TECH mahindra

Sustainability Booklet

2022-23

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WHO WE ARE?

Committed to pursue **'Purpose Beyond Profits'**

Embedding ESG principles into our core strategy

Maintaining a balance between sustainability and overall business profitability

Creating a long-term positive impact on the planet and society

Providing greater value for all our stakeholders

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

- Lead sustainability transformation through process improvements, innovation and disruption

- To be rated amongst the top brands to work for

- Focused responsible business growth

World Recognitions

HRH The Prince of Wales Terra Carta Seal

The only Indian company out of 44 companies that have been awarded HRH The Prince of Wales Terra Carta Seal in 2021

Dow Jones Sustainability Index (DJSI) 2022

Ranked 1st amongst the top IT companies of the world in the "TSV IT Services" segment with a score of 89 and 100 percentile

S&P Global- Sustainability Yearbook 2023

Ranked #1 for our sustainability efforts

Carbon Disclosure Project (CDP) 2022

'A' Score in water security, 'A-' in climate change and listed on the supplier engagement leaderboard

Businessworld The Sustainable World Conclave 2023

Ranked #1 amongst top 25 most sustainable IT companies in India

FTSE4Good Index Series 2022

Constituent of Financial Times Stock Exchange-Russell Group

Sustainalytics 2023

Included in the top-rated ESG companies list

Capri Global Capital HURUN List Impact 50 for SDG Goals

Ranked #2 with a sustainability score of 46

Morgan Stanley Capital International 2022

Awarded 'A' rating badge

Dun & Bradstreet India

Top performer in the ESG performance in software and BPM sector

Dun & Bradstreet ESG Leadership Summit 2023

Felicitated in the category 'Environmental Risks and Opportunities'

Economic Times Sustainability Congress 2022

Recognized for adopting valuable sustainable initiatives

Integrated Annual Report 2022-23

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The report is aligned to include the recommendations of the **Taskforce on Carbon Related Financial Disclosures (TCFD)**

〈IR〉

The standalone report is prepared as per the **Integrated Reporting Framework**

Purpose. People. Performance.

KPMG
Assurance of sustainability disclosures by **KPMG** (external **3rd** party)

United Nations Global Compact

Aligned to **UNGC principles**

SASB SUSTAINABILITY ACCOUNTING STANDARDS BOARD

The report is aligned to include recommendations of **Sustainability Accounting Standards Board (SASB)**

GRI

The GRI Standards are first global standards for sustainability reporting. The performance of the company to achieve its strategic objectives and outcomes is reported using **GRI Standards 2021**

Our Journey

2016

- Listed in Dow Jones Sustainability Indices (DJSI)
- and rated "A
- Constituent of the FTSE4Good Emerging Index
- Rated Gold in CII Sustainability Plus Corporate Assessments

2017

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

2018

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

2019

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

2020

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

2021

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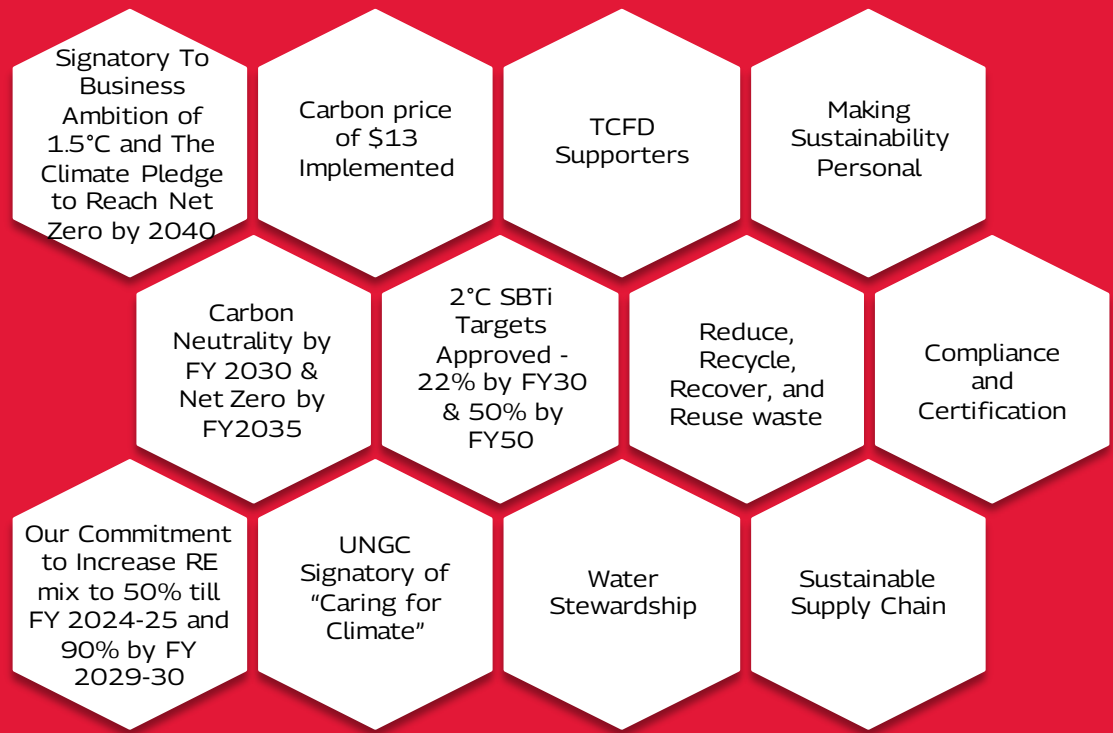- Winner of Mahindra Group Sustainability Performance Award 2020

2022

- CDP 2021: The only Indian IT company to score 'A' in both Climate Change and Water Security
- CDP SER: Recognized as CDP Supplier Engagement Leader 2021
- DJSI 2021: Ranked 1st amongst top IT companies of the world in the "TSV IT Services" segment with score of 85 and 99 percentile
- S&P Global – Sustainability Yearbook 2022: One of only 2 IT services companies awarded with Gold Class
- DJSI World Index 2021: One amongst only 5 IT companies from India.
- DJSI Emerging Markets 2021: One of only 15 Indian Companies

2023

- CDP 2022: 'A' Score in Water Security & 'A-' in Climate Change & CDP SER 2022: Recognized as CDP Supplier Engagement Leader 2022
- DJSI 2022: Ranked amongst the top IT companies of the world in the "TSV IT Services" segment with score of 89 and 100 percentile
- S&P Global Sustainability Yearbook 2023: Amongst the Top 1% of organizations in the global IT Services segment.
- MSCI 2022: Awarded 'A' rating badge
- FTSE4Good Index Series 2022: Constituent of Financial Times Stock Exchange-Russell Group
- Sustainalytics 2023: Included in the Top-rated ESG companies list

WHAT GOT US HERE !!

Signatory To Business Ambition of 1.5°C and The Climate Pledge to Reach Net Zero by 2040	Carbon price of $13 Implemented	TCFD Supporters	Making Sustainability Personal
Carbon Neutrality by FY 2030 & Net Zero by FY2035	2°C SBTi Targets Approved - 22% by FY30 & 50% by FY50	Reduce, Recycle, Recover, and Reuse waste	Compliance and Certification
Our Commitment to Increase RE mix to 50% till FY 2024-25 and 90% by FY 2029-30	UNGC Signatory of "Caring for Climate"	Water Stewardship	Sustainable Supply Chain

CHANGING CLIMATE

- Scope 1+2 reduced by 40% against base year FY15-16
- Reduction of 17,553 MTCO2e GHG emissions by renewable energy
- Supporters of TCFD and caring for climate
- Identified risks through Scenario Analysis for IEA NZE 2050, 2DS and RCP 4.5, 8.5
- Implemented Internal Carbon Price of $13 per ton CO2e

ENERGY UTILIZATION

- Increased RE from 1.77% (in baseline year FY15-16) to 21.90% in FY 2022-23
- Energy intensity reduced by 63% against base year FY15-16 against employee headcount
- 10,185.72 MTCO2e through LEDs, sensors and efficient equipment

WATER STEWARDSHIP

- Recycled and reused more than 200 million Liters
- 3.06 million liters of ground water level Recharged through Rainwater Harvesting Plants in FY 2022-23
- 29 tonnes (22%) of food waste is converted to manure through OWC & Vermicomposting

NEW TERRAIN

- 71% of waste reused/recycled/upcycled / sold to recycler
- Signatory to Business Ambition of 1.5°C and member of 1.5°C Supply Chain Leaders by Exponential Roadmap Initiative
- Audited and assessed 142 key suppliers on ESG aspects till FY 2022-23
- Conducted capacity building workshop for our 200+ key suppliers on sustainability practices

" Tech Mahindra has integrated sustainability into our core strategy with the intent of extending our responsibility from immediate benefits to ensuring long-term good. Our sustainability practices and initiatives, including carbon pricing, science-based targets, and investment in green technology solutions will help us in moving towards a low carbon economy while creating a greater value for our stakeholders. "

**Sandeep Chandna,
Chief Sustainability Officer**

ENVIRONMENTAL TARGETS

- Carbon neutrality by FY 2030
- Net zero target by FY 2035
- Increase renewable energy mix to 50% by FY 2024-25 & 90% by FY 2029-30
- Zero waste to landfill certification for 100% owned facilities by FY 2025-26
- Reduce energy consumption by 20% till FY 2029-30 against base year FY 2020-21.

Sustainability Policy

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

Through the policy we shall contribute to development of a sustainable future for our business by:

- Making workplace sustainable
- Leveraging innovative green solutions and technologies
- Collaborating with customers and partners to develop sustainable solutions to solve ecological problems
- Promoting sustainability in supply chain

Tech Mahindra as a global IT services and consulting company, recognizes the impacts of its business operations on the 3 key pillars of sustainability viz people, planet, and profit. Tech Mahindra makes continuous efforts to optimize efficiency across the environmental, social and governance framework of the company.

CP Gurnani
MD & CEO,
Tech Mahindra

" Sustainability is at the very core of Tech Mahindra. We have aligned our strategy, culture, and future to sustainable growth, and will continue to follow a focused approach towards all aspects ESG. We stress on unleashing the potential of our associates, growing their skill quotient, and building a workplace where they truly belong. We continued to drive positive change in our communities while continuing our journey towards decarbonization. "
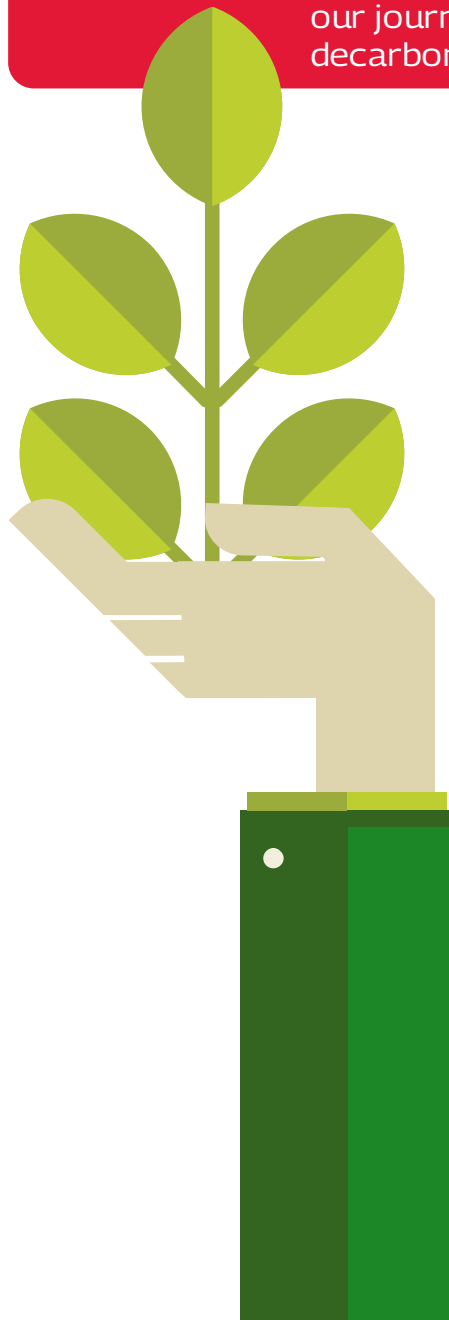
ESG Governance and Policies

Climate Change Policy   Sustainability Policy

Environmental Policy   Human Rights Policy

Water Management Policy   Waste Management Policy

Business Responsibility Policy   Health Safety and Environment Policy

Green Procurement Policy   SSCM Supplier Code Of Conduct

Sustainable Supply Chain Management Policy

Materiality Assessment and Stakeholder Identification

At Tech Mahindra, we undertake materiality as one of the critical processes in identifying and prioritizing the most pertinent issues. We review the progress of our material matters annually after discussions with our stakeholders and update some of the aspects of materiality matrix if needed. Our materiality assessment is integrated into company's ERM process, and it is signed off by our senior management i.e., Chief Sustainability Officer.

