SUSTAINABLE SUPPLY CHAIN MANAGEMENT PRACTICES: A COLLABORATIVE APPROACH

8th December 2021
Introduction
Why Sustainability?
Sustainability at Tech M
Sustainable Supply Chain Management (SSCM)
Expectations from Business Partners
Introduction to Sustainable Supply Chain

Supply chain sustainability refers to companies’ efforts to consider the environmental and social impact of their products’ journey through the supply chain, from raw materials sourcing to production, storage, delivery and every transportation link in between, which is beyond the traditional measures of profit, return on investment and shareholder value.

Sustainability Motivations

- Even if you don’t want to do Sustainability, somebody in value chain will insist
- Some Businesses won’t consider a supplier if it’s not Sustainable
- Penalties by regulation authorities
- Green performance is more profitable
About Us

WE ARE WHAT WE DO

We are a Data and Innovation-driven Organization. We are Bringing to Fore our Knowledge, Assets and Rich Data acquired over the Decade along with New Capabilities added through Acquisitions and Strategic Alliances to Shape the Future of our Customers in this New Normal with our NXT.NOW Strategy.

OUR VISION

Be in top 3 sustainable organizations within India, by 2021:
- Focused Responsible Business Growth
- Focus on Enhanced Operational Eco-efficiency
- Be rated amongst top brands to work for

141,100+ Associates
1123 Global Customers
USD 5.1 Bn Total Revenue
90+ Countries where we drive technology
Our Awards & Recognitions

- **Carbon Disclosure Project 2021**
  The only Indian IT company to score ‘A’ in both CDP Climate and CDP Water

- **DJSI World Index 2021**
  One amongst only 5 IT companies from India

- **DJSI Emerging Markets 2021**
  One of only 15 Indian Companies

- **EcoVadis**
  Awarded Gold rating with 94 percentile

- **FTSE4Good Index 2021**
  Constituent of Financial Times Stock Exchange-Russell Group

- **Carbon Clean 200**
  The only Indian company to be listed in Carbon Clean 200 by Corporate Knights and As You Sow

- **S&P Global - Sustainability Yearbook 2021**
  Awarded with Bronze Class & included in Top 10 IT Service Companies Globally

- **Globally**
  SUSTAINALYTICS
  Leaders with 99 percentile, and an overall ESG Score of 84

- **Telecom Industry Association**
  Awarded ‘Gold’ rating

- **CDP SER**
  Included in the Climate Disclosure Project Supplier Engagement Rating (SER) A list 2020

- **ISS ESG**
  Awarded Prime status by ISS

- **Carbon Clean 200**
  The only Indian company to be listed in Carbon Clean 200 by Corporate Knights and As You Sow

- **S&P Global - Sustainability Yearbook 2021**
  Awarded with Bronze Class & included in Top 10 IT Service Companies Globally

- **Tech Mahindra**
  Awarded Gold rating with 94 percentile
Leadership Commitment

Anand G. Mahindra
Chairman, Mahindra Group
"Today, there is no distinction between what you do for profit and how you drive positive change. The more you drive positive change, the more enhanced your business model."

CP Gurnani
Managing Director and Chief Executive Officer, Tech Mahindra
"Sustainability is a long-term issue that will require decades of persistence. At Tech Mahindra, we are committed to pursue plans that will have long-term impacts on the communities and will lead to a balance between sustainability and overall business profitability"
Our Sustainability Framework

Mahindra Sustainability Framework

Building enduring businesses by rejuvenating the environment and enabling stakeholders to Rise

**People**
- Enabling Stakeholders to Rise
  - Build a great place to work
  - Foster inclusive development
  - Make sustainability personal

**Planet**
- Rejuvenating the Environment
  - Achieve carbon neutrality
  - Become water positive
  - Ensure no waste to landfill
  - Promote biodiversity

**Profit**
- Building Enduring Business
  - Grow green revenue
  - Mitigate risk including climate risk
  - Make supply chain sustainable
  - Embrace technology and innovation
  - Enhance brand equity


