TATA CONSULTANCY SERVICES
Experience certainty.

TATA

Corporate Sustainability Report

2012-13

Empowering PEOPLE

ABOUT THE REPORT

TCS publishes Sustainability Reports annually, the last report being for Financial Year 2011-12.This is our seventh Sustainability Report, for Financial Year 2012-13 (April to March). It has been prepared in conformance to the G3.1 Sustainability Reporting Guidelines published by the Global Reporting Initiative (GRI). The report addresses the key sustainability topics gleaned through interactions with the different stakeholder groups, based on the core principles of materiality and stakeholder inclusiveness. These topics cover the full range of material economic, social and environmental impacts of the organization. The report boundaries and exclusions are provided below:

Data	Basis	Exclusions
Financial	TCS' Consolidated, Global Operations	None
Human Resources	TCS Ltd's global operations, including wholly owned subsidiaries	Subsidiaries not wholly owned by TCS (accounting for 10.3% of consolidated headcount).
Environmental	Delivery centers in India and UK, Hungary, China, Philippines, Chile, Uruguay and Mexico.	Delivery centers outside India (accounting for ~5% of rev)

Data measurement techniques and the bases of calculations and estimates are furnished in the relevant areas of the report. We don't believe there is any substantial divergence from the GRI Indicator Protocols.

There have been no significant changes from the last reporting period in the scope, boundary, or measurement methods applied in the report. There has been no restatement of information provided in earlier reports. The data is sourced from Ultimatix, our core enterprise platform which runs all internal processes in HR, Finance and Project Management and is also the portal for employees to provide their opinions and feedback. All the data is audited by relevant third party auditors as part of ISO and financial audits.

This report is in accordance with GRI application level A+

This report has been externally assured by KPMG. The scope and basis of the assurance are described in the assurance letter issued by KPMG. No other relationship exists between TCS and KPMG.

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N. Chandrasekaran,
CEO & Managing Director

CEO'S MESSAGE

Dear Stakeholders,

I am happy to present our seventh Corporate Sustainability report for the year 2012-2013.

In today's dynamic policy and operational context globally, sustainability has become an integral part of a successful business. All stakeholders – customers, regulators, shareholders and employees – today have a strong focus on sustainability in all forms – the environment, safety and security, employee health and well being and community and social responsibilities.

As a leading global corporation, it is our responsibility to be pro-active and communicate how we are committed to building a strong organization where sustainability is embedded in all our activities and operations. Our association with the Global Reporting Initiative (GRI) goes back to 2007, when we published our first Sustainability report. GRI facilitates transparency and accountability through a worldwide, multi-stakeholder network with close to 3,000 global organizations using the GRI framework to report their progress on sustainability in a comprehensive manner.

Our journey starts with our strong values and governance system. Our focus on integrity and trust remains an important pillar of our success and all TCSers continue to live by the Tata Code of Conduct to guide our professional and personal lives.

TCS embodies the Tata group's philosophy of building sustainable businesses that are firmly rooted in the community and demonstrate care for the environment. At TCS, sustainability is demonstrated through responsible governance, reliable and robust work processes and progress toward tangible objectives.

It is our endeavor to continually reduce our environmental impact. With a strong focus on energy efficiency, green infrastructure and green IT we continue to work on reducing our specific energy and carbon footprint. Our efforts to conserve water and reduce demand through wastewater treatment, rainwater harvesting and closed loop recycling are paying dividends. Effective waste management in TCS is aligned to the 3R principle, and we aspire to become zero waste discharge at all our campuses. These features are an integral part of our new green campuses which are all designed as per LEED standards.

We engage with the supply chain to improve their environmental performance through communication and engagement. From green buildings to green IT to a green supply chain, our mantra is to grow sustainably. We continue to offer our expertise to help our customers achieve sustainable growth through eco-sustainable solutions and service offerings that reduce energy costs and bring efficiency to the operations.

Our workforce of young professionals remains our biggest asset and their personal safety and wellbeing is of paramount importance. Our focus continues to be to provide a safe and healthy work environment to our associates and continuously engage with them to make them aware of safety measures at work and on the road. Our objective is to make safety an organizational culture where Safety First is the TCSers ways of life by helping associates take the precautionary measures needed to avoid accidents and mishaps in our daily lives.

One highlight of the year has been the tremendous success of our new health and wellness program – Fit4Life. I am particularly thrilled to see that many TCSers and their families have participated, far exceeding the goals we set ourselves as a company at the start of the year. Regular fitness routines create an aura of positive energy and wellbeing as well as provide a sense of achievement and personal satisfaction. The programme which kicked off in April 2012 has now been extended to other forms of physical exercise include walking, cycling, swimming and other sports and fitness activities.

TCS continues to support key communities under its overall banner of "Impact through Empowerment"

through the active involvement of its employees and its leadership team; using IT core competence, volunteering efforts and sponsorships. Empowerment results in enabling communities and people to take a lead in their own lives and improve their well being. Our volunteers logged 90,828 hours of community service during the year across the globe.

On the business front, we continue to invest ahead of the curve and build capabilities in deploying new technologies across industries. We are in the process of creating future business models that are either cloud-based, outcome based or service-based and which define the way the IT services are delivered in future.

TCS has been able to deliver industry leading growth due to the success of our client centric model and our focus on delivery excellence. As we continue to grow, we ensure that we bring the same level of rigour and focus with all our stakeholders and ecosystem partners.

I look forward to your support as we continue on this journey.

N Chandrasekaran
Chief Executive Officer and Managing Director

ORGANIZATIONAL
Profile

ORGANIZATIONAL PROFILE

Tata Consultancy Services Limited (TCS) is an IT services, business solutions and outsourcing organization that delivers real results to global businesses, with a high level of certainty. TCS offers a consulting-led, complete and integrated portfolio of IT and IT-enabled services delivered through its unique Global Network Delivery Model (GNDM™), recognized as an industry benchmark of excellence in distributed software development.

Founded in 1968 as part of the Tata group, TCS is headquartered in Mumbai, India and is a public limited company[1], listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. In FY 2013, TCS reported consolidated revenues of USD 11.57 billion.

Mission and Values

TCS has built a global reputation for its ability to help customers achieve their business objectives – by providing innovative, best-in-class consulting, IT and IT-enabled solutions and services. TCS' core set of values underpin all activities in the Company and these include leadership with trust, integrity, excellence, respect for the individual and learning/sharing.

Business Overview

TCS is an Information Technology (IT) services, consulting and business solutions company that delivers measurable results to global enterprises. The Company's full services portfolio consists of Application Development and Maintenance, Business Intelligence, Enterprise Solutions, Assurance Services, Engineering and Industrial Services, IT Infrastructure Services, Business Process Outsourcing, Consulting and Asset leveraged solutions. In addition, the Company has launched several new service offerings around Mobility, Social computing, Big Data and the Cloud.

The Company has built strong domain capabilities in a range of industry verticals, positioning itself as a strategic partner capable of reliably delivering innovative technology-led solutions to business problems. Key industry verticals serviced by the Company are: Banking, Financial Services and Insurance (BFSI), Retail and Consumer Packaged Goods, Telecom, Media and Entertainment, Hi-Tech, Manufacturing, Life Sciences and Healthcare (LSHC), Energy, Resources and Utilities (ERU), and Travel, Transportation and Hospitality (TTH).
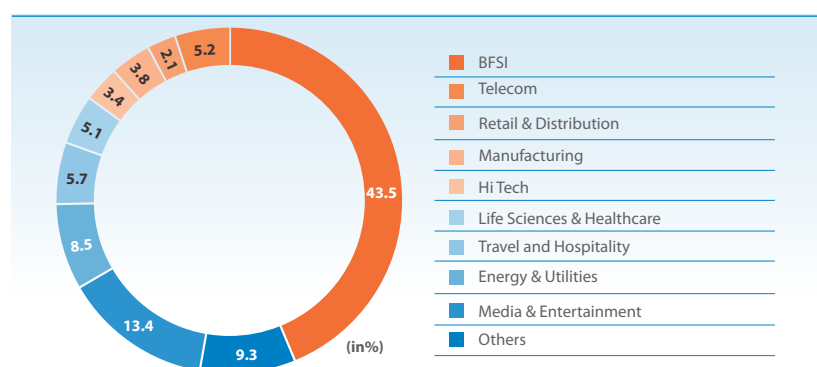

Figure 1: Revenue break-up by industry vertical

GLOBAL FOOTPRINT

The Company has also been steadily expanding its geographic footprint. In addition to the traditional markets for its services – namely, North America, United Kingdom and Continental Europe, the Company has been expanding its presence in emerging markets like Asia-Pacific, India, Latin America and Middle East & Africa.

As of March 31, 2013, TCS had 199 offices across 44 countries, catering to some 1,156 active clients. The break-up of offices by geography is as below:

- 22 offices across USA and Canada
- 14 offices across 8 countries in Latin America
- 31 offices across UK and Ireland
- 21 offices across 11 countries in Europe
- 19 offices across 12 countries in Asia Pacific
- 9 offices across 8 countries in the Middle East and Africa
- 83 offices across India

In addition, our Global Delivery Network Model (GNDM™) consists of a network of 124 delivery Supporting centers located in 21 countries (See Figure 2) that uniquely positions us to deliver our world class services seamlessly to any location in the world.

N. America 7

UK 1

Europe 5

India 92

APAC 8

MEA 2

Latin America 9

Figure 2: TCS' Global Network Delivery footprint

The revenue breakup by geography is provided in Figure 3.

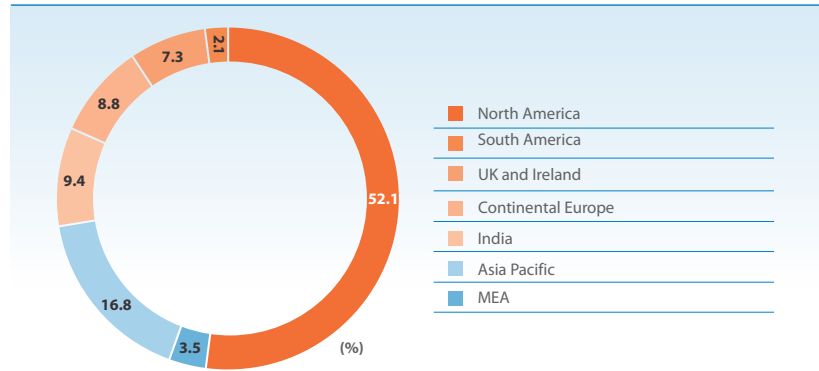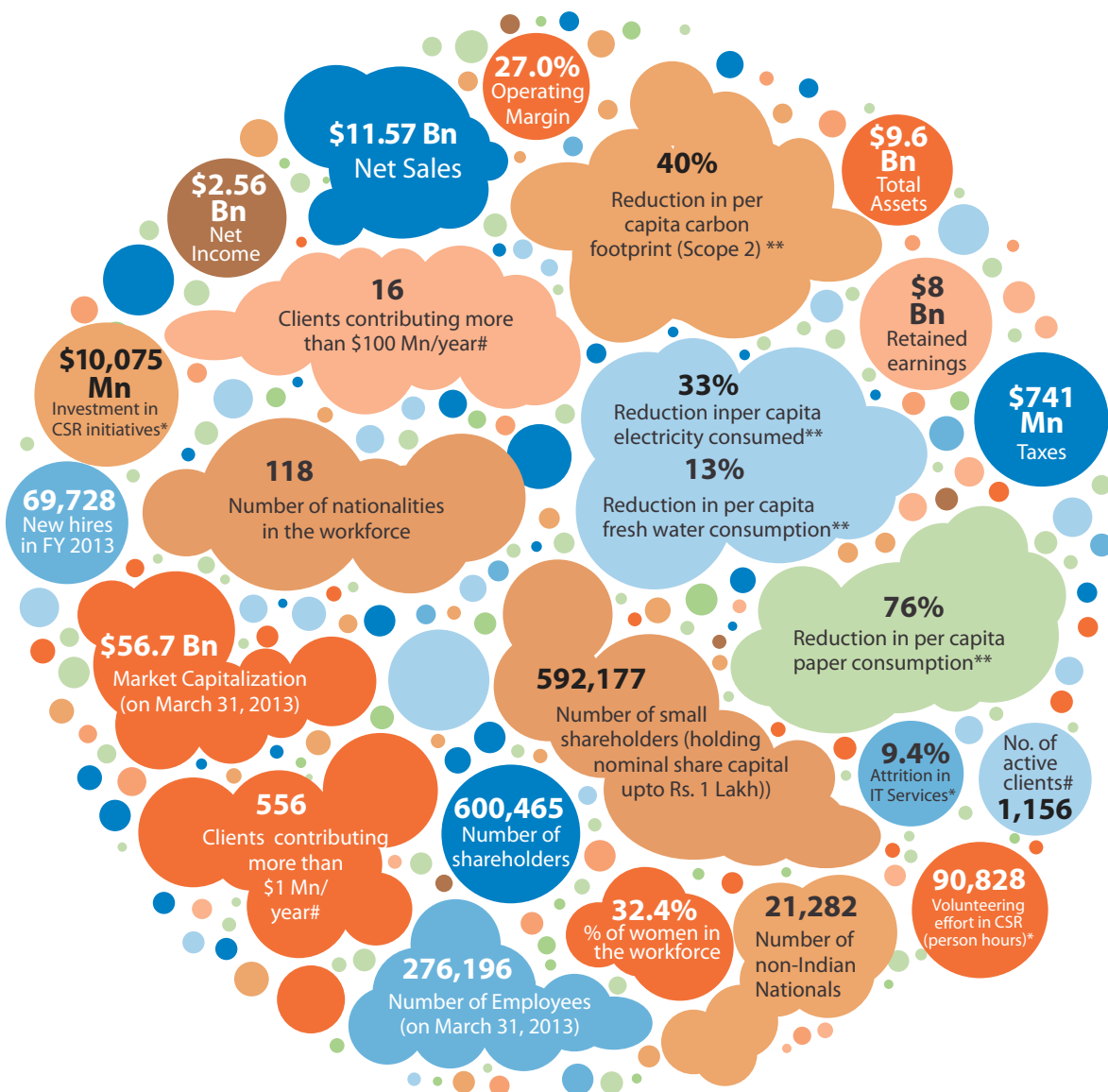|	
52.1	North America
3.5	South America
16.8	UK and Ireland
9.4	Continental Europe
8.8	India
7.3	Asia Pacific
2.1	MEA

(%)

Figure 3: Revenue Breakup by Geography

TCS BY NUMBERS

27.0% Operating Margin

$11.57 Bn Net Sales

$2.56 Bn Net Income

40% Reduction in per capita carbon footprint (Scope 2) **

$9.6 Bn Total Assets

16 Clients contributing more than $100 Mn/year#

$8 Bn Retained earnings

$10,075 Mn Investment in CSR initiatives*

33% Reduction inper capita electricity consumed**

13% Reduction in per capita fresh water consumption**

$741 Mn Taxes

118 Number of nationalities in the workforce

69,728 New hires in FY 2013

76% Reduction in per capita paper consumption**

$56.7 Bn Market Capitalization (on March 31, 2013)

592,177 Number of small shareholders (holding nominal share capital upto Rs. 1 Lakh))

9.4% Attrition in IT Services*

No. of active clients# **1,156**

556 Clients contributing more than $1 Mn/ year#

600,465 Number of shareholders

90,828 Volunteering effort in CSR (person hours)*

32.4% % of women in the workforce

21,282 Number of non-Indian Nationals

276,196 Number of Employees (on March 31, 2013)

*Excl subsidiaries
Excl Domestic Clients
** Reduction given is over baseline year 2007-08 Coverage as per Appendix A

AWARDS

Key awards and accolades received by TCS in FY 2013 are listed below.

