FY 2020 PERFORMANCE OVERVIEW: HUMAN CAPITAL[8]

Talent Management

The ability to attract, motivate, develop and retain talent is critical to TCS' continued success. The company's HR strategy is focused on attracting the best talent globally, reskilling and transforming the workforce and providing a stimulating work environment which is flexible, nurtures social contract, fosters innovation, and builds a result-oriented, high performance culture. The progressive policies, continual investment in upgrading employees' skills and the philosophy of empowering individuals and helping them realize their potential have made TCS' HR processes and outcomes an industry benchmark.

Talent Management

Young, Global, Diverse Workforce

▼

448,464
employees

36.2%
women

144
nationalities

31
years average age

Talent Development

▼

4.7
million learning days

335K
employees trained in digital

417K
trained in Agile
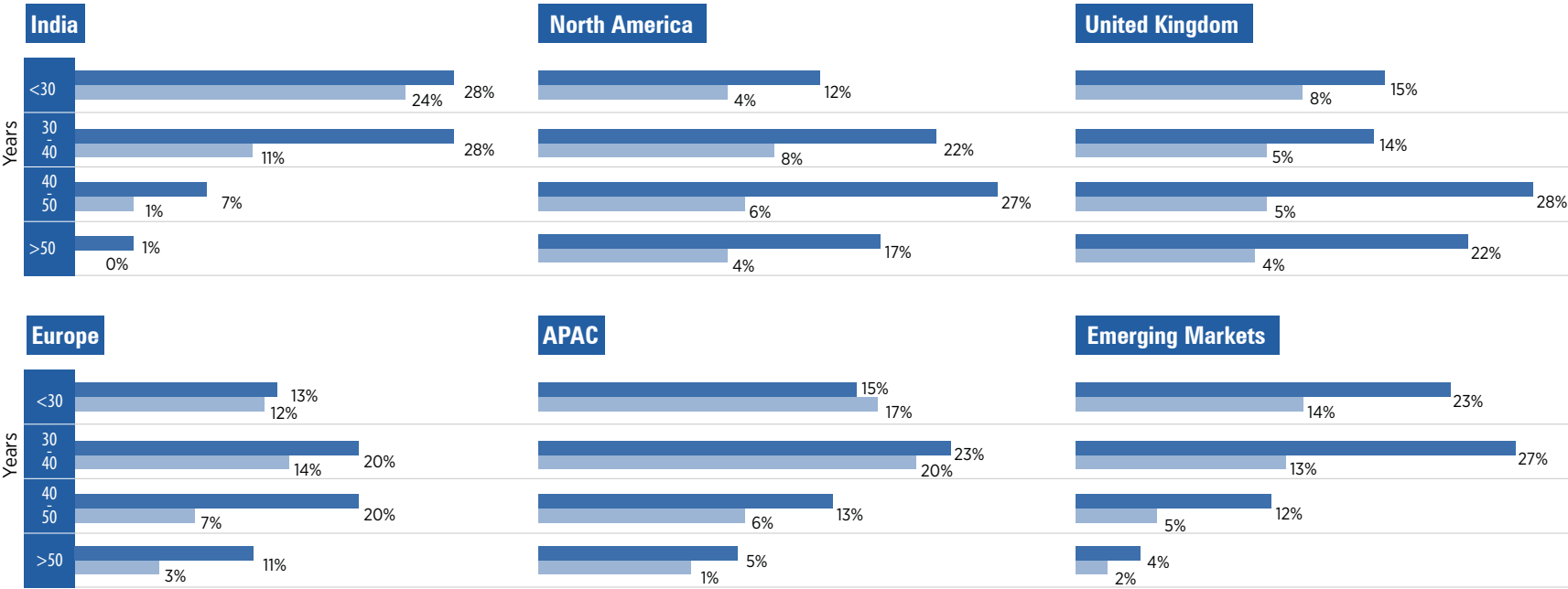
679,805
certifications acquired

Talent Retention

▼

12.1%
Attrition in IT services

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[8] 103-2, 103-3

TALENT MANAGEMENT

A break-up of the workforce by region, age and gender is provided in the figure below.[9] ■ Male   ■ Female

