Tech Mahindra

TOWARDS A SUSTAINABLE FUTURE

© Copyright Tech Mahindra 2021. All Rights Reserved.

Connected World.
Connected Experiences.

Table of Content

Who We Are ---- 3

World Leadership - Awards & Recognitions ---- 4

Integrated Report 2020 ---- 5

Sustainability Policy ---- 6

Governance Review Mechanism ---- 7

Materiality Assessment Process Issues Stakeholders Identified ---- 8

Stakeholders Identified and Material Issues ---- 9

Stakeholders Engagement and Roadmap ---- 10

Building Enduring Business ---- 11

Rejuvenating the Environment ---- 11

Enabling Stakeholders to Rise ---- 12

Our Journey ---- 13

What Got Us Here ---- 14

Making Supply Chain Sustainable ---- 15

Supplier Performance review ---- 16

Risk Management at Tech Mahindra ---- 18

Sustainable Development Goals ---- 19

ESG Disclosure ---- 21

Emerging Risks ---- 22

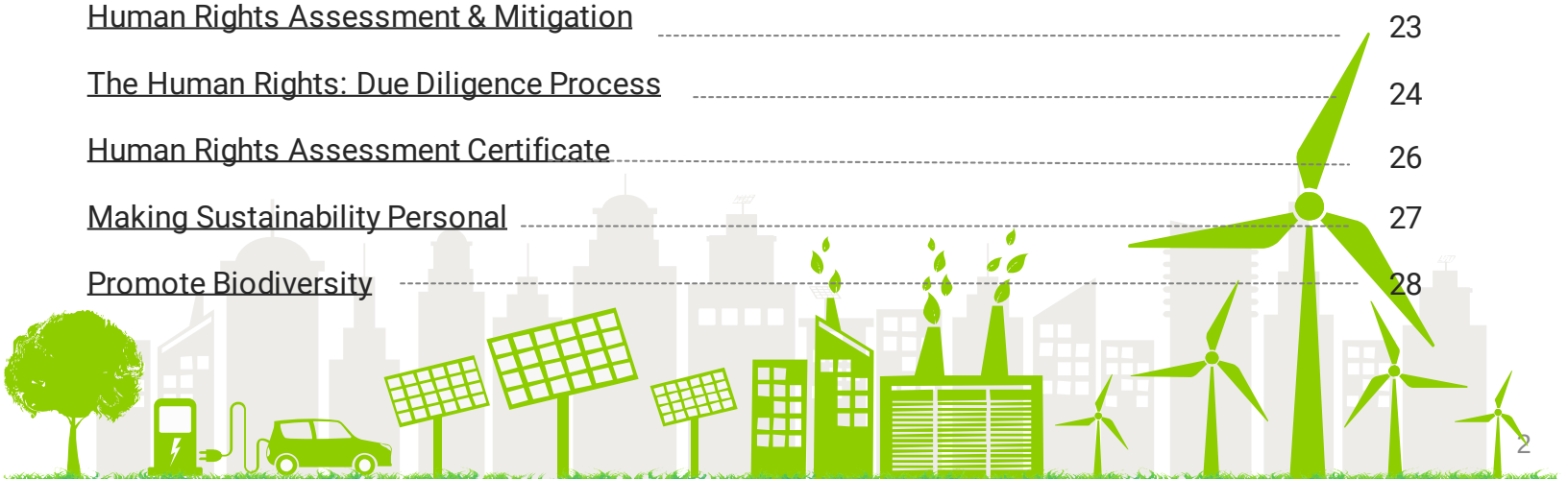
Human Rights Assessment & Mitigation ---- 23

The Human Rights: Due Diligence Process ---- 24

Human Rights Assessment Certificate ---- 26

Making Sustainability Personal ---- 27

Promote Biodiversity ---- 28



WHO WE ARE?

TECH MAHINDRA IS A COMPANY WITH PURPOSE FOR SUSTAINABILITY, NOT ONLY IN BUSINESS BUT ALSO BEYOND IT.

Driven by the purpose of endowing the society by creating imperishable future.

- To be rated amongst the Top-3 sustainable organizations within India.
- Focused responsible business growth
- Focus on enhance operational eco-efficiency

World Recognitions

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

Carbon Clean 200

DJSI Emerging Markets & World Index 2020

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

Carbon Disclosure Project 2020
The only Indian IT company to score 'A' in both CDP Climate and CDP Water. Included in the Climate Disclosure Project (CDP) Supplier Engagement Rating (SER) 'A' list 2020

CDP DISCLOSURE INSIGHT ACTION

RobecoSAM 2020
Included in the RobecoSAM 2020 Sustainability Yearbook.

ROBECOSAM We are Sustainability Investing.

Telecom Industry Association Awarded "Gold" rating by TIA (Telecom Industry Association) accredited by ANSI (American National Standards Institute)

TIA

Sustainalytics
Leader in Sustainalytics with a Low ESG Risk Rating of 13.1

SUSTAINALYTICS

ECOVADIS
Awarded Highest 'Gold CSR Rating- 2021' by EcoVadis with 94 percentile

GOLD 2021 ecovadis Sustainability Rating

FTSE4Good Index Series 2021
Constituent of FTSE4Good (Financial Times Stock Exchange-Russell Group) Index Series 2021

FTSE4Good

Morgan Stanley Capital International
Rated BBB in MSCI (Morgan Stanley Capital International) with an ESG quality score of 7.5

MSCI

Awarded by ISS-
Awarded Prime status by ISS

ISS ESG

Integrated Annual Report 2021

Sustainability Policy

Tech Mahindra's undeterred focus on good corporate governance is strengthened by our commitment to Sustainable Development. We aim to follow and promote sustainable business practices and to co-create sustainable business value for our stakeholders to achieve their sustainability goals. We believe that environmentally sustainable business operations will empower us to create a sustainable future.