In identifying our stakeholders, we consider impact on:

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

External Stakeholders include:

- Customers
- Investors and Shareholders
- Partners and Collaborators
- Government and Local Bodies
- Academic institutions
- Suppliers and Vendors
- Local Communities and NGOs

Internal Stakeholders include:

- Organization Facility/Location
- Department Heads
- Associates

The materiality topics are identified and aligned on the likelihood of it's impact on the Company based on our stakeholder engagement process. Our material topics are aligned with roadmap targets, policies, procedures, risk register, strategies and BSC.

Identify material topics and their Impacts
Shortlisting of topics based on likely impact on the company

Identify actual and potential Impacts
Assess the severity, likelihood of occurrence and it's impact on economy, environment, and people, including human rights, across its activities and business relationships, both current and potential

Engagement with Internal and External Stakeholders
Questionnaire-based interactions with customers, investors, NGOs (TMF), partners and collaborators, academic institutions, and suppliers/ vendors, and internal stakeholders - respective business heads, subject matter experts with the organisation

MATERIALITY ASSESSMENT PROCESS

Analysis with Prioritisation
Analysis of topics for their severity and irremediability, prioritization with respect to severity of the impact time of action required

Identify the remendability of negative impacts and risks
Review of material topics from a risk perspective, scenario planning (climate), evaluation of likelihood and impact, linkage with the risk register.

Linkage to business strategy and performance
Defining KPIs to monitor performance, linking with the balanced score card of the key departments and employees

Stakeholder Identified and Material Issues

Employees
- Employee Engagement, Safety and Wellbeing
- Talent and Skill Management
- Diversity and Inclusion

Investors & Shareholders
- Ethics and Compliance
- Corporate Governance
- Innovation
- Diversity and Inclusion
- Economic Performance

Government & Local Bodies
- Ethics and Compliance
- Corporate Citizenship
- Climate Change

Local Communities and NGOs
- Corporate Citizenship
- Diversity and Inclusion
- Economic Performance

1 2 3 4 5 6 7 8

Customers
- Innovation
- Cyber Security and Data Privacy
- Supply Chain Management
- Ethics and Compliance
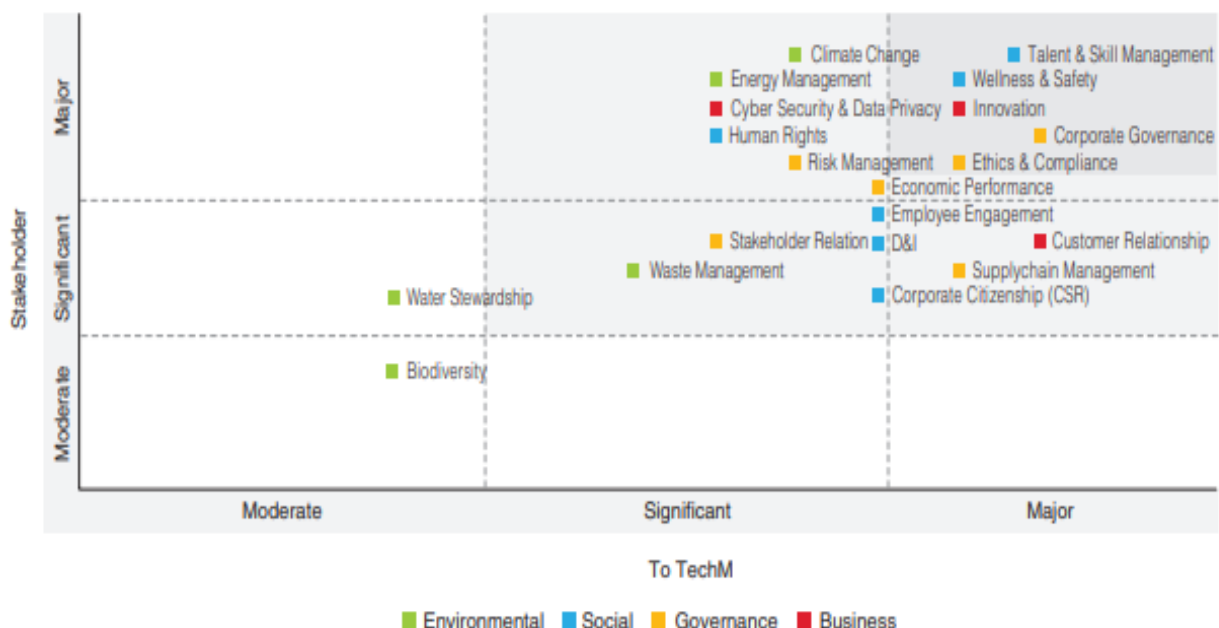
Partners and Collaborators
- Climate Impact
- Innovation
- Energy and Emissions Management

Academic Institutions
- Employee Engagement, Wellbeing and Safety
- Talent and Skill Management
- Innovation

Suppliers and Vendors
- Supply Chain Management
- Energy and Emissions Management Awareness
- Climate Change

Materiality matrix — axes: vertical "Stakeholder" (Moderate, Significant, Major); horizontal "To TechM" (Moderate, Significant, Major).

- Climate Change
- Talent & Skill Management
- Energy Management
- Wellness & Safety
- Cyber Security & Data Privacy
- Innovation
- Human Rights
- Corporate Governance
- Risk Management
- Ethics & Compliance
- Economic Performance
- Employee Engagement
- Stakeholder Relation
- D&I
- Customer Relationship
- Waste Management
- Supplychain Management
- Water Stewardship
- Corporate Citizenship (CSR)
- Biodiversity

Legend: ■ Environmental ■ Social ■ Governance ■ Business

Stakeholder Engagement and ESG Roadmap

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

ESG roadmap - Our material topics are aligned and duly approved by the respective department heads.
The performance of relevant personnel is linked to the balanced scorecards and KRAs. The targets have been set by the department heads based on materiality issues. Environmental, strategy and people related risks were evaluated in terms of likelihood of occurrence and its impact on business.

Rejuvenating the Environment

Aspect	Mahindra Sustainability Framework	Target	Base Year* (2015-16)	2022-23	Target Year (2025-26)
GHG Emissions	Achieve carbon neutrality	Reduction in Scope 1 -2 GHG emissions in MTCO2e	114,309	68,661.53	69,729** (39% reduction)
Water	Becoming water positive	Reduction in per capita freshwater consumption kL/employee	13.73	4.82	11** (20% decrease)
Waste Management	Ensure no waste to landfill	Reduction in Paper Consumption in Tonnes	93.37	12.61	46.69** (50% reduction)
	Ensure no waste to landfill	Composting food waste at owned locations	0	3	13 owned locations

* Base year for Environmental indicators is FY16 and start year (when target is set) is FY21.

** Many of our employees are still working from home. While taking targets for FY26, we have considered the increase in the number of associates working from office in future years which may lead to an increase in figures.

Enabling Stakeholders to Rise

Aspect	Mahindra Sustainability Framework	Target	Base Year (2020-21)	2022-23	Target year (2025-26)
Employee Engagement and Retention	Build a great place to work	Improvement in employee engagement score	3.7	-*	4.15
Gender Diversity	Foster inclusive development	Increasing percentage of women in senior management	8.08	10.22	14%
Integrating Sustainability into Business	Make sustainability personal	Sustainability training of total associates	25%	100%	100%
Talent Retention	Build a great place to work	IT attrition rate %	13.3	14.8	16.5
CSR	Foster inclusive development	Direct and indirect beneficiaries of (Figures in Lakhs)	3.85 (cumulative from 2012)	0.62 (Direct) 21.78 (Indirect)	0.7 (Direct)** 25 (Indirect)**
	Foster inclusive development	SMART vocational training centres across all locations of operations with 80% placement	69	79	120

* Associate engagement survey is planned in Q2' FY24.

** The target has been updated.

Building Enduring Business

Aspect	Mahindra Sustainability Framework	Target	Base Year (2020-21)	2022-23	Target Year (2025-2026)
Promoting Innovation	Embrace technology and innovation	Number of innovation contests and events per year	57	30	80
	Embrace technology and innovation	Number of ideas incubated in labs (including IRIS, IP and Makers Lab) per year	20	30	40
Realization of opportunities from Innovation	Embrace technology and innovation	Revenue from innovative solutions (in USD million)	355	520	700
Connecting with Customers	Enhance brand equity	Customers connected	145	160	200
Supply Chain	Make supply chain sustainable	Number of top suppliers to be audited yearly on sustainability parameters	2	142	200
Reducing Carbon Footprint in Supply Chain	Make supply chain sustainable	Engaging with IT suppliers to estimate GHG emission from products manufactured for Tech Mahindra	-	7	20

Cybersecurity and Data Privacy

The Chief Information Security Officer (CISO) heads the Internal Security Group (ISG) function and chairs the Subsidiary Security Council, which comprises management leadership from our subsidiaries. He reports all cybersecurity risks to the Chief Risk Officer (CRO) of the executive management, and the risk management Committee of the Board. The CISO also updates all cybersecurity aspects to Manoj Bhat, a non-executive member of the Board, who has an oversight of cybersecurity strategy of the organization.

The CISO is aided by the data privacy function in overseeing and implementation of privacy practices across all our business functions.

Materiality Impact for External Stakeholders

Material issues of external stakeholders are crucial for Tech Mahindra as they significantly influence business success, reputation, and sustainability. These issues encompass concerns that hold relevance for stakeholders, such as customers, contractors, investors, regulators, and communities. Prioritizing and addressing these material issues ensures alignment with broader societal expectations, boosting reputation, profitability, and long-term viability thereby fostering positive relationships and trust.

As per the materiality assessment conducted in FY 2023, we have identified two key material issues, **human rights** and **waste management**, which has significant impact on our external stakeholders:

Human Rights

- Our impact assessment of conducting human rights training for contractors / contractual employees (other than permanent) has revealed a positive impact on their living standards by ensuring zero cases of workplace discrimination. This has been derived using an Internal methodology.
- The training has helped in increasing awareness of these contractual employees on their basic human rights to safe working conditions, fair treatment at work, equitable compensation and access to various grievance redressal mechanisms which has led to increased productivity, job satisfaction and a healthier work environment. Enhanced employee well-being and satisfaction positively influence productivity and retention rates elevating the rights and living standards of contractual staff, benefiting both the employees and the organization.

Output metric linked to human rights → *% of Contractual staff trained on human rights*

Impact metric to measure external impact → *Reduction in number of cases of workplace discrimination*

76.56% Contractual staff trained on human rights in **FY 2022-23**

Category	FY 2021-22			FY 2022-23		
	Total (A)	Emp. Trained (B)	% of Emp. Trained (B/A)	Total (A)	Emp. Trained (B)	% of Emp. Trained (B/A)
Contractual Employees. (Other than permanent employees)	12836	8902	69.40%	10494	8036	**76.56%**

Materiality Impact for External Stakeholders

Waste Management

- We have conducted an impact assessment of the material issue of "Waste Management" by monitoring the adverse impact of waste disposed to landfill that causes potential health hazards to local communities, air and water pollution thus endangering social and ecological ecosystem. This has been derived using an Internal methodology.
- We ensure that all waste generated from our operations including Hazardous and Non-hazardous waste is reused, repurposed, or recycled through authorized recyclers and vendors in a responsible manner.
- We strive to reduce the waste disposal to landfill and we have a robust system of segregation at the source which is collected and managed using the principles of the circular economy.
- We maintain plastic-free campuses and encourage all stakeholders to use eco-friendly and biodegradable materials spreading awareness on preventing single-use plastic.
- Organic waste converters (OWC) and vermicomposting plants at our campuses convert food waste to manure which also cuts down logistics emissions and reduces waste to landfill.
  During FY23, we recycled 22% of our food wastage (29 tons) to manure through Organic Waste Converters and Vermicomposting units.
- We have taken target to make 100% of our facilities Zero Waste to Landfill certified by FY 2025-26 as a part of our five-year ESG Roadmap FY22-26.
- 3 of our locations are already Zero Waste to Landfill certified.

Output metric linked to waste management → **% of waste disposed to landfill**

Impact metric to measure external impact → **% of decrease in air quality and associated health impacts**

28.87% of Waste Disposed to Landfills in **FY 2022-23**

Category	FY 2021-22			FY 2022-23		
	Total Waste generated (A)	Total Waste disposed to landfill (B)	% of waste disposed to landfill (B/A)	Total Waste generated (A)	Total Waste disposed to landfill (B)	% of waste disposed to landfill (B/A)
Waste Disposed to Landfill	184.21	28.82	15.65%	388.02	112.02	**28.87%**

ZWL Certificate - Bengaluru

eurofins | Assurance

CERTIFICATE

This certificate has been awarded to

Tech Mahindra Ltd.

that the Waste Management System has been assessed and determined to comply with the
requirements of Eurofins Assurance Zero Waste to Landfill.