CORPORATE
- Ranked among "Asia's Fab 50 Companies" by Forbes 2012
- TCS positioned as a Leader in Sustainable Technology Services by Verdantix
- Won TheKnowList Award for 'Outstanding Achievement'
- TCS Malaysia recognised as 'Leader in IT Services' at Global Leadership Awards
- TCS won 'Best Performing Consultancy Brand' award in Europe
- TCS recommended for ISO 20000:2011 Certification and continuation of enterprise-wide ISO certifications

LEADERSHIP
- N. Chandra was presented with the 'Pathfinder CEO' award by National HRD Network during its 16th National Conference at Hyderabad in India
- S Mahalingam Wins 'CFO of the Year' award at the CFO Innovation Asia Awards in Singapore
- CEO & MD N. Chandra won the Asian Business Leader of the Year award at CNBC's 11th edition of Asia Business Leaders
- CEO Chandra wins Business Leader of the Year at CNBC TV 18's India Business Leader Awards
- N. Chandra wins Best CEO of the Year award at Forbes India Leadership Awards
- Chairman Ratan N. Tata receives Lifetime Achievement Award by Rockefeller Foundation
- Chandra awarded the Medal of the City of Amsterdam, the Frans Banninck Coqc medal

INVESTORS
- Won the ICAI Award for Excellence in Financial Reporting
- Ranked as the most valuable company of 2012 by BT 500
- Won Awards for the Best CEO for Investor Relations category, Best CFO for Investor Relations category, and Best Investor Relations Professional category in the 2011 Thomson Reuters Extel India IR Survey
- Positioned in Leaders Quadrant for Finance & Accounting BPO by Gartner Inc
- Ranked as a Leader in Finance & Accounting Outsourcing in the Everest Group PEAK Matrix
- Received top honours in FinanceAsia's annual poll

PARTNERS
- Won the 'Best SI Partner for India / SAARC' award in the VMware Partner Leadership Summit
- Received the Oracle Specialized Partner of the Year Award 2012
- Won 'Supply Chain Project of the Year' Award from Hermes Retail Weekly
- Recognized with Best Performing SIA IT Vendor Award by Singapore Airlines
- TCS China ranked among '2012 Top 10 Global Service Providers in China' by the China Council for International Investment Promotion (CCIIP)
- Received the 2011 Strategic Supplier Partnership Initiative (SSPI) award from Genworth Financial, Inc.
- Recognized for Premier Supplier Excellence by Eaton
- Received Partner Impact Awards by SAP presented at SAP Field Kick-Off Meeting

TALENT MANAGEMENT

- Ranked as the Top Employer in Europe for 2013 by the CRF Institute
- Won Awards for Best Overall Recruiting and Staffing Organization of the year, Best use of technology for Recruiting, Innovation in Recruitment, Best Employee Referral Program, Recruiting and Staffing Industry leader of the year, Outstanding contribution to the cause of education, and Best Employer Award at the World HRD Congress' Annual Meet
- TCS China awarded for '2012 Excellence in HR Management' by the Human Resource Management and Social Security Bureau
- Recognized as Top Employer in Australia by CRF Institute
- TCS China selected among '100 Best Human Resource Management (HRM) Companies' for 2012 by 51job
- Rated as top ICT Employer of the year in the Netherlands by CRF Institute
- Awarded for 'Best Employer in IT Industry' in 'Recognition of Grooming of Human Capital in Chile' by DUOC UC
- TCS BPO won the BestPrax Benchmark Barometer for Management Governance with focus on Customer & Market Focus and Human Resources (HR) Focus
- Awarded for 'Excellence in HR Analytics' at the First Peoples Conference, Society for Human Resource Management (SHRM)
- Ranked as one of South Africa's 'Top Employers' by CRF Institute
- Recognized as one of the Achievers '50 Most Engaged Workplaces' in the United States
- TCS BPO won Awards for BPO Organization of the Year, Operational Excellence & Quality in the BPO Industry, Continuous Innovation in HR Strategy at Work, Best HR Strategy in Line With Business, Excellence in HR Through Technology, Talent Management, Excellence in Training and Innovation in Recruitment at Asia's Best Employer Brand Awards 2012
- TCS Asia Pacific won Awards for Leading HR Practices in Learning and Human Capital Development at the Singapore HR Awards 2012
- Won the 'People Choice' award from the US National Science Foundation
- Won the 'Best New BPO Locator of the Year' at the International ICT Awards

CAPABILITY AND INNOVATION

- Won the Thomson Reuters India Innovation Awards 2012
- Positioned as a Leader in Enterprise Mobility Services by Forrester Research Inc.
- Awarded the Medici Innovation Hall of Fame by the Medici Institute India
- Awarded in the Outstanding Achievement category at the TheKnowList awards
- Won MAKE award at CII Knowledge Management Summit
- Won the 'IT Innovation Award' from NASSCOM-CNBC Tv18
- Named as a Leader in Life Science Drug Safety Services by IDC
- TCS North America awarded the 'System Integrator Partner of the Year' honour by Red Hats
- Positioned as a Leader in Oracle Application Management Services by Gartner, Inc.
- Positioned as a Leader in Insurance Business Process Outsourcing, Capital Markets Business Process Outsourcing, Banking Business Process Outsourcing and Insurance Application Outsourcing by the Everest Group PEAK Matrix
- Won ITSMA Diamond Award for Marketing Excellence
- Won the 'Innovation Partner' award at EMC Momentum 2012
- Won the Innovation Excellence Award for its HPC-driven procedure by IDC
- Won awards for Leveraging IT for Business Performance, Data Security Innovation of the Year and Best Implementation of Green IT at the Asian CIO Leadership Awards in Dubai
- Listed in the top percentile in the annual 'TOP 20 Service Outsourcing MNCs in China' poll conducted by Chinasourcing and Devott Service Outsourcing Research Center
- ECView and iON won in the 'Best Implementation of Green IT', and 'Cloud Company of the Year' categories respectively at the Best CIO Awards 2012
- Won the prestigious 'Microsoft IT 'Supplier Innovator of the Year' award
- Ranked as a Leader in Life Science Manufacturing and Supply Chain IT Outsourcing by IDC
- Won the 'Largest Systems Integrator' Award in Telecom by the Communication, Multimedia and Infrastructure (CMAI) Association of India

COMMUNITY AND ENVIRONMENT

- TCS achieved the Platinum Plus status at BITC Awards for Excellence with its 'Passport to Employability' Programme and the Financial Inclusion's Rural Transformation Initiative placed in the 'Big Ticks' standard in the 'Education Award' and 'International Award' categories
- Rated No. 1 under the category for Corporate Social Responsibility in the FinanceAsia's annual poll
- TCS Chile awarded Best Company for CS activities by Fundacion Regazo
- Won the Asian Human Capital Awards' Special Commendation Prize for the AA Programme at the Singapore Human Capital Conference 2012
- TCS' mKRISHI won in the 'Use of IT for Social Cause' category at the Best CIO Awards 2012
- Included in Carbon Disclosure Leadership Index for India by Carbon Disclosure Project for 2012
- Won the Parivartan Sustainability Disclosure Leadership Award for 2012
- Rated among the greenest companies worldwide by Newsweek Magazine
- TCS Kensington, Powai, Mumbai received 2nd prize in CII Western Region Safety, Health and Environment (SHE) Award for 2011
- TCS HR Chile received an award for HR Best Practices in Training employees in Health and Safety from the Asociacion Chilena de Segueridad (ACHS)
- TCS UK received a Gold RoSPA Occupational Health and Safety Achievement Award in 2012
- TCS Hyderabad received a Special Jury Award of ITsAP Green IT Company Award – 2012 during the IT & ITES Industry association of Andhra Pradesh (ITsAP) Annual Awards

STAKEHOLDER ENGAGEMENT

TCS engages with a broad spectrum of stakeholders, internal and external to understand their concerns and priorities and use those inputs to guide policy formulation and decision-making. Business (or, in some cases, policy) considerations largely govern the decision on what stakeholders to engage with and in what manner and periodicity.

While Customers, Employees and Shareholders are obvious stakeholders, the supply-chain of our people-centric business consists of various academic institutions, engineering colleges, staffing agencies and other vendors. Staying at the cutting edge of technological developments requires us to partner with leading technology firms to develop and market industry-specific solutions.

TCS is a member of a number of industry bodies like NASSCOM and CII and works closely with these bodies in shaping policy. The Company interacts with governments in the course of regulatory compliance and also in implementing e-governance initiatives or as part of government-facilitated community betterment initiatives. Lastly, TCS works with local communities directly or through various NGOs in different parts of the world as part of its CSR initiatives.

Described below is TCS' stakeholder interaction framework. Some other stakeholders that the Company closely engages with, such as Industry Analysts, Equity Analysts and the media have not been mentioned here because they are proxies for other named stakeholders – customers, shareholders and the larger society respectively.

█ Stakeholder   █ Interfacing Group   █ Engagement Types by Frequency

Customers
As needed:	Project-related Calls and meetings, PMRs, Relationship Meetings, Visits, Responses to RFI/RFPs, Sponsored Events, Mailers, Newsletters, Brochures

Sales/Pre-Sales, Marketing, Delivery Teams, Senior Mgmt
Continuous:	TCS website, Customer portal
Half-yearly:	Customer Satisfaction Surveys[2]
Annual:	Customer Summit, Innovation Day

Employees
As needed:	Town Halls, Roadshows, Project / Operations Reviews, Videoconferences, Audio conference calls, PEEP, PROPEL (associate forum), One-on-one counseling

HR , Senior Mgmt
Monthly:	@TCS (Inhouse magazine)
Continuous:	TCS website, Ultimatix Notice Board, CEO Connect, CTO Blog, Corporate Corner, JustAsk, IdeaMAX, Dipstick surveys, mPower (quick grievance redressal)
Annual:	PULSE (employee feedback survey), Hats Off (Long Service Awards), Velocity (Sales meet), Blitz (Business Planning meet)

Shareholders
As needed:	Press Releases and Press Conferences, Email advisories, Facility Visits, In-person meetings, Investor Conferences, Non-Deal Roadshows, Conference Calls

Investor Relations, Company Secy, Senior Mgmt
Quarterly:	Financial Statements in Indian GAAP and US GAAP, Earnings Call, Exchange Notifications, Press Conference
Continuous:	Investors Page on TCS website
Annual:	Annual General Meeting, Analyst Day, Annual Report

Academic Institutions
As needed:	Academic Interface Program, Co-Innovation Network meetings

HR, Senior Mgmt, CTO
Continuous:	TCS website, Academic portal
Annual:	Sangam (High-level academic conference), Campus recruitment

Head Hunters, Staffing Firms, Other Suppliers
One time:	RFI/RFPs, Empanelment process

HR, ISUs Procurement
As needed:	Transactional meetings, Periodic Reviews, Surveys

Partners and Collaborators
As needed:	Meetings / Calls, COIN meetings, Visits, Partner Events

Alliance Mgmt, CTO
Monthly:	Conference Calls
Quarterly:	Business Reviews
Annual:	Partner Events

Industry bodies
As needed:	Conferences and seminars, Working Committee Meetings, Surveys, Meetings

Corporate Affairs, Finance, Senior Mgmt
Annual:	Conferences, Summits

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2 *The Survey is done at an account-level and measures TCS' performance on various parameters across multiple dimensions. In FY 2013, performance ratings showed improvement across attributes. Areas where clients showed maximum satisfaction were: 'Responsiveness to emergencies', 'Adherence to security norms' and 'Collaborates effectively to accomplish Mutual Goals'*

Governments	Govt ISU, Corporate Affairs, HSE / Finance, CSR Team, Senior Mgmt
As needed: Governance RFIs / RFPs, Presentations, Project Meetings, Reviews, Calls and Meetings, Surveys, Consultative sessions	**Continuous:** TCS Website

NGOs, Local Communities, Society at large	CSR Team, Volunteers, Corp Comm, Senior Mgmt
As needed: Field visits, Due Diligence, Calls and Meetings, Conferences and seminars, Surveys, Press Releases, Press conferences, Media interviews and quotes, Sponsored events	**Continuous:** TCS Website

DEFINITION OF CONTENT

The content for this report is arrived at by applying a materiality filter on the various topics that come up in the course of stakeholder interactions described in the previous section. A team of senior managers evaluated these topics for materiality to the business to arrive at the key sustainability topics for coverage in this report. These are summarized in the table below:

Stakeholders	Material Topics
Customers	Business knowledge, Delivery capability, Quality, Data privacy and security, Ethical behavior, Fair business practices
Employees	Safe and comfortable workplace, Engaging assignments, Learning opportunities, Career development, Compensation structure
Shareholders	Continued revenue growth, Profitability, Cashflows, Corporate Governance, Transparency and Disclosure, Dividend payouts
Academic Institutions	Job creation, Curriculum enhancement, Internship opportunities, Faculty development
Vendors, Partners and Collaborators	Ethical behavior, Fair business practices, Governance, Sustainability of Demand, Credit-worthiness
Governments/NGOs /Local Communities	Good governance, Ethics and Compliance, Support for developmental programs, Job opportunities, Responsible Citizenry
Society at large	Environmental impact

CORPORATE
Governance

CORPORATE GOVERNANCE

Strong corporate governance that oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders, creates conditions necessary to foster sustainability. A part of the 145-year old Tata Group, TCS has inherited a strong legacy of fair, transparent and ethical governance. Governance standards/processes imbibe the Tata Code of Conduct (TCoC)[3] which is aligned with the 10 principles articulated in the UN Global Compact to which TCS is a signatory.

At the top of the governance structure is the Board of Directors representing the shareholders; and various Committees on the Board which oversee the Executive Management. TCS has a unitary board structure consisting of 11 members of whom 10 are Non-Executive Directors[4] (including the Chairman and Vice-Chairman) and 6 are Independent Directors[5]. The composition of the Board and detailed profiles of Board Members are available on the Company's website[6].

Different aspects of TCS' Corporate Governance are addressed below:

Non-Executive Board Members
NON - INDEPENDENT

Cyrus Mistry
Chairman

S Ramadorai
Vice Chairman

Ishaat Hussain
Director

Phiroz A Vandrevala
Director

Non-Executive Board Members
INDEPENDENT

Prof. Clayton M Christensen

Aman Mehta

Dr. Ron Sommer

Venkatraman Thyagarajan

Dr. Vijay Kelkar

OP Bhatt

Executive Board Member

N Chandrasekaran,
CEO and MD

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3   The full text of the Tata Code of Conduct is available on our website.
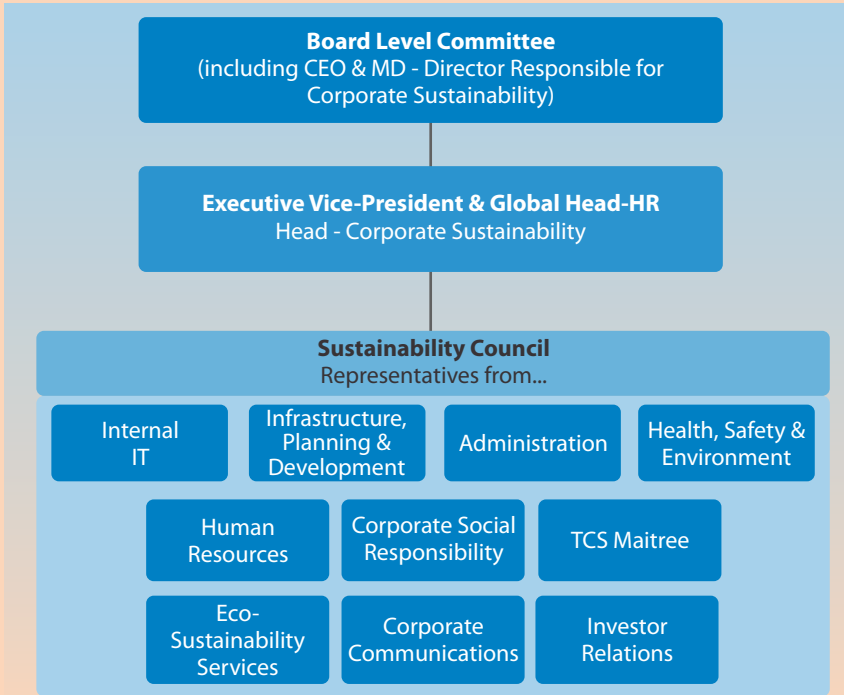   (http://www.tcs.com/SiteCollectionDocuments/About%20TCS/TCS_CodeofConduct_Oct-2008.pdf)
4   A Non-Executive Director is defined as a Director who is not involved in the day-to-day operations of the
    Company and is not a full-time employee of the Company.
5   An Independent Director is a Non-Executive Director, who (a) does not have any material relationship/ transaction with the Company, its Directors,
    Promoters, senior management, holding company and its subsidiaries,
    (b) Is not related to Promoters/Board/Senior Management, (c) Has not been an executive of the Company in the
    past 3 years, (d) Has not been a partner/executive of the Company's statutory audit/ internal audit firm,
    legal/consulting firm in the past 3 years, (e) Has not been a material supplier, service-provider or customer or a
    lessor or lessee of the company, (f) Is not a substantial shareholder i.e. owning 2% or more and (g) Is not less than
    21 years of age.
6   http://www.tcs.com/about/corp_facts/board_directors/Pages/default.aspx

Different aspects of TCS' Corporate Governance are addressed below:

Aspect	How
Avoidance of Conflict of Interest	Conflict of interest between the Board's executive function and the supervisory function is minimized by making the Chairmanship of the Board a non-executive role, and by keeping it separate from the role of the Chief Executive Officer and Managing Director.
	TCS has a Code of Conduct for Non-Executive Directors, requiring them to always act in the interest of the company and ensure that any other business or personal association does not involve a conflict of interest with the operations of the company and their role therein.
	Similarly, all employees including the Managing Director and Executive Directors are prohibited from freelancing or accepting any position of responsibility, with or without remuneration, with any other company without TCS' written approval. For Executive Directors and the Managing Director, such approval must be obtained from the Board.
Intra-group Transactions	TCS does not derive any material revenues (~0.8% of revenues in FY 2013) from other Tata group companies. There is no intermingling of employees and resources including cash amongst the Group companies.
	Independent Directors make up half of the Board. Any dealing with Tata Sons or with a group company must be approved by the Board. Such transactions are reviewed closely by the Board to ensure that all shareholders' interests are protected. All transactions with Tata group companies are disclosed in the Annual Report (Page 128).
Board Oversight of the Sustainability Agenda	To ensure that business sustainability gets adequate governance focus, TCS' Board of Directors meets 7 to 8 times a year instead of the statutory 4 times. While four of these meetings are for review and approval of financial results, the remainder is for more detailed oversight of business, strategy and sustainability matters.
	This ensures that the Board's focus goes beyond financial performance and covers various operational and strategic issues including sustainability aspects, budgets, industry performance, peer review and competition analysis, overall risk assessment, performance of subsidiaries, opportunities for organic and inorganic growth etc.
	The CEO is the Director responsible for Sustainability. Oversight of the Company's sustainability strategy is the responsibility of the Sustainability Head, EVP & Global Head HR. He is supported by the Sustainability Council and dedicated teams for Corporate Social Responsibility and Environment, each headed by highly-qualified specialists in their respective domains. Their goals are determined by Senior Management in line with the Company's overall sustainability objectives, and performance on these two specific aspects of TCS' sustainability agenda is reviewed by the Board on an annual basis. There are currently no processes in place for evaluating the Board's own performance with regard to sustainability

Aspect	How
	There are currently no processes in place for evaluating the Board's own performance with regard to sustainability
	The Sustainability Council
	In order to drive our sustainability initiatives effectively, a sustainability council with representation from key departments within TCS has been convened. Processes for quarterly review on performance against targets for each stakeholder have also been implemented.
	The Executive Vice President and Global Head of HR presides over all matters related to Sustainability within the organisation Corporate Sustainability of the organization falls within the purview of the CEO & MD
Fiscal Oversight	An Audit Committee, consisting entirely of independent, non-executive Directors, oversees TCS' disclosure process to ensure that sufficient and credible information is disclosed, and that the published financial statements reflect a true and fair position of the company's finances.
	The committee meets four times a year to approve the quarterly accounts and another three to four times for an in-depth consideration of internal audit reports. The Audit Committee also actively ensures that the internal audit processes provide adequate support in improving the Company's business processes, i.e., making the Company more efficient and cost-effective.
	As an additional governance control on access to the Company's cash, TCS has a Bank Account Committee of Directors which approves the opening and closing of bank accounts of the Company and to authorize persons to operate the bank accounts of the Company.
Independent and Effective Validation	TCS has an independent third party, M/s Ernst and Young, to oversee and carry out internal audits of the Company's operations as per an internal audit plan which is reviewed annually by the Audit Committee in consultation with the Statutory Auditors. In line with international practice, the planning and conduct of internal audit is oriented towards the review of controls in the management of risks and opportunities in the Company's activities. The external auditors of the Company are Deloitte Haskins and Sells, who do not have any undue dependence on TCS.