Giving back more than we take.
Our ESG Focus Areas

Our Vision
ESG has been and will continue to be the core of all we do

E

Climate Resilience
Achieve Carbon Neutrality by 2030 & Net Zero much before 2050

Focusing on Renewable
50% Renewable Energy by FY26 and 70% by FY30 (21.2% till FY21)

Solid Waste Management
Zero Waste to Landfill by FY26 for Owned locations (1 location already completed)

Afforestation
Plant 200,000 trees by FY26 (65,000+ trees planted till FY21)

Water Security
Reduce Water Withdrawal intensity by 20% by FY26 (4.92 in FY21)

Sustainable Supply Chain
Audit 200 Suppliers on Sustainability by FY26 (Audited 100+ suppliers till FY21)

S

Women Empowerment
37% Women in organization & 12% in senior management by FY26 (Women overall 31.75% in FY21, Women in sr. mgmt. 8.08% in FY21)

Human Rights Assessments
100% Owned locations by FY26 (1 location completed. 2 locations in progress)

Volunteering Hours
180,000 per year (Green Marshals: 4,780 hours in FY21, CSR & ISR: 14,000+ hours in FY21)

Employee Recognition
45% associates to be recognized by FY26 (39% in FY21)

CSR projects (Employability)
TMF Smart Centers: 120 by FY26 (76 in FY21)
TMF Smart Academies: 15 by FY26 (7 in FY21)

CSR projects (Disability)
TMF Disability Projects: 50 by FY26 (35 in FY21)

CSR Beneficiaries (Direct & Indirect)
50,000 Direct & 5 Lakh Indirect by FY26 (30,820 Direct & 3.16 Lakh Indirect in FY21)

G

Maintain High Corporate standards
• Effective Board: Diverse and Independent
• Proactive Risk Management System
• Stringent compliance
• Transparent Disclosures
• Strong Customer Relationships
• Robust Cybersecurity
• Effectual Data privacy

Integrated Reporting
Integrated Annual Report that is aligned to GRI standards, TCFD, CDSB and SASB framework

Board of Directors
• 3 women directors, exceeding the mandate of 1.
• Independent directors: 60%, exceeding the mandate of 33.3% (i.e., 1/3rd)
Focus on rapid, deep emission cuts:

Rapid reduction in the value chain emissions to limit 1.5°C
Most companies will require deep decarbonization of 90-95% to reach net-zero under the Standard

Set near- and long-term targets:

Halving emissions by 2030 and organizations must produce close to zero emissions and will neutralize any residual emissions that are not possible to eliminate

No net-zero claims until long-term targets are met:

Most companies are required to have long-term targets with emission reductions of at least 90-95% by 2050. At that point, a company must use carbon removals to neutralize any limited emissions that cannot yet be eliminated.

Go beyond the value chain:

There is an urgent need to scale up near-term climate finance; however, these investments should be in addition to deep emission cuts, not instead of them.
Making Sustainability Personal

Our volunteer participation was 4,780 hours in FY21

- Green consumer Day
- Waste Management, Composting & Kitchen Gardening
- Bamboo product & paper bag adoption workshops
- Zero Waste Living Workshop
- Green Quiz on Sustainability Awareness
- Session on Mitigating Climate change & Making Sustainability personal
- Training on HSE
- Changing paper wasting habits by Monitoring and Controlling
- No plastic in campus
- Encourage use of Carpools
- Build network of likeminded Green Marshals
- Training on Green Initiatives
- Plantation Drive
- World Environment Day
- Celebrating World Clean Up Day
- Water Saving campaign (Water Conservation measures)
Sustainable supply chain management involves practices towards environmental protection, social and ethical responsibility and strong governance mechanism.

SSCM Priorities

- Environmental stewardship
- Resource Efficiency
- Becoming Net Zero
- Financial savings and viability
- Social and ethical responsibility

Impact within supply chain significantly outstrips the impact related to their own operations.