Certificate number:
EF/CPA/001/21

Certificate Issue date:
29/09/2021

Initial Certification date:
14/07/2021

Valid Until:
13/07/2024

Audit date(s):
14/07/2021

Scope:
Zero Waste to Landfill diversion rate exceeding 99% is applicable to
provide information technology (IT) and business process outsourcing
(BPO) services.

Tech Mahindra Ltd.
Plot No. 45 to 47, KIADB Industrial Area, Phase - II
Electronic City Bengaluru (Bangalore) Urban
Karnataka, 560100

Fulfils the requirements set out in
Eurofins Assurance Zero Waste to Landfill

Authorised by,

Ashit Kundra
Regional Director

Issued by,

Swapnil Savadi
National Technical Manager

Eurofins Assurance India Pvt. Ltd.

#540/I, Doddanekundi Industrial Area 2,
Hoodi, Whitefield, Bengalore 560 048,
Karnataka, India
www.eurofins.in/assurance

Validity of this certificate is subject to successful surveillance audits. This certificate has
been issued under the presumption and conditional on the fact that the applicant holds all
necessary legal rights with regard to the claim presented.

This certificate remains the property of Eurofins Assurance India Pvt. Ltd.

ZWL Certificate - Hyderabad

eurofins | Assurance

CERTIFICATE

This certificate has been awarded to

Tech Mahindra Ltd.

that the Waste Management System has been assessed and determined to comply with the

requirements of Eurofins Assurance Zero Waste to Landfill.

Certificate number:
EF/CPA/002/22

Certificate issue date:
06/06/2022

Initial Certification date:
06/04/2022

Valid Until:
05/04/2025

Audit date(s):
05 & 06/04/2022

Scope:
Zero Waste to Landfill diversion rate exceeding 99% is applicable to provide information technology (IT) and business process outsourcing (BPO) services.

Tech Mahindra Ltd.
SEZ Unit II, Ground 1, 2 & 3 Floors, Tower I,
Central Block & TMLW,
Plot No. 22 to 25 and 27 to 34,
Hi Tech City, Madhapur, Ranga Reddy District,
Hyderabad,
Telangana-500081, India.

Fulfills the requirements set out in
Eurofins Assurance Zero Waste to Landfill

Authorised by,   Issued by,

ASHIT KUNDRA

Ashit Kundra   Swapnil Savadi
Regional Director   National Technical Manager

Eurofins Assurance India Pvt. Ltd.

#540/1, Doddenekundi Industrial Area 2,
Hoodi, Whitefield, Bangalore 560 048,
Karnataka, India
www.eurofins.in/assurance

Validity of this certificate is subject to successful surveillance audits. This certificate has been issued under the presumption and conditional on the fact that the applicant holds all necessary legal rights with regard to the claim presented.

This certificate remains the property of Eurofins Assurance India Pvt. Ltd.

ZWL Certificate - Chennai

eurofins

Assurance

CERTIFICATE

This certificate has been awarded to

Tech Mahindra Ltd.

that the Waste Management System has been assessed and determined to comply with the
requirements of Eurofins Assurance Zero Waste to Landfill.

Certificate number:
EF/CPA/003/22

Certificate issue date:
03/08/2022

Initial Certification date:
24/06/2022

Valid Until:
23/06/2025

Audit date(s):
23 & 24/06/2022

Scope:
Zero Waste to Landfill diversion rate exceeding 99% is applicable to
provide Information technology (IT) and business process outsourcing
(BPO) services.

Tech Mahindra Ltd.

602/3, ELCOT SEZ 138, Sholinganallur, Tambaram,
Kancheepuram District, Chennai-600119,
Tamil Nadu, India.

Fulfils the requirements set out in
Eurofins Assurance Zero Waste to Landfill

Authorised by,

ASHIT
KUND
RA

Ashit Kundra
Regional Director

Issued by,

Savadi

Swapnil Savadi
National Technical Manager

Eurofins Assurance India Pvt. Ltd.

#540/1, Doddenakundi Industrial Area 2,
Hoodi, Whitefield, Bangalore 560 048,
Karnataka, India
www.eurofins.in/assurance

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necessary legal rights with regard to the claim presented.

This certificate remains the property of Eurofins Assurance India Pvt. Ltd.

Making Supply Chain Sustainable

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

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

We bind all our suppliers to the following social, ethical and environmental minimum standards of conduct and encourage each supplier to adopt practices with preferred and favored standards

We actively engage with our key suppliers for making our supply chain sustainable

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

OUR SUSTAINABLE SUPPLY CHAIN MANAGEMENT POLICY INCLUDES:

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

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

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

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

Sustainable Supply Chain Management Policy   **SSCM Supplier Code of Conduct**

Supplier Performance Review

- We evaluate and review performance for supplier's targets (both quantitative and qualitative) taken on ESG aspects and their future.

- We look ethical and human right practices and beyond compliance at their connect with their employees, how they communicate, details of compliance processes and polices, capacity building and awareness on green and environment.

- We evaluate our suppliers based on their transparency in reporting their sustainability details publicly and their participation in indices like CDP climate change and water security, CDP supply chain, DJSI, and more.

- We prefer suppliers who

    - Set environmental/ social targets

    - Report publicly on these indicators

    - Conduct independent audits against appropriate standards or certification schemes

- We ensure that all our suppliers are aligned to the minimum social, ethical and environmental standards of conduct set out in the Supplier Code of Conduct and encourage them to adopt our preferred and favored standards.

- We encourage our Suppliers to track and reduce GHG emissions and encourage Sustainability practices.

- While reviewing we encourage vendors to use increasing amount of recycled and recyclable content into making of new products to support progress towards circular economy.

- We have defined our tier one suppliers as the top suppliers who avail 92% of our spend. The proportionate % of total suppliers assessed on Human rights over the past 3 years is 92.72% and % of total suppliers assessed where risks/gaps have been identified is 37.25%.

Observations and Recommendation – Supplier Performance Review Feedback

Good Points

- **Code of conduct and workplace management:**
  - Workplace management policies
  - Training/induction program
  - Written labor policy in place
  - Written diversity/equal opportunity for employment policy
  - Proactive in learning/development for employees

- **Occupational health and safety:**
  - Written safety and health policy
  - Strictly following health and safety checklist for employees
  - Conducting safety related training for employees

- **Environment management:**
  - Written environment policy

Focus Areas

- Tracking GHG emissions (Scope 1+2) for operations

- Reporting the emission on global platform

- Establish the environmental targets and objectives to improve environment performance

- Set up sustainability target and goal to minimize impact on environment.

- Should have a written BCP policy

Customer Centricity Office (CCO)

- Customer Centricity Office implements organization-wide proactive and reactive initiatives to understand the customer challenges and escalations and works to align Tech Mahindra's processes, policies, systems and resources in sync with customers' business processes and future direction to deliver an enhanced customer experience.

- The CCO office is headed by the Chief Customer Officer who reports directly to the MD & CEO.

- The CCO team interacts periodically with customers and partners along with the delivery, sales, and support functions to facilitate improved 'customer first' outcomes and drives end-to-end resolution of challenges, escalations, or issues which may adversely impact the quality or level of service delivery.

- The primary function of the customer centricity office is to track and manage customer challenges and escalations across touchpoints and identify and ensure that critical cases are expedited through appropriate channels.

- The CCO uses a four-level categorization mechanism to rate and channel escalations (C1, C2, C3, C4). The first two levels (C1 & C2) are generally resolved by the business unit under the monitoring of the CCO. In the event of delays, the CCO proactively gets involved to aid the faster resolution. The CCO tracks the high priority customer escalations (C3 & C4) till closure and touches base with customers or account managers to assure them about the quick resolution of escalation with specific action plans involving all service delivery stakeholders. The key takeaway from each escalation in terms of learning and the requisite adaptations are made systemically across all accounts.

- The CCO team tracks milestones and ensures the execution of the action plan across program lifecycle:

  - **Acknowledgement** – Acknowledge escalation and provide assurance and timeline for resolution.

  - **Action Plan** – Stakeholders from internal resolution team to create action plan to address key issues.

  - **Approval** – Customer evaluates, modifies and approves action plan to resolve issue within timeline.

  - **Feedback and Closure** – Action plan closure for positive input otherwise seek new action plan.

Customer Centricity Office (CCO) Initiatives

Account Escalation Dashboard (AED): It is a predictive analytics tool that enables stakeholders, most importantly rainmakers, to forecast any potential escalated accounts and respective risk areas by taking inputs from sales, delivery, quality, and contract management commercial (CMC) groups. The AED provides a detailed overview and diagnostics, assists in reporting issues to the senior management and helps in tracking critical issues until closure.

Account Status Indicator (ASI): It is a user-friendly mobile app for Rainmakers and CDMs to capture real-time red, amber, or green (RAG) status for their designated accounts post their discussions with the customers and taking delivery feedback from the customers. Each status has been codified to clearly define the context and enable appropriate alignment of resources. ASI helps rainmakers to generate a proactive alert to swiftly and effectively resolve situations which may result in serious customer escalations at the topmost level.

Pro-alert Tool: It is a tool where all the concerned delivery stakeholders can share details of the issues faced in their respective programs. The CCO team assists them in expediting the resolution of the issue with critical issues being immediately updated in the AED portal and tracked until closure. Alerts are raised across various categories, including resourcing, contractual, and service levels, with identified SPOCs to address any breaches.

Customer Pulse Predictor: It is a new proactive tool which is developed and is used to measure the health of every program from the delivery viewpoint to integrate with the other inputs. The program managers provide a Red, Amber, and Green status of their respective programs to enable early intervention by the CCO.

CSAT

- CSAT process is named as voice of customer (VOC) and is owned by the CCO Office.

- CSAT is used to measure customer satisfaction and understand the extent to which the services delivered by Tech Mahindra meets/ exceeds the customer expectations.

- CSAT is carried out quarterly for Program CSAT to track the performance of a program, identify problem areas and ensure that a proactive problem resolution plan is created and followed through.

- Survey is sent to the clients for ongoing active programs as well as for programs approaching closure. In case of a low score, the VOC team understands the customer challenges and resolves their concerns. The survey feedback is analyzed to create a proactive action plan to have an early-stage capture and resolution mechanism to prevent future issues. The knowledge management approach is applied through our predictive tool across other customers to continuously improve our systems and processes. An in-house automated GDPR compliant tool is used for the CSAT process.

- The CSAT survey captures customer feedback around three key aspects of customer satisfaction: service and delivery, teaming and engagement and governance and management.

- The CCO owns the deployment of the CSAT survey to identify areas of improvement and follow up with the delivery team to implement action plan with systems and processes to ensure seamless delivery and support to address any challenges across the program lifecycle.

CSAT

The CSAT survey process involves the following steps:

1. **Schedule survey** – The program managers, delivery heads, quality team and other stakeholders informed about the survey schedule with the expected timeline for every step.

2. **Collect data** – The details of the customers are collected for triggering the survey in the CSAT tool and the survey questionnaire is mapped based on the type of customer engagement and pricing model of the contract - Fixed Price and time and material.

3. **Trigger survey** – The Survey is triggered by the VOC team through the CSAT tool after all the customer details are entered in the tool and submitted to the VOC team by the SPOCs.

4. **Share survey feedback results** – The feedbacks submitted by the customer are shared with the pertinent stakeholders (business development managers, program managers, and more) for their respective programs.

5. **Survey analysis** – The survey feedbacks are analyzed and the insights are shared with all the concerned stakeholders for taking corrective actions.

6. **Track the action plan** – The program managers and business development managers are asked to prepare an action plan for programs with overall feedback rating less than 4 or an attribute rating less than 3 to address the customer concerns and this action plan is tracked till closure by the **VOC** team.