Aspect	How
Disclosure and Transparency	Benchmarked against global peers, TCS discloses significantly more operational and financial metrics on a quarterly basis. The quarterly, half-yearly and annual results are published in leading Indian newspapers, emailed out to analysts and investors who subscribe to that service and posted on our website www.tcs.com. Half-yearly results are sent to shareholders along with a message from the Managing Director on the Company's performance.

The Earnings Release every quarter is accompanied by a press-conference which is video webcast live through our website. There is also a conference call where Management briefs investors and analysts on the quarter gone by, and takes questions.

In addition, there is a robust investor outreach program as part of which the TCS Management meets investors at our premises or at investor conferences and addresses their queries and concerns. |
| **Ethics and Compliance** [7] | The Tata Code of Conduct, which every employee signs at the time of joining the company, contains 25 clauses that make up a governing framework for responsible corporate citizenship and ethical behaviour. TCS has established procedures to deploy the TCoC and to enable employees, customers, suppliers and partners to understand the code and follow it in letter and spirit.

The leadership team personally conveys TCS' values and the importance of the TCoC at employee events. There are Local Ethics Counselors at every Company location to advise and guide employees on ethical matters.

Customers and suppliers are made aware of the TCoC through specific clauses in proposals, contracts, contract discussions, and through the TCS website.

In addition, senior managers with access to privileged information, have to comply with an additional code for the Prevention of Insider Trading. TCS also has a global policy to address Sexual Harassment at the work place.

At the Board level, the Ethics and Compliance Committee oversees TCS' compliance to the Codes of Conduct to be followed by the Directors, Officers and other employees. Monthly Reports are sent to the Committee on matters relating to the Insider Trading Code and the TCoC. One meeting of the Ethics and Compliance Committee was held during the year. |

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7   *No significant legal or regulatory non-compliance in general or specifically in relation to the Company's products and services was brought to the Company's attention in FY2013.*

Aspect	How
Board Composition and Selection of Board Members	The Nominations Committee, consisting of two independent Directors and the Chairman, makes recommendations regarding the composition of the Board, identifies suitable individuals who can be inducted as Independent Directors and takes steps to refresh the composition from time to time. The supervisory capability of the current Board has been significantly boosted by the inclusion of highly capable individuals with global management perspectives, broad corporate experience and specific expertise in corporate governance and compliance as independent, non-executive directors.
Protecting Minority shareholders' interests	The Corporate Governance philosophy at TCS, based on the Tata Code of Conduct, emphasizes fairness and transparency to all stakeholders. The Company also has a variety of channels through which minority shareholders can interact with the Management / Board to express their concerns. There is a year-round, global investor outreach program where investors can interact with Management. Minority shareholders can move their private resolutions for discussion by the Board of Directors, or even requisition a General Body Meeting. Small shareholders can interact with the Board of Directors in person at the Annual General Meeting and have their queries/grievances resolved. They can also communicate any grievance to the Company Secretary's office where complaints are tracked to closure. At the Board level, a Shareholders/Investors Grievance Committee of Directors consisting of two Independent Directors and one Non-independent Director oversees the redressal of these complaints.
Employee access to the Board	Employees at TCS are highly empowered The Company's culture encourages open communications and offers various channels for communicating concerns and grievances. Larger concerns are represented to the Board by the Executive Directors. In addition, individual senior-level employees are also invited to present to the Board on specific topics under discussion, from time to time. Lastly, TCS has a Whistle Blower Policy, with the necessary mechanism for employees to directly without fear of reprisal or victimization, report concerns about unethical behavior to the Chairperson of the Audit Committee.
Sustainability and risk management	TCS has an Enterprise-wide Risk Management (ERM) process administered by a Risk Office that continually identifies the various risks threatening the Company's continued sustainability These are grouped under: (1) Strategic; (2) Operational (3) Financial and; (4) Compliance related risks The Risk Office maintains a Risk Register and draws up suitable risk mitigation plans for each of the risks identified therein. These risks are reviewed by the Board periodically.

| Aspect	How
Succession planning	Business sustainability requires consistency in management vision and minimization of impact when there is a leadership change. Therefore, succession planning is an important element in ensuring smooth transitions. At TCS, succession planning occurs at every level – at the corporate level, the business unit level, the account level and even the project level. At the highest level, succession planning of senior management is directly reviewed by the Executive Committee of the Board. Business/Unit Heads are invited to Board Meetings from time to time to give presentations to the Board to update them. This provides an opportunity for the Board to interact with Senior Executives periodically and assess values, competencies and capabilities to help them identify suitable internal successors and provide feedback. In these last four decades, TCS has gone through two CEO-level transitions, the last one in October 2009. This seamless transition is evidence to the fact that the Company's succession planning has been functioning well.
Remuneration Policy	The Company follows a compensation mix of fixed pay, benefits and Economic Value Added Analysis based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. Compensation for Non-Executive Directors on the Board consists of: ■ Sitting Fees for attending Board meetings and meetings of Committees of the Board, to the tune of Rs 10,000 per meeting. ■ Commission, as decided by the Board of Directors and approved by Members at the Annual General Meeting, within the ceiling of 1% of the net profits of the Company as computed under the Companies Act, 1956. The commission is distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings. ■ Reimbursement of any out-of-pocket expenses incurred by the Directors for attending meetings. Remuneration of the Managing Director and Executive Directors consists of a fixed component (salary, benefits, perquisites and allowances) and a performance-liked variable component (commission). The Remuneration Committee decides the annual increments within the salary scale approved by the Members, and the commission payable to the Managing Director and the Executive Directors out of the profits for the financial year and within the ceilings prescribed under law. The commission amount is based on the company's performance as well as that of the Managing Director and each Executive Director, measured along several sustainability-linked criteria as discussed in this report. Details of the compensation paid out to Members of the Board in FY 2013 are disclosed on Page 70 of our Annual Report.

SUSTAINABILITY OF
Business Performance

SUSTAINABILITY APPROACH

TCS embodies the Tata group's philosophy of building sustainable businesses that are firmly rooted in the community and demonstrate care for the environment. Towards this, TCS has adopted the 'triple bottom-line' approach and recognizes that People, Planet and Profit as the central pillars of corporate sustainability.
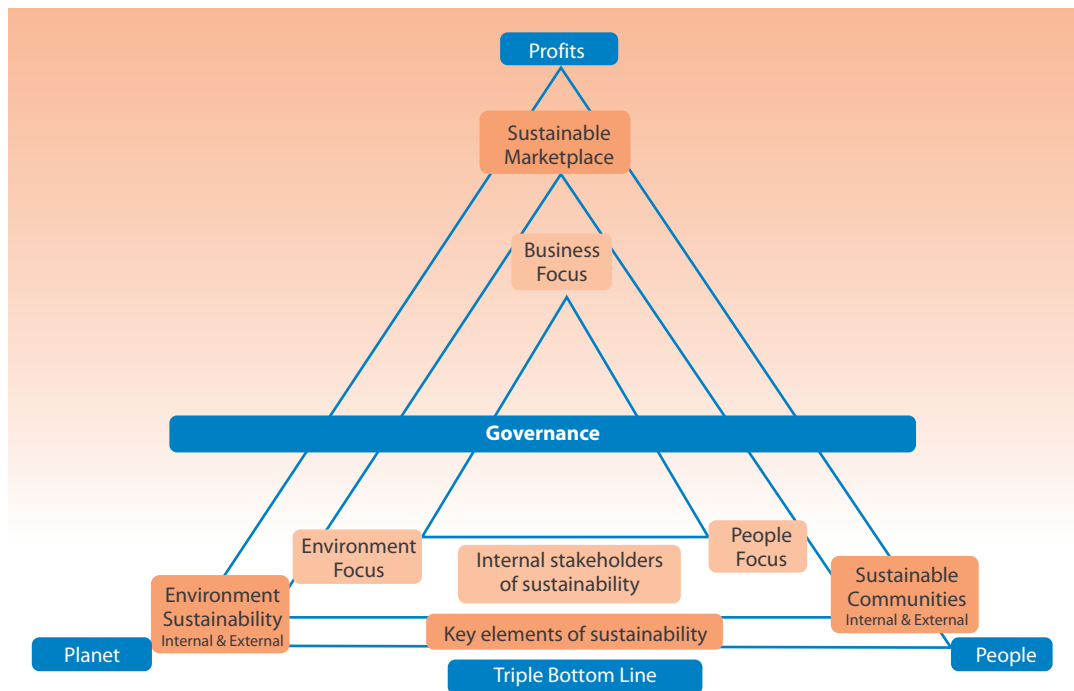
People: Sustainable Internal and External Communities More than 250,000 employees are the backbone of TCS, who are actively engaged with to drive sustainability initiatives. Externally, TCS conducts a diverse range of CSR initiatives in the areas of education & skill building, health environment and affirmative action using volunteering, sponsorships and pro bono leveraging of our IT capabilities as the modes of engagement. In addition initiatives focused at promoting supply promoting supply chain and procurement sustainability ensure the alignment of that our vendors and suppliers to the sustainability objectives

Planet: Environmental Sustainability – From designing sustainable infrastructure, running efficient operations, to engaging with our supply chain partners in green procurement and disposal activities; TCS takes a holistic approach towards reducing its energy, water, material, waste and carbon footprint. TCS offices as well as IT infrastructure are sustainably designed and built for maximum resource efficiency

Profit: Sustainable Marketplace – In addition to ensuring sustainability of the Company's business performance, a dedicated eco-sustainability team works across industry verticals with an aim to provide next-generation sustainability services to customers. Integrating sustainability into business strategies and unlocking environmental efficiencies in the entire value chain is a significant value add.

SUSTAINABILITY OF BUSINESS PERFORMANCE

Key stakeholder concerns about the sustainability of the Company's business performance are centered on five major areas:

I. Is there sufficient headroom for continued growth,
ii. could the Company's size impede agility,
iii. could supply-side constraints hamper growth or impact margins,
iv. could macroeconomic uncertainties or new technologies impair business and
v. is the company investing sufficiently in innovation. Some of these concerns are addressed in this section of the report.

Key strategic risks faced by TCS and the approach to mitigating these risks are summarized on Page 32 of the FY 2013 Annual Report.

Demand-side Sustainability

TCS has had a stellar track-record of consistent revenue growth. The Company's 9-year CAGR is 22% and TCS closed FY 2013 with revenue of USD 11.57 Bn (up 13.7% YoY).
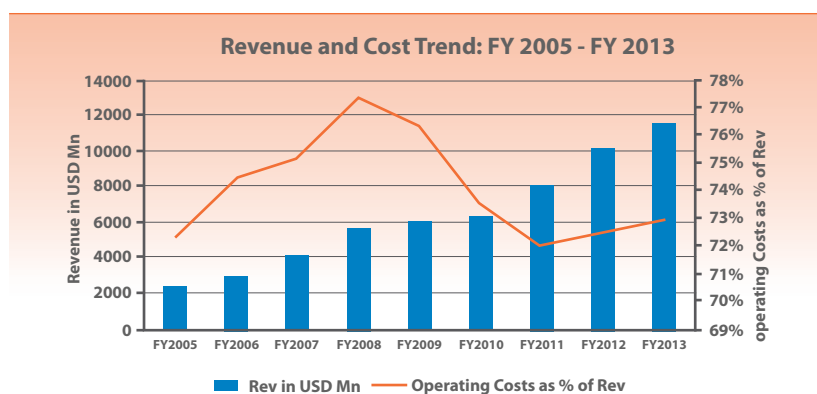

Revenue and Cost Trend: FY 2005 - FY 2013

Figure 4: Revenue Growth in USD (FY 2005-2012)

Other highlights of FY 2013:

- 98.6% of revenues from existing customers
- Volume growth of 16.8% YoY
- Gross Margin of 46.1%, EBIT margin of 27.0%
- Gross headcount addition of 69,728
- Net headcount addition of 37,613

Despite a certain moderation of growth observed since the second half of FY 2012, linked to heightened global macroeconomic uncertainties, TCS believes that the longer term growth trajectory is sustainable because (a) the global market for IT services is growing, (b) offshore outsourcing is today a mainstream strategic option, (b) TCS has the strong foundational elements needed to partake of this growth and (c) TCS' strategy for longer-term growth is delivering results.

Global market: Headroom for growth

According to NASSCOM's Strategic Review 2013, global spend on IT Services and BPO was estimated to be $812 Bn in 2012, i.e. 3.7% higher than in 2011. This is a highly fragmented market in which our marketshare is ~1.4%, suggesting significant headroom for growth.

Going forward, technology spending is expected to further increase as the technology intensity of businesses increases and lagging verticals as well as geographies play catch up. The 5-year CAGR for the period 2011-2016 is expected to be 4.5% according to Gartner. Historically, TCS' growth is far higher than growth in global spend on IT services due to shifting customer preferences favoring greater offshore outsourcing – a shift that became even more pronounced in the last few years of global economic dislocation and drift.

Foundations for growth

The pre-requisites for sustaining TCS' growth are (a) maintaining the same high quality of service to customers , (b) continuing to invest in innovation to remain at the cutting edge of technological and business evolution, (c) working to remain agile despite size and (d) creating a strong brand that ensures customer loyalty.

In the next sub-sections, these four foundational elements are explored in further detail.

Best-in-class Quality

The TCS Quality Management System (TQMS) is a complete set of documents, tools, methods and practices built on and around the business model, with a focus on service & solution delivery, customer management, security management and people processes. It also includes suitable measurement protocols to continuously monitor the effectiveness of the quality system. TQMS focuses on all aspects of project management, knowledge management, technology management, customer management, product and service delivery, security management, business continuity, career development and competency management, associates and other parameters of diversity; thus, ensuring that customers experience a level of certainty that no other organization can match.

Every project executed by TCS goes through a three-tier quality check to ensure that the customer receives a deliverable of the highest quality:

Product Quality	Internal Quality Assurance	All work items, products or deliverables undergo peer review / independent review / self review / code walkthrough.
	External Quality Assurance	Competent associates external to the project verify each work item or deliverable.
Product Quality & Process Compliance	Final Inspection	An external reviewer does the final quality check to ensure completeness and usability of the package before delivering the final product to the client. In addition, the external reviewer periodically verifies that the team is complying with all quality process. The Project Leader also does a final inspection before delivery.

In addition, Project Management Reviews (PMR) are conducted every quarter by senior managers to check the overall health of the project and identify potential risks. Project audits are performed by an external quality controller (representative of TCS' Quality Assurance Group or a senior team member from another project) to verify compliance with customer-specific processes and TCS Integrated Quality Management System (iQMS).

Information Security and Data privacy

Information Information security and data privacy is critical to the business. The Company's Security Vision statement is: *"To make TCS reliable, resilient and immune to the existing and evolving volatile environment of constant changes, accidents, attacks and failures so as to enable all our stakeholders experience certainty."*

In pursuit of this vision, TCS has implemented a comprehensive Information Security Management System (ISMS) framework based on the globally recognized ISO 27001:2005 ISMS standard, covering network controls, network privacy, internet security, patch management system and controls against malicious software. The Information Security is managed by a team of security professionals having industry-recognized credentials such as the CISA, CISM, CISSP, CEH, CBCP etc. These are professionals from various backgrounds and with a variety of experience, including those from application development, Infrastructure services, Networking, Forensics, Legal and Compliance.

