INNOVATION - TOWARDS A SUSTAINABLE BUSINESS PARADIGM

TECH MAHINDRA INTEGRATED REPORT 2017-18

Connected World.
Connected Experiences.

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Innovation and Sustainability

Business is at a new threshold. The external environment is having an incremental impact on companies, society and humanity. The four key challenges facing businesses - Volatility, Uncertainty, Complexity and Ambiguity - that represent the VUCA world are disrupting businesses and have a great potential to impact the value of organizations – both positively and negatively. External forces and risks like business disruption, geopolitical forces, climate change, extreme weather events, and water scarcity continue to pose risks to business and society.

Extreme events like cyclones, hurricanes and floods are being evidenced globally. Water scarcity is leading to trans-boundary and regional conflicts on water sharing. There are conflicts between the sharing of natural resources between multiple stakeholders – society, industry, environment etc. All of these have a direct or indirect impact on the overall IT Industry.

Thriving in this new business paradigm will require re-evaluating risks and opportunities, redefining and aligning business models and strategy with internal and external risks and constantly adapting to the demands of the disruptive world. Companies that take a futuristic approach and are prepared to ride on the innovative future will find the market scenario forward looking and positive.

We expect the convergence of people, digitization, and technology in all the industry verticals and these outcomes are aligned with Tech Mahindra's key objectives to run better, change faster and grow greater. With the phenomena of personalised customer experience gaining traction, enterprises are gearing up with digital transformation initiatives leading to "connected customer" for their services and products.

Technology continues to drive change and creating value across businesses and will have to be used as an enabler for addressing many of the environmental and societal challenges at a macro or even at a micro level. We can expect broad level technology integration with many of the business and societal challenges to emerge. The solutions will be geared towards creating value for all the stakeholders.

Message from the Vice Chairman

"**Innovating - Towards a Sustainable Business Paradigm**" is Tech Mahindra's second Integrated Report. It provides an account of the company's strategy, value drivers, approach to managing risks and opportunities, and performance in managing our Financial Capital, Intellectual Capital, Natural Capital, Human Capital, Social and Relationship Capital and Manufactured Capital.

It has been a year of continuous efforts at Tech Mahindra. Despite volatilities in the external environment, we made satisfactory progress.

Ensuring a sustained growth trajectory - Developing the Intellectual Capital

Development of Intellectual Capital remained an organizational priority. It was achieved through strategic acquisitions, collaborations & partnerships and setting up new R&D centers – the Maker's Labs. We collaborated with Affirmed Networks, Altiostar, and Cloudify to drive innovation, with AT&T on Project ACUMOS to make AI accessible to all, thus reiterating our focus and investment in technologies for the future.

Continuous learning, unlearning and relearning – the Human Capital Priority

Nurturing the Human Capital, a key priority marched in tandem with the development of the Intellectual capital. We invested in Centers of Excellence (CoEs) for re-skilling and right-skilling the associates through internal and external training on technology and domain. We tied up with world class content partners such as EdX & Pluralsight, and with AI based personalized learning aggregators like Edcast, among others, to make our associates future ready. We trained and certified 80,000+ associates in digital technologies, 20,000+ associates in automation and 50,000+ associates in emerging and digital technologies. Our focus on digital transformation and continuous re-skilling of our workforce to meet the future demands of our market space has been showing encouraging results. There was an increase in revenues from digital and new age solutions.

Towards Carbon Responsibility – the Natural Capital Imperative

As the world witnesses the adverse impacts of climate change, Tech Mahindra strives to be a part of the solution and enable the transition to a Low Carbon future not just for the company but also for its customers through products, platforms and solutions. We have a focused roadmap and targets on reducing the power usage efficiency of the data centers and reducing greenhouse gas emissions from the company's activities. There has been satisfactory progress on the targets and it was heartening to see our commitment endorsed externally. I am proud to announce that Tech Mahindra was recognized as a world leader in the Dow Jones Sustainability Index - World Index for the fourth consecutive year.

Rise for Good – TechM's Philosophy for enhancing the Social and Relationship Capital

We fulfill our commitment to society and 'Rise for Good' through Tech Mahindra Foundation - the CSR arm of the company. We have strengthened our focus on education, employability and disability. Corporate volunteering has been on the rise and it enables usto take forward the objective 'Empowering through Education'. Through our flagship program - SMART we trained more than 16000 youth through 100 vocational training centers this year with the placement rate of nearly 70%. The Foundation's SMART academies for Healthcare and IT have been doing commendable work in Delhi, Chandigarh and Vishakhapatnam and are creating a cadre of qualified, trained professionals in the field of allied healthcare and IT sector. The Foundation supported 68 schools under its education program and reached out to 20,498 beneficiaries through municipal corporation schools this year.

The zeal of our associates, the robustness in our governance systems and processes, focused improvement in infrastructure at our facilities that provide a good working environment, our efforts in talent management and retention - all make for a positive future outlook and strategy. We will continue to make assured strides in creating value that is more positive for the company and our stakeholders.

Mr. Vineet Nayyar
Vice Chairman

Message from the Managing Director & CEO

Emerging global macro-trends like climate change, shifting demographics, automation and inequality are beginning to impact businesses and society at a faster pace than ever before. While increased automation is likely to bring in efficiencies, it may impact the availability of jobs and increase income inequalities. The trend of shifting demographics can create likely distortions in the global labor force. We experienced extreme events in 2017-18 – droughts, floods, tsunamis, hurricanes, extreme temperatures - all triggered by climate change, and impacting businesses directly and indirectly. The effects will be continued, unprecedented and unpredictable, making a strong case for collective action on climate change.

Sustainability for Tech Mahindra constitutes Climate Action, Environment Management, Innovation and development of the Human Capital, the Associates. As a technology company focused on disruption and innovation by design, we are at a cusp of growth and sustainability. The principle of convergence holds. The Company's business outlook is and will continue to be an integration of business with sustainability. Technology will act as an enabler, a driving force. The outcomes will be achieved through an ecosystem approach that leverages the synergies between the company and its stakeholders – the customers, collaborators & partners, investors, regulators and society. The solutions will be simple and elegant and embedded in enabling people to Rise – Rise for Good. This constitutes our vision for the future and we call it **FUTURise.**

2017-18 has been a year of opportunities & successes, ambition & disruption and learning & innovation. The strategy, risks & opportunities and performance are explained in the report; I want to discuss the key approach and outcomes.

Integrating Sustainability with Business Strategy

At Tech Mahindra, across the organization - governance; strategy formation and deployment; management of risks and opportunities; development and review of systems and processes; learning and development of the associates - integration of sustainability with business strategy is at the core. Activities, approach and organizational attitude are aligned towards integrating sustainability with strategy.

The new suite of solutions and platforms are designed not only to enable a connected experience, but also assist customers and their clients to manage their sustainability commitments, programs, plans and responsibilities to manage climate change and energy efficiency.

We at Tech Mahindra are keeping pace with the global trends in technology disruption, climate change, water scarcity amongst others. The operating strategy and business model are being reviewed and aligned with sustainability and environmental mega trends to address some of the key challenges facing enterprises and society.

Brand Philosophy – Alignment with Environmental Mega forces

Our brand philosophy - *Connected World, Connected Experiences* is aligned with the evolving external environment and changing customer needs like Digitization, Automation, Climate Change, Smart Mobility, Smart Metering, Energy Efficiency Solutions amongst others. **Our strategy - Run, Change and Grow is also braced to address global environmental challenges.**

Technological disruption and climate change are redefining the way the companies do business. The connected future is taking shape faster than anticipated. The question remains – are we prepared for the new realities of this connected future? We at Tech Mahindra are committed to bridging the gap between today's capabilities and tomorrow's opportunities.

FUTURise – enabling us to stay relevant for the future

Based on our core strengths and the market demands, and built on our brand philosophy of creating connected experiences for a connected world, we have identified four key technology bets - Customer Experience Management; Internet of Things (IoT); Software Transformation and Networks of the Future. Since the most important part of our organization is people, there has been a major thrust on skilling, up-skilling and right-skilling the associates.

We are developing solutions that enable enterprises, governments and utilities manage their environmental issues like climate change, energy efficiency, and water productivity by using technologies of the future – IoT, Block-chain, Network of the Future and Automation. We are partnering with the right technology, solution providers and strategically positioning ourselves to maximize/monetize opportunities. We remain focused on delivering value to our customers, while helping our employees FUTURise with constant innovation in the digital world.

Owing to the global macro trends – climate change, automation, demographics, neo nationalism and income inequality - the future business environment will continue to remain volatile, uncertain and disruptive. Surviving and thriving in this business scenario will need an agile transformative approach that is inclusive and collaborative. The associates have been instrumental in driving the company towards progress in the disruptive environment. Our stakeholders have been the enablers of future growth and value creation. I sincerely want to thank you all for your support and hope that the support, feedback and ecosystem approach continue to steer us towards a sustainable future.

Mr. CP Gurnani,
Managing Director and Chief Executive Officer

Message from the Chief Sustainability Officer

Climate Change, Environmental Constraints, Environmental Degradation and Social trends are having a fundamental impact on growth of companies and economies alike. Direct and indirect risks because of Climate change are looming on society and enterprises. The three P's – People, Planet and Profit, or Economic, Environmental & Social aspects that define Sustainability are at a point of convergence where people and planet govern the profitability and growth of a company more than ever before. There is a direct co-relation between financial growth and sustainability.

With the adoption of sustainable development goals by the United Nations and of the Paris Agreement by COP21, companies are expected to contribute more to the realization of a sustainable society through their businesses. In alignment with the 'Rise' philosophy, we are *embedding* non-financial information into the core of long-term decision-making processes.

Adoption of the TCFD Recommendations

When Tech Mahindra started its Sustainability journey eight years ago, Climate change discussion in the organizational context was focused on reducing GHG emissions by energy efficiency and increasing renewable energy mix in the total energy consumption. However, in 2017-18, we are cognizant of the urgent need to include climate change considerations in decision-making at all levels. Carbon management is now expanded to include Governance and responsibility at the level of the Board and the Senior Management, strategy, risks and leveraging opportunities that arise from risks.

It will not be enough to limit our focus to Climate Change and other social trends and its impact on the Company, but also think about resilience in the face of the uncertainty posed by the sustainability megatrends. In the interest of taking a structured approach to Climate resilience, we have adopted the Recommendations of the Taskforce on Carbon Related Financial Disclosures (TCFD). The recommendations help in disclosing clear, comparable and consistent information about the risks and opportunities related to climate change issues when considering investment decisions leading to a more efficient allocation of capital and a smooth transition towards low carbon economy.

The FSB Task Force on Climate-related Financial Disclosures (TCFD) has developed voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders. The recommendations provide a clear, comparable and consistent framework to look at risks and opportunities; strategy; investment decisions; and allocation of capital for a carbon resilient growth.

Roadmap and Targets - A measure of performance

At Tech Mahindra, we are committed to continuously managing and improving the positive impact from our activities while minimizing negative impacts. We are managing the impact of climate change by building awareness on sustainability mega trends; reviewing and strengthening systems and processes; making progress through a sustainability roadmap with defined goals and targets; linking the performance of the relevant employees and management to their KRAs and Balanced Score Cards. There are long-term targets for GHG emission reduction, increasing energy and water efficiency, and water management in our Roadmap. We are leveraging technology and innovation in meeting the Sustainability targets.

We have a Carbon Pricing mechanism across the organization to spur green investments, internal innovation and reduce our GHG emissions. We have built an internal tool for our facilities, finance and procurement team. We have also taken Science Based Targets, a powerful tool that allows businesses to align themselves with the commitments made under the Paris Agreement.

Beyond Integration - Making Sustainability Personal

Tech Mahindra believes that integrating Sustainability with business means making sustainability a way to perform all business activities across the organization – from the way we engage with our suppliers, how we approach and engage with our customers and partners, and how we encourage the adoption of sustainability initiatives.
"Making Sustainability Personal" is an organization wide drive, aligned with the Mahindra Sustainability Framework. The Green Marshals is a one of the Volunteering initiatives of Tech Mahindra. The associates act as Brand Ambassadors of Sustainability who take up various initiatives and clock in hours of employee volunteering.

In our upstream value chain, we engage with the suppliers & vendors on Sustainability topics in terms of capacity building, knowledge sharing and carrying out audits. We engage with our customers & clients in identifying and creating

solutions in the areas of energy efficiency, waste management, smart cities, greenhouse gas monitoring and tracking and environmental compliance. We developed CAPE (Community Action Platform for Energy), an advanced analytics platform combining energy, satellite, aerial, social and economic data into targeted insights. IEVCS (Intelligent Electric Vehicle Charging System) is an IoT solution for electric car charging and last mile electric network asset management.

As we make progress in creating value for our customers, employees and society, we acknowledge the support and guidance of all our stakeholders who are our partners in value creation. The task is arduous but our commitment is firm.

Mr. Sandeep Chandna,
Chief Sustainability Officer

About the Report

"**Innovation – towards a Sustainable Business Paradigm**" is Tech Mahindra's 2nd Integrated Report for the period of 1st April 2017 to 31st March 2018. The idea of this annual report is to share with the stakeholders a broad based framework for our business and investment decisions that are long term, inclusive and with a purpose. The idea is to promote cohesive reporting across various capitals - Financial, Intellectual, Human, Natural and Social & Relationship capitals - to enhance accountability and stewardship.

The report is prepared as per the Integrated Reporting <IR> Framework. The performance of the company in terms of achieving its strategic objectives and outcomes is reported using the GRI Standards. The disclosure on Natural Capital is in conformance with the Climate Change Reporting Framework issued by the Climate Disclosure Standards Board (CDSB). The report is aligned to include the recommendations of the Taskforce on Carbon Related Financial Disclosures (TCFD).

Report Boundary and Scope

The scope of the Report is limited to India operations that fall under the direct control of the Company. It included the following entities:

- Tech Mahindra Limited
- Tech Mahindra Business Services Limited
- Tech Mahindra Foundation (Section 8 Company)
- Tech Mahindra BPO Limited (Earlier a wholly owned subsidiary of Tech Mahindra Limited, which merged with Tech Mahindra Limited in April 2015).

This includes our facilities in the following cities:

Bangalore	Bhubaneswar	Chandigarh	Chennai
Delhi NCR	Gandhinagar	Hyderabad	Kolkata
Mumbai	Nagpur	Pune	Vizag (Visakhapatnam)

Wholly owned subsidiaries outside India and subsidiaries, which are not wholly owned by Tech Mahindra are excluded from the scope of the report.

Changes in the Reporting Year

In the reporting year, there were **no restatements of information provided in the Integrated Report of the previous year**. However, the following changes occurred in the scope and boundary of the Report.

- Addition of new infrastructure and facilities at Kolkata, Bangalore, Hyderabad and Noida.
- Adding LPG Fuel in the Scope of Scope 1 GHG Emissions.

Mergers & Acquisitions

During FY 2017-18, the following Acquisitions took place. They do not change the scope of our Integrated Report.

CJS Solutions Group, LLC (HCI), USA:

The Company, on May 4, 2017, through its wholly owned subsidiary Tech Mahindra (Americas) Inc. acquired 84.7% stake in CJS Solutions Group, LLC (doing business as HCI) for an initial consideration of 5742 Million (USD 89.5 Million). Further the subsidiary of the Company acquired a call and a written put option on the 15.3% Non-Controlling Interest to be exercised over a three year period ending December 31, 2019. The HCI Group works with some of the world's most prestigious Tier-I healthcare service providers, primarily in the US and UK, focusing on providing end-to-end implementation of Electronic Health Record (EHR) and Electronic Medical Record (EMR) software, training and support services. This will help scale up Healthcare revenue, as provider sub vertical is a key element of Healthcare and Life Sciences (HLS) strategy. The Company offers innovative and end-to-end integrated solutions for healthcare providers. Its solutions enhance the efficiency of physicians, hospitals, ancillary facilities, clinics, governmental health bodies and public health organizations.

Altiostar Inc:

The Company, through its wholly owned subsidiary Tech Mahindra (Americas) Inc. has invested an amount of US$ 15 Million in return for a 23.5% shareholding in Altiostar. Altiostar is a telecom software development Company, which is the mobile broadband industry's first provider of vRAN (virtualized Radio Access Networks) solution for LTE technology.

Increase in stake in Comviva Technologies Limited:

The Company, in accordance with the shareholders agreement, acquired an additional 32.07% stake in Comviva Technologies Limited from Bharati Group and Westbridge Ventures II Investment holdings for a total consideration of 36,186 Lakhs. The Company also acquired 0.68% from some shareholders for a total consideration of 842.93 Lakhs. As a result of this, the Company now holds 99.85% stake in Comviva Technologies. Comviva is among the leaders of mobility solutions. With an expansive suite of productized solutions, it caters to over two billion mobile users globally. Comviva's solutions are deployed with over 130 service providers and banks in over 90 countries across Asia, Africa, Middle East, Latin America and Europe, and power services to more than two billion mobile subscribers.

Questions regarding the Report	**Location of the Organizations Headquarters**
Innovation towards a Sustainable Paradigm is our Integrated Report disclosing our non- financial performance. We value your feedback, suggestions and views on the report. Email us at Corporatesustainability@techmahindra.com.	Tech Mahindra Limited 2nd Floor, Corporate Block, Rajiv Gandhi Infotech Park, Phase III Pune – 411 057, Maharashtra, India.

External Assurance

INDEPENDENT ASSURANCE STATEMENT

Scope and Approach

Tech Mahindra Limited ('TechM' or 'the Company', Corporate Identity Number L64200MH1986PLC041370) commissioned DNV GL Business Assurance India Private Limited ('DNV GL') to undertake independent assurance of sustainability disclosures in the Company's Integrated Report 2017-18 in its printed format (the 'Report'). Our responsibility in performing this work is regarding verification of sustainability performance disclosed in the Report, and in accordance with the agreed scope of work with the management of the Company. The intended users of this assurance statement are the management of the Company. Our assurance engagement was planned and carried out during December 2017 to January 2019.

Our scope of work was the verification of the qualitative and quantitative information on sustainability performance disclosed based on selected GRI Standards in the Report covering Economic, Environmental and Social performance of the activities undertaken by the Company over the Reporting period 1st April 2017 to 31st March 2018.

We performed our work using DNV GL's assurance methodology VeriSustain™[1], which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements (ISAE) 3000 Revised*, along with principles of the Global Reporting Initiative's (GRI's) Sustainability Reporting Standards (GRI Standards).

We understand that the reported financial data and related information are based on disclosures from Tech Mahindra Limited Annual Report for year ending 31st March 2018, which are subject to a separate independent statutory audit process. We did not review financial disclosures and data referenced or presented in the Integrated Report and Annual Report 2017-18 as it was not within the scope of our work.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion related to non-financial sustainability disclosures in this Report. We are providing a 'limited level' of assurance and no external stakeholders were interviewed as part of this assurance engagement.

Responsibilities of the Management of Tech Mahindra Limited and of the Assurance Provider

The Management team of Tech Mahindra Limited have sole responsibility for the preparation of the Report and are responsible for all information provided in the Report as well as the processes for collecting, analysing and reporting the information presented in the Report. Tech Mahindra has stated in this Report that this Report is based on the International Integrated Reporting Council (IIRC's) Integrated Reporting <IR> framework and has adopted disclosures related to identified material topics from the GRI Standards, and that the Report aligns to recommendations of the Taskforce on Carbon Related Financial Disclosures (TCFD) and Climate Disclosure Standards Board for reporting environmental information, natural capital and associated business impacts (CDSB, April 2018).

In performing our assurance work, our responsibility is to the management of Tech Mahindra Limited; however, our statement represents our independent opinion and is intended to inform outcome of our assurance to the stakeholders of the Company.

We provide a range of other services to Tech Mahindra Limited, none of which constitute a conflict of Interest with this assurance work. This is the second year that we are providing assurance of the sustainability disclosures in this Report.

Our assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith and free from misstatement. We were

[1] *The VeriSustain protocol is available on request from www.dnvgl.com.*

** Assurance Engagements other than Audits or Reviews of Historical Financial Information.*

not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. We expressly disclaim any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Basis of our Opinion

A multi-disciplinary team of sustainability and assurance specialists performed assurance at the Corporate office and selected sites of Tech Mahindra Limited. We undertook the following activities:

- Review of the non–financial sustainability disclosures disclosed in this Report based on GRI Standards;
- Review of approaches to materiality determination and stakeholder engagement and its outputs in line with the principles for Defining Report Quality and Content of the GRI Standards, although we had no direct engagement with stakeholders;
- Review of information provided to us by the Company on its reporting and management processes related to the <IR> Framework and selected GRI Standards;
- Interviews with selected members of leadership team, and senior managers responsible for management of sustainability issues and review of selected evidence to support issues discussed. We were free to choose interviewees and interviewed those with overall responsibility for the programmes to deliver the targets for medium and long-term Vision, Mission, Vision and milestones;
- Site visits were conducted in Tech Mahindra Organizational Headquarters at Pune, operational sites at Bengaluru, Chennai and Chandigarh, and a video conference was conducted with TMEC, Bhubaneswar, to review the processes and systems for aggregation of site level sustainability data and implementation of management approach. The sites we visited were selected based on identified material topics as well as geographical and divisional spread;
- Review of supporting evidence for key claims and data disclosed in the Report. Our verification processes were prioritised based on our risk-based approach i.e. relevance of identified material topics and sustainability context of the business;
- Review of the processes for gathering and consolidating the performance data and, for a sample, checking the data consolidation at site and corporate level.

The reporting topic boundaries is based on the internal and external materiality assessment covering the operations of entities in India i.e. the legal entities of the Tech Mahindra Limited, Tech Mahindra Business Services Limited, Tech Mahindra Foundation and Tech Mahindra Business Process Outsourcing (BPO) Limited, as brought out in the Report in the section *"Report Boundary and Scope"*.

During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement; however, the Report excludes sustainability performance of wholly owned subsidiaries outside India and subsidiaries which are not wholly owned by Tech Mahindra in FY 2017-18, and this is as set out in the Report.

Opinion and Observations

On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe the non-financial performance of identified material topics and GRI Standards as below:

- GRI 201: Economic Performance 2016 - GRI 201-1, GRI 201-2
- GRI 204: Procurement Practices 2016 - GRI 204-1
- GRI 205: Anti-corruption 2016 – GRI 205-2, GRI 205-3
- GRI 206: Anti-competitive Behavior 2016 – GRI 206-1
- GRI 302: Energy 2016 – GRI 302-1, GRI 302-3
- GRI 303: Water 2016 – GRI 303-1, GRI 303-3
- GRI 305: Emissions 2016 – GRI 305-1, 305-2, 305-3, 305-4
- GRI 306: Effluents and Waste 2016 – GRI 306-2
- GRI 307: Environmental Compliance 2016 – GRI 307-1
- GRI 401: Employment 2016 – GRI 401-1, GRI 401-3
- GRI 403: Occupational Health and Safety 2016 – GRI 403-1, GRI 403-2
- GRI 404: Training and Education 2016 - GRI 404-1, GRI 404-2, GRI 404-3
- GRI 415: Public Policy 2016 - GRI 415-1
- GRI 418: Customer Privacy 2016 - GRI 418-1
- GRI 419: Socioeconomic Compliance 2016 - GRI 419-1.

Without affecting our assurance opinion, we also provide the following observations.

Stakeholder Inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

Tech Mahindra have identified twelve key stakeholder groups based on their criticality to business, and processes are defined to engage with each group based on the stakeholder needs and context, and identified risks and opportunities. The stakeholder engagement mechanisms are brought out in the Report along with significant concerns raised by each group.

Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders.

Tech Mahindra has identified and prioritized material issues for its identified stakeholder groups through focused interviews. Based on interactions between these groups and internal departments of the Company, a business perspective was also incorporated, along with benchmarking with industry best practices. In our opinion, the Report has not missed out any key material issues related to IT & ITES and BPO sector operations in India, which can substantially affect the Company's ability to create value in the short, medium and long terms.

Responsiveness

The extent to which an organization responds to stakeholder issues.

The management has established internal assessment processes for monitoring and management of identified material topics on a continual basis. The Report adequately brings out responses to identified material topics and fairly discloses the strategies and management approach and challenges considering the overall sustainability context of the IT & ITES and BPO sector, within the identified boundaries of reporting. The Company may further strengthen this principle by bringing out long and medium-term targets related to identified material topics.

Reliability

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

The majority of data and information verified at the Organizational Headquarters at Pune, sites visited in India were found to be identifiable and traceable to the source and nothing came to our attention to suggest that reported data have not been properly collated and consolidated at corporate level, nor that the assumptions used were inappropriate. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors have been communicated for correction.

Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported.

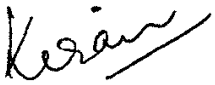
The Report has fairly attempted to disclose the sustainability disclosures for key material topics including the disclosures on management approach and topic specific disclosures within the identified reporting boundary, as well as disclosures recommended by the CDSB and TCFD. The reporting boundary excludes other wholly owned subsidiaries outside India and subsidiaries which are not wholly owned by Tech Mahindra as part of its consolidated financial statement; material topics relevant to these entities may be included in future reporting periods.

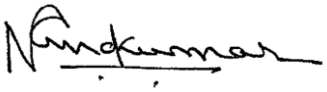
Neutrality

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.

The disclosures related to sustainability issues and performance are reported generally in a neutral tone, in terms of content and presentation, however the Report could further bring out responses related to the challenges faced during the reporting period at various geographical locations.

For and on behalf of DNV GL Business Assurance India Private Limited





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Project Manager- Sustainability Operations,
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Vadakepatth Nandkumar
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DNV GL – Business Assurance India Private Limited.

Bengaluru, India, 20th January 2019

DNV GL Business Assurance India Private Limited is part of DNV GL – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. - www.dnvgl.com

About Tech Mahindra

Who We Are

Tech Mahindra Limited (Tech M) is a specialist in digital transformation, consulting and business re-engineering solutions and is a part of the USD 20.7 billion Mahindra Group; a global federation of companies divided into 20 business sectors.

Tech Mahindra represents the connected world, offering innovative and customer-centric information technology experiences, enabling Enterprises, Associates and the Society to Rise™. It's a USD 4.77 billion company with 112800+ professionals across 90 countries, delivering value to over 910+ global customers including Fortune 500 Companies. Our company has a leading presence in the fast-paced information technology (IT) industry. With global expertise and seamless cross-platform functionality, Tech Mahindra creates IT solutions that empower companies to focus on, and enhance their core businesses.

Tech Mahindra's revenue was at INR 307,729 Million (USD 4,771 Million) for the financial year ended March 31, 2018. Registering a growth of 9.6% in USD on a YoY basis, the company's Profit After Tax (PAT) was at USD 588 Million registering a growth of 40% on a YoY basis for the financial year 2017-18. Tech Mahindra is a Public Listed Company, incorporated and domiciled in India and has its registered office in Mumbai, Maharashtra, India. It has a primary listing on the National Stock Exchange of India Limited (NSE) and The Bombay Stock Exchange Limited (BSE).

Leveraging nearly three decades of experience, Tech Mahindra is a part of the Mahindra Group and is governed by the "Rise" Philosophy. The group has an operational presence in over 100 countries and employs more than 200,000 people. And though it operates across vast geographies, the governing spirit of "Rise" binds the Mahindra Group.

What We Do

We power the connected world, offering innovative and customer-centric technology services and solutions that enable enterprises, associates and communities to Rise™. The key sectors serviced by us include Banking, Financial Services and Insurance; Communication; Media & Entertainment; Energy & Utilities; Health Care and Life sciences; High tech; Manufacturing; Public Sector and Government; Retail and Consumer Goods; and Travel, transport and logistics.

We help our customers achieve business outcomes through technology, being an end to end partner across applications, network, security and technology innovation. Our services spans across IT Outsourcing, Consulting, Next Generation Solutions, Application Outsourcing, Network, Infrastructure Management, Integrated Engineering Solutions, BPO, Platform Solutions and Mobile Value Added Services. Our innovation platforms and reusable assets connect across a number of technologies to deliver tangible business value to our stakeholders. We are well placed with our breadth of service offerings in emerging areas of Big Data, Mobility, Network, Cloud, Security, Platforms and Engineering Services. We constantly innovate, building intellectual property through various services and platforms to help our customer transform. We operate across 90 countries, with dedicated offices in following countries.

Europe	Middle East	Africa	Asia	Americas	Australia & New Zealand
Austria Belgium Bulgaria Czech Republic Denmark Finland France Germany Hungary Ireland Italy Luxembourg Netherlands Norway Romania Spain Sweden Switzerland United Kingdom	Bahrain Israel Oman Qatar Saudi Arabia Turkey United Arab Emirates	Chad Congo (B) Democratic Republic of Congo Gabon Ghana Kenya Malawi Nigeria Rwanda South Africa Uganda Zambia	China Hong Kong India Indonesia Japan Malaysia Philippines Singapore South Korea Taiwan Thailand Vietnam	Argentina Bolivia Brazil Canada Colombia Costa Rica Ecuador Guatemala Mexico Panama Peru United States of America	Australia New Zealand

Our Portfolio

- **Cloud -** Our Cloud Computing solutions help business adaptability, cost efiiciency and business collaboration.
- **ADMS, Java and Open Source -** Tech Mahindra is premier Application Development & Maintenance Services provider geared to ensure continuous improvement in service levels that will help meet customer's strategic business objective.
- **Consulting**
- **Customer Experience -** Tech Mahindra's consulting Services comprise a comprehensive team of Consultants and thought leaders specializing in Business Transformation, Business Process Consulting.
- **Enterprise Architecture** - Tech Mahindra has a proven track record in delivering end-to-end Enterprise Architecture services.
- **DevOps**
- **Platforms, analytics and connected enterprise solutions PACES** - Tech Mahindra has extensive experience across Enterprise Business Solutions suite of applications, Spanning Enterprise Resource Planning, Data & Analytics and platforms.
- **Enterprises of the Future**
- **Integrated Engineering Solutions-** Integrated Engineering Solutions (IES), a connected Engineering Solutions business unit of Tech Mahindra, aligns Technology, Businesses and Customers through innovative frameworks.
- **Infrastructure management services -** Tech Mahindra's IT Infrastructure management services offers a suite of reliable, responsive, flexible and proven infrastructure services and solutions that deliver differentiated value to our customer's business.
- **Mobility Solutions** - Combining the strengths of Tech Mahindra's mobility solutions and Mahindra Comviva subsidiary of Tech Mahindra we are today approx. 2800 mobility professionals serving over 250 customers in 100 + countries making us the leading mobile solution provider from Asia.
- **Network Services**
- **Performance Engineering -** It is dedicated horizontal business unit with over 7500 person years' of experience. The unit meets customer's Non-Functional (NF) testing needs, such as response time SLA's, scalability, availability, reliability etc.
- **Product Lifecycle Management -** Our Product Lifecycle Management (PLM) Practice provides comprehensive end-to-end service offerings, which includes building innovative solutions to the most pressing PLM challenges.
- **Enterprise Security and Risk Management** - With more than 16 years of experience, Tech Mahindra's Enterprise Security and Risk Management (ESRM) services provides services to 140+ large global clients, including 5 Fortune 20 companies.
- **Testing**
- **TechM IBM Power Solutions and Services**

Platform Solutions

Our Platform Solutions leverage our best in class analytics, service delivery capabilities, domain knowledge access to new technology and process acumen to provide our customers with business solutions that enable scalability, flexibility and cost predictability.

- **CareXa:** Next Generation Customer Care platform for agent virtualization, analytics, assisted interactions and digital channels.
- **UNO:** A Robotic Process Automation tool that manages operations effectively and efficiently
- **SOCIO:** A Social Media Management platform providing actionable insights and proactive solutions in a world of multiplying factors and multiple interaction points.
- **Smart Offers:** A Big Data analytics platform for Personalized Marketing and Customer Retention
- **PRISM:** A self Service predictive analytics platform
- **FQCC (Field Quality and Cost Control):** An end to end, production quality and predictive analytics solution
- **Retirement and Wealth Services:** SURE (Superannuation) - The pension and retirement lanscape is in state of flux chacterized by ongoing evolution and reform.
- **Tech Mahindra CUBES**: Unified NextGen Managed Services Platform enabler for running IT Service operations and Service management.
- **OMS** – Order Management System
- **MDS** – Management Data Services
- **Epselon:** Digital transformations by providing an automated assessment of the enterprise baseline information.
- **Digital CPE:** B2B enterprise to demand services, test applicability to their environment, and consume services on the go.

Next Gen Solution

- Big Data - Our Big Data consulting helps in gaining insight from large volumes of structured or unstructured data.
- Content Delivery Networks - Our solution offers service providers the scale, servicability and openness needed to deploy CDN.
- Device Testing & Certification - We offer platform validation, conformance and preconformance testing etc for global complainace services.
- Digital Enterprise Services - Leverage the power of convergence of seven technologies- Networks, Mobility, Analytics, Cloud, Security, Social and Sendors to enable organisations future Proof and Future Ready.
- Green and Sustainability Solutions - Going beyond the traditional Green IT. Our solutions help achieve a company's sustainability goals and objectives.
- Long Term Evolution - Our services help telecom operations speed up time-to-market and help quick launch of prducts.
- Internet Of Things (IoT) - Interest in the Internet Of Things(IoT) market is rapidly expanding as companies across multiple vertical industries recognize the need for connectivity and the potential transformation enabled through connectivity.
- New Generation Supply Chain - Our Supply chain management team offers customer centric business solutions that help saving cost and revenue growth.
- Smart Grid - Our solutions help reduce energy consumption and benefit the utilities and their customers.
- Spend Management System - Our solution helps our customers streamline supplier-facing business practices and sourcing of goods and services.
- Industrial Internet of Things -
- Smart Cities - The Internet of Things(IoT) enables cities and administrations to transform resource management, governance, citizen services and security.
- AT&T FlexWave SM

Business Process Services

Tech Mahindra's Business Process Services delivers innovative and cost-effective solutions that help transform our customer's business. We leverage our domain expertise and platform-driven process transformations to offer end to end solutions to our customers. Entering a new era of transformations, we refocus energies towards 'Creating memorable digital experiences everyday' for our customers.

Our Vision & Mission

- We will Rise to be among the top three leaders in each of the chosen market segment while fostering innovation and inclusion.
- We will consistently achieve top quartile growth by contributing to our customers' success, by enabling our employees to realize their potential and by creating value for all our stakeholders.

Our Sustainability Recognitions

Dow Jones Sustainability Index (DJSI) One of the only 4 Indian companies to make it to **Dow Jones Sustainability Index (DJSI) World** Ranking 2017

- Scored **100 percentile in the Social aspect for DJSI 2017**; thus set an aspiration benchmark for other companies
- One of the 11 Indian Companies to make it through the **DJSI Emerging Markets** Index 2017
- Included in the **2018 RobecoSam Sustainability Yearbook** and received the **Silver Class** distinction for our excellent sustainability performance- **one of only 2 Indian companies** to receive this distinction

Carbon Disclosure Project (CDP)

- Scored **highest rating of 'A'** in the CDP Supplier Engagement
- Listed **Rising Star** in the CDP's Climate Change 2017
- Recognised as **World Leader for Supplier engagement on Climate Change 2018 by CDP-** the only Indian Company on this Leader Board

Constituent of the **FTSE4Good Index 2017** with a percentile score of 96
Winner of the **Mahindra Group Grand Master Sustainability Award 2017**

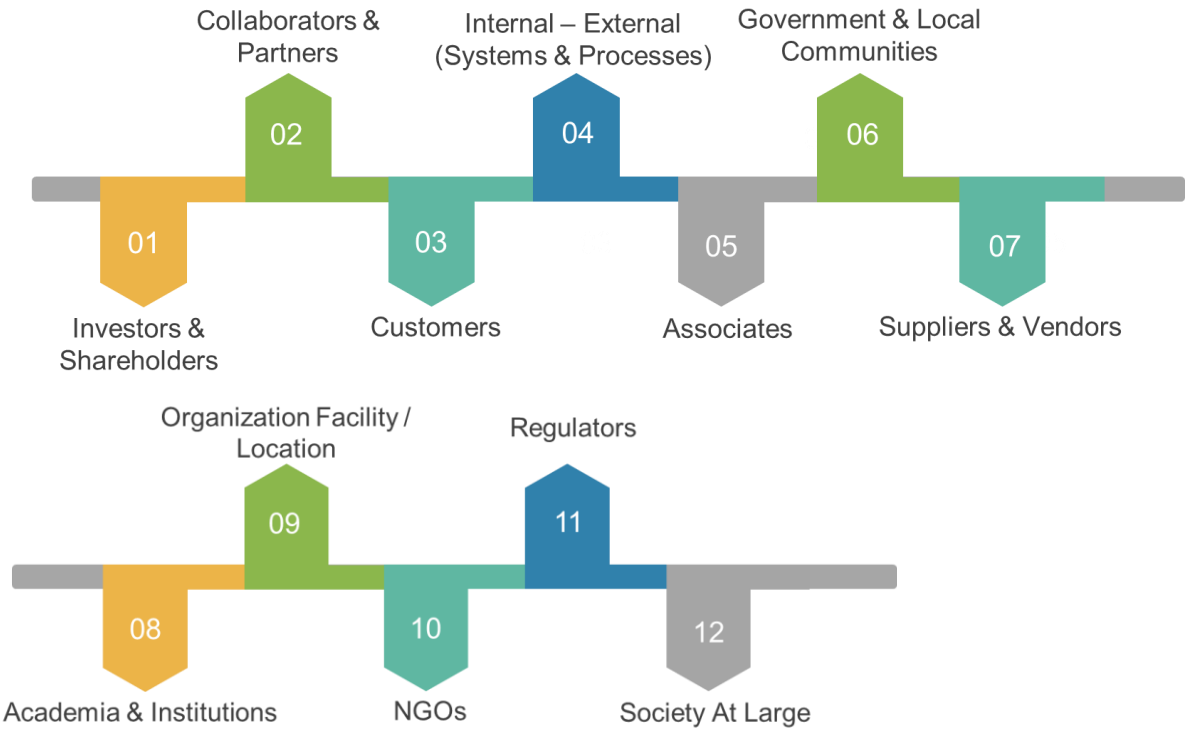
Stakeholder Relations

Stakeholders are individuals, groups and entities that are affected by the activities of Tech Mahindra's business and those that have the ability to impact the growth and development of the company. Fair, transparent and strong relationship with the stakeholders is critical to the long-term profitability and business success. The nature and quality of relationship has a direct linkage with business growth and sustainability.

Stakeholder Analysis – why they are important

We at Tech Mahindra understand the relevance of maintaining strong relations with stakeholders.
Relationships with these stakeholders facilitate a development and enhancement of our Human, Intellectual, Social and Relationship, Natural and Manufactured Capitals and enable the growth of our Financial Capital.