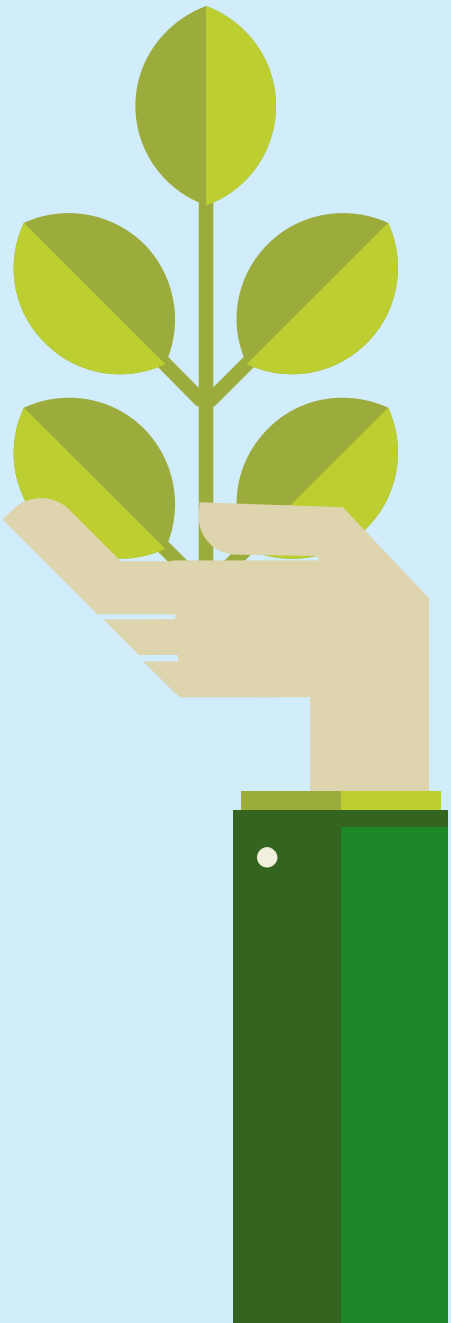
Through the policy we shall contribute to development of a Sustainable future for our Business by:

- Making workplace sustainable
- Leveraging innovative green solutions and technologies
- Collaborating with Customers and partners to develop sustainable solutions to solve ecological problems
- Promoting Sustainability in Supply Chain

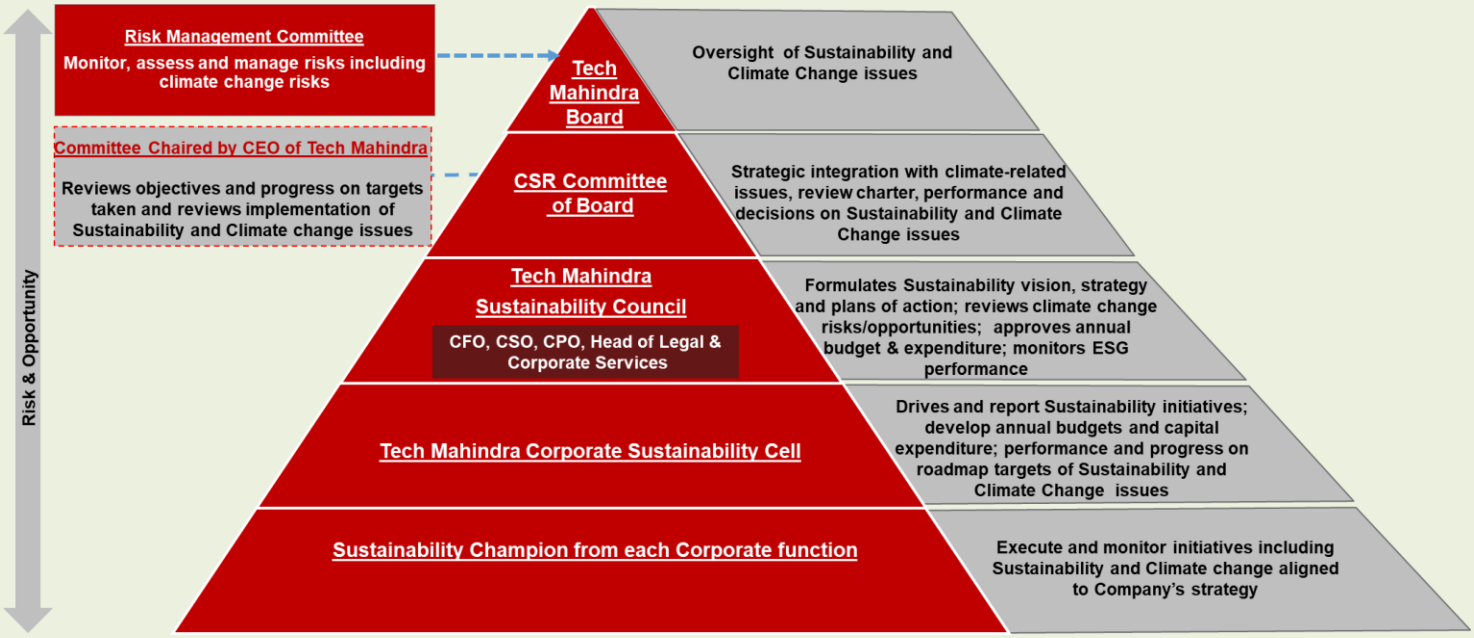
Tech Mahindra as a global IT services & consulting company, recognizes the impacts of its business operations on the 3 key pillars of Sustainability viz People, Planet & Profit. Tech Mahindra makes continuous efforts to optimize efficiency across the environmental, social and governance framework of the company

CP Gurnani
MD & CEO,
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."



Governance & Policies



Climate Change Policy

Sustainability Policy

SSCM Supplier Code Of Conduct

Human Rights Policy

Environmental Policy

Green Procurement Policy

Health Safety and Environment Policy

Water Management Policy

Business Responsibility Policy

Sustainable Supply Chain Management Policy

Materiality Assessment Process Issues Stakeholders Identified

At Tech Mahindra, we under take materiality as one of the critical processes in identifying and prioritizing the most pertinent issues. We review the progress of our material matters annually after discussions with our stakeholders and also update some of the aspects of materiality matrix if needed.

In identifying our Stakeholders, we consider impact on:

- Revenue
- P&L
- Business Continuity
- Brand Value
- Operating Cost
- Compliance & Regulation
- Business Growth

External stakeholders includes-

- Customers
- Investors & shareholders
- Partners & collaborators
- Government & Local Bodies
- Academic institutions
- Suppliers & vendors
- Local Communities & NGOs

Internal stakeholders includes-

- Organization facility/Location
- Department Heads
- Associates

The materiality topics are identified and aligned after the inputs of stakeholders and peer benchmarking. Our material topics are aligned with roadmap targets, policies, procedures, risk register, strategies and BSC.

Stakeholders Identified and Material Issues....