India

Years	Male	Female
<30	28%	24%
30-40	28%	11%
40-50	7%	1%
>50	1%	0%

North America

Years	Male	Female
<30	12%	4%
30-40	22%	8%
40-50	27%	6%
>50	17%	4%

United Kingdom

Years	Male	Female
<30	15%	8%
30-40	14%	5%
40-50	28%	5%
>50	22%	4%

Europe

Years	Male	Female
<30	13%	12%
30-40	20%	14%
40-50	20%	7%
>50	11%	3%

APAC

Years	Male	Female
<30	15%	17%
30-40	23%	20%
40-50	13%	6%
>50	5%	1%

Emerging Markets

Years	Male	Female
<30	23%	14%
30-40	27%	13%
40-50	12%	5%
>50	4%	2%

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9   102-8

Talent Acquisition[10]

TCS' talent acquisition strategy is to hire candidates with the right competencies required by the business at the right time, a judicious mix of lateral hires and trainees. TCS continues to remain the preferred employer at leading engineering campuses in India. The company's college recruitment efforts in USA, Canada, Latin America, China and Hungary have been progressing well with very encouraging outcomes. TCS has also been recruiting graduates from the Top 10 B-Schools in the US for key business roles. Including both fresher and lateral hires, TCS was one of the largest job creators in IT services in several major markets.

TCS National Qualifier Test	Academic Interface Program	Campus Commune	Gamified hiring
This nationwide online test administered by TCS iON™ has democratized the opportunity to work for TCS. It has helped TCS tap into the larger national talent pool and significantly boosted the quality of entry-level talent.	TCS partners with academic institutions to enhance their curriculum and pedagogy. Activities include workshops, internships, sponsorship of contests, faculty development programs, research scholarships, curriculum review and launch of new programs.	A unique student engagement portal for collaboration and peer networking, featuring webinars, educational videos and expert blogs	Programming contests to spot top talent
▪ Participation by over 336,000 students. ▪ 2,500 colleges represented	▪ 2,181 internships across 711 institutes in India and 352 institutes outside ▪ 885 workshops; 73,146 students ▪ 404 faculty development programs; 14,774 members of the faculty ▪ 1,794 employees pursuing higher education under TCS Higher Education Program	▪ ~2.3 million engineering students	▪ 3,000+ job offers made to toppers of six contests - EnQuode, EngiNx, Codevita, HackQuest, Inframind, HumAIn ▪ 230,000+ registrations from 88 countries in CodeVita's 8th season

[10] 102-9

Reimagining Fresher Onboarding

In FY 2020, TCS reimagined the fresher onboarding process. In a departure from the past, where campus recruits used to be onboarded in batches staggered across the entire year, TCS onboarded all campus recruits, adding up to over 30,000 trainees, in just the first two quarters of the year.

This feat of unprecedented scale was accomplished by front-loading the fresher training program even before they were onboarded, through TCS Xplore, a digital training program that leverages the TCS iON platform. This program provides video courses on technology topics, TCS processes and soft skills. Through live webinars, trainee candidates interact with TCS SMEs and have their questions answered.

Proctored assessments test the candidates' theoretical and practical knowledge. High performers are rewarded with monetary incentives and early joining dates, incentivizing better preparation and performance. Documents are verified digitally, and physical onboarding takes place at multiple locations across India. On joining TCS, a customized and differential training program is conducted based on each candidate's performance in the Xplore proctored assessment. Exit tests, conducted twice a week, help ensure that the trainees are competent and can be deployed on billable assignments.

Competitive Compensation

TCS' model depends on its ability to attract and retain talent in the highly competitive, global market for software engineers with graduate or post-graduate degrees in engineering and with relevant technical skills. The company regularly benchmarks its compensation plans and benefits with the market to ensure competitiveness.

Compensation structures are driven by prevailing practices in each country that TCS operates in. However, across the enterprise, remuneration is the same for men and women working full-time, in the same grade, in the same role, and at the same location[11]. Where relevant, the company publishes the raw mean and median pay differences between genders (not normalized for part-timers or grade and role differences) on its own website as well as on public sites. There is also a skill-based allowance for employees possessing niche skills, designed to motivate employees to acquire marketable skills, thereby benefiting themselves as well as TCS.

The company offers a variety of benefits to full time employees including parental leave[12]. In FY 2020, a total of 8,331 employees availed of parental leave. Of these, 92 were men and 8,239 were women. Of the 4,693 employees whose parental leave ended during the year, 92 were men and 4,601 were women. Of these, 89 men and 4,502

women employees rejoined work, amounting to a retention rate of 97% and 98% respectively.