We have a structured process for identification of stakeholders and engagement with them. Stakeholders have been identified based on their criticality for business. We are in business because of our customers, employees and investors. Local communities and regulators provide us a license to operate. Internal and external systems and processes, organizational facilities and the right suppliers and NGO partners enable us to carry out our activities in alignment with Tech Mahindra's core values. Partners & collaborators and academia provide future growth areas. We view each of them as relevant stakeholders.



Engaging with stakeholders - for sustained value creation

Continued engagement with stakeholders is a precursor to sustained value creation. We have a defined process for engaging with our stakeholders.

Depending on the stakeholder group, the frequency of engagement is defined. It is periodic, continuous or on an ad-hoc basis depending on the stakeholder and the need and purpose of engagement. The need for engagement vary from sharing relevant information, gaining feedback, responding to inputs, identifying risks & opportunities and synergies for collaboration and co-creation. The methods of engagement are also decided and reviewed based on the stakeholder need and context. The methods for some of the critical stakeholders are enumerated in detail while the other stakeholders are tabulated.

Employee
At Tech Mahindra, we recognize associates as the most critical stakeholders. We understand that our people have to be encouraged, recognized and rewarded to create, grow and sustain a world-class organization.
We promote an open feedback culture and empower associates to act as agents of change in their business domains. We also encourage them to give back to society by contributing in the areas they are passionate about through employee volunteering.

Tech Mahindra recognizes the right to freedom of association and encourages associates to connect, discuss ideas and raise issues through readily available internal tools and platforms. Some of the avenues like Freevoice (a portal where associates can air their issues), IRIS (our Idea bank), All Hands Meets and Redressal committee offer an opportunity for associates to interact with the management, raise concerns and resolve issues/ conflicts in a fair and transparent manner. Employee engagement and other aspects of human capital development are discussed in the Section on **Enhancing our Human Capital.**

Customer
We maintain a close relationship with our customers through constant dialogues through various channels. It helps us to understand their needs better and helps the customers understand the products and service offerings better. It also enables us to capture the pulse of the industry and understand the future landscape; at the same time helping the company adapt to these changes.

We conduct an annual survey to evaluate the needs and feedback of the customers. The Customer as Promoter (CaP) Score is computed from the response to one focused question - **"How likely is it that you would recommend this organization to a friend or colleague?"** This survey provides us an excellent opportunity to gauge customers and understand their key issues. In addition, the business functions at various touch points reach out to customers to understand their needs and deliver services. The methods of engagement with customers are covered in detail in the Section on **Customer Value Creation.**

Collaborations & Partners
The alliance ecosystem of Tech Mahindra includes leading technology firms, disruptive startups and academic institutions that help us develop our business capabilities, and acquire new talent in the way of co-innovation and co creation and fuel the development of our intellectual capital. Collaborations and partnerships help us to deliver customized solutions to our customers and reaffirm our position as a leading technology firm. We have a dedicated alliance team and partner management team that act as conduits in helping the customers in their journey of technology disruption and digital transformation. The alliance ecosystem approach is covered in detail in the Section on **Intellectual Capital.**

Shareholders & Investors
Investors and other providers of capital make possible growth, expansion, acquisition and enhancement of the human and intellectual capital. As an accountable and ethical company, we believe it is important to disclose all information that can impact Tech Mahindra's ability to create value, both financial and other capitals. This enables the providers of the different capitals to make informed decisions and give feedback.

While earlier financial disclosures were focused on the financial capital only, in the current environment, strategy, business model, risks and opportunities as well as the other capitals – viz. human capital, intellectual capital, and natural capital are also as important for the company's sustainability. In an endeavor to share this information transparently with the providers of capital, we released our first Integrated Report in 2016-17. We intend to report the Integrated Report annually. The key information on economic disclosures is detailed in the section on **Financial Capital.**

Local Communities
As a responsible corporate citizen, we are committed to working towards improving the lives of the socially and economically disadvantaged people. Tech Mahindra Foundation (TMF) actively reaches out to the local communities and engages with them through structured and informal need identification and impact assessment to understand their needs and expectations. Inputs are received from the beneficiaries of the CSR projects, the NGO partners as well as the local bodies. The impact created by Tech Mahindra is covered in the Section on **Social & relationship Capital**.

Suppliers and Vendors
As an Information Technology Services Company, the scope of our supply chain primarily extends to the suppliers of Goods and Services to support our operations. We engage with them on sustainability, quality and delivery through the Supplier Code of Conduct. Some of the key aspects of the SSCM are ethical business practices; management practices that respect the rights of all employees and the local community; minimising the impact on the environment; and providing a safe and healthy work place. We evaluate the impact of our activities in the supply chain at all stages on a periodic basis and carry out comprehensive risk analysis of our supply chain in terms of ability to deliver on time

because of market and climate related risks. TechM's Business Continuity Management system allows us to have an integrated view of the requirement and accordingly plan, coordinate and execute strategies to mitigate supply chain risk. The engagement methods, topics and frequency are detailed on the section on **Supply Chain Management**.

Stakeholder Groups	Key Concerns	Engagement Mechanism	Feedback Mechanism	Frequency of Engagement
Customers	Customer satisfaction	Meetings, interviews, personnel visits, interaction with top management, publications, media & communications, feedback camps, customer visits and support programmes, conferences and seminars, public events and forums	• Ongoing client visits and meetings • Social media • Mailers, brochures and news letters • Annual Customer Satisfaction Survey • Bi Annual Satisfaction Survey • Collaborations for co-creation	Monthly, Quarterly, Bi-annually, As and when required
Associates	Employee satisfaction, Interaction with management	Conferences & workshops, publications, newsletters & reports, online portals, performance reviews, team meetings, town hall meetings, Senior Management interactions, CSR and volunteering events, recreational activities, feedback surveys, one-to-one interactions.	• UVO – The HR Chatbot • HR Flipbooks • Simulation Games for learning • Online portals • Feedback Surveys • One-to-one interactions	Daily, Weekly, Monthly, Annually, As and when Required.
Shareholders & Investors	Meeting the interests of stakeholders	Annual report, sustainability report, press releases, investor presentations, corporate website, quarterly and annual results, quarterly earnings calls, investor day.	• Annual meetings, • Submission of online queries, • One-to-one interactions, • Online portals • Feedback Surveys	Monthly, Quarterly, Bi-annually, Annually.
Academic Institutions	Industry interaction	Strategic tie-ups on innovations and capacity building of associates, to identify young talent pool	Online surveys and meetings	Bi-annual, Annually, As and When Required.
Partners & Collaborators	Maintaining the quality of products	Partner meets, workshops & training, Strategic Ongoing for development of platforms and solutions	Partner Conferences, surveys	Bi-annual, Annually, As and When Required.
Regulatory Bodies	Public advocacy	Conferences and seminars, Working Committee Meetings, Meetings, Disclosures at sustainability platforms, Conferences & Summits	Online surveys	Bi-annually, Annually, As and when required
Government & Local Bodies	Responsible corporate Governance, developmental activities	CSR programs in aspects of education & employability, Annual report, sustainability report, press releases, investor presentations, corporate website,	Meetings and interactions, personal interviews, surveys	Quarterly, Bi-annually, Annually, As and when required

		quarterly and annual results		
NGOs	Public advocacy	Conferences and seminars, Working Committee Meetings, Meetings, Disclosures at sustainability platforms, Conferences & Summits	Online surveys	Bi-annually, Annually, As and when required
Internal – External (Systems & Processes)	Sustainable systems & processes	All the internal and external supporting processes & systems, Change request & upgradation, policy changes, risks related changes	Process executions, changes & upgrades	Continuous, multiple times a day, change in policy, external environment, as and when required
Suppliers & Vendors	Satisfaction of internal customers	Supplier & vendor meets, workshops & training, policies, Strategic Ongoing for development of platforms and solutions	Vendor engagement meet	Annually
Organization Facility / Location	Safe, Secure & healthy workplace	Emission Controls, Emission Reduction initiatives & plans, New infra development plans, Upgradation plans	Employee feedbacks	Annually
Society At Large	Economic Development with environment sustenance	CSR programs in aspects of education & employability, Annual report, sustainability report, press releases, investor presentations, corporate website, quarterly and annual results	Meetings and interactions, personal interviews, surveys	Quarterly, Bi-annually, Annually, As and when required

Incorporating feedback received from Stakeholders

Continued engagement with stakeholders helps gain inputs on their perception of value creation and their expectations from Tech Mahindra. It helps us in identifying risks and opportunities to the business, and opportunities for collaboration, co-innovation and co-creation. It also helps us to identify and develop solutions that can address these risks.

Associates/ Employees
HR engagement tools at Tech Mahindra have been developed based on feedback from the associates through formal surveys. They help gauge associate needs and engagement levels and help the management learn about workplace strengths and weaknesses. Our online survey **TechM CARES** measures associate experience across key dimensions like Career Alignment, Recognition, Empowerment and Strive. The Action Planning feature after the survey enables collaborative decision-making. It influences aspects such as jobs, work environment, and the direction of the company as a whole.

Customers
The inputs, feedbacks and suggestions received from customers are incorporated in decision-making strategy development, and development of new solutions and applications. **Acumos,** which was co-created by Tech Mahindra and AT&T is an industry standard for making Artificial Intelligence applications easily accessible to any developer by building a common framework and platform for exchanging machine learning solutions. Sustainability solutions in mobility, smart grids etc have been developed in response to the sustainability and climate change mega trends which impact our customers. It has been covered in detail in the Chapter on Intellectual Capital.

Collaborations and Partnerships

In response to the evolving customer expectations and the external environment of technology disruption, TechM collaborated with a variety of partners, including Affirmed Networks, Altiostar, and Cloudify that are driving innovation in areas such as virtual RAN, virtual probes, and cloud orchestration.This has helped us tap into innovation globally. We collaborated with startups in the Silicon Valley and Tel Aviv, Israel, in the areas of Artificial Intelligence, Cloud, Blockchain, Analytics and SD Networks.

Local Communities

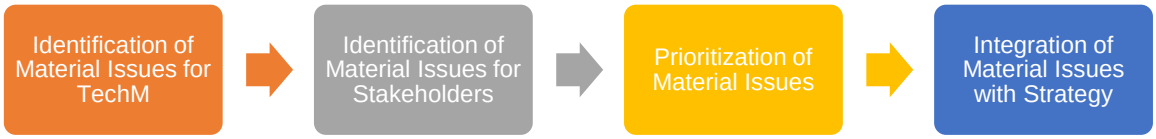
The feedback received has been used in designing relevant projects, initiatives and activities. The inputs are considered while deciding the focus of the future CSR projects and areas for action. It has been TMF's endeavor to promote quality education and employability for vulnerable sections of society through novel and collaborative partnerships with Government, NGOs and other organizations across India. Engagements at the grass-root level have enabled us to forge long-lasting relationship with society.

Material Topics

Tech Mahindra discloses matters that can substantially affect our ability to create value in the short, medium and long term. We have a structured materiality assessment processes. It enables us to focus on the things that matter. We use Materiality Assessment as a strategic business tool that enables us to take into consideration environmental, social and economic aspects while developing our business strategy. It provides us an opportunity to engage with and consider the interests of our stakeholders integrate them with our strategy and sustain a positive impact on the bottom line.

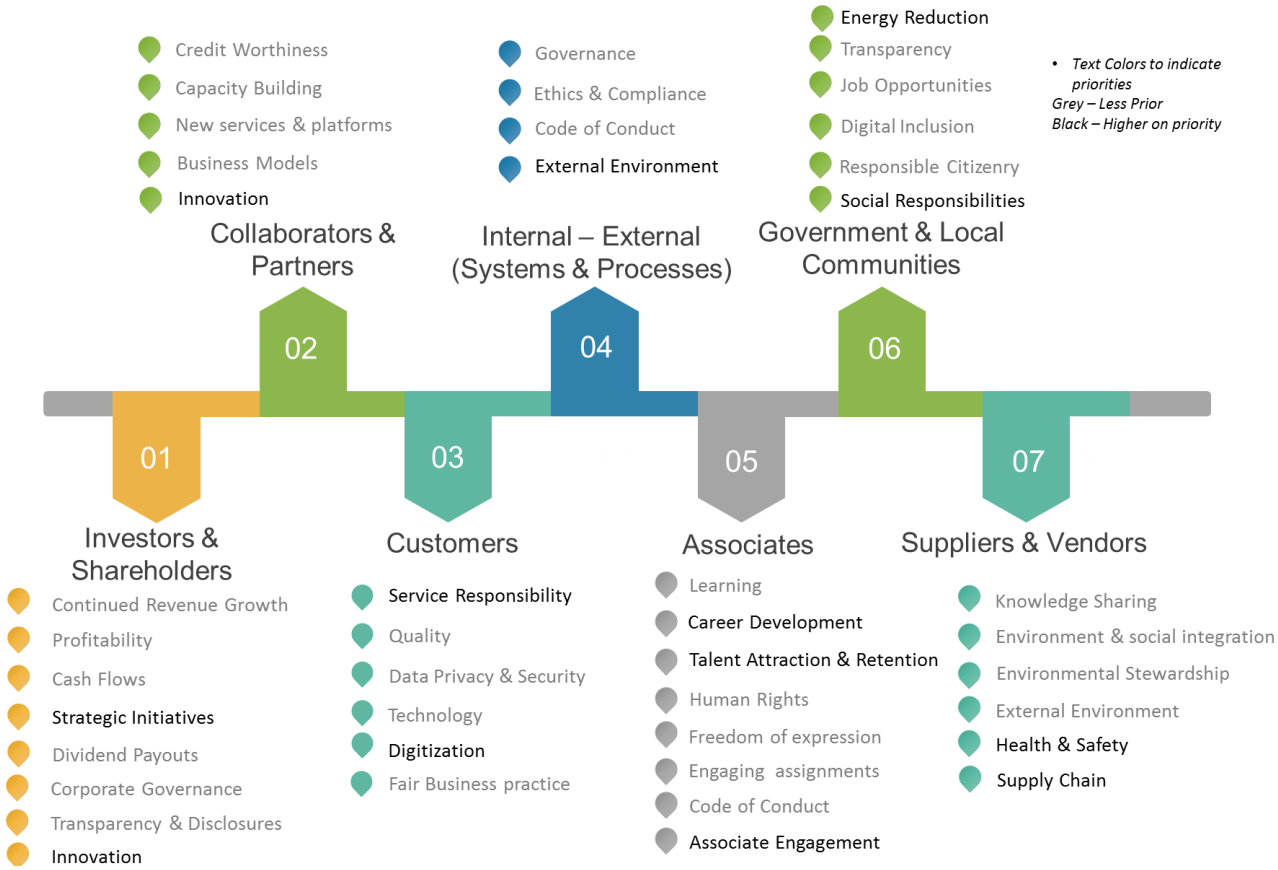
The process for identification of material matters to be disclosed was designed considering the priorities of the company as well as the interests of the stakeholders.

Materiality Assessment Process

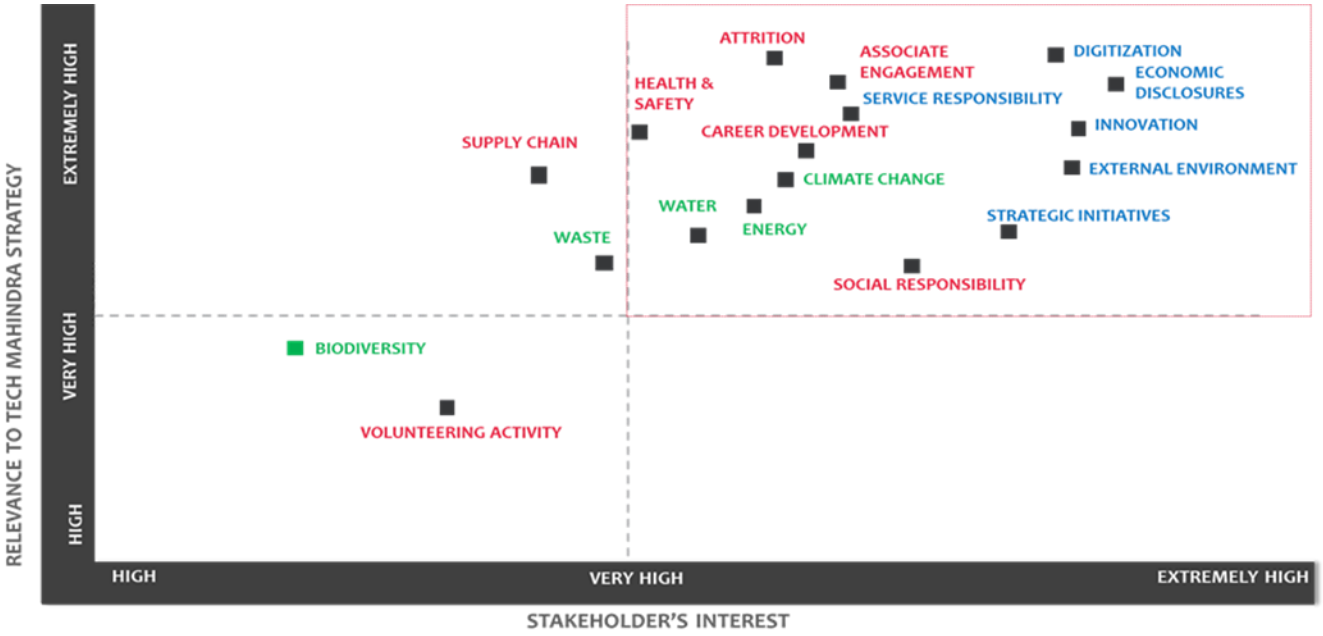


The materiality assessment started with identification & prioritization of key stakeholders and determining engagement and feedback mechanism for each group of stakeholders. Detailed interactions with various stakeholders were conducted, through focused interviews and interactions by the different functions and departments within Tech Mahindra. The feedback received through ongoing engagements is used in listing material issues from the perspective of the stakeholder.

Priorities by Stakeholder Group



Prioritization of Material Issues



MATERIALITY MATRIX

Material topics are those, which appear as high priority for the company as well as the relevant stakeholders. The material aspects were prioritized taking inputs from both internal and external stakeholders. They were then benchmarked with peer best practices as well as other public information. The material topics for the Company are in the broad spectrum of Social, Economic and Environment Management. However to align focus on Digitization that will drive the future, we have included Digitization as a new Material topic. It was earlier covered under Innovation.

We review our materiality assessment annually in line with the dynamically changing external environment and evolving stakeholder priorities. We also continually review and reassess the materiality assessment process.

Management Approach

The material topics represented in the materiality matrix have been classified broadly into areas of social, economic and environment under the heads of Human Capital, Innovation and Environment Management.

Human Capital

Employee engagement appeared as the highest priority for Tech Mahindra. As a technology firm, we rely on the right talent for business sustainability and growth by servicing customer needs. Professional and attitudinal development of the associates is a business imperative. There is a need to develop well-rounded professionals who believe in the company's core values and the Mahindra brand philosophy and have the right technical skills and an entrepreneurial, solution-oriented mindset. Associate engagement is essential for retaining such employees. The management is committed to focused career development and associate health and safety to help them achieve their potential. This also helps reduce attrition. Career development is essential for ensuring that the associates are up to speed in servicing the new technology needs of digitization, automation, machine-learning, and artificial intelligence – the solutions that make Tech Mahindra future-ready and relevant. In keeping with the Mahindra Rise philosophy, the company encourages employee volunteering. They form the key components of the Human Capital.

Innovation

Innovation, Digitization and Strategic Initiatives are an integral part of the business model and strategy. They enable us to service the changing customer needs. Digitization, Automation, Artificial Intelligence, Machine Learning, Virtual Reality, Augmented Reality and other technologies are globally being used as enablers of value - bringing efficiency in manufacturing, helping stay focused on customer centricity, managing big data, and developing solutions to help address global sustainability challenges like climate change, water stress and resource scarcity. They are a need of the future enterprises as well as governments and economy. They also help Tech Mahindra respond to the evolving technological expectations of new age customers.

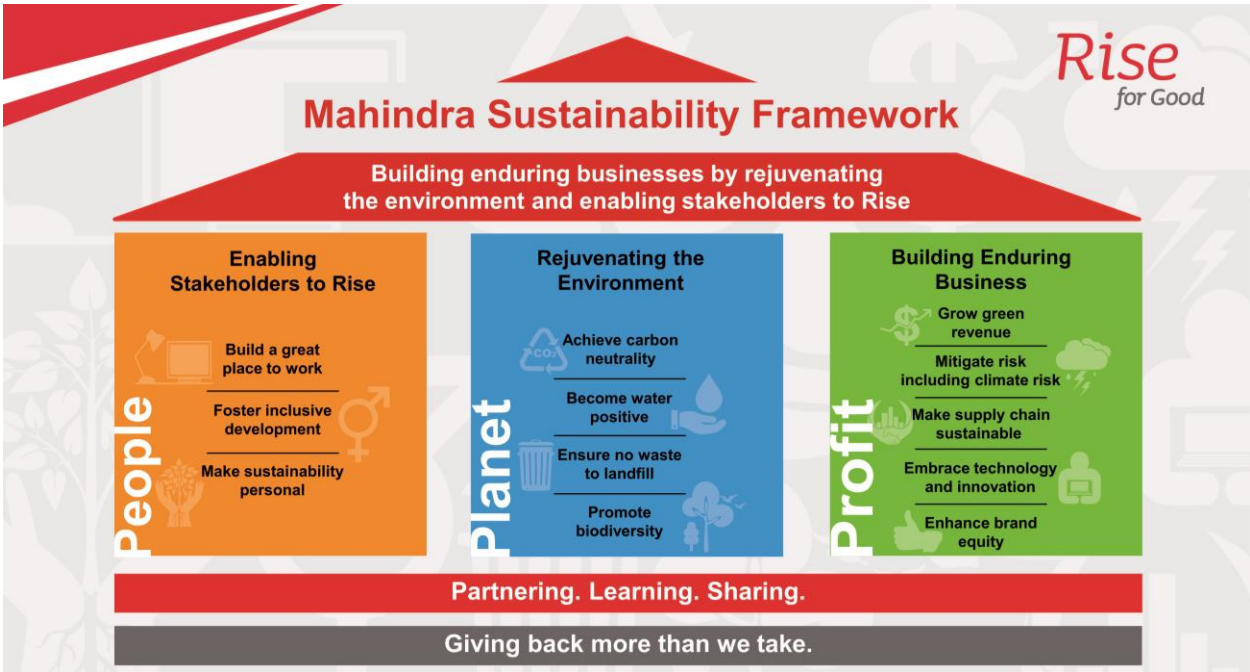
Environment Management

Proper utilization and conservation of resources is the prime objective of environmental management. Energy, waste, water, biodiversity management and climate change risk management are our key sustainability initiatives, which are material for us. The direct and indirect actions of human activities impact environment causing global warming and natural resource depletion. Energy conservation, going renewable, effective management of energy, water and waste requires global attention. Conservation of biodiversity by protecting different species, flora and fauna requires special attention. Reduce, reuse, recycle is essential to conserve energy, water and waste reducing GHG emissions and tackle climate change. We have a robust risk management mechanism with mitigation strategies for our climate change risks management.

The boundary for all material topics listed in the materiality matrix is limited to India as it constitutes the majority of the company's activities and impacts. However, the management approach is applicable to the Global Boundaries.

Driving Action - Sustainability Framework

Tech Mahindra nurtures a business philosophy of alternative thinking, strategically leveraging sustainability to our competitive advantage. This ideology of Sustainability is reflected in our rigor and strategic thinking across the organization. Connectedness with each of our stakeholders is crucial and paramount to us. The material topics are aligned with business strategy. Post identification of prioritized material topics, we reached out to different functions and departments to discuss material aspects and KPIs (Key performance indicators). The Materiality Matrix is aligned with the Mahindra Sustainability Framework.



Mahindra Sustainability Framework		Material Topics
Enabling Stakeholders to Rise	• Build a Great Place to Work • Foster Inclusive Development • Make Sustainability Personal	• Attrition • Associate Engagement • Career Development • Health and Safety • Social Responsibility • Volunteer Activity
Rejuvenating the Environment	• Achieve Carbon Neutrality • Become Water Positive • Ensure no waste to Landfill • Promote Biodiversity	• Climate Change • Energy • Water • Waste • Biodiversity
Building Enduring Business	• Grow Green Revenue • Mitigate Risks including Climate Risk • Make Supply Chain Sustainable • Embrace Technology and Innovation • Enhance Brand Equity	• External Environment • Economic Disclosures • Strategic Initiatives • Innovation • Digitization • Service Responsibility • Supply Chain

Tech Mahindra's Sustainability Roadmap

REJUVENATING THE ENVIRONMENT

Aspect	Mahindra Sustainability Framework	Target	Baseline 2015-16	Progress 2016-17	Progress 2017-18	Target 2020-2021
GHG Emissions	Achieve Carbon Neutrality	Reduction in Scope 1 -2 GHG emissions in MTCO2	114309	122697	125486.63	15%
PUE	Achieve Carbon Neutrality	Reduction in Power Usage Effectiveness of Data Centers (%)	1.76	1.78	1.79	2%
Renewable energy	Achieve Carbon Neutrality	Renewable energy as percentage of total electricity used	1.77%	2.1%	2.87%	10 %
Water	Becoming water positive	Reduction in per capita fresh water consumption kl/employee	13.73	18.28	13.16	5%
	Becoming water positive	Number of rain water harvesting units	2	4	4	6
Waste Management	Ensure no waste to landfill	Reduction in Paper Consumption	93.37 ton	86.17 ton	70.15 ton	15%
	Ensure no waste to landfill	Composting food waste at owned locations	2 locations	3 Locations	4 Locations	9 Locations

BUILDING ENDURING BUSINESS

Promote Innovation	Embrace technology and Innovation	Number of Innovation contests and events per year	18	48	68	24
	Embrace technology and Innovation	Number of ideas incubated in Labs per year	2	4	6	8
Realization of opportunities from Innovation	Embrace technology and Innovation	Revenues from Innovative Solutions (USD in Million)	40	42	110	100
Connecting with Customers	Enhance Brand equity	Customers connected	8	46	80	30
Supply Chain	Make supply chain sustainable	Number of top Suppliers to be audited yearly on Sustainability parameters	2	4	6	10
Reducing Carbon Footprint in Supply Chain	Make supply chain sustainable	Engaging with IT suppliers to estimate GHG emission from	-	1	2	5

		products manufactured for TechM				
ENABLING STAKEHOLDERS TO RISE						
Employee Engagement and Retention	Build a great place to work	Employee Engagement Score	3.7	3.78	3.76	3.9
Gender Diversity	Foster inclusive development	Women in Senior Management	8%	8.4%	7.32%	12%
Integrating Sustainability into Business	Make Sustainability Personal	Sustainability training of total associates	25%	27%	27%	100%
Talent Retention	Build a great place to work	IT Attrition rate	20%	17%	18%	17%
Learning and Development	Build a great place to work	Continuous Learning for all Associates (Hours Per Person Per Year)	40	40	39.11	40
Health & Safety	Build a great place to work	Health, Safety and Ergonomics Trainings at locations	83% (10 locations)	11 locations	100%(12 locations)	100%(12 locations)
	Build a great place to work	Telephonic and Face to face Counselling facility	58% 7 locations	8	100%(12 locations)	100% (12 locations)
CSR	Foster inclusive development	Direct & indirect beneficiaries of Tech Mahindra Foundation (Figures in Lakh)	3.85	2.50	4.90	5.39
	Foster inclusive development	TechM Foundation SMART Vocational Training centers across all locations of operations with 80% placement	75	80	100	130

Evaluation of the Management Approach

The management approach is reviewed by the CSR Committee and evaluated by Tech Mahindra Sustainability Council and is explained in detail under the **Governance Section**.

Governance

At Tech Mahindra, we have robust Governance systems, which are adaptable to the changing external environment. We adhere to the highest standards of corporate governance, ethical business conduct, transparency and accountability.

DIRECTORS ON THE BOARD - 31st MARCH, 2018

Name	Board Structure
Mr. Anand G. Mahindra	Non – executive Chairman
Mr. Anupam Puri	Independent Director
Mr. CP Gurnani	Managing Director & CEO
Mr. M. Damodaran	Independent Director
Mrs. M. Rajyalakshmi Rao	Independent Director
Mr. Ravindra Kulkarni	Independent Director
Mr. T. N. Manoharan	Independent Director
Mr. Ulhas N. Yargop	Non – executive Director
Mr. Vineet Nayyar	Non – executive Vice Chairman
Mr. V S Parthasarathy	Non – executive Director

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The governance of the company is through its various Board Level Committees, the key responsibilities of which are listed. Climate change and other material matters receive attention at the Board level through the Risk Management Committee, CSR Committee and the Stakeholder Relationship Committee. The average tenure of the Board is 9.9 years

BOARD LEVEL COMMITTEES

Audit Committee • Oversight of the Company's financial reporting process and disclosures. • Review and monitor of the auditor's independence and performance; and effectiveness of the audit process. • Evaluation of internal financial controls and risk management systems. • Review the functioning of the Whistle Blower mechanism	**Risk Management Committee** • **Review and oversight of sustainability and climate change risks**. • Review of the Capital structure and risks associated with capital. • Review of the Risk Management framework, plans and operational controls. • Review of risks with criticality and mitigation plan.	**Corporate Social Responsibility (CSR) Committee** • Formulate and recommend to the Board, a CSR policy indicating the activities. • Recommend the amount of expenditure to be incurred for the chosen activities; • Monitor the CSR Policy and activities from time to time; • **Review Sustainability initiatives of the company.**
Nomination & Remuneration Committee • Evaluation of the Board as a whole, evaluation of the Committees and peer evaluation. • Presents the summary of the evaluation reports to the respective Committees and the Board for consideration.	**Securities Allotment Committee** • Enables allotment of shares upon exercise of options under ESOP. • Allotment of securities as delegated by the Board of Directors from time to time for any specific issues of securities.	**Investment Committee** • Consideration and approval of investment proposals, approving loans and Corporate Guarantees within the limits delegated by the Board of Directors in compliance with the provisions of the Companies Act, 2013.

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Stakeholder Relationship Committee

- Redressing shareholders complaints and queries.
- Strengthening investor relations.
- Monitoring and reviewing the performance and service standards of the Registrar and Transfer Agents (RTA) and provides guidance to improve service levels for investors.
- Monitoring and reviewing investor complaints and ensure their timely and speedy resolution.
- Formulate policies and procedures in line with the statutory and regulatory requirements to ensure speedy disposal of various requests received from security holders/other stakeholders from time to time.
- **Review Company's responsibilities towards meeting environment, health and safety obligations of all stakeholders.**
- Review reports on employee, vendor and customer satisfaction surveys.
- Review complaints/queries received from stakeholders' - vendors, suppliers, service providers and customers.
- Obtain professional advice and assistance from Company's external legal advisors and accountants and also internal resources.

Oversee the Investor relations function in the Company and suggest appropriate means to strengthen Investor relations of the Company.

Risk Management Committee - Management of Climate Change & Sustainability Risks

Climate Change Risks like business disruption, changing regulatory landscape and acute physical stress are identified and prioritized by the Enterprise Risk Management Council. They are reported each quarter to the Risk Management Committee and presented to the Board of Directors. Each quarter, risks and opportunities associated with climate changes are reviewed by the Risk Management Committee at the Board Level. Climate change risks are managed by taking Science Based Targets; assigning a Carbon Pricing mechanism and other organization level initiatives like carpooling, green procurement and making sustainability personal.

Cyber security risks are growing, both in prevalence and in their disruptive potential. With the proliferation of technology in day-to-day life and business, data security and data privacy become paramount. Tech Mahindra has collaborated with the state government of Andhra Pradesh to establish country's first Cyber Security Operations Centre (APCSOC) in the city of Vijayawada. The establishment of APCSOC is a manifestation of Tech Mahindra's strategy to deliver excellence and value in the cybersecurity space, as part of the TechMNxt charter.

CSR Committee - Governance of Sustainability & Climate Change

The CSR Committee is responsible for formulating the Sustainability and CSR vision and strategy and reviewing Sustainability & Climate Change strategy and performance. It is reviewed each quarter at the Board Level. The CSR Committee comprises of Board members who looks into Sustainability and CSR strategies and initiatives. Vineet Nayyar, Non-Executive Vice-Chairman, is the Chairman of the CSR Committee. Ms. M. Rajyalakshmi Rao and Mr. Ulhas Yargop are the members of the Committee.

To ensure creation of defined and measurable results from our green initiatives, we have charted a sustainability roadmap. The defined goals and targets are distributed across the management, function & department heads and the employees. The performance of relevant personnel is linked to their Balance Score Cards (used to measure performance) and KRAs. Climate Change is aligned to the balanced score cards of the '*CEO & MD'* and senior leaders of the organization.

Tech Mahindra Sustainability Council

The Tech Mahindra Sustainability Council has a direct reporting to the Corporate Social Responsibility (CSR) Committee. The Council is responsible for monitoring, reviewing and approving the Sustainability and Climate Change Strategy, Roadmap and Initiatives. It also reviews key risks and overall performance and provides vital insights on integrating risks with strategy.

The Sustainability Council comprises of the key department heads like Finance, Human Resources, Corporate Services, Legal Services and Sustainability & Customer Centricity and meets every quarter to review progress. Mr. Sandeep Chandna, the Chief Sustainability Officer, is responsible for driving integrated sustainability thinking across the organization. Tech Mahindra Sustainability Council also consults with the Mahindra Group Sustainability Council which comprise of TechM Board member Ulhas Yargop and the Mahindra Group Sustainability Head.

Composition of TechM Sustainability Council

Departments and Designation	*Name*
Chief Financial Officer (CFO)	Mr. Milind Kulkarni
Deputy CFO	Mr. Manoj Bhat
Chief People Officer	Mr. Rakesh Soni
Chief Sustainability Officer	Mr. Sandeep Chandna
Head of Corporate Services	Mr. Shivanand Raja
Head of Legal Services	Mr. Atanu Sarkar

Sustainability is governed by and driven across the Organization through the Sustainability Policy. It provides guidance on impacts, risks and opportunities in the context of value creation.

Tech Mahindra Corporate Sustainability Cell

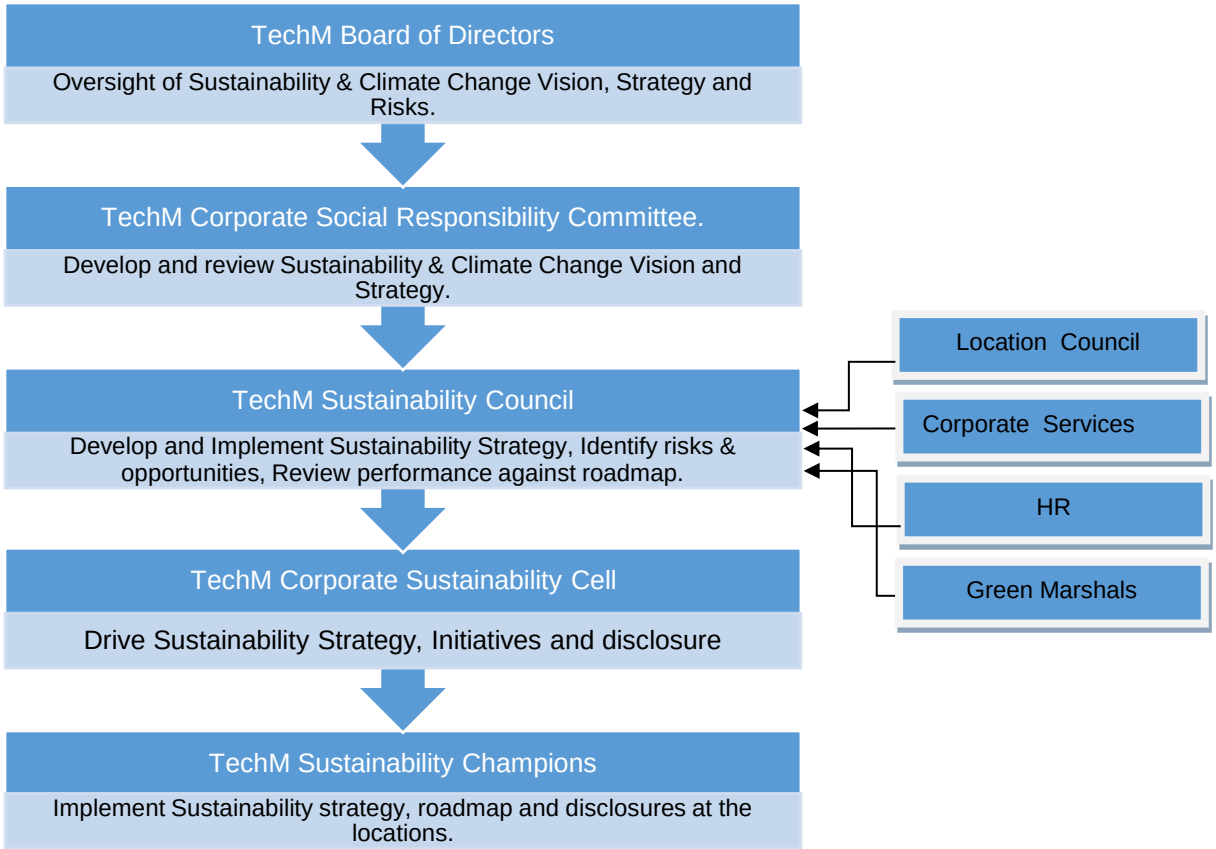
The day-to-day responsibilities of the Sustainability council are carried out by the Tech Mahindra Corporate Sustainability Cell. The Cell works in collaboration with the Location Councils.

Sustainability Champions

Each location council has a Sustainability Champion who oversees the implementation, monitoring and review of the Climate Change and Sustainability Reporting, implementation of strategy and initiatives, environmental compliance and management of sustainability related risks.

The Corporate Services and Human Resources functions work in coordination with the Sustainability Council in integrating sustainability with business. The departments collaborate and support the TechM Sustainability Cell in driving sustainability, and managing non-financial disclosures. The environmental reporting data is monitored by the Sustainability Champions every month and reviewed by the Corporate Sustainability Cell every quarter. The data for environmental reporting is reviewed by the Sustainability Council every 6 months.

GOVERNANCE STRUCTURE - SUSTAINABILITY AND CLIMATE CHANGE



Governance Policies

Code of Ethical Business Conduct

All the Directors and Senior Managerial Personnel have affirmed compliance with the Code of Ethical Business Conduct (CEBC) as approved and adopted by the Board of Directors and a declaration to that effect is signed by the Managing Director. The CEBC training programs & certifications are mandatory for all associates. It aims to appraise employees on various fundamental risks related to corruption, bribery, conduct and also details mechanisms to report any such cases to the corporate ombudsman. The CEBC Policy can be accessed here.

Non-Alliance with Political Parties

Tech Mahindra as a company complies with the applicable laws and the governance systems of the country in which it operates. The company does not campaign for, support or offer any funds or property as a donation or otherwise to any political part of any independent candidate for the political office. The company strives to preclude any activity or conduct which could be interpreted as a favor to and from any political party or person.
The company does not make contributions to political parties to influence any decision or gain a business advantage. The company makes donations that are legal and ethical under local laws and practices.