Associates

- Associate Engagement, Safety & Wellbeing
- Talent & Skill Management
- Diversity & Inclusion

Investors & Shareholders

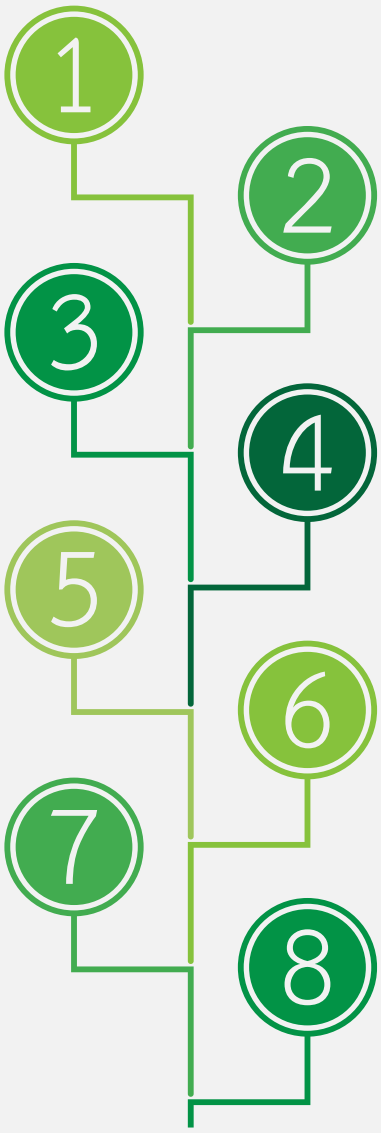
- Ethics & Compliance
- Corporate Governance
- Innovation
- Diversity & Inclusion
- Economic Performance

Government & Local Bodies

- Corporate Governance
- Ethics & Compliance
- Corporate Citizenship
- Climate Change

Local Communities and NGOs

- Corporate Citizenship
- Diversity & Inclusion
- Economic Performance



Customers

- Innovation
- Cyber Security & Data Privacy
- Supply Chain Management
- Ethics & Compliance

Partners and Collaborators

- Climate Impact
- Innovation
- Energy & Emissions Management
- Innovation

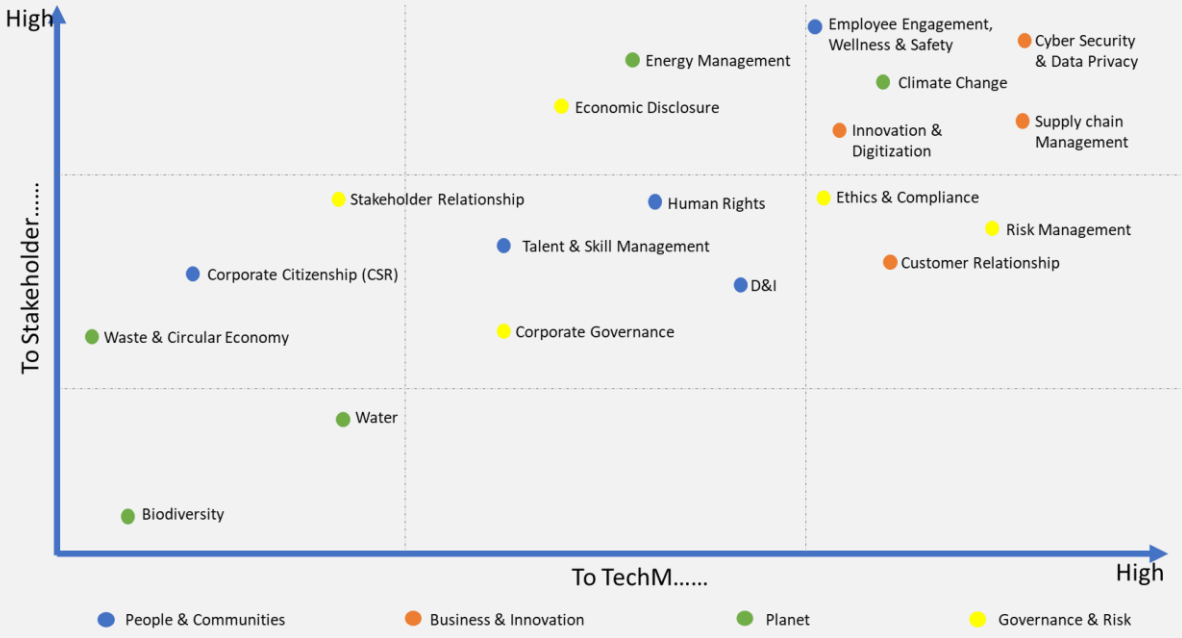
Academic Institutions

- Associate Engagement, Wellbeing & Safety
- Talent & Skill Management
- Innovation

Suppliers and Vendors

- Supply Chain Management
- Energy & Emissions Management Awareness
- Climate Change

Materiality Graph FY 20-21



Stakeholders Engagement and Roadmap

Engagement with the stakeholders helps us understand their explicit and tacit needs that inform our strategy and operational decisions. We follow a robust process for engagement with both internal and external stakeholders based on the need and context. We adopt various methods to ensure that we understand stakeholder's needs and concerns. We also effectively work towards addressing these needs.

For more on engagement, please refer to page 69 & materiality risks on page 80-89 of Integrated Annual Report FY21

Roadmap- Our materiality topics are aligned and dully approved by the respective department heads.
The performance of relevant personnel is linked to the Balance Score Cards and KRA's. The targets have been set by the department heads based on materiality issues.
Environmental, strategy and people related risks were evaluated in terms of likelihood of occurrence and its impact on business

For more on roadmaps, please refer to page 72 onwards of Integrated Annual Report FY21

Building Enduring Business

Aspect	Mahindra Sustainability Framework	Target	Baseline year 2015-16	Achieved	Target year 2020-2021
Promoting Innovation	Embrace technology and Innovation	Number of Innovation contests and events per year	18	57	55**
	Embrace technology and Innovation	Number of ideas incubated in Labs (including IRIS, IP and Makers Lab) per year	2	20	20
Realization of opportunities from Innovation	Embrace technology and Innovation	Revenues from Innovative Solutions (USD in Million)	40	355	300
Connecting with Customers	Enhance Brand equity	Customers connected	8	145	130**
Supply Chain	Make supply chain sustainable	Number of top Suppliers to be audited yearly on Sustainability parameters	2	37	10
Reducing Carbon Footprint in Supply Chain	Make supply chain sustainable	Engaging with IT suppliers to estimate GHG emission from products manufactured for Tech Mahindra	-	5	5