At TCS, three months' notice is required from either side for termination[13]. In India, less than 0.03% of the workforce is unionized[14]. Although most of the organization's activities are performed by full-time employees, TCS uses contractors, especially for short-term assignments or those requiring skills not internally available.

Talent Diversity[15]

TCS is an equal opportunity employer, embracing diversity in race, nationality, religion, ancestry, marital status, gender, age, ethnic origin, physical ability, and sexual orientation. Compensation levels are merit based, determined by qualification, experience levels, special skills if any, and individual performance.

Through a variety of initiatives and campaigns, the company celebrates the diversity within the workforce and promotes inclusion. The company has a well-defined and progressive Diversity and Inclusion Policy with a focus on gender diversity (men, women, non-binary gender), persons with disability and neuro diversity, sexual orientation, diversity of the mind, and generational diversity. This includes parental leave and insurance cover for LGBTQ+ partners and gender re-assignment surgery,

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[11]   405-2
[12]   401-3

[13]   402-1
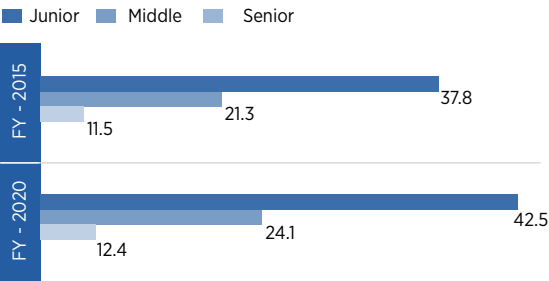[14]   102-41
[15]   103-2, 103-3

besides equal opportunity and fair practice. TCS' Center of Excellence for Accessibility works on IT solutions for differently abled individuals, aiding their integration into the workforce.

The company has multiple initiatives for helping women employees realize their potential, while striking a good work-life balance. These include: discussion circles to help women through major life stages, re-orientation programs to reconnect employees after long leave, interactions with inspirational women leaders, and special leadership development programs to address the needs and aspirations of women (Presence, ImaginAll and iExcel), learning modules to equip mid-level managers to work with diverse teams, tie-ups with day care centers near the workplace, virtual support groups and parenting workshops.

These targeted initiatives have helped TCS make tremendous progress in fostering gender diversity. It is today one of the world's largest employers of women. A few key outcomes are detailed below:

- **Participation:** There has been significant improvement in women's participation across different levels over the last five years:
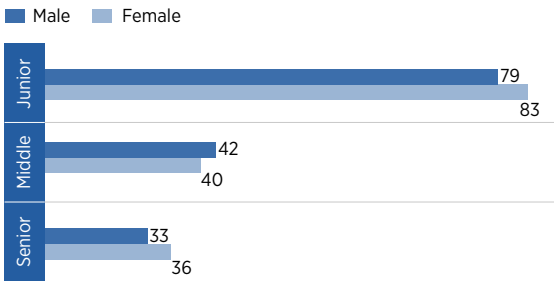
Women in workforce (%)

■ Junior ■ Middle ■ Senior

FY - 2015: Junior 37.8, Middle 21.3, Senior 11.5
FY - 2020: Junior 42.5, Middle 24.1, Senior 12.4

- **Role Mobility:** 63% of the participants in the iExcel program reported role movements thereafter. 41% experienced upward progression while 14% had lateral movements.

- **Mentorship:** Participants in these programs are also helping develop and advance others. 228 iExcellers are active mentors, having mentored 1,825 associates till date, an average of 8 mentees per iExcel mentor.

- **Innovation:** This is a high focus area, helping TCS gain a differentiated positioning in the market. Of the 2,571 unique inventors responsible for the 1,341 granted patents till date, 544 are women.

- **Quality of life:** An internal poll showed that 76.3% women were satisfied with their work-life balance (versus 69.8% among men).

Talent Development [16]

Average learning hours per associate [17]

■ Male ■ Female

Junior: Male 79, Female 83
Middle: Male 42, Female 40
Senior: Male 33, Female 36

TCS takes a purpose-based approach to learning and development that leverages horizontal collaboration and the abundance of internal talent in an ecosystem where the training is just-in-time, just-for-me and just-enough.

The company's self-sustaining model for building a competency in any new area is by first seeding a core pool of experts who go on to guide other individuals thereby creating a pipeline of expertise. Complementing this, the learning ecosystem uses a phy-gital (physical and digital) model to guide self-paced, gamified digital learning through learning platforms, bootcamps and hackathons, with a feedback loop of robust data analytics that shapes investment decisions.

