

Sustainable Supply Chain Management

A collaborative approach for
commitment to sustainability

Agenda

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03 Sustainability at TechM

04 Sustainable Supply Chain
Management (SSCM)

05 Expectations from Business Partners

About TechM

- Offer innovative and customer-centric digital experiences, enabling enterprises, associates, and the society to Rise.
- Focused on leveraging next-generation technologies including 5G, blockchain, metaverse, quantum computing, cybersecurity, artificial intelligence to enable end-to-end digital transformation for global customers.



148,000+
Associates



1250+
Global Customers



USD 6.5+ Bn
Total Revenue



90
Countries Where We
Drive Technology

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 practice sustainability, somebody in the value chain will insist you to do



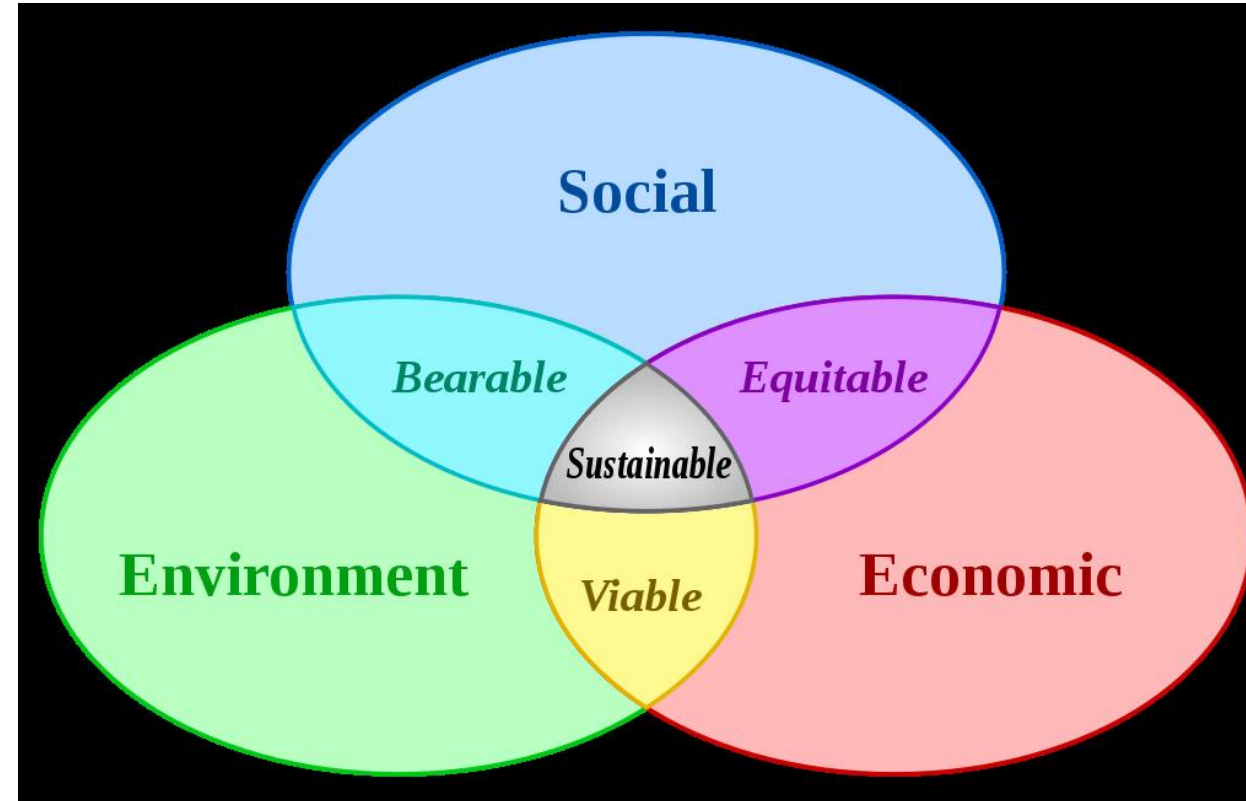
Penalties by regulation authorities



Some businesses won't consider a supplier if they are not sustainable



Green performance is more profitable



Why Sustainability?



Sustainability at TechM

Our Vision

We are committed to pursuing **'purpose beyond profits'** by embedding ESG principles into our core strategy and maintaining a balance between sustainability and overall business profitability, thus creating a long-term positive impact on the planet and society while providing greater value for all our stakeholders.

To be in Top-5 IT services of the world and sustain leadership position in India for sustainability.