Whistle Blower Policy

The Whistle Blower Policy encourages employees to report any instance of unethical behavior, fraud, violation of the Company's Code of Ethical Business Conduct (CEBC) or any behavior, which may otherwise be inappropriate and harmful to the Company. The policy is communicated to all employees and is available on company website here. An ombudsman has been appointed along with dedicated a telephone line to enable employees to raise their concern and report cases. The Whistleblower policy can be accessed here.

Policy on Prevention of Sexual Harassment (POSH)

Tech Mahindra has zero tolerance on sexual harassment at workplace. There is a policy on Prevention of Sexual Harassment (POSH) in place which is routinely communicated through mailers and town hall meetings. The policy is strictly enforced and associates are encouraged to report all such issues which are investigated thoroughly and confidentially. The policy is available on our public website here.

Our Code of Ethical Business Conduct (CEBC) and the policy on Prevention of Sexual Harassment (POSH) aim to reinforce our commitment to ethics, good governance, values and acceptable standards of corporate behaviors within our Organization and with all our stakeholders.
To ensure a 100% completion of this organization level mandate, we are also enhancing the module by automating a few features, making it more stringent. Associates who do not complete the mandate in a timely manner are asked to leave the organization.

Human Rights

Tech Mahindra follows the International Human Rights norms and National Labour laws that protect and empower all associates within Tech Mahindra's scope of control and influence. All, who produce products or provide services for Tech Mahindra, including associates employed by Tech Mahindra itself, as well as by its suppliers/subcontractors, and sub-suppliers are included in the scope of these norms and policies. Tech Mahindra policies ensures non-employment of Child Labour, Forced and Compulsory Labour, promotes Health and Safety, Freedom of Association & Right to Collective Bargaining and non- discrimination on the basis of caste, gender etc. within the company.

Risks and Opportunities

Tech Mahindra has a robust process for identification, measurement and management of risks that includes financial as well as other risks like climate change, cyber security etc. The risks identified are reported to the Board Members, the Leadership Team and all other relevant stakeholders periodically along with management plans and strategy. Reporting these risks helps us to integrate them into management decision making and ensure business continuity. It also provides opportunities for improvement; internal innovation; and development of new solutions, which gives us a competitive advantage.

"*While conventional risks could easily be identified, isolated and managed through a structured risk management approach, climate change risks are propelling companies to take a more holistic approach. There is a call to mainstream these risks into materiality and performance indicators that receive board oversight, monitoring and review. Tech Mahindra is gearing up to identify and manage these risks through early stage identification, management and communication*."

Sunil Sanger,
Chief Risk Officer, Chief Internal Auditor & Corporate Ombudsman, Data Protection Officer

Risk Management Approach

Tech Mahindra has a defined Enterprise Risk Management (ERM) Process in place (detailed in the Annual Report 2017-18). Risk Management is driven by the ERM Council, which is headed by the Chief Risk Officer and represented by the Heads of all Business functions. ERM Council reports to the Risk Management Committee at the Board Level enabling Board's awareness of all risks that directly or indirectly have the potential to impact Tech Mahindra's Business, Brand and Reputation.

As a Technology Company, we ensure the highest order of data privacy and protection as an integral part of our business. Sunil Sanger is the Data Protection Officer is formally responsible for data privacy and he directly reports to Vineet Nayyar, Vice Chairman and Board Member of Tech Mahindra. (The reporting is changed to CP Gurnani, MD and CEO since April 2018)

Risk Management

Risk Identification	Monthly identification and reporting to the ERM Function
Risk Assessment	By using tools like SWOT Analysis; event/decision tree analysis and assessment of probability and magnitude of impact.
Risk Response	Business Continuity and Disaster Recovery and Response Planning and use of response strategies.
Opportunities	Identification of opportunities and integration into strategy for providing future business outlook.

The approach to risk management is that of early stage identification, communication and management. Risk management includes focused actions like strengthening operational controls; deploying and updating business continuity and disaster recovery; developing business resilience; driving internal awareness and identifying business opportunities.
All business functions have designated Risk Officers who collect inputs on a monthly basis for updating the risk register. The identified risks are assessed on the basis of outcomes, probability and magnitude of impacts. Tools like SWOT (Strength, Weakness, Opportunities, and Threat) Analysis, Event/decision Tree Analysis, Scenario Analysis, Delphi Technique, Cause and Effect Diagram and Failure Mode Effect Analysis (FMEA) are used to assess the risks. These

techniques allow early stage prediction of different scenarios and its probable impact on Tech Mahindra's Business Continuity and Growth.

We have used IEA 2DS scenario analysis to create sustainability strategies, assess risks for our business and utilize opportunities arising from climate change. We use macro-economic variables, price of key commodities and our green investments as other variables for scenario analysis of the entire value chain (inputs, operations & markets) and supporting multiple client operations globally. For analysis we have taken long term as FY 2050, since technology services markets are evolutionary.

We also consider TCFD recommendations by taking into account, past and future estimated analysis while considering the potential financial impacts of climate change.

We have deployed the Business Continuity Plan based on the risks identified. Risks, impacts and strategies are reported to the Board each quarter and are set out in the Management Discussion and Analysis Report.

Risks and Opportunities Arising From Climate Change

Climate Change Risks are identified as a part of the ERM process. The criteria used to prioritize risks associated with climate change are:

- Quantum of impact on operations, changes in regulations, locations of our operations
- Scope of impact - regulatory impact, cost impact and stakeholder concern.
- Time and resources required for implementing changes.
- Potential return on sustainable investments.

Identification of opportunities is embedded within business verticals and solutions groups which have a direct interaction with the customers. The opportunities identified are benchmarked with industry during regular meetings with Chief Technology Officer, Chief Operating Officer and Head of Innovation Management Cell. Opportunities identified are prioritized based on the following parameters. This helps provide impetus to overall sustainable business growth.

- R&D Initiatives applicability to business verticals.
- Market Relevance and competition of the project.
- Applicability to overall business strategy.
- Feasibility of a business case for solutions related to climate change
- Size of opportunity.
- Budgeting aspects of R&D projects.
- Milestones achieved on R&D Projects.
- Customer demand for IT-based Solutions for energy management and climate change.

Risk Spectrums

Tech Mahindra's risk management process allows identification, mitigation and management across the broad spectrum of Current and Emerging Regulatory Risks; Financial Risks; Upstream and Downstream Risks; Market Risks; Technology Risks; Policy and Legal Risks and Chronic Risks.

Acute Physical Risk

Increased severity of extreme weather events such as cyclones and floods can hamper our operations by flooding our campuses, damaging our assets like data centers, impacting network & electricity cables and disrupting regular work. This will negatively impact our business continuity thereby reducing our capacity to deliver our services. The safety of the employees will also be threatened and compromised. This has cost implications because of loss of assets, work continuity and timely service delivery reducing revenues. Recovery would require additional investments.

Response Strategy

The Business Continuity Planning (BCP) exercise is an ongoing process of risk assessment (including environmental risks) and mitigation measures. In order to ensure a level of readiness to maintain the continuity of its critical business and services to customers, Tech Mahindra has put together a Business Continuity Management framework, which encompasses its key functions, projects and systems.

Tech Mahindra has made sustained investments in developing and implementing an effective business contingency plan, along with mitigation measures for recovery of IT infrastructure and operations, in the event of a disaster. Example: Along with the preparation of BCP and DR plans, regular disaster recovery trials and mock drills are carried out across all customer projects. Backup copies of essential business data and software are taken regularly and stored offsite. We have an Environment policy in place, which extends to all our offices and reiterates the strategy for environmental protection. Our employees can work from home and the company provides cab/shuttle services for their commutation to get rid of transport difficulties. The company also provides free medical facilities on campus. Better workforce

management and planning helps us prevent negative impacts of workforce like health, safety, absenteeism and thus help in reducing our operation/Business losses. We have insurance for assets/locations.

Chronic Physical

Precipitation Patterns

Precipitation patterns are changing within the Indian Sub-continent. Due to dynamic change in weather conditions, areas where heavy rainfall was observed traditionally, is seeing reduced precipitation while some of the drought prone areas have delayed monsoon. Heavy industrialization, forest destruction, green cover destruction is also leading to less rainfall and reduced water retention ability of soil. Decreased rainfall and drying up of rivers and other water bodies will result in water scarcity, directly affecting operations. Projected water stress and seasonal supply variability will lead to higher purchase prices of commercial water leading to higher operating costs. Our facilities, which are located in coastal areas, can be affected by sea level rise. It can threaten the safety of the associates; our assets and operations.

Response Strategy

We recycle water, carry out rainwater harvesting to reduce dependence on fresh water, and have installed water sensors to reduce water consumption. We carry out greater due diligence likewater quality checks for incoming water. For Sea Level rise, the change may not happen in the short term, it may take long-term cumulative changes to sea level. We review our risks in every 3 months and take appropriate decisions to reduce the impact like relocating operations at suitable distances, or cities.

Upstream

Dynamic weather changes:

Due to dynamic changes in weather conditions, areas with heavy rainfall traditionally, is seeing reduced rainfall, while some of the drought-prone areas have delayed monsoon. Precipitation often occurs in extremes, and may cause floods and outbreak of diseases. This affects the day-to-day life of our associates who find it difficult to commute and could be prone to new and modified diseases, which are difficult to combat with the current inadequate immunity profiles. All this can affect our employees' health and in turn affect the business

Response Strategy:

In order to ensure a level of readiness to maintain the continuity of its critical business and services to customers, Tech Mahindra has made multiple programs for employee's health and safety. Our buildings are certified and we have a doctor on call with basic health amenities available for employees within the campus. In case travel and commute is not possible due to some disruption, there is a provision of guesthouses in some of our campuses. Yoga and vaccination camps arranged within offices to alleviate any harmful impacts of pollution and other diseases and help health management

Downstream

Sea Level Rise:

Rising sea levels due to an increase in temperature or due to some catastrophic event at sea or climate, can impair our service delivery and operations. We have inter-continental networks spread through sea cables. Some of the premises globally have dedicated peer-to-peer network cables. Any physical damage of cables can result in connectivity being lost across locations, customers, Tech Mahindra facilities and employees. This can hamper our service delivery and operations and impact customer's operations continuity.

Response Strategy:

In order to ensure a level of readiness and maintain the continuity of its critical business and services to customers, Tech Mahindra has made sustained investments in developing and implementing an effective business contingency plan, along with mitigation measures for recovery of IT infrastructure and operations, in the event of a disaster. Along with the preparation of BCP and DR plans, regular disaster recovery trials and mock drills are carried out across all customer projects.

Current and Emerging Regulation

Carbon Tax Impacting the Bottom Line

Increased pricing of GHG emissions due to current regulatory policies is a potential risk. India has a clean energy tax. It is a form of carbon tax paid as excise duty under section 83 (3) of the Finance Act, 2010 on Coal, Lignite and Peat. India has cut subsidies and increased taxes on fossil fuels (petrol and diesel) turning a carbon subsidy regime into one of carbon taxation by putting an effective price on emissions. This has significantly increased petrol and diesel price to dis-incentivize CO2 emissions. The Carbon Tax will have a direct impact on Tech Mahindra's bottom line.

Renewable Energy Mandate

The Draft National Energy Policy published in June 2017 by NITI Aayog (National Institute for Transforming India) forecasts the share of renewable energy capacity to move above 60% by 2040 and the electricity generation from solar and wind in electricity mix to increase in near future. We foresee a renewable energy regulation on all industries including Tech Mahindra in the short term.

Mandates and Regulation on Products and Services

India has implemented a Perform - Achieve and Trade regime for 8 energy-intensive sectors - cement, iron & steel, fertilizer, aluminums, pulp and paper, thermal power, alkali manufacturing plants, textile and thermal plants under the 'National Mission on Enhanced Energy Efficiency'. The Second phase was rolled out from 2016-2019 to new sectors and new customers. A Third phase is also planned and it may extend to industries like IT industry. We foresee this as a risk in the medium term.

Response Strategy:

We have been taking steps to move towards energy from renewal sources by installing solar panels across 7 facilities and usage of windmills. We are further investing in solar energy across 4 more locations and thereby reducing the higher cost impact from clean energy tax. We have taken targets in our roadmap for reducing our energy intensity and GHG emissions and increasing the percentage of solar energy. We are using energy efficient systems like Motion Sensors, LEDS, HVAC equipment and Natural Cooling Systems for Data centers to reduce electricity use and GHG emissions. We are also committed to increasing our energy consumption from solar, wind and other renewable energy sources. We are also constantly working on reducing employee travels, sharing cars and ride options, optimizing transportation and logistics, and reducing business travel for reducing our energy intensity.

Technology Risk

Cost to transition to lower emissions:

We are using technology to support our facilities' operations, ACs, data centers, laptops & computers which are used as modes of work and for operations management. Technology is ever evolving and there are always new R&D, evolution to new age devices with improved energy intake and utilization. As the organization adapts to new technology, this can have severe cost impacts and lead to Transition risk of "Costs to transition to lower emissions technology" risk that leads to phasing-out and replacement of existing assets used across the organization. This type of risk applies to the usage of our data centers, desktops, laptops and ACs etc.

Response Strategy

We are replacing our existing data centers with more efficient HVAC containment, airflow reduction systems, utilizing natural cooling techniques wherever possible, using LED lighting and adiabatic cooling and investing in Renewable Energy in a phased manner across 7 of our facilities. This reduces the risk of higher cost implication in one go. Tech Mahindra has considered this risk and has started replacing CFL lamps with LEDs, High definition parking lamps with Solar lights, and usage of more energy efficient equipment.

Legal Risk

Measuring Air quality:

The risk of Litigation on maintaining air quality for environmental protection has become one of the major legal risks. The Air Act in coordination with the EPA provides the prevention, control and regulation of air quality in India and requires consent to establish for organizations across all its facilities. Legal cases filed due to failure of organizations to mitigate impacts of climate change, failure to adapt to climate change, and the insufficiency of disclosure around material financial risks are also a possibility that we focus on.

Response Strategy:

Tech Mahindra has already taken this risk in consideration and measures air quality through performing multiple checks at stack (DG sets) and ambient and which is kept under control through various sustainability initiatives and within limits of our Consent to operate given by the Pollution Control Board. We also ensure compliance through regular monitoring and reporting according to GRI standard guidelines.

We are also fully aware of climate change issues and ensure that we mitigate them on priority basis through various initiatives and green technologies.

Market Risk

Changing customer preferences:
Consumers are increasingly choosing to work with suppliers of products &services from environmentally sustainable organizations. Many companies now prefer to do business with only those companies, which are environment conscious and are taking adequate steps to reduce their negative environmental impacts.
Response Strategy
Our Sustainability Council ensures that we have a focused approach towards sustainability and ensure that our sustainability measures reflect in our actions. We publish our CSR & Sustainability initiatives in our Annual reports, Sustainability reports and on our website. We are compliant with the law of the land &make sustained efforts towards green business. We conduct Customer Satisfaction surveys, Employee Engagement surveys and interactive supplier workshops to have two-way engagements with stakeholders focused on sustainability.

Reputation Risk

Increased stakeholder concern:
Given the impact of climate change on various aspects of life, businesses are increasingly adopting policies and actions towards reducing their environmental impacts and imbibing sustainability within the operations. Companies across industries have included climate change in the overall business strategies. We see this trend becoming stronger in the coming years. Companies who are already taking initiatives to reduce the environmental impacts are having a positive edge as compared to competitors who are not. Tech Mahindra has been taking various steps in this regard. However, the company still considers a risk to reputation in case it is not able to comply with any regulation.
Response Strategy:
Our Sustainability Council ensures that we have a focused approach towards sustainability and plugin any potential loss due to customer churn rate. We also ensure that our sustainability measures reflect in our actions. We publish our CSR and Sustainability initiatives in our Annual reports, Integrated reports and on our website. We are compliant with the law of land and make sustained efforts into green business. We conduct Customer Satisfaction surveys, Employee Engagement surveys and interactive supplier workshops to have two-way engagements with stakeholders focused on sustainability.

Physical Water Risk

Pollution:
Tech Mahindra is service industry and people are the most important assets for our Business continuity. Pollution of rivers pose significant threats to human health and the environment. Severely polluted with human waste and industrial contaminants, this water pollution can seriously affect the health of our employees.
Response Strategy:
Tech Mahindra conducts pollution checks for incoming water supply to avoid disruption in operations due to employee sickness. Regular water tests are conducted considering various parameters by the corporate service teams.

Increased Water Stress:
90% waste water goes back to the rivers and don't meet environment norms. Industrial demand of water is more in these areas. Water stress is the biggest problem. Erratic rains and drought conditions are increasing the water stress. We foresee a water availability risk in the future.
Response Strategy:
Tech Mahindra is reducing this water stress by installation of STPs and Rain Water Harvesting systems to reduce fresh water withdrawal. We see an opportunity to reduce costs incurred in purchasing water; also dependency on fresh water sources that is threatened by over utilization and climate change through Water recycling. We recognize the need to report quantifiable water metrics and targets as they relate to our environmental impact. We implement various sustainability initiatives like:

- Use of recycled water through STP to reduce fresh water withdrawal.
- GE membrane installed in STP area as part of technological innovation to increase water being recycled.
- Charging of ground through Rain Water Harvesting systems
- Installation of efficient water coolers at new locations reducing any loss/wastage of water.
- Installation of water sensors and restrictors to increase water usage efficiency.

Regulatory Water Risk

Regulation on River Basin Management:
Due to Limited or no river basin/catchment management, the region will have stringent water policies in place. We foresee a scenario in the medium to long term in which key industries near river basins may be expected to take on initiatives for river basin management. This may put TechM at a risk on terms of reputation and liability.

Response Strategy:
Tech Mahindra commits to proactively address water sustainability issues by implementing the Water Policy, which will serve as a directive for establishing Water Management strategies, systems, processes, practices and research initiatives keeping in view sustainability aspect to:

- Comply with legal requirements,
- Minimize its water footprint
- Maintain desired water quality during processes and discharges, if any.

Alignment of public policies with internal water stewardship goals will help in management of our operations from that location efficiently. Tech M has robust Water Management System to optimize specific water consumption at Tech M premises. The Water management system shall ensure:

- Right quality of water at every point of use, with zero deviation.
- Effective operation of all the equipment is used for treating water.
- Break down water consumption for all processes individually and benchmark the same internally with other plants and outside
- Regularly review the quality and availability of water

Opportunities

Resource Efficiency

Reduced operating cost
There is a possibility of delay in monsoons in the coming years. With this, there is a possibility of increasing water scarcity. We completely recycle our water within our major campus and have water-harvesting plants. In case of change in precipitation patterns, we are resilient to any adverse effect due to our water recycling policies and systems. Since we have already implemented water-conserving measures, we see an opportunity to reduce our operational costs as well as too much dependency on the fresh water.
Response Strategy:
Water scarcity is a growing problem, which requires global attention and action. We foresee increased costs in purchasing fresh water with the growth of our business operations, risk of loss in potential Brand value of the organization and loss in revenue if we do not establish a robust Water Management Strategy and plan. At Tech Mahindra, we believe in the sustainable management of the water resources we use across our operations. To support this, we are focused on increasing our understanding of water-related risks and impacts to our business and to the communities we serve, setting meaningful goals, improving our water efficiency, and advancing innovative solutions to water challenges. We make our efforts transparent by disclosing our annual water use, our water-related risks and governance of water through our annual integrated reports. Tech Mahindra addresses water sustainability issues by implementing Water Policy with Water Management strategies, systems, processes & practices.

Product and Services

Shift in Consumer preference.
There is a global effort to reduce dependency on fossil fuels and move towards sustainable productions and consumption patterns. Consumers are becoming increasingly aware of climate change and other socio-environmental challenges that the world is facing. This increased awareness is influencing their buying decisions as well. In our aspiration to create value for all the stakeholders, we are developing platforms and solutions that help address global challenges. Tech Mahindra has put together a strategy that enables our customers to achieve their sustainability goals and objectives. Whether it is green IT or technology based solutions that enable sustainable business practices or green engineering solutions, we are strategically positioned to enable our customers reach and exceed their sustainability goals.
Please refer for various solutions and case studies:
https://www.techmahindra.com/services/NextGenSolutions/green_and_sustainability_solutions/default.aspx
Response Strategy:
Our overall business strategy growth is largely due to solutions such as SMART Grid, Micro Grid as a Service, Intelligent Electrical Vehicle Charging System (IEVCS), Community Action Platform for Energy (CAPE), Energy Management, Green Data Centers and Cloud based services, which help reduce carbon footprints and achieve Sustainability goals for our customers. Some of the other solutions include Smart Energy Management, Smart Street Lighting, Smart Automated Meter Reading, Smart Bins, Integrated Command and Control Centre etc. Our total cost spends on R & D of these innovations and management.

Building Carbon Resilience

Increased revenue through diversification:

De-carbonizing our business makes financial sense. Carbon reduction pathways are no different from our business pathways. In the emerging climate risk scenarios, Tech Mahindra is striving to move towards a Low Carbon future. Our performance is demonstrated by the external recognitions we have received in the form of awards. We made it on various forums and indices like CDP Climate Change, CDP Supply Chain, DJSI, EcoVadis, OEKOM, FTSE etc. There is a lot of potential to diversify our portfolio and provide consulting with a nominal price charged for our Suppliers. While working to steadily reduce the carbon footprint from our own activities and operations, we hope to play an enabling role in assisting our value chain partners – our customers, suppliers and vendors – in transitioning towards low carbon development and growth and report them through various forums.

Response Strategy:

Tech Mahindra has played a significant role in area of sustainability and established itself as a leader in this space. Tech Mahindra is already into forming integrated report with CDSB framework, conducting assessments and audits for suppliers, taking capacity-building workshops to improve in this space. We have also implemented Carbon Pricing to abate GHG emissions and invested in various Sustainability projects like increased Renewable Energy sourcing, energy efficiency, LEED certifications, environmental management systems, Green building certifications and creating awareness amongst our employees, customers and suppliers. Associates are part of our program called 'Making Sustainability Personal' and are part of various events, seminars, and activities which advocate and bring awareness on protecting environment. Tech Mahindra's strategy FutuRise has a strategic focus on increasing climate change and sustainability linked solutions.

External Environment

In the last decade, there has been a significant increase in the rate of change in the external environment. Companies are required to align their strategies and business models with the changing external environment and risks. Tech Mahindra is deploying various strategic initiatives, forming strategic collaborations & partnerships with academia and industry, acquiring new age start-ups and building internal competencies of the associates through Maker's Labs and other innovation and learning tools. The boundary of the external environment extends to Tech Mahindra's Global Boundaries within the organization, its customers, collaborators & partners and academia.

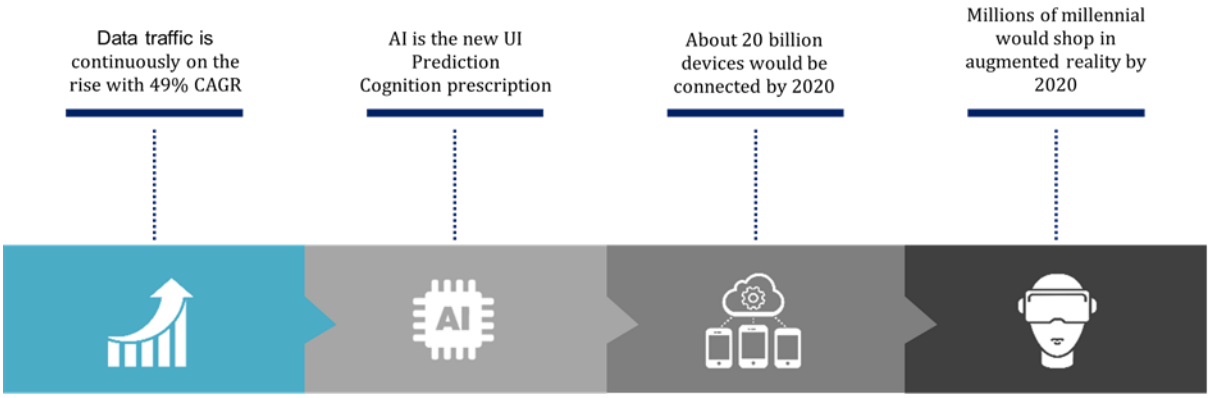
Mega trends disrupting the Industry

Neo Nationalism on the Rise	**"Peak Stuff" Consumerism**	**Global Labour Market Tipping Point**
Anti globalization and protectionism. Brexit & Trump election are examples.	Consumer spend on experiences is rising.	A stagnant global workforce – flattening due to the aging of the global population.

Market Diversification	**Cyber Risk, Climate Risk**
Firms are diversifying to hedge risks and the business buyers are changing.	Key global risks that can create scenarios from business disruption to collapse.

These global trends are greatly impacting businesses. As a Technology company, Tech Mahindra's business and risk response strategy is aligned to respond to these changing external environmental factors.

Technology Trends impacting the Business



Industries moving towards Digitization

Majority of the industries including telecom, BFSI, utilities, and retail are at severe crossroads and at the cusp of digital transformation. Communication service providers are facing new competitive challenges and opportunities due to the convergence and the changing digital landscape. Digitization and changing consumer behaviour have resulted in tremendous growth in IP traffic, which has eventually brought in a sense of urgency among infrastructure and network service providers to pursue different, yet novel, ways to reinvent their networks while striking a balance between the cost of operation and the quality of operation.

Network of things to become Crucial

Enterprises deploying IoT will look for IoT-specialized technology and solution providers to deal with challenges arising from connecting thousands of devices, data overload, interoperability, security and eventually managing the entire network of things. As the emphasis is on leveraging real-time data and providing immersive customer experience, establishing such a network will become crucial than ever before.

FutuRise – Strategy for Value Creation

Disruptive changes across industries and geographies are impacting what and how we meet the expectations of all our stakeholders – Investors, Customers, Associates & Society.

FUTURise is our clarion call to be relevant for all our stakeholders. It applies to both the organization and associate.

- To transform and ensure we are relevant , adding value to our clients
- To instil innovation and entrepreneurial spirit
- To Lead the change and differentiate from peers
- To future-proof the Organization and associates

We at Tech Mahindra are committed to bridging the gap between today's capabilities and tomorrow's possibilities. TechMNxt is a global program that is designed to explore newer technologies and business models that provide the highest impact for our customers and help enable our long-term growth in collaboration with start-ups and academia.

It is not about creating platforms but creating the Future of Enterprise, Future of Network, Future of software and Future of customer experience and how we will work with the ecosystem of new age companies, ecosystem of existing and strong partners to build in partnership, an ecosystem which could continue to help us become more integral to our 1,000 customers.

We call this "Collaborative Disruption"

Jagdish Mitra
Chief Strategy and Marketing Manager

Our Strategic focus:
3 mega trends - Explosion of connected devices, Power of new technologies and Exponentiality of content consumption led us to identify Iot, Networks of the future, Digital Customer experience & Software Transformation as the 4 Big Bets that TechM will focus on.

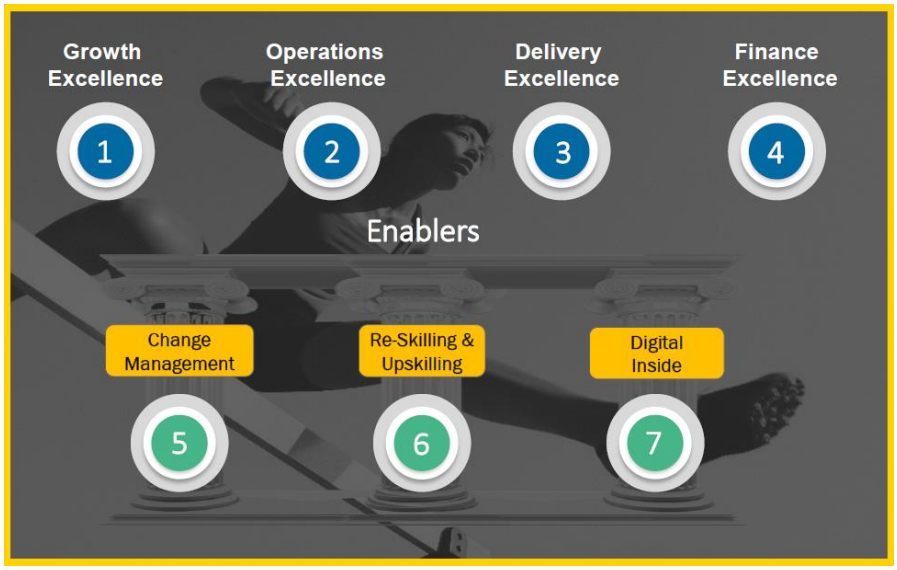
Our Organization Design
Independent verticals with end-to-end responsibility ensure autonomy, independence, entrepreneurship, agility and complete understanding of the customer.

Our Value Addition
Continuing to invest and innovate for our customers as well as ensure that we have the business models & platforms to help catapult us into the next league.

Our Focused Execution & Operations
Transformation program Zenith will help us have the required efficiencies to deliver and execute better.

Wave 1	Wave 2	Wave 3	Wave 4
Run at higher efficiency (Automation and AI Inside)	**High Potential + High Growth Businesses**	**New Business Models**	**Maximizing synergy benefits**
Transforming the existing business	Enabling a High Growth of Digital Technologies Business through collaboration among Competencies, Verticals and Strategic Business Units	Strategic Investments in Silicon Valley, Leveraging TechM as sales Channel Providing Value to Tech Mahindra Customers	Mergers and acquisitions
Zenith Program • Customer Value Creation • Data Driven Approach • People Engagement and Transformation • Global Best Practices • Agility and Re-layering • Disruptive Thinking	**Seeing a breakout growth in Digital Technologies** • Customer Experience • Analytics • RPA and AI • Security • BE/ Consulting • Block Chain • Augmented Reality/Virtual Reality • Platforms • Cloud • IoT • SDN/NFVi	**Approach** Incubate/ seed invest/ partner ⇩ Accelerate ⇩ Scale	

ACCELERATOR FRAMEWORK



3-4-3 THE GROWTH STRATEGY

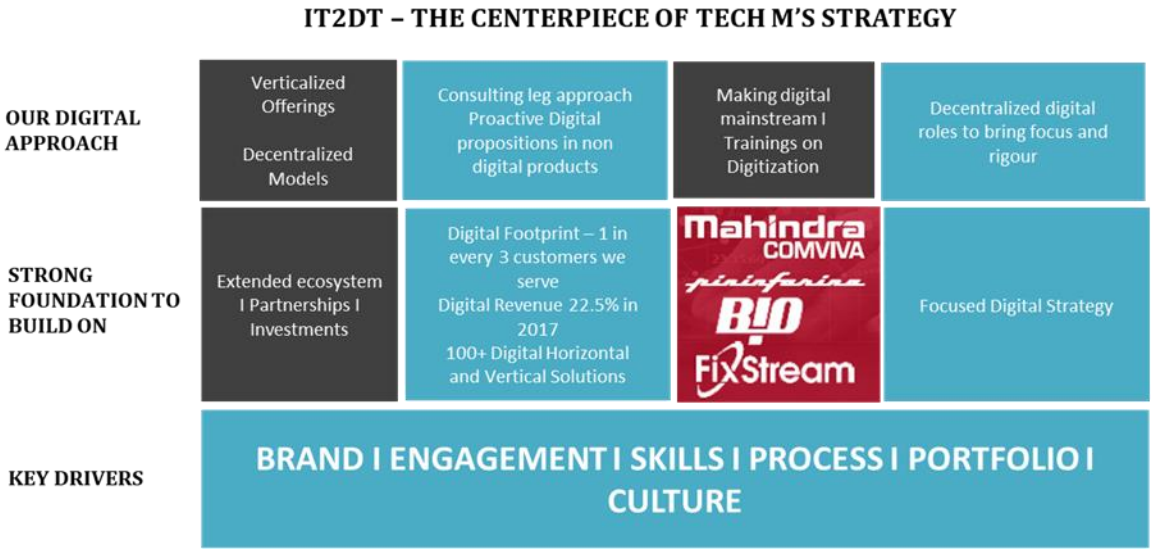
It covers 3 Trends, 4 Technology Bets and 3 Customer Outcomes on which we the company has been building its portfolio and go-to-market strategies. The strategy applies to all the industries – Media and Entertainment, Retail, Manufacturing, Financial Services, Healthcare.

3 Megatrends	4 Big Market Bets	3 Objectives for Customers
Expansion of connected devices	Integrated digital customer experience	Run better
Power of new technologies	People to people, people to things, things to things connected through IoT	Change faster
Exponentiality of Content Consumption	Software transformation	Grow greater
	Network of the Future	

RUN BETTER	By using Artificial Intelligence, machine Learning, Bots, Self-healing and other new age technologies to effectively reduce operational cost and enhance process times. Predictive intelligence enabled by data also have led productivity and quality enhancement across the business processes.
CHANGE FASTER	DevOps, Micro services, Analytics, Data Intelligence, Machine Learning are propelling enterprises to evolve towards new stacks enabled by digital technologies. Enabling customers to transform faster.
GROW GREATER	Digital has opened unprecedented options and posed dynamic challenges towards global businesses. We have enabled our customers to constantly evolve and cater to new age consumer demands. We will continue to enable our customers grow through risk sharing, technology as a service and various business models.

Blue Marble - Cloud Based Business Services Integration Platform

- Helps implement two speed IT architecture: Market Responsive Digital Ready and Traditional
- Helps Companies to Change Faster
- Ready to use Micro-services framework based on open technologies and industry standard (TMF) data models (available out-of-the-box).
- Ideate-Create-Deploy-Scale business services using Agile/CI-CD tools and utilities.
- Accelerating digital roadmap implementation strategies, reduced development efforts from weeks to days.
- Up to 20-40% efficiency gains over traditional development methodologies.
- Eliminates dependencies on proprietary, legacy and siloed IT estate – Open Interfaces to all business services.



The Digital business has grown by almost 500 basis points, it was 22.5%, in 2017 and it has grown to 27% now. We also added about 70 active customers in FY'18. We have been very ruthless in the execution of our strategy - Run, Change and Grow.

Value Creation for Customers

Service Responsibility is an intrinsic value for the Company. It encompasses customer centricity through constant engagement, data privacy and security and continued value creation. We strive to meet customers' needs and expectations at every interaction, in return for customer loyalty. The ability to deliver this depends on the extent to which 'customer-centricity' is embedded within every employee.

Customer Centricity

At Tech Mahindra, Customer Centricity Office headed by Chief Customer Officer; is an office responsible for inculcating culture of customer centricity across the organization. Customer Centricity Office (CCO) takes partnership approach in customer engagements, by ensuring our customer succeed while reducing their risks.

Customer Centric Services and Solutions

Powered by Digital, we envision creating a world of imagined and unimagined possibilities for our Customers and their customers by embracing the technologies of the future like Analytics, RPA & AI, Security, Block chain, Artificial Intelligence, Machine Learning, Augmented Reality, Virtual reality, BOTs and Internet of things.

These technologies will redefine business models of customers and create future growth opportunities, reduce operating costs, reduce time for standard processes and empower them to target newer segments and markets.
The customers of today need speed and agility that is enabled by digital technologies. The verticalized solutions and offerings enable TechM to meet these unique needs and challenges. We also co-create and innovate new solutions jointly with our customers and go extra mile to meet niche service demands for customers. The importance is given not only to the direct benefits to our customers; but also additional business value for our customer's customer.

Customer Engagement Approaches

Our customers are undergoing threat and disruption from startups, innovative business models and operating models; all these being challenging and constantly disrupting existing ways of working. To help our customers evolve to dynamic business demands, we are becoming more of digital solution co-creators for our customers, helping them create experiences for end consumers. We have also started to wear a consultative hat and taking consulting-led approach to create awareness of potential impact of new technologies. We are also creating proactive digital solution for our customers and helping with initial proof of concepts for new ideas. Very often unique solutions are created for each customer.

Business Continuity and Disaster Recovery Framework

We are guided by our Business Continuity and Disaster Recovery (BCDR) Framework and are ISO 22301:2012 (Societal Security) Certified. It enables us to focus on driving operational excellence and manage business and workplace adversity. It also prevents potential business disruptions in the event of any disaster. We have processes in place that help us resume services to customers' acceptable service levels. We have Automated Service Desk with SLAs for enabling business and Vulnerability Assessment and Penetration Testing Lab for secured corporate network operations.

We have introduced practices for transforming quality assurance processes to delivery assurance processes with focus on product assurance and architecture assurance. We measure and monitor this through "Execution Excellence Index". It focuses on achieving high project maturity, improved tools usage and standardization, knowledge management and performance on key business metrics, in order to strengthen further the Business Excellence in what we deliver to the customers.

"We are committed to bring a 3 dimensional relationship with our customers. We are focusing on the Run cycle of their existing business, while looking at transformations required for a sustainable future as a Change Partner and unleashing customers into the digital era by becoming a Grow partner. Customer relationship management and retention have been our key focus areas."

Sandeep Chandna,

Chief Customer Officer

Customer Centricity - a Core Value

Customer Centricity is the first of Tech Mahindra's five values and is core to all our interactions at every step in customer journey. Customer Centricity office ensures are the customers' demands, expectations and concerns are taken across organization with collaboration across various departments – Sales, Marketing, Delivery, Quality and Contracts
Our focus on Customer Centricity via our CCO enables us to be connected with our customers 24/7.

Account Escalation Dashboard - Predictive Analytic Tool

Our approach towards customer satisfaction is to nip the customer challenge, even before it arises. We have established a proactive alert mechanism across various nodes, which can handle any customer related problem with each node raising proactive alerts for all the concerned areas. We use an Account Escalation Dashboard - a predictive tool that helps us know in advance the bottlenecks that the customers are facing. The account escalation path provides the users with information on how to report issues they encounter with the services displayed on the dashboard and how to escalate these issues through a chain of command. The approach is to resolve the issue even before the problem reaches the customer, and create a seamless experience for the customer.

Account Status Indicator

Account Status Indicator is another tool that is used to measure the health of every customer account. This is a global dashboard that is used for every account across all business units and customers. . If an account is having any challenges then the issue is indicted through a colour codes (red, amber) in the ASI tool and also immediately informed to the senior management.

Our pro-customer-centric initiatives include meeting customers pro-actively to understand the pulse on the ground, monitoring customer concerns, if any and measuring customer satisfaction through customer survey known as NPS (Net Promoter Score) or CaPS (Customer as Promoter score).
For measuring customer satisfaction, we have multiple methods and modes:-

- PSAT – Project Satisfaction Survey
- CaPS – Customer as Promoter Score Survey
- Proactive customer discussion
- Connected Voice of Customer

CaPS – Customer as Promoter Score Survey

We also use an NPS based metric called CAPS- Customer as Promoter Score Survey, to measure customer relationships and experience. The Net Promoter Score (NPS) is a customer loyalty metric that is used to gauge how their customers feel about them. Companies with higher NPS are more likely to achieve long-term profitable growth.Net Promoter Score is developed by Bain & Company, Satmetrix Systems and Fred Reichheld (NPS consortium).
The CaPS score for Tech Mahindra is calculated based on responses to a single question: **How likely is it that you would recommend our company/product/service to other business referrals**. The scoring for this answer is most often based on a 0 to 10 scale. The CaPS survey is carried out via a third party to ensure neutrality. This survey is conducted yearly and is very crucial to check our customer's satisfaction. Our Customer as Promoter Score has improved 4 times to 59 in latest survey.

