Sustainable Supply Chain Management Practices: A Collaborative Approach

ESG
Agenda

• Introduction
• Why Sustainability?
• Sustainability at TechM
• Sustainable Supply Chain Management
• 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 practice sustainability, somebody in the value chain will insist you to do
• Penalties by regulation authorities
• Some businesses won’t consider a supplier if it’s not sustainable
• Green performance is more profitable
Why Sustainability?

- Global warming
- Climate change
- Pollution health
- Water scarcity
- Energy crisis
- Ice melting
- Wildfire
- Biodiversity loss
- E-waste health hazards
- Inequality threats
- Bribery threats
- Health & safety

Sustainability

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Our Introduction

Our Vision

Driven by the purpose of endowing the society by creating imperishable future.
- Focus on sustainability for business
- Enabling technology to ensure a better future for all
- Business with a purpose

What We Do

- 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
Global Sustainability Recognitions for 2021-22

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

- **BW Businessworld & Sustain Labs Paris**
  - Ranked among 2 of India’s Most Sustainable Companies in 2021

- **S&P Global – Sustainability Yearbook 2022**
  - One of only 2 IT services companies awarded with Gold Class

- **Bloomberg Gender-Equality Index 2022**
  - Amongst the 7 Indian companies to be included in 2022 Bloomberg's Gender-Equality Index

- **Dow Jones Sustainability Index (DJSI) 2021**
  - Ranked 1st among top IT companies of the world in the “TSV IT services & Internet Software and Services” segment with score of 85 and 99 percentile

- **The Carbon Clean 200**
  - The only Indian company to be listed in Carbon Clean200 Global list 2021 by Corporate Knights and As You Sow

- **MSCI**
  - Morgan Stanley Capital International (MSCI) 2021 Awarded ‘A’ rating badge

- **Carbon Clean 200**
  - The only Indian company to be listed in Carbon Clean200 Global list 2021 by Corporate Knights and As You Sow

- **Vodafone Supplier award 2022 for Environmental Performance**

- **CDP SER (Supplier Engagement Rating)**
  - Recognized as CDP Supplier Engagement Leader 2021

- **EcoVadis**
  - Awarded Silver rating with 86th percentile

- **SUSTAINALYTICS 2022**
  - ‘Industry Top-Rated’ and ‘Regional Top-Rated’ badges

- **Telecom Industry Association**
  - Awarded 2021 Award for Excellence in Software Sustainability

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

- **Carbon Disclosure Project 2021 The only Indian IT company to score ‘A’ in both Climate Change and Water Security**
Our Sustainability Framework

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

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

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

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

**E - Climate Resilience**
Achieve Carbon Neutrality by 2030 and Net Zero by 2035

**Focusing on Renewable**
50% Renewable Energy by FY26 & 90% by FY30 (22.93% till FY22)

**Solid Waste Management**
Zero Waste to Landfill by FY26 for Owned locations (3 location already completed, 3 locations in progress)

**Afforestation**
Plant 200,000 trees by FY26 (80,000+ trees planted till FY22)

**Water Security**
Reduce Water Withdrawal Intensity by 20% by FY26 (3.81 in FY22)

**Sustainable Supply Chain**
Audit 200 Suppliers on Sustainability by FY26 (Audited 137 suppliers till FY22)

**S - Women Empowerment**
37% Women in the Organization and 12% in Senior Management by FY26 (overall 34.09% in FY22; sr. mgmt. 9.28% in FY22)

**Human Rights Assessments**
100% Owned Locations by FY26 (3 location completed, 3 locations in progress)

**Volunteering Hours**
180,000 per year (Green Marshals: 5300 hours in FY22, CSR & ISR: 31,000+ hours in FY22)

**Employee Recognition**
45% Associates to be Recognized by FY26 (40.40% in FY22)

**CSR projects (Employability)**
TMF Smart Centers: 120 by FY26 (86 in FY22)
TMF Smart Academies: 15 by FY26 (8 in FY22)

**CSR projects (Disability)**
TMF Disability Projects: 50 by FY26 (42 in FY22)

**CSR Beneficiaries (Direct & Indirect)**
50,000 Direct and 5 Lakh Indirect by FY26 (41000 Direct & 3.74 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, and SASB Framework

**Board of Directors**
- 4 Women Directors, Exceeding the Mandate of 1.
- Independent Directors: 60%, Exceeding the Mandate of 33.3% (i.e., 1/3rd)
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 and 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.
## SSCM Questionnaire (Slide 1/5)

### Labour/ workplace management

<table>
<thead>
<tr>
<th>S.N</th>
<th>Requirement</th>
<th>Suggested Artefacts</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>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.</td>
<td>Legal Register</td>
</tr>
<tr>
<td>2</td>
<td>Written labour/workplace management policies and standards.</td>
<td>Policy</td>
</tr>
</tbody>
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| 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 of sexuality, industrial activity or union membership, physical appearance, social origin or careers responsibilities. | Policies and Practices on  
• 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  
• 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 |
### Occupational Health and Safety

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<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>
</tr>
<tr>
<td></td>
<td></td>
<td>• Health and Safety</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• OHSAS/ISO 45001 Certification</td>
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<tr>
<td>3</td>
<td>Documented system to reduce work-related injury and illness.</td>
<td>• Hazard and Risk Management</td>
</tr>
<tr>
<td></td>
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<td>• Documented Processes</td>
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<td></td>
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<td>• Reporting and Corrective Actions</td>
</tr>
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### Risk Management

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<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>
</tr>
<tr>
<td></td>
<td></td>
<td>• BC Tests and Outcomes</td>
</tr>
<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></td>
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<td>• Test Cases Reports</td>
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## SSCM Questionnaire (Slide 3/5)

### 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, 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

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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 and Supplier Code of 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/managing committee 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 |
### 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>
</tr>
<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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### Community Engagement

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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CSR Activities</td>
<td>List of CSR Activities and Outcome</td>
</tr>
</tbody>
</table>
Supplier Assessment Outcomes: Observations and Recommendations

What’s Going Well

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 BCP and DR policy
- Develop ESG report
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