Tech Mahindra has achieved a **CSAT score** of **4.46** against the **target** of **4.5** and **CSAT index** of **4.46** against the **target** of **4.0** during **FY 2022-23**

Total Eligible Programs	Total Eligible Programs with surveys initiated	Data coverage %	Total Programs with received responses	Response Rate %	CSAT Score	CSAT Index
1766	1728	98%	1317	76%	4.46	4.46

% of Repeat Business					
Particulars	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	**FY22-23**
No. of Active Clients (A)	1262	1279	1290	1297	**5128**
Repeat clients (B)	1237	1215	1200	1193	**4845**
% of Repeat Business (C = B/A)	98%	95%	93%	92%	**94%**

Sustainable Development Goals

SDG prioritized and identified	Project implemented and impacts of action
SDG 1 No Poverty and SDG 2 Zero Hunger	• AR/VR based training on sustainable agriculture practices. • Solutions include Panchang (weather prediction), Atmanirbhar Krishi (low connectivity friendly information on crops, soil, and water), a databank for sustainable pest management, and more.
SDG 3 Good Health and Well-Being	• Incorporated the 'Wellness before Business' mantra across the organization, ensuring that our associates as well as our CSR beneficiaries experience good health and well-being as a priority. Taking care of our people and our communities is embedded in our business philosophy and is integral to ESG Governance at TechM. • The Employee Health and Safety team implements our organization-wide, holistic Wealth of Wellness (WoW) programme. It leads a wide range of health and wellness initiatives, which includes physical health, occupational, psychological, spiritual, social, environmental, financial and intellectual health.
SDG 4 Quality Education	• Run programmes like ARISE, ARISE+, Shikshaantar, mobile science labs to help provide quality education to school-going children from underprivileged and marginalized communities in the society. • During FY23, TMF's education programmes have more than 19,000 beneficiaries. • Mahindra Educational Institutions (MEI) help enhance access to quality higher education in high opportunity areas to drive education and livelihood ambitions.
SDG 5 Gender Equality	• Dedicated policies to encourage and support women as well as members of the LGBTQ+ communities through gender-agnostic POSH policy and gender-neutral infrastructure. • Equally committed to fostering an inclusive work culture, with specific steps taken to encourage persons with disabilities on our teams.
SDG 6 Clean Water and Sanitation	• Partnered with Smart Energy Water (SEW) to accelerate digital transformation for the energy/ water utility industry. • TMF provided capacity building for sanitation workers besides the 'Flush the Virus' programme for providing access to sanitized toilets.
SDG 7 Affordable and clean energy	• Have launched our new business vertical to provide ESG offerings. This includes services such as ESG consulting, new-age technology-enabled energy and resource optimization solutions, reporting platforms, audit, reporting services and risk management platforms for accelerating sustainability initiatives.
SDG 8 Decent Work and Economic Growth	• Our contribution in this value creation process is through ensuring business sustainability and futureproofing by means of helping our associates with appropriate opportunities to upskill and grow in their careers. • During FY23, our SMART and SMART+ programmes have benefited more than 22,000 young lives.

Sustainable Development Goals

SDG prioritized and identified	Project implemented and impacts of action
SDG 9 Industry, Innovation and Infrastructure	• Committed to using our expertise in technology as well as our sustainability initiatives to help our clients enhance their impacts under sustainability, and thus acting as a force multiplier for sustainability across sectors, globally.
SDG 10 Reduced Inequalities	• Focus on diversity and inclusion is reflected in our CSR policy and our ESG Governance. We ensure that at least 50% of CSR beneficiaries of TMF's programmes under education, employability, and disability are women and girls while 10% of our beneficiaries are Persons with Disabilities.
SDG 11 – Sustainable Cities and Communities	• Continue to drive focused efforts to reduce our carbon footprint by using more efficient equipment, minimizing our use of water and electricity as well as reducing our waste generated by our operations. We continue to enhance our initiatives to conserve natural resources as well as biodiversity.
SDG 13 Climate Action	• Our climate strategy involves participating across various platforms and initiatives dedicated to driving targeted action. • We are a signatory to the collective global businesses' ambition of 1.5°C; committed to becoming carbon neutral by 2030 and net zero by 2035; 1.5°C Supply Chain Leaders by Exponential Roadmap Initiative (ERI) and 'The Climate Pledge'. Our 2°C emission reduction targets are approved by SBTi and we are one of the few companies to implement an Internal Carbon Price (USD 13/MTCO2e in FY23).
SDG 17 Partnership for the Goals	• Worked in partnership with government agencies such as the NITI Aayog and global organizations like UNGC, WEF, TERI, CDP, Austrade, etc. to support public policy formulation for societal welfare. We participate in various global summits and conferences on climate action. • Maintained membership with Industry Associations including CII, GSMA, Software Technology Parks of India and some local and regional Industry Associations to share and disseminate knowledge and best practices for creating technology-enabled solutions for society.

ESG Disclosure

Environment

- Carbon neutral by FY30
- Emission targets aligned with 1.5°C and SBTi approved 2°C targets of scope 1+2 emissions reduction by 22% by FY30 and 50% by FY50
- Increase renewable energy to 50% by FY 2024-25 and 90% by FY 2029-30
- Signatory to UNGC, The Climate Pledge and Business Ambition of 1.5°C

Social

- The average amount spent per FTE on training and development of both IT and BPS associates is USD 100.08, i.e., INR 8083.

- The human capital return on investment for FY 2022-23 is 1.22

The Code of Ethical Business Conduct is non-negotiable and in case of non-compliance, an appropriate consequence management will be initiated, depending on the nature and severity of the violations, and in accordance with company policies. The consequences include withholding or denial of remuneration benefits/ appraisals/promotions/raise/certifications/onsite opportunities. They may even face disciplinary actions including termination based on the nature of violation and company's disciplinary investigation process.

Long term incentives are given to associates who have been with the company for more than 5 years. The benefits to the associates include certificate, congratulatory plaque, and a cash award to celebrate their association with the company; additional leaves linked to the number of years served; variable pay linked to individual performance measured throughout the year; associate stock options (ESOPs)/ restricted stock units (RSUs) to those qualifying under performance criteria along with a reward for their niche, critical and long-term roles in the organization. The company has targets on material topics in the sustainability roadmap. These targets are added to the balanced score cards of function leaders and cascaded to their respective teams to ensure completion. The monitoring, implementation and achievement of these targets are considered while stock options (ESOPs/RSUs) are being given as a long-term incentive to associates.

Membership of Associations: Tech Mahindra participates in and support public policy formulation for societal welfare. We engage and collaborate with the government directly as well as through industry associations and international multilateral bodies like the UNGC and WEF.

A total membership fee of INR 3.6 crore was paid to various industry and trade associations that represent our interests at government levels and help address issues with policymakers. We paid INR 91.25 lakh to Global System for Mobile Communications (GSM) association, INR 49.99 lakh to National Association of Software and Service Companies (NASSCOM), INR 22.49 lakh to World Economic Forum (WEF); INR 5 lakh to United Nations Global Compact (UNGC); INR 6 lakh to Confederation of Indian Industry (CII) and INR 5.8 lakh to Associated Chambers of Commerce and Industry (ASSOCHAM) among others.

Performance Appraisal: Tech Mahindra has a mid-term as well as an annual appraisal and follows a multidimensional performance appraisal process. All our eligible associates are appraised through a Performance Indicator system which integrates all the 3 types of performance appraisals, i.e.

1. **Management by objectives** – The systematic use of measurable yearly goals and targets agreed between the line manager and associates.

2. **Multi-dimensional 180-degree feedback** – Associates are appraised by their managers and unit heads. Also, feedback is taken from the peers (not mandatory), and sometimes from the external clients/customers.

3. **Formal comparative ranking** – of employees within one employee category.

TechM's performance and succession management process helps differentiate high-potential talent with a 3-level performance rating scale, transparent career mobility process and performance enabling conversations that focus on outcomes. We have a multi-layer reporting structure for each associate and have processes of 180-degree feedback and associate satisfaction surveys. Our reverse feedback process ensures that the appraisal process is a two-way process giving associates the ability to assess their managers and share the feedback directly with their skip-level managers. we also have a robust grievance redressal process in place where associates can raise a complaint if they have been treated unfairly.

Regular performance feedback discussions between managers and team provide an opportunity to provide real-time guidance, recognize achievements, and address any performance gaps. While performance feedback discussions between managers and team members happen regularly, formal performance evaluation happens twice a year, through the mid-term review and an annual performance review. the entire performance management lifecycle is digitized through our individual development enabling appraisal system (Ide@s) application which is used as a centralized system for the execution, tracking and maintenance of the performance management process.

Employee Development Programs: We support our associates to grow and leverage the skills currency. Our employee development programs such as Tech Mahindra's **Women Leadership Program (WLP)** had a participation rate of **5%** and **AQT Framework (AQTF)** program had a participation rate of **15%** of FTEs in **FY 2022-23**.

Employee Benefits: We go above and beyond to ensure that each of our associates feel safe and secure, cared for and well-supported in their work. **100%** of our permanent workforce enjoys Health Insurance, Accident Insurance, Maternity Benefits (including Parental Leave for Primary Caregiver up to 26 weeks and for the Non-Primary Caregiver up to 1 week), Paternity Benefits and Sabbatical Leave benefits (other than Parental Leave) to cater to any Personal/Family* exigencies along with Daycare/Childcare facilities, Breast-feeding/Lactation facilities etc. at the office premises.

Family includes Parents, Spouse, Same-Sex Partners, Siblings, Parents-in-law, Children

Environment and Climate

From an environmental perspective, Tech Mahindra's priorities are sourcing renewable energy, becoming net-zero and water positive, and adopting circular economy principles while protecting and promoting biodiversity. We promote awareness of the need for environmental protection and encourage imbibing sustainability as a way of life amongst our associates and all our other stakeholders.

We consciously make strategic investments in low-carbon technology and the procurement of eco-friendly products. In addition, our green solutions portfolio combines our technical expertise and technology to develop solutions that help customers address their environmental and climate-impact-related challenges.

Two of our locations are ISO 14001:2015 certified with 33.16% coverage

We have taken combined target to reduce 58.8% of our Scope 1+2 emissions by FY 2029-30 from 114,309 MTCO2e in base year FY 2015-16. Thus, we need to reduce proportionate % of Scope 1 emissions to 10,122.15 MTCO2e and Scope 2 emissions to 70,580.01 MTCO2e in FY 2022-23

We have taken a target to reduce 2% our scope 3 emissions by FY 2025-26 against the base year FY 2015-16. Thus, we need to reduce to 46,566 MTCO2e in FY 2022-23.

We have taken target to increase our Renewable energy to 50% and reduce Non-renewable energy consumption to 50% by FY 2024-25 from 152, 860 MWh in base year FY 2015-16. Thus, we need to reduce NRE consumption to 93,414.44 MWh in FY 2022-23

We have taken target to decrease our water withdrawal from 0.88 million cubic meters by 20% to 0.70 million cubic meters. Thus, we need to reduce to 0.76 million cubic meters in FY 2022-23.

Our Average PUE is 1.96 and RE share of our data center is 33% for FY 2022-23. We have taken target to reduce our power usage efficiency by 2% from FY21 and increase RE share to 50% by FY 2024-25. Thus, the target for PUE is 1.97 and RE share of data center is 33% for FY 2022-23.

We have taken target to have 100% of our 13 owned locations certified for ZWL by FY 2025-26. Our target for waste disposal is 115.28 metric tonnes for FY 2022-23.

Through Renewable Energy, LEDs and motion sensors installation and Green building practices implementation, we have saved 28,978.70 MTCO2e of GHG emissions. Virtualized 16,838 servers (both internal and external) saved 79,930 MTCO2e.

Environmental
Management System
ISO 14001:2015

bsi.

Certificate of Registration

ENVIRONMENTAL MANAGEMENT SYSTEM - ISO 14001:2015

This is to certify that:

Tech Mahindra Ltd.
44-46P, KIADB Industrial Area
Electronic City, Phase II
Hosur Road
Bangalore 561 100
Karnataka
India

Holds Certificate No: **EMS 654118**

and operates an Environmental Management System which complies with the requirements of ISO 14001:2015 for the following scope:

Provision of Services Related to Facility Management & Human Resources to Facilitate Software Project Execution.

For and on behalf of BSI:

Michael Lam - Managing Director Assurance, APAC

Original Registration Date: 2007-05-24   Effective Date: 2022-05-24
Latest Revision Date: 2022-05-13   Expiry Date: 2025-05-23

Page: 1 of 2

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Certificate No: **EMS 654118**

Location	Registered Activities
Tech Mahindra Ltd. 44-46P, KIADB Industrial Area Electronic City, Phase II Hosur Road Bangalore 561 100 Karnataka India	Provision of Services Related to Facility Management & Human Resources to Facilitate Software Project Execution.
Tech Mahindra Ltd. SEZ Unit II, Plot No 22 to 25 & 27 to 32, HITEC City Madhapur, Ranga Reddy District Hyderabad 500 081 India	Provision of Services Related to Facility Management & Human Resources to Facilitate Software Project Execution.

Original Registration Date: 2007-05-24   Effective Date: 2022-05-24
Latest Revision Date: 2022-05-13   Expiry Date: 2025-05-23

Page: 2 of 2

Occupational Health and Safety Management System
ISO 45001:2018

bsi.

Certificate of Registration

OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM - ISO 45001:2018

This is to certify that:

Tech Mahindra Ltd.
Tech Mahindra Learning World
SEZ Unit II,Plot No 22 to 25 & 27 to 32
HITEC City
Madhapur, Ranga Reddy District
Hyderabad 500 081
Telangana
India

Holds Certificate No: **OHS 607530**

and operates an Occupational Health and Safety Management System which complies with the requirements of ISO 45001:2018 for the following scope:

Provision of services related to Facility Management & Human Resources to facilitate Software Project Execution

For and on behalf of BSI:

Theuns Kotze, Managing Director Assurance - IMETA

Original Registration Date: 2019-06-03
Latest Revision Date: 2023-03-04

Effective Date: 2023-03-31
Expiry Date: 2026-03-30

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An electronic certificate can be authenticated online.
Printed copies can be validated at www.bsi-global.com/ClientDirectory or telephone +91 11 2692 9000.
Further clarifications regarding the scope of this certificate and the applicability of ISO 45001:2018 requirements may be obtained by consulting the organization.
This certificate is valid only if provided original copies are in complete set.