PSAT – Project Satisfaction Survey

Project Satisfaction Survey is carried out every 6 months to track performance of the project, identify problem areas and ensure that proactive problem resolution plan is created and followed. After every project completion, teams initiate PSAT (Project Satisfaction Survey) to customers for whom services have been delivered. For the PSAT (Project Satisfactions) survey, Tech Mahindra approached 100 percent of its client base. An automated tool is available to enable smooth organization of PSAT survey.

A proactive action plan is created for every customer that provides low score to understand his challenges and proactively resolve any problems faced by that customer.

Connected Voice of Customer

At Tech Mahindra, we wanted to be closer to customers and with changing times wanted to create an automated channel where customers can raise any concern. We have created a chat bot for our customers where our customers can ask their queries, 24/7. We have also created a 'Connected voice of the customer' tool where customers do not have to wait for survey cycle but can voice their feedback (either positive or not-so-positive) anytime.

Proactive customer discussion/workshop

The Customer Centricity Office and other functions have regular customer meetings, discussions and workshops with our customers wherein the customer can reach out to us, discuss about any concerns, plans and ask for additional support if required.

Online Strategy and Analysis

In current times, online presence and engagement models have become highly important. Hence, we also use extensive online analysis and tools to enhance our lead generation and customer experience on our digital channels.
of We use a web crawling tool to understand the usage pattern of our website. We have more than lakh users for our website and the numbers are increasing every day. We do a daily analysis for usage, new users, page views, total and average sessions. These tools help us in identifying crawl errors and sitemap submissions, thus bettering search engine optimization.

Social Marketing tool

We also use social marketing, an internal TechM tool to perform online analysis of our brand mentions and any opinions about TechM citied on websites. We personally reach out to all the users who have given negative comments and provide a rectification plan for positive brand image and recall. Social marketing helps us in online reputation and response management.

Tools for Plagiarism

We use tools to check for plagiarism of our content and solutions across the internet.

Digital Marketing

We use digital marketing to increase our web experience for our users. This is done by analysing data and optimizing content.

Twitter analytics

We use twitter to create and manage leadership connects across customer companies and our management. We also use this as medium to highlight key updates about our company. The twitter analytics tool helps us understand the impact of various twitter campaigns that we conduct as part of innovative solutions and offerings.

Bringing together Service Quality and Delivery Capability

We continue our focus on quality and strive to exceed customer expectations at all times. We are guided by our Business Continuity and Disaster Recovery (BCDR) Framework and are ISO 22301:2012 (Societal Security) Certified. It enables us to focus on driving operational excellence and manage business and workplace adversity. It also prevents potential business disruptions in the event of any disaster. We have processes in place that help us resume services to customers' acceptable service levels. We have Automated Service Desk with SLAs for enabling business and Vulnerability Assessment and Penetration Testing Lab for secured corporate network operations.
These certifications and systems enable us to remain robust in our business processes and retain the quality culture in the organization.

GRI 418 – 1: Customer Privacy - Substantiated complaints regarding breaches of customer privacy and loss in customer data

In FY 2017-18, there were no complaints regarding breaches of Customer privacy and loss in customer data. There have been no incidents to our IT infrastructure and we did not pay any penalties or suffer any revenue losses.

GRI 206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

There has been no case filed by any stakeholder against Tech Mahindra regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

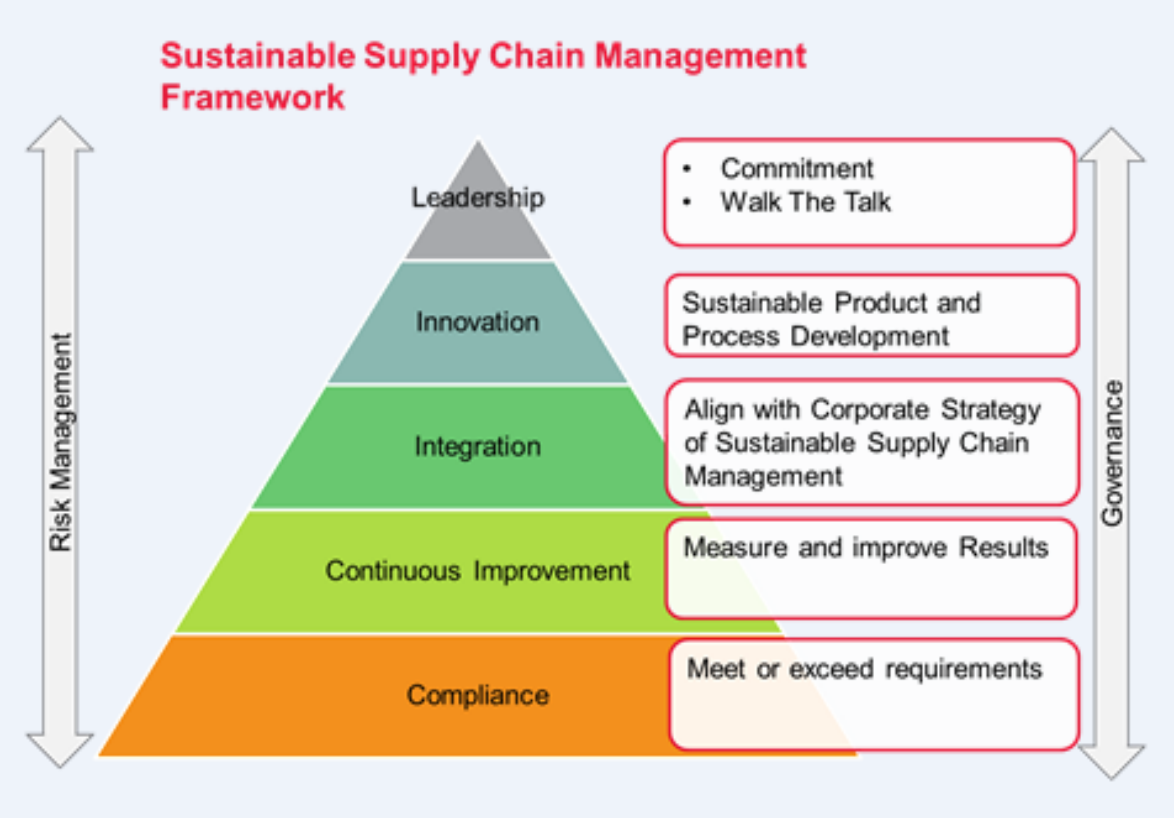
GRI 419-1: Non-compliance with laws and regulations in the social and economic area

In the reporting year, there were no non-compliances with laws and regulations in the social and economic area.

Supply Chain Management

Tech Mahindra's commitment to Corporate Governance, Ethical Business Conduct, Environmental Stewardship and Sustainability also extends to our Supply Chain. It enables us to mitigate and manage the risks posed by the supply chain to our business and operations.

The Sustainable Supply Chain Management Framework at Tech Mahindra is depicted below:



As an Information Technology Services Company, the scope of our supply chain primarily extends to the suppliers of Goods and Services to support our operations. The suppliers are expected to abide by the Sustainable Supply Chain Management - Supplier Code of Conduct (SSCM CoC) and demonstrate commitment to incorporating best practices and continuous improvement in their own activities. Some of the key aspects of the SSCM are

- Ethical Business Practices.
- Management practices that respect the rights of all employees and the local community.
- Minimising the impact on the environment.
- Providing a safe and healthy work place.
- Risk Management
- Business Continuity Management

As a proactive measure, we engage with the top 40 suppliers based on Annual market-spend. They are assessed using a supply-chain questionnaire which requires their compliance with aspects on Labour/ workplace management, Occupational health and safety, Risk management, Environmental compliance, Corporate governance and ethics, Supply chain and Community Engagement. We organize Capacity building workshops for our key suppliers based on these assessments.

We evaluate the impact of our activities in the supply chain at all stages on a periodic basis. We carry out comprehensive risk analysis of our supply chain in terms of ability to deliver on time because of market and climate related risks. Our Business Continuity Management system ensures an integrated view of requirement and accordingly plan, coordinate and execute strategies accordingly to mitigate the risk. Scope 3 emissions from transportation and distribution of products purchased from our suppliers and operations of vehicles not owned or operated by us (Including multi modal shipping where multiple carriers are involved in the delivery of a product) are tracked. We are engaging with our suppliers to initiate the process of tracking, monitoring, reviewing and analysis of the GHG emissions of the supply chain.

GRI 204-1: Proportion of spending on local suppliers

In 2017-18, more than 80% of our total procurement expenditure was for the top 20 suppliers. There are separate procurement teams for IT Suppliers and Non IT Suppliers. The procurement teams work in tandem with the Corporate Services team to conduct supplier assessment. We are working with our supply chain on various initiatives to reduce business travel and logistics by trip optimization reducing travel frequency and examining the need of traveling.

We manage our supply chain responsibly to ensure our business is not adversely affecting environmental values of communities across the globe and we are working to reduce the GHG emissions.

Financial Capital

Financial Capital refers to the pool of funds available to Tech Mahindra for use in the provision of services to the customers. It is obtained through financing or generated through operations or investments

Strategy and Approach

The Management takes a balanced approach of financial resource allocation between short term, medium term and long term with allocation planned to enable sustainable growth and manage risks.

There has been continued focus on building business through acquisitions of new age technologies (digital, cloud, customer experience, Consulting, Analytics etc.) and in verticals (like Manufacturing, BFSI, health care etc) that help in managing risks. These acquisitions are aligned with Tech Mahindra's strategy of 3-4-3 and TechMNxT. There is a great thrust on building the competencies of the associates in the solutions of the future through Centres of Automation, Maker's Labs and learning platforms and Apps.

In FY 2017-18, ~95% of Tech Mahindra's revenue came from foreign currencies like GBP, USD, Euro and AUD. We have effectively dealt with foreign exchange risk, when rupee appreciated ~4% and have managed a ~20% contribution to FY18 PAT, from the Forex Gains

In emerging areas of Big Data, Mobility, Network, Cloud, Security, Platforms and Engineering Services, the Company is well placed with its breadth of service offerings and a diversified customer base. Tech Mahindra also has intellectual property in various Products & Services and Platforms and is committed to building a synergistic relationship with its partners to deliver the right solutions to customers.

"The key priorities for the company are a consistent delivery of investor returns and sustained market confidence. Mission Innovation and FutuRise are the propellers for sustained capital creation. Through a focused enhancement of the Intellectual Capital, we have been able to tide through the disruption in technology".

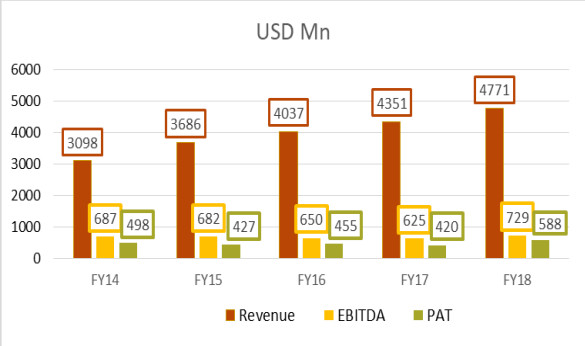
Milind Kulkarni
Chief Financial Officer

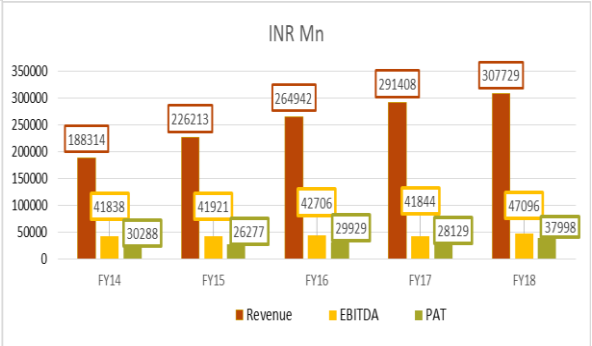
Performance Overview for FY 2017-18

Tech Mahindra's revenue was at INR 307,729 Million (USD 4,771 Million) for the financial year ended March 31, 2018 and registering a growth of 5.6% (9.6% in USD terms) on a YoY basis. The Profit after Tax (PAT) was at INR 37,998 Million (USD 588 Million) for financial year 2017-18. In the fiscal year 2017-18 the Company's consolidated revenues increased to INR 307,729 Million from INR 291,408 Million in the previous year, a growth of 5.6%. The geographic split of revenue is was balanced across regions, with 46% share from the Americas, 30% share from Europe and 24% from the Rest of the World.

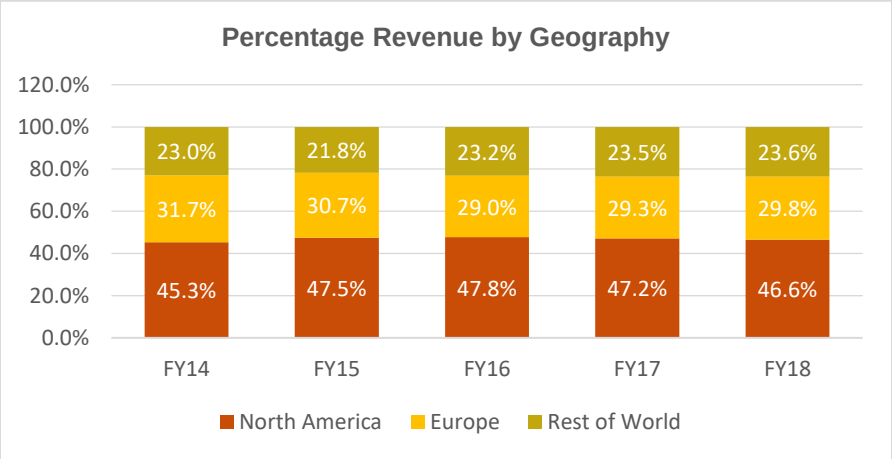
The Consolidated Earnings Before Interest, Depreciation and Tax (EBITDA) was at INR 47,096 Million, against INR 41,844 Million in the previous year. The Consolidated Profit after Tax (PAT), amounted to INR 37,998 million, as against INR 28,129 million in the previous year.

Consolidated Revenue, EBITDA (Earnings Before Interest, Depreciation and Tax) and PAT (Profit After Tax)



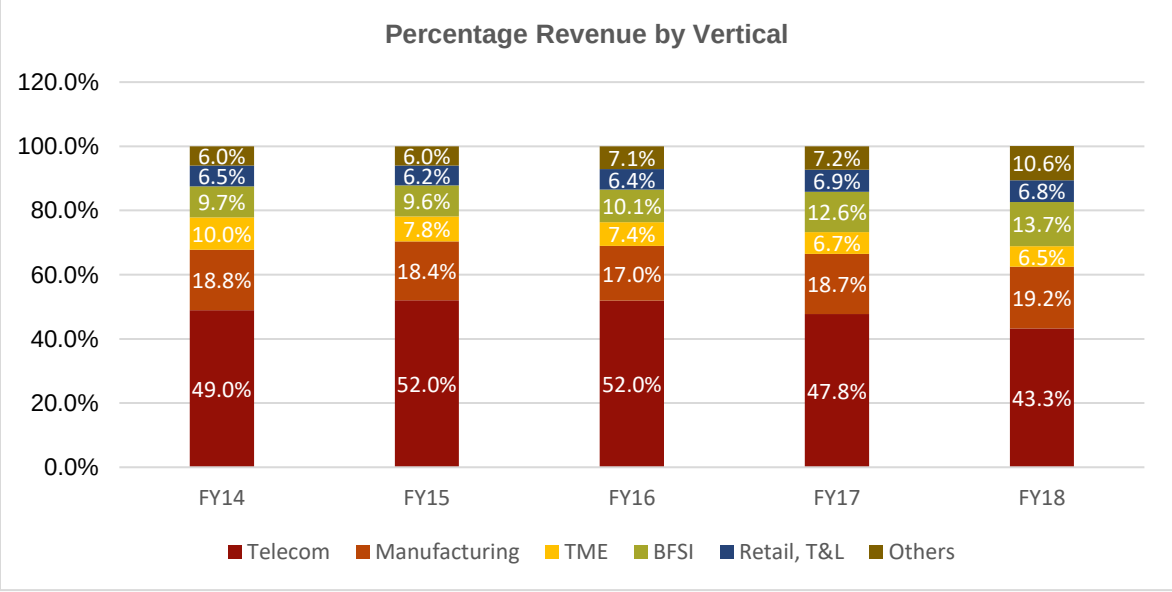


Revenue breakup by Geography

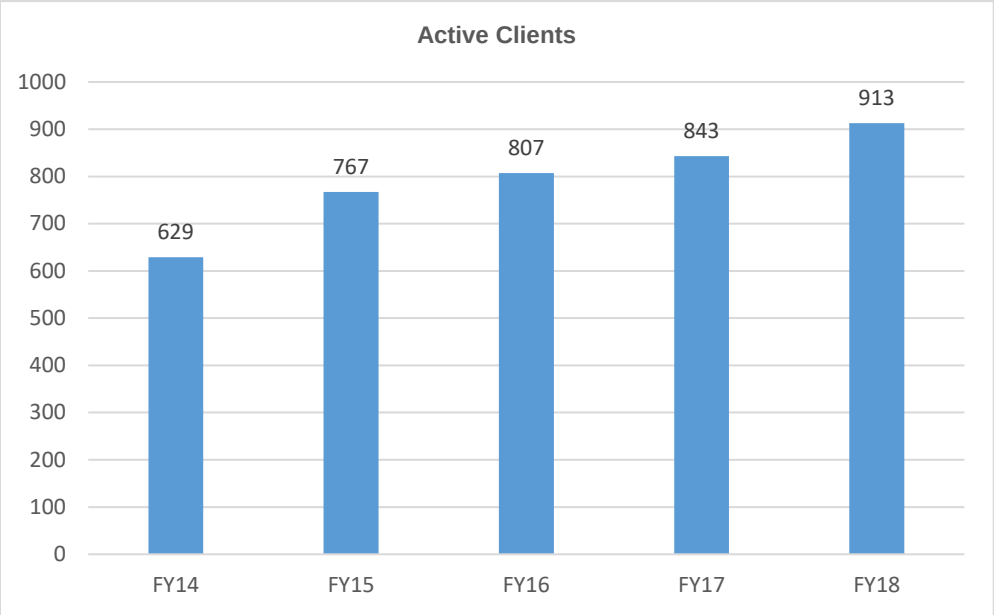


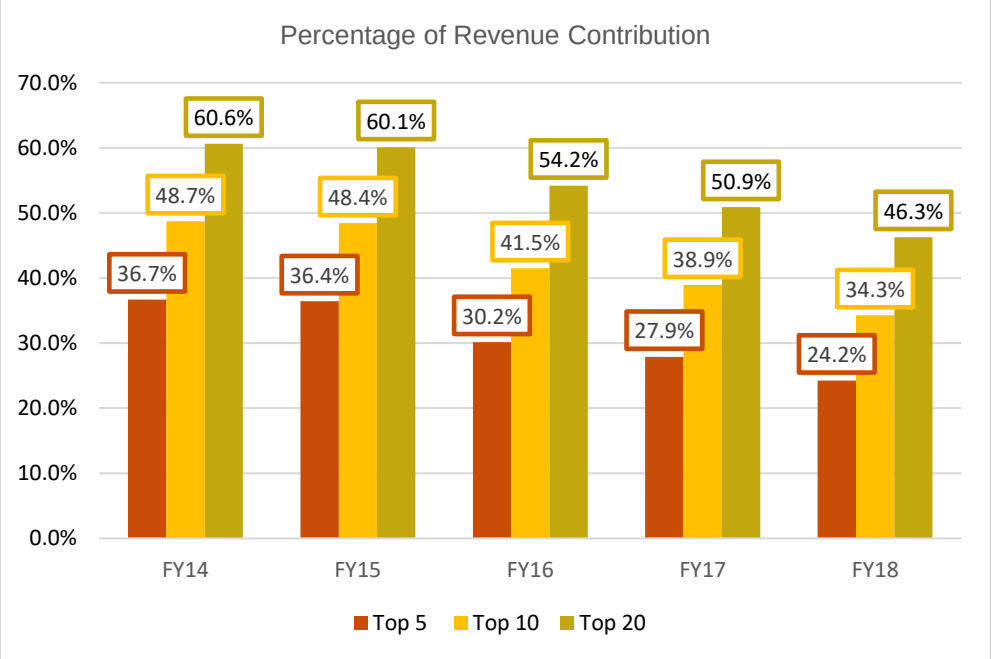
We derive revenue across the key regions of the globe; which is Americas, Europe and Rest of the World (ROW). A balanced mix across these key regions with business in 90+ countries helps Tech Mahindra manage the Global Economy Risk and Geography Concentration risk.

Revenue breakup by Vertical



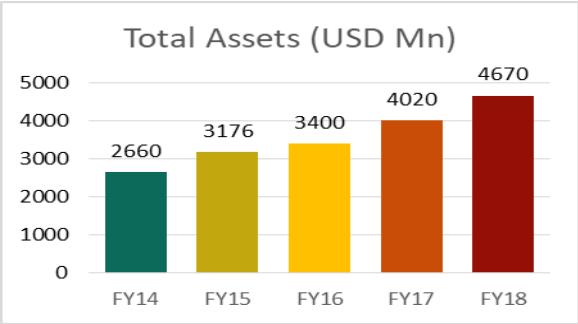
Revenue break up –Client Contribution and Client Count

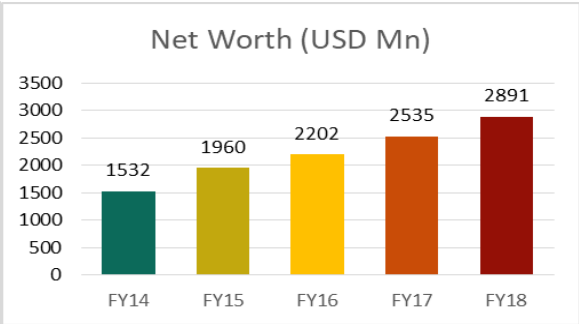


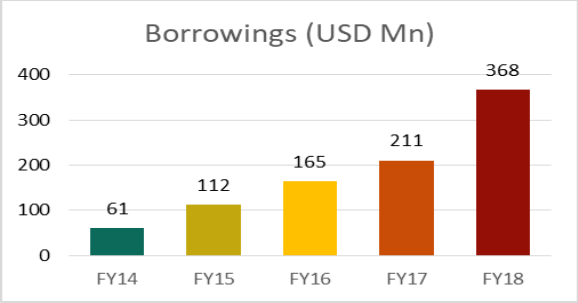


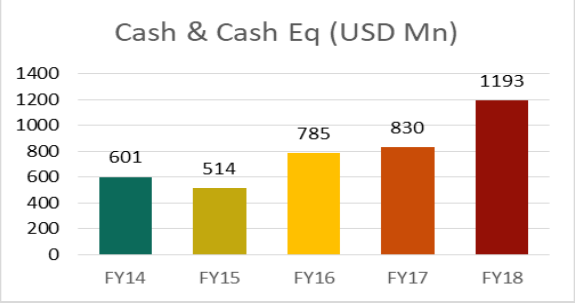
We have successfully been able to bring down our client concentration over the past 5 years. At the same time the count of active customers i.e. customers with a revenue threshold of US$ 0.125 mn + on a LTM basis, has increased from 629 to 913 in last 5 years, thus broadening the client base across various verticals.

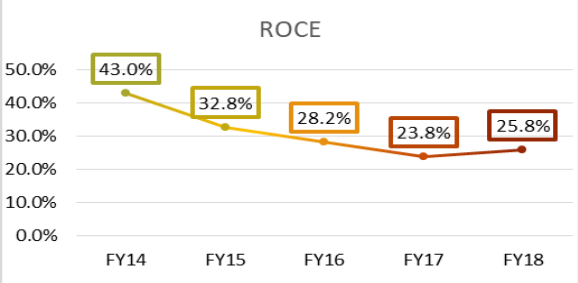
Key Balance Sheet Metrics

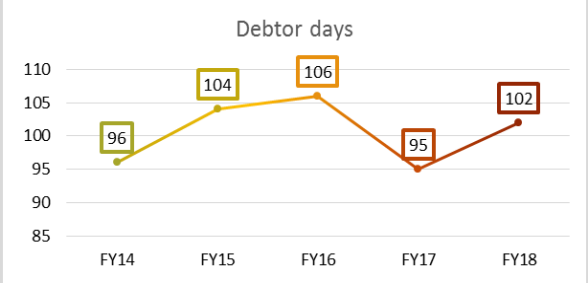


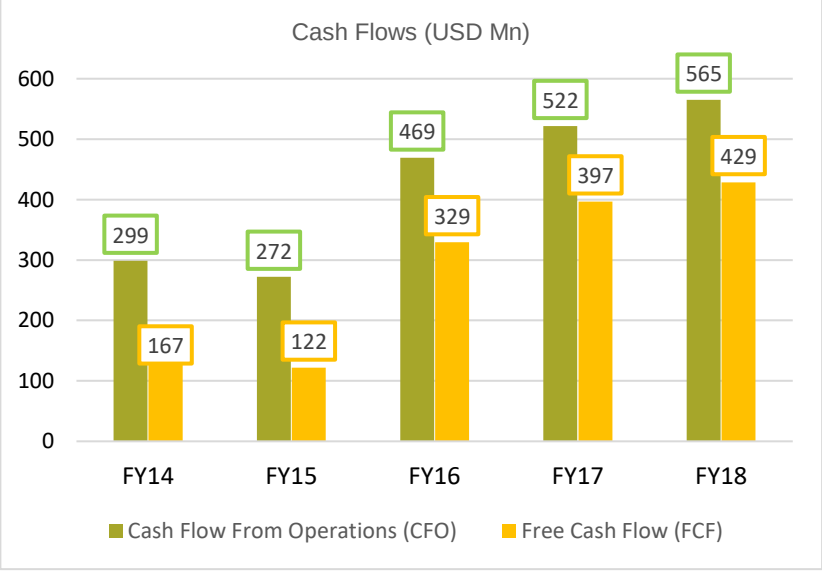


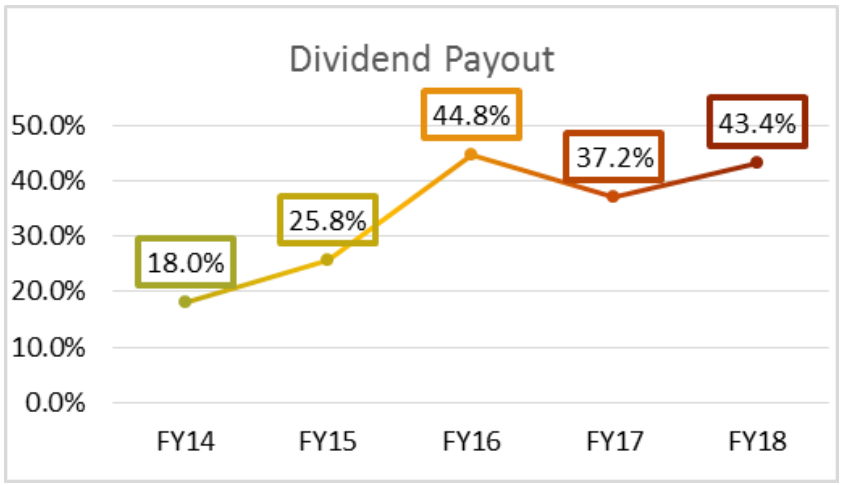






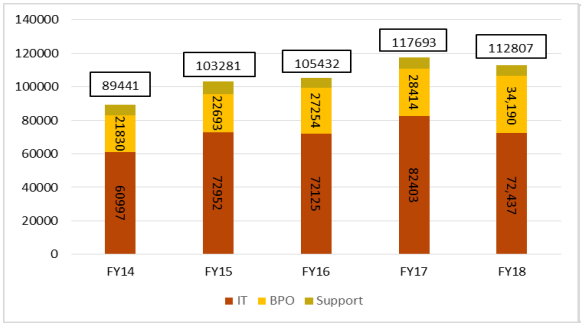


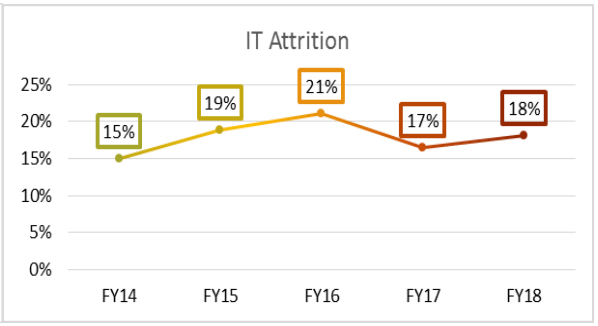


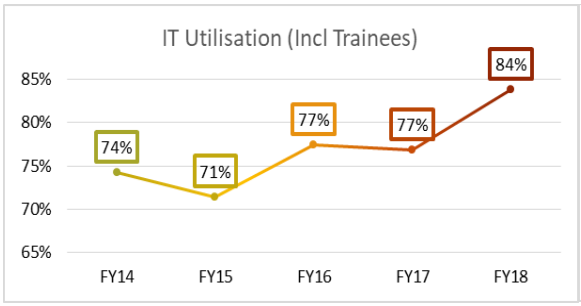


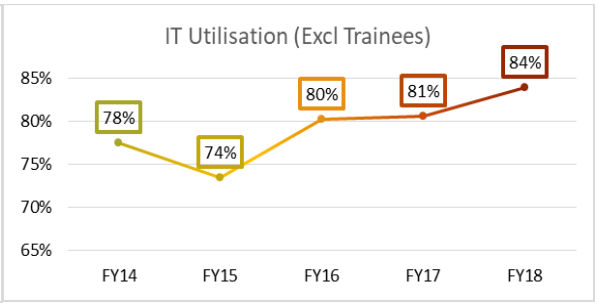
Key Balance Sheet metrics like Total Assets, Net worth, Cash balance, ROCE etc have seen a gradual improvement in line with the growth in the revenue, EBITDA Margins and PAT.

Key People Metrics









Other key Financial Capital Inputs

Market Capitalization (as of 31st March, 2018)	:INR 625,798 mn (US$ 9,603 mn)
Credit Rating	:CARE AAA / CARE A1+
D&B Rating	:5A1
D&B D-U-N-S® NUMBER	:65-007-9572

Intellectual Capital

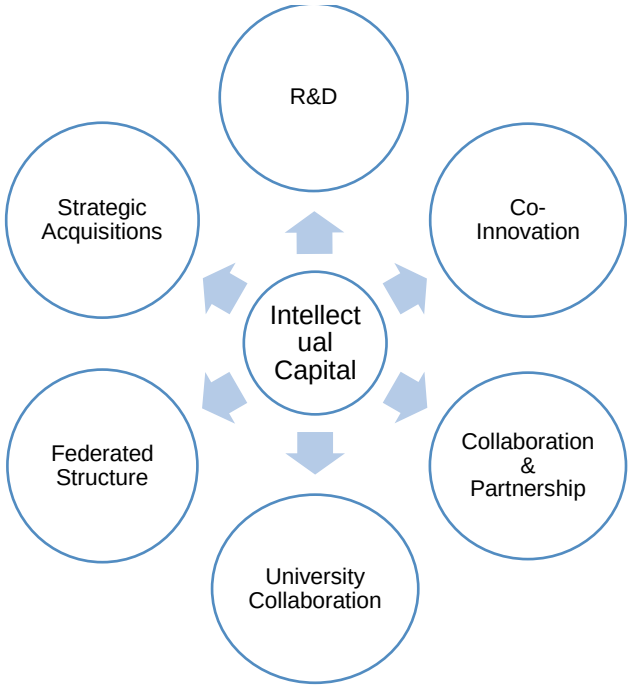
Intellectual capital refers to Tech Mahindra's knowledge-based intangibles –the intellectual property - trademarks and licences, tacit knowledge, systems, procedures and protocols, and intangibles associated with Tech Mahindra's brand and reputation.

Strategy and Approach

In a dynamic and fast changing technological and societal landscape, we view Intellectual Capital as a key enabler of value creation. IT2DT has been our transformation journey. We have been taking steady strides in enhancing our intellectual capital through people development and technology enablement. **Innovation** and **Digitization** have been material topics driven by risks and opportunities they present and the forerunners of our operating strategy **FUTURise**.

In conjunction with the Global Technology trends and the customer demand, Tech Mahindra has been developing competencies through a 360 degree approach that encompasses development of the Innovation Capital, Human Capital and Financial Capital. We have a well-rounded, all-encompassing and inclusive approach to enhancing the Intellectual Capital that relies on R&D, co-innovation, collaboration & partnership, strategic acquisitions and organization-wide changes.

Approach to Enhancing Intellectual Capital



R&D	Co-Innovation	Organization wide changes
Research & Development at the Maker's Lab and the Factories of the Future	Co-innovation of solutions and services of the future with customers, partner companies, research institutions, universities, and start-ups.	Federated structure with simplicity, agility, autonomy.
Collaborations & Partnerships	**University Collaborations**	**Strategic Acquisitions**
To develop and deliver end to end customized solutions to meet dynamic customer needs	Collaborating with academia to unlocking the next wave of digital disruptions.	To enhance the inherent competencies in new age technologies and verticals.

The tacit knowledge, systems and procedures are managed through **Delivery Excellence Assurance** - TechM's knowledge repository. It captures every customer delivery experience for reuse across projects for various customers.

RESEARCH & DEVELOPMENT

Maker's Lab, the Thin-q-bator is the R&D Center of TechM. It acts as a conduit between academia, research and businesses to provide solutions to customers and a space for these partners to tinker with disruptive technology that will make the enterprise of the future. The R&D development work is focused on technologies such as Artificial Intelligence (AI), Machine Learning, Robotics, Internet of Things (IoT), Augmented Reality / Virtual Reality, 5G, Software-defined Networks (SDN) and Quantum Computing. Several groundbreaking solutions have been developed in the Maker's Lab, including 'Hiro' (Home Intelligent robotics), a mobile robot with a healthcare unit for which Tech Mahindra received the Economic Times Award in 2017.

Global Footprint of R&D Centers

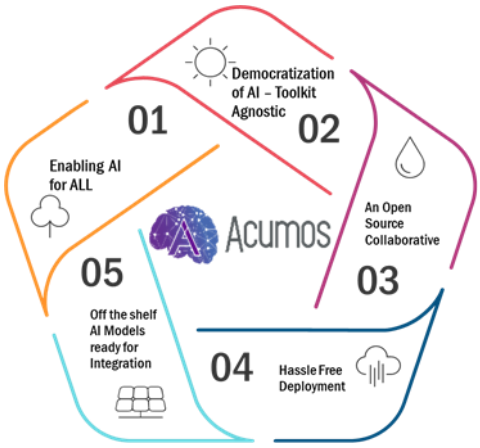
Key Automation and AI Platforms

AQT (Automation Quality Time) Platforms	Platform Details
TACTiX	IT and NW Operations Automation Platform powered by Robotics/AI.
UNO	Robotic Process Automation platform for Front and Back office operations.
ADOPT	Pre-integrated DevOps Platform - IBM, MS, CA, HP, CollabNet and JIRA.
Fixstream Meridian	Analytics, Visualization & Correlation for Single-pane-of-glass view of Apps and Infra.
Epselon	Digital enablement and analytics platform for SAP & Oracle EBS.
LitmusT	AI and Analytics powered Test Automation Platform.
Entellio	Enterprise Chatbot platform for Superlative Customer Experience.
PRISM	Business analytics platform for various industries and use-cases.
Acumos	Platform to enable rapid build, share and deployment of AI Apps and solutions.

Acumos

Acumos is a unified framework for General Purpose Artificial Intelligence Development.
Value Proposition

- Toolkit Agnostic – Stitch various AI models seamlessly via Design Studio
- Community led Market Place – Rate, Review, Statistics. Applying Crowd Sourcing to Software Development
- Independent of any run time infrastructure or cloud service including AIC, Azure & AWS
- Open Source Platform which supports Training, Integration and Deployment of AI Models



Entellio – Conversation as a Platform

Entellio is a self-learning NLP/AI/ML based enterprise Chabot designed to replace today's mobile self-care applications. Entellio (Enterprise Intelligence) is the next gen solution for customer interactions, which will enable enterprises to provide a superlative customer experience to their customers.

Value Proposition

- Seamlessly, faster connect with customers.
- Works seamlessly in cloud or in-premise.
- Self-Learning system as you chat more.
- Faster Onboarding of various departments.
- Supports conversations on mobile, web and IOT devices.
- One of the few framework that does a self-ranking dashboard.
- Easy configurable connect to any system with a well-defined API.

X-RETAIL – NEXT GENERATION RETAIL TRANSFORMATION

X-RETAiL is the next generation Retail Transformation Platform which helps retailers of tomorrow with a suite of innovative solutions. The platform contains a plethora of unique solutions based on next generation technologies like beacons, virtual reality, augmented reality, mobile wallets payments, analytics, cloud which helps retailers learn about their customers' behaviors & preferences in-store and in turn, provide them with better quality of service which results in an increased digital revenue and NPS.

Value Proposition

- In-store positioning and personalized offers (Beacon based)
- Shop cart-less with virtual reality screens.
- Domain coherence – Scan n' Go.
- NLP enabled text chat and Web-RTC based video chat.
- Robotic Assistance within the store.
- Digital feedback services – Emotion and face tracking.

HIRO (HOME INTELLIGENCE ROBOTICS)

- Entellio-Med - Digital Virtual Interactive Personal Assistant at Home/Care Centers / Hospitals.
- Addressing Distance, Connectivity and Monitoring Barriers.

Value Proposition

- To Improve Patient Engagement Model.
- To Provide Soft Services for Recording Regular Vital Parameters, Virtual/Remote consultation.
- To Assist/Care Parents, Old Age Homes, Bed Rested Patients.
- To Build Infrastructure for Reduced Liabilities, and Workforce Reduction for Hospitals.
- Reduction in Healthcare Cost for Patient & Payers.

HIRO is the winner of Aegis Graham Bell Award and ET 2017 Award. It also won the GTL Infra ET Telecom Award 2017.