All client information is considered confidential and TCS has rigorous processes in place to protect it. The security policy has been framed to comply with all international privacy laws and information security laws as applicable. Collection, processing and dissemination of any personal data is done under highly controlled conditions[8].

Investing in Innovation

Constant innovation is important for business sustainability, thereby ensuring the continued relevance of the Company to its customer's needs. Innovation is an important part of the organizational DNA of TCS and a key enabler of the 'Experience Certainty' proposition. The Company has well defined processes and a framework to drive innovation across its diverse businesses.
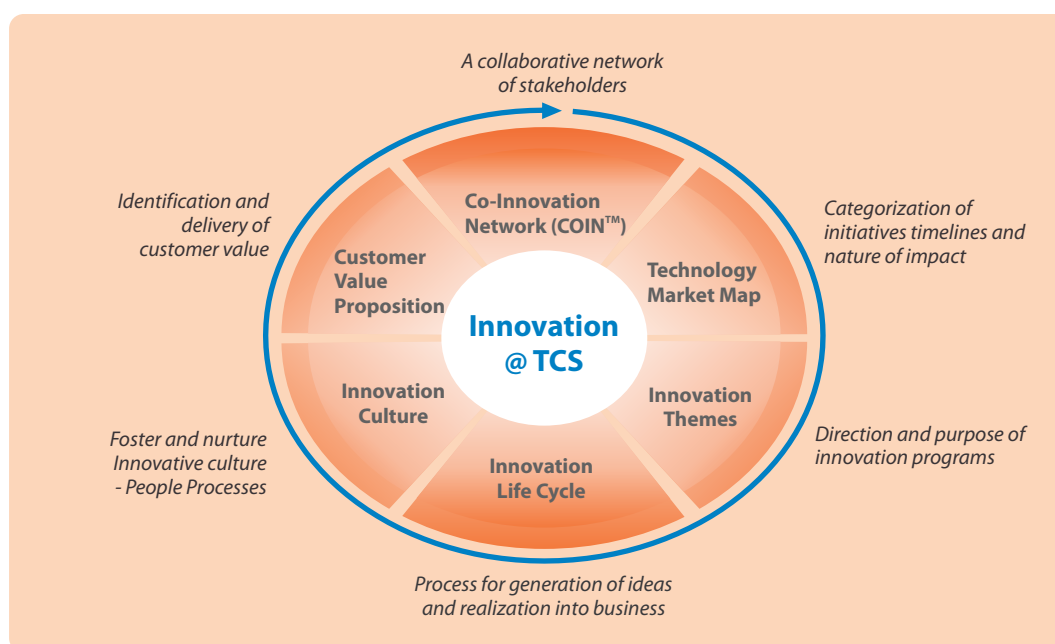

Figure 5: Framework for driving innovation across TCS

TCS has established a strong organizational locus for innovation - the Corporate Technology Organization (CTO) – which governs innovation processes, sets benchmarks, guides creation of Intellectual Property and facilitates Innovation diffusion. Innovation is delivered through:

- Structured Innovation Engine: TCS Innovation Labs
- Innovation Ecosystem: Co-Innovation Network, (COIN)™
- Culture of Innovation: Knowledge Portals, Awards and People Practices

Apart from bringing big benefits to customers, TCS has, in the last couple of years, created over a hundred product patents and its innovative products have won several awards from industry.

	Continuous Improvement (Sustaining Innovation - Derivative)	Transformations (Sustaining Innovation - Platform)	Disruptions (Disruptive Innovation - Radical)
How	Standard Methodologies Six Sigma Metrics and KPIs	Investments by TCS	TCS and Client joint Innovation Lab TCS Ecosystem
What	Productivity improvement Product standardization Centres of Excellence D-7 Digital Dashboard	Technology Consumption Management IS Optimization of applications Advanced modelling and simulation	Leverage Innovation Ecosystem Enterprise Architecture Domain & Technology Next Generation Development Utility Computing, 'IT Plan' Management
Who	Engagement Team with Support from Practices and CoEs	Engagement Team with + CTO Organization (Practices and R & D)	TCS CTO Organiztion, TCS Innovation Network

Figure 6: An Overview of TCS' innovation effort

TCS R&D continues to attract top research talent from India and across the world. The Company continues to support sabbaticals, internships and PhD sponsorships in research areas relevant to the Company as well as in premier academic institutions. Research based competencies have been introduced in the Company's learning portal.

Details of the Company's focus areas for R&D are provided on Page 25 of the Annual Report. In addition, TCS has been innovating in its service and product offerings as described on Page 28 of the Annual Report. In FY 2013, TCS filed 425 patent applications and got 9 patent grants. Cumulatively, TCS has filed 1,280 patent applications, of which 81 have been granted.

TCS' R&D expenses increased in FY 2013, in absolute terms but remained constant in terms of percentage of revenue. R&D centers have been set up at various locations all over the world. Out of these, the R&D centers at Pune, Chennai, Bengaluru, Delhi- NCR, Hyderabad, Kolkata and Mumbai have been recognized by the GoI's Department of Scientific & Industrial Research (DSIR). In addition to the R&D centers, the Company has set up innovation labs, product engineering groups and groups engaged in path-breaking technologies at multiple locations all over the world.

Expenditure incurred in the R&D centers and innovation centers of TCS during FY 2013, excluding expenses incurred by individual business units investing in building frameworks, products, platforms and other intellectual property, went up 14% YoY as can be seen below:

	FY 2012-13 ($ Mn)	FY 2011-12 ($ Mn)	% Increase
R&D Expenses	142.37	125.30	14%

The published R&D spend includes innovation expenses related to customer.

Structured for Agility

A key concern that sustained growth engenders is the potential loss of agility in an organization that has outgrown its structure. Another concern is whether the organization will be able to focus on the right sectors for future growth and how it will undertake this challenge.

Both these concerns are addressed by TCS' organization structure which is designed to enhance customer focus, accountability and agility. TCS is organized into many small operational units, each with 4,000-15,000 employees, aligned to the different industry verticals. Each market-facing Business Unit owns its own resources and pursues growth in its respective domain at the best possible pace that the domain can support, with all the agility and focus of a smaller company (See Figure 7).
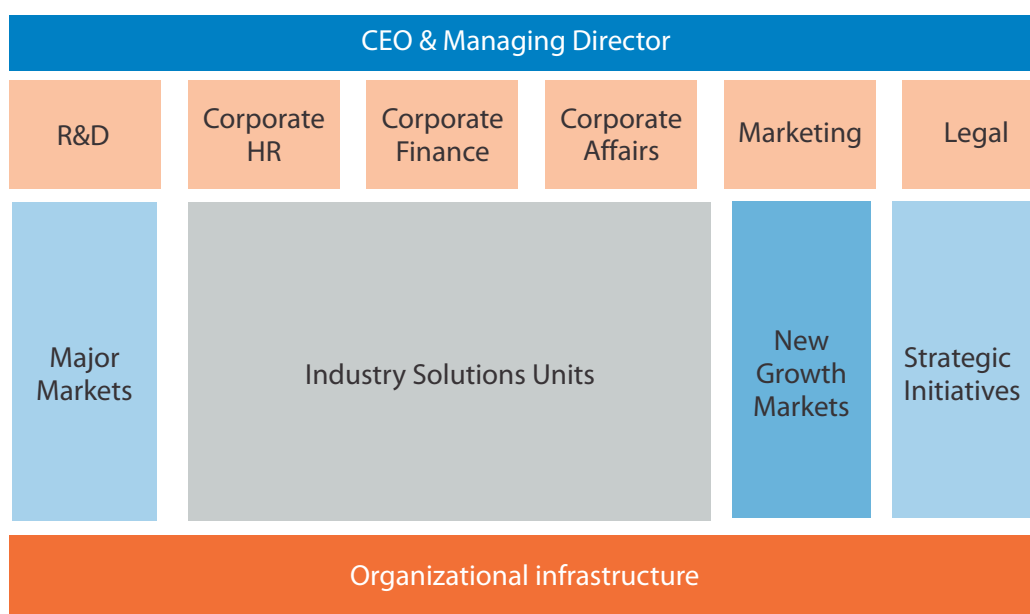
CEO & Managing Director					
R&D	Corporate HR	Corporate Finance	Corporate Affairs	Marketing	Legal

Major Markets	Industry Solutions Units		New Growth Markets	Strategic Initiatives

Organizational infrastructure

Figure 7: Organization Structure designed for agility

Brand-building

This year too, the Company continued to implement global marketing initiatives to promote the TCS brand. All our marketing communications – including advertising, promotions and sponsorships, are designed to strengthen the trust clients repose in TCS. , In addition the key attributes that are most appreciated in the Company's work are high quality, reliability and dependability. TCS' tagline of "Experience Certainty" captures the essence of these attributes.

TCS evaluates the health of the corporate brand at regular intervals in select markets. The evaluation is benchmarked against a pre-defined competitive set, and along specific image and personality parameters that include attributes such as 'ethical' and 'trustworthy'. The Company's marketing and communications strategy is fine-tuned based on findings from this brand survey.

In FY 13, TCS participated in leading industry and business events around the world and held key customer summits world-wide, reaffirming its commitment to delivering a complete brand and organizational experience.

Apart from its regular branding activities, TCS also continues to invest in building the brand in the digital space using premium business and technology channels as well through focused branded properties and sponsorships. These include events and activities in sports such as motor sports, cricket, marathons and distance running events. Lastly, TCS continued to articulate the brand promise internally using various channels and internal marketing assets and leveraged them to activate the brand amongst the associates as well as other important stake holders.

Some of TCS' sponsorships in FY 2013 are as below:

	TCS is the technology partner of the Rajasthan Royals (RR), the Jaipur franchise cricket team in the Indian Premier League. TCS provides IT expertise to help the team analyze the players' performance, simulation and other areas. In turn, TCS enjoys greater visibility among cricketing fans, with the RR players sporting the TCS logo.
	To reinforce TCS' brand attribute of commitment to excellence, we sponsor various marathons across the world in order to support the commitment to excellence of the participants. These sponsorships also serve to reinforce the commitment to wellness in addition to providing an an opportunity to engage with the runners, friends and family, and the broader community In FY 2013, TCS sponsored five major marathons: ▪ Standard Chartered Mumbai Marathon ▪ World 10K Bangalore ▪ Boston Marathon ▪ Bank of America Chicago Marathon ▪ ING New York City Marathon ▪ TCS Amsterdam Marathon
	Building awareness about the TCS brand among school children and working to create an interest in IT is important for future supply-side sustainability. This is carried out through organization and sponsorship ofTCS IT Wiz, India's first and biggest IT quiz for schools, conducted in 14 cities. This event, now in its thirteenth year, has become a benchmark in the inter-school quizzing due to the level of research required, the intensity with which teams compete and the sheer participation numbers it draws.

Sustainability in Marketing

Being a services company catering to a purely B2B market, sustainability issues such as the environmental, health and safety impacts of products and services are not applicable.

Likewise, product labeling requirements do not apply to our business. Documentation of the custom applications we build for clients is as per mutually agreed specifications. System documentation is not governed by any regulation or industry code and therefore, the issue of non-compliance does not arise. All marketing communications including advertising, promotions and sponsorships comply with the relevant laws of the countries within which TCS operates. No instance of regulatory non-compliance in this area was brought to the Company's attention in FY 2013.

The related issue of sustainable consumption also does not arise because TCS' clients are sophisticated consumers – mostly large Global 2000 corporations that consume the services rationally, in accordance with their business requirements, staying within the vendor concentration limits specified by their risk oversight policies.

Strategy for long-term growth

 TCS' revenue growth comes from following a multi-pronged strategy built around (i) expanding our addressable market by geography, by industry and by service-line and (ii) deepening our relationships with existing clients. Key elements of this strategy for sustainable, longer-term growth are summarized in Figure 8 and explained in greater detail on Pages 26-28 of the FY 2013 Annual Report.

Customer
Centricity

Non-Linear
Business
Models

Strategy for
Long-term
Sustainable
Growth

Full Services
Capability

Strategic
Acquisitions

GNDM™

Figure 8: Five point strategy for long term growth

Sustainability as a mainstream business metric

Driven by the cost and scarcity of resources, rapidly changing country and industry regulations, transformation in the competitive landscape, and increasing investor interest, boardrooms and chief executives recognize that sustainability is important for the future success of their businesses. This is resulting in sustainability practices moving towards the core of the business, in the following three areas:

1) **Managing sustainability-based risk to brand and reputation** – corporations are moving towards streamlining their compliance management processes and systems, and extending this into their supply chain and sourcing decisions. Corporations are also enhancing and customizing sustainability communications to their various stakeholders to better manage their reputation and mitigate any risks

2) **Increasing business profitability through sustainability practices** – organizations are employing sustainability practices, such as energy, water, and waste management, while actively engaging their supply chain to ensure a sustainable value chain.

3) **Driving sustainability-led business growth and innovation** - significant R&D budgets are being invested in creating sustainable products and services, identifying new markets and creating differentiation strategies.
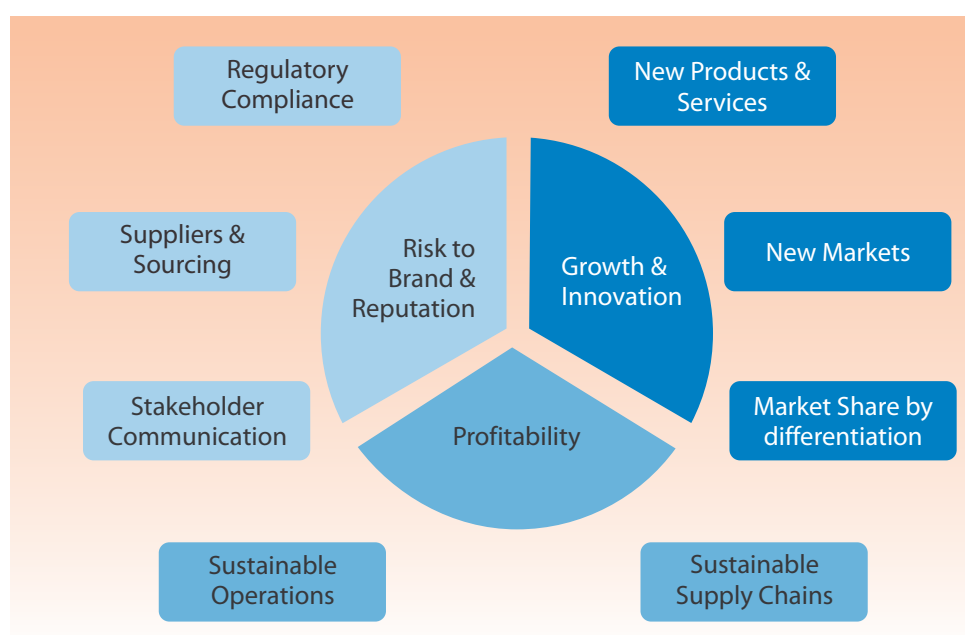
TCS' Eco-Sustainability Solutions

To take advantage of these trends, TCS has set up a dedicated Eco-Sustainability Unit with a primary objective of identifying and developing solutions which would help our clients drive their sustainability agenda effectively and efficiently. TCS provides the following solutions:

1) **Sustainability Performance Management:** Defining processes and systems to optimally manage sustainability performance of companies

2) **EHS Compliance Management:** Defining processes and systems to optimally manage compliance requirements of companies

3) **Energy Management:** Integrated energy management across the entire energy management lifecycle – diagnostics, metering and monitoring, energy efficiency implementation, tracking reporting and verification

4) **Supplier Sustainability Management:** Designing supplier sustainability strategies and implementing systems to manage supplier sustainability information and to create visibility for driving product stewardship

5) **Product Sustainability:** Lifecycle assessments and product engineering, based on Design for Environment (DfE) principles

Some examples of some of our recent projects in these areas are:

Solution Area	For	Work Done
Energy Management – Remote Energy Monitoring	UK based Utility Major	Energy audits and remote energy monitoring center for 21 commercial facilities. Periodic remote incident reporting lead to significant reduction in energy usage and cost savings
Energy Management - Renewable Energy Advisory	Global Consumer Packaged Goods Manufacturer	For a particular manufacturing plant, TCS provided Combined heat and power (CHP) implementation advise on the existing load patterns. TCS provided 7 technology options to the customer, with potential savings up to $14.22 million, within 3 yrs, leading to per year grid energy avoidance of 64,350 MWh & CO_2 reduction of 33,486 tonnes
Sustainability Performance Management	Global Fiber Glass major	TCS has been working with the client supporting them with Blue-printing, requirement gathering, and technology selection, implementation, and roll-out of a Sustainability Performance Management platform across 100 facilities, in 6 continents.
Sustainability Performance Management	Governing body for an Indian Conglomerate	TCS is deploying its proprietary tool to enable the conglomerate to understand the sustainability performance of more than 100 companies, and with operations in 80+ countries across six continents
EHS Compliance Management	Global cement manufacturer-	TCS designed and deployed a BI BO system it has developed to manage environmental compliance at processing plants across 70 Countries globally.
EHS Compliance Management - SAP EHS Implementation	Large Israeli Process Manufacturer	TCS supported in creation and development of EHS Business processes of 5 different subsidiaries across Israel and England. This included business consulting for developing common TO BE processes , and Implementation of SAP EHS solution
Supply Chain Sustainability	Leading bulk chemicals transporter	TCS implemented a network flow based "Optimized Empty Tank Container Repositioning System" linking clients operational systems. Revenue rose by 12%, margin rose by 10% for next 3 years, and a significant amount of carbon emissions was avoided
Product Sustainability	Global process manufacturer	TCS is managing Hazard Communication Documentation (Material Safety Data Sheets (EU) for their products. 2500+ Requests processed each month
Product Sustainability	Global Manufacturing Major	TCS conducted Life Cycle Assessments of a product's module. Based on the study we could recommend changes to the manufacturing process that helped reduce amount of material removed by a machine. This rendered significant energy, cost, and time savings to the client.

