Sustainable Supply Chain Management

A collaborative approach for commitment to sustainability
Agenda

01 Introduction

02 Why Sustainability?

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?

Global Warming
Climate Change
Pollution Health Hazards
Water Scarcity

Energy Crisis
Ice Melting
Wildfire
Biodiversity Loss

E-waste Health Hazards
Inequality Threats
Bribery Threats
Health and Safety Threats
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
- Dow Jones Sustainability Index (DJSI) 2022 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
- **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

<table>
<thead>
<tr>
<th>S.N</th>
<th>Requirement</th>
<th>Suggested Artefacts</th>
</tr>
</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>
</table>
| 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                                                                                                                                                                                                                  |
# SSCM Questionnaire (Slide 2/5)

## Occupational Health and Safety

<table>
<thead>
<tr>
<th>S.N</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 occupational health and safety and the provision of health related benefits to employees.</td>
<td>Legal Register</td>
</tr>
<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>
</tr>
<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>
<td></td>
<td>• Documented Processes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reporting and Corrective Actions</td>
</tr>
</tbody>
</table>

## Risk Management

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<tr>
<th>S.N</th>
<th>Requirement</th>
<th>Suggested Artefacts</th>
</tr>
</thead>
<tbody>
<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>
</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>
</tr>
<tr>
<td></td>
<td></td>
<td>• Test Cases Reports</td>
</tr>
</tbody>
</table>
## SSCM Questionnaire (Slide 3/5)

### Environment

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<thead>
<tr>
<th>S.N</th>
<th>Requirement</th>
<th>Suggested Artefacts</th>
</tr>
</thead>
</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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<thead>
<tr>
<th>S.N</th>
<th>Requirement</th>
<th>Suggested Artefacts</th>
</tr>
</thead>
</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

<table>
<thead>
<tr>
<th>S.N</th>
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<th>Suggested Artefacts</th>
</tr>
</thead>
<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>
<td></td>
</tr>
</tbody>
</table>

### Community Engagement

<table>
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<tr>
<th>S.N</th>
<th>Requirement</th>
<th>Suggested Artefacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CSR Activities</td>
<td>List of CSR Activities and Outcome</td>
</tr>
</tbody>
</table>
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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