Alliances and Partnerships

Through a powerful alliance ecosystem of leading technology firms and disruptive startups, we develop our business capabilities to deliver complete and customized solutions to our customers. Our dedicated alliance teams and partner management help customers in their journey of digital transformation. TechM is collaborating with a variety of partners, including Affirmed Networks, Altiostar, and Cloudify that are driving innovation in areas such as virtual RAN, virtual probes, and cloud orchestration. This has helped us tap into innovation globally- be it 15+ startups in the Silicon Valley or disruptive entrepreneurs in Tel Aviv, Israel, in the areas of Artificial Intelligence, Cloud, Blockchain, Analytics and SD Networks. Two examples of our partners who are thinking and doing disruption:

- **C3DNA: NO OPS PLATFORM**

  Together, we are exploring new dimensions to add to a solution that enables Developers and Application owners to on-board, deploy, monitor and manage application lifecycle operations through policy-driven automation on Open Stack without depending on IT Operations.

- **REDSHIFT**

  Global carriers urgently need Real-time Security and Analytics solutions that can detect Anomalous network traffic as these carriers migrate their edge and core voice networks to SIP / IMS / VoLTE. With RedShift Networks, we are making cloud-based real-time Unified Communications & Collaboration (VoIP and Video) more secure and reliable.

University Collaborations

We collaborate with universities and leading technical institutes such as the IITs and BITS Pilani, to exchange areas of common interest, exchange scholars and provide internships to students at our Research Facilities. We signed a memorandum of understanding (MoU) with the University of Sydney to create a technology research platform, to provide experiential learning and collaborative research programs for the young talent pool. We have collaborated with the University of Berkeley, under the banner of TechMNxt, for working in digital disruption.
Tokyo International University has set up a Maker's Lab for the Post Graduate students.

In the Founders Week, Maker's Lab hosted Nirmaan 2018 a 'Campus Connect Program' with the aim to provide up skilling opportunities in next-gen technologies for students. More than 250 students across the Universities and Institutes like Symbiosis Institute of Technology (Pune), AISSMS Institute of Information Technology (Pune), Bharathi Vidyapeeth (Pune), Jawaharlal Nehru Engineering College (Aurangabad) and Changu Kana Thakur College (Mumbai) took part in the event.

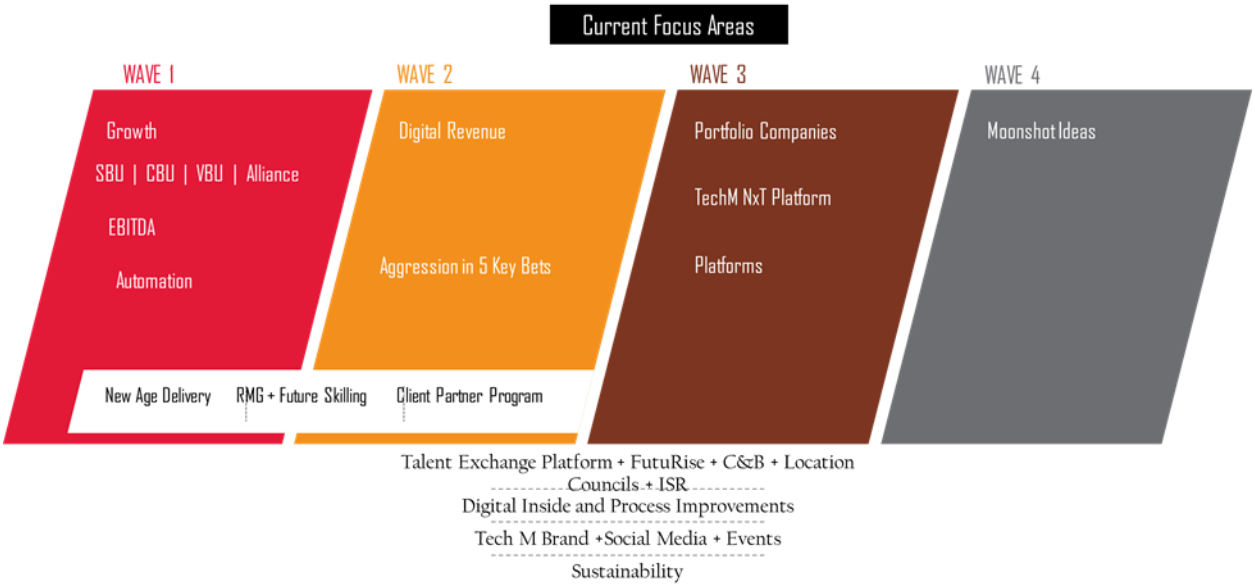
Strategic Acquisitions

TechM has had a strategy of working closely with smaller technology start-ups that fit in its larger agenda of providing customers with a holistic suite of services. Our acquisition strategy has become more digitally focused, whether it was Pininfarina which is all about digital engineering, BIO which is all about customer experience management or HCI which is all about EMR. All these acquisitions have helped us enhance our capabilities in the Digital area. The acquisitions have translated into value creation for the customers as demonstrated in the financial results. The acquisitions in 2017-18 were in line with the business strategy and are discussed in Acquisitions.

Federated Structure

We have been focusing on building competencies in servicing the new age customers - the non-CIOs, Millennials. It requires multipronged approaches and multiple focus points; agility and simplicity. We have restructured the organization to a federated structure, which allows simplicity and accountability with autonomy within businesses to create their own growth stories. There are focused units and labs for Innovation, Automation and Co-creation.

Towards a Sustainable Future



As the direct and indirect impacts of climate change are being experienced globally, we recognize the need to be future ready. Future ready as a company and an innovation driven solution provider, Sustainability and Climate Change are an integral part of the **FUTURise** (becoming relevant for the future)**.**

*Innovation and Digitization have been the key drivers of **FUTURise.** The Operating strategy has been re-aligned and re-configured to consider climate change and societal risks that will impact our ability to create value in the medium and long term. Our sustainability linked platforms and solutions are our response to the future – the risks and opportunities presented by climate change, water shortage, traffic congestion and other environmental challenges. The journey of FUTURise is also the journey of a Sustainable future for all the stakeholders including those that do not have a voice and those who do not articulate it well enough – the future generations.*

L. Ravi
Chief Operating Officer

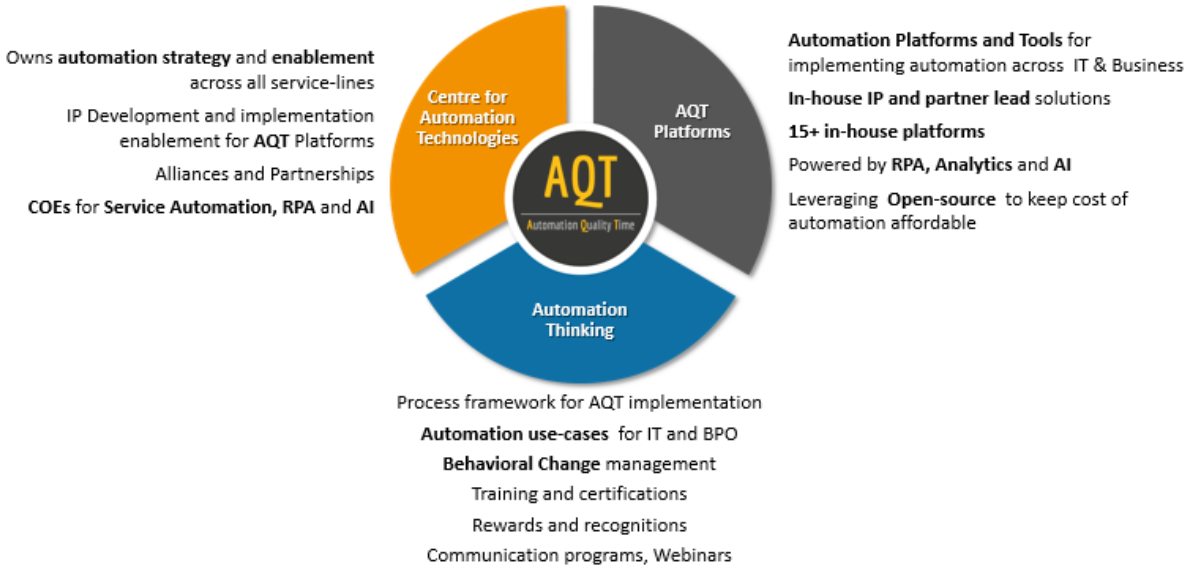
TechMNxt is our new global program to continue our focus on IoT, Cloud and Data Sciences and put extraordinary focus on AI, Blockchain and Cyber Security and the Network of the Future. TechM Next is setting up Centers of Excellence across the globe - Bangalore, Silicon Valley, Dallas, Israel, Canada – for upgrading skill and domain expertise of the associates.

We are partnering with universities and the local entrepreneurial ecosystem, to create better solutions and better opportunities for Customers to **Run, Change and Grow (RCG)**. Acting on the vision to build a connected future, we have collaborated with the University of Berkeley, under the banner of TechM Nxt, for unlocking the next wave of digital disruption.

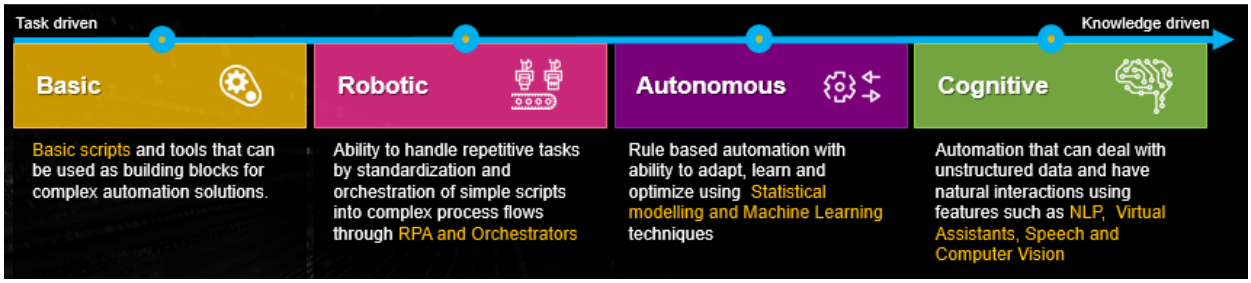
Automation

Automation is a key pillar of Tech Mahindra's strategy ***DAVID*** *(Digitalization, Automation, Verticalization, Innovation and Disruption),* which serves as the theme for all our solutions. AQT is a collection of Platforms, accelerators and tools to promote increased automation across our service lines and business processes. It comprises of both in-house developed and partner-centric platforms and tools. In order to accelerate our vision on Automation, we launched **AQT** (**A**utomation-**Q**uality-**T**ime) that consolidates our Platforms, Processes and Practices to deliver increasing Business Efficiencies (faster, cheaper, better) for our stakeholders and ourselves through **Intelligent Automation** and **Automation Thinking.**

Enablers to implement AQT within TechM



AQT Platform drives the **Automation Continuum** of ***Basic >> Robotic >> Autonomic >> Cognitive*** and shifts the focus from Task-based approach to Knowledge-driven paradigms, thereby provides continuous increase in business efficiencies.



In order to increase the automation of Automation, we are investing in re-training and up-skilling the workforce, to create an environment where 'man and machine can work together' to improve the business efficiency. Automation Thinking helps to provide the required process artifacts and framework (AQT Playbook) to enable adoption of automation across the service lines including training & certification programs for internal re-skilling and up-skilling. AQT Playbook provides best practices and templates towards identification of Automation opportunities, ensuring an ROI and guidelines on implementation and operations.

Innovation

We recognize that innovation will drive the organization to present and future value creation. We have a focused approach to Innovation.

6 Pillar Innovation Strategy

- **The IRIS (Ideate, Refine, Implement and Shine)** program was launched with the aim to foster a culture of innovation and generate new revenue streams in today's competitive world. The portal allows associates to share their innovative ideas 24X7
- **Intrapreneurship Program** is an internal venture capital program to fund and assist Tech Mahindra associates who have an idea and the leadership who can help to convert it into a business reality.
- **Innovation with Startups –** Startup ecosystem program focused on drawing and comprehending innovation ideas at work in startups – the niche product they make, the new markets they create and their potential for disruptive innovation and jointly unveil the future opportunities.
- **Portfolio Management** – Identify innovative solutions happening within verticals and encouraging cross-pollination of solutions within verticals.

- **University Collaborating** – Engage with educational institutions to develop new service offerings and create innovation culture, incubation frameworks in colleges.
- **In house IPR** – Patent, Copyright and Trademark

Sustainability Solutions Powered by Innovation

There is a global effort to reduce dependency on fossil fuels and move towards sustainable production and consumption patterns. In our aspiration to create value for all the stakeholders, we are developing platforms and solutions that help address global sustainability challenges.

Energy and Carbon Management Solutions

As organizations look to consolidate and bring sustainability-related data under one roof, they are increasingly being flooded with enormous amount of data. Manually tracking, aggregating and consolidating this data is extremely cumbersome, time consuming and prone to errors. To meet these challenges, organizations today are looking for tools that can help in managing, reporting and analyzing sustainability data, thereby giving them a complete picture of their environmental performance.

Since the last 3 years we have been actively working in Enterprise Energy and Carbon Management space and have developed industry specific bespoke carbon management solutions and also leveraged vendor partnerships to customize and deploy enterprise carbon management tools. These solutions help customers with robust data management, automate energy data recording, monitor key sustainability metrics, and establish energy consumption baselines. IEVCS is one of the solutions developed by our associates through the innovation initiatives and CAPE - Community Acton Platform for Community - emerged as an outcome of collaboration with the local bodies.

Farm Guru

Tech Mahindra has embarked on a program for design and development of end-to-end Smart Agri-Framework called 'Farm Guru'. The intent is to minimize the human intervention and provide specialized assistance for producing a quality yield using precision agriculture. The solution with multi-parameter farm health monitoring and predictive analytics keeps a strict vigil on the soil, ambient atmosphere and other key characteristics and supports data management with recommendations based on the measured data. It also keeps the repository of the soil parameters. The scientific approach in measurement and analysis of the soil samples leads to a better agriculture growth and prosperity for farmers.

Remote Monitoring & Diagnostics (Solar Plants) Solution

The solution can do Real-time monitoring and control of remotely located assets and can

- Leverages IoT, OT and IT to remotely monitor and manage critical assets like Solar PV Plants.
- Integrates IoT enabled mechanism to improve power generation by automatically positioning panels based on real-time environmental conditions.
- Lowers operations and maintenance costs for the plant by predicting potential failures.
- Delivers tangible operational improvements in terms of efficiency, productivity and availability.
- Easily extended to other plants and industries with minimal customization for delivering significant operational improvements.

Smart City Solutions with IoT

Smart grid will play a crucial role as we move towards a sustainable tomorrow. We have established ourselves as leaders by working with clients to perform a variety of services from planning to build individual components to wholesale deployments in the emerging area of Smart Grid.

Our Competency in Smart Grid Solutions includes Home Area Networks (HAN), Advanced Metering Infrastructure (AIM), Energy Management Solutions, GIS solutions and Sensor Design Services. We have set up a Smart Grid Service Demonstration Center at our campus in Hyderabad.

The IoT enables cities and administrators to transform resource management, governance, citizen services and security. IoT combines the ability to acquire, ingest and derive insights from streaming data, and is already delivering enhanced experiences for citizens, improving the quality of life and making economic growth sustainable. Our portfolio of IoT powered smart city solutions equips citizens, economic zones and urban planners to weave the benefits of connectivity, data and analytics into their very fabric of life. Some of the solutions include Smart Energy Management, Smart Street Lighting, Smart Automated Meter Reading, Smart Bins and Integrated Command and Control Center.

Smart Parking – Camera and Sensor Based Solutions

Camera based counting and Sensor based solutions for smart parking that are technically robust and provide a real business value for customers. Both the solutions can accurately predict the available parking spots in real time. It enables intelligent decisions using real-time status as well as historical analytics reports. The solution has ability to deliver content over web portal and mobile devices.

Smart Lighting – Web and Mobile Bases User Interface

We have a range of smart lighting solution with control features such as monitoring real time energy consumption, daylight harvesting and demand-based lighting optimization for multiple zones. The solution is meant to optimize energy usage, predictive maintenance, fault detection and trend analysis. This can help in reducing carbon footprint at the city and municipality level.

Waste Management Solution – Radio Frequency Identification based Technology

This is an end-to-end smart waste management solution with door-to-door collection tracking and monitoring. It includes installation and monitoring of Bin-level sensors at semi underground bin locations, setting up of command centres, providing GIS view of the bins and municipal dumpsters and integrating the waste management application with Waste–to-energy plant application and VTMS.

This solution enables the city authorities to track the end-to-end life cycle of city waste from collection to disposal remotely from the command center, and provides a view of energy generated from the waste collected.

Smart Pole – Integrates multiple services on a single platform

This solution integrates multiple services like streetlight, CCTV camera, digital signage and public Wi-Fi and enables integrated view of these services on a single platform. The solution enables the city councils and authorities in saving additional investments required on infrastructure layouts.

Intelligent Risk Management Solution (IRMS)

It monitors temperature, pressure and water leakage conditions of pipes and boilers at various properties remotely and provide real time alerts and notifications in case these parameters are not within the configured threshold limits. The solution can reduce leakage or bursting of pipes and minimize associated insurance claims.

Green Data Centers

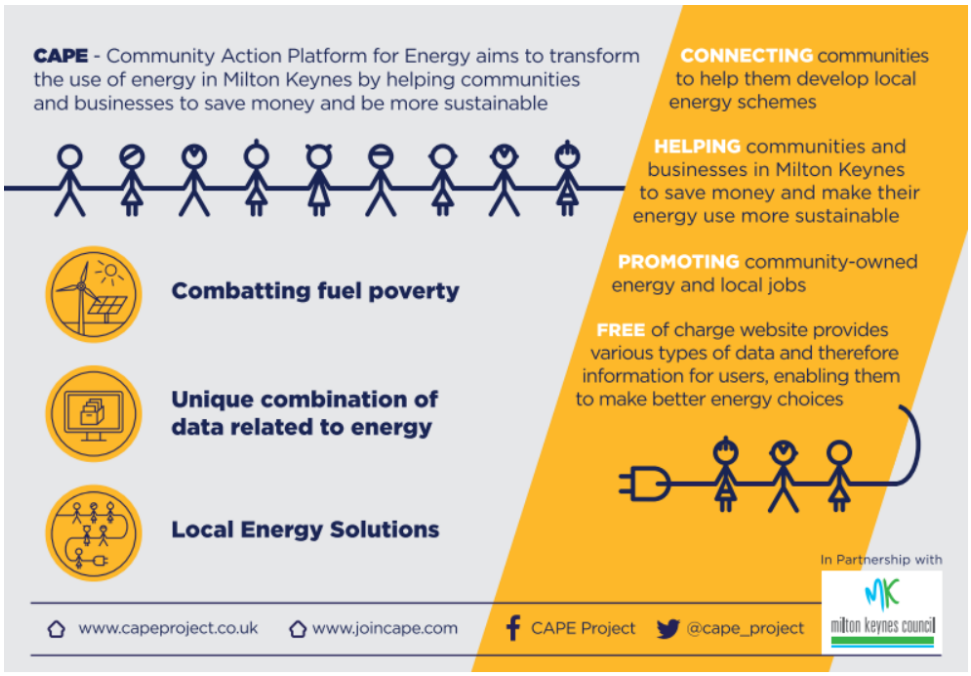
Data Centers today are responsible for approximately 2% of global Green House Gas (GHG) emissions. The evolution of cloud-based solutions and the ever-increasing density of computing equipment is making it necessary for CIOs and IT managers to closely monitor and control their data center energy usage. For addressing this market, we have been offering Data Center Management Services for nearly two decades.

Energy Audit

With the dramatic spike in energy costs over the last decade and the intense focus on reducing GHG emissions, Energy Efficiency has become the hot topic of boardroom discussions the world over. Global and region specific mandates such as the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme are also playing a vital role in driving the need to improve energy efficiency of organizations.

In light of this focus, a high quality Energy Audit is the first, critical step in curbing energy use and improving the energy efficiency of any facility. Energy Audit is the technique to establish the current status of energy efficiency of a System/Facility/Commercial Building. It involves the verification, monitoring and analysis of use of energy and submission of technical report containing recommendations for improving energy efficiency with cost benefit analysis and an action plan to reduce energy consumption.

Community Action Platform for Energy (CAPE) – Online Platform



CAPE - Community Action Platform for Energy is an advanced analytics platform combining energy, satellite, aerial, social and economic data into targeted insights. Solution target to provide free of charge service to community groups and city councils to jump-start and scale energy projects.

CAPE includes a free-to-use online platform to help citizens organize and manage their own community energy schemes, such as neighborhood insulation and roof mounted solar panels. Crucially, because communities will be group buying the energy products and services, prices will be kept low and quality high. CAPE supplements satellite imagery with energy and building data to find the best neighborhoods in city for an energy makeover.

Value Proposition

CAPE for City Councils	CAPE for Local businesses	CAPE for Citizens
▪ Identify the potential areas to initiate the energy saving project & Improve citizens' quality of life ▪ Achieving social, environmental and economic sustainability targets for our cities ▪ Make our cities more competitive and better places to live in	▪ Analytics to accurately develop energy solutions ▪ Market place to sell energy saving products ▪ Initiate projects with City Councils and Consumers ▪ Better insight via social media Analytics	▪ Analytics to accurately develop energy solutions ▪ Market place to sell energy saving products ▪ Initiate projects with City Councils and Consumers ▪ Better insight via social media Analytics.

Despite the risks and challenges, businesses will continue to invest in IT but there will be shifts in spending patterns. Digital business, Blockchain, IoT and the progress from algorithms to machine learning to artificial intelligence will be the customer need. The climate of uncertainty will push new digital alternatives to save money and speed time to value. Paradoxically, the same uncertainty will cause businesses to freeze CapEx preferences, which may impact the growth of traditional IT services business.

Intelligent Electric Vehicle Charging System (IEVCS) – IoT Solution

Electric Vehicle adoption has a direct impact on GHG emissions. IEVCS is an IoT solution for electric car charging and last mile electric network asset management. The solution uses intelligent mathematical modelling techniques and statistical analytic algorithms to provide insight into last mile power systems asset modeling, control, demand forecast and prediction, charge queuing for residential EV charging points.

Value Proposition

This solution will help accelerate the EV adoption rates by minimizing the risk on existing distribution network. Residents will be able to manage their EV's consumption of power.

- Inbuilt Statistical tools for
  - Asset life cycle modeling.
  - Group Behavior Analysis & Correlation Analysis.
  - Load disaggregation.
  - Impact analysis for overloading, voltage variations and Temperatures.
- Reduced commercial and optimized technical losses.
- Enhanced asset life by at least 20-30%.
- Automate EV workflow by scheduling and demand response.
- Improved power quality to customers.
- Dashboard for prioritizing maintenance schedules.

Health and Safety Solutions

Next Gen Emergency Management System

Next Gen EMS brings a holistic and comprehensive platform that connects various next generation technologies to provide end-to-end flow of information and enable emergency response team to provide high quality care without compromising on the speed of care delivery.

Next gen EMS solution disrupts current native emergency response system transforming it into an end-to-end platform, which enables emergency response organizations to deploy scalable and next gen technologies like mobile apps, unmanned aerial vehicles for improving the emergency responses. This innovative platform contributes to improve utilization of key resources like ambulances (ALS, BLS), reduced response time through nullification of the impact of external environment variables on transit time and also reduced risk through instant establishment of communication medium for real time and seamless flow of information among various stakeholders (like ambulatory team, hospitals, specialists) of emergency response team.

Monitoring Indoor Air Quality

Organizations recognize that Human Capital is the critical differentiator for business continuity, growth and innovation. The employees are the greatest assets for any company. In order to help enterprises ensure the health of their employees we have developed an **Indoor Environment Monitoring Solution**. It is a cloud- based platform which monitors indoor environment conditions for varied industry requirements. This solution is flexible and has derivative use-cases in Logistics, Healthcare, Pharma and Data Centre Monitoring.

ConnectSense Health – Digital Platform to bring Wellness from Hospitals into people's homes

The platform enables us to extend wellness, diagnostics, prognostics and recovery from hospitals into people's homes and lives. It promotes Hospital-Doctor-Patient engagement using Digital Convergence technologies. It transforms the entire healthcare ecosystem in the following manner:

- Payers: Pay for value over volume of care.
- Hospitals: Better care for more patients.
- Doctors: Technology for remote, constant monitoring of patients.
- Patients: Anytime, anywhere monitoring.

Healthcare Gamification - An Artificial Intelligence based Healthcare Game motivates the patient

The healthcare game functions through multiple sensors and captures all data about the patient's physical performance and stores it in the cloud. Later it analyses the cloud data and provides accurate report about the patient and his physiotherapy. It encourages the patient to take physical exercise.

Solutions to Bring efficiency and connectivity to the Manufacturing Sector

Vistamon - Vigilance and Status Monitoring for Performance Optimization

This solution leverages the principles of IoT and advanced analytics which enable remote control monitoring and diagnostics, and performance optimization. The solution was developed for the aerospace industry but has the potential to be extended to other asset-intensive industries including rail transportation and power generation systems.

FQCC - Field Quality and Cost Control Framework

FQCC bridges the gap between product failure identification, diagnosis and resolution and closes the loop between customer service, quality, production, sourcing, and engineering departments.

Visibility into on-field information from the point of failure to source of failure and suppliers helps OEMs in

- Reducing detection to correction (DTC) times by 25 to 50%.
- Reducing overall warranty related costs by 10 to 20%.
- Improving early warning by up to 50%.

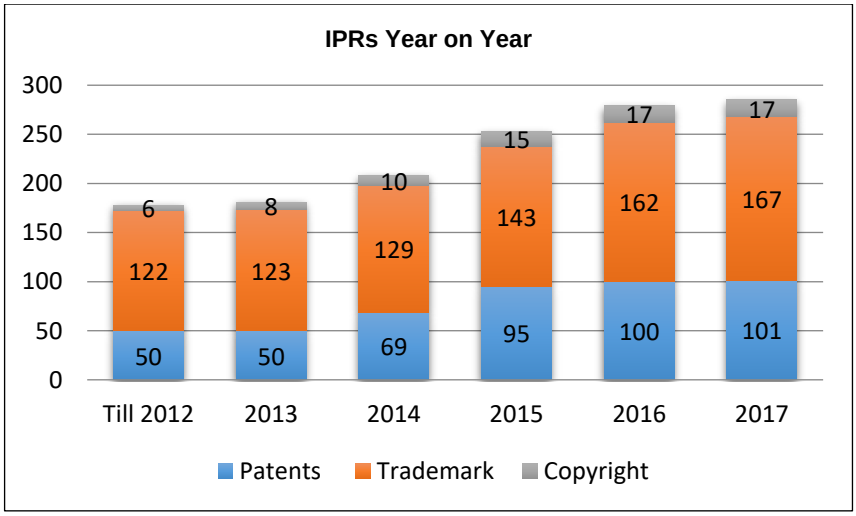
The solution streamlines quality costs and provides end-to-end actionable insight across the quality improvement process.

Digital Marketing Solution

An enterprise engagement platform strategy and vision that enables OEMs to effectively coordinate and integrate data and activities of various divisions, programs, dealers and vendors across the ecosystem. The platform helps OEMs reach wider and bigger audience, acquire and retain customers, up-sell and cross-sell products and services and support dealers.

Our Licenses, Trademarks and Patents

At Tech Mahindra, we pass our systems and processes from a lens of innovation and transformation. We view Patents, Trademarks and innovative solutions as the KPIs for measuring intellectual capital. In 2017-18, we were granted 2 Trademarks and 2 Patents.



Natural Capital

Natural Capital represents the stock of natural assets like air, water, land, forest and associated ecosystems, from which we derive continuous benefits. The conservation of natural capital is focused on energy management, carbon neutrality, water resources management, waste management and protecting and promoting biodiversity.

Strategy and Approach

Vision

To be an industry leader in implementing sustainable business practices which maximize benefit to the environment and community

Our Commitment

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.

Enabling Mission 2020

Enable the organization to help **RISE** amongst the Top 50 Global Technology Brand through its sustainability practices.

Policy Framework

Tech Mahindra as a global IT services & consulting company recognizes the impacts of its business operations on the 3 pillars of sustainability - people, planet and profit. Hence it makes continuous efforts to optimize efficiency across the environmental, social and governance frameworks of the company. Tech Mahindra encourages the involvement of all stakeholders and ensures that the policy is well communicated, implemented, monitored and reviewed periodically.

People Connect	Environment	Business Model
• Generating sustainability awareness among associates, customers, investors and society. • Ensuring safe and a motivated work environment for associates. • Fostering a Climate of Social Responsibility and volunteering.	• Optimization of Electricity, Fuel Energy Use to reduce GHG Emissions • Reduce, Reuse, recycle waste enabling circular economy • Regulatory compliance, monitoring and certifications • Ensure access to safe water, sanitation and hygiene for all employees at our premises. • Continuous Improvement in our Sustainability Performance by monitoring and review of the Roadmap, goals and targets.	• De-risking and mitigating climate risk. • Co-creating sustainable business value for our clients, customers, investors and other stakeholders. • Leveraging industry best practices to achieve stakeholder sustainability goals. • Engaging with other organizations and industry associations to actively advocate for positive change in various sectors we operate. • Integrating sustainability as a part of our business strategy. • Maintaining transparency and accountability.

As a leading IT company with a global presence, we are committed to minimizing the impact of our activities on the environment. There has been consistent focus on reducing our Water and Carbon Footprint by GHG through various initiatives that are being undertaken across our facilities. We have been enabling technology to the support of environmental protection and management. We are installing solar energy at our facilities, transitioning to LED lights in a phased manner and installing occupancy sensors to increase energy efficiency. We have installed water sensors and water restrictors at all our facilities to reduce our per capita water consumption. We are setting up rainwater harvesting systems wherever possible. There is an organization wise drive to bring down food wastage and paper waste. All of the initiatives are linked to the Sustainability Roadmap with result-oriented action plans"

Shivanand Raja
Sr. Vice President (Commercial & CS)

Environment Management

We derive a host of direct and indirect benefits from our Natural Capital – water, soil, air, raw material and biological diversity. Pollution of these natural assets is leading to human induced climate change, contamination of water sources and degradation of land - all of which have an adverse impact on human life and development. Environment Management is a priority for Tech Mahindra. The Material topics under Environment Management include **Climate Change, Energy, Water, Waste and Biodiversity**.

Climate change induced events pose a direct and indirect risk to our Financial, Manufactured, Human, Social, and Relationship Capitals. There is a direct linkage between our financial performance and Natural Capital. Any environmental/ social issue in any facility, where we have operations can impact our businesses adversely. It can cause a disruption of service delivery to our customers and jeopardize the safety of the associates, thereby increasing financial liability.

We embrace a proactive and precautionary approach towards environment protection and management and endeavor to create a pollution-free and environmentally friendly enterprise. Our Environmental Policy supports our strategy for environmental stewardship.

We are streamlining our processes, assessing environmental risks as part of the risk management framework and developing carbon and water security strategies and action plans. We are:

- Making Sustainability Personal across Tech Mahindra's operations, activities and decisions.
- Developing Solutions and Platforms to assist Customers in Carbon management.
- Promoting Green Procurement and Building Capacity of the Supply Chain.

Environmental Policy

Tech Mahindra strives to reduce the ecological footprint of the organization and its value chain while still ensuring business growth. This is supported by our Environmental policy, which aims to create a pollution- free and environmentally-friendly IT enterprise while adding value to Society, Customers, Employees, Investors, Government and other stakeholders. The policy supports our strategy for environmental protection. We focus our investments in clean energy, waste recycling, increasing energy and water efficiency, optimizing logistics and reducing carbon footprint. We embrace a proactive and precautionary approach towards environment protection and management endeavor to create a pollution-free and environmentally friendly enterprise. Our Environmental Policy supports our strategy for environmental stewardship.

SUSTAINABILITY HIGHLIGHTS

In the reporting year, we make good progress with respect to meeting the targets of our sustainability roadmap.

Renewable

- We have total solar installations of 3,404 kWp across our campuses in Pune, Bangalore, Hyderabad, Chandigarh and Chennai through which we generated 4436406 kWh of Solar Power leading to a reduction of 3737 MT CO2 equivalent.

Energy

- There was a 7.37% increase in energy productivity.
- Phase by phase LED installation, replacing CFLs to increase energy efficiency across various locations.
- Procured Efficient VRV systems/ air conditioners, water coolers across locations.

Water

- 100% STP water recycled used for flushing and horticulture.
- Updated STP with MBR Technology to increase efficiency by 3 times as part of technological innovation
- 250 rain water harvesting and recharge pits installed at Chennai TMCC.
- Water sensors and restrictors installation phase by phase at all our locations.

Waste

- Leaf waste converted to manure.
- Aggressive program and awareness on reducing food wastage.

Climate Change

Empirical data, statistics and increasing incidents of extreme events have shown that climate change will be costlier and damaging for the growth of our business, our customers and supply chain. If it continues to risk our environment, safety and wellbeing of our associates and survival of society is at risk. If we cross certain atmospheric thresholds, reaching these goals will become more expensive and harder. Delaying action on climate change is not an option for us. Collective action and responsibility of transition towards a low carbon economy is the imperative.

Carbon Neutrality is increasingly becoming a priority for the Management, given the spike in energy costs over the last decade and focus on reducing GHG emissions. Global and region specific initiatives such as the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme are playing a vital role to improve energy efficiency of our operations.

At strategy level, we have been making continuous strides towards low carbon transition. At operations level, focus areas are improving energy efficiency and increasing the percentage of renewable energy in the energy mix, building capacity across supply chain and developing products, solutions and platforms for the customers to address their Climate strategy.

Carbon Pricing

Our Management recognizes the risks associated to our business because of climate change. We view Carbon Pricing as an effective tool to transition towards a low carbon growth. It can provide an economic spur on the path to low-carbon prosperity. Coupled with policies that encourage energy efficiency and zero-carbon energy sources, Carbon Pricing can help mitigate GHG emissions and reduce the risks of climate change. It can create an economic incentive for us to be more efficient. It can spur innovation, investment and growth in the new low carbon technology and business verticals.

The Sustainability Council of Tech Mahindra has assigned an internal carbon price of $10 per ton of Carbon. We have built an internal tool for our facilities, finance and procurement team for internal carbon price. This mechanism has helped us to increase green investments and motivated businesses to maintain and strengthen the price mechanism internally.

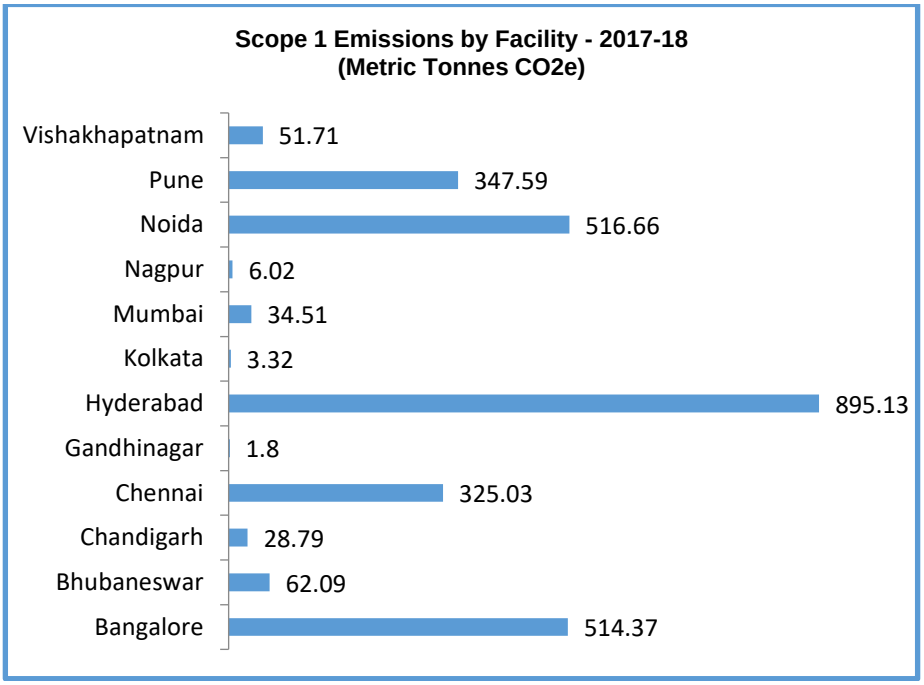
Following the steps of Mahindra Group, which has a strong representation at CPCL (Carbon Pricing Leadership Collation) - a World Bank initiative, we at Tech Mahindra also will continue to explore opportunities to price internally, explicitly or create a shadow price to reduce our emissions and grow the pool of green investments.

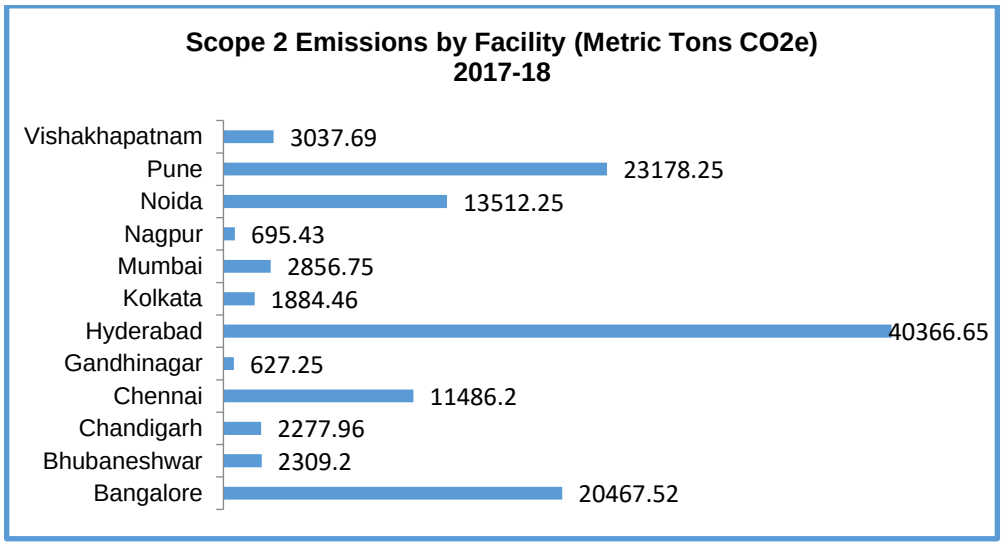
GHG Emissions

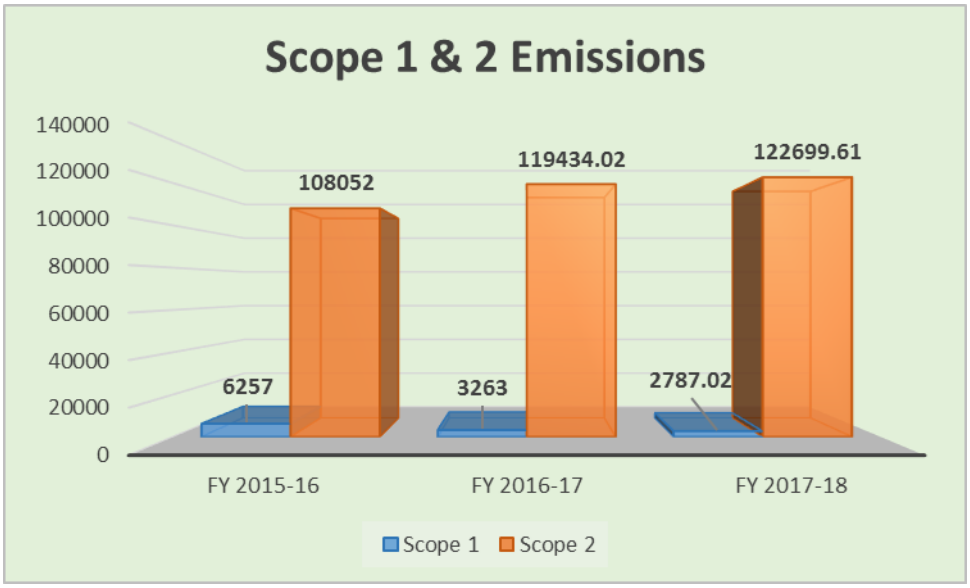
We measure our Greenhouse Gas Emissions using the World Resources Institute (WRI)/ World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard. Our Scope 1 emissions includes fuels like diesel from Generators, Diesel from owned cars and LPG used, Scope 2 emissions are from the electricity purchased from the grid. There is a reducing trend in Scope 1 emissions due to decreased use of diesel generators, decrease in the use of personal cars by the associates and increased use of Renewable energy. Our Scope 2 emissions have increased due to increase in infrastructure and new buildings/facilities at our locations.