Opportunity for positive change exists more in supply chain management decisions than in areas within direct operational control.
Sustainable Supply Chain Management

Tech Mahindra’s commitment to Governance, Ethical Business Conduct, Environmental Stewardship and Sustainability also extends to our value chain.

- Supplier Sustainability onsite Audit & Assessment on ESG aspects
- Supplier mandates on ESG aspects
- Green Procurement, Logistics, Practices
- Supplier Capability Building Workshop
- Risk Evaluation
- Awareness on Sustainable Sourcing

Risk Management:
- Compliance: Meet or exceed requirement
- Continuous improvement: Measure and improve result
- Integration: Align with corporate strategy of Sustainable Supply Chain
- Innovation: Sustainable product & services
- Leadership: Commitment towards Sustainability & Climate Change

- Labour/ workplace management
- Occupational health and safety
- Risk management
- Environment
- Corporate governance and ethics
- Supply chain
- Community Engagement
1. INTRODUCTION

This Sustainable Supply Chain Management (SSCM) Code of Conduct applies to all the suppliers, vendors, contractors and companies who provide Tech Mahindra with products and services (suppliers, vendors, contractors and companies who provides us with products and services shall henceforth be referred as “Suppliers”). It states our expectations from suppliers with respect to their compliances and business commitments towards environmental, social and governance best practices.

We expect them to abide by and ensure continuous improvements in

1. Ethical business practices
2. Management practices that respect the rights of all employees and the local community
3. Privacy and Data protection
4. Prohibited business practices as per law of the land
5. Minimising impact on the environment
6. Providing a safe and healthy work place

TechM recognises that our suppliers are independent entities; however, the business practices and actions of a supplier may impact on or reflect upon TechM. Sustainability is deemed to make significant contribution to company’s success and suppliers plays a major role in this. Better quality products and services are produced by suppliers with superior operating principles and practices.

We bind all our suppliers to the following social, ethical and environmental minimum standards of conduct and encourage each supplier to adopt practices with preferred and favoured standards. We
How we can start becoming sustainable?

- **From muted conversations to war cry**
  - Crucial role of leaders

- **Overhauling the existing economic framework**
  - Think beyond GDP
  - Operate business with focus on Environmental, Social, and Corporate governance (ESG) metrics.
  - “Recycle and Reuse” to evolve as “Rethink” and “Re-imagine”

- **Investing for a better future**
  - ESG Principles built into long-term growth strategy. Helps Mitigate risk and drive profitable growth by investing in sustainable innovations that positively impact the world
  - Proven direct correlation between sustainable practices, share prices, and business performance.

- **Focus on “material” matters**
  - Companies tracking GHG emissions and implement Carbon Pricing are better prepared for regulatory future where carbon is priced
  - Forward-thinking investors look for concrete evidence in a company’s annual reports

- **Collective awakening**
  - The 2019 UN report on sustainability suggests that “sustainable business practices” have made significant inroads into the growth agenda of forward-thinking CEOs
Materiality Assessment Process

1. Identify Economic, Environmental, Social Impacts and Risk
2. Evaluate Legal/Regulatory/Policy Drivers
3. Prioritise Industry Norm/Competitiveness Issue
4. Determine Stakeholder Concerns/Social Trends
5. Opportunity for Innovation

Issues Most Relevant to the Sector/Company
Sustainability Practices

- **Electricity, DG sets**
  - Best: Renewable viz. Solar
  - Worst

- **Incandescent lamps**
  - Worst: LEDs
  - Best

- **Landfill**
  - Worst: Recover- Reduce- Recycle- Reuse
  - Best

- **Plastic products**
  - Worst: Ecofriendly products
  - Best

- **Gifting**
  - Worst: Antibribery policy
  - Best

- **Child labor to cut down cost**
  - Worst: Ban Child labor
  - Best

- **Private Car for commute**
  - Worst: Pool or pedal
  - Best

- **Wastewater in river**
  - Worst: Wastewater recycled through STP
  - Best

- **Losses through Complex emergencies**
  - Worst: Business Continuity Plan & Disaster Management
  - Best