Information and Contact: BSI, Kitemark Court, Davy Avenue, Knowlhill, Milton Keynes MK5 8PR. Tel: + 44 345 080 9000
BSI Assurance UK Limited, registered in England under number 7805321 at 389 Chiswick High Road, London W4 4AL, UK.
A Member of the BSI Group of Companies.

Certificate No: **OHS 607530**

Location	Registered Activities
Tech Mahindra Ltd. Tech Mahindra Learning World SEZ Unit II,Plot No 22 to 25 & 27 to 32 HITEC City Madhapur, Ranga Reddy District Hyderabad 500 081 Telangana India	Provision of services related to Facility Management & Human Resources to facilitate Software Project Execution
Tech Mahindra Ltd. Site No. 44-46P, KIADB Industrial Area Electronic City, Phase II Hosur Road Bangalore 561 100 Karnataka India	Provision of services related to Facility Management & Human Resources to facilitate Software Project Execution

Original Registration Date: 2019-06-03
Latest Revision Date: 2023-03-04

Effective Date: 2023-03-31
Expiry Date: 2026-03-30

Page: 2 of 2

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BSI Assurance UK Limited, registered in England under number 7805321 at 389 Chiswick High Road, London W4 4AL, UK.
A Member of the BSI Group of Companies.

The **Stakeholders Relationship Committee** of the Board reviews and has an oversight towards meeting environment, health and safety obligations towards all stakeholders as specified in their Terms of Reference (ToR). Hence, it is also responsible for the implementation of OHS Policy.

Human Rights: Due Diligence Process

Communicating
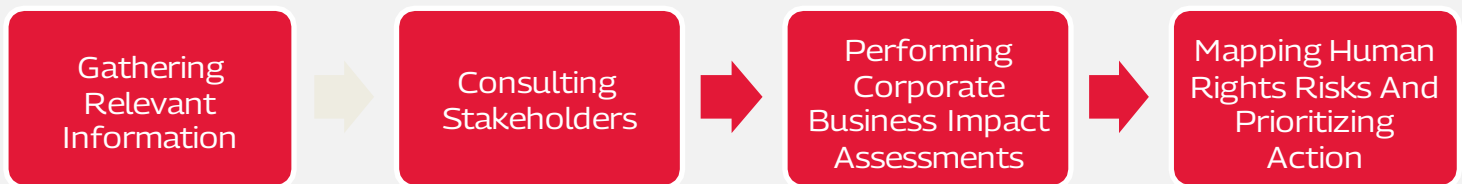Appropriate communication of performance with respect to addressing human rights impacts

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

Tracking Performance
Tracking of effectiveness of risk mitigation responses over time; and

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

04 **01** **03** **02**

I. Identifying and Assessing the Impacts

Gathering Relevant Information	→	Consulting Stakeholders	→	Performing Corporate Business Impact Assessments	→	Mapping Human Rights Risks And Prioritizing Action

II. The Integration Process

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

III. Tracking performance and reporting

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

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

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

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

Human Rights Performance Indicators (GRI)

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

IV. Communicating and Reporting

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

A Human Rights Risk Mapping Matrix And Action To Be Taken

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

■ Extreme ■ High ■ Moderate ■ Low

	Right To Equality	Freedom From Discrimination	Freedom Of Association	Right To Privacy	Freedom Of Training
Operations	Moderate	High	Moderate	Extreme	Low
Supply Chains			High	High	
Customer Centricity	Extreme	Moderate	Moderate	Moderate	High
Human Resources	Moderate	Moderate	Moderate	Extreme	Moderate
Research & Development			Moderate	Extreme	Extreme
Finance	Moderate	Moderate	Moderate	High	Extreme

Human Rights Assessment: Review and Mitigation

Labour Management Relations	**Comment**: Appointment letters to security guards did not have salary details. It was blank and signed by the security guards. Shift change mechanism was not evidenced for security guards.	**Response**: Advised the third-party vendor agency to ensure that the appointment letters should have the salary details along with necessary terms and conditions accepted and counter signed by the worker. Initiated shift change mechanism as a best practices at every site level.
Health & Safety	**Comment**: H&S and works committees were not established at site level. The process of periodically testing and exercising the planned response capability is not effective. i.e., fire drill in night shift is not done.	**Response**: Provision to form HSE committees with the H&S trained SPOCs from location council at every site level. Ensure fire drill covers all the shifts.
Human Rights Assessment	**Comment**: No social risk assessment evident.	**Response**: Initiated social risk assessment procedures by including the necessary human rights clauses for the sites.

Due Diligence

Before commencing business activities, we assess human rights issues and impacts on company operations and include key stakeholders such as employees, women, children, third party employees, local communities, and indigenous people in our human rights due diligence process. As a global organization, we assess risks related to human rights along the corporate operations and value chain, including new business relationships such as mergers, acquisitions, and joint ventures. We analyze certain risks and perform due diligence on certain potentially material aspects related to human rights such as forced and child labor, human trafficking, freedom of association and collective bargaining, equal remuneration, discrimination, and privacy.

Human Rights Assessment

Certificate - Noida

CERTIFICATE

Human Rights Assessment

Based on assessment protocols developed using GRI 401, 402, 403, 404, 405, 406, 407, 408, 409, 412, 413, 414, 415, 418, 419 series & Social standards framework

In accordance with TÜV INDIA procedures, it is hereby confirmed that:

TECH MAHINDRA LTD.
Plot No-58 A & B, Noida Special Economic Zone,
Noida - 201 305, U.P.,
India

has implemented the System in line with the above criteria for the following Scope

Provision of IT Services.

Certificate Registration No. **HRA 01 00006**
Audit Report No. **Q 12701/2023**

Valid from 01.03.2023
Valid until 28.02.2024

TÜV INDIA Certification Body

Mumbai 01.03.2023

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

The Services & System related liabilities are with Client.

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

Human Rights Assessment
Certificate - Chandigarh

CERTIFICATE

Human Rights Assessment

Based on assessment protocols developed using GRI 401, 402, 403, 404, 405, 406, 407, 408, 409, 412, 413, 414, 415, 416, 419 series & Social standards framework

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

TECH MAHINDRA LTD.
Plot No. 23, RGCTP, Kishangarh,
Chandigarh - 160 101,
Punjab,
India

has implemented the System in line with the above criteria for the following Scope

Provision of IT Services.

Certificate Registration No. **HRA 01 00004**
Audit Report No. **Q 11655/2022**

Valid from 28.02.2023
Valid until 27.02.2024

TÜV INDIA Certification Body

Mumbai 28.02.2023

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

The Services & System related liabilities are with Client.

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

Human Rights Assessment
Certificate - Hyderabad

CERTIFICATE

Human Rights Assessment

Based on assessment protocols developed using GRI 401, 402, 403, 404, 405, 406, 407, 408, 409, 412, 413, 414, 415, 418, 419 series & Social standards framework

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

TECH MAHINDRA LEARNING WORLD
Plot No. 22 to 34 Hitech City,
Madhapur - 500 081,
Hyderabad,
India

has implemented the System in line with the above criteria for the following Scope

Provision of IT Services.

Certificate Registration No. **HRA 01 00005**   Valid from **12.04.2023**
Audit Report No. **Q 12697/2023**   Valid until **11.04.2024**

TÜV INDIA Certification Body   Mumbai **12.04.2023**

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

The Services & System related liabilities are with Client.

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

Corporate Governance

Independent Directors on Board

The company has a robust governance structure for ESG with the right balance of diversity, skills, and years of experience. Diversity of gender (with a ratio of 6:4), age (two directors below 50), tenure (average tenure of 7.8 years) and nationality (30% other nationalities on the current Board provides a wide variety of perspectives and knowledge that guides Tech Mahindra's current and future strategic direction.

Tech Mahindra has **6 Independent directors** on board which is compliant with the section 149 (4) of the Companies Act, 2013 and Regulation 17 (1) (b) of the SEBI regulations, 2015. So, considering the above criterion for independent directors on board, we abide by the norms and have minimum/target share of at least 33.33% (or one-third) of independent directors on board.

Board Meeting Attendance

In compliance with the Section 167 (1) (b) of the Companies Act, 2013, TechM has a minimum attendance of at least one meeting for its Board members. TechM abides by the norms and had a target of minimum attendance of 20% for Board members (based on the total number of 5 board meetings held for FY 2022-23).

Election and Re-election of Directors on Board

At Tech Mahindra, we follow the election & re-election guidelines according to the Section 152 (6) of the Companies Act, 2013 wherein 33.33% of directors (other than independent) on board are liable to be elected or re-elected during Annual General Meeting (AGM). Also, during AGM, as per SEBI Regulation 4 (2) (a) (v & vii), we allow every shareholder to be an effective stakeholder in exercising their right of election of members of the Board. Section 149 (13) of the Act also states that the above provisions shall not be applicable to the appointment of independent directors.

Also, during AGM, as per SEBI Regulation 4 (2) (a) (v & vii), we allow every shareholder to be an effective stakeholder in exercising their right of election of members of the Board.

Board Diversity Policy

Tech Mahindra believes that the company's board should consist of candidates from diverse backgrounds and have a balanced composition of independent and non-independent directors meeting the criteria of independence set out in Companies Act, 2013 and SEBI Regulations, 2015. The Nominations and Remuneration Committee has defined the standards of Board Diversity policy and ensures the Board nomination process is in line with the diversity policy that considers the diversity of thought, perspective, knowledge, skills, expertise, qualifications, regional and industry experience, cultural background, age, ethnicity, nationality, race, and gender, to achieve its strategic and commercial objectives. The policy on Board diversity is available at https://insights.techmahindra.com/investors/policy-of-board-diversity.pdf

Other Mandates

Section 165 (1) of the Companies Act, 2013 states on the number of directorships: No person, shall hold office as a director, including any alternate directorship, in more than twenty companies at the same time, provided that the maximum number of public companies in which a person can be appointed as a director shall not exceed ten.

Compliance Statement for the Independence of the Board of Directors

Tech Mahindra has complied with the following criteria for the independence of Board of Directors for **FY 2022-23**:

1. The director must not have been employed by the company in an executive capacity within the last year.

2. The director must not be a "family member of an individual who is employed by the company or by any parent or subsidiary of the company as an executive officer".

3. The director must not be affiliated with a significant customer or supplier of the company.

4. The director must have no personal services contract(s) with the company or be a member of the company's senior management.

5. The director must not be affiliated with a not-for-profit entity that receives significant contributions from the company.

6. The director must not have been a partner or employee of the company's outside auditor during the past year.

7. The director must not have any other conflict of interest that the board itself determines to not be considered independent.

Corporate Governance

CEO Compensation

Tech Mahindra's governance practices are aligned with a focus on being a purpose-led, people-centric and performance-driven organization. Our strong governance framework led by robust policies & standards ensures that there is no conflict of interest amongst any stakeholders associated with the organization.

At TechM, CEO compensation is viewed as an important factor that can have an impact on the performance of our organization.

The remuneration of the MD & CEO of Tech Mahindra includes fixed salary and variable compensation as commission as determined by the Nomination and Remuneration Committee (NRC) based on the achievement of various parameters set out in the agreed annual goals.

Tech Mahindra follows a Balanced Score Card (BSC) approach to align the objectives at the organization level, function level and the individual level and monitor the company's performance against these strategic goals. The BSC that is prepared for the CEO includes **Return on Capital Employed (ROCE)** as a Financial Returns Metric for determining their variable compensation. The NRC of Board determines the variable compensation of the CEO, annually based on their individual and organization performance.

The ROCE of Tech Mahindra for the reporting year (FY 2022-23) was **23.40%** with a commission (variable compensation) of **INR 24.72 million** paid to the MD & CEO of Tech Mahindra.

Total Shareholder Return - TSR (FY 2022-23)				
Particulars	TechM		Nifty IT	
Total Dividend (YTD)	INR	50.00	INR	47.00
Share Price* as on April 1, 2022	INR	1,487.10	INR	3,551.40
Share Price* as on March 31, 2023	INR	1,101.85	INR	2,500.83
TSR	**-23%**		**-28%**	

NSE closing price on respective dates for FY 2022-23

Tech Mahindra's also the incorporates the use of relative financial metrics such as **total shareholder return (TSR)** to gauge its performance against peers in the industry. TSR provides insights on the overall appreciation in the stock price of every share of TechM over a specified period of time along with the dividends paid by the company on every share.