TCS' Differentiation

TCS differentiates itself as a trusted partner helping our customers drive their sustainability agenda through:

- **Innovation** – blending eco-sustainability innovation into our overall R&D efforts
- **Thought Leadership** – insights through interactions with customers and industry constituents
- **Collaborations and Partnerships** – building solutions and go-to-market propositions through collaborative efforts

Innovation

Innovation is integral to TCS' business, and eco-sustainability is no different. In the area of eco-sustainability, TCS' innovation initiatives are driven through the following R&D capabilities:

- **CTO Innovation Labs** - the scientists and engineers in this lab are focused on developing IT enabled solutions in the area of data centre PUE management, facilities energy management, carbon management, water management and wind power forecasting
- **Tata Research Design and Development Center (TRDDC)**- TCS's subsidiary TRDDC conducts R&D in the space of process re-engineering and optimisation, and Waste Reduction in Resource intensive industries

- **Smart Grid Labs**- TCS has a dedicated "Smart Grid" state of art innovation lab facilities to develop solutions that are complemented by our unique accelerators for smart metering, distribution automation, transmission automation, and distributed generation integration
- **Complex Decision Support Labs for Logistics** - TCS has a series of tools and algorithms developed by our complex decision support and technologies group that model the ideal long-term strategic transportation network across various modes and nodes of transportation
- **City Labs Singapore** - TCS has a dedicated iCity Lab based out of Singapore, where we are actively deploying and testing of sustainability master planning and operations of energy, utilities, healthcare, education, logistics and transportation, and governance, and compliance systems. The objective is to integrate all these services under a single platform for a city. TCS is investing $6 million in this initiative and is partnering with Singapore Management University (SMU)
- **Engineering and Industrial Solution Labs** – These labs are dedicated towards innovations in material and part weight reduction, bio-plastics migration, metals to bio-plastics migration, and lean production
- **Computational Research Laboratories (CRL)** - recently acquired by TCS, CRL has high performance computing capabilities that could be relevant for climate change modeling, terrain modeling, wind turbine simulations, wind turbine siting, etc.

Thought Leadership

We also engage with our customers through our **thought leadership** in the key areas of eco-sustainability. We have published a series of thought leadership papers on the transformative opportunities across industries in transitioning to a low carbon economy. These papers have been developed through in-depth interviews with the relevant industry constituents, including many of our customers. Following are some of our key thought leadership pieces:

Keeping the Basins Full: Smart Water for the 21st Century: The opportunity of smarter and more efficient water system not only makes good business sense but also delivers a cascading indirect benefit to agriculture, industries and the urban sector

Low Carbon Living: Major growth opportunity for the retail industry: As more consumers demand eco-sustainable goods, the retail and CPG industry is expected to meet their expectations. The low-carbon retailing model can improve capital utilization and enhance market performance, by increasing efficiency of buildings and logistics systems

Empowered consumers: The next wave of electric utility services: In this white paper, we examine how utilities can navigate through the rapidly evolving power landscape, in which the consumer will play a pivotal role

The Road Ahead: Low-carbon freight logistics for the 21st century: The freight logistics industry faces a great business opportunity in the decades ahead: Through a mixture of individual company actions, smart policies and industry collaborative efforts, it can decouple its emissions from its expected 2.5-fold growth in demand following a business as usual scenario

A turn for the better: Improving the wind industry's competitive edge: The wind energy sector is, in many ways, still in its infancy but is a rapidly growing industry. Thus, there are significant opportunities to shape its development by applying technological innovation alongside the wind energy project lifecycle. It can play a major role in building a lower-carbon energy mix. For the sector to fulfill this promise, it must achieve grid parity as an industry

Low Carbon, High Growth: The 21st Century Sustainable Supply Chain: Transitioning to a 21st century supply chain model, on the basis of closed-loop systems, multilateral connectivity and information sharing, will help equip businesses meet changing customer demands and achieve high-growth performance in a carbon- and resource-constrained competitive landscape

These white papers have received very positive feedback from the target audience on the aspects of thought leadership and our point of view that is presented in these documents.

Collaborations and Partnerships

Though our **collaboration** with Xynteo and The Global Leadership Technology Exchange (GLTE), we have engaged in collaborative projects in the areas of Wind Energy Management, Supply Chain, Life Cycle Assessments and Sustainable Consumption with different other partners of GLTE. Leveraging our COINTM framework, we connect with several players in the technology landscape and create true synergies in innovation, co-creating solutions in enterprise sustainability management, energy management and water management.

Our strong partner ecosystem is built on a proven **partnership** framework, across our solutions covering various emerging sustainability technology areas. We have also developed go-to-market propositions with Energy Management OEMs, as well as leading Energy Utilities for positioning our energy management solutions.

Financial Sustainability

Successful execution of the Company's strategy for sustainable growth requires investments in building capacity, in people and in new business initiatives. The ability to fund these investments either through internal accruals or from the outside is critical to business sustainability. TCS' business model has a financial profile characterized by strong cash generation, low capital needs, low working capital requirements, negligible debt and very attractive Return on Equity. TCS is a near zero-debt company, funding its growth entirely through internal accruals. We did not receive any significant governmental financial assistance in FY 2013[9].

These are the structural attributes of TCS' business model which going forward are sustainable Equally important, is the robust risk management framework with which the Company can scan the environment for potential risks to this sustainability and take mitigative steps. Some of the key attributes of TCS' financial sustainability are further explored in this section.

Strong cashflows

The Company's growth is financed by cash generated from operations. As of March 31, 2013, Total Shareholder's Equity stood at $7,659 Mn of which Retained Earnings made up $8,024 Mn.

As at March 31, 2013, the Company had cash and cash equivalents of $339 Mn (FY12: $391 Mn) and Bank Deposits of $1,361 Mn (FY12: $1,295 Mn). Net Cash generated from Operations was $2,266 Mn.

The Company believes that it has sufficient cash from operations to meet its working capital requirements. In addition it has short term working capital facilities with various commercial banks. As at March 31, 2013, the Company had available lines of credit with multiple banks aggregating $ 983 Mn interchangeable between fund-based and non fund-based limits ($ 821 Mn as at March 31, 2012).

Independent Credit Ratings

Although historically TCS has never used debt to fund growth, the option is always available given our strong credit-worthiness. An independent assessment of the Company's financial strength and sustainability is the credit rating assigned to TCS by various global rating agencies.

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9   *Excluding tax incentives applicable in specific locations*

Credit Rating Agency	Rating	Comments
Moody's Investor Services	A3 Investment Grade Issuer Baa1 indicative foreign currency debt rating with stable outlook	The rating is not for an specific debt issuance by the Company.
Standard and Poor's Ratings Services	BBB corporate credit rating	Outlook: Negative
Dun & Bradstreet	5A1 (Condition-Strong)	The rating is assigned on the basis of tangible net worth and composite appraisal of the Company.

Shareholder Value delivered, year after year

After going public, TCS has paid out dividends to its shareholders every year, maintaining a payout ratio of around 30%. In FY 2013, the Company paid a total dividend of $0.4 (Rs 22) i.e. a payout ratio of 40% of the consolidated profits under IFRS.

TCS' market capitalization as of March 31, 2013 was $56.7 Bn.

Supplyside Sustainability

Human capital is a key factor in the business. This implies that the sustainability of revenue growth in the IT Services industry is directly dependent on the organization's ability to attract the right talent in the right quantity and thereafter, up-skilling, motivating and retaining them in the organization[10].

TCS has a highly educated workforce, whose technical skills are valued greatly across the globe. This ensures the absence of severallabor-management imbalances found in traditional industry and corrective measures sought through collective bargaining. Although employment is at will with a month's notice period from either side for termination, employees have a significantly higher bargaining power in this industry. Therefore, workers' interests are largely protected by the free market and less than 0.06% of the workforce is unionized.

TCS recognizes the criticality of human capital to business and its sustainability. The Company has in place mature processes devoted to attracting, retaining and developing this human capital, The total number of employees including subsidiaries as at March 31, 2013 was 2,76,196 (End-FY12: 2,38,583). The workforce is predominantly young with an average age of ~28 years. A break-up of the workforce by employee category and age is given below:
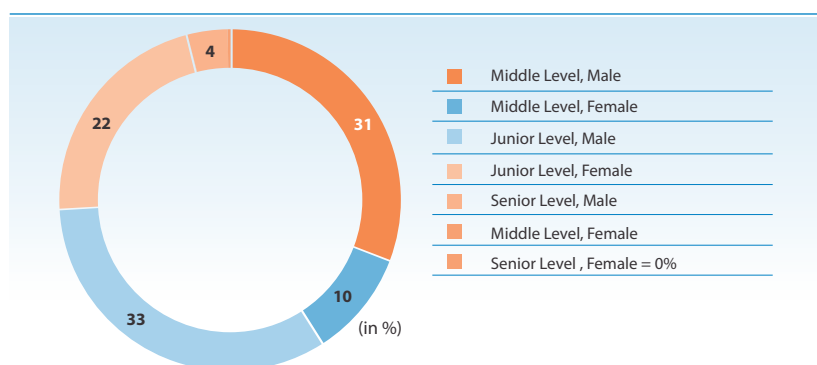
Figure 9: Break up of workforce by category
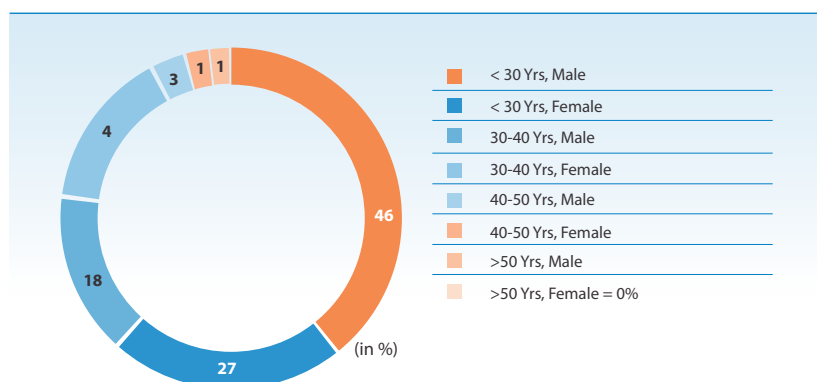
Figure 10: Breakup of workforce by age

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10   *The supplyside part of our business is largely around human capital. In addition, we procure various pieces of equipment and software that make up the Company's IT infrastructure, largely sourced from the local offices of leading global technology providers. Office supplies and consumables are all locally sourced by individual operating units in the different regions where we operate.*

Talent Acquisition

TCS' growth trajectory is contingent on the company's ability to attract high quality talent in the required numbers and to successfully scale up the talent acquisition process.

Short, medium and long-term business plans drawn up by business units and corporate functions serve as the basis for our global workforce planning. The consolidated manpower requirements are part-fulfilled by re-skilling / up-skilling existing unallocated associates and the balance fulfilled through focused drives by the Talent Acquisition Group. Experienced professionals are recruited through online jobsites, head-hunters, recruitment agencies and through employee reference schemes. Other sources of experienced talent include strategic initiatives like M&A and In-sourcing.

On-campus recruitment of fresh engineering graduates plays a very significant part in the Company's talent acquisition strategy. Therefore, the Company is invested in building strong relationships with universities across the world and in improving the quality of academic training provided at engineering colleges. In FY 2013, TCS (including subsidiaries) recruited 69,728 employees, on a gross basis (FY 2012: 70,400). Of this, 37,165 i.e. 53% of the gross hires were fresh graduates.
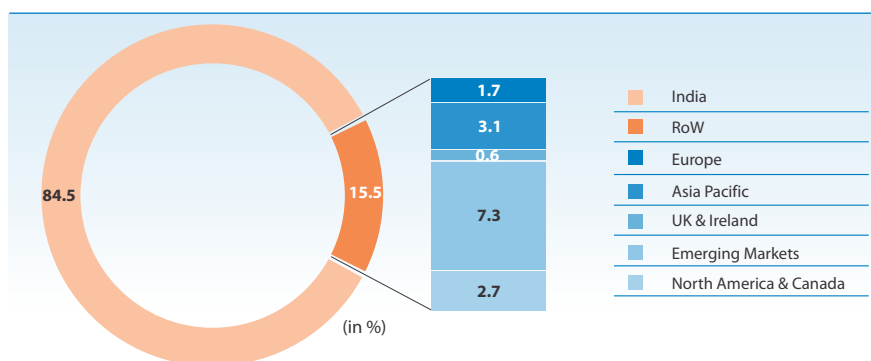
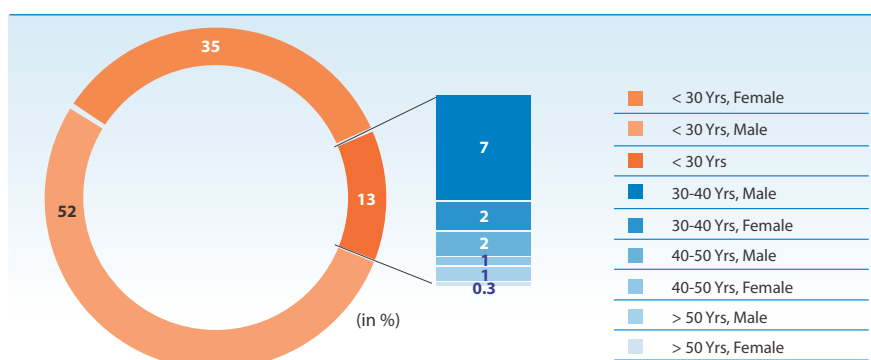*Figure 11: Breakup of new employee hires by region*

Figure 12: Breakup of new employee hires by region

Academic Interface Program

TCS has focused on fostering a strong relationship with academia and is acknowledged as a pioneer in India for having provided direction and perspective to IT education. The Academic Interface Program (AIP) helps build robust high-quality, long-term relationships between the Company and academic institutions. Key highlights of the AIP are:

- Faculty Development Programs (FDP): TCS' senior consultants conduct training programs for faculty, to keep them abreast with technology developments and provide them with an industry perspective.
- Student Workshops: Training sessions for students on technical, managerial and soft-skills to enhance competitiveness and workplace-readiness.
- Membership of Board of Studies (BoS) / Curriculum Committees: TCS representatives participate in Curriculum Committees or Board of Studies of select academic institutes, to help shape the curricula and make it more industry-oriented.
- Project Support and Internships: TCS provides internship opportunities for students from Indian and overseas institutions and sponsors awards for the Best Student and the Best Project by a student
- Sponsorship of Academic Events and hosting professors on sabbatical
- Dedicated portal for academia: TCS maintains a web portal linked to TCS website for continuous dialogue with academia. Information on the performance of their alumni and on the curriculum, with useful resources for students determining the course of their career is also provided.
- "Sangam", an annual meet with academic leaders from major engineering and management institutes
- Higher education programs for its associates. This is conducted in partnership with prestigious Institutes in India like Amrita University - Bangalore and Jadavpur University – Kolkata.

Diversifying the talent pool

With customized- training programs and greater gender / cross-cultural sensitization, TCS has been able to expand the talent pool in terms of gender, geography and academic discipline.

TCS is an Equal Opportunity Employer and subscribes to the Tata Code of Conduct in 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 performance. Gender and any of the other diversity parameters don't play any part in determining compensation. TCS has a well defined Diversity & Inclusion Policy.

TCS participates in the Tata group's Second Career initiative which offers job opportunities to women returning to the workplace after a break in their careers. The Company also endorses DAWN (Diversity and Women's Network), a support group for women and minorities, that fosters inclusivity through collaborative dialog. DAWN organizes leadership-connects, mentoring, discussion forums, sensitization workshops, wellness sessions and reorientation programs for associates returning to the workplace after a long-leave. 'Culture Meter' aims to build appreciation for different cultures and practices within the workforce through mailers, quizzes and other online resources.