GRI 305-2 &305-3(Emissions) - Direct and Indirect Green House Gas Emissions (Scope 1 and Scope 2)

MTCO2	FY 2015-16	FY 2016-17	FY 2017-18
Scope 1	6257	3263	2787.02
Scope 2	108052	119434.02	122699.61
Total	**114309**	**122697**	**125487**







GRI 305 – 3 (Emissions): Other Indirect Greenhouse Gas Emissions (Scope 3)

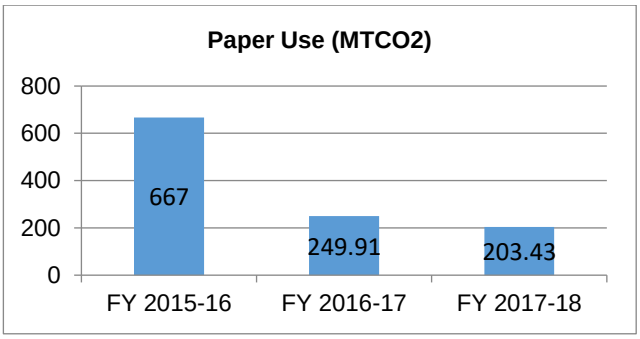
We are committed to reducing direct and indirect GHG emissions from our activities. The boundary of Scope 3 emissions represented below.

Purchased Goods and Services: This includes Inbound Logistics for transportation of IT products from the suppliers to the TechM Facilities and downstream transportation of e-waste, scrap, paper and used oil from TechM facilities to authorized recycler and disposal of food waste from the facilities to the piggeries or landfill. We have also installed Organic Waste Converter (OWC), Vermicomposting plants to convert food waste into manure. We are reducing our inbound and outbound logistics by bundling of routes and controlling inventories

Employee Commute: Employee commute of our associates to and from their homes to TechM facilities by company buses and cabs. We also have escort cabs for Woman safety. Increase in Business growth and demand of our associates has increased our commute data.
TechM takes various initiatives to reduce employee commute; we encourage our employees to carpool to work, or use public transport. Our Carpool Portal and 'Ride for Pride' initiatives are small steps in facilitating and sharing of rides amongst colleagues. We also have carpool application for ease of use of carpool. The initiative has evoked tremendous response and has been successful in inculcating a culture of environment conservation and protection.

Business Travel – Business Travel is the employee travel by air for work. We have focused on use of Lync, Live meeting, Tele-Presence, video conferencing and virtual meetings through online platforms to minimize physical travel. Tele-presence and Web-ex services helped us reduce equivalent GHG emissions as the result of reduction in travel requirements for meetings.

Waste Generated in Operations (Paper) – This includes the use of paper. We have reduced paper consumption.

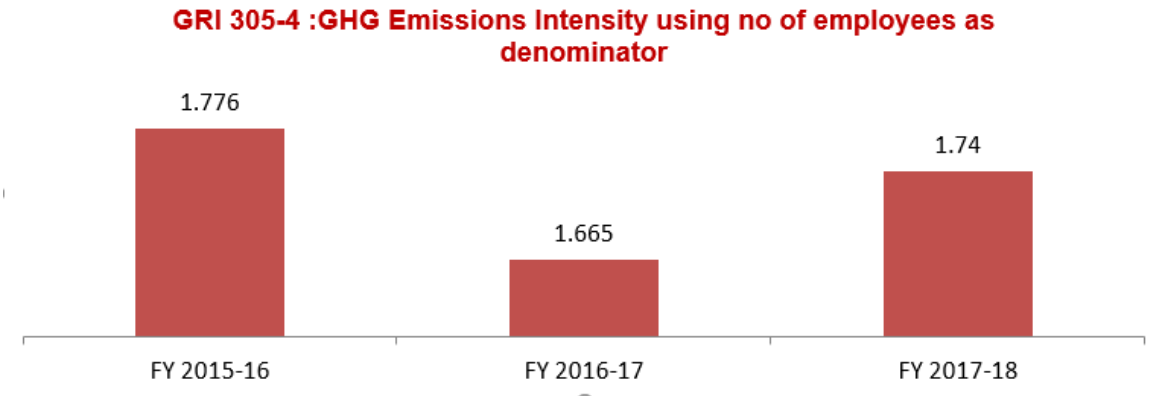


Scope 3 Category	Description	FY 2015-16	FY 2016-17	FY 2017-18
Purchased Goods and Services	Inbound and Outbound Logistics for Purchase of Goods and Services	18868	12816	6597.37
Employee Commute	Daily Commute	1733	11994	14931.63
Business Travel	Employee air travel employees for business	25959	28968.61	15152.3321
Waste Generated in Operations	Paper	667	249.91	203.43
MTCO2	**Total**	**47227**	**54029**	**36884.76**

GRI 305 – 4 (Emissions) - Greenhouse Gas Emission Intensity

GHG emission intensity is the ratio of Greenhouse Gas Emissions produced to the number of employees of the organization. We have shown a positive trend by consistently reducing GHG intensity year on year.

	FY 2015-16	FY 2016-17	FY 2017-18
GHG Emissions (Scope 1 and 2)	114309	122697	125487
Denominator (No of Employees)	64356	73702	72004
GHG Intensity	1.776	1.665	1.74
Denominator (Revenue in USD)	4037400000	4351000000	4770800000
GHG Intensity (Revenue as Denominator)	0.000028313	0.000028200	0.000026303
% change from previous year	-0.0921%	-0.399%	-6.726%



**The Greenhouse Gas Intensity is according to total number of employees as denominator. The GHG intensity increased in the reporting year because of the reduction in the number of employees. In order to get a better representation, we have also calculated GHG emissions using Revenue as denominator.*

Energy

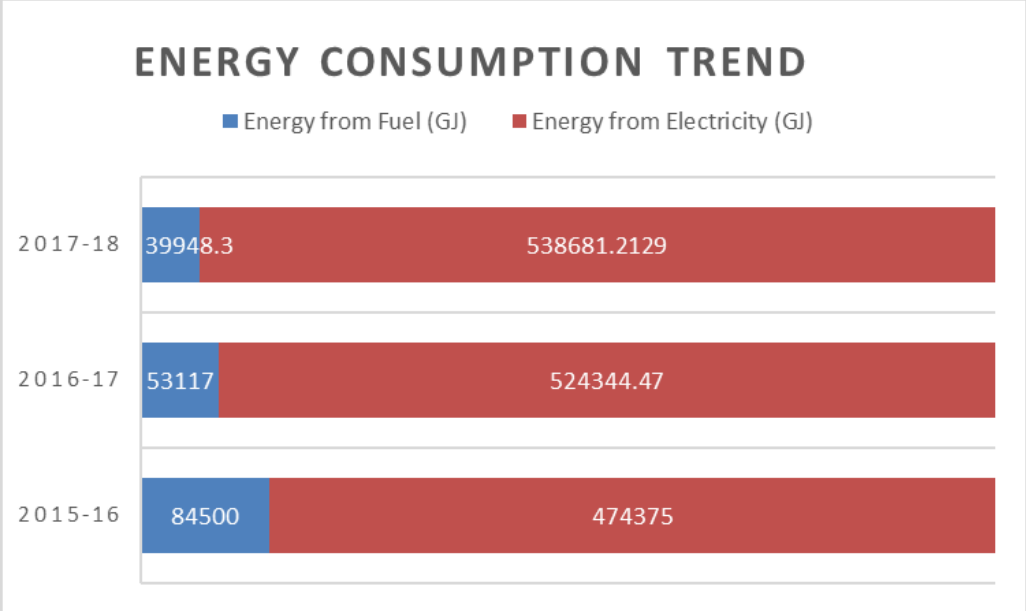
Conservation of energy has a strong business case. Our Sustainability roadmap reflects our commitment to energy conservation and exploring alternate sources of energy. Our major energy consumption is in the form of electricity, which we purchase from grid. In order to maintain uninterrupted power supply, we have back-up diesel powered generators, which are used only when the grid electricity supply fails. Apart from this, fuel consumption in company owned vehicles in the form of petrol, LPG and CNG makes up total energy consumption on premises by our owned assets.

GRI 302-1: Total Energy Consumption within the organization

GRI 302-1 :Energy Consumption Within the Organization						
Total Energy Consumption	**2015-16**		**2016-17**		**2017-18**	
	GJ	**MWh**	**GJ**	**MWh**	**GJ**	**MWh**
Direct Energy	84500.00	23472.22	53117.00	14754.72	39948.35	11096.76
Indirect energy	474375.00	131770.83	524344.5	145651.24	538681.2	149633.7
Total	**558875.00**	**155243.06**	**577461.00**	**160405.96**	**578630**	**160730.4**

2017-18	**GJ**
Direct Energy	**39948.35**
Diesel	1984.419
Petrol	16.44638
HSD	22352.49
LPG	15595

Energy Consumption Trend	**2015-16**	**2016-17**	**2017-18**
Energy from Fuel (GJ)	84500	53117	39948.3
Energy from Electricity (GJ)	474375	524344.47	538681.2



We have taken up installation of solar panels and are actively evaluating options to increase sourcing of electricity from renewable sources. Through several energy conservation initiatives such as occupancy sensors, LEDs and fixtures, efficient water coolers and air conditioners, we have been able to reduce our energy consumption over the years.
In order to utilize the abundant potential of renewable energy, we have setup solar modules, installed wind turbine and solar water heaters at our campuses leading to clean energy generation. These initiatives are a humble beginning but we are committed to pursuing renewable sources of energy to ensure that our energy demand is met in an increasingly sustainable manner.

GRI 302-3: Energy Intensity

Energy Intensity*	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**
Specific Direct Energy	1.31	0.72	0.554807
Specific Indirect Energy	7.37	7.11	7.48
Denominator (No of employees)	64356	73702	72004

***** *Energy Intensity was calculated by using No of employees as the denominator*.

GRI 302 - 4: Reduction of Energy Consumption

Energy management, including energy conservation and switching to renewable energy sources is a high priority for us. Our major energy consumption is of electricity purchased from the grid. Other sources of energy include diesel for the DG sets and fuel consumption in company-owned vehicles.

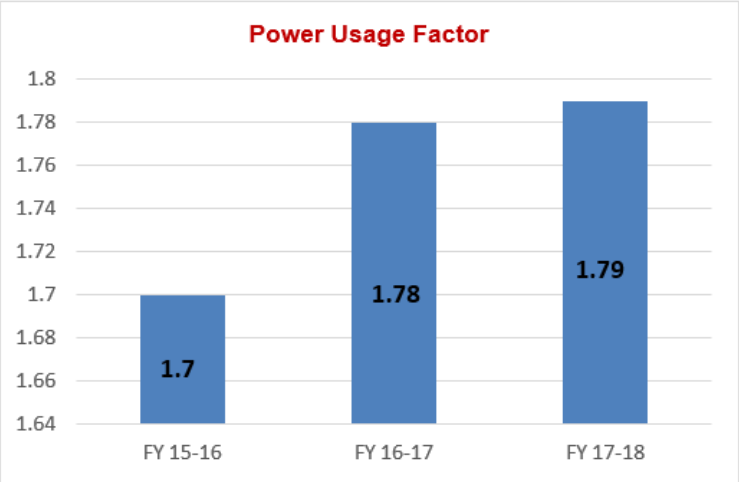
Initiatives to Reduce Power Consumption

- Consolidation of AC Chillers Plants to increase system efficiency and energy savings
- Chillers de-scaling
- Automation\scheduling of all AHU units of New buildings
- Utilizing natural cooling techniques for offshore development centres
- Regulated Air Conditioning during working hours (setting the temperature to 25 degree Celsius) and restriction during non-working hours.
- Standardization of Cafeteria AC operations.
- Switching off redundant transformers during weekends.
- Create awareness on Energy conservation among employees through mailers, webinars, posters, pamphlets and road shows.
- Ozone friendly gases are used as the refrigerants for HVAC equipment

In the reporting year, Renewable sources of energy saved 3700 MTCO2Replacement of high definition parking lights with LED lights helped with an energy conservation of 20160 kWh.

Power Usage Effectiveness (PUE)

We have increased the energy efficiency of our data centers through Data Centre consolidation, server virtualization and modular energy efficient equipment for data Centre designs. We have ensured that there is only a very small increase in PUE by deploying efficient cooling mechanisms by installing efficient cooling mechanisms across data centers and server rooms. Since the majority of our facilities are new, there have been adoption of better cooling technology at Chennai, Pune, Hyderabad SEZ, Noida and Chandigarh campuses. We have utilized natural cooling techniques for data centers wherever possible.



Water

At Tech Mahindra, we believe in the sustainable management of the water resources we use across our operations. To support this, we are focused on increasing our understanding of water-related risks and impacts to our business and to the communities we serve by setting meaningful goals, improving our water efficiency, and advancing innovative solutions to water challenges. We make our efforts transparent by disclosing our annual water use, our water-related risks and governance of water through our reports and on various other forums.

Water scarcity is a growing problem, which requires global attention and action. We foresee increased costs in purchasing fresh water with the growth of our business operations, risk of loss in potential Brand value of the organization and loss in revenue if we do not establish a robust Water Management Strategy and Plan.

Though the majority of our water requirement is for domestic water usage, we have started working towards measuring, reporting and reducing water footprint of our operations. We administer implementation of water management initiatives through the Water Policy. The Policy is integrated with the business strategy and covers the following aspects of water conservation with the objective of ensuring access to safe water, sanitation and hygiene for all employees in our premises.

- Improve water efficiency in operations
- Reduce water footprint through water efficiency measures, adopting the “3-R” (reduce, reuse and recycle).
- Set, monitor and review mechanisms on an on-going basis toward achieving continuous improvement.
- Comply with all the applicable regulatory and legal and requirements relating to water.
- Report our water performance by being transparent to all stakeholders through appropriate communication channels.
- Proactively support governmental and other national water conservation initiatives.

We have taken various Sustainability initiatives to reduce per capita consumption of water through recycling and reuse of water through STP, installation of Rain Water Harvesting to recharge ground water levels, use of water sensors and water efficient coolers to increase water efficiency and savings. We are building awareness for responsible water usage across employees through advocacy and awareness initiatives to encourage reduction of water consumption. We have taken a target to install 6 rain water harvesting units in our owned premises by 2020-21. These measures are a step towards managing future water stress and water-linked future regulation. They will also enable internal cost efficiencies and reduce dependency on fresh water.

Evaluating water related risks and aligned processes for managing these risks

Water availability and quality emerged as a business risk. One of the direct critical risks due to Climate Change is scarcity of fresh water in coming years. Tech Mahindra along with Mahindra Group supported the development of India Water Tool 2.0 (IWT). The IWT 2.0 allows companies, government agencies, and other users to identify their water risks, prioritize their water management actions, plan for sustainable water management and address water risks that confront agriculture, industry, households, and the natural environment in a given river basin. The research and development of IWT help us identify future water risks arising at different facilities due to climate change and carve out the corresponding mitigation strategy.

Water Risk - Mitigation Initiatives in Business Operations

- System for ensuring smooth business operation in case of a delay in monsoons and increased water scarcity.
- Assessing the impacts of water borne diseases impacting the wellness of our associates, which indirectly affects the revenue of the company.

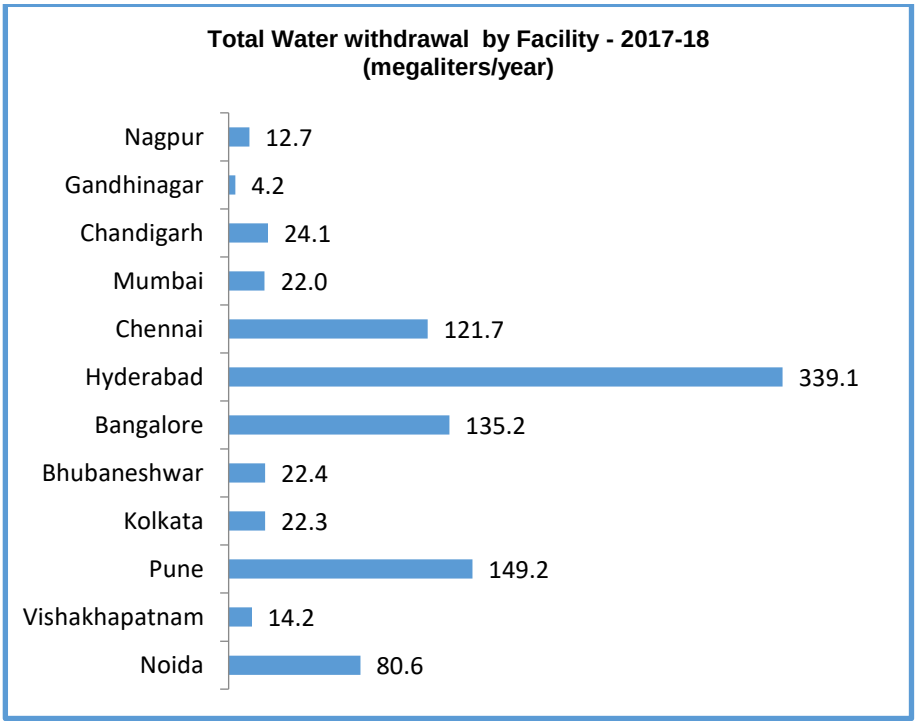
- Six Sigma projects on optimizing water consumption
- Harvesting Rainwater wherever feasible

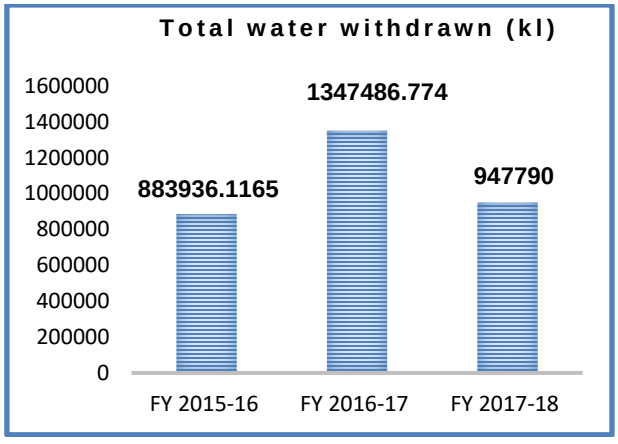
We were the least affected company during natural disasters like the Chennai floods and the Vizag cyclone.

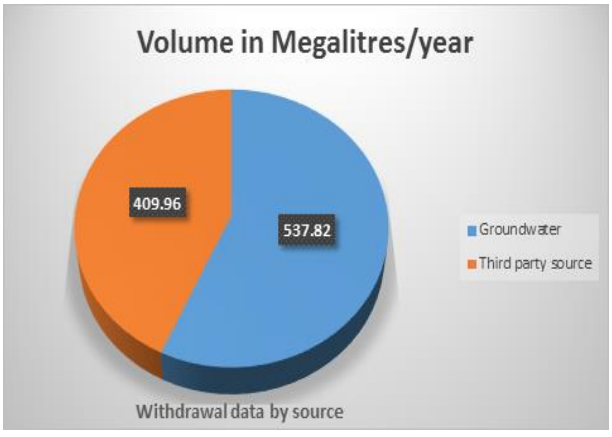
GRI 303-1: Total water withdrawal by Source

The source of water is bore-wells, municipal supply or tankers. We do not source any water from rivers or other water bodies.

Water Use	FY 2015-16	FY 2016-17	FY 2017-18
Total volume of water withdrawn	883936.1165	1347486.774	947790
Total volume of water consumed	524204.9565	926537.7542	443719



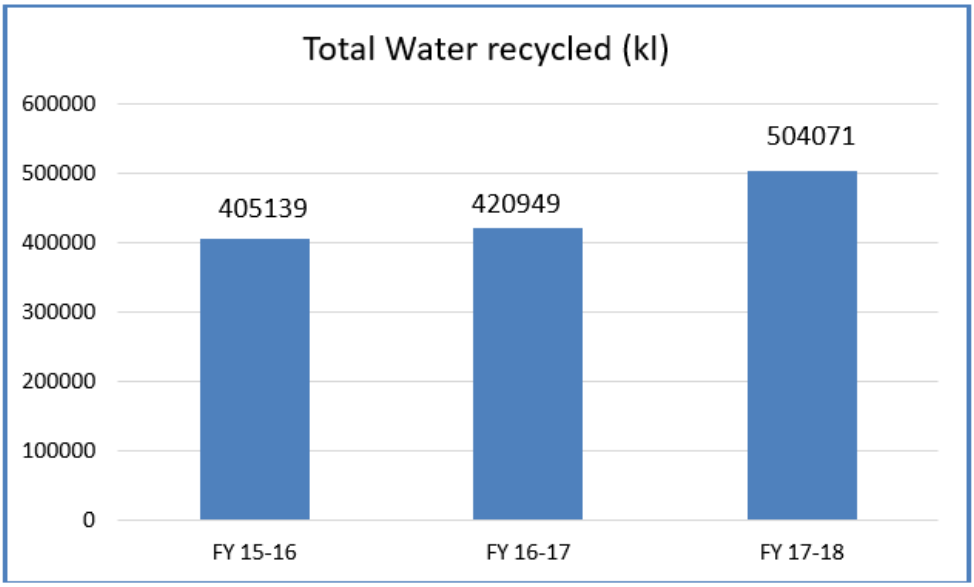




GRI 303-3: Total volume of water recycled

We understand the importance of water for our overall business continuity. We recycle sewage water in STPs and use it for landscaping. We have STPs at all our owned facilities. All such facilities are 'Zero Water Discharge' facilities. Wastewater generated is treated and reused for landscaping and washrooms. This helps us to reduce our fresh water requirement. In FY 2017-18, we recycled and reused 504070.9 KL of wastewater from 11 locations.

Water Recycled	FY 2015-16	FY 2016-17	FY 2017-18
Total volume of recycled water used (kl)	405139.2	420949.02	504071



GRI 306-1: Total volume of water discharged by quality and destination

	FY 2015-16	FY 2016-17	FY 2017-18
Total volume of water discharged* (kl)	340733.2	143469.3	142557

*****_Waste water is sewage generated from the washrooms at locations where the premises are rented offices that do not have their own STPs. The waste flows into the Municipal Sewage Line._

Waste

We are arduously working towards generating less waste by focusing on the behavioral aspects of waste generation and ensuring that all the waste we generate from our own activities is disposed in a responsible manner. We have a robust system of segregation at source, collection and management of both hazardous and non-hazardous waste. Tech Mahindra has setup procedures and best practices for Solid Waste Management across locations.. The management of the E-waste is as per the E-waste Management Policy, which is as per the E-waste (Management and Handling) Rules.

The recycling of the waste generated is explained below.

Category	Waste	Disposal Method
E - Waste	• E-waste, which includes defunct computers, monitors, servers, laptops and electrical items.	• E-waste sent to registered recyclers who are authorized by the respective State Pollution Control Boards, as per the E-waste (Management) Rules.
	• Solid – UPS Batteries, Generator Filters	• Sent to the respective State Pollution Control Board authorized Recyclers.

Hazardous Waste	• Liquid - Compressed oil and fuel from DG sets.	
Non-hazardous Waste	• Scrap waste comprising of plastic, packaging waste, paper and cardboard and other office waste. • Food waste from the canteens	• Paper waste given to vendors for recycling. • Food waste either composted on-site to generate manure for maintaining green belt or sent to piggeries.

In the same period, we vermicomposted our wet waste and yielded 35 tons of manure which was used for landscaping. Our waste output does not affect any habitats or water bodies. We do not ship any hazardous waste anywhere. The total waste disposal by category is provided below:

GRI 306-2: Total weight of waste by type and disposal method

	FY 2015-16	FY 2016-17	FY 2017-18
E-Waste (MT)	121.3	149.5	303
Hazardous			
Solid (MT)	166	130.48	321.65
Solid (Nos.)*	6430	4017	240
Liquid (kl)	8	9.315	5.23
Non Hazardous			
Solid (MT)	476	715.9	586.41

** Solid (Nos.) are UPS Batteries.*

GRI 307-1: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

In FY 2017-18, there were no fines or non-monetary sanctions due to non-compliance with environmental laws and regulation.

Total Environmental Protection Expenditure

We have been proactively making financial investments towards environmental protection, particularly improving our operations and activities, to become resilient to climate change. All investments towards greening our facilities and transitioning towards low carbon growth are voluntary initiatives.

With a focus on assigning cost to Carbon and Water, we also monitor and track our operating expenditure on energy and water by facility. The total expenditure was:

Capital Expenditure for Water (INR)	Green Investments (INR)
15928799.99	287768263

With a focus on assigning cost to Carbon and Water, we also monitor and track our operating expenditure on energy and water by facility. The total expenditure was:

Operating Expenditure on Energy and Water (INR)	
Fuel	69638245.77
Electricity	1389666807
Water	72625400
Total	**1531930453**

Making Sustainability Personal

We believe in inculcating a spirit of sustainability across our every action, our operations and within our associates. When we convince an associate to make sustainability personal, we know that we have taken a step beyond integrating sustainability into the strategy. We have made it a way of life. Our efforts are driven by the Green Marshals - a small band of TechMighties who are passionate about spearheading the cause of environment and sustainability.

GREEN MARSHALS, which has been our ongoing initiative along with JOSH, enables us to create a platform for the associates to engage in co-curricular and societal activities driven towards environmental stewardship and carbon responsibility. To bring greater participation, the initiatives are incentivized and rewarded. Some of the Green Marshals Initiatives in the reporting year are captured through the Green Marshals Events Gallery. Our Green Marshals clocked **2782 volunteer hours under our Green and Sustainability initiatives.**

Initiatives aimed at making sustainability personal included:

- Sale of LEDs at campuses to promote usage of energy efficient equipment among associates.
- Green quizzes across locations to increase awareness of environmental issues
- Promote the sale of cloth bags and wooden products to discourage the use of plastic bags.
- E-waste drop box drive for associates for disposal of obsolete mobiles and laptops.
- Environmental awareness kiosk by WWF India
- Tree plantation drive at villages
- Promotion of biodegradable materials like food plates and glasses
- Workshop for composting for home kitchen and terrace garden

Green Marshal Highlights

Conservation of natural resources through workshops, mailers, posters and other advocacy initiatives

Virtual Reality Booth
At our Virtual Reality booth, associates got a 360-degree view of the Arctic and the Amazon. With the help of this technology, associates could feel as if they have been transported to these breath-taking locations, and it helped them see the impact of climate change created by human activity, and how it affects the natural habitat of animals.

Waste Segregation and *Khamba* Composting
Greenpeace (NGO) volunteers taught associates, how to separate dry waste from wet waste. The volunteers explained how the wet waste can be used to create compost at home in a simple and efficient way by using a method called *Khamba Composting.*

Direct Dialogue
One-on-one conversations with associates to discuss global sustainability and environment trends

Rally for Rivers at Tech Mahindra Campuses

Science Based Targets

Tech Mahindra has committed to taking Science Based Targets (SBT) – short-term targets for 2030 and long-term targets for 2050 to be within the threshold of 2 degree rise in average surface temperature. We are in the process of developing a strategy to meet the targets.

The Science Based Targets initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). Science-based targets provide companies with a clearly defined pathway to future-proof growth by specifying how much and how quickly they need to reduce their greenhouse gas emissions.

Targets adopted by companies to reduce greenhouse gas emissions are considered “science-based” if they are in line with the level of decarbonization required to keep global temperature increase below 2 degrees Celsius compared to pre-industrial temperatures.

Green Procurement Policy

Our **Green Procurement Policy** helps us to administer and ensure initiatives and steps towards indirect GHG Emissions. We encourage suppliers to deliver products/services with minimum negative impact on the environment and adopt safe practices during production and delivery.
As a part of our supply chain strategy, we choose IT and Non IT suppliers who have sustainable practices along with an ability to deliver quality product on time. The criteria of Green Procurement are - ***Purchase of high-energy rated IT infrastructure (servers, laptops, desktops etc.).***

None of the products shipped by us include any sort of conflicting material when they have manufactured by our Suppliers. They completely comply with the BIS standards and have a very strong trade compliance team to monitor & avoid such activities.

Biodiversity

Our commitment to sustainable development also constitutes conservation of biodiversity. We have a Biodiversity Policy and a directive on protecting habitats and species. We ensure that none of our operations have a negative impact on biodiversity by complying with all the conditions identified and recommended during environment impact assessments.

GRI 304 – 2: Significant impacts of activities, products, and services on biodiversity

We have a swan pond in our Tech Mahindra Hinjewadi campus, at Pune and a Deer Park at Tech Mahindra Technology Center in Hyderabad. The objective of the park is to increase awareness of the associates on Biodiversity. It is maintained by a retired NZP veterinary officer and a qualified veterinarian consultant. The maintenance of the park is administered through **our Vision statement - Education, Conservation and Entertainment.**

GRI 304 – 1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

None of Tech Mahindra Facilities, owned or leased are adjacent to protected areas and areas of high biodiversity value.

GRI 304-4: Number of IUCN Red list species and national conservation list species with habitats in areas affected by operations

There are no IUCN Red List species or national conservation list species in the vicinity of our locations.

Enhancing our Human Capital

Human capital refers to the Associates of Tech Mahindra - their competencies, capabilities and willingness to learn and innovate and remain relevant. It is driven by our governance systems, our learning and development initiatives and loyalty to the organization.

Strategy & Approach

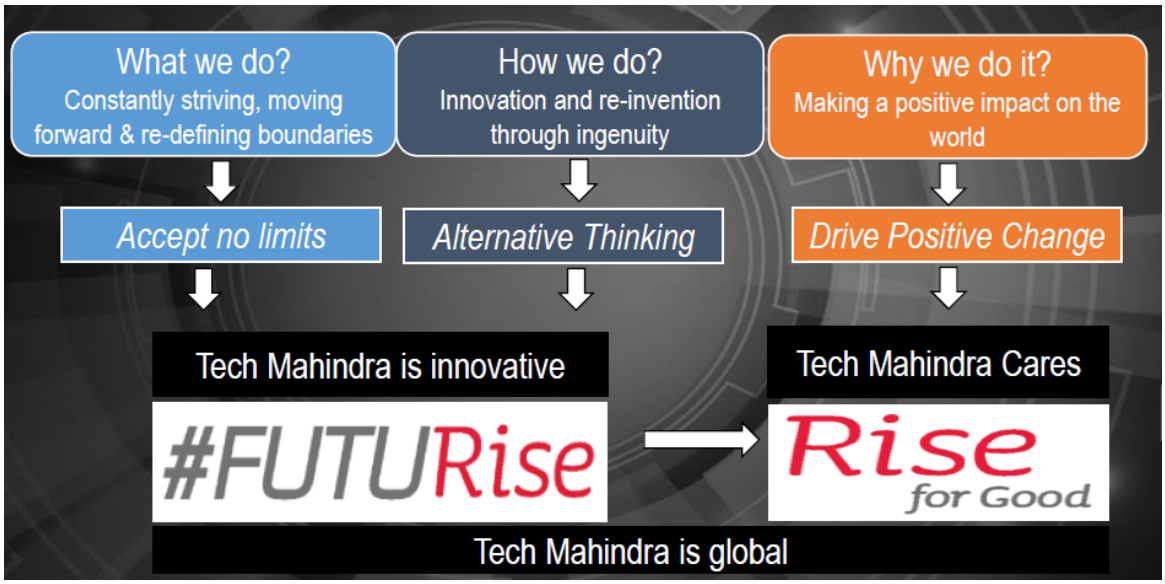
Development of the Human Capital is a key organizational priority. The key material topics in the Human Capital are **Attrition, Career Development, Associate Engagement, Health and Safety**. We are constantly working towards retaining talent by investing in career development programs, talent engagement initiatives, employee well-being (personal and professional), rewards and recognition and providing an empowered work environment. We are making associates future-ready to deliver to client expectations by training and skilling them on future-defining technologies such as automation, digitization, and artificial intelligence, augmented and virtual reality.

Mission
• Enable Associates to be future ready • Transform customer's businesses (IT2DT, Run Change Grow) through innovative technologies and solutions.

Core Values
• Professionalism • Good Corporate Citizenship • Customer First • Quality Focus • Dignity of the Individual

VISION
• Enable the Associates to upgrade, grow and have fun. • Enable the company to Innovate, sell better and deliver better.

FUTURise is Tech Mahindra's call to become relevant for the future. FUTURise aligns with the Mahindra Rise Philosophy - Accepting no limits, Alternative Thinking and Drive Positive Change. We have various employee centric initiatives, programs and tools to embed the FUTURise Philosophy into the DNA of the Company. Skilling and training the associates in terms of knowledge, skills and attitudinal competencies is an important component to the implementation of FUTURise.



Career Development towards FUTURise

FUTURiseis ingrained in every action we carry out, every process we design, every policy we draft and every product or platform we deliver. It will help the Associates connect (collaborate and re-skill), co-create (grow and innovate) and celebrate (fun, work life balance).

4 PILLARS - DISRUPT, EXPERIENCE, RISE and **IMAGINE**

4 Pillars of FUTURise	**Activities/ Initiatives**
Disrupt refers to disrupting boundaries, discovering new possibilities, unlearning, re-skilling and being Future Ready using platforms that are available.	• Learning • Leadership Development through • Achievers in the Making (AIM) • Shadow board • Young CEO Program
Experience focuses on designing experiences of tomorrow, building on associate strengths & skills, transcending the digital/physical boundaries and creating experiences of the future.	• Wealth to Wellness • JOSH, Ekatvam, Founders Day • UVO • Infrastructure • Associate welfare trust
Rise is about looking beyond the mundane, seeing beyond the obvious and enabling others to RISE with us and drive positive change.	• Kudos • My Beat • Reward & Recognition
Imagine is to explore the Unchartered, Discover the Impossible, Experience the power of Imagination and RISE up to the Future	• Knowledge Management • IRIS (Ideate, Redefine, Implement, Shine) • Mission Innovation

"FUTURise has been formalized as a brand signature in 2018. It embodies the underlying principle of future proofing the organization. In a technology enabled disruption, re-skilling and right-skilling the associates will be the enabler for the future. Transforming the skill set of the associates will help us in meeting the new technology and skill requirements. Internally, TechM has embarked on an aggressive move to re-skill 50% of its network engineers in 2018."

Rakesh Soni
Chief People Officer

INNOVATION

Our Associates are an integral part of our 360-degree Innovation Strategy. By crowd-sourcing ideas from 100,000+ associates and transferring the mantle of ideating on to them, we encourage innovation across the organization. Through initiatives like Innovation Platforms (IRIS, Mission Innovation), Knowledge Platforms, Codathons and Hackathons, they can pursue their business ideas and commercialize them with support from mentors and resources of the company.

DISCLOSURE 102-8: INFORMATION ON EMPLOYEES AND OTHER WORKERS

Employee breakdown by Gender and Age for Tech Mahindra Ltd India

Employee Type	No of Employees as of 31st March 2018							
	Age 18-30		Age 30-50		Age>50		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
Senior Management	0	0	27	303	13	142	**40**	**445**
Middle Management	10	26	1033	6954	49	369	**1092**	**7349**
Junior Management	17220	24559	3879	15749	18	82	**21117**	**40390**
Fixed Term	54	83	40	167	1	9	**95**	**259**
Third Party Contract	99	88	9	35	0	9	**108**	**132**
Others	116	484	58	316	0	3	**174**	**803**
Total	17499	25240	5046	23524	81	614	**22626**	**49378**
	Total TechM Associates						**72004**	
	Total 3rd Party Employees						4843	
	Total						**76847**	

Employee breakdown by Gender and Age for Tech Mahindra Limited (Global)

	Age 18-30			Age 30-50			Age>50			Total	
Band	**Fem**	**Male**	**Total**	**Fem.**	**Male**	**Total**	**Fem.**	**Male**	**Total**	**Fem.**	**Male**
U1	10018	13626	23644	1023	1307	2330	37	36	73	**11078**	**14969**
U2	7874	9162	17036	818	2470	3288	27	68	95	**8719**	**11700**
U3	2284	5788	8072	1463	5829	7292	40	140	180	**3787**	**11757**
U4	479	1526	2005	2338	11354	13692	58	296	354	**2875**	**13176**
O3	0	2	2		8	8		7	7	**0**	**17**
VIS	93	289	382	204	586	790	19	92	111	**316**	**967**
UJ	78	77	155	25	38	63	0	0	0	**103**	**115**
P1	24	62	86	1285	9198	10483	95	492	587	**1404**	**9752**
P2	0	0	0	232	2316	2548	32	343	375	**264**	**2659**
RG1	17	45	62	36	410	446	7	70	77	**60**	**525**
E1	0	0	0	36	403	439	9	118	127	**45**	**521**
E2	0	0	0	4	57	61	0	24	24	**4**	**81**
E3	0	0	0	2	14	16	3	25	28	**5**	**39**
RG2	0	0	0	1	29	30	0	16	16	**1**	**45**
EVP	0	0	0	0	1	1	0	9	9	**0**	**10**
Total	**20867**	**30577**	**51444**	**7467**	**34020**	**41487**	**327**	**1736**	**2063**	**28661**	**66333**
Total	**94994**										

Talent acquisition

Tech Mahindra is transforming from being a technology facilitator to a provider of innovative connected experiences for the clients' businesses. Staying focused on the cutting edge of technology through our people, we strive to attract the best talent. Acquisition of high quality talent in the required numbers is as important as up skilling/ right skilling associates and ensuring employee retention.