Focus on enhancing operational eco-efficiency



Lead sustainability transformation through process improvements, innovation, and disruption



To be rated amongst the top brand to work for



Focused responsible business growth

Best in Class Sustainability Performance

Recognized by most relevant ESG Indices



The only Indian company out of 44 companies that have been awarded HRH The Prince of Wales' Terra Carta Seal



S&P Global Sustainability Yearbook 2023
Top 1% of S&P Global ESG Score



Member of Dow Jones Sustainability Indices
Powered by the S&P Global CSA
Ranked 1st among top IT companies of the world in the "TSV IT services" segment with 89 (100 percentile) score



EcoVadis 2023 Gold rating with 93 percentile



Dun & Bradstreet India
- Top ESG Performer - Software and BPM sector
- Environmental Risks and Opportunities award 2023



CDP Supply Chain Recognized by CDP as a Supplier Engagement Leader (SER) 2022



CDP 2022 Included in the 'A' list for Water Security



Ranked 1st amongst the Top 25 IT Sustainable Companies in India at Business World Sustainability Conclave 2023



Capri Global Capital HURUN List
Ranked 2nd with a sustainability score of 46, in the Impact 50 for SDG Goals



Morgan Stanley Capital International 2023
Awarded 'A' rating badge

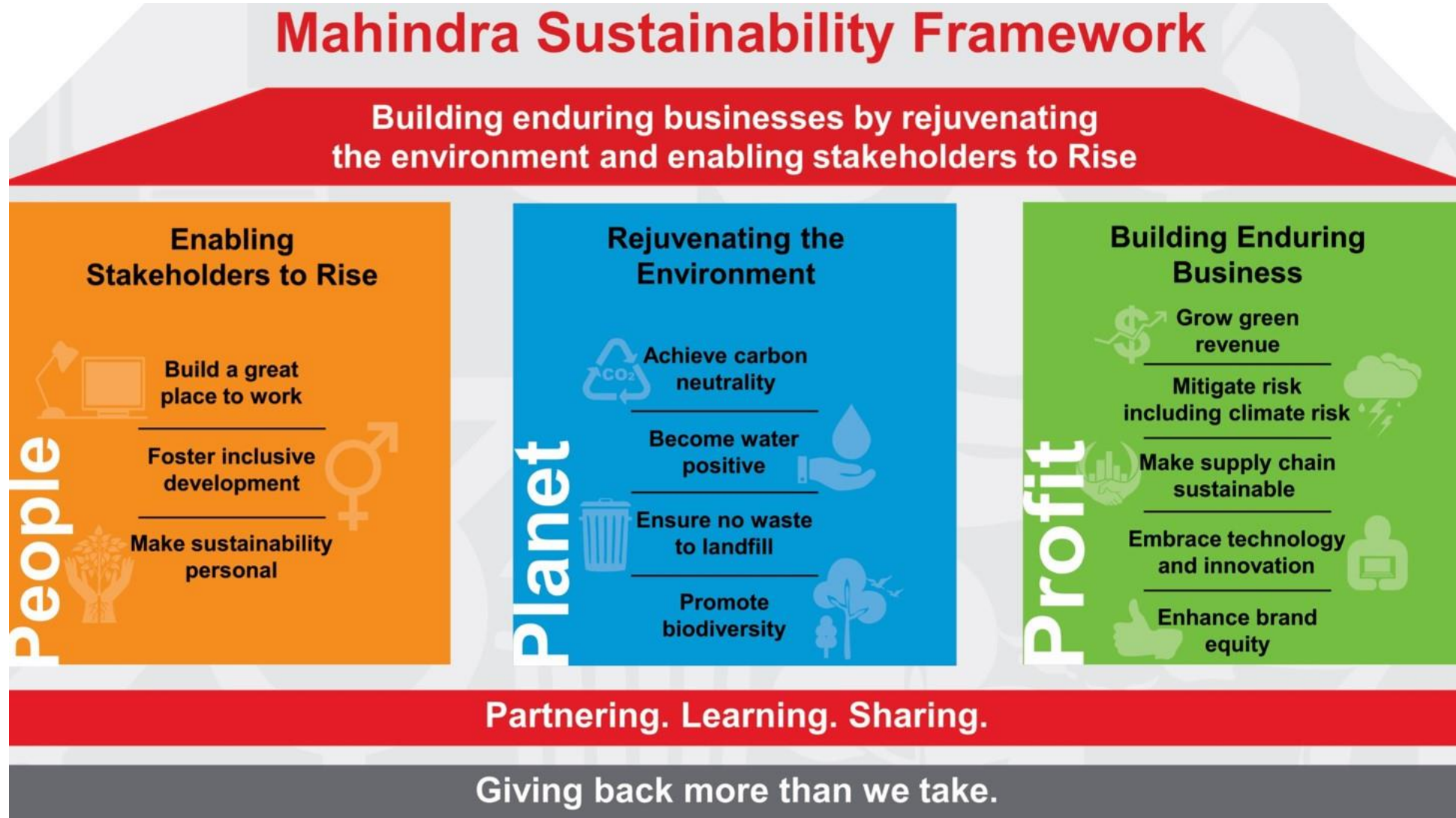


Included in the Sustainalytics 2023 Top-Rated ESG Companies list



Constituent of FTSE4Good Index Series 2023

Our Sustainability Framework



Our ESG Focus Areas



E



Climate Resilience

Achieve Carbon Neutrality by **2030** and Net Zero by **2035**



Focusing on Renewable

50% Renewable Energy by **FY26** and **90%** by **FY30** (**21.9%** till **FY23**)



Solid Waste Management

Zero Waste to Landfill by **FY26** for 13 Owned locations (3 locations completed, 2 locations in progress)



Afforestation

Plant **200,000** trees by **FY26**
92,750+ trees planted till **FY23**



Water Security

Reduce Water Withdrawal intensity by **20%** by **FY26** (**4.82 kl/person** in **FY23**)



Sustainable Supply Chain

Audit **200** Suppliers on Sustainability by **FY26** (Audited **140+** suppliers till **FY23**)

S



Women Empowerment

37% Women in organization and **12%** in senior management by **FY26** (Women overall **34%** in **FY23**, Women in sr. mgmt. **10.23%** in **FY23**)



Human Rights Assessments

100% Owned locations by **FY26**.
(6 of 13 locations completed)



Volunteering Hours