Associates are encouraged to embrace continuous learning across experience levels through our inclusive learning pyramid with programs spanning technology, domain, process, function, culture and leadership. These programs are at different proficiency levels, enabling associates to learn, apply and grow in the organization. TCS' virtual-first learning model democratizes access to skills by enabling any content, anytime, anywhere, anyone, and on any device.

Career Management

TCS has multiple initiatives to help employees grow in their careers:

- **iConnect** is a highly collaborative tool designed to help employees reach out to senior mentors for guidance on career paths, and have face-to-face dialogues about their role and career. It provides flexibility for group mentoring as well as individual mentoring.

- **Inspire** is the high potential program for mid-level employees. It helps identify high potentials as early as possible, invest in them continuously, enable accelerated growth, and transition them to leadership roles, and reward and recognize their efforts and success.

- **Talent Review** is TCS' process to assess and review the leadership pool in the organization. It enables leaders to share their career aspirations and preferences of mobility, followed by an assessment of their leadership

attributes. The objective of the program is to create and sustain a healthy leadership pipeline.

- **Opportunities** is the internal platform to publish niche and critical requirements to the leadership and high potential communities, thereby facilitating talent mobility. This embodies the company's philosophy of giving the first right of refusal for all leadership positions to internal candidates, thereby enabling better leadership development and building strong organizational loyalty.

Talent Engagement

Some of the platforms and initiatives used by TCS to enhance and enrich employee engagement are:

- **Cara:** AI-based HR assistant that answers employee questions on HR policies.

- **Milo:** Chatbot to facilitate the mentoring process.

- **Knome, KnowMax, GEMS:** Platforms for social collaboration within the organization, learning, sharing and for rewards and recognition.

- **Safety First:** Initiative focused on employee safety and security.

- **Fit4life:** Builds a fraternity of health and fitness conscious employees and creates a culture of fitness

- **Purpose4life:** Forum for volunteering for community projects in the areas of education, health and environment.

- **Maitree:** Community of TCSers and their families who plan activities that help create a bond among employees and promote work-life balance.

- **PULSE:** Our annual employee engagement and satisfaction survey is the organization's formal listening forum.

- **TCS Cares:** Program aimed at creating robust avenues to build an emotionally strong and mentally resilient workforce.

Talent Retention

TCS' empowering culture, philosophy of investing in people, career growth opportunities, and progressive HR policies have resulted in consistently high retention levels and developed a strong employer brand. In recent years, the company's investments in organic talent development and initiatives like Contextual Masters have further reassured employees that the company values them for the contextual knowledge they possess, and is prepared to invest in equipping them with new-age technology skills that they do not have. This has made TCS the employer of choice, and its employee retention record an industry benchmark. In FY 2020, TCS' IT services attrition rate was 12.1%.

Occupational Health and Safety[18]

TCS has a well-defined Occupational Health and Safety policy and supporting processes to ensure the safety and well-being of its employees. Safety lead and lag indicators are measured across the organization and reported. The board-level Stakeholders' Relationship Committee reviews the company's health and safety performance on a regular basis. Over 96% of our workforce is represented in joint management-employee health and safety committees[19] that monitor, advise and drive occupational, health and safety initiatives.

In FY 2020, TCS migrated to the ISO 45001:2018 Occupational Health and Safety Management System standard and successfully completed external certification for 126 of its facilities worldwide. A key initiative was the implementation of real-time indoor air quality monitoring across 100+ facilities, leveraging IoT. Medical support and emergency preparedness was further strengthened, with health centers across all locations including nurses, medical equipment, AEDs, on-site ACLS ambulances, and visiting doctors covering all operational shifts.

Workplace safety remains a key focus area. In addition to induction training, and mandatory annual refreshers, a variety of employee engagement activities were conducted round the year. The themes covered included road safety, ergonomics, fire safety, workplace safety, women's safety,

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[18] 103-2, 103-3
[19] 403-1

self-harm, and street crime. Employee satisfaction index on health and safety has consistently increased over the years, reflecting the success of these engagement initiatives.