We have a well-defined workforce planning strategy and process managed by TechM's business units and corporate functions. Talent acquisition includes intensive recruitment drives in premier engineering and management institutes, search through online job portals, working with recruitment agencies and employee referral schemes. There are strategic and focused programs for talent retention to reduce employee attrition that include Career Development, Associate Engagement, Health and Safety and an empowered work environment that includes a work-life balance.

GRI 401-1: NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

During the year 2017-18, we hired 22,009 associates for our Indian operations. This includes hiring 15148 male associates while 6861 female associates during this period. It has been our firm commitment to enrich our organization's strength by attracting the best available talent. We engage with leading educational campuses for our hiring activities while also offering rewarding opportunities to experienced professionals. During the reporting period of 2017-18, 37163 associates separated from Tech Mahindra. This included 25131 male associates while there were 12032 female associates who left the organisation. The rate of attrition in IT for the year was 18%. We have instituted robust HR processes to ensure that we are able to gather the perspectives of separating employees in order to identify opportunities of improvements.

Employee Type	**Total New Hires in 2017-18 (Nos.)**										
	Age 18- 30			**Age 30 - 50**			**Age > 50**			**Total**	
	F	**M**	**Total**	**F**	**M**	**Total**	**F**	**M**	**Total**	**F**	**M**
Senior Management	0	0	**0**	1	15	**16**	0	2	**2**	1	17
Middle Management	7	26	**33**	77	650	**727**	0	9	**9**	84	685
Junior Management	5829	11006	**16835**	712	2603	**3315**	1	2	**3**	6542	13611
Fixed Term Contract	70	76	**146**	4	19	**23**	0	4	**4**	74	99
Third Party Contract	113	459	**572**	46	253	**299**	0	3	**3**	159	715
Others	0	3	**3**	1	12	**13**	0	6	**6**	1	21
Total	6019	11570	17589	841	3552	4393	1	26	27	**6861**	**15148**

Employee Type	**Employee leaving the organisation in 2017-18 (Nos)**										
	Age 18- 30			**Age 30 - 50**			**Age > 50**			**Total**	
	F	**M**	**Total**	**F**	**M**	**Total**	**F**	**M**	**Total**	**F**	**M**
Senior Management	0	0	**0**	12	64	**76**	4	36	**40**	16	100
Middle Management	8	12	**20**	260	1599	**1859**	16	150	**166**	284	1761
Junior Management	9889	17426	**27315**	1300	4436	**5736**	2	25	**27**	11191	21887
Fixed Term Contract	138	144	**282**	12	43	**55**	1	14	**15**	151	201
Third Party Contract	181	630	**811**	62	258	**320**	1	5	**6**	244	893
Others	133	228	361	13	47	**60**	0	14	**14**	146	289
Total	10349	18440	28789	1659	6447	8106	24	244	268	**12032**	**25131**

Employee turnover during reporting period

Annualized quarterly attrition is computed on "LTM" last twelve months. This data is as on 31st March, 2018. The annual attrition for FY 2018 is 18%.

Remuneration based on Merit

We do not differentiate compensation offerings amongst its employees (basic salary and remuneration) based on gender or any other aspects at any locations of operations. Remuneration is merit based depending on the level, grade, years of experience, skills and competence and performance of the associate.

GRI 401-2: BENEFITS PROVIDED TO FULL TIME EMPLOYEES WHICH ARE NOT PROVIDED TO TEMPORARY OF PART TIME EMPLOYEES

In order to attract and retain the best talent in the industry, Tech Mahindra offers some leading benefits to our employees which include provident fund, medical insurance for the employees and their families, disability & invalidity coverage, life insurance & accident insurance, parental leave, paid leave, travel & relocation benefits, retirement benefits and stock options (for some employees).

All benefits offered to full-time employees are offered to part-time employees also with the only exception being the medical insurance given. The insurance covers the part-time employee but does not extend to his family. For associates working part time, compensation and annual/earned leave are prorated based on the hours worked. All other benefits are applicable to contractual and part time employees also.

The benefits are in compliance with the local employment/labour laws prevailing in India and the countries of operation. Benefits are provided to the permanent (full time) and contractual (fixed term/part-time) employees based on the entitlements as provided by the regulations.

Workplace Benefits for Employees

- Accident Insurance
- Wealth of Wellness
- Flexi Work
- Medical Insurance for the employees and their families.
- Group Term Life Insurance Policy
- BSG Insurance Policy
- Associate Welfare Trust

Long-term Incentives

All employees who have finished a minimum of 5 years in the company are part of the long-term incentives plan. The benefits include:

- Certificate and a congratulatory plaque along with Cash award are given to celebrate their association with the company depending upon the number of years in the organization. They are also given additional leaves depending upon the number of years served.
- Stock options- given but only to a few who qualify under performance and other criteria.
- Gratuity - mandate under the Indian law, which is given as a lump sum to an employee leaving the organization after rendering continuous service for not less than 5 years in the company.

GRI 401-3: PARENTAL LEAVE

Tech Mahindra leave policy ensures that associates are entitled to maternity leave of 6 months and paternity leaves of 5 days.

Parental leave - 2017-18	**Associates who availed Parental Leave**		**Associated who returned to work after parental leave**	
	Female	**Male**	**Female**	**Male**
	2165	913	1644	728
Total	**3078**		**2372**	

Career Development

Career development has been recognized as a key focus area to drive FUTURise. We actively invest in Career Development and Leadership Development to facilitate professional growth and development of the associates. The associates are encouraged to challenge status quo, try new things and do things differently. This is combined with leadership encouragement, support and mentoring. Our Global360 degree learning & Leadership Development Programs coupled with an effective career management processes help associates to Rise for Good.

Career Development is focuses on delivering a better and enhanced employee experience through simplified, digitized, enriching and collaborative work environment. Some of the programs/initiatives are:

- **UVO:** Virtual office assistant, a voice enabled assistant that takes command and processes it thus making work easy. UVO is equipped to apply leave, book conference bridges and carry out many more such work.
- **Career Counselling:** This is a program led by our team of '1000 leaders' on Coaching and grooming using an online platform. This portal guides associates on how to grow professionally and meet career aspirations.
- **IJP:** An enhanced and simplified internal job portal that allows associates to take internal transfers. The policy and process for internal hiring has been simplified to help associates pick up new opportunities within the organization. Preference is given to internal associates over external hiring.
- **TechmyTea:** This portal uses an algorithm to connect associates with each other based on their common interests. Associates can connect face to face or virtually. This will help build the network within the organisation, learn more about other units and make new friends.

GRI 404 – 2: PROGRAMS FOR UPGRATING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRMS

We endeavor to create an environment that fosters innovation and collaboration and enables the associate to leverage the collective knowledge of TechMighties. Our multiple career tracks and internal job rotation options give our associates diverse opportunities within Tech Mahindra. The **Young CEO Programme, Shadow Board, 1000 Leaders** and **the Global Leadership Cadre** are some of our flagship programmes that enable our young achievers to demonstrate their leadership skills and strategic thought process. Robust learning platforms enable individual development and help associates unleash their true potential. There are various initiatives for career transition and advancement.

CAREER TRANSITION	CAREER ADVANCEMENT
• Multiple Career Tracks • IJPs & Job Rotation • Global Exposure	• Shadow Board • Young CEO • AIM • Global Leadership Cadre • 1000 Leaders

Higher Education Support: Specialized tie-ups with best of education providers are rolled out to provide customized higher education programs and these programs have been crafted to suit the time challenges of the working professionals.

Right-skilling Associates: Right skilling the associates have been the priority in line with the strategy of transitioning from IT2DT. Associates were trained through our Digital Training Framework (Digital Practitioners and certified professionals in the areas of Design Thinking, DevOps, Automation and Business Networking skills.

Cross Skilling Associates for Verticalization so that they can deliver end-to-end services to customers.

Programs for upgrading employee skills and transition assistance programs till 31st March, 2018	
No of programs conducted	Participants count (non-unique)
4,150	1,46,039

GRI 404 – 1: AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

In 2017-18, we focused on associate driven learning using information avenues like MOOCS and external contents and generic platform based initiatives likeMyTube, EdX, Pluralsight. There was a concentrated focus on re-skilling the associates. The interventions helped TechM save an estimated INR 1094 million in FY 2017-18.

- We launched “Project Management for Practitioners” - a 3-day interactive program that covers process, systems, workflows, and critical gap areas in Project Management.
- If the Bench size increases beyond a threshold value, the overall skill utilization drops and the cost to the company increases significantly impacting profit margins. In order to address this challenge, we have launched a bench re-skilling initiative. It enables the company to pick up new contracts requiring quick ramp-up and the associates on bench to re-skill/up-skill themselves into the roles for open positions instead of external hiring. The Bench skills set are profiled and matched with open positions, to identify needs and opportunities. The associates then undergo appropriate trainings, which are in line with the future needs of the clients.

The average hours of training for lateral associates was 39.11 hours per FTE (Full Time Employee) while that for Fresh Graduates was 387 hours per FTE to make them deployable on projects. The average cost of training was INR 5160 per FTE. The other trainings, which were monitored, are reported in the table below.

Average hours of training per year per employee - 2017-18*		
Category	**Male**	**Female**
Overall	34	38
Fixed Term Contract	16	11
Junior Management	34	39
Middle Management	34	35
Others	9	1
Senior Management	15	18
Third Party Contract	7	7
Workmen	34	39
Average hours per FTE of training and development	39.11 hours	
Average amount spent per FTE on training & development	INR 5160	
Percentage of open positions filled by internal candidates	69.9	

**This does not include training from generic learning platforms like MyTube, EdX, Pluralsight*

Associate Engagement

We believe in staying connected with our associates by taking feedback and inputs from them as well as sharing information about the overall organizational strategy, growth and future direction. We have established multiple platforms to ensure transparent, informative and engaging two-way communication with associates.

Through our multi-channel communication programs (Free voice, All hands meet, My Beat), associates can provide bottom up feedback and contribute, share, use and store both explicit and implicit knowledge and experiences with the rest of the organization. The feed-back received from associates is used to define the organization strategy and approach and contribute to the strategy and direction of the company.

There are various engagements mechanisms for associates to gain perspectives on the Company’s future growth plans, industry trends and future orientation.

Leadership Connect	**Employee Engagement**	**Knowledge Platforms**	**Reward and Recognition**
• Leader Chats • Coffee Meets • Location Councils	• MyBeat Plus • Freevoice • All Hands Meet • TechM CARES Survey	• KÈE Portal • Ask The Expert • MINK • Raintree	• Annual Excellence Awards • KUDOS

DEXT: Dext is the New Age Learning Hangout to meet learning needs. It is an intuitive interface giving personalized learning paths and access from any device to world class learning content.

Reverse mentoring: Everyone needs to change and learn from each other. We all have expertise in different fields. Reverse mentoring platform allows associates (U4 and below) to mentor the seniors and hone new skills by teaching them. Associates can use the reverse mentoring portal to sign up.

eXtra Miles: eXtra mile is a crowdsourcing initiative that connects skills with opportunities within the organization. A Manager can post an assignment asking for resources and an associate can volunteer as a resource for one of the assignments. This is an unique opportunity to enhance associate skills, get exposure and build capabilities.

Carenet: All of us must have a personal brand for ourselves. But how do we project our brand? How do we ensure that others know about us? This is a portal that's similar to Linkedin, but exclusive to our associates. This will enable associates to network by showcasing their skills and achievements in the form of a profile. The launch of this portal is planned in Q2FY'19

Career Turbo: This is a game-based app that will help associates in identifying their career goal. The gamifications helps the associate discover various competencies and roles that (s)he can take on, based on their current skills. Career turbo will also let you know the kind of skills you would need to learn in order to up-skill yourself. Skill adjacency matrix helps identify associate capabilities and complementary skills they need to learn.

TechM CARES

TechM CARES survey measures associate experience across key engagement dimensions like Career, Alignment, Recognition, Empowerment and Strive. The action-planning feature in the survey is a step towards collaborative decision making that influences aspects such as jobs, work environment and the direction of the company as a whole.

Rewards and Recognition

We recognize our associates for their outstanding efforts and their contribution and value addition to the organization through a Rewards and Recognition (R&R) Program.

- Tech Mahindra's performance based recognition offerings are designed to be relevant and comprehensive, ranging from individual and instantaneous Awards like – Bravo, Pat on the Back, Loyalty and Contribution are recognized through our exclusive Long Service Awards on Milestone Service Anniversary.
- Annual Excellence Awards is TechM's apex platform to celebrate excellence and provide visibility to the 'Best amongst the Best' performers while recognizing achievements in Innovation, Excellence, Solutions, Relationships, Growth and Operations.
- **KUDOS** is designed to reinforce and recognize the most important outcomes Associates create for our business. This comprehensive model recognizes excellence demonstrated by individuals, project teams as well as the larger universe of business and support units and is aimed at acknowledging associates achieving excellence in both technical and managerial roles.

GRI 404 - 3: PERCENTAGE OR EMPLOYEES RECEIVING REGULAR PROFESSIONAL AND CAREER DEVELOPMENT REVIEWS

Tech Mahindra follows a multidimensional performance appraisal employing 180-degree feedback approach of employees being appraised by one level superior or manager. 100% of all eligible employees are appraised through a performance indicator system that integrates all the 3 types of performance appraisals. We have pre-defined and measurable yearly goals and targets, which follow a multi-dimensional 180-degree feedback appraisal system and also have comparative ranking of employees with associates in the same peer group.

Work Life Balance

We are committed to providing a holistic employment experience to associates with the flexibility to balance both professional and personal commitments. Our HR policies are designed to incorporate work-life balance. Flexible work timings are specifically designed to facilitate seamless work life integration for associates.

JOSH

Josh is a voluntary group formed by "life enthusiasts" who run fun, delight & connect and organize events at TechM. The Josh Team Members ensure that TechMighties remain encouraged, entertained and also help enable the society around them. The JOSH team members give every associate a reason to smile, celebrate and connect work with fun.

Every Tech Mahindra location has its Josh teams formed by associates volunteering to be part of these teams. Within Josh, there are clubs dedicated to Culture, Sports, Adventure, Movies, Quizzing etc. and they organize events that include charity, cheer and challenges.

The entire JOSH team works together in conjunction with the Location Councils to Drive Positive Change in the lives of associates while Accepting No limits and Thinking Alternatively and celebrating every single occasion with passion, enthusiasm and commitment

Our Family Connect Programmes such as Founder's Day, Family Day, Ekatvam, ACE Awards ensure we stay connected with our extended Tech Mahindra universe and celebrate our success with them.

Health and Safety

We are committed to the physical, mental and spiritual well-being of the associates. The Company's Mantra of "Wellness before Business" is reflected in the medical camps, wellness programs, work from home facility and numerous other options available across locations.

Associate Welfare Trust

An Associate Welfare Trust has been formed to provide financial assistance to members of the Trust in case of medical emergencies where the medical expenses are more than the amount covered by the hospitalization insurance scheme of the Tech Mahindra. The Trust is funded and run by TechM associates with the trustees being a set of nominated associates.

Wealth of Wellness (WoW)

We have a comprehensive Health and Wellness program - 'Wealth of Wellness' (WoW), through which we harness the power of technology for associate health and wellness.

WoW strives to provide various avenues to the associates to ensure their physical, mental and spiritual wellbeing. The program offers sessions, events, camps, webinars, talks, workshops, and health contests and enables awareness of physical, emotional and spiritual fitness for associates. The WoW programs, activities and needs are planned through the 'WoW Committee', our Health and Safety Committee. It investigates workplace safety and injuries, brings fitness to the desks of the associates and also works with the management. The WoW committee is also responsible for tracking the effectiveness of our wellness program.

Wellness Infrastructure: All large campuses at TechM have Medical Rooms, Gymnasiums and Indoor Games facilities for use by associates. There is a robust Emergency contact process with toll free numbers across India, US, UK, and Australia. We also conduct self-defence training sessions across many locations.

GRI 403-1: WORKER REPRESENTATION IN JOINT WORKER MANAGEMENT HEALTH AND SAFETY COMMITTEE

The WoW Committee is the health and safety committee of Tech Mahindra at all the locations of operations, which had a fair representation of all categories of employees.

WoW Committee Across Locations in 2017-18		
Employee Band	**Number of WoW members**	**%**
Senior Management (Band E2 and above)	4	9
Middle Management (Band P2-E1)	7	15
Junior Management (Band U1-P1)	36	77
Total	**47**	**100**

GRI 403-2: TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES, BY REGION AND BY GENDER.

In the reporting year, there were no injuries or illness within the premises, which lead to lost days or absenteeism by the employees.

Counseling Facilities for Associates: We are also committed to the psychological well-being of our associates. Counseling facilities, with a strict confidentiality clause are made available at all the locations

DIVERSITY AND INCLUSIVITY

Tech Mahindra's Diversity and Inclusivity mission for sustainable leadership is "**Acknowledge, respect, and leverage the value of individual differences to enhance organization competency and innovation for Sustainable Leadership**". We do not limit diversity to providing equal employment opportunities but extend it to valuing and celebrating the uniqueness of every individual by fostering an environment of inclusion and empowerment. Please refer to the Diversity and Inclusion Policy here.

We believe that differently-abled associates increase the quality of organizational diversity and encourage collaborative work. We therefore have special initiatives to provide equal opportunities and necessary support to differently-abled professionals. Cultural diversity at the workplace provides a competitive advantage enabling idea generation and an ability to understand a wide variety of customer segments.

GRI 405-1: DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

Gender diversity enables a better work environment, promotes an improved culture, increases efficiency and productivity and reduces attrition. We are committed to increasing the number of female employees at all levels within the organization and in the leadership and senior level positions.

With a focus on increasing the number of women joining the workforce, we want to reiterate our commitment to workplace safety. **There is zero tolerance to sexual harassment**. We empower our women associates and ensure their safety by organizing self-defense workshops, GPS enabled cabs, regular transport surveys and training bus/cab drivers on safety and behavioral aspects.

Women's Representation

Percentage of women in workforce by category	2015-16	2016-17	2017-18
Female as percentage of total workforce (%)	30	30.85	30.17
Females in Management Positions (as % of total Management Employees)	11	11.47	11.57
Females in Junior Management Positions, i.e. first line management (as % of total Junior Management Positions)	12	11.63	11.78
Females in Top Management Positions (as % of total Top Management Positions)	8	8.40	7.32
Females in Management positions in Revenue Generating Functions (as percentage of all such managers)	*	10.96	10.92

**In 2016-17, we added a new matrix in gender diversity and started monitoring the percentage of women in revenue generating functions.*

GRI 415-1: POLITICAL CONTRIBUTIONS

We do not campaign for, support or directly offer any funds or property as a donation or otherwise to any political party or to any independent candidate for the political office. We do not make contributions to political parties to influence any decision or gain a business advantage. We make donations that are legal and ethical under local laws and practices.

GRI 102 - 12 Externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses

We follow the International Human Rights Norms and National Labour Laws that protect and empower all associates directly employed by us and our suppliers and sub-contractors. Enforcement of the principles of human rights in our decision-making and business interactions allows us to identify risks to our business and create value.

Being part of the Mahindra Group, which has long been a United Nations Global Compact (UNGC) signatory, we were always committed to follow global best practices and adhere to UNGC and UN Guiding Principles on Business and Human Rights. In FY 2016-17 Tech Mahindra became a Signatory to UN Global Contact.

We ensure conformance with UNGC principles and monitor progress on them using the GRI Standards disclosure framework.

GRI 412-3: SIGNIFICANT INVESTMENT AGREEMENTS AND CONTRACTS THAT INCLUDE HUMAN RIGHTS CLAUSES OR THAT UNDERWENT HUMAN SCREENING

All employment contracts and policy documents are periodically and proactively reviewed to ensure that there are no human rights violations across the globe.

GRI 412-2: EMPOLYEES TRAINED ON HUMAN RIGHTS POLICIES AND PROCEDURES

Human Rights aspects are administered and implemented through our Policy on Prevention of Sexual Harassment. We have zero tolerance to sexual harassment at workplace. Our Anti-Sexual Harassment (ASH) Policy was updated and renamed Prevention of Sexual Harassment (POSH) in 2016-17. All associates are required to complete a Prevention of Sexual Harassment Training and get a certificate of completion. This training and certification is strictly enforced and non-conformance ensures a quick dismissal.

All the associates completed the training in 2017-18 in the training cycle.

GRI 412-3: SIGNIFICANT INVESTMENT AGREEMENTS AND CONTRACTS THAT INCLUDE HUMAN RIGHTS CLAUSE OR THAT UNDERWENT HUMAN RIGHTS STREENING

All significant investments in all our acquired companies have undergone human rights screening. Employment contracts and policy documents go through periodic reviews to ensure no human rights violation happen across the globe. While reviewing such agreements & policies, significant effort and time is invested by the organization along with incidental costs needed for reviews. Such investments are periodic and proactive. Though we always follow the principles of UNGC, being an associater concern of the larger M&M group, Tech Mahindra is now part of the Global Compact Network India (GCNI), the Indian Local Network of the UN Global Compact and a signatory of the larger UNGC also.

GRI 406-1: INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

We have a formal mechanism for tracking incidents of discrimination. There were 28 complaints of sexual harassment in FY 2017-18, all of which were closed after satisfactory resolution and necessary action.

Type of complaint	Complains Filed	Closed	Ongoing
Discrimination	1	1	0

One Discrimination Charge was filed with US Dept. of Justice, Civil Rights Division, however the same was dismissed.

Sexual Harassment 2017-18	Complains Filed	Closed	Ongoing
India	26	26	0
Sweden	1	1	0
Michigan	1	1	0

GRI 410-1: SECURITY PERSONNEL TRAINED IN HUMAN RIGHTS POLICIES AND PROCEDURES

100% security personnel were briefed on aspects of Human Rights.

GRI 102 - 41: COLLECTIVE BARGAINING AGREEMENTS

We recognize the right to freedom of association and encourage associates to connect, discuss ideas and raise issues through readily available internal tools and platforms. Some of the avenues like Free-voice (a portal where associates can air their issues), IRIS (our Idea bank), All hands Meets, Redressal committee offer an opportunity for associates to interact with the management, raise concerns and resolve issues and conflicts in a fair and transparent manner.

In addition to the policies on various aspects of Human Rights like POSH, CEBC, Anti-Bribery and Corruption Policy, we also have a Business Responsibility Policy, which administers the implementation of our core values and culture. The Policy is in line with the Nine Principles of the National Voluntary Guidelines proposed by the Ministry of Corporate Affairs.

FREEDOM OF ASSOCIATION

Tech Mahindra has a highly educated workforce, whose technical skills are greatly valued globally. Most of our IT employees are not part of any trade Unions, as they are highly educated and have a significant bargaining power in the IT & Software industry, thus ensuring that their' interests are largely protected by the free market.

Tech Mahindra adheres to the local practices and some of our associates are covered by independent trade union or collective bargaining agreements in few of the European countries. Here our employees are members of the Works Council set up in accordance with local laws which takes part in majority of operations related to employees at the location, such as hiring and exit, terms and conditions of their employment, agreements etc. But even without being part of a union, every Tech Mahindra employee has readily available access to many internal tools to connect with the senior management. We have Free Voice (a platform to share views on policies, practices and culture within the company), IRIS (our idea bank) where employees can share their views, opinions and ideas across managerial levels and the organization.

Tech Mahindra encourages transparency across its workforce and directly helps connect with leaders and their vision through events like 'All-Hands meets' and 'Coffee with Leaders' where Senior Management leaders interact, discuss and exchange ideas on myriad issues including Company strategy and goals. The employees can also directly connect with the leaders through online platforms like Twitter/ Facebook etc. There is a Redressal Committee which addresses all concerns raised by the associates and resolves them in a fair and transparent manner.

BRIBERY AND CORRUPTION

Bribery and Corruption is a multi-dimensional issue that can be a risk to our brand, reputation and business growth. We have zero tolerance to bribery and corruption. All our associates are prohibited from practices of corruption and bribery, both direct and indirect, in cash or kind. We have an Anti-corruption and Bribery Policy, which is applicable to all employees of Tech Mahindra and our subsidiary companies.

GRI 205-2: COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

The Code of Ethics for Business Conduct covers topics of corruption and bribery. 100% of the employees of TechM received the training in 2017-18.

GRI 205-3: CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

In FY 2017-18, there were no reported incidents of corruption.

GRI 102-16: ETHICS AND INTEGRITY

Tech Mahindra's values on ethics and integrity are administered through the Tech Mahindra Code of Ethical Business Conduct. The Board of Directors, Senior Management and associates (permanent and on contract) and all external stakeholders are required to strictly adhere to the Code of Ethical Business Conduct (CEBC).

CEBC Training is mandatory for all Associates. It covers fundamental aspects of ethical business and the mechanism to report any cases of non-compliance to the Corporate Ombudsman. 100% of the associates completed this training in the training cycle. External stakeholders are encouraged to take the CEBC Training, which is available on the website.

Our Whistleblower Policy provides associates (whether permanent or on contract) , Investors, customers, vendors and other stakeholders an avenue to raise concerns, in line with our commitment to the standards of ethical, moral and legal business conduct. The policy provides necessary safeguards for protection of employees from reprisals or victimization, for whistle blowing in good faith. An ombudsman along with a dedicated telephone line enables employees to raise their concern and report cases. The policy is communicated to all associates and other stakeholders through our various engagement platforms.

GRI 102 – 13: MEMBERSHIP OF ASSOCIATIONS

We view membership with industry association and trade bodies as a platform for influencing public policy and sharing best practices. In FY 2017-18, we paid a total fee of INR 1.25 Cr. towards these memberships. Some of the associations which we are members of include:

- National Association of Software and Services Companies (NASSCOM).

- World Economic Forum(WEF)
- Confederation of Indian Industry (CII).
- United Nations Global Compact (UNGC).
- Bombay Chamber of Commerce & Industry

The highest fees were paid to NASSCOM and WEF at Rs 60 lakh and 40 lakh respectively.

Social & Relationship Capital

Tech Mahindra's Social and relationship capital is derived from the institutions and the relationships within and between communities, groups of stakeholders and other networks. It includes shared norms, and common values and behaviours, trust and willingness to engage with each other. It strives to build and protect the relationships with external stakeholders and intangibles associated with the brand and reputation. It represents the ability to share information to enhance individual and collective well-being.The enduring values that guide our actions, decisions and relationships are

Accepting No Limits

We accept no limits, and ask the same of everyone else. In return, we work relentlessly to provide the tools, information, and inspiration for us to push past limitations and comfort zones.

Alternative Thinking

Alternative thinking means solving problems in ways no one thought of before, by using fewer resources and entering markets thought to be unreachable.

Driving Positive Change

We want you to RISE. And not just you. Your family. Your neighborhood. Your whole community. This is why we come to work every day.

Social Responsibility

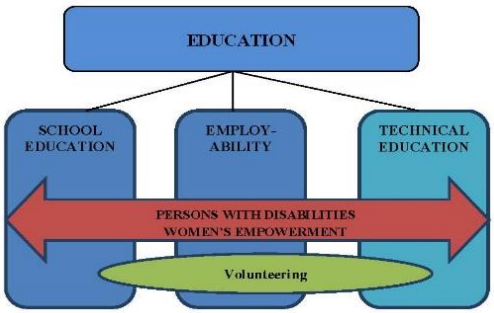
Social responsibility is a material priority for Tech Mahindra. The management approach for all CSR projects is evaluated at the Board Level CSR Committee.

The CSR focus areas for the company are Education, Employability and Disability – the tenets that can enable the communities to Rise. From primary school to professional training, our CSR interventions are aimed at empowering our young people to take charge of their lives, and build a more prosperous future for themselves and their families.

CSR FOCUS AREAS

SMART
Skills for Market Training– atraining program for youth from underprivileged backgrounds

SMART T
Bridging the demand and supply gap for trained, skilled man-power across various



Shikshaantar
Professional development of primary government schoolteachers, principals, school inspectors, education officers, leaders and management officials

ARISE
All Round Improvement in School Education

ARISE+ Focuses on school education for children with disabilities

SMART+ All Round Improvement in Special Education, targeting children with disabilities

Vision & Mission

Educated, skilled and able women and men are a country's true strength. We aspire to see children who are purposefully engaged, youth that is constructively employed and a society that provides equal opportunities to people with different abilities. Key focus areas for Corporate Social Responsibility at Tech Mahindra Foundation are:

- Empowerment of girls/women
- Empowerment of people with disabilities
- Corporate volunteering

These three areas are cross cutting themes for all our projects and programmes at Tech Mahindra Foundation.

TECH MAHINDRA FOUNDATION https://techmahindrafoundation.org/

Tech Mahindra Foundation is the Corporate Social Responsibility arm of Tech Mahindra Limited. The foundation set up in 2007, as a section 25 Company, has been working in the areas of education, employability and disability, with a keen focus on corporate volunteering. It is operated across twelve locations in India.

"Skilling is the spark that ignites progress. It is a starting point for young people to build better lives for themselves. Through the SMART (Skills for Market Training) program, we are playing our part in meeting SDG 12 - promoting inclusive and equitable quality education for all. Combined with SMART T and SMART +, the programs for technical education and promoting employability of the disables, we are bridging the opportunity and skill gap. "

Loveleen Kacker
Chief Executive Officer, Tech Mahindra Foundation

Shikshaantar

Shikshaantar focuses on building the capacity of teachers, principals, school inspectors, education officers and leaders. The vision of the program is the enrichment in education by developing an effective in-service teacher education program, which prepares professionally competent and compassionate education professionals, dedicated to serving the diverse cultural, linguistic and exceptional learning needs of the most marginalized children.

Arise (All Round Improvement in School Education)

The program works with Municipal Corporations of India to develop Government/ Non- Government schools and turn them into schools of excellence building upon four connected domains of school improvement:

- Academic - focuses on educational achievements and measures to improve them- ensuring that children acquire grade appropriate learning.
- Social - attempts to build upon values of friendship and collaboration between schools and families/communities of children through connecting, networking, and ensuring that communities participate actively in the process of education along with children, teachers, school management and teachers
- Infrastructural – make schools happier and effective places of learning.
- Organizational- attempts to add an effective management component to the schools- to ensure that schools evolve as effective units of education, functioning effectively as well managed organizations.

Arise+

A special program focused on school education for children with disabilities. It works to empowers children with physical disabilities, hearing/ speech impairment, loco-motor disabilities and mental disabilities. The interventions include

- Early detection of disabilities.
- Equipping parents, teachers and caregivers with techniques to look after children with disabilities.
- Support in education of children with disabilities.

Seema trumped visual impairment to score 90%

From L to R: Durga Yevle, Seema Kharad and Snehal Patange

This year, 12 visually impaired girls from TMF supported Jagriti school for blind girls in Pune, passed the exam with flying colors. Seema Kharad topped her school by securing an impressive 90%, Snehal Patange stood 2nd by scoring 85.20% and Durga Yevale came 3rd by scoring 84.40%.

The hard work and determination of these girls is unstoppable. Both Seema and Durga are very keen to go for higher education and learn humanities. Seema, a chess enthusiast wants to prepare for UPSC and dreams of becoming an IAS officer. Second topper Snehal loves to dance and wants to do social service by becoming an advocate. Durga too loves to play chess and plans to take a road to teaching by taking the role of a professor.

SMART (Skills for Market Training)

SMART program is a model vocational training program for youth from underprivileged backgrounds, which helps them actualize their potential in a career of their choice. The program equips youth from urban communities with requisite skills and attitudes to gainfully participate in the new economy. One of the largest skilling initiatives run under corporate social responsibility in India, it is aligned with the Government of India's vision on skilling.

SMART-T

Drawing upon industry research and experience of running a large employability program, the Foundation initiated SMART – T to bridge the demand and supply gap for trained, skilled manpower across various trades in technical domains. The program offers training on a variety of trades in formal partnership with some of the leading agencies in technical training.

SMART+

SMART+ or SMART for persons with disabilities was launched in 2013-14 to include youth with disabilities under the skilling initiatives of the Foundation. The program enables youth with a diverse range of disabilities – sight impairment, hearing/ speech impairment and loco-motor disabilities to receive hands-on training and exposure to the rich curriculum and resources of SMART.

SMART Students carving a niche with SMART Pay Packages!

Vishwanath Tata, a SMART student from Hyderabad bagged a decent package of Rs. 4.5 Lakhs when he was placed after his training at the TechM SMART centre. He is working as a software analyst with Hexagon Capability Pvt Ltd in Hyderabad.

Siddhartha, a 35-year-old man, married with two kids, was struggling to make both ends meet. Despite having degrees his lack of confidence and communication skills, came in his way of getting a decent job. Daily he struggled under the burden of family responsibilities, unable to find a job. His life changing moment came when he saw a newspaper advertisement by Tech Mahindra Academy for Healthcare.

"*I had all the qualifications, but my skills were not polished. I knew that only way I could get a decent job was through a professional course, which would guide me to a career path. I enrolled myself in the Hospital Front Office and Billing Executive (HFOBE) course. My family and kids also supported me wholeheartedly. Thanks to the Tech Mahindra SMART Academy for Healthcare Delhi, today I have a decent job in my hand*" said Siddhartha with a smile of accomplishment on his face.

He gets the highest salary that any SMART student has achieved so far.

It is heartening to see our students reaching such great heights.

Impact Employability

Ramtekadi is a slum in Pune where a large part of the population, particularly the youth is uneducated and employed in the informal sector. They either are rag pickers, vegetable vendors or involved in small business. Only a handful of youth in this area are in colleges. Tech Mahindra Foundation started a new SMART centre in 2016 there.

Anis Amin Shaikh is a student at the Smart Centre Ramtekadi. His father, a tailor, runs a small tailoring shop and the family is barely able to get by on the amount he earns. Anis completed his graduation and then started looking for a job but he couldn't get one. *"I could pass the first two rounds of interviews but then I had problems so I wanted to work on it,"* says Anis. He took admission in the SMART Centre. Gradually, his English communication and presentation skills improved. With the help of his English teacher, he also improved his typing speed.

The centre manager invited HR professionals to the SMART centre and tried to create a positive image about the youth of Ramtekadi. Now, companies have started visiting the Tech Mahindra SMART centre and are recruiting young men and women from there.

Anis worked hard and gradually could see a change in himself. He got selected in Concentrix Daksh Private Ltd. on an annual package of Rs. 2,00,000. He has set an example for the Ramtekdi youth that nothing is impossible. ."*I can support my family now and live a decent life*" says Anis with a smile.

MAHINDRA EDUCATION INSTITUTION (MEI)

Mahindra Educational Institutions, a 100% subsidiary of Tech Mahindra Limited, is a not-for-profit company set up under Section 25 of the Companies Act 1956 (corresponding to Section 8 of the Companies Act 2013).

The main objectives of MEI are:

- To establish institutions of higher learning such as setting up institutions, universities, colleges, academies, and research institutes encouraging education and research work in different disciplines, to promote innovation and technology development, to collaborate and/or affiliate with other universities in India and abroad for the cause of promoting quality higher education.
- To collaborate and cooperate with educational or other institutions in any part of the world by exchange of teachers and scholars and generally in such manners of promoting higher education
- To undertake, collaborate or affiliate with any institutions, trusts, or any other bodies in India and abroad for establishment and running of educational institutions in different disciplines to provide tertiary education and research, award degrees, institute awards and fellowships, provide scholarships for education, organize conferences and seminars, provide vocational education and any other activity related to promotion of higher education.

Technical Education: The Mahindra École Centrale (MEC) project provided high quality technical education in engineering and computer technology for the students. MEC is an international quality, technology school with assured career progression for engineering aspirants. It focuses on multi-disciplinary knowledge, personality development, and critical-creative thinking. MEC College of Engineering, heralds the Rise of the New Engineer in India.

Employee Volunteering

Tech Mahindra provides several volunteering opportunities to employees in various social and environmental activities. Volunteering activities are not conducted during work hours. All employees who participate in the Foundation's volunteering programs do so during their own free time after work or over the weekends and holidays. A total of **18744 individual volunteers** cumulatively volunteered for **80846 hours** in 2017-18. This is around 26 % of the total work force of Tech Mahindra Ltd. India (India workforce 72004 employees). In addition to this, **1202 volunteer hours** were clocked under Green Marshals.

The Tech Mahindra Foundation employees are on Tech Mahindra Ltd payroll and their salaries, work, travel and business overheads are supported by the company beyond the CSR spend. INR 1.6 crore was spent on the overheads in 2017-18.

Tech Mahindra replaces computers of employees every 5-years. These old but still working computers are donated to deserving schools, NGOs and other not-for-profit organisations. TMF also conducts donation drives within the organisations.

Plantation Drive by the Associates

GRI 413 – 1: Operations with implemented local community engagement, impact assessment and development programs

Promoted quality Education and Employability for vulnerable sections of society through vibrant and innovative partnerships with the Government, NGOs, CBOs and other organisations across 12 major cities of India. There have been some recent initiatives in Public Health as well

Public Health: The Foundation has supported a project called 'Last Mile Connect' as part of which a Public Cycle intervention in Delhi is supported on an end-to-end basis. In addition, the Foundation has also supported the infrastructure development of a Nursing College at Banasthali University in Rajasthan and another project in which affordable Dialysis care is being provided to patients.

All the initiatives delivered through the foundation and the number of direct beneficiaries from the initiatives is tabulated below. Arise + and SMART + are the focused initiatives for education and training for persons with disabilities. In the reporting year, we targeted to enrol students enrolled 7102 under Arise + and 1469 under SMART+. We were able to achieve an enrolment of 6952 and 1284 students under the two initiatives.

CSR ACTIVITIES - 2017-18

Initiatives	**Description**	**Nos.**	**Direct Beneficiaries (Nos)**
Arise Schools	Schools	49	13262
Arise + Schools	Schools	17	6952
Total Students enrolled			**20214**
SMART Centers	Centers	70	12981
SMART + Centers	Centers	11	1284
SMART T Centers	Centers	19	2286
SMART Academies	Centers	3	510
Total Students enrolled			**17061***
Shikshantar - Partner Projects	Teachers Trained	8	4358
Shikshantar - Direct Projects	Teachers Trained	2	1914
Total teachers trained			**6272**

In 2017-18, there were 43547 direct beneficiaries across all TMF projects. Women formed 45% of these beneficiaries (19907 females) while 18.9% (8236 persons) were people with disabilities. This is in line with the TMF CSR vison of promotion of Education especially across the minorities and ensuring that 50% of the total beneficiaries on the TMF programs are girls/ young women while 10% of the total beneficiaries are people with disabilities.

The total CSR spend in 2017-18 was INR 76.42 Cr. Apart from INR 1.6 Cr spent on overheads and administrative expenses.

In 2015-16, we carried out an impact assessment of the SMART initiative through a third party.

The link to the Impact Assessment is provided below.
http://techmahindrafoundation.org/wp-content/uploads/2017/02/KPMG-report.pdf

A copy of Tech **Mahindra's CSR Vision and Policy Document** is available online at:
https://www.techmahindra.com/sites/ResourceCenter/Brochures/Society/CSR_Policy.pdf

Manufactured Capital

Manufactured Capital – Tech Mahindra's Facilities and Infrastructure; the facilities and infrastructure of the clients when the associates are on-site for projects; data centers and IT infrastructure - enables the associates to deliver services to the customers.