Driven by the strong performance, the Board of Tech Mahindra recommended a **dividend** of **INR 50 per share** in **FY 2022-23**. The Company has formulated a **dividend policy** which is disclosed on the website of the Company.

The **Total Shareholder Return** (TSR) of Tech Mahindra for the reporting year **(FY 2022-23)** was **-23%** which is relatively better than its peers listed on the Nifty IT Index, i.e., **-28%** consisting of 10 Indian IT companies listed on NSE (National Stock Exchange).

Corporate Governance

Management Ownership

At TechM, we realize that our current and future investors and shareholders are a part of the extended Tech Mahindra family. We provide accurate, detailed, timely and transparent information to them on the financial, and ESG performance and the future orientation of the organization.

We firmly believe that the share ownership by the MD & CEO of TechM along with other executive committee members (including key managerial personnel – KMPs) of the organization can have a profound impact on the financial performance of the organization and hence, increased investor and shareholder returns.

Therefore, we encourage them to accumulate some share ownership of the organization as compared to their base salary.

Mr. C. P. Gurnani (MD & CEO)
The share ownership* of the MD & CEO of Tech Mahindra during the reporting year was **305.59** times their base salary.

Other Executive committee members
The share ownership* of the other 2 executive committee members:

• Rohit Anand (CFO) – **0.68** times their base salary
• Anil Khatri (Company Secretary) – **2.09** times their base salary

Additionally, the **total** share ownership of these members is **1.14** times their base salary.

calculated on the basis of no. of stocks held as on 31st March 2023

The share ownership of MD & CEO and other executive committee members (including KMPs) of TechM is built up gradually over a period of time. Tech Mahindra has a robust compensation & remuneration structure wherein the CEO, executives and KMPs are granted ESOPs based on their performance and the quantum of their base salary. As compared to peers, this approach ensures that these personnel build up a substantial amount of share ownership of TechM over time and hence, leads to a positive correlation with the financial performance of the organization.

CEO-to-Employee Pay Ratio

The ratio of remuneration of the CEO and MD (considering only the base salary, commission and excluding the value of perquisite of **INR 0.63 Mn**) to median remuneration of employees **(INR 0.662 Mn)** is **78.75**

Clawback
Our company is governed by the **Companies Act 2013** and clauses such as **Section 199** are applicable for the recovery of remuneration from the management in certain cases of clawback. Please refer to Section 199 - "*Recovery of remuneration in certain cases*" on pdf page 125 of the **Companies Act 2013** for more details on the clawback policy applicable to the MD & CEO of TechM

Corporate Governance

Taxonomy

Tech Mahindra is committed to responsible, sustainable practices and our ESG reporting is based GRI 2021 Standards, IIRC, TCFD, SASB and mandatory BRSR (SEBI) frameworks but we are also constantly trying to align ourselves with the latest of taxonomies.

While we are awaiting final draft of taxonomy regulation within the framework of sustainable financial architecture from Indian authorities, we have voluntarily started writing a taxonomy report following EU taxonomy guidelines.

We are developing this report that would meet the EU's standards for sustainable finance for year 2023, to be reported in the year 2024. We are committed to providing clear and comparable information on our environmentally sustainable activities and investments.

Board Competence on Sustainability

SUSTAINABILITY & STRATEGY

CERTIFICATE OF ASSESSMENT

Upon thorough and fair assessment of the Board of Directors on
ESG And Climate-Related Risks, Opportunities and Impacts
As per our assessment procedures we find the Board to have adequate functional knowledge and this certificate is hereby presented to

Tech Mahindra Ltd

on this **18th day of August 2022**, for FY 2021-22.

The certification is as per the Sustainability & Strategy assessment methodology which is based on the principles covered by TCFD, CDP and GRI 305-2016 standards.

Valid till 18th August 2023

Nidhi Ladha
Partner, ESG and Sustainability
Sustainability and Strategy

Aneesh Issar
Partner, Business Strategy and Growth
Sustainability and Strategy

All Systems and Services Liabilities associated with this certification reside with the Certified entity

SUSTAINABILITY & STRATEGY: C-618, Sushant Lok-I, Gurugram -122002   Contact: info@sustainabilityandstrategy.com

Risk Management at Tech Mahindra

Which Risks	Strategic, Business, Operational, Climate Change Risks
Who Manages	Enterprise risk management team (Risk officers and Heads of Business Units) headed by CRO and risk management committee
How Manages	**Approach:** Bottom-up approach **Through:** Risk register **Internal Process:** Critical risks prioritized reviewed with feedback and guidance form senior leaders assessment report is updated. Mitigation **strategies and business contingency plans developed monitored by:** Corporate Auditing team Chief Risk Officer and the Chief Sustainability Officer are engaged through a structured process to deliberate on possible risks and opportunities from technology-economic-media-political-legal-environmental-social perspective

Privacy Risk

Climate Action Failure Risk

Indoor Air Quality

Currency Risk

Employees Health Risk

Occupational Health and Safety

Carbon Tax

Natural Disaster

Fuel and Energy Tax

Climate Risk in Supply Chain

Regulatory Change/ Visa Risk

Water Quality and Security Risk

Global Economic Risk

Competition Risk

Risk Management Audits

Tech Mahindra conducts assessment and evaluation of the Risk Management process framework in order to incorporate and implement continuous improvements in our Risk Management systems.

Such assessment and audits help us obtain an understanding of the systems, processes and controls for identification and management of key enterprise risks for the organization.

We conduct, both, Internal as well as external audits for evaluating and monitoring the risk management performance of TechM on a periodic basis.

Internal Audit

The audit committee of the Board of Tech Mahindra is responsible for evaluation of internal financial controls and risk management systems as laid down in the terms of reference (ToR) of the committee. It meets the criteria laid down under Section 177 of the Companies Act, 2013.

At the Executive level, the internal audit function, headed by the Chief Internal Auditor, monitors, audits and conducts half-yearly audit reviews of all relevant internal processes, systems, and controls as mandated by the Companies Act, 2013.

External Audit

One of the "Big Four" accounting firms have been appointed by Tech Mahindra Ltd. for conducting audits of the internal risk management processes (including, risk management performances). They work closely with the Chief Internal Auditor and the team of Internal audit function to review and provide feedback on the risks and risk management processes and report the audit findings to the Audit committee of the Board on a quarterly basis.

The Chief Internal Auditor and the appointed external advisor (one of the "Big Four" accounting firms) for the audit function, also report their audit findings to the risk management committee (RMC) of the Board on a quarterly basis. The Managing Director & CEO, Chief Financial Officer (CFO) and Chief Risk Officer (CRO) are the permanent invitees to the meetings of the Committee.

Further, Tech Mahindra hires an external agency to review internal financial controls (IFC) every 6 months. The Scope of assessment includes entity level controls (ELC) with various controls encompassing the Risk Management processes.

Example – In FY 2022-23, one of the significant risks identified was stakeholders not following the mandatory TechM code of conduct policies or following incorrect processes, which could lead to improper recruitment practices and vendor empanelment, unethical transfers and promotions, and allowances based on bribes (monetary or otherwise) between internal and external stakeholders.

Risk Feedback Mechanism

COLLECT
Collect sources of information about actual and potential risks.

ANALYZE
Analyze Information obtained from different sources to better understand existing and emerging risks, as well as potential vulnerabilities.

ADAPT
Adapt activities by applying lessons learned from analysis of risks and vulnerabilities.

Potential Sources of Feedback:
- Reporting mechanisms
- Investigations
- Data mining
- Other stakeholders or external parties
- Enterprise-wide risk management initiatives

Potential Receivers of Feedback:
- Risk Management trainings
- System checks
- Predictive Analytics models
- Risk assessments

Emerging Risks

Artificial Intelligence

As the world witnesses unprecedented growth in artificial intelligence (AI) technologies, it is essential to consider the potential risks and challenges associated with their widespread adoption. AI does present some significant risks — from job displacement to security and privacy concerns — and encouraging awareness of these issues can help us in engaging actions towards AI's legal, ethical, and societal implications.

Whether it's the increasing automation of certain jobs, gender and racially biased algorithms or lack of transparency, data privacy and security, unease about AI adoption abounds on a number of fronts. Additionally, we're still in the very early stages of understanding what AI is really capable of and the impact it can have on our society.

Lack of Transparency   **Job Displacement**   **Lack of Data Privacy and Security**   **Algorithmic Bias**   **Social and Economic Inequalities**

Description	Impact	Mitigating actions
Lack of Transparency AI and deep learning models can be difficult to understand, even for those that work directly with the technology. This leads to a lack of transparency for how and why AI comes to its conclusions, creating a lack of explanation for what data AI algorithms use, or why they may make biased or unsafe decisions. These concerns have given rise to the use of explainable AI, but there's still a long way before transparent AI systems become a common practice. Further, lack of transparency in AI systems, particularly in deep learning models that can be complex and difficult to interpret, is a pressing issue. This opaqueness obscures the decision-making processes and underlying logic of these technologies.	When people can't comprehend how an AI system arrives at its conclusions, it can lead to distrust and resistance to adopting these technologies.	Standard practices and model documentation – Data science, legal, and risk personnel must understand important aspects of AI models and the environment in which they are trained and deployed, so they can surface areas of risk. Simply put, organizations cannot control an AI environment they don't understand. Setting clear standards for model development and documentation can help provide such foundational transparency.

Emerging Risks

Description	Impact	Mitigation
Job Displacement AI-driven job automation is a pressing concern as the technology is adopted in various industries. It has the potential to lead to job losses and as AI technologies continue to develop and become more efficient, the workforce must adapt & acquire new skills to remain relevant in the changing landscape. While AI is estimated to create 97 million new jobs by 2025, many employees won't have the skills needed for these technical roles and could get left behind if companies don't upskill their workforces. Moreover, it has the potential to create significant job losses in millions by 2030.	As AI technologies become smarter and more dexterous, the same tasks will require fewer humans leading to losses in full-time jobs.	Investments in new-age technological skills, including carefully curated training programs for upskilling the existing workforce. Additionally, focus on man-machine collaborations towards enhanced outputs, as well as being cognizant of the evolving needs of employees' upskilling, learning and development needs can help enhance the future-readiness of our workforce. Towards this, we have also built elaborate platforms to help our associates constantly upskill themselves.
Lack of Data Privacy and Security AI technologies often collect and analyze large amounts of personal data, raising issues related to data privacy and security. As AI technologies become increasingly sophisticated, the security risks associated with their use and the potential for misuse also increase. Hackers and malicious actors can harness the power of AI to develop more advanced cyberattacks, bypass security measures, and exploit vulnerabilities in systems. AI systems often collect personal data to customize user experiences or to help train the AI models. While there are laws present to protect personal information in some cases, there are no explicit federal laws that protects citizens from data privacy harm experienced by AI.	Generative AI tools may possibly share user information with third parties, such as vendors or service providers, without prior notice. This has the potential to violate privacy laws in many jurisdictions.	To mitigate data privacy and security risks, we must advocate for strict data protection regulations and safe data handling practices. Further, governments and organizations need to develop best practices for secure AI development and deployment and foster international cooperation to establish global norms and regulations that protect against AI security threats. For example, AI regulations have already been implemented in China and the EU, with proposed regulations emerging in USA, Canada, India and UK among others.