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Expectations

- Comply to SSCM Questionnaire and respond back to Tech M
- Participate in Supplier Assessments and drive improvements based on outcomes
- Attend Capacity Building Workshop and conduct for your Suppliers
- Start reporting on GHG emissions and adopt Net Zero targets.
- Promote Diverse Suppliers
- Account emissions for products/services provided to TechM
SSCM Policy

Seek higher standards of performance from the top 200 high spend suppliers

Efficient use of Tech Mahindra and supplier resources

Deliver social and environmental benefits for Tech Mahindra, our suppliers and the broader community

Encourage our suppliers to make available cost-effective, environmentally and socially responsible products and services

Create other benefits such as reduced costs, improved risk management, enhanced quality, and product or service innovation

Ensure both the accuracy of the information provided by suppliers and improvement of the underlying performance.

### 1. Labour/ workplace management

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<tr>
<th>S.N</th>
<th>Requirement</th>
<th>Suggested Artefacts</th>
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<tbody>
<tr>
<td>1</td>
<td>Comply with all relevant local and national laws and regulations with regard</td>
<td>Legal Register</td>
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<td></td>
<td>to employment practices, benefits, health and safety and anti-discrimination</td>
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<td>and harassment and abuse.</td>
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<td>2</td>
<td>Written labour/workplace management policies and standards.</td>
<td>Policy</td>
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<td>3</td>
<td>Workplace free of direct or indirect discrimination, harassment or bullying</td>
<td>Policies and practices on • Equal Opportunity • Anti Harassment, Anti Bribery, Prevention of Sexual Harassment at Workplace</td>
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<td>on the grounds of gender, age, race, nationality or ethnic origin, disability,</td>
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<td>family responsibilities or parental status, marital status, the occupation</td>
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<td>of spouse or partner, medical or irrelevant criminal record, political</td>
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<td>convictions, pregnancy or potential pregnancy, religious beliefs or activities,</td>
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<td>sexual preference of sexuality, industrial activity or union membership,</td>
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<td>physical appearance, social origin or careers responsibilities.</td>
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<td>4</td>
<td>No Child Labour forced or involuntary labour in any form</td>
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<td>5</td>
<td>Fair pay and working conditions, including adequate rest periods and parental</td>
<td>Policies and practices on • Compensation and Benefits • Working Hours, Leave and Holidays including Maternity/Paternity Leaves • Working Environment</td>
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<td>leave, comply with local laws and match prevailing working conditions.</td>
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<td>6</td>
<td>Consideration to the needs of, and requests made by employees, as a stakeholder</td>
<td>Employee Feedback Process and how are they addressed</td>
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<td>in the operation of the business.</td>
<td></td>
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<td>7</td>
<td>Committed to the provision of relevant training, learning and development</td>
<td>Training Calendar</td>
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<td>opportunities for employees.</td>
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### 2. Occupational Health and Safety

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</thead>
<tbody>
<tr>
<td>1</td>
<td>Comply with all relevant local and national laws and regulations with regard to occupational health and safety and the provision of health related benefits to employees.</td>
<td>Legal Register</td>
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<tr>
<td>2</td>
<td>Written safety and health policies and standards.</td>
<td>Policies and Practices on:</td>
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<tr>
<td></td>
<td>• Health and Safety</td>
<td>• OHSAS/ISO 45001 Certification</td>
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<td>3</td>
<td>Documented system to reduce work-related injury and illness.</td>
<td>• Hazard and Risk Management</td>
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<tr>
<td></td>
<td>• Hazard and Risk Management</td>
<td>• Documented Processes</td>
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<td></td>
<td>• Documented Processes</td>
<td>• Reporting and Corrective Actions</td>
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### 3. Risk Management