As at March 31, 2013, women constituted 32.4 % (Consolidated) of TCS' workforce. 21,282 (excluding subsidiaries), of our employees belonged to nationalities other than Indian This represents 118 different nationalities (FY 2012: 110 nationalities). The breakup by nationality is provided in Figure 13.
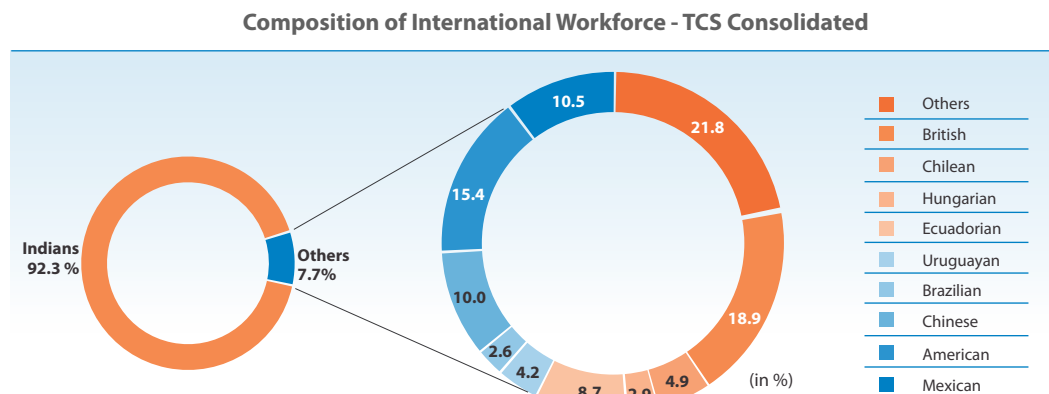
Composition of International Workforce - TCS Consolidated

Figure 13: Break up of non-Indian workforce by nationality

Ignite – from Science to Software

Ignite is TCS' pioneering initiative to help science graduates transform into software professionals, thereby allowing the Company to tap into the large stream of science graduates in India. Designed as an intensive seven-month training program covering computing, core technology skills, TCS processes and tools, communication and team skills, business literacy, cultural awareness in addition to hands on project experience. Ignite equips science graduates with the skills necessary to pursue a career in the IT industry. 920 Ignite associates were trained during the year.

Local Recruitment outside India

TCS is a multinational company with operations in 44 countries. Local recruitment spanning every level in the local organization is an integral part of our staffing strategy in each of these countries. In FY 2013, TCS recruited 10,452 employees outside India. The percentage of senior-level employees amongst local recruits was 5.3% (FY 2012: 5.6%), higher than the enterprise average of 1.4%.

Fresher recruitment is facilitated by the relationships built up with empanelled universities through our University Outreach / Academic Interface Programs in different parts of the world. The brand awareness created by those programs helps attract quality talent with TCS formally participating in the placement programs and conducting on-campus interviews. Recruitment of experienced professionals carried out through our empanelled recruitment agencies and head-hunters.

Local Subcontractors

A key element of the manpower demand fulfillment strategy is the need-based use of contractors, especially for assignments which are of a short-term nature or which require skills not readily available or in sufficient numbers internally. For this purpose, TCS maintains strong relationships with a network of empanelled vendors – staffing agencies and head-hunters – in every country within which it operates. The Company taps into this network to find suitable candidates as and when the need arises. In case, those skills are required on a longer term basis, TCS looks to build equivalent capabilities internally and eventually replace these contractors with employees. In FY 2013, TCS spent $624 Mn (5.4% of Rev) on subcontractors (FY12: $458 Mn, 4.5% of Rev).

Talent Retention

TCS views talent retention as another critical factor for success and has invested heavily in building an employee-friendly culture and developing mature people-processes towards improving it. The Company's retention programs are considered best-in-class in the industry. Employee retention has been enhanced through a wide range of competency enhancement and career growth options, role mobility, challenging assignments, competitive and differential compensation, flexible working hours, a collaborative work environment, rewards, recognition and benefits.

The outcomes of these retention programs have also been best in class. The return to work and retention rates after parental leave are at 75%. Although the majority of parental leave was taken by female associates, adoption leave was opted for primarily by male associates. 9 out of the 19 employees who opted for adoption leave were men. The Company's attrition figures have historically been, and continue to be, the lowest in the industry. In FY 2013, attrition in IT Services was 9.4% (on a LTM basis) while overall attrition, including BPO, stood at 10.6%, which is the lowest in our peer group. Of this, attrition caused by departures of new hires within the same year was 2.9%. Attrition amongst female employees was 35.5 %. Attrition levels are higher at junior levels – at 11.7%.
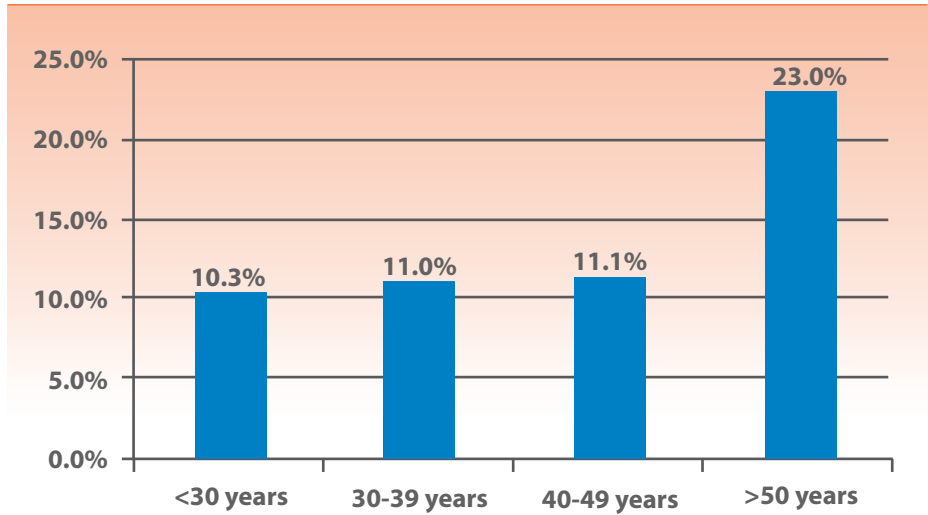
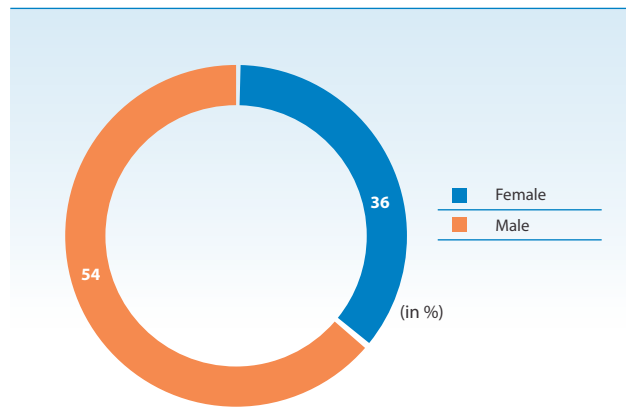*Figure 14: Break up of departures by age (out of employee base in age group)*

(in %)

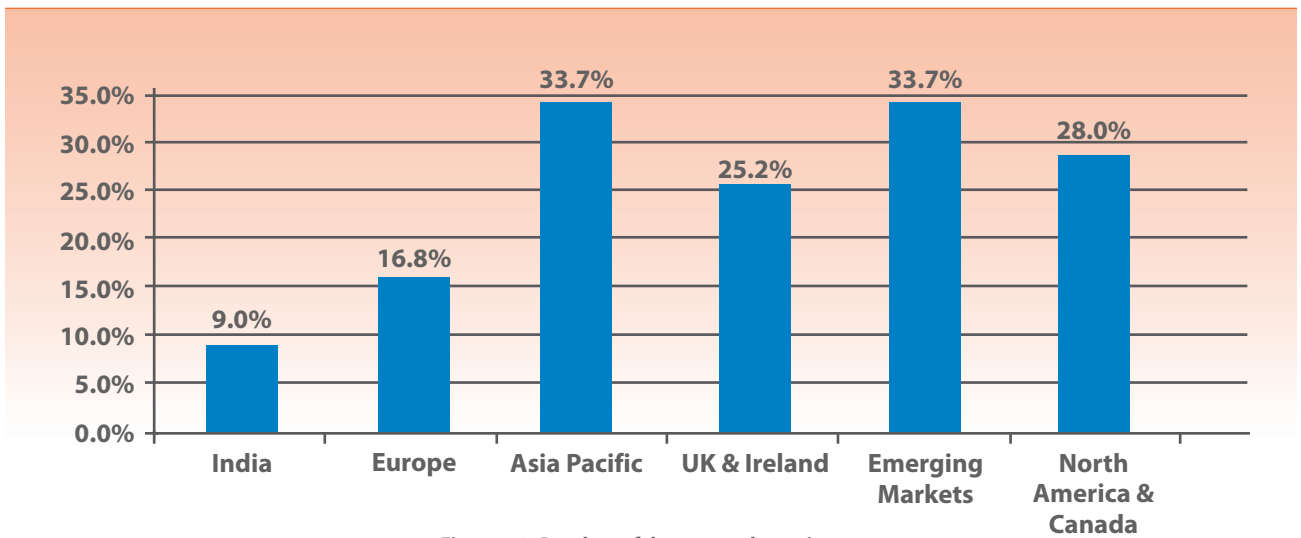*Figure 15: Breakup of departures by gender (out of total attrition)*

Figure 16: Breakup of departures by region

Learning & Development

Continual skill updation is a key motivator for employees, giving them the intellectual satisfaction of being on top of their game. To enable systematic tracking of the training roadmap of a large workforce, TCS has an integrated competency management system in which the various systems for learning, competency management, skill assessment and individual development are integrated This also provides employees with an end-to-end view of their learning and competency development needs, as well as their progress against the plan.

At the start of the year, every employee in consultation with her/his supervisor and based on their interests and aspirations as well as the needs of the specific project / Business Unit, works out a learning and development plan for the year. Thereafter, the employee goes through various training sessions and workshops as outlined in the plan. These could be through e-learning sessions on our in-house Learning Management System, external certifications, classroom sessions conducted by various technical centers of excellence within TCS or Management Development Programs (MDPs). Each associate is assessed biannually on the progress made against this plan.

Average per capita training hours in FY 2013		
Category	**Male**	**Female**
Senior management	32.7	32.1
Middle management	38.9	38.2
Junior management	129.3	126.7
Business Associates/Others	39.3	38.1

In FY 2012-13, overall 3,197,407 learning days were invested towards competency development including training in thrust technology areas. The breakup of this is as below:
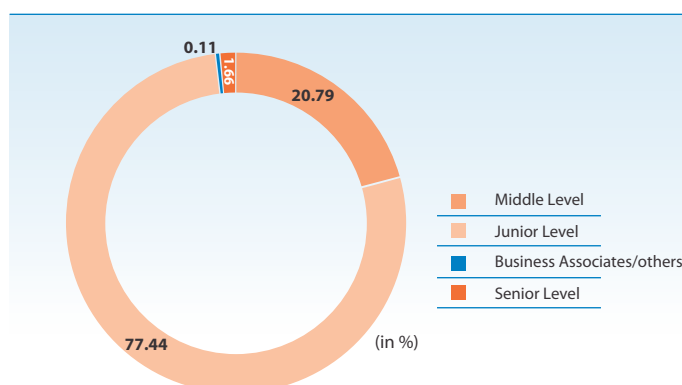

Figure 17: Breakup of learning days by employee category

Of this, some 224,366 learning days went into developing management skills and leadership qualities amongst employees identified for managerial and leadership roles.

Training programs at the entry level as well as the continuous learning programs that cover technology, domain and project management practices have been enhanced during the year to ensure that TCS develops the right competencies in its workforce that can deliver and meet customers' business needs. This process, in turn, helps individuals drive growth in their careers and realize their potential in different ways.

TCS places significant emphasis on training and grooming employees at all levels with a long term perspective to help individuals drive growth in their careers Training is also provided to support employees through their careers and in their post retirement phase. In addition, Human Resources also organises multiple programs on financial management, health and other areas that assist them in managing their career endings.

Career Development

Career Management Process operates with the philosophy of facilitating an employee's Career Growth in TCS. CareerHub in SPEED provides a framework to help employees learn and grow .It operates in a dynamic manner to provide timely updates to fuel and fast pace employees' careers in the organization

An integral part of the CareerHub is Inspire - TCS High Potential Program (HiPo) and CareerHub process. The 'Inspire Program' aims at identification, engagement and building a robust leadership pipeline, keeping in line with the organizational growth objectives. Under this program special initiatives are taken for high potential employees in mid level grades at the Business Unit and organizational level. This helps create more visibility for the high potential employee with respect to positioning, allocations, projects and learning. High potential employees undergo exclusive focused leadership programs to help them move into senior roles. The CareerHub Process is for other employees at a junior level. It is a competency based approach with an emphasis on experiential learning. In both these processes mentees have career discussion with their chosen mentor and a customized Individual Development Plan is created by the mentor post this discussion. Accomplishment of the Individual Development Plan helps employees realize and achieve their potential.

Competitive Compensation Model

As an employee centric company, TCS must attract and retain talent in a highly competitive labor market. The workforce consists primarily of software engineers who are graduates and post-graduates. The compensation model adopted ensures that entry-level wages tend to be several times higher than the minimum wage in a specific country. Our employee cost over the last three years is given below:

	FY 2011	FY 2012	FY 2013
Employee Costs in USD Mn	4,128	5,143	5,853

To ensure competitiveness in the pursuit of talent, TCS regularly benchmarks its compensation plans and benefits[11] with those offered by peers. There is also a skill-based allowance for employees who possess niche skills. This is designed to motivate employees to acquire marketable skills to promote their growth while also contributing to the company.

Compensation structures are driven by prevailing practices in the countries within which TCS operates. Across the Company, remuneration is the same for men and women working at the same location and in the same grade[12]. In India, in addition to a fixed component of the salary, there is a variable component linked to the Economic Value Added (EVA). Payout of that component depends on organizational performance as well as individual performance. This alignment of the Company's interests and the individual's interests has the effect of strengthening team spirit and improving collaboration amongst teams.

Reward and Recognition

TCS has several schemes for recognizing and rewarding employees. In addition to a formal online reward and recognition system called GEMS, there are various rewards like Star of the Month, On the Spot Award, Faculty awards, Young Innovator award, Long Service award and appreciation certificates

Other forms of rewarding outstanding performance include fast-track promotions, sponsorship of external training and certification programs, assignment to key positions, membership to professional bodies, sponsorship to international conferences and public announcements of individual/team achievements on the intranet, internal magazines and town hall meetings

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11. *TCS offers gratuity, a defined benefit retirement plan for eligible employees in India and in certain overseas locations. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Total benefit obligation at the end of FY2013 stood at $181.7 Mn. More details are provided on Page 147 of the Annual Report.*
12. *Remuneration for men and women at the same location and grade is in the ratio 1:1*

Challenging Assignments

The importance of work content in promoting career development cannot understated. TCS offers several opportunities for ambitious individuals who seek challenging assignments and exposure to different kinds of roles, technologies and geographies. This has been an important aspect of TCS' best-in-class ability to retain high performers.

Employee engagement and motivation

EmployeeEmployee retention and motivation are largely facilitated through closer engagement with employees and by fostering a spirit of community, through shared activities outside of work. TCS sponsors picnics and social gatherings at every location so that employees and their families get together under informal settings. Another forum for employees and their families to develop sense of camaraderie is TCS Maitree, which facilitates community engagement in every region of operation. TCS takes an active interest in the wellbeing of employees and has actively supported athletic and sporting events at the national, regional and local level. The company encourages employees to participate in these activities on a regular basis. On TCS campuses, the focus on a culture of fitness translates into a myriad of activities, from yoga to aerobics; tennis and badminton coaching to cricket and football tournaments. TCSFit4Life aims at creating a culture of fitness while also contributing to the society TCS' CEO Mr. N. Chandrasekaran has been an exemplar of fitness through the "Run with the Leader" programme in addition to participating in several marathons across the world. . TCS' sponsorship of the Mumbai Marathon, the World 10K Bangalore and other such events across the world have also contributed to the interest in fitness and running.

Occupational Health & Safety

'TCS' management, with the intent to address stakeholder expectations, recognized health and safety risks and decided to follow a management system approach towards it in line with the BS OHSAS 18001:2007 occupational health & safety (OHS) management system. TCS' is committed to providing a healthy and safe work environment to all associates and partners on its premises. This is documented in the organization's Occupational Health & Safety Policy[13] which translates into objectives including compliance to OHS management system & regulatory requirements, inculcating safe work practices among associates & contractors, incident reporting and implementation of remedial measures. The Board level Health, Safety and Sustainability committee reviews the related performance on a regular basis. The responsibility cascades internally to relevant stakeholders, making it a management driven initiative.

TCS has an integrated management system in line with OHSAS 18001:2007 which in turn is integrated with the organizations Quality Management System to drive OHS as an integral part of the roles and responsibilities of each stakeholder. HSE standards are uniformly deployed across the organization through procedures, guidelines and manuals. Occupational Health and Safety Management System as per OHSAS 18001:2007 has been deployed and an enterprise wide certification from an external certification agency has been received for 76 facilities which include (13 overseas facilities). There is a commitment to certify more locations. This is to be carried out in a phased manner.

To ensure centre-level focus, each certified locations has an appointed HSE committee, a cross functional team chaired by the Centre Head This team oversees the deployment of HSE aspects, monitors the performance and spearheads the continual improvement plans for that center. TCS facilities located in various geographies track and comply with all local legal and statutory requirements related to occupational health and safety while striving for beyond compliance leadership.