**The target was revised.

Rejuvenating the Environment

Aspect	Mahindra Sustainability Framework	Target	Baseline year 2015-16	Achieved	Target year 2020-2021
GHG Emissions	Achieve Carbon Neutrality	Reduction in Scope 1 -2 GHG emissions in MTCO2	114309	74348.90	97162.65**
Renewable energy	Achieve Carbon Neutrality	Renewable energy as percentage of total electricity used	1.77%	21.20%	10%
Water	Becoming water positive	Reduction in per capita fresh water consumption kl/employee	13.73	4.92	13.04**
	Becoming water positive	Number of rain water harvesting units	2	8	6#
Waste Management	Ensure no waste to landfill	Reduction in Paper Consumption in Tonnes	93.37	8.19	79.36**
	Ensure no waste to landfill	Composting food waste at owned locations	2 locations	5 locations	9 locations

** We surpassed these targets significantly owing to the work from home imposed due to COVID-19.
# We surpassed these targets and will take more ambitious targets in the next Sustainability Roadmap.
We have not been able to meet the target of bringing down the PUE factor by 2% each year from the baseline year. We will focus on decreasing the PUE factor in our next 5-year Roadmap.

Enabling Stakeholders to Rise

Aspect	Mahindra Sustainability Framework	Target	Baseline year 2015-16	Achieved	Target year 2020-2021
Employee Engagement and Retention	Build a great place to work	Improvement in Employee Engagement Score	3.7	3.92	3.9
Gender Diversity	Foster inclusive development	Increasing percentage of women in Senior Management	8%	8.08%	12%
Integrating Sustainability into Business	Make Sustainability Personal	Sustainability training of total associates	25%	100%	100%
Talent Retention	Build a great place to work	Attrition rate (%)	20%	13.3%	17%
Learning and Development	Build a great place to work	Continuous Learning for all Associates (Hours Per Person Per Year)	40	56.51	40
Health & Safety	Build a great place to work	Health, Safety and Ergonomics Trainings at locations	83% (10 locations)	100% (12 locations)	100%(12 locations)
	Build a great place to work	Telephonic and Face to face Counselling facility for associates and contract employees at locations	58% (7 locations)	100% (12 locations)	100%(12 locations)
CSR	Foster inclusive development	Direct & indirect beneficiaries of (Figures in Lakhs)	3.85	2.90 (Direct)** 19.35 (Indirect)	5.39
	Foster inclusive development	SMART Vocational Training centres across all locations of operations with 80% placement	75	90	90

**In the beneficiary count for our Shikshaantar (teacher training) programme, we have now included the students taught by the government school teachers trained by us as the indirect beneficiaries. For this, we have taken a conservative multiplier of 40 children to every teacher. This was not being done in the earlier years and started in FY 2019-20.
*Targets revised due to COVID; Added 7 SMART academies with more intense, longer skill training programmes.

Our Journey

2021

- Carbon Disclosure Project- 2020: The only Indian IT company to score 'A' in both CDP Climate and CDP Water
- CDP SER: Included in the Climate Disclosure Project (CDP) Supplier Engagement Rating (SER) A list 2020
- DJSI Emerging Markets 2020: One of only 11 Indian Companies
- DJSI World Index 2020: One amongst only 3 IT companies from India
- Corporate Knights: Only Indian company recognized amongst the '2021 Global 100 Most Sustainable Corporations'
- S&P Global - Sustainability Yearbook 2021: Awarded with Bronze Class and included in the Top 10 IT Service Companies Globally
- Winner of Mahindra Group Sustainability Performance Award 2020

2020

- Recognized as part of CDP Global Supplier A List & Leadership ranking of A- in CDP
- DJSI World Index- 2019: Re-emerged as a leader in Sustainability
- DJSI Emerging Market category: One of 12 Indian companies
- Ranked among the Top 6 companies of the world in the "TSV* IT services & Internet Software and Services" segment
- Constituent of FTSE4Good Index Series
- Awarded Highest 'Gold CSR Rating' by EcoVadis with 94%.
- Microsoft Global Supplier Leadership Award on Climate Change 2019.
- Achieved GOLD performance level in TIA which is accredited by ANSI
- Awarded Prime status by ISS, our sustainability performance among the best 10% in the sector
- Signatory to UNGC

2019

- Recognized as part of CDP Global Supplier A List & Leadership ranking of A- in CDP
- Made it to DJSI World Ranking & DJSI Emerging Markets Index
- World Leader for Supplier engagement on Climate Change by CDP
- Included in the RobecoSAM 2019 Sustainability Yearbook with a Silver Class distinction
- Awarded Prime status by ISS-OEKOM, our sustainability
- Achieved 'Silver CSR rating' by ECOVADIS
- Constituent of FTSE4Good Index Series
- Signatory to UNGC
- SBTi targets approved

2018

- Made it to DJSI World Ranking & DJSI Emerging Markets Index
- World Leader for Supplier engagement on Climate Change by CDP
- Listed as a 'Rising Star' in the CDP's India Leaders
- Emission targets approved by SBTi
- Awarded Prime status by ISS-oekom,
- Included in the RobecoSAM Sustainability Yearbook & received Silver Class distinction
- Awarded 'Silver CSR Rating' by EcoVadis
- Constituent of the FTSE4Good Index

2017

- DJSI World Index & Emerging market
- Silver Class distinction in the DJSI Sustainability Yearbook
- Listed as 'Rising Star' in the CDP's India Leaders
- Member of UNGC
- CDP Global Supplier A List
- FTSE4Good Emerging Index
- Winner of the Mahindra Group Grand Master Sustainability Award

2016

- Listed in Dow Jones Sustainability Indices (DJSI)
- and rated "A
- Won ASSOCHAM Award
- Constituent of the FTSE4Good Emerging Index
- Green Marshals won the M&M Harish Mahindra Memorial Trophy
- Rated Gold in CII Sustainability Plus Corporate Assessments

WHAT GOT US HERE !!

- Business Aim to support reduction of emissions and hold further increase to 1.5 degree Celsius
- Carbon Price of $9 implemented
- TCFD Supporters
- Making Sustainability Personal
- Carbon Neutrality planned by 2030
- SBTi Targets Approved
- Reduce, Recycle, Recover & Reuse waste
- Compliance & Certification
- Our commitment to increase RE mix to 50% till 2025 & increase energy efficiency.
- UNGC Signatory of "Caring for Climate"
- Water Stewardship
- Sustainable Supply Chain

CHANGING CLIMATE

- Scope 1 + 2 reduced by 31% against FY20 and 35% against baseline year FY16
- Reduction of 18,900+ MTCO2e emissions through Renewable energy
- Supporters of TCFD and Caring for Climate

Sandeep Chandna
CSO,
Tech Mahindra

"COVID-19 has made businesses realize the importance of adopting strategies which will deliver innovative solutions without adversely affecting the environment. Our commitment towards going carbon neutral, conserving, and deploying resources efficiently will help us to accelerate our transition to a low carbon economy while creating sustainable value for our stakeholders."