Emerging Risks

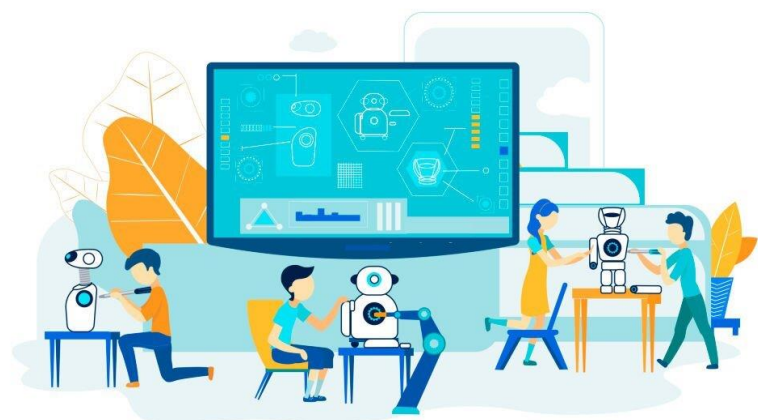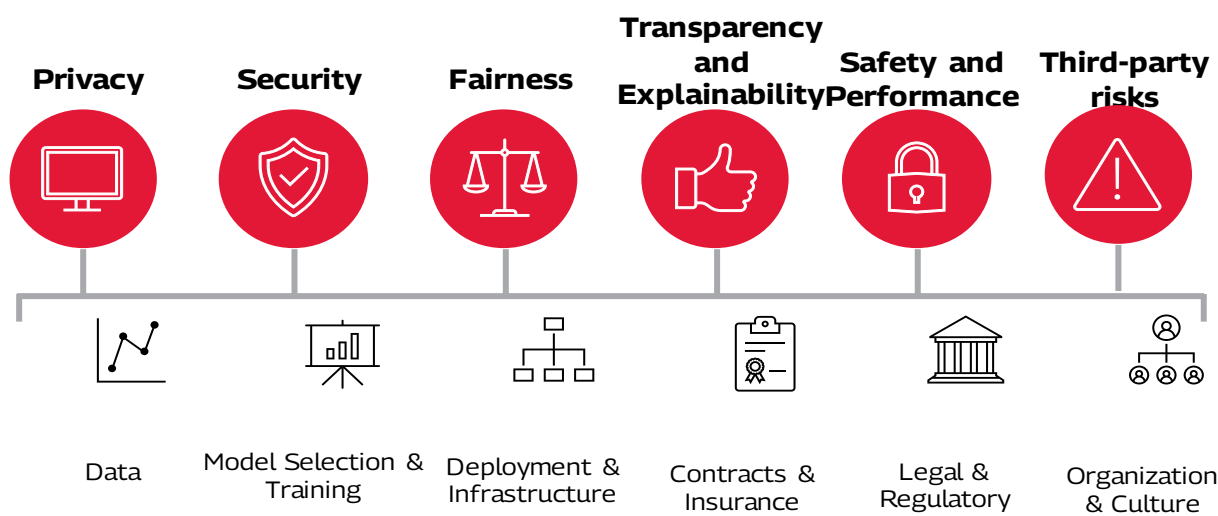| Description	Impact	Mitigation
Algorithmic Bias AI systems can inadvertently perpetuate or amplify societal biases due to biased training data or algorithmic design. Various forms of AI bias are detrimental too. In addition to data and algorithmic bias (the latter of which can "amplify" the former), AI is developed by humans — and humans are inherently biased.	Human workers, of course, have biases and make mistakes, but the consequences of their errors are limited to the volume of work they do before the errors are caught -- which is often not very much. However, the consequences of biases or hidden errors in operational AI systems can be exponentially larger. As experts quote – "Humans might make dozens of mistakes in a day, but a bot handling millions of transactions a day magnifies by millions any single error."	To minimize discrimination and ensure fairness, it is crucial to invest in the development of unbiased algorithms and diverse training data sets.
Social and Economic Inequalities AI has the potential to contribute to social and economic inequalities by disproportionally benefiting some individuals and corporations. For instance, the concentration of AI development and ownership within a small number of large corporations and governments can exacerbate this inequality as they accumulate wealth and power while smaller businesses struggle to compete. Further, widening socioeconomic inequality sparked by AI-driven job loss is another cause for concern, revealing the class biases of how AI is applied. For instance, blue-collar workers who perform more manual, repetitive tasks have experienced wage declines as high as 70% because of automation. Meanwhile, white-collar workers have remained largely untouched, with some even enjoying higher wages.	As discussed above, job losses due to AI-driven automation are more likely to affect low-skilled workers, leading to a growing income gap and reduced opportunities for social mobility.	Policies and initiatives that promote economic equity — like reskilling programs, social safety nets, and inclusive AI development that ensures a more balanced distribution of opportunities — can help combat social & economic inequalities.

Emerging Risks

Managing AI Risks

The artificial intelligence (AI) landscape has changed dramatically over the past year with the swift adoption of generative AI (GenAI), making it more difficult for organizations to be responsible with the technology and putting pressure on Responsible AI programs to keep up with continuous advances.

To respond to the shifts of this magnitude, requires us to stay ahead of the digital transformation curve. At TechM, our strategy of NXT.NOW™ drives us towards embracing such disruptive technologies that are emerging at an accelerated pace.

Our strategy of NXT.NOW™ is helping us drive strategic focus towards adopting increasingly intelligent technologies and staying at our core, a cognitive enterprise.

In line with our organization-wide philosophy of RISE, we've developed a systematic approach to identify AI risks in each business context.

AI risk assessment framework

Privacy	Security	Fairness	Transparency and Explainability	Safety and Performance	Third-party risks

Data	Model Selection & Training	Deployment & Infrastructure	Contracts & Insurance	Legal & Regulatory	Organization & Culture

Emerging Risks

Geoeconomic Confrontation and Fragmentation

Conflicts and geo-economic tensions have created a domino effect of interconnected global risks including energy and supply chain crunches. This flags some immediate concerns such as cost-of-living crisis, debt and rapid or sustained inflation.

It comes amidst a global backdrop of energy supply crises and price shocks, supply-driven inflation, threats to food availability and growing cyberattacks on critical infrastructure. At the same time, these crises and risks are undermining global efforts to tackle other long-term risks, notably those related to climate change, biodiversity and investments in human capital.

Description	Impact	Mitigation
As policymakers and business leaders head to Davos, the global economy faces perhaps its biggest test since the Second World War. Over the past three decades, flows of capital, goods, services, and people have transformed our world, helped by the spread of new technologies and ideas. These forces of integration have boosted productivity and living standards, tripling the size of the global economy and lifting 1.3 billion people out of extreme poverty. But the successes of such integrations have also brought complacency. Inequalities of income, wealth, and opportunities have continued to worsen within too many countries for a long time—and across countries in recent years. Tensions over trade, technology standards, and security have been growing for many years, undermining growth—and trust in the current global economic system. For instance, uncertainties around trade policies alone reduced global gross domestic product by nearly 1% in 2019, according to IMF research. Additionally, since the war in Ukraine started, around 30 countries have restricted trade in food, energy, and other key commodities.	The costs of further disintegration could be enormous across countries and people at every income level could be hurt—from highly-paid professionals and middle-income employees, to low-paid workers. Further, the impacts of reconfigured supply chains can create disruptions and lead to higher barriers to investments. They could also make it more difficult for companies in developing nations to sell their products & services, co-innovate and stoke inflation. For instance, IMF research estimates that technological fragmentation alone can lead to losses of 5% of GDP for many countries.	To restore trust that the rules-based global system can work well for all countries, we must weave our economic fabric in new and better ways. If we can start by focusing on urgent issues where progress will clearly benefit everyone, we can build the trust needed to cooperate in other areas where there is disagreement. In addition to urgent and co-ordinated action, joint efforts between countries as well as public-private cooperation can also strengthen financial stability, technology governance, economic development and investments in research, science, education and health.

Emerging Risks

Here are four priorities that can be advanced by working together:

1. **Strengthen trade to increase resilience** – We can start now by lowering trade barriers to alleviate shortages and lower the prices of various products.

2. **Step up joint efforts** – With roughly 60% of low-income countries with significant debt vulnerabilities, some will need debt restructuring. Without decisive cooperation to ease their burdens, both they and their creditors will be worse off. But a return to debt sustainability will draw new investment and spur inclusive growth. That is why the Group of Twenty's Common Framework for Debt Treatment must be improved without delay. This means putting in place clear procedures and timelines for debtors and creditors — and making the framework available to other highly-indebted vulnerable countries.

3. **Modernize cross-border payments** – Inefficient payment systems are another barrier to inclusive growth. Take remittances: the average cost of an international transfer is 6.3%. This means some $45 billion per year are diverted into the hands of intermediaries — and away from millions of lower-income households.

4. **Confront climate change** – During the COP26 climate conference, 130 countries, representing over 80% of global emissions, committed to achieve net-zero carbon by around mid-century. But we urgently need to close the gap between ambition and policy. To accelerate the green transition, the IMF has argued for a comprehensive approach that combines carbon pricing and investment in renewables, and compensation for those adversely affected.

Making Sustainability Personal

Our volunteer participation was **1170+ hours** in **FY 2022-23**

Green Marshal

- **01** Go-Green through CNG Service
- **02** Terrace Gardening (To grow own food)
- **03** Bamboo Product and Paper Bag Stall
- **04** Awareness Session by Greenpeace
- **05** Sapling Distribution on Earth day
- **06** Free PUC Check up Camp
- **07** Green Food Festival
- **08** Awareness Session on Water conservation
- **09** Swachh Bharat Abhiyan
- **10** World Environment Day
- **11** Plantation Drive

Biodiversity Commitments

Commitment to Net Positive Gain

Tech Mahindra understands that biodiversity is an important resource for our growth and development. We are committed to conserve and enhance biodiversity, to incorporate biodiversity into our day-to-day operations and promote sustainable business practices that will not harm any species. Our Biodiversity policy https://files.techmahindra.com/static/img/pdf/biodiversity-policy.pdf guides our business decisions and actions across business activities and processes with biodiversity risks. We are committed to reduce our carbon footprints in an effective manner. Tree plantations help in preserving biodiversity while also removing carbon dioxide from the atmosphere. It is beyond our restoration and avoidance activities. To achieve such reduction in carbon footprints, we have collaborated with NGOs and hosted multiple initiatives through Green Marshals to plant trees in and around our campuses. We have planted 92,750+ trees in the last 7 years. We enabled drives to ban single-use plastics at our campuses to save biodiversity and aquatic life. We used bottle crusher plant to prevent plastic bottles being dumped in landfills and further recycled and reused. None of Tech Mahindra Facilities, owned or leased, is adjacent to protected areas or areas of high biodiversity value. There are no IUCN Red List species or national conservation list species in the vicinity of our locations. We conduct biodiversity assessments before building new projects, so that the project can be designed and implemented effectively and sustainably. We are implementing green building practices to reduce any surrounding environmental impact. Green building practices ensures use of less toxic substance and VOC's. It creates net positive impact on climate and natural environment and improve quality of life. Green building supports ecosystem by promoting use of energy efficient products, water and clean energy. We conduct quiz on restoring ecosystems, promoting ecofriendly products and biodiversity. We conduct the Biodiversity Photography Contest for our associates, and their families to promote biodiversity and its net gain.
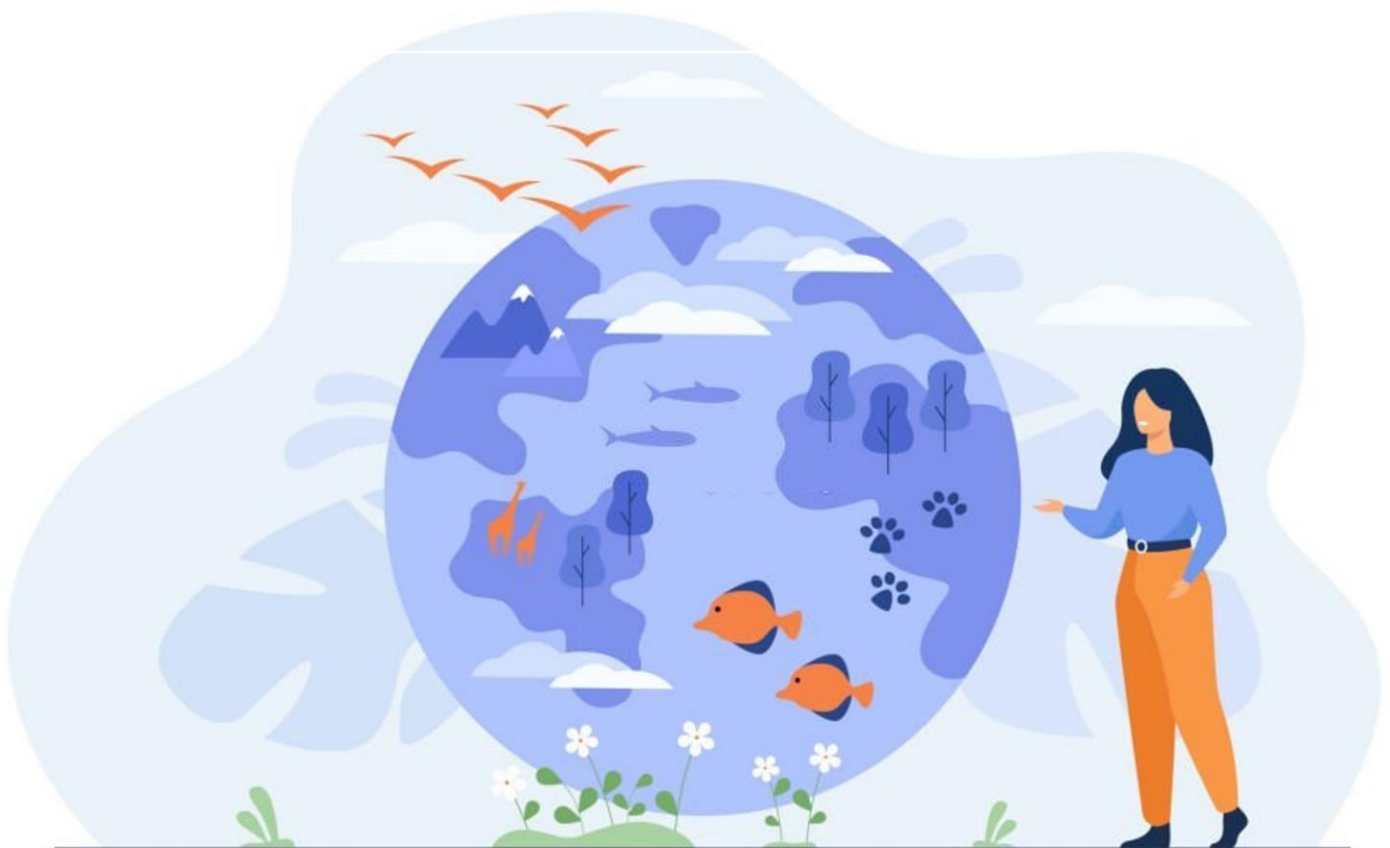
Biodiversity Commitments

Commitment to avoidance of negative impacts on threatened and protected species

Tech Mahindra's priorities are sourcing renewable energy, becoming net-zero and water positive, and adopting circular economy principles while protecting and promoting biodiversity. We have green landscapes across locations with diverse species of plants, trees, and shrubs in abundance. The serene ambience is intensified when associates enjoy the swans in the pond at our campuses. This encourages the associates to appreciate the importance of diversity among all life species and understand how all life forms are interdependent and impact each other.