The manufactured capital acts as an enabler in increasing our financial capital, intellectual capital and human capital. Our world-class facilities, green open spaces, cafeterias, canteens, training rooms, medical rooms and gymnasium provide the right environment for the associates to enable service delivery and development of new platforms and solutions.

Our Facilities

Bangalore	Bhubaneswar	Chandigarh	Chennai
Delhi NCR	Gandhinagar	Hyderabad	Kolkata
Mumbai	Nagpur	Pune	Vizag (Visakhapatnam)

TCFD Report

In order to have a sustained focus on Climate Change, Tech Mahindra has used the TCFD Framework and prepared a separate report to disclose Governance, Strategy and Risk Management around climate change.

Recommended Disclosures – Governance

We are committed to Carbon Responsibility and Sustainability. Tech Mahindra Board, Corporate Social Responsibility Committee, Sustainability Council, Chief Sustainability Officer, Corporate Sustainability Cell and Green Marshals are working towards sustainability charter of company.

The CSR Committee at the Board is responsible for formulating the Sustainability and CSR vision and strategy and reviewing Climate Change strategy and performance. It is reviewed each quarter at the Board Level.

Tech Mahindra has a Sustainability Roadmap with defined goals and targets that are distributed across the management, function & department heads and the employees. The performance of relevant personnel is linked to the Balance Score Cards (used to measure performance) and KRA's. Climate Change is aligned to the balanced score card of the '*CEO & MD'* and senior leader of the organization.

Board's oversight of climate-related risks and opportunities

Climate Change Risks like business disruption, changing regulatory landscape and acute physical stress are identified and prioritized by the Enterprise Risk Management Council, reported each quarter to the Risk Management Committee and presented to the Board of Directors.

Management's role in assessing and managing climate-related risks and opportunities

The Board members are responsible for Climate Change and Sustainability in operations, environmental reporting and compliances. They review sustainability charter & company performance on sustainability roadmap every quarter. The Board Members are Anand G. Mahindra, CP Gurnani, Anupam Puri, Ulhas N. Yargop, M. Damodaran, Ravindra Kulkarni, M. Rajyalakshmi Rao, T N Manoharan & V S Parthasarathy. They bring specific focus towards sustainability. Mr. Anand Mahindra, the Chairman of TechM Board and Chairman of Mahindra Group review the Sustainability Charter of the company each quarter.

Corporate Social Responsibility Committee

Climate Change is administered by the CSR (Corporate Social Responsibility) Committee at the Board. Sustainability Council and Chief Sustainability Officer are aligned/reporting into CSR Committee for enabling sustainability across the organization. Corporate Sustainability Cell, Sustainability Champions & Green Marshals are working towards sustainability initiatives across employees, locations and assets.
The key Responsibility of Tech Mahindra's CSR Committee is to build vision & sustainability strategy of the company. The committee reviews external inputs like policy and regulatory changes to ensure that the Sustainability Charter is aligned with global climate change challenges, risks and priorities. The Committee also reviews progress of sustainability initiatives and budgets. Their reports are presented to the Board each quarter. The CSR Committee members and their responsibilities are:

- **Mr. Vineet Nayyar** - Guide the company's decisions across key sustainability risks, opportunities, investment decisions. In FY2018-19, this responsibility will be owned by Mr. C.P. Gurnani, the MD and CEO of Tech Mahindra.
- **Mr. Ulhas N. Yargop** – Providing oversight across green projects, initiatives, disclosures and reporting.
- **Mrs. M. Rajyalakshmi Rao** – Bringing unique perspectives towards sustainability decisions from users, consumers, customers & larger society.

Sustainability Council

The Tech Mahindra Sustainability Council has a direct reporting to the Corporate Social Responsibility (CSR) Committee. The Council is responsible for approving, overseeing and monitoring the formulation, implementation and monitoring & review of the Climate Change Strategy, Roadmap and Initiatives. The council also reviews key risks and overall performance and provides vital insights on integrating climate change risks with strategy. They also ensure environment norms and regulations are well covered within our charter & performance.

The Sustainability Council comprises of the key department heads like Finance, Human Resources, Corporate Services, Legal Services and Sustainability & Customer Centricity and meets every quarter to review progress. The key responsibilities of each Council Members are listed below:

- **Dy. Chief Financial Officer, Mr. Manoj Bhat** – Responsible for guiding key financial decisions related to climate change and sustainability.
- **Chief People Officer, Mr. Rakesh Soni** – Responsible for guides the sustainability charter for people and their training. Mr. Harshvendra Soin, the new CPO will take over this role for FY2018-19.
- **Head of Corporate Services, Mr. Shivanand Raja** - Responsible for ensuring that the sustainability charter is imbibed across all assets and locations.
- **Head of Legal Services, Mr. Atanu Sarkar** – Responsible for ensuring compliance with global environmental standards.
- **Chief Sustainability Officer, Mr. Sandeep Chandna** - Responsible for driving the sustainability agenda; increasing energy efficiency; ensuring effective water and waste resources management; increasing renewable sources; moving towards a low carbon future; working across the organization for developing and executing strategies for energy use, resource conservation, recycling, pollution reduction, waste elimination, eco-friendly transportation and building design. He manages sustainability program operations, takes pre-emptive actions to ensure compliance with environmental regulations and executes the Sustainability Roadmap & Initiatives. He has to develop sustainable organizational policies and practices; Identify and evaluate pilot projects/programs to enhance sustainability linked innovation ideas within the organization.

In order to monitoring compliance on sustainability - internal issues are reported via respective department to the Chief Sustainability Officer and investment decisions are made in coordination with the respective departments. For external issues - CSR committee/ Sustainability council receives inputs; assesses impact and develops strategy and action plan for appropriate management action. The Tech Mahindra Sustainability Council also consults with Mahindra Group Sustainability Council, which includes Anirban Ghosh, Group Sustainability Head & TechM Board member Ulhas Yargop.

Recommended Disclosures - Strategy

We at Tech Mahindra are keeping pace with the global trends in technology disruption, climate change, water scarcity amongst others. The operating strategy and business model are being reviewed and re-aligned with sustainability and environmental mega trends to address some of the key challenges facing enterprises and society.
Across the organization - governance; strategy formation and deployment; management of risks and opportunities; development and review of systems and processes; learning and development of the associates - integration of sustainability with business strategy is at the core. Activities, approach and organizational attitude are being re-aligned towards that end.
The new suite of solutions and platforms are designed not only to enable a connected experience, but also assist customers to manage their Climate change commitments, programs, plans and responsibilities.

Climate-related risks and opportunities identified over the short, medium, and long term.

The climate related risks and opportunities are identified as part of the Enterprise Risk Management Process. Key risks we foresee in the Short and Medium term are listed below.

Chronic Physical Risks - Changing Precipitation Patterns

Precipitation patterns are changing within the Indian Sub-continent. Due to dynamic change in weather conditions, areas where heavy rainfall was observed traditionally, is seeing reduced precipitation while some of the drought prone areas have delayed monsoon. Heavy industrialization, forest destruction, green cover destruction is also leading to less rainfall and reduced water retention ability of soil. Decreased rainfall and drying up of rivers and other water bodies will result in water scarcity, directly affecting operations.
Projected water stress and seasonal supply variability will lead to higher purchase prices of commercial water leading to higher operating costs. Another risk example is that few of our facilities are located in coastal areas that can be affected by the rise in sea levels. The potential rise in sea levels threatens the safety of the people in our offices and our assets and operations.

Current and Emerging Regulation Risks

Carbon Tax impacting the Bottom Line
Increased pricing of GHG emissions" due to current regulatory policies is a potential risk. India has a clean energy tax. It is a form of carbon tax paid as excise duty under section 83 (3) of the Finance Act, 2010 on Coal, Lignite and Peat. India has cut subsidies and increased taxes on fossil fuels (petrol and diesel) turning a carbon subsidy regime into one of carbon taxation by putting an effective price on emissions. This has significantly increased petrol and diesel price to disincentivise CO2 emissions. The Carbon Tax will have a direct impact on Tech Mahindra's bottom line. We see this risk in the short term.
Renewable Energy Mandate
The Draft National Energy Policy published in June 2017 by NITI Aayog (National Institute for Transforming India) forecasts the share of renewable energy capacity to move above 60% by 2040 and the electricity generation from solar

and wind in electricity mix to increase in near future. We foresee a renewable energy regulation on all industries including Tech Mahindra in the short term.

Mandates and Regulation on Products and Services

India has implemented a Perform - Achieve and Trade regime for 8 sectors - cement, steel, fertilizer, aluminums, pulp and paper, thermal power, alkali manufacturing plants under the 'National Mission on Enhanced Energy Efficiency'. Second phase was rolled out from 2016-2019 to new sectors and new customers. Third phase is also planned and it may extend to industries like IT industry. We foresee this as a risk in the medium term.

Technology Risk - Cost to transition to lower emissions:

We are using technology to support our facilities operations, ACs, data centers, laptops & amp; computers used as mode of work and for operations management. Technology is ever evolving and there are always new R&D, evolution to new age devices with improved energy intake and utilization. As organization adopt to new technology which can have severe cost impacts and lead to Transition risk of "Costs to transition to lower emissions technology" risk that leads to phasing-out & amp; replacement of existing assets used across the organization. This type of risk applies to our data centers, desktops, laptops and AC's usage etc.

Impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.

Results of scenario analysis are integrated within our sustainability strategy and business strategy. We are trying to utilize green opportunities and scenario analysis results for defining our future roadmap with respect to targeted reductions in energy and carbon emissions. We are also trying to integrate climate related opportunities like green products and solution development, innovation for reduce carbon footprint for customers, local procurement for reducing in scope 3 emissions etc. We are also integrating mitigations and management of climate related risks in our future business strategy by having more solar investments, robust BCP processes, data center migrations/upgrades, AC, LED's and other technology upgrades.

Case/ example - Focus on green products to reduce carbon print of our customers are inducted as main opportunity/focus area for future business growth.

Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

We have used 2DS Scenario Analysis to create future strategy; identify and assess risks to our business; and utilize opportunities from climate change and bring adequate focus on CSR initiatives.

Scenario Analysis Parameters, Assumptions and Analytical Choices

Parameters considered for carrying out the scenario analysis included YoY World GDP Growth rate 5.75%; carbon intensity with target year 2018; macro-economic variables; price of key commodities; and TechM's green investments.

Policy Inputs for Analysis

They included the Climate Models for India's Nationally Determined Contributions (NDC) and Draft National Energy Policy among others. Carbon Price inputs are based on Tech Mahindra's internal Carbon Price of $10/ton of CO2, which is defined by the management for Climate Change Risk Mitigation.

Other inputs considered are the 4th, 5th Assessment Reports of IPCC, Global Climate Considerations, World GDP, Company Inputs like Average Growth Rate, Revenue and EBIDTA and base year Scope 1+2 Emissions. Assumptions taken are 50% reduction by 2050, contraction of absolute emissions, Intensity target value added based on contraction of absolute emissions. It also has a level of dis-aggregation on industry type, energy mix 60:40 as renewable: fossil fuel by 2050.

Scope and Time Horizons of Scenario Analysis

We have operations spread across 90+ countries. Scenario analysis was conducted for entire organization value chain (inputs, operations & amp; markets) spanning across the globe and supporting multiple client operations globally. For analysis we have taken long term as 2050, since technology services market are evolutionary and layer with Tech Mahindra have proved to evolve towards technology skills and markets in last 15 years and shown YOY growth. We have used Emission scenario of IEA 2DS as one of critical inputs for Science Based Targets.

Recommendations from Scenario Analysis

Governance: Governance for scenario analysis has been conducted by the Sustainability Team. Sustainability targets defined are directly linked to senior management KRA's. There is direct Board oversight for sustainability vision, energy pathways and environmental initiatives, done through Sustainability Council (comprised of Management and Board from Tech Mahindra).

Materiality Assessment: We have identified water, energy and waste as material issues to us.

Risk Management: We have identified various climate risks such as investing in green products, imbibing climate reporting, Business continuity planning for acute and choric physical risks etc.

Targets: We have taken emissions reductions targets based on "Science Based Targets" with base year 2015 in line with level of de-carbonization required to keep global temperature increase below 2°C compared to pre-industrial temperatures.

Carbon Resilience Strategy - Increased revenue through diversification:
De-carbonizing our business makes financial sense. Carbon reduction pathways are no different from our business pathways. In the emerging climate risk scenarios, Tech Mahindra is striving to move towards a Low Carbon future. Our performance is demonstrated by the external recognition we have received in the form of awards. We made it on various forums and indices like CDP Climate Change, CDP Supply Chain, DJSI, Eco Vadis, OEKOM, FTSE etc. There is lot of potential to diversify our portfolio and provide consulting with a nominal price charged for our Suppliers. While working to steadily reduce the carbon footprint from our own activities and operations, we hope to play an enabling role in assisting our value chain partners – our customers, suppliers and vendors – in transitioning towards low carbon development and growth and report them through various forums.
Response Strategy:
Tech Mahindra has played a significant role in area of sustainability and established itself leader in this space. Tech Mahindra is already into forming integrated report with CDSB framework, conducting assessments and audits for suppliers, taking capacity-building workshop to improve on this space. We have also implemented Carbon Price to abate GHG emissions and invest in various Sustainability projects like increasing Renewable Energy source, energy efficiency, LEED certifications, environmental management systems, Green building certifications and creating awareness amongst our employees, customers and suppliers through program called as Making Sustainability Personal and enable taking various events, seminars, activities towards protecting environment.

Recommended Disclosures - Risk Management

Process for identifying and assessing climate-related risks

Risk assessment is entrusted with ERM (Enterprise Risk Management) Team in conjunction with various business functions. ERM function is headed by Chief Risk Officer and all business functions have a designated Risk officer. Tech Mahindra Sustainability Council assesses sustainability risks. It incorporates feedback & inputs from all relevant stakeholders via Risk officer. We have documented process where climate change risks and opportunities are integrated into the company's centralized enterprise risk management function covering all types of risks and opportunities. This risk assessment is conducted once every year and reviewed monthly. Tool used for risk assessment is risk register. We analyze risks at both locations & assets level.
Process for Risk Assessment:

1. Risks are identified via bottom-up approach where each business function directly contributes to climate change aspects & updated onto risk register and analyzed. Facility and Infrastructure Group assess physical risks of our office locations, data centers, people etc. Risks related to extreme weather events, vector borne diseases and pandemics are part of our BCM framework.
2. Risk analysis & Prioritization is done via systematic tools, detailed assessment using TCFD framework, financial impact assessment & management method assessment. ERM team along with business functions and location councils prioritize risks reported in the risk register. Tools used are Scenario analysis; Delphi technique; Cause & Effect diagrams; and Sensitivity analysis.
3. Prior to risk finalization, we also assess all external factors that can create climate risk for the organization like ecological changes, water maps, damaging impacts on climate due to human activities, regulatory & compliance related changes, draft policies related to environment impacts & environmental norms etc.
4. Risk prioritization processes does identify transition & physical risks & have covered them under policy & Legal, Technology, Market, Reputation, Acute & Chronic sub-areas as per TCFD framework. We also determine relative significance of climate-related risks in relation to other risks.
5. Analysis of potential, size & scope of identified climate related risks; assessing financial impact. Material analysis & scenario analysis is also performed over identified risks. We prioritize risks that are found to be material to our company & its business & have major impacts, based on scenario analysis. During Materiality Analysis, we followed international guidelines such as GRI standards & those published in international journals & reports. During analysis, we also analyze regulatory impacts, cost impacts & stakeholder concern.
6. Analysis of management method of each of these risks & financial impact. There could be a significant financial impact caused due to OPEX & CAPEX incurred to ensure compliance with climate related mandates & capital that is invested in low carbon technologies & digital solutions that provides risk mitigation & management.
7. The risks & management methods like investment in solar energy that have substantive financial impact are created into sustainability projects & included within sustainability roadmaps. For Tech Mahindra, we consider substantive financial impact as financial impact or management method, which has higher investment than $1 million USD & any such issues, which directly affects our investors & stakeholders.

As a part of the ERM process, Climate Change Risks are also identified. The criteria used to prioritize risks associated with climate change are:

- Quantum of impact of climate changes on operations, changes in regulations, locations of our operations
- Scope of impact - regulatory impact, cost impact & stakeholder concern
- Time and resources required for implementing changes
- Potential return on sustainable investments

Identification of opportunities is embedded within business verticals and solutions groups which have a direct interaction with the customers. The opportunities identified are bench-marked within the industry during regular meetings with Chief Technology Officer, Chief Operating Officer and Head of Innovation Management Cell. Opportunities identified are prioritized based on following parameters to provide impetus to overall sustainable business growth:

- R&D initiatives fitment to business verticals.
- Market Relevance & competition of the project.
- Fitment to overall business strategy on climate change.
- Feasibility of a business case for solutions related to climate change.
- Size of Opportunity.
- Increasing customer demand for IT-based Energy Management Solutions.
- Budgeting aspects of R&D projects.
- Milestones achieved on R&D Projects.

ERM Framework looks at Climate Change Risks. Risks reported to the board each quarter.

Processes for managing climate-related risks

Process for Managing climate related Opportunity:
We consider opportunities such as how we drive internal efficiency to reduce carbon footprint, reducing operating and maintenance costs. Sustainability team, Corporate Services & Location Councils discuss on all aspects of opportunities and prioritize opportunities using scenario analysis – Delphi technique – SWOT analysis. Capex, Opex investments are identified along with short-term, medium-term and long-term savings. Investment decisions are made and executed by appointing head of program for each of opportunities related projects. For example, green opportunities emerged as a risk because of changes in consumer preference towards green products and services.

We performed detailed opportunity assessment for customer interest in green products. We used design thinking to understand consumer preference and created 3 products where design has incorporated social or environmental concerns, risks and/or opportunities. These products also got various awards and accolades for the social aspects they bring together.

- Saarthi, Winner of the Aegis Graham Bell and Economic Times Award is an AI enabled robot that provides wellness as a service and helps measure the basic medical parameters.
- Farm Guru is an end-to-end Smart Agri-Framework intended to minimize human intervention and provide specialized assistance through using precision agriculture for producing a quality yield.
- Next Gen Emergency Management System (Next Gen EMS) is to provide end-to-end flow of information and enable emergency response teams to provide high quality care without compromising on the speed of the care delivery.

Process for Managing Climate Related Risks

Risk Identification	Monthly identification and reporting to the ERM Function
Risk Assessment	By using tools like SWOT Analysis; event/decision tree analysis and assessment of probability and magnitude of impact.
Risk Response	Business Continuity and Disaster Recovery and Response Planning and use of response strategies.
Opportunities	Identification of opportunities and integration into strategy for providing future business outlook.

The approach to risk management is that of early stage identification, communication and management. Risk management includes focused actions like strengthening operational controls; deploying and updating business continuity and disaster recovery; developing business resilience; driving internal awareness and identifying business opportunities.

All business functions have designated Risk Officers who collect inputs on a monthly basis for updating the risk register. The identified risks are assessed on the basis of outcomes, probability and magnitude of impacts using tools like SWOT (Strength, Weakness, Opportunities, and Threat) Analysis; Event/decision Tree Analysis; Scenario Analysis, Delphi Technique, Cause and Effect Diagram and Failure Mode Effect Analysis (FMEA). These techniques allow early stage prediction of different scenarios and its probable impact on Tech Mahindra's business continuity and Growth. Basis of the risks identified, the Business Continuity Plan is deployed. The risks, impact and strategies are reported to the Board quarterly and are set out in the Management Discussion and Analysis Report.

How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Tech M's approach to Risk Management is that of analyzing thoroughly each & every risks possibilities in short, medium & long-term. We perform complete assessment of risk & its prioritization, impact assessment, likelihood assessment, magnitude assessment along with financial impact assessment. We also create management approach for each risk that generates into focus across some of sustainability projects to be immediately established. Sustainability team, Corporate Services & Location Councils discuss all aspects of risk with employees, which arise during floods & identify key risks. Risks are reported to Risk Officers & Chief Risk Officer for quick help. At asset level, our Operations team maintains documented Business Continuity Plans-incorporate assessment of physical risks & impact of natural disasters. We prioritize risks & opportunities that are material to our company & business. We followed GRI standards. Prioritization process involved engagements with various stakeholders, internal teams & senior management of company encompassing entire value chain, to identify risk & opportunities. We carried out a thorough risk assessment & evaluated potential impact on our business activities. Our BCM System & Business Continuity & Disaster Recovery Plan were created & updated for to be able to respond & management effectively any risk issue.

Recommended Disclosures - Metrics and Targets

Metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.

The metrics used to assess climate change related risks are operational cost, capital investment amongst others.

Transition Risk

Risk Driver	Metrics	Management Methodology
Policy and legal: Mandates on and regulation of existing products and services	Operational cost	Tech Mahindra has started moving towards Renewable source of energy. Even though cost setting of Solar plant is higher, it saves operational cost by saving commercial cost attached with grid electricity cost. So it has greater return on investment. The impact assessment has been done based on solar panels as the mitigation approach to generate renewable energy. Cost of setting up of a solar plant is 852713$ with total average capacity of 962kWp. If we have to move to renewable energy, TechM can plan for 6 major Solar Panel capacities across locations. Impact assessment has been done considering investment across 6 locations of solar implementations.
Policy and legal: Increased pricing of GHG emissions	Operational cost	Cost of carbon emission is going to increase day-by-day; India government levies clean energy tax which is paid on coal, peat and charged back to organizations for higher energy consumption. This is which is a kind of carbon tax charged; and has been increasing continuously over last 5-7 years. In future as well, we see potential that this cost may increase. We have used our Scope 1+ 2 emissions which are utilized as units for tax calculations. Our Scope1+2 emissions for FY 17-18 are 125487 MTCO2. Total carbon tax that could become liable is $778212 via energy cost.

Technology: Costs to transition to lower emissions technology	Capital investment	To move towards carbon neutrality, Tech Mahindra have always transitioned to new technologies. Impact assessment is based on following technology investments of 219,712.22$. Installation of solar water heaters and LED replacing old lamps to increase energy efficiency and solar lights by investing $2635 and replacing High definition lamps saving 20160kWh/year. We plan to procure star rated equipment like laptops, desktops, servers, telephonic instruments and allied supporting materials. $3Mn purchase of star rated AC's along-with efficient technology in aircon/ VRV technology investing $162,347. Even though capital is higher, it saves operational commercial cost from grid electricity, so it has greater ROI. Impact assessment has been conducted as cumulative addition of Capex technologies procurement
Reputation: Increased stakeholder concern	Reputation: Reduced revenue from decreased demand for goods/services	"As the impacts of climate change are being experienced by businesses and society, our customers are requesting additional information on carbon management, water management, sustainable supply chain, climate change related disclosures, climate change risk and environmental responsibility, energy, water and waste management.
		We explore this risk of change in consumer preference towards more Sustainable organization and towards greener products and services. The impact assessment has been done based on % impact on revenue reduction considering proposals from customers.

Physical Risks

Risk Driver	Metrics	Management Methodology
Acute: Increased severity of extreme weather events such as cyclones , floods and increase sea levels	Decreased production capacity (e.g., transport difficulties, supply chain interruptions)	"Tech Mahindra has made sustained investments in developing and implementing an effective business contingency plan, along with mitigation measures for recovery of IT infrastructure and operations, in the event of a disaster. Example: Along with the preparation of BCP and DR plans, regular disaster recovery trials and mock drills are carried out across all customer projects. . Our employees are allowed to work from home & the company provides cab/shuttle services for their commutation to get rid of transport difficulties. Company also provides free Doctor and counsellors on campus. Better workforce management and planning helps us to prevent negative impacts of workforce like health, safety, absenteeism and thus help in reducing our operation/Business losses. We have learned from previous Mumbai and Chennai floods, where we could restore operations in 3 days without any data loss to customers/rework for customers. Mitigation cost includes cost of absenteeism, any additional payments to employees in lieu with hardships, any asset write-down cost (mostly very minimal due to robust BCP processes).

Opportunities

Opportunity Type	Opportunity Drivers	Metrics	Management Methodology
Resource efficiency	Recycling	Operation Cost	Water scarcity is major problem globally. We require water to continue our daily operation and is majorly used for human consumption, landscaping, cleaning and sanitation and for operational purposes. Also water requirement in these days increases 1.5times. Total water recycled through STP is 504070.9kilolitres with commercial value as 0.387 which is increased to 1.5 times to the financial implications. So the opportunity to save our fresh water withdrawal through water recycling is $ 293,064.48.
Source of energy	Use of lower-emission sources of energy	ROI in low emission technology	To abate the GHG emissions, renewable energy of source is very significant. Tech Mahindra Ltd strives to reduce the ecological footprint of its activities while ensuring business growth. In our effort towards de-carbonizing our facilities and business operations, we have challenged ourselves to find new ways to reduce our carbon footprint and invest in the low-carbon infrastructure and renewable energy. We are shifting focus from conventional sources of energy to eco-friendly sources through commissioning of Solar Plants. We have taken up installation of solar panels and are actively evaluating options to increase sourcing of electricity from renewable sources. We are planning to increase our in-house solar production at Noida, Bhubaneswar, Vizag, Chennai and Chandigarh locations.
Products/ Services	Development of new products or services through R&D and innovation	Revenue	The key domains we work in this space are Smart grids, Energy Trading, IEVCS, CAPE platforms, Integrated Waste management systems and Water Lifecycle Management. We have 10% revenue from these Energy and Utilities solutions, building a sustainable city through smart grid, intelligent homes, connected water management, intelligent traffic management, and connected emergency management, Data Centre Management and Cloud services and Server Virtualization.
Resilience	Diversification	Revenue	Various consulting projects and solutions on NVG and Sustainability projects with primarily targeting ten customers with nominal price of $ 9,302 for NVG and $ 15,504 for other sustainability works which will generate $0.24million.

Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

Our Scope 1 Emissions (2,787.02MTCO2) include fuels like diesel from Generators, Diesel and Petrol from owned cars and LPG used. Even though inclusion of LPG at our locations, we have reduced Scope 1 by cutting down of Diesel for owned vehicles, reduced on transport and logistics and has bundled routes. Scope 2 emissions (122,699.61MTCO) comprises of emissions from electricity which is sourced from grid. We have increased our renewable source of energy through Solar installation of capacity 3404kWp and to reduce our Scope 2 emissions. Our Scope 3 (36884.77 MTCO2) comprises of emissions from employee commute, business travel, purchased goods and services and waste. We have taken various initiatives to reduce our scope 3 emissions like awareness on use of public transport or carpooling, reduce logistics through bundling routes and inventory control, use of virtual infrastructure to cut down business travel. We have taken various measures to reduce it. Some of the energy reduction initiatives are:

a. Installation of energy efficient equipment (motion sensors, energy efficient laptops/servers, HVAC equipment etc.), consolidation of operations in energy efficient locations and better maintenance quality.
b. Increase in renewable energy share of the company operations
c. Increase in virtual server infrastructure with reducing dependency on physical servers.

Our GHG emissions has been assured by third party as per DNV GL VeriSustainTM1 protocol and international assurance best practice including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised* and GRI guidelines

Targets used by the organization to manage climate-related risks and opportunities and performance against targets.

We have taken short term, medium term and long term target until 2021,2030 and 2050 of reducing our Scope 1+2 emissions by 15%, 22% and 50% respectively with base year 2015-16. We have taken intensity targets of reducing emissions by 2.65% year-on-year with base year 2015-16. Our targets are according to SBT and its methodology. We will reduce the emissions through: Increase in Renewable energy of source, increase in energy efficient equipment, implementing carbon price. We have also taken up targets to reduce 5% of water consumption with respect to employees

Aspect	**Mahindra Sustainability Framework**	**Target**	**Baseline 2015-16**	**Progress 2016-17**	**Progress 2017-18**	**Target 2020-2021**
GHG Emissions	Achieve Carbon Neutrality	Reduction in Scope 1 -2 GHG emissions in MTCO2	114309	122697	125486.63	15%
PUE	Achieve Carbon Neutrality	Reduction in Power Usage Effectiveness of Data Centers (%)	1.76	1.78	1.79	2%
Renewable Energy	Achieve Carbon Neutrality	Renewable energy as percentage of total electricity used	1.77%	2.1%	2.87%	10 %
Water	Becoming water positive	Reduction in per capita fresh water consumption kl/employee	13.73	18.28	13.16	5%
	Becoming water positive	Number of rain water harvesting units	2	4	4	6
Waste Management	Ensure no waste to landfill	Reduction in Paper Consumption	93.37 ton	86.17 ton	70.15 ton	15%
	Ensure no waste to landfill	Composting food waste at owned locations	2 locations	3 locations	4 Locations	9 Locations

GRI Standards Content Index

General Disclosures

Disclosure No.	GRI Standards Title	Page	External Assurance
Strategy and Analysis			
GRI 102-14	Statement from senior decision-maker.	4 – 8	Yes
Organizational Profile			
GRI 102-1	Name of the Organization	15	Yes
GRI 102-2	Activities, brands, products, and services.	15-17	Yes
G4 102-3	Location of the organization's headquarters.	10	Yes
GRI 102-4	Location of operations.	9-10	Yes
GRI 102-5	Ownership and legal form	15	Yes
GRI 102-6	Markets served	15	Yes
GRI 102-7	Scale of the organization	15-17	Yes
GRI 102-8	Information on employees and other workers	84	Yes
GRI 102-41	Collective bargaining agreements	93 – 94	Yes
GRI 102-9	Supply chain	49-50	Yes
GRI 102-10	Significant changes to the organization and its supply chain	9	Yes
GRI 102-11	Precautionary Principle or approach	68	Yes
GRI 102-12	Externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses	92	Yes
GRI 102-13	Membership of associations	95	Yes
Identified Aspects and Boundaries			
GRI 102-45	Entities included in the consolidated financial statements	9	Yes
GRI 102-46	Defining report content and topic Boundaries	9	Yes
GRI 102-47	List of material topics	24	Yes
GRI 103-1	Explanation of the material topic and its Boundary	25	Yes
GRI 102-48	Restatements of information	9	Yes
GRI 102-49	Changes in reporting	9	Yes

Stakeholder Engagement			
GRI 102-40	List of stakeholder groups	19	Yes
GRI 102-42	Identifying and selecting stakeholders	19	Yes
GRI 102-43	Approach to stakeholder engagement	19-22	Yes
GRI 102-44	Key topics and concerns raised	23-24	Yes
Report Profile			
GRI 102-50	Reporting period	9	Yes
GRI 102-51	Date of most recent report	9	Yes
GRI 102-52	Reporting cycle	9	Yes
GRI 102-53	Contact point for questions regarding the report	10	Yes
GRI 102-55	GRI content index	113 -116	Yes
GRI 102-56	External assurance	11-14	Yes
Governance			
GRI 102-18	Governance structure	29	Yes
GRI 102-19	Delegating authority	29 – 31	Yes
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	29 – 31	Yes
GRI 102-22	Composition of the highest governance body and its committees	29 – 31	Yes
Ethics and Integrity			
GRI 102-16	Values, principles, standards, and norms of behaviour	94	Yes

Economic Disclosures

Disclosure No.	**GRI Standards Title**	**Page No.**	**External Assurance**
GRI 201-1	Direct economic value generated and distributed	51-55	
GRI 201-2	Financial implications and other risks and opportunities due to climate change	34	
GRI 204-1	Proportion of spending on local suppliers	50	Yes

Environmental Disclosures

Disclosure No.	GRI Standards Title	Page No.	External Assurance
GRI 305-1	Direct (Scope 1) GHG emissions	70-71	Yes
GRI 305-2	Energy indirect (Scope 2) GHG emissions	70-71	Yes
GRI 305-3	Other indirect (Scope 3) GHG emissions	71-72	Yes
GRI 305-4	GHG emissions intensity	72-73	Yes
GRI 302-1	Energy consumption within the organization	73 – 74	Yes
GRI 302-3	Energy intensity	74	Yes
GRI 302 - 4	Reduction of Energy Consumption	74-75	Yes
GRI 303-1	Water withdrawal by source	76-77	Yes
GRI 303-3	Water recycled and reused	77	Yes
GRI 306-1	Total volume of water discharged by quality and destination	77	Yes
GRI 304 – 1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	81	Yes
GRI 304 – 2	Significant impacts of activities, products, and services on biodiversity.	81	Yes
GRI 304-4	Number of IUCN Red list species and national conservation list species with habitats in areas affected by operations	81	Yes
GRI 306-2	Total volume of waste by type and disposal method	78	Yes
GRI 307-1	Non-compliance with environmental laws and regulations	78	Yes

Social Disclosures

Disclosure No.	GRI Standards Title	Page No.	External Assurance
GRI 205-2	Communication and training about anti-corruption policies and procedures	94	Yes
GRI 205-3	Confirmed incidents of corruption and actions taken	94	Yes
GRI 415-1	Political contributions	92	Yes
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	86	
GRI 401-3	Parental leave	86	Yes
GRI 405-1	Diversity of governance bodies and employees	92	Yes
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	89-90	Yes

GRI 404-1	Average hours of training per year per employee	87-88	Yes
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	87	Yes
GRI 403-1	Workers representation in formal joint management–worker health and safety committees	91	Yes
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	91	Yes
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	48	Yes
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	48	Yes
GRI 206	Anti-competitive behaviour	48	Yes

Mapping with CDSB Framework

The Integrated Report is aligned with the Guiding Principles and requirements (REQs) of CDSB Framework for reporting environmental information and Natural Capital.

CDSB Guiding Principles		
P1 - Environmental information shall be prepared applying the principles of relevance and materiality	Material environmental aspects were identified through a structured process and reviewed in 2017-18	23-26
P2 Disclosures shall be faithfully represented.	The information is balanced and neutral with representation of 3-year trends in the Natural Capital section. An external assurance was carried out by a third party.	
P3 Disclosures shall be connected with other information in the mainstream report.	The Natural Capital chapter is part of the Mainstream Integrated Report using the Integrated Reporting Framework.	
P4 - Disclosures shall be consistent and comparable.	3 Year performance trends are provided based on the GRI Standards to ensure comparability with earlier sustainability reports.	
P5 - Disclosures shall be clear and understandable.		
P6 - Disclosures shall be verifiable.	The data is externally assured and the assurance statement is enclosed.	
P7 - Disclosures shall be forward looking.	Future outlook of environmental with a 5 year Sustainability Roadmap with 2015-16 as baseline year.	
Reporting Requirements		
REQ-01 - Company's environmental policy, environmental strategy and environmental targets	Environmental Strategy and roadmap forms a part of the Sustainability Roadmap. There are clearly defined targets for material environmental topics which are reviewed at the Management Level.	27-28, 67-68
REQ-02 - Risks and opportunities	Material current and anticipated environmental risks form a part of the enterprise risk management framework and are reported along with mitigation measures in Risks and Opportunities.	33-34
REQ-03 – Governance	There is a senior executive committee for monitoring and review of environmental policies and strategy with monitoring and review mechanisms. The environmental policies are subject to the same governance process and controls as financial management through the Sustainability committee.	30-31
REQ-04 - Sources of environmental impacts	GHG Protocol is used for estimation and of GHG emissions. Other material aspects of natural capital are reported using the GRI Standards. GRI Content index is included.	68
REQ-05 - Performance and comparative analysis	Three year trends are reported for each material environmental topic.	70 – 79

	There were no changes in strategy, governance, methodology or KPIs used for calculating results. However the scope increased and has been reported.	
REQ-06 - Outlook	Effect of environmental impacts, Risks and opportunities on the organization's future performance and position is covered in the Risks and opportunities section.	30 – 31
REQ-07 – Organizational boundary	The organizational boundary is the same for the Integrated Report - all the facilities in India. They constitute > 70% of the business operations.	9
REQ-08 - Reporting policies	The performance has been monitored using the GRI Standards consistently. Assurance statement represents continuity from one year to the next.	9
REQ-09 - Reporting period	The reporting period of the <IR> is consistent with the Annual Report for mainstream financial disclosure following the Financial Calendar of 1st March to 31st April.	9
REQ-10 – Restatements	There were no restatements of errors in previous reporting period, or changes in policies or methodology affecting performance over time. The base year for GHG emissions was changed as the number of locations increased to cover all the locations in India. Acquisitions and divestments in the reporting year are disclosed.	9
REQ-11 – Conformance	Disclosures shall include a statement of conformance with the CDSB Framework.	
REQ-12 – Assurance	The Integrated Report has been assurance by an external third party.	11-14

Mapping with SDGs

SDGs	SDG linked	Additional SDG's impacted	Initiative
Zero Hunger	2	9	Farm Guru
Quality Education	4	1,9	SMART Academy
Quality Education	4		Shikshaantar
Quality Education	4		Arise
Quality Education	4	17, 8	Mahindra Education Institution (MEI)
Quality Education	4		Mahindra École Centrale (MEC) project
Quality Education	4	8	360 degree learning and leadership development programs
Quality Education	4	8	Business wait re-skilling
Quality Education	4	4	SMART, SMART T
Gender Equality	5	11	Self-defence workshops
Gender Equality	5		Escort cabs for Woman safety
Gender Equality	5	11	GPS enabled cabs
Gender Equality	5	11	Training bus/cab drivers on safety aspects.
Affordable and Clean Energy	7	12, 13	Community Action Platform for Energy (CAPE)
Decent Work & Economic Growth	8		Tech Mahindra Cares
Decent Work & Economic Growth	8		FutuRise
Decent Work & Economic Growth	8	4	Cross Skilling Associates for Verticalization, Right-skilling Associates, Higher Education Support
Industry, Innovation & Infrastructure	9		'Software Factory of the Future'
Industry, Innovation & Infrastructure	9		The IRIS (Ideate, Refine, Implement and Shine) program, Codathons/Hackathons, Mission Innovation
Industry, Innovation & Infrastructure	9	8	Blue Marble - Cloud Based Business Services Integration Platform
Sustainable Cities & Communities	11	13	Smart Bins
Sustainable Cities & Communities	11		Smart Street Lighting
Sustainable Cities & Communities	11	7	Smart Automated Meter Reading
Sustainable Cities & Communities	11		Smart Energy Management
Sustainable Cities & Communities	11	13	multiple checks at stack (DG sets)
Climate Action	13		Business contingency plan
Climate Action	13		Making Sustainability Personal
Climate Action	13	15	Planting trees and dedicating open spaces to green ambience.
Climate Action	13	12, 15	Green Marshals
Climate Action	13	13, 3	Business Continuity Planning (BCP)
Climate Action	13	9, 11	Installed Organic Waste Converter (OWC), Vermi composting plants, Leaf waste converted to manure.
Climate Action	13	2	Aggressive program and awareness on reducing food wastage.
Partnerships for the Goals	17	9, 13	Science Based Targets Initiative

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