WATER STEWARDSHIP

- Recycled more than 203 million liters of water in FY21
- 1 million liters of ground water level recharged through Rain Water Harvesting plants in FY21
- 60% reduction in water intensity (kl/employee) against FY20

ENERGY UTILIZATION

- Increase RE from 1.77% (in baseline year FY16) to 21.20% this year
- Energy intensity reduced by 47.23% against FY20 & 54.85% against baseline year FY16
- Reduction of 6,450+ MTCO2e through LEDs, occupancy sensors, AC sensors and efficient equipment

NEW TERRAIN

- Reduction in Paper Consumption by 85% as compared to previous year FY20
- Planted more than 65,000 trees till FY21
- 90% of waste reused/recycled/upcycled/ sold to recycler

INDUSTRIAL IMPACT

- Audited and assessed more than 100 key suppliers and conducted capacity building workshops for more than 150 key suppliers till FY21
- Joined SBTi Business Ambition to support reduction of emissions & hold further increase to 1.5^0 C.

Making Supply Chain Sustainable

Tech Mahindra recognizes that our suppliers are independent entities; however, the business practices and actions of a supplier may impact on or reflect upon Tech Mahindra

Sustainability is deemed to make significant contribution to company's success, and suppliers plays a major role in this

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 favored standards

We actively engage with our key suppliers for making our Supply Chain sustainable

Suppliers must share our commitment to best practice, continuous improvement, and collaborative approaches, and commit to our requirements as per the SSCM Supplier Code of Conduct.

OUR SUSTAINABLE SUPPLY CHAIN MANAGEMENT POLICY INCLUDES:

Seek high standard performance from our key suppliers through SSCM questionnaire and Supply Chain Code of Conduct

Deliver social and environmental benefits for Tech Mahindra, our suppliers and the broader community, by encouraging practical and effective social, ethical and environmental responsibility by our supplier

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

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

SSCM- Supplier Code of Conduct | Sustainable Supply Chain Management Policy

Supplier Performance review

- We evaluate and review performance for supplier's targets (both quantitative and qualitative) taken on ESG aspects and their future plans
- We look ethical and human right practices and beyond compliance at their connect with their employees, how they communicate, details of compliance processes and polices, capacity building and awareness on green and environment
- We evaluate our suppliers on the basis of their transparency in reporting their sustainability details publicly and their participation in indices like CDP, CDP Supply Chain, DJSI etc.
- We prefer suppliers who
  - Set environmental/ social targets
  - Report publicly on these indicators
  - Conduct independent audits against appropriate standards or certification schemes.
- We ensure that all our suppliers are aligned to the minimum social, ethical and environmental standards of conduct set out in the Supplier Code of conduct and encourage them to adopt our preferred and favored standards
- We encourage our Suppliers to track and reduce GHG emissions and encourage Sustainability practices
- While reviewing we encourage vendors to use increasing amount of recycled and recyclable content into making of new products to support progress towards circular economy

Observations & Recommendations Supplier Performance Review Feedback on

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 & safety:
  - Written safety & health policy
  - Strictly following health & safety checklist for employees
  - Conducting safety related training for employees
- Environment management:
  - Written environment policy

Focus Areas

- Tracking GHG emissions (Scope 1 & 2) 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

Risk Management at Tech Mahindra

Which Risks	Strategic, Business, Operational, Climate Change Risks
Who Manages	Enterprise Risk management Team(Risk officers & Heads of Business Units) headed by CRO and Risk Management Committee
How Manages	**Approach:** Bottom Up approach **Through:** Risk Register **Internal Process:** Critical risks prioritized reviewed with Feedback and guidance form Senior Leaders assessment report is updated. Mitigation **Strategies and Business Contingency Plans developed Monitored by:** Corporate Auditing team Chief Risk Officer and the Chief Sustainability Officer are engaged through a structured process to deliberate on possible risks and opportunities from Technology-Economic-Media-Political-Legal-Environmental-Social perspective

Sustainable Development Goals

SDG prioritized and identified	Project implemented and impacts of action
SDG 2 – Zero Hunger	• Weather Prediction: combining AI, IoT and the 'panchang' (old Indian weather system) that can provide a well-in-advance weather forecast. • Data Bank: A WhatsApp-based channel to provide users with relevant information to manage the pests effectively and sustainably. • AR/VR based Training on Sustainable Agriculture practices (Development phase) • Atmanirbhar Krishi
SDG 3 - Ensuring healthy lives and promoting wellbeing for all at all ages	• Graduates from Tech Mahindra Foundation (TMF) 'Healthcare Academies' were at the forefront of relief work, providing care during COVID-19. • Makers Labs developed an AI-enabled Chatbot and a Healthcare App to assist the government and the citizens during COVID-19. • Tele-health services for 'ArogyaSetu', a mobile application developed by Government of India during COVID-19. • 'Health ATM', a digital health kiosk, developed by Tech Mahindra to enable affordable healthcare for all. • 'Your Dost' - online wellness platform to support for emotional difficulties.
SDG 4 Quality Education	• Education for Skilling and School Education at Tech Mahindra Foundation ensure quality education to youth and children from urban marginalized sections of society. • Shikshaantar, teacher capacity building program ensures quality education for children. • Digital Remote Education Solution for Colleges, Universities and Enterprises.
SDG 5 Gender Equality	• Tech Mahindra Foundation's CSR vision is the Empowerment of girls/women. The Board has a mission/mandate that 50% of the beneficiaries of the CSR Initiatives on Employability, Education and Disability should be women. • Tech Mahindra has partnered with the winners of Women Transforming India (WTI) awards, an initiative of NITI Aayog, to recognise women leaders in entrepreneurship across various sectors like healthcare, life sciences, agri-tech and education etc. • To support women across the country, TechM has collaborated with NITI Aayog's Women Entrepreneurship Platform (WEP)
SDG 6 Clean Water and Sanitation	• Working with our suppliers on effective water management through predictive AI model and development of New product and services that help reduce operational water consumption, predict water availability and prepare better for water related impacts. • Tech Mahindra has partnered with Smart Energy Water (SEW) to accelerate digital transformation for the energy and water utility industry.
SDG 7 Affordable and clean energy	• Renewable energy efficient solutions are removing inefficiency & enabling reliable energy. • 'Microgrid as a Solution' enables easy access to sustainable energy for communities • IoT-based solution 'Connected Solar Plants' can connect solar plants globally, and helps in forecasting production, monitoring substations, analyzing real-time trends and graphs, auditing and reporting energy production. The plug-and-play device support sends timely alerts and notifications during critical events to avoid any inadvertent incidents.
SDG 8 Decent Work and Economic Growth	SMART programmes ensure good placements and most of the students from the Healthcare course are being placed in leading hospitals such as Fortis, Max, and Apollo through Smart Centres and Academies, all getting excellent feedback from the doctors and nurses with whom they are working.