FY 2020 PERFORMANCE OVERVIEW: INTELLECTUAL CAPITAL

Sustained investments over the years have resulted in a significant scaling up of TCS' Research and Innovation (R&I) capability and assets, reaching deep into the individual business units. The company now has 4,000+ inventors and innovators across the enterprise. The Chief Technology Officer orchestrates investments across the organization, spread across three horizons:

- Horizon 1 or derivative innovations: Consist of newer adjunct offerings around an established intellectual property. Mature IP based solutions from TCS R&I relating to Accessibility and Privacy, as well as ignio™, MasterCraft™ and Jile™ saw new features and releases this year.

- Horizon 2 or platform innovations: Examples in the AI area include enterprise digital twins, drones and machine vision, semantic systems and automation, which enable a number of platforms created with business units.

- Horizon 3 or disruptive innovations: New areas for foundational research in domains such as media and advertising, metamaterials, quantum computing and

sensing, and space technology.

TCS R&I is building a rich pipeline of IP based assets consisting of patents, products and platforms. To enable business alignment and to de-risk emerging technology use, the company rigorously deployed its New Products and Services Development framework. This has resulted in a further expansion of its IP portfolio across a range of technologies and industry domain processes. As of March 31, 2020, the company has filed for 5,216 patents and has been granted 1,341 patents. TCS researchers presented 170+ papers at premier research conferences this year.

Broad-basing Innovation

Every key business unit has its own innovation program, led by a unit-level CTO. These units leverage their deep domain expertise, customer-specific contextual knowledge and the research outcomes in emerging technologies from Corporate R&I as well as the TCS Co-Innovation Network to come up with innovative solutions for customers in their respective segments. Examples include:

- TCS Digital Workplace Studio: This is a cognitive platform designed to accelerate digital workplace transformation. It hosts a complete suite of digital workplace components that enhances user experience with persona-based delivery, predictive healing, advanced analytics, cognitive IT support, chatbot assistance, knowledge as a service, and modern device management.

- TCS Enterprise Digital Twin (TwinX™): This uses AI (machine learning, deep learning and reinforcement learning) and TCS' proprietary Enterprise Simulation to deliver a holistic reflection or a 'digital twin' of the enterprise.

- AlgoRetail™: Combining AI and machine learning techniques AlgoRetail creates a paradigm shift in how retailers do business, seamlessly integrating and orchestrating data across the retail value chain to unlock exponential value.

Innovation Ecosystem

TCS' Co-Innovation (COIN)™ ecosystem continues to expand. It now consists of over 1,900 start-ups distributed across innovation hubs all around the world. The global Academic COIN program now has 55 active partnerships with various institutions and 43 active research projects. This year, the company entered into research partnership in Life Sciences and Materials with the Council of Scientific and Industrial Research, India. Additionally, it strengthened engagements with existing partners like the IISc, IITs, IIITs and ISI in India, Cornell Tech and Carnegie Mellon University, USA and University of Tokyo, Japan.

Customer Engagement

The TCS Innovation Forum 2019 was held in Tokyo, London, New York and Sao Paulo and attracted over 700 participants. Customized Innovation Days were held for several anchor customers. Both these serve as channels for reaching out to customers and jointly exploring the art of the possible with new technologies.

Customers also leveraged the innovation ecosystem through TCS Pace Ports™. Pace Ports offer access to COIN accelerators, academic research, design thinking and agile workspaces and innovation showcases, enabling faster innovation. TCS Pace Port New York, was launched this year in the Cornell Tech campus.

TCS runs ideathons and hackathons almost every week to build an innovation culture within the organization and offer employees opportunities to innovate within and outside their current assignments. These crowdsource innovative ideas from within TCS and have been very popular with customers. Several customers have run challenges and have been impressed by the number of novel solutions or ideas TCSers have come up with.

Social Good

TCS' R&I also has been working on an accessibility suite of solutions to extend digital services to people with accessibility issues, making computing solutions inclusive.

The TCS Research Scholar Program has supported 321 scholars from 41 premier institutes till date; 71 scholars are currently covered by the program. TCS' researchers mentor young social entrepreneurs solving socially relevant problems at the TCS Foundation's Digital Impact Square (DISQ), Nashik. This program has nurtured 360 innovators till date.