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13   Full text of TCS' Occupational Health and Safety Policy is available on the TCS website. The URL is:
      http://www.tcs.com/about/corp_responsibility/health-safety-policy/Pages/default.aspx

TCS facilities located in various geographies track and comply with all local legal and statutory requirements related to occupational health and safety while striving for beyond compliance leadership.

The key H&S risks identified for TCS include ergonomic risks arising due to computer usage, indoor air quality & fire risk typical to a commercial building and general office risks including slips, trips, falls, electrical shock, etc. Careful identification of work hazards and risk assessment has helped apply proper mitigation measures to create a healthy and safe work environment. Key mitigation measures for some of the risks are listed below

1. Ergonomic risks from computer usage – Provision for ergonomically designed chairs and workstation and engaging with associates to educate them on the ergonomic posture, breaks and stretches

2. Computer vision syndrome – Provision for low radiation PC with optimum illumination levels in office area

3. Indoor air quality – Monitoring of indoor air quality for key parameters including VOC, CO2, O2, O3 levels; duct cleaning of HVAC systems to avoid bacterial contamination

4. Fire risks – Office design in compliance with the requirement of the local Building Code to minimize fire risks; active and passive fire control systems and regular emergency evacuation mock drills to check the preparedness for emergencies. Mandatory web based training has been rolled out for Fire Safety Awareness.

5. General office risks – Regular site safety inspections and awareness creation among associates to help identify hazards and thus control the associated risks

Gymnastic Break - Ten minute ergonomic workstation stretches program

Continuous work on a computer can increase muscular strain due to a static posture. To mitigate the associated risks a programme to promote workstation stretches was piloted at some locations. In an attempt to reduce muscular pains, physical as well as mental fatigue.

TCS Chile associates during the Gymnastic Break

The mantra is - Stretch and relax your muscles.

 For all new TCS offices, engineering solutions to control the H&S risks are integrated in the infrastructure design. Other proactive initiatives include camps for periodic medical checks, visiting doctors, first aid facilities, TCS Fit4Life campaign, employee assistance program and counselors for stress management. The risks related to contractor activities in the facility are addressed through engineering and administrative controls, use of PPEs, as appropriate.

For TCS, the workforce is its' key asset and knowledge bank. The Company's intent is to drive safety as a culture within the organization to promote the idea of Safety First. To achieve this objective, health and safety training is imparted to associates as a part of the induction module combined with an annual refresher web based HSE training. An effective mode of training has been informal floor-walks and town-hall meetings , wherein the trainer addresses a group of associates within the office area Additionally, several awareness campaigns including Road Safety, Fire Safety, Ergonomics, Behavior based safety, etc. are conducted to reach out to the associates In FY 2013, over 240,000 man-hours of training on Health, Safety and Environment have been imparted through classroom sessions, floor-walks, induction trainings and web based training.

Occupational Health & Safety Objectives and Targets

Objectives	Goals	Target
Incident Reporting and implementation of remedial measures	Resolution of incidents reported and effectiveness of measures	100%
Building a safety culture and inculcating safe work practices among associate & contractors	Providing training for associate & contractors	1 hours per associate per year
		2 hours per contract staff per year
	Creating safety awareness & promoting proactive safety behavior	1 awareness communication per month
		1 awareness campaign per quarter
Ensuring safe workplaces and compliance to H&S management system & regulatory requirements	H&S inspections for all the sites	Annual inspection per site
	Compliance to H&S legal and HSE-MS requirements	100%

The Company uses an online incident and near-miss reporting system to sustain improved level of reporting of incidents, appropriate incident investigation and closure through corrective and preventive actions. In FY 13, an additional module on reporting Safety Observations was added. This module is open to all associates and can be used to report any unsafe acts or conditions for immediate action.

Occupational Health & Safety Campaigns

In order to inculcate a safety culture in the organization and emphasize that "Safety is everyone's responsibility", TCS observed a Fire Safety Week (April 2012), Ergonomics Week (October, 2012), Road Safety Month (December 2012 to January 2013) and Safety Month (March 2013) across the year. Activities included onsite and online competitions and activities for TCS employees; educative mailers and tips; floor-walks to engage with associates on ergonomic awareness and road safety and display of office fire safety equipment to create awareness amongst associates.

Road Safety Month (December 2012 to January 2013)

The Company continues to focus on road safety as a critical area to sensitize associates the importance of being safe on the Road Safety Month, observed from December 2012 to January 2013, involved various activities including the signing of a pledge, distribution of road safety vehicle stickers, training in association with special training organizations on driving two wheelers and four wheelers , competitions, quizzes, skits and road shows, etc. The participation and feedback indicated an increased awareness among the associates

Snapshots of associate engagement during Road Safety Month

Injury Data

Typical to any service sector company operating out of office-based premises, the most common injuries that occur are due to slips, trips and falls or being struck by stationary objects, etc. The focus of the online incident reporting tool is on capturing all the incident data including near-misses and ensuring 100% closure of the reported incidents through proper corrective and preventive actions.

The online safety incident management system continues to facilitate tracking and effective management of all incidents. The increase indicated is due to increased reporting across geographies and locations including client sites.
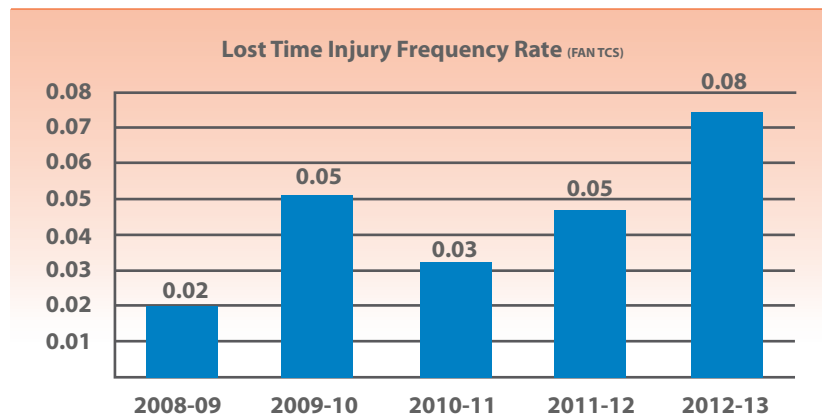
Figure 18: Lost Time Injury Frequency Rate

Figure 18 gives the Lost Time Injury Frequency Rate (LTIFR)[14] - number of lost time injuries per million man-hours worked for TCS associates including the contract staff working in TCS offices.

TCS is also proactively monitoring safety at all facilities that are being developed at various locations across India. There is a mandatory deployment of safety processes and systems with effective tracking of lead as well as lag safety indicators. A high level of focus is maintained on legal compliances, audits & inspections and safety orientation & training for the site staff. In addition to the safety personnel, TCS has also appointed independent safety managers at all these locations. This is to ensure a comprehensive oversight of safety deployment and performance.

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14   *Only work related lost time case have been considered. It does not include the lost time cases on road in*
      personal or public transport involving associates travelling to and from work. These cases are tracked internally
      and reviewed and Road Safety awareness campaigns are aligned to sensitize employees of Road Safety

Community Engagement

Being Being part of the Tata group, TCS has a unique relationship with society at large. This section, highlights TCS' global CSR initiatives – through volunteering, sponsorships and pro bono leveraging of our IT core capabilities – in the areas of Education & Skill Building, Health, Environment and Affirmative Action.

Tata Sons Ltd, the holding company of the Tata group, owns close to 75% of TCS. Around two-thirds of the equity of Tata Sons Ltd is held by various philanthropic trusts – the largest being the Sir Dorabji Tata Trust and Sir Ratan Tata Trust – which have created and nurtured leading national institutions for science and technology, medical research, social studies and the performing arts.

These trusts also provide aid and assistance to various non-government organizations working in the areas of education, healthcare and livelihoods. More details of the work funded by these trusts can be found on their websites (www.dorabjitatatrust.com and www.srtt.org).

Close to 49% of the dividend paid out by TCS each year goes towards funding the philanthropic work carried out by these trusts. It is a source of tremendous pride and motivation to associates that that their efforts and contribution to the company's success results in tangible benefit to society on a large scale

Direct and Indirect Economic Impact

The most significant, direct economic impact TCS has is the productivity benefits that clients gain from the automation of their various business processes using the IT applications. Greater cost-efficiency and productivity at a firm-level translates into higher productivity for the larger economy. Therefore, TCS has had a significant role in the transformational phase of the global economy, marked by significant productivity gains from the deployment of IT.

The productivity benefits from the Company's IT-related work directly translate into community benefits when TCS engages with various governments to digitize their operations, particularly in the area of citizenry services. Examples of TCS' exemplary service include an end to end IT solution to successfully automate the National Rural Employment Guarantee Act (NREGA) scheme in Andhra Pradesh. The Company does not believe that any part of its operations has a potential or actual negative impact on the communities with whom it works.

TCS' profitable global operations result in payment of corporate taxes applicable in multiple countries. Thereby, funding the governments indirectly to help improve the quality of their civic services. Tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled and provided for. In FY 2013, TCS provided for a total tax expense of $741 Mn, distributed across over 50 countries. Based on NASSCOM's figures for the entire sector, it is estimated that TCS contributed 0.75% to India's GDP and our share of India's exports in FY 2013 is over 3%.

Direct and Indirect Employment

TCS' strategy of a distributed delivery capability, tapping into the local talent in each delivery location has resulted in a largely balanced, positive economic impact through employment generation both direct and indirect. Direct employment results in the creation of tens of thousands of white-collar jobs, broadening the tax collections at the local, state and central levels.

Each delivery center has over a thousand employees. The construction of these massive campuses employs architects, engineers and construction workers. Once the facility is commissioned, the center opens up tremendous local employment opportunities for skilled workers while the vendor-partners hire housekeeping staff, security guards, drivers, gardeners, maintenance workers, chefs, cafeteria staff etc.

The creation of these jobs creates a massive demand for local housing in the surrounding areas Moreover, the beneficiaries of these net new jobs are often young (median age of the workforce: 28 years) and therefore tend to display high consumption patterns, benefiting local businesses and by extension, the local economies.

All in all, it is conservatively estimated that we generate 32 indirect jobs for every 10 direct job[15] Taking these indirect jobs into account, TCS' consolidated, global employment generation footprint is estimated at over 870,000.

Infrastructure Development

The setting up of delivery centers promotes infrastructure development to accommodate the resultant growth within the communities. . Local municipalities respond to the growing needs of the community. An improvement in transport infrastructure and connectivity as well as an improvement in electricity and water supply is expected outcomes of this growth.

Private and public sector partners respond to these developments by offering their services in areas including telecom, healthcare, education etc.

Broadbased Regional Development

Historically, the emergence of the Indian IT industry occurred in the four large metropolitan cities of New Delhi, Mumbai, Chennai and Kolkata Further expansion to Bangalore and Hyderabad occurred with a view to take advantage of the available engineering talent and supporting infrastructure.

Recognizing the multiplier effect that the IT-BPO industry has on local economies, various state governments are encouraging IT companies to establish centers in smaller cities. This is to broad-base the resultant economic development beyond just the Tier I cities With a view to leverage benefits of low costs and a motivated local workforce, the IT-BPO industry has started establishing centers in Tier II and Tier III cities TCS has been leading this foray with headcount in Tier II/III cities* steadily growing as a percentage of our total India headcount over the last 4 years.

Year	FY10	FY11	FY 12	FY 13
Tier II/III Headcount	8.4%	9.7%	10.3%	13.2%

* Ahmedabad, Lucknow, Pune, Kochi, Bhubaneswar etc

Intangible benefits

TCS associates are well educated, well groomed young professionals. Almost a third of the Company's workforce comprises of women. The experience of working within a global company and among highly qualified individuals allows employees to redefine preconceived notions and broaden their horizons. The evidence of social progress and individual prosperity influences parents to invest in their children's education. Girls in traditional communities find inspiration to seek higher education and pursue corporate careers. As a result there is a positive impact on community outlook and behaviour.

Serving as an Ethical Exemplar

TCS regards integrity as a core value that underpins all business activities. The Company has earned its reputation of trustworthiness through several decades of consistent, value-driven conduct.

TCS adopted the Tata Code of Conduct (TCoC) which is signed by every employee on joining and which serves as a guide on values, ethics and business principles. Training on Tata Code of Conduct (TCoC) is a mandatory part of the induction process for all associates. Awareness towards the TCoC is promoted by organizing road-shows, compliance workshops and an annual Ethics Week featuring quizzes, essay-writing contests etc. A Whistleblower Policy has also been incorporated through which instances of malfeasance can be reported directly to the Board without fear of reprisal

The outcome of this corporate-wide emphasis on ethical behavior, integrity and individual accountability is a very high level of employee awareness of the Company's values[16]. In the 2012 employee satisfaction (PULSE) survey, 95% percent of associates expressed satisfaction with the level of awareness of the Tata Code of Conduct and with TCS' adherence to it in spirit and letter.

The fact that the Company has been able to build a strong, highly successful, global business adhering to the highest ethical standards makes TCS a moral exemplar. In all contracts a clause addressing the TCoC is explicitly mentioned to customers, partners, suppliers and all other vendors. Active participation in international and Tata Group forums ensures that these best practices are shared amongst all stakeholders.

The Company's policies and training modules have been periodically reviewed and revised to comply with the legislations with respect to bribery, corruption and business ethics.

Since the Company's primary focus is Information Technology (IT), a special training module on IT Ethics has been created in co-operation with Prof. Don Gotterbarn, Professor Emeritus from Tennessee State University. Prof.

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15   Source: NASSCOM
16   The Company analyzes all business units for risks related to corruption. No instance of involvement of TCS employees in the giving or
     taking of bribes was brought to the Company's attention in FY 2013.

Gotterbarn is a world-renowned professional expert on Computing Ethics who has been recognized by three different professional organizations for his contribution to promotion of computing ethics. In FY 2013, several sessions were held in multiple locations based on Prof Gotterbarn's training.

Apolitical Stance

While TCS works closely with consultative bodies of various industry associations in advising governments on policy formulation or advocating changes to policy, the Company does not spend on lobbying and maintains an entirely apolitical stance in line with the Tata Code of Conduct. The Company does not support any specific political party or candidate for political office. Nor does it offer or give any company funds or property as donations to any political party, candidate or campaign.

Commitment to Human Rights

A strong commitment to human rights is an integral part of the Tata Code of Conduct. The policy is applicable to TCS, its subsidiaries and vendors. The Company's commitment to follow the basic principles of human rights is reflected in the checks and balances and grievance redressal systems within the HR processes. The Company does not carry out formal human rights reviews or impact assessments.

The commitment to human rights is embedded in the 'Tata Code of Conduct', adopted by the Company. All employees, including security personnel, are sensitized to human rights as part of their orientation programme.

With respect to vendors, TCS follows a rigorous screening process before entering into a business relationship. All the contracts that we enter into with vendors require the vendor to comply with the relevant laws safeguarding labour rights and human rights in their respective jurisdiction.

No incident of discrimination or non-compliance with relevant labor laws by any of our business partners was brought to our notice in FY 2013. As on March 31st 2013, all pending grievances relating to human rights were addressed and resolved.

Corporate Social Responsibility: Nurturing People and Planet

In FY 13, TCS continued to support key communities through active involvement of its employees and leadership team and through deployment of IT core competence, volunteering and sponsorships. Empowerment results in enabling communities and people to take a lead in their own lives and improve their well being. TCS strives to ensure that communities engaged with through CSR initiatives also experience certainty in their lives. TCS has identified health, education and skill development, environment and affirmative action as its key focus areas.

The key communities are decided based upon their relevance to the area of operation and TCS' internal CSR Policy which includes a Community Locator and a Strategic Planning Document. These key communities include academic institutes, local governments and communities specifically women, children, aged, visually impaired and SC & ST.

In FY 13, CSR Awards through TCS GEMS were instituted and rolled out globally. 172 associates received recognition for their efforts towards CSR initiatives.

TCS invested INR 71.60 crores on CSR initiatives during the financial year. Associates volunteered 90,828 hours in CSR programmes. TCS currently partners with 322 organisations globally.

Adult Literacy Programme

TCS' Adult Literacy Programme (ALP) is among the first instances of use of IT Core Competence for social causes, since 2000, and continues to be a flagship programme of TCS CSR.

Since its inception in 2000, the ALP has reached 1, 93,625 beneficiaries. In FY 13, the ALP helped in making 11,125 people literate. During the year, in partnerships with NGOs and academic institutions, 473 trainers were capacity built to conduct ALP programmes in Telugu, Hindi, Urdu, Odia and Marathi.

Computer depicting the ALP graphics used to promote the written word

The FY 13 highlights of the ALP include the creation of a new website for ALP (www.tcsion.com/alp) as a one-stop shop for all information related to the ALP, with provision for registration, tracking and monitoring of users as well as gathering feedback. A feature to download the language software is also due to be provided in the near future. A special feature of the website is the incorporation of a mandatory declaration from users to respect TCS' IPR and provide information on coverage.

The ALP software in Arabic was completed in December 2012. This is the third foreign language offering after Northern Sotho (South Africa) and Moore (West Africa). TCS MEA will be working on a plan for deployment. CBFL Moore version 2.0 with a User Manual for Burkina Faso, West Africa was released in November 2012. The German firm, Stern Stewart Institute which had originally approached TCS to create the software has used this extensively to make 1500 people literate.