Sustainable Development Goals

SDG prioritized and identified	Project implemented and impacts of action
SDG 9 Industry, Innovation and Infrastructure	GAiA, is our open source AI platform to solve business and environmental problems IoT based Micro grid As A Service to promote Sustainable living integrated with Smart Grid CAPE - Renewable energy projects for improving community housing, lowering CO2 emissions, reducing energy poverty, generating savings for communities, and developing the local economy through employment generation.
SDG 10 Reduced Inequalities	• Equal access to opportunities is critical to reduce inequalities. TMF facilitates the employment of the youth after providing them training in specialized vocational courses. This enables the Foundation to remain committed to achieving the greater good for the communities while alleviating economic inequalities.
SDG 11 - Make cities and human settlements inclusive, safe, resilient and sustainable	• Tech Mahindra's portfolio of IoT-powered smartcity solutions equips citizens, economic zones and urban planners to weave the benefits of connectivity, data and analytics into their very fabric of life. • Smart Building Management solutions help in managing energy, efficiently within buildings and also help in reducing energy. • Some of the solutions include Smart Energy Management, Smart Street Lighting, Smart Automated Meter Reading, Smart Bins and Integrated Command and Control Centre.
SDG 13 Climate Action	• Developed by Tech Mahindra, #AI4Action, global collaborative community of thinkers, tinkerers, innovators and researchers from educational institutes and corporations focused on solutions to tackle climate change. • AI-powered ACUMOS platform helps addresses environmental challenges impacting the world. It provides access to, participants to access, build, share and deploy AI-powered applications to tackle climate changes. • We are signatory to Caring for Climate and are supporters of TCFD • Our employees are advocating the use of eco-friendly products to protect the environment and ensure a sustainable future. • Our organization wide initiatives like '3-4-3 for Individual Social Responsibility', 'Ride for Pride' etc., and the current 'work from home' are ensuring carbon neutral future
SDG 17: Partnerships for Goals	• Our Collaborative approach to address some of the global challenges like health care, climate change, inequality etc. is accelerated by partnering with government, NITI Aayog and global organization like UNGC, CDP etc. (as evidenced during the Covid-19 Crisis), industry, academia and thinkers (as in the case of climate action) • Our Innovation across the globe is facilitated through Makers Labs (our R&D centers), and powered through partnership and collaboration ecosystem to develop sustainable and inclusive solutions for the future. • We have partnered with University of Sydney where students are working on projects across areas like community development, sustainability, law, technology, farming, banking and health. Our Partnerships work on the foundation of trust and is based on models that are scalable and sustainable in the long run. • TMF works in partnership with 139 NGOs to create an atmosphere and ecosystem of collaboration, cross-learning, mutual benefit of partners and communities alike.

ESG Disclosures

Environment

- Carbon Neutral by 2030
- Emission Targets aligned with 1.5°C Targets of Scope 1 & 2 emission reduction by 22% by 2030 and by 50% by 2050 approved by SBTi
- Increase Renewable Energy to 50% by 2025
- Signatory to UNGC and Business Ambition of 1.5°C

Social

- The average amount spent per FTE on training and development of both IT and BPS associates is 56.75 USD, i.e. INR 4149
- The percentage of open positions filled by internal candidates (internal hires) in FY2020-21 is 64%

Targets by FY 2025-26

Aspect	Base year 20-21	Target Year 25-26
Total Women Employees	31.75%	35%
Women in Senior Management	8.08%	10%
IT Attrition Rate	13%	15.5%
Skilled associates	71%	89%
Associate Engagement Score	3.92	4.15
Innovation Revenue	USD 355 Mn	USD 700 Mn
Scope 1+2 reduction under 1.5° C ambition till FY25-26 is 38% from the base year FY15-16		

Equal Pay Assessment Ratio

Employee Level	Category	Ratio
Executive	Base salary	0.92
	Base salary + others	0.91
Management	Base salary	0.91
	Base salary + others	0.91
Non-Management	Base salary	0.97

Employee Benefits- Leaves

Employees are entitled to 21 days of paid earned leave per year which can also be availed for any illness. If an employee doesn't have sufficient leave balance, they can avail up to 5 days of advance leave. Additionally, in the event of hospitalisation, if the employee has exhausted the earned leave balance, then 6 days of additional paid leave can be extended during a year. We also have a policy of gifting leaves, which allows employees to gift their leaves to an employee in need of leaves. During the pandemic, we introduced Special COVID leaves of up to 21 days over and above the standard annual leave entitlement.

Governance

Total Shareholder Return (TSR)

Financial Reporting	FY 2020-21 (INR)
Total Dividend (YTD)	45.00
Share Price* as on April 1, 2020	511.20
Share Price* as on March 31, 2021	991.45
Total Shareholder Return (%)	**102.75**

**NSE closing price on respective dates*

Tobin's Q

Financial Reporting	FY 2020-21
Shares outstanding at the end of the year (nos.)	968,260,067
Market price per share* (INR)	991.45
Market value (INR Mn)	959,981.44
Total Assets (INR Mn)	396,780.00
Tobin's Q	**2.42**

**NSE closing price as on March 31, 2021*

Emerging Risks

The Pandemic has created and elevated many risks. Data privacy and security along with Associate well-being are the foremost emerging risks foreseen by Tech Mahindra that can have an impact on the employees, operations and financial prospects.