180,000 per year by **FY26** (Green Marshals: **1,170** hours in **FY23**, CSR & ISR: **58,680+** hours in **FY23**)



Employee Recognition

45% associates to be recognized by **FY26**
(**60%** associates recognized **FY23**)



CSR Projects (Employability)

TMF Smart Centers: **120** by **FY26** (86 in **FY23**)
TMF Smart Academies: **15** by **FY26** (8 in **FY23**)



CSR Projects (Disability)

TMF Disability Projects: **50** by **FY26** (42 in **FY23**)



CSR Beneficiaries (Direct and Indirect)

50,000 Direct and **5 Lakh** Indirect by **FY26**
(70000 Direct and 25 Lakh Indirect in **FY23**)

G



Maintain High Corporate Standards

- Effective Board: Diverse and Independent
- Proactive Risk Management System
- Stringent compliance
- Transparent Disclosures
- Strong Customer Relationship
- Robust Cybersecurity
- Effectual Data privacy



Integrated Reporting

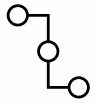
- Aligned to IIRC, GRI standards, and SASB framework
- Scenario Analysis carried out according to TCFD recommendations & mapping of UN SDG Goals



Board of Directors

- **4** women directors, exceeding the mandate of **1**
- Independent directors: **60%**, exceeding the mandate of **33.3%** (i.e., **1/3rd**)
- 3rd party ESG assessment of Board
- Board Diversity policy

Our Net Zero Path



Focus on rapid, deep emission cuts

- Rapid reduction in the value chain emissions to limit temperature 1.5°C
- Require deep decarbonization of 90-95% to reach net-zero



Set near- and long-term targets

- Halve emissions by 2030
- Must reduce 90% of emissions & then neutralize any residual emissions that are impossible to eliminate



Go beyond the value chain

- Scale up the climate finance for near term and long term across the value chain to deep cut the emissions and move towards Net Zero target

Sustainable Supply Chain Management

Sustainable Supply Chain Management

- Sustainable supply chain management involves practices on environmental protection, social, and ethical responsibility and strong governance mechanism and policy implementations
- SSCM Priorities
 - ESG data reporting
 - Environmental stewardship
 - Becoming net zero
 - Financial savings and viability
 - Social and ethical responsibility
 - Sustainable value chain
- Impact within supply chain significantly outstrips the environmental and social impact related to own operations.
- Opportunity for positive change exists more in supply chain management decisions than in areas within direct operational control.