ALP Deployment: Hindi ALP was deployed among the jail population in Lucknow and New Delhi. In FY 13, the ALP reach in New Delhi increased from 3 Jails to 10 jails. At Tihar Jail, New Delhi, a total of 300 inmates have been made literate through this programme.

TCS has been working with NLMA at Tihar Jail, New Delhi to promote literacy among inmates

ALP Training for Corporates: TCS imparted a ToT of GMR Varalakshmi Foundation in January 2013. GMRVF is currently implementing CBFL Telugu in five centres in Andhra Pradesh viz., Kakinada, Vemagiri (for nursery workers), East Godavari (adolescent girls including fisher folks), Srikakulam and Shamshabad.

Under CII Hyderabad, a two-day orientation and ToT was conducted for tribal communities at Rekhapally, Khammam district in February 2013. Agriculture and Social Development Society (ASDS) is implementing this programme in five villages. The main beneficiaries of this programme are Gothikoya Adivasis.

Academic/Institutional Collaboration

The ALP is now being deployed through academic institutions associated to TCS through the Academic Interface Programme(AIP). This has been piloted in Andhra Pradesh and is successfully being implemented by many education institutions in rural areas in Andhra Pradesh. Six engineering colleges have been covered with TCS conducting ALP orientation for nearly 700 student volunteers, faculty members and NSS volunteers.

TCS has trained 210 master trainers identified by the concerned institutions. Aligning ALP with AIP has resulted in benefitting the rural population surrounding the concerned institutions.

Affirmative Action

TCS' BPO employability programme has been in existence for over two years. During this time, the team has trained 22,236 underprivileged graduates of which 7,681 are from the SC/ST categories. The programme has expanded to rural areas across 152 locations in India. More than 1,883 among these beneficiaries are today
 TCS - BPO Associates.

The Affirmative Action programme has enabled creation of an alternative talent pool for BPO organizations as the supply is constrained and job ready talent is not widely available across major cities. Since the training programmes are deployed throughout the year it has overcome seasonal availability of graduates from campuses and help to provide ready pool of talent throughout the year.

The efficiency of the programme has improved consistently with a higher percentage of trained students joining TCS.

TCS Employability Programme in progress at Gadu, Gujarat

Based on the review and feedback involving multiple stakeholders (students/ institutes/ trainer/ partners) a systematic revision of the curriculum and the training material has been undertaken in FY 13. This year, the team trained 10,819 candidates of which 2,501 were SC/ST. 827 candidates trained joined TCS BPO.

Under the banner of Affirmative Action, TCS' office in Pune has sponsored the education of 20 Dalit boys and 20 Dalit Girls in two hostels run by Manuski. Additionally, TCS has provided water filters, computers and a broadband connection within the Girls Hostel while a library was set up for the Boys Hostel. The Pune branch has recently initiated project level involvement with the Manuski Hostel Project to increase TCS' contribution to the initiative.

TCS contributed INR 3,50,000 towards 5 scholarships through the Foundation for Academic Excellence and Access (FAEA) to help SC/ST students studying in professional courses. TCS has been supporting students through the FAEA for the past 4 years. On behalf of the Tata Group, TCS is engaging with the FAEA on ensuring suitable employment of TATA Scholars post their education.

TCS has developed a Faculty Development Programme focussing on ITI Instructors of the COPA (Computer Operator cum Programming Assistant) course which will improve the quality of training in the courses run by these Instructors. In FY 13, 48 instructors were trained and certified in Kolkata, Bangalore and Mumbai.

Education- Others

Project "Udaan", is a joint and novel initiative by National Skill Development Corporation (NSDC) - Government of India and Special Industry Initiative to help Kashmiri youth join the mainstream of corporate India. Through Project "Udaan", TCS endeavours to catalyze the Kashmiri youth connect with Indian industry, coupled with polishing their skills thus making them more employable. TCS has partnered with NSDC in this promising initiative and is the first organization in India to sign the MOU with NSDC.

Promoting employability for Kashmiri Youth

Engaging students through a Robotics Camp- Ohio Cincinnati

A 14 week training programme has been designed and developed by TCS. The foundation course focuses on soft skills and advanced training focuses on BPO processes in two domains. TCS has completed 2 batched of training successfully in FY 13. TCS offered employment to 119 candidates.

TCS' goIT programme which provides in-school IT career and awareness workshops, and hands-on technology education in North America is conducted free of cost for students. In FY 13 goIT targeted 5 schools for enhanced curriculum collaboration. During the goIT 2012 Summer Camp, students participated in a series of analytical and interactive challenges surrounding the IT industry and specific computer science problems. Over 150 students competed in the Summer Camp.

The programme reached over 2,000 students over 4 years through summer camps and in-school workshops. TCS expanded the goIT programme to 3 locations: Cincinnati & Columbus, Ohio and Midland, Michigan. Improvements have been made by incorporating Community Panel Discussion and Engagement and introducing college-bound workshops for goIT students from the University of Cincinnati.

Empower is a CSR initiative, which provides training of TCS support staff in basic computer skills and spoken English knowledge as well as soft skills. Empower was expanded from Lucknow to Pune & New Delhi. 131 candidates were trained under this programme.

The company continues to invest on AIP initiatives with objectives of developing faculty for academic institutes, improve employability of students and

Training on computer hardware assembly in progress under ACTC

develop curricula as per industry requirements. A total of 616 institutes in India and 288 institutes overseas were benefitted through the Company's AIP activities like workshops for faculty and students, faculty development programmes, research scholarships, research alliances, project opportunities to students and student awards.

Since its pilot in April 2008, Advanced Computer Training Center has trained 117 individuals with visual impairment. TCS facilitated employment for 70 of these. In FY 13, 18 visually impaired individuals were trained through this initiative.

TCS Maitree, the volunteering arm of TCS is working to deploy a sustainable model to improve education, healthcare and the environment within 5 villages across India. For example, in Panvel India, TCS associates through the Women Empowerment Programme trained 45 women, screen-printing to enhance their livelihood options. 570 children in the village are benefitting through the provision of an infrastructure for clean drinking water at the primary school.

More than 190 people benefitted from the activities conducted by TCS associates in Nainar, Tamil Nadu.

TCS Associates with students at a summer camp in Challera, UP

Health

An integrated Hospital Management System along with IT infrastructure including a comprehensive and fully integrated, web-based solution has been provided free of cost to the Cancer Institute at Chennai. FY 13 marked the successful implementation of all 17 modules of Med Mantra which were then transitioned to a support mode.

TCS is currently providing complete end-to-end support both from onsite at Chennai and offshore at Hyderabad. New features including Clinical Lab Equipments Integration, Bar Code Printing, Cancer Registry were delivered to Cancer Institute yielding significant benefits.

Tata Medical Center (TMC) has its systems and workflows aided by a comprehensive customized Hospital Management System, developed and running on a state of art IT infrastructure designed and implemented by TCS. In FY 13, TCS provided TMC with pro bono IT services valued at INR 4.2 crores.

The CSR Tech Team provides to end consultancy and architected comprehensive solutions for social organizations. The focus has been on using technology as a key enabler to assist and resolve business challenges faced by these organizations.

Retina India Foundation is an NGO focused on patient care for visually challenged (retina related) persons in India. TCS has prepared the prototype for a National Retina Disease Registry System.

Justice and Care is an international NGO supporting victims of Trafficking. A prototype for the Case Management System for monitoring trafficking cases and collaterals to assist the management team in visualizing the Case Management System has been prepared and showcased to the organization.

Operation Smile is an international NGO which provides free surgery for cleft lips, cleft palates and other facial deformities to economically backward children. TCS conducted a feasibility study during the visit to the organization's Guwhati center in FY 13 and prepared a prototype for Patient Care System for tracking patients, with visual collaterals.

Beneficiaries of Impact India Foundation- MIS system for the organization developed pro bono by TCS

Impact India Foundation focuses on reducing disabilities affecting a population of 1.5 million marginalized people through curative and preventive measures. TCS customized and deployed a Donor Management System addressing Impact's donor management needs and prepared a process document for their Community Health Initiative programme. This document has been showcased to the Health Minister of India and has been sent to the Office of the Prime Minister of India.

CHILDLINE India Foundation works to ensure children's rights and the protection of children. In FY 13, TCS customized and deployed a Donor Management System addressing Childline's Donor Management needs.

Beneficiaries of Childline- MIS system for the organization developed pro bono by TCS

Mumbai Mobile Creches (MMC) has a comprehensive child care system for the children of labourers in the construction industry, in collaboration with government agencies. In FY 13, TCS assisted in training new members of MMC on the Inventory system and Donor Management Systems that TCS had earlier built. The TCS team also worked on configuration of the Donor Management System and supporting MMC Infrastructure upgrade.

Environment

This year, TCS released 1,428 Turtle hatchlings along five coastal villages in Maharashtra through the marine turtle conservation programme. In addition, TCS continues to support 270 plant species belonging to 160 genera and 70 families and nurture 117 animal species represented by butterflies, amphibians, reptiles, birds & mammals across our offices.

The Company completed the campaign to protect endangered tree species Adansonia digitata (Baobab Tree) from Woodborer infestation at Yantra Park.

Global Initiatives

APAC

In FY 13, TCS launched Go for IT in Australia. The programme is a 1 week structured and intensive work placement initiative designed to encourage girls to consider IT as a career. 27 volunteers participated in the pilot. In the coming year, the programme will be incorporated in ongoing school programmes e.g. sessions in schools on working in the IT Sector, guest speakers on special topics. The Library Project in China continues to encourage participation from a large number of associates. In FY 13, over 1000 books donated benefitting 170+ children. The TCS-SINDA IT Lab is aimed at strengthening the IT education of the lower income Indian community in Singapore. In September 2012, volunteers participated in the Operation Smile Mission in Yantai, China where more than 80 patients received free operations.

TCS associates and beneficiaries of Operation Smile Mission in Yantai, China

Middle East & Africa

 TCS Saudi Arabia has undertaken an initiative in partnership with the Government body SAGIA (Saudi Arabian General Investment Authority) to work jointly in the "Madinah Competitiveness Programme" which focuses on education. As a part of this initiative TCS conducted a workshop on Change Management and Customer Relationship Management. TCS has partnered with the client, Landmark Group Dubai to educate their low skilled employees on basic computer skills and Microsoft Office applications. The intention is to empower them in their current jobs and also enable career growth. The training audience consists of warehouse staff that has minimum or no knowledge of computers. The training is provided by TCS associates who volunteer their time on weekends. The response and feedback from the trainees has been overwhelming and the training has been very well received by the customer senior management.

North America

In FY 13, 219 CSR events were organized with 5,009 employee volunteers. CSR Champions raised USD 70,358 in funds & donations. The network of CSR Champions was expanded to 90 by inducting the Top 25 Account CSR leads. TCS also partnered with the client Nielsen for their first ever Global Impact Day with over 500 TCS employees volunteering for the event across North America, LATAM, APAC and India. National level partnerships have been launched with American Heart Association (AHA). 800+ employees from 35 accounts volunteered for Start! Heart Walks in 25 locations across USA, raising USD 22,363 with company matched funds. A national level partnership was also launched with NPower; to develop a platform for skill based volunteering & pro bono use of IT. This year, TCS partnered with American Red Cross for a national level campaign in support of Hurricane Sandy relief efforts, raising USD 30,016 in company matched funds.

Lending support to Nielsen's Global Impact Day

UK and Europe

60 students from UK visited TCS as part of the Study India Programme which offered over 100 work placements across the Tata Group. The programme is intended to broaden the participants' horizons with regards to cultural differences, increase understanding of a globalised economy and encourage international career mobility. 148 associates across UK & Ireland volunteered to help over 500 students develop skills related to employability through the Passport to Employability Programme in UK. 80 of these students have been invited to TCS for work experience

LATAM

TCS Chile was awarded with the "Best Company in 2012" award for delivering sustained support in CS activities. TCS Chile was recognized by "Fundacion Regazo" for its ongoing support for last four years, highlighting the social spirit and commitment by TCS. Currently, TCS provides support to the organisation in the form of convening training programmes for the staff as well as working on the reintegration of the sheltered girls in society through our partnership with UC DUOC. LATAM also continues to focus on its Green Leaders programme that promotes recycling and reduce use of energy to care the planet.

Green Leaders Programme promoting environmental sustainability
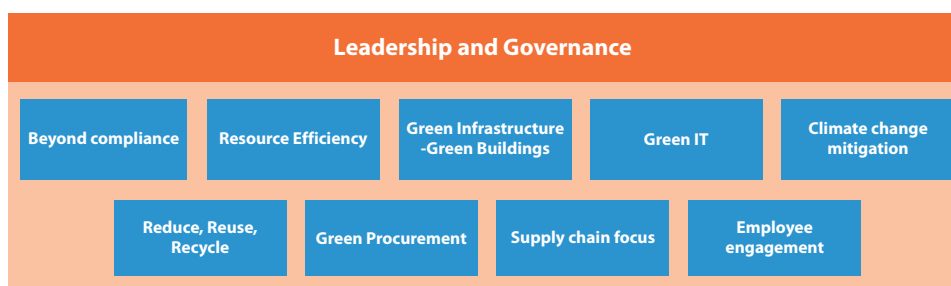
ENVIRONMENTAL
Impact

ENVIRONMENTAL IMPACT

As part of the Tata culture of being a responsible corporate citizen, we continuously strive to reduce our ecological footprint by identifying material areas and focusing on each of them strategically. We have defined processes and systems in order to identify, quantify and reduce the impacts on the environment, including the carbon, water, energy and waste footprint. The key pillars of the successful environment management have been senior management commitment and an integrated management systems approach guided by the TCS Environmental Policy. From green buildings to green IT to green supply chain, our commitment is to grow sustainably and also help our customers achieve sustainable growth through our green solutions and service offerings.

With a strong focus on energy efficiency, green infrastructure and green IT we strive towards reducing our specific energy and carbon footprint. We continue to maintain our focus on water efficiency and reducing our demand on fresh water through wastewater treatment and closed loop recycling. Effective waste management aligned to the 3R principle, we aspire to become zero waste discharge at all our campuses. These features are an integral part of our green campuses which are designed as per LEED Green Building Standards. Our focus on the supply chain in extending our influence to improve their environmental performance continues through communication and engagement.

Pillars of Environment Management @ TCS

Compliance to all relevant environmental laws, acts, rules and guidelines is monitored on an ongoing basis across all TCS sites. No instances of non-compliance to environmental laws and regulations were brought to our notice in FY 2013. We continue to engage with regulators[17] directly and through industry forums to advocate policies on environmental regulations and related issues. 77 TCS locations are certified for Environment Management System (EMS) under ISO 14001:2004 with an ongoing commitment to bring additional software development centers under scope of certification.

Being a services company, there is no direct material consumption in our operations. Resources consumed including electricity, water, physical infrastructure and office information & communication technology equipment are auxiliaries which support our operations. At TCS, environmental initiatives are seen as part of the overall operational and infrastructure improvement and the expenditure is not tracked separately. Capital expenditures like green building projects or operating expenditures like monitoring and measurement costs, investment in energy efficiency projects, compliance fees are included as a part of the operational budget for the facility.

Environmental Performance

TCS' environmental performance from TCS delivery centers[18] housing over 96% of the total TCS workforce is summarized in the table given below. TCS is proactively working to optimize its environmental footprint across all geographies to ensure sustainable business growth year-on-year.

KPI	Performance[19]
Electricity consumption (kWh/FTE/month)	216
Carbon Footprint (Scope 1 + Scope 2 emissions)(tCO2e/FTE/annum)	1.99
Paper consumption (Reams/1000 FTE/month)	55
Water consumption (Ltrs/FTE/month)	1076
Carbon Emissions from (Business Air Travel – Scope 3)[20] tCO2e/FTE/annum	0.34

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17 We engaged with the Ministry of Corporate Affairs on the draft Companies Bill, 2012 to provide our inputs and comments on Corporate Social Responsibility to make the upcoming regulation more practical

18 Delivery centers across India, Europe (UK, Hungary), Asia Pacific (China, Philippines), Latam (Uruguay, Chile, Mexico) accommodating over 40% of the overseas workforce. With environment management system deployed, these locations are also committed to work towards improving the ecological footprint with initiatives to reduce resource intensity and proper waste management practices.

19 Please refer to appendix A for the geography-wise performance

20 Business air travel reported is including all TCS Geographies

Environmental Targets and Performance

Our FY 2013 performance against our long term environmental targets is as given below:

Environmental Parameter	Target	Timeline	Performance level	Status
Scope 2 Carbon emissions	Achieving 50% reduction in per capita Scope 2 emissions over baseline year 2007-08	2020	Achieved 40% reduction	On track
Water management	Target reduction of fresh water consumption by 20% over baseline year 2007-08 (per capita)	2015	Achieved 13% reduction	On track
	To become ground water neutral	2015	32% groundwater neutral	On track
	Make all our new and existing TCS-owned campuses as 'zero water discharge' by treatment & recycling	2015	All new campuses zero discharge; existing campuses under review	On track
Solid waste management	Zero* waste to landfill (*