Description	Impact	Mitigating actions
Pandemic impacting Data Security and Data Privacy		
The pandemic has changed the intensity of many risks that were seen as low risks before and catapulted them into high-risk category. Data Privacy and Security was always a risk associated with technology and online businesses. Covid has seen a sudden surge in technology users for private and personal transactions apart from the usual professional ones. With social distancing and work-from-home(WFH) scenarios, online transactions- both personal and business have become the norm. Associates are spending more time online, even apart from their work. They visit other websites for various needs, and this could compromise not only their personal data but also pose a threat to the confidential business data that may be part of the associates' database. There is thus increased risk to company's corporate and client data, which could hamper our relationships with customers and could also impact our brand value.	There could be an ex-filtration of the customers' or TechM's personal data intentionally or unintentionally by associates while moving out of the designated project or the organisation. This could be for personal gain, or they could fall victims of social engineering attacks. There could also be an ex-filtration of customers' or TechM's personal data from TechM systems or TechM-managed customer environments. There could also be large scale cyber-attacks due to social engineering such as ransomware or phishing while the associates are online for personal reasons	We have increased the critical circuit capacity by 30% wherever doubled by service provider within 2 weeks. We are doing proactive monitoring of IT infrastructure by Network Operations Centre while also not confining Cyber Security control to 1 point or 1 vector solution. We have ensured that all desktops and laptops are hardened as per the TechM Security Policy. TechM has enabled a 2-factor authentication with VPN connection to ensure that all data traffic movement is encrypted. The access management has been enabled as per the role and responsibility of the associate. We have ensured mandatory Security trainings for associates to understand criticality and sensitivity of the information collected, processed, stored and transferred. The security mandates and rules of WFH are disseminated through mailers, screensavers and online sessions. The guidelines include how to protect TechM and customer data; how to handle social media and posts online; the do's and don'ts of WFH; secure network access and how to avoid hackers and malware. TechM's WFH solutions (WaaSNxt/WFH/cyber security) enable associates work efficiently/securely from home
Well-being of Associates		
Extended lockdown and isolation can cause damage to psychological and mental health of our associates. Employers around the world, are increasingly worried about wellbeing issues emerging due to the escalating COVID-19 pandemic. Its mental health implications – stress, fear and uncertainties can be equally devastating, and the associates could experience exhaustion, stress and pressure to perform during a crisis. Even after the crisis has abated, the way of working will change forever, with WFH becoming a norm for many and issues of wellness may still continue.	It could impact employee wellbeing and consequently, the business results. Above all, the crisis brings potentially lethal physical health consequences for our workforce. Impacted by the pandemic, customers across the globe continue to look for savings from RUN business and are considering aggressive vendor consolidation programmes. This may pose a risk to our existing annuity business.	TechM ensures regular dissemination of essential information to ensure that Leaders & associates are appraised of the resources at their disposal in the fight against COVID-19. We have set up exclusive COVID-19 vaccination drives across TechM campuses and in our network hospitals, to encourage vaccination & provide a hassle-free experience to our associates and their families. We also upgraded the India Medical Insurance Plan to include the cost of home treatment for COVID-19. TechM set up our own COVID-19 care facility at Noida office in partnership with a leading hospital chain. This facility provides access to COVID-19 care beds not just to our associates, but also to local communities. We have developed Mhealthy, a comprehensive AI solution to enable data-driven digital diagnostics & generate real-time reports on health.

Human Rights Assessment- Review & Mitigation

Health & Safety	**Comments**: The mechanism to ensure all workers i.e. security, housekeeping are provided training related to COVID-19, human rights, complaint and grievance mechanism isn't effective. No health and safety risk assessment evident for site(Hinjewadi) No social risk assessment evident for site(Hinjewadi)	**Response**: Mandatory training for all Sub Contractors for Covid-19. Procedures and Audit to be displayed on the notice board.
Employment	**Comments**: Child Labour Remediation Procedure doesn't cover all applicable elements (SA8000) such as development of child, providing employment to member of family of child. The system to ensure bonus receipt acknowledgement needs improvement as Bonus and wages register for FY19-20 reflects few workers signature missing in 'Signature' section No evidence demonstrated for appointment letters issued to contracted workers.	**Response**: Child Labour Remediation Procedure to be updated as per the guidelines of SA 8000 to address Child Labour Remediation. Appointment letter & Signature section to be updated in the Employment template.
Support	**Comment**: No representation of contracted workers in Location Council (substitute for SPT) thermal scanning carried out on day of audit.	**Response**: Provision to add contracted workers in Location Council.
Health & Safety	**Potential for improvement:** The Health and Safety policy may specifically or generically indicate indirect workers Coverage. Headcount mechanism may be improved in evacuation fire drills conducted	**Response**: Coverage of indirect workers to be updated in the HSE Policy. Ensure Strictness during fire drill
Employment	**Potential for improvement:** Offer letters obtained and stored on records may ensure completion as per input required. Example : 'Executed on date, signature on each page'	**Response**: To be updated in the Employment template
Supplier Social Assessment	**Potential for Improvement**: Contractor due diligence needs improvement	**Response**: Process to be updated as per best practices.

The Human Rights: Due Diligence Process

Communicating

Appropriate communication of performance with respect to addressing human rights impacts

Assessing Impacts

Identifying and Assessing Impacts to gauge the nature and extent of human rights risks

Tracking Performance

Tracking of effectiveness of risk mitigation responses over time; and

Integrating and Taking Actions

Acting to prevent and mitigate risks to people, including via integration within internal functions and processes

I. Identifying and Assessing the Impacts

GATHERING RELEVANT INFORMATION → CONSULTING STAKEHOLDERS → PERFORMING CORPORATE BUSINESS IMPACT ASSESSMENTS → MAPPING HUMAN RIGHTS RISKS AND PRIORITIZING ACTION

II. The Integration Process

In order to prevent and mitigate adverse human rights impacts, we integrate the findings from their impact assessments across relevant internal functions and processes and take appropriate action.

III. Tracking performance and reporting

Type of system used to track performance

Companies can choose whatever performance tracking system suits them best. The tracking performance system can be based on models already being used in the field of health and safety or environmental performance and the human rights process can be integrated into existing systems. It helps to promote standardization of the process. However, it is necessary to always take into account the specific human rights features.

Gathering existing data

The systems used within the company can be an initial source of relevant data on how well processes are working: reports on grievance mechanisms, audits, employee surveys/ polls, country reports, performance survey, etc. A grievance mechanism within the company will allow stakeholders to say whether in their opinion, responses given were effective and appropriate.

Choosing indicators to track performance

For each human rights issue, it should be determined whether or not well-known and established indicators already exist for certain issues, which data could be gathered from within the company and whether the opinion of stakeholders should be sought directly.