Sustainable Supply Chain Management Questionnaire

SSCM Questionnaire (Slide 1/5)

Labour/ workplace management

S.N	Requirement	Suggested Artefacts
1	Comply with all relevant local and national laws and regulations with regard to employment practices, benefits, health and safety and anti-discrimination and harassment and abuse.	Legal Register
2	Written labour/workplace management policies and standards.	Policy
3	Workplace free of direct or indirect discrimination, harassment or bullying on the grounds of gender, age, race, nationality or ethnic origin, disability, family responsibilities or parental status, marital status, the occupation of spouse or partner, medical or irrelevant criminal record, political convictions, pregnancy or potential pregnancy, religious beliefs or activities, sexual preference or sexuality, industrial activity or union membership, physical appearance, social origin or careers responsibilities.	Policies and practices on <ul style="list-style-type: none"> • Equal Opportunity • Anti-Harassment, Anti Bribery , Prevention of Sexual Harassment at Workplace
4	No Child Labour forced or involuntary labour in any form	
5	Fair pay and working conditions, including adequate rest periods and parental leave, comply with local laws and match prevailing working conditions.	Policies and practices on <ul style="list-style-type: none"> • Compensation and Benefits • Working Hours, Leave and Holidays including Maternity/ Paternity Leaves • Working Environment
6	Consideration to the needs of, and requests made by employees, as a stakeholder in the operation of the business.	Employee Feedback Process and How They are Addressed
7	Committed to the provision of relevant training, learning and development opportunities for employees.	Training Calendar

SSCM Questionnaire (Slide 2/5)

Occupational Health and Safety

S.N	Requirement	Suggested Artefacts
1	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.	Legal Register
2	Written safety and health policies and standards.	Policies and Practices on: <ul style="list-style-type: none"> • Health and Safety • OHSAS/ISO 45001 Certification
3	Documented system to reduce work-related injury and illness.	<ul style="list-style-type: none"> • Hazard and Risk Management • Documented Processes • Reporting and Corrective Actions

Risk Management

S.N	Requirement	Suggested Artefacts
1	Written and periodically tested business continuity plan (BCP) in place to minimise business impacts in the event of a major disruption.	<ul style="list-style-type: none"> • BC Plan • BC tests and outcomes
2	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.	<ul style="list-style-type: none"> • Emergency Response Procedure • Test Cases Reports

SSCM Questionnaire(Slide 3/5)

Environment

S.N	Requirement	Suggested Artefacts
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.	<ul style="list-style-type: none"> Legal Register Hazardous Waste Management Process
2	Written environment, climate change and water 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 management system	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 and become Net Zero?	Public Link/Report
9	Targets and programs to reduce overall sustainability impacts by managing/optimizing transportation logistics	Policies and Reports
10	Identify corrective actions and remediation plan for environmental, labour, health and safety and track to closure	Policies and Reports

SSCM Questionnaire (Slide 4/5)

Corporate governance and ethics

S.N	Requirement	Suggested Artefacts
1	Comply with all laws and regulations on bribery, corruption and prohibited business practices.	<ul style="list-style-type: none"> • Legal Register • Policies and Practices on <ul style="list-style-type: none"> ○ Anti Bribery, Corruption ○ Ethical Business Conduct
2	Conduct business in accordance with high ethical standards.	Ethical Business Conduct and Supplier Code of Conduct
3	Formal complaints management process for employees, suppliers and members of the communities	<ul style="list-style-type: none"> • Formal complaint/ Grievance Redressal System • Awareness Among Employees
4	Transparent allocation of responsibilities between Board and management, where an applicable organisational structure/managing committee exists.	<ul style="list-style-type: none"> • Roles and Responsibilities
5	Promote timely and balanced disclosure of material matters concerning services provided by the company to Tech Mahindra.	<ul style="list-style-type: none"> • Proactive Risk Management

SSCM Questionnaire (Slide 5/5)

Supply Chain

S.N	Requirement	Suggested Artefacts
1	Adopt similar principles to these in dealing with their own key suppliers* (which may include high spend, high risk or strategic suppliers).	Evidence Implementation for Sub Suppliers
2	Adhere to acceptable business practices with their own suppliers, including providing for timely payment and reasonable contractual conditions.	

Community Engagement

S.N	Requirement	Suggested Artefacts
1	CSR Activities	List of CSR Activities and Outcome

Some of Supplier Assessment Outcomes: Observations and Recommendations

Good Points

Code of conduct and workplace management:

- Workplace management policies
- Training/induction program
- Written labor policy in place
- Written diversity/equal opportunity for employment policy
- Proactive in learning/development for employees

Occupational health and safety:

- Written safety and health policy
- Strictly following health and safety checklist for employees
- Conducting safety-related trainings for employees

Environment management:

- Written environment policy

Areas of Improvements

- Tracking GHG emissions(Scope 1, 2 & 3) for operations
- Reporting emissions on global platforms
- Establish environmental targets and objectives to improve environment performance
- Set up sustainability targets and goals in order to minimize impact on environment.
- Have a written Business continuity plan and Disaster recovery policy
- Develop ESG report



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