TCS Suite of Products and Platforms

TCS BaNCS
- 23 new wins (7 for TCS BaNCS Cloud) and 24 go-lives in FY 2020
- Highlights:
  - Banking: Serves ~25% of the world population.
  - Capital Markets: Records 10 million trades per day (peak), represents $40 trillion worth of AUC across 100 countries
  - Insurance: Administers over 20 million life, annuity and pension policies; 135 million property and casualty policies

TCS iON
- Digital Glass room: Virtual learning platform, made available to educational institutions across the country shut down by lockdown, free of cost. 2,000 institutions resumed their teaching sessions in a span of one week since launch
- Assessment: 200 million+ candidates assessed till date; 2.4 million candidates assessed in largest single shift in FY 2020
- Learning: 3 million+ learners on the platform, 47,000 courses available, 18,000 communities
- Process Management: 500+ SMB clients, 1 million+ users

Ignio
- World leading cognitive automation software for enterprise IT and business operations
- 54 new wins and 34 go-lives in FY 2020
- 12 VARs and distributors and 13 tech and cloud partners in FY 2020
- Manages over 1.5 million technology resources autonomously

TCS ADD
- Comprehensive suite for digital transformation of drug development and clinical trials
- 9 new wins in FY 2020
- 6 new offerings enabled by AI and predictive analytics launched in Site Feasibility, Safety Leveraging Decision Fabric, Clinical Analytics and Insights Platform, Regulatory Insights, Metadata Registry, Digital Documents

TCS HOBS
- Plug and play SaaS based business platform to digitally transform business, network and revenue management domains of subscription based businesses.
- Serving 27+ clients, across Communications, Utilities, Manufacturing and Personal Care; Serving 21 million+ subscribers, handling 125,000+ devices and processing 1 billion+ events.
- 5 new wins and 4 go-lives in FY 2020

TCS TwinX
- AI powered system of actionable intelligence – powered by an enterprise digital twin (customer, product, process) to help business leaders simulate and optimise enterprise decisions, predict and proactively manage outcomes
- 2 new wins and go-lives in FY 2020

TCS Optumera
- AI and ML powered merchandise optimization platform that enables retailers to unlock exponential value by optimizing their space, mix and price in an integrated manner.
- 4 new wins and 1 go-live in FY 2020

TCS OmniStore
- Unified store suite which leverages AI to help deliver personalized, interconnected journeys across various touch points for frictionless customer experience and predictive operations
- 4 new wins and 2 go-lives in FY 2020

Mastercraft
- Digital platform to optimally automate and manage IT processes
- FY 2020 Highlights: 29 new wins, 1 billion+ records cleansed, 110 billion records masked, 500+ million lines of code (mloc) analyzed, 25+ mloc generated
- Successfully delivered 60+ modernization projects so far

Jile
- SaaS-based, scalable Agile DevOps platform to accelerate software development and delivery and integrate DevOps tools
- 8 new wins and go-lives in FY 2020

FY 2020 PERFORMANCE OVERVIEW: RELATIONSHIP CAPITAL

Customers

Customer-centricity is at the core of TCS' business model, organization structure and investment decisions. The philosophy has been to delight them by accommodating their needs and delivering superior outcomes, and build strong, enduring relationships. Additionally, the company seeks to expand and deepen customer engagements by continually looking for new areas in the customer's business where the company can add value, proactively invest in building newer capabilities, and launch new services and solutions to participate in those opportunities.

Over time, this has resulted in an expanding participation in the departmental spends of a broad range of stakeholders across the enterprise, including business heads, CMOs, CROs, COOs, CFOs and even CEOs. It has also resulted in a continual expansion of customer relationships in terms of the services consumed, revenue and share of wallet, as evidenced by the client metrics that the company reports every quarter and every year.

Client metrics

■ $50 Mn+ Clients   ■ $100 Mn+ Clients
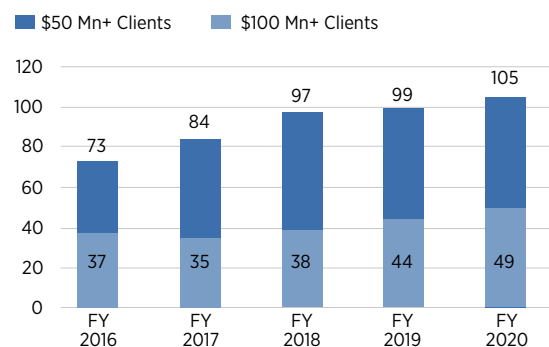
Suppliers[20]

TCS' Sustainable Supply Chain policy and Green Procurement policy outline its commitment to making its supply chain more responsible and sustainable. In FY 2020, the company integrated sustainability, safety and environmental requirements in its online vendor management system across the various stages of vendor lifecycle – selection, review and renewal.