**The company's risk management & HR Compliance department is involved so as to integrate the "respect for human rights" criteria in all risk management processes across the company. In support of this initiative, experts in human rights also make it possible to identify and assess specific risks in an appropriate way

HUMAN RIGHTS PERFORMANCE INDICATORS (GRI)

GRI	Issue
GRI 401	Employment
GRI 402	Labor Management Relations
GRI 403	Occupational Health and Safety
GRI 404	Training and Education
GRI 405	Diversity and Equal Opportunity
GRI 406	Non-Discrimination
GRI 407	Freedom of Association and Collective Bargaining
GRI 408	Child Labor
GRI 409	Forced or Compulsory Labor
GRI 410	Security Practices
GRI 411	Rights of Indigenous Peoples
GRI 412	Human Rights Assessment
GRI 413	Local Communities
GRI 414	Supplier Social Assessment
GRI 415	Public Policy
GRI 416	Customer Privacy
GRI 419	Socio Economic Compliance

IV. Communicating and Reporting

- We ensure, communicating externally/Internally to address our Human Right impacts particularly to stakeholders affected by their businesses.
- Transparent communications include exchanges with stakeholders, establishing mechanisms to interact with the company (information, hot line, remedy mechanisms, etc.).
- The more transparent a company is, the better the action it takes and the efforts it makes to respect human rights will be perceived and the more dialogue with stakeholders will be worthwhile.

A Human Rights Risk Mapping Matrix And Action To Be Taken

Extreme High Moderate Low

Equality	Freedom from Discrimination	Freedom of Association	Right to Privacy	Freedom of Training
Scope: Organization	Source: Organization	Source: Organization	Source: Organization	Source: Organization
Stakeholder: D & I Head	Stakeholder: Ombudsmen officer	Stakeholder: BHR Head	Stakeholder: DPO	Stakeholder: L&D Head
Impact: equality are developing positive values and morals in society, just and fair environment and people understand importance of equality in workplace, general life, competition, gender-based situation etc.	**Impact**: Effects are not limited to physical but also mental effects on the employee include depression, developing anxiety disorders, loss of self control leading to the employee becoming hostile. Perceived discrimination has effects on both the employee and the work environment.	**Impact**: Enable associates to join together to protect better not only their own economic interests but also their civil freedoms such as the right to life, to security, to integrity, and to personal and collective freedom.	**Impact**: Data Privacy & security can put the company's, employee's and customers' data at risk. Inadequate prevention, detection, and remediation of data security threats can influence customer acquisition and retention. Data disclosure or movement or copying without approval or Authorization.	**Impact**: It's a way to close skills gaps and make employees more competent in their current and future roles. Benefits the employees to perform their tasks better and a company can easily accomplish their objectives.
Action: • D&I and Human Rights Policy • Remuneration & salaries are paid & isn't biased on equal salary ratio (for both). • Representation of women: 31.75% • Mandate 50% women hiring from campus • Creating opportunities for people with disabilities through SMART. • Mandate e-learning training followed by an assessment once in every two years.	**Action**: • Policy on Bullying and Harassment at workplace anti-discrimination, POSH & CEBC are in place. • Grievance Mechanism under Whistle Blower Policy • Training & Awareness sessions	**Action**: • Have associate groups representing diverse backgrounds, affinities and skills facilitate community participation, networking, cultural enrichment and support, based on gender, affinity, ability and sexual Orientation.	**Action**: • Privacy, Data Privacy & Protection Policy are in place. • Associates have the right to ask for copy of personal data; to correct, delete or restrict/ object processing of personal data. • Data Transfer/Processor Agreement in place with customers.	**Action**: • Emphasizes associate engagement, satisfaction, re-skilling & wellness to ensure talent retention & attrition reduction through progressive policies, Career Development Plans, tie-ups with colleges & 30+ online education partners; Future Skilling Initiative & bench-reskilling.

Continued....

Syntheses

Extreme High Moderate Low

	Right to Equality	Freedom from Discrimination	Freedom of Association	Right to Privacy	Freedom of Training	....
OPERATIONS						....
SUPPLY CHAINS						....
CUSTOMER CENTICITY						....
HUMAN RESOURCES						....
RESEARCH & DEVELOPMENT						....
FINANCE						....

Continued....

Human Rights Assessment Certificate

TÜV INDIA
TUV NORD GROUP

CERTIFICATE

Human Rights Assessment

Based on GRI 401, 402, 403, 404, 405, 406, 407, 408, 409, 412, 413, 414, 415, 418, 419 series & SA 8000 standards.

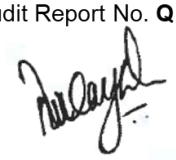
In accordance with TÜV INDIA procedures, it is hereby certified that

TECH MAHINDRA LTD.
Phase 3, Hinjewadi, Rajiv Gandhi Infotech Park,
Hinjawadi, Pune - 411 057,
Maharashtra,
India

applies System in line with the above standard for the following scope

Provision of IT Services

Certificate Registration No. **HRA 01 00001** Valid until **24.08.2022**
Audit Report No. **Q 11004/2021**



TÜV INDIA Certification Body Mumbai **24.08.2021**

This certification was conducted in accordance with the TÜV INDIA auditing and certification procedures.

The Services & System related liabilities are with certified Clients.

TUV India Pvt. Ltd., 801, Raheja Plaza – 1, L.B.S. Marg, Ghatkopar (W), Mumbai - 400 086, India cert.helpdesk@tuvindia.co.in

Making Sustainability Personal

Our volunteer participation was **4,780 hours** in FY21

Promote Biodiversity

- Tech Mahindra is committed to protecting the natural resources spread across its campuses.
- We protect 81 birds including lovebirds, fantails and swans in our Hyderabad campus with objective to increase awareness of the associates on Biodiversity.
- There are no IUCN Red List species or national conservation list species in the vicinity of our locations.
- Conducted painting contest to raise awareness on Biodiversity.
- Conducted awareness session on plastic pollution disturbing aquatic life.
- Conducted green quiz on biodiversity theme in order to aware associates.
- We have taken a target to plant 165,000 trees in next 5 years.
- To promote Biodiversity, we planted more than 65,000 trees till FY21.

Biodiversity Policy

Grow your own food at Balcony, Terrace, Open Space
ANNA RAY

TREE PLANTATION DRIVE

Myro Farms
GARDEN CENTER

Go Green

Tech Mahindra

www.youtube.com/user/techmahindra09
www.facebook.com/techmahindra
www.twitter.com/tech_mahindra
www.linkedin.com/company/tech-mahindra
www.techmahindra.com

Copyright © Tech Mahindra 2021. All Rights Reserved.
Disclaimer. Brand names, logos and trademarks used herein remain the property of their respective owners.