Does your organization assess the impact of its value chain on biodiversity?

There is a heightened need to conserve biodiversity, the species, flora, and fauna. We ensure that we do not adversely impact biodiversity through our operations. here are no IUCN Red List species or national conservation list species in the vicinity of our locations. Our policy and initiatives enable us to promote biodiversity conservation. We discourage use of single use plastic at our campuses and by our stakeholders that disturbs aquatic life. We ensure that none of our operations in the value chain have a negative impact on biodiversity by complying with all the conditions identified and recommended during environmental audits and assessments. We use less toxic products and ensure no harm to surrounding ecosystem. We conduct plantation drives and reforestation through drones. We actively monitor suppliers to ensure environmental stewardship and biodiversity conservation. We assess our key suppliers and partners through a supply chain questionnaire, which checked regulatory compliances with various aspects of ethical business conduct and sustainability practices.
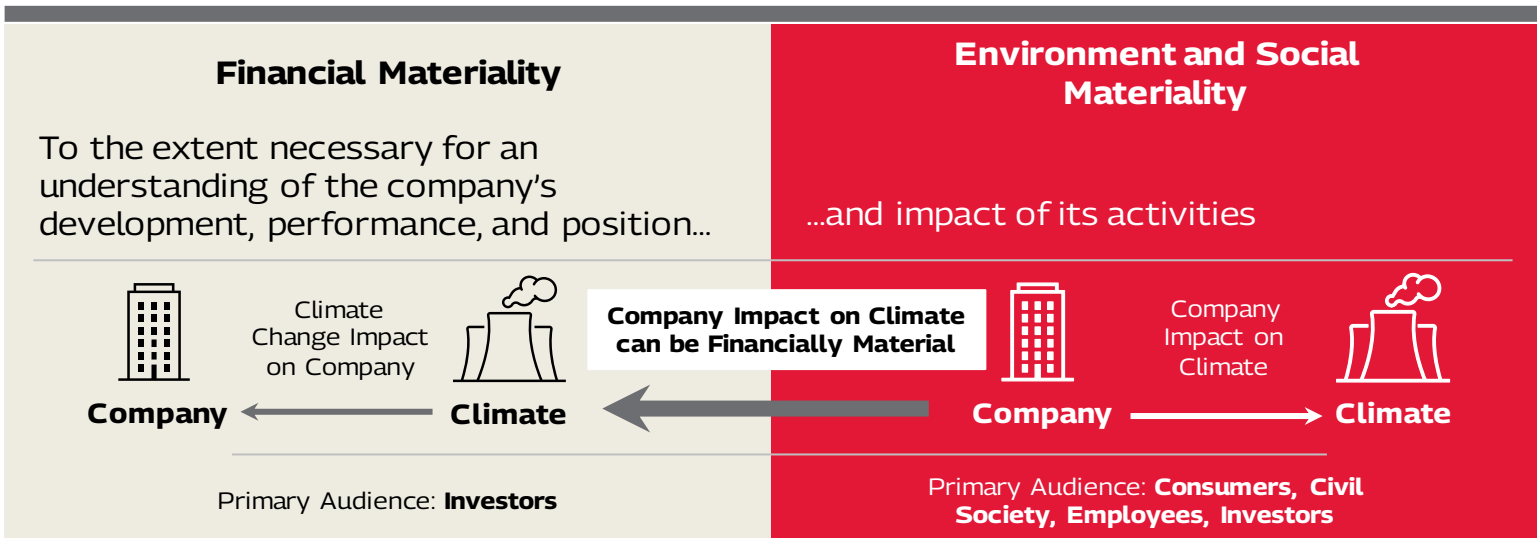
Double Materiality

In 2011, GRI published its G3.1 Sustainability Reporting Guidelines, which presented a new definition of **"materiality"** as topics and indicators that

- reflect the organization's significant economic, environmental, and social impacts; or

- would substantively influence the assessments and decisions of stakeholders.

This constituted a meaningfully different use of the term **"materiality"**. Users were redefined as **"stakeholders"**, a term that is widely understood to include not only investors but also a broader set of users, including civil society, communities, employees, customers, governments, and suppliers. Also, users and their objectives were not identified as the only determination of materiality; an organization's significant impacts on the economy, environment or people could be determined as material under this new definition.
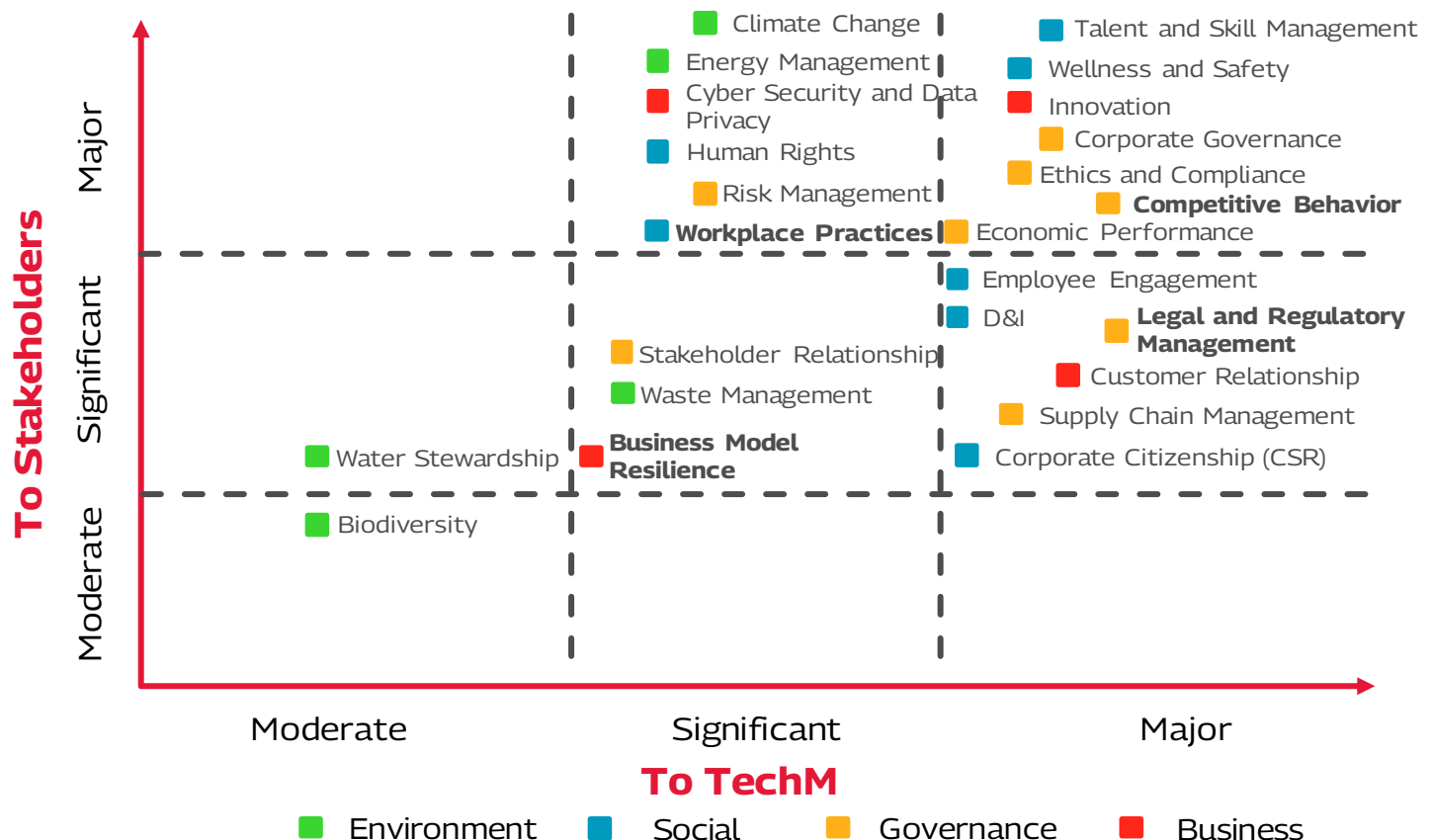
Financial Materiality	Environment and Social Materiality
To the extent necessary for an understanding of the company's development, performance, and position...	...and impact of its activities

Company Impact on Climate can be Financially Material

Climate Change Impact on Company

Company ← **Climate**

Company Impact on Climate

Company → **Climate**

Primary Audience: **Investors**

Primary Audience: **Consumers, Civil Society, Employees, Investors**

RECOMMENDATIONS OF THE TCFD

NON-FINANCIAL REPORTING DIRECTIVE

* Financial Materiality is used here in the broad sense of affecting the value of the company, not just in the sense of affecting measures recognized in the financial statements.

Double Materiality Matrix

At TechM, we have conducted double materiality which helps us analyze the implications of material issues for the company's financial value and company's impact on society & environment at large.

Matrix — To Stakeholders (vertical axis: Moderate, Significant, Major) vs To TechM (horizontal axis: Moderate, Significant, Major)

- Climate Change (Environment)
- Energy Management (Environment)
- Cyber Security and Data Privacy (Business)
- Human Rights (Social)
- Risk Management (Governance)
- **Workplace Practices** (Social)
- Talent and Skill Management (Social)
- Wellness and Safety (Social)
- Innovation (Business)
- Corporate Governance (Governance)
- Ethics and Compliance (Governance)
- **Competitive Behavior** (Governance)
- Economic Performance (Governance)
- Employee Engagement (Social)
- D&I (Social)
- **Legal and Regulatory Management** (Governance)
- Customer Relationship (Business)
- Supply Chain Management (Governance)
- Corporate Citizenship (CSR) (Social)
- Stakeholder Relationship (Governance)
- Waste Management (Environment)
- Water Stewardship (Environment)
- **Business Model Resilience** (Business)
- Biodiversity (Environment)

Legend: ▇ Environment ▇ Social ▇ Governance ▇ Business

Material Issues (Executive Compensation)

The below balanced scorecard (BSC) metrics are used for determining the executive compensation of our leaders (CEO, CPO, CFO, CSO, Innovation Head, CRO, CISO) which are linked to the key material topics identified for enterprise value creation – **talent and skill management, innovation and climate change**:

- **Talent and Skill Management:**
  - **CEO (Chief Executive Officer)** – % of digital certified workforce (across IT, including freshers and excluding subsidiaries), annualized Attrition %, ESAT score
  - **CPO (Chief People Officer)** – Leadership and talent onboarding, attrition %, MCARES score
  - **CSO (Chief Sustainability Officer)** – % of employees trained (employee awareness on sustainability)
  - **Innovation Head** – Creating a culture of Innovation across TechM
  - **CRO (Chief Risk Officer)** – Enhance risk awareness and controls (in-house trainings conducted)

- **Innovation:**
  - **CEO (Chief Executive Officer)** – Future bets and innovation
  - **Innovation Head** – Creating a culture of Innovation across TechM, SBU innovation index, innovative climate change solutions, agri-tech, space tech, defence tech, demonstrating thought leadership in the region (published papers, awards, patents, co-creation)
  - **CISO (Chief Information Security Officer)** – Automation

- **Climate Change:**
  - **CEO (Chief Executive Officer)** – Reduction in GHG emissions, reduction in water intensity
  - **CSO (Chief Sustainability Officer)** – Optimization of processes, climate risk management, benchmark and integrate climate-related issues into strategy, monitoring, reviewing environment targets,. integrated report, environment roadmap targets
  - **CPO (Chief People Officer)** – Reduction in GHG emissions, reduction in water Intensity
  - **CFO (Chief Financial Officer)** – Sustainable financing and climate change
  - **Innovation Head** – Innovative climate change solutions
  - **CRO (Chief Risk Officer)** – Climate change monitoring, reviewing risks, and impacts

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