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<tr>
<td>1</td>
<td>Written and periodically tested Business Continuity Plan (BCP) in place to minimise business impacts in the event of a major disruption.</td>
<td>• BC Plan</td>
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<td>• BC tests and outcomes</td>
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<tr>
<td>2</td>
<td>Written and periodically tested Emergency Response Plan (ERP) in place to minimise harm to employees, the local community and local environment (including buildings) in the event of a site disaster.</td>
<td>• Emergency Response Procedure</td>
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<td>• Test Cases Reports</td>
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### 4. Environment

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</table>
| 1   | Comply with all relevant local and national laws and regulations with regard to land and water management, waste and recycling, the handling and disposal of toxic substances, discharges and emissions, noise, transportation of products, waste. | • Legal Register  
• Hazardous waste management process |
| 2   | Written environment policy                                                   | Policy and Implementation                                |
| 3   | Written environmental management plan to identify and minimise the impact of their activities on the environment. | Risk Assessment                                          |
| 4   | Any certification for ISO 14001 or similar Environmental Standards           | Certifications                                           |
| 5   | Any fines, prosecution, or warnings by regulators in relation to water, air and environmental issues | Compliance and legal Report                              |
| 6   | Track and monitor energy consumption and GHG emissions                       | Public Report                                            |
| 7   | Establish environmental targets and objectives to improve environmental performance? | Public link/Report                                       |
| 8   | Organizational goals and targets to reduce GHG emissions?                    | Public link/Report                                       |
| 9   | Targets and programs to reduce overall sustainability impacts by managing transportation logistics | Policies and Reports                                     |
| 10  | Identify corrective actions for environmental, labour, health and safety and track to closure | Policies and Reports                                     |
## 5. Corporate governance and ethics

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<th>Suggested Artefacts</th>
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</table>
| 1   | Comply with all laws and regulations on bribery, corruption and prohibited business practices.                                                                                                               | • Legal Register  
• Policies and practices on  
  o Anti Bribery, Corruption  
  o Ethical Business Conduct                                                                                                           |
| 2   | Conduct Business in accordance with high ethical standards.                                                                                                                                                   | Ethical Business Conduct                                                                              |
| 3   | Formal complaints management process for employees, suppliers and members of the communities                                                                                                                   | • Formal complaint/ Grievance redressal system  
• Awareness among Employees                                                                                                                     |
| 4   | Transparent allocation of responsibilities between Board and management, where an applicable organisational structure exists.                                                                                 | • Roles and Responsibilities                                                                            |
| 5   | Promote timely and balanced disclosure of material matters concerning services provided by the company to Tech Mahindra.                                                                                      | • Proactive Risk Management                                                                             |
# 6. Supply Chain

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<tbody>
<tr>
<td>1</td>
<td>Adopt similar principles to these in dealing with their own key suppliers* (which may include high spend, high risk or strategic suppliers).</td>
<td>• Evidence Implementation for Sub Suppliers</td>
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<tr>
<td>2</td>
<td>Adhere to acceptable business practices with their own suppliers, including providing for timely payment and reasonable contractual conditions.</td>
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# 7. Community Engagement

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<tbody>
<tr>
<td>1</td>
<td>CSR Activities</td>
<td>• List of CSR Activities and outcome</td>
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</table>
Supplier Assessment Outcomes: Observations & Recommendations

**Code of conduct and workplace management:**
- Workplace management policies
- Training/Induction program
- Written labour policy in place
- Written Diversity/equal opportunity for employment policy
- Proactive in learning/development for employees

**Occupational health & safety:**
- Written safety & health policy
- Strictly following health & safety checklist for employees
- Conducting safety related training for employees

**Environment management:**
- Written environment policy

**Good Points**

**Areas of Improvements**
- Tracking GHG emissions (Scope 1, 2 & 3) for operation
- Reporting the emission on global platform
- Establish the environmental targets & objectives to improve environment performance
- Set up sustainability target & goal in order to minimize impact on environment.
- Should have a written BCP policy
“You cannot get through a single day without having an impact on the world around you. What you do makes a difference, and you have to decide what kind of difference you want to make”

………….Jane Goodall
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