Supplier engagement includes defining product specifications on safety/environment, vendor compliance review, outlining mandatory policy and process requirements, desktop assessments, audits and performance review on these criteria. TCS' responsible

[20] 308-1

sourcing program encourages its suppliers to go beyond 100% regulatory compliance, and strive for better sustainability performance.

Investors

TCS is seen as a benchmark in transparency and disclosures, publicly communicating its longer-term strategy, qualitative aspects of the demand outlook, risks and opportunities. The company has a robust investor outreach program through which it engages with a broad range of investors domestically and overseas. These efforts towards removing information asymmetries and helping investors arrive at a fair valuation of the company's stock have resulted in TCS topping various regional investor polls conducted by publications such as Institutional Investor, FinanceAsia and AsiaMoney.

The following table provides the number of investor and analyst interactions by category in FY 2020:

Particulars	Q1	Q2	Q3	Q4	FY 20
Meetings and Calls	20	46	41	151	**258**
Conferences	93	99	119	47	**358**
Road Shows	16	7	4		**27**
Sell Side Analyst	15	40	32	9	**96**
Total	**144**	**192**	**196**	**207**	**739**

Quarterly, half-yearly, and annual results are intimated to the stock exchanges, published in leading Indian newspapers, emailed to analysts and investors who subscribe to the service, and posted on the website. Half-yearly results are mailed to shareholders, along with a message from the MD on the company's performance.

The quarterly earnings release is accompanied by a press conference, which is streamed live on www.tcs.com, and an earnings call that is webcast on the website. Material developments during the quarter that might impact revenue or earnings are intimated to the stock exchanges and through the website. Quarterly results, regulatory filings, transcripts of earnings call, Investor Relations presentations and schedules of analyst and investor interactions are available at https://www.tcs.com/investor-relations

Brand Value

TCS' reputation for customer-centricity, domain depth and execution excellence have made it the preferred growth and transformation partner to leading corporations across the world. It is also recognized as a top employer brand across the major markets it operates in, including North America, Europe, UK, India, Latin America and Australia, among others.

The company's long-standing research and innovation program has resulted in an industry-leading portfolio of patents, products and platforms. It has gained more visibility due to investments in innovation centers, design studios and

PacePorts. Partnerships with leading technology providers, promising start-ups and top academic institutions in India and across the world, have further boosted its credentials for research and innovation.
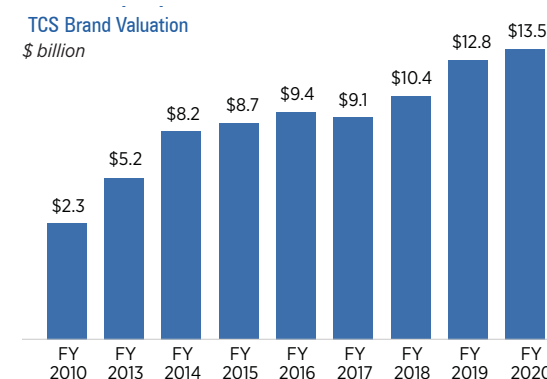
Its purpose-driven community outreach and corporate social responsibility initiatives across the world have earned it local recognition and goodwill. The company's high standing in the investor community is evidenced by the top ranking it has been consistently receiving in surveys across the region.

The cumulative effect of all the goodwill and recognition from these different stakeholders has helped put TCS among the Top 3 brands in IT Services by brand value.

In recent years, TCS has significantly built its presence and strengthened its brand across all major markets. It is a strategic partner to the World Economic Forum and European Business Summit, and hosts a range of annual industry forums for C-suite customers and partners. TCS also significantly invests in a comprehensive portfolio of brand sponsorship platforms, from the TCS New York City Marathon and TCS Amsterdam Marathon, to several other running events in the United Kingdom, Sweden, Japan, Singapore, Australia, India, and the Philippines. Together, these annual events engage more than 10,000 leading business executives.

According to Brand Finance, TCS' brand value grew 476% from 2010-2020, the highest percentage growth in the

IT services industry; year-on-year brand value grew from $12.8bn to $13.5bn in FY 2020, making TCS the fastest growing among the top three IT services brands for the second year running.

TCS Brand Valuation
$ billion

FY 2010	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
$2.3	$5.2	$8.2	$8.7	$9.4	$9.1	$10.4	$12.8	$13.5

Source: Brand Finance