundation

Tech Mahindra Foundation (TMF) implements TML's CSR programmes in promoting Education and Employability through a variety of projects; which are in turn implemented by a number of NGO partners. Since Disability is a cross-cutting theme as stated above, some projects are specifically geared towards benefitting people with disabilities including visual disabilities. The Foundation currently works with NGO partners across nine states of India and has a presence in ten cities: Bangalore, Bhubaneswar, Chandigarh, Chennai, Delhi and National Capital Region (NCR), Hyderabad, Kolkata, Mumbai, Pune, and Visakhapatnam.

The Foundation provides the broad framework for the implementation of its projects under the three areas of Education, Employability, and Disability. It lays down the guidelines for implementation, providing enough flexibility and freedom to its partners to contextualize the project to suit the local beneficiary requirements. It then regularly monitors the projects through its leadership and executive team, which is present at each location where the Foundation operates.

Approach

TMF's approach to working in its chosen areas of Education, Employability, and Disability is as follows:

EDUCATION
TMF believes that Education is the tool for creating an empowered, enlightened society capable of rising to its full potential. Availability of Quality Education for all classes is the way to ensure an equitable and just social system.

70% of India's children are enrolled in government schools. As national level surveys have repeatedly highlighted, the quality of education in these schools continues to remain far below acceptable levels. This is indicated by poor learning levels among schoolchildren as well as a high dropout rates of 41% at the elementary school level.[1]

The quality of school education is now increasingly being assessed in terms of the multi-dimensional performance profiles and personality traits of students. Candidates are expected to have independent learning, problem solving and decision making abilities to be able to enroll in the higher & speacilsed education or employment sectors.

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[1] Information taken from the ASER report 2013 (www.asercentre.org) and
http://www.thehindu.com/news/national/out-of-school-children-and-dropout-a-national-emergency-unicef/article4611287.ece

The National Curriculum Framework 2005 (NCF 2005) and Right to Education Act (RTE) continuously propose new pedagogy and a shift away from widely practiced and teacher centric classroom processes and mundane school governance to deal with the cumulative burden of non-learning.

The Foundation, with a commitment to quality and equitable education opportunities for all, works to empower disadvantaged children through education, creation of an enabling environment that encourages children to come to school and reduce dropouts, and provide knowledge that facilitates improved learning for bringing a systemic change in schooling.

With that objective, the Foundation has identified the following thrust areas:

- Whole School improvement
- Capacity building of teachers and other stakeholders
- Supplementary education

The Foundation will work on all of the above areas with special emphasis on school development programmes and teacher training to bring in a systemic social change.

EMPLOYABILITY AND SKILL DEVELOPMENT

In a fast growing Indian economy, there is a gap between the supply and demand for trained and skilled resources.

In accordance with the Government of India's vision and policy on skill development, the Foundation enables the youth to acquire employable market-oriented skills and links them to potential employers, thereby facilitating the development of self-reliant and confident individuals.

TMF promotes the concept of "education to employability", and runs the SMART (Skills-for-Market-Training) programme to encourage and facilitate employment opportunities for youth from the marginalised communities. Under this programme, there are SMART and SMART+ (for persons with disabilities) centres, which are operational across India. The SMART programme targets school dropouts and addresses the skill gap in areas like retail, hospitality, accounting, nursing aide, plumbing, electricians, and so on

DISABILITY

India has more than 21 million people with some kind of disability as per the 2001 census. Persons with disabilities continue to be discriminated against, with the focus being on their disability instead of ability.

TMF seeks to give dignity and independence to persons with disability (with a special focus on visual disability) through inclusive education, providing employable market-related entrepreneurial skills, and opportunities, thereby allowing them to be self-reliant.

VOLUNTEERING

Volunteering is one of the core human resource strengths at all the Mahindra and Mahindra Group companies. Tech Mahindra encourages its associates to volunteer time in CSR activities. The Foundation works in engaging Tech Mahindra associates with the disadvantaged communities to promote empathy and understanding of social inequalities. TMF will continue to create opportunities in all its locations for Tech Mahindra associates to share their time and skills in a socially constructive manner for the development of the society.

Tech Mahindra Foundation's list of CSR projects (under its Programmes of Education, Employability, and Disability) is as follows:

Education

- School Improvement Projects
- Capacity Building of Teachers
- Supplementary Education Projects

Employability

- SMART
- SMART +
- Adoption of ITIs

Disability

- SMART +
- Visual Disability projects

Note: A detailed list of projects and partners of Tech Mahindra Foundation as on April 1, 2014 is given as Annexure 1 to this document

Mahindra Educational Institutions (MEI)

Mahindra Educational Institutions, a 100% subsidiary of Tech Mahindra Limited, is a not-for-profit company set up under Section 25 of the Companies Act 1956 (corresponding to Section 8 of the Companies Act 2013). The main objectives of MEI are:

1. To establish institutions of higher learning such as setting up institutions, universities, colleges, academies, and research institutes encouraging education and research work in different disciplines, to promote innovation and technology development, to collaborate and/or affiliate with other universities in India and abroad for the cause of promoting quality higher education.

2. To collaborate and cooperate with educational or other institutions in any part of the world by exchange of teachers and scholars and generally in such manners of promoting higher education

3. To undertake, collaborate or affiliate with any institutions, trusts, or any other bodies in India and abroad for establishment and running of educational institutions in different disciplines to provide tertiary education and research, award degrees, institute awards and fellowships, provide scholarships for education, organize conferences and seminars, provide vocational education and any other activity related to promotion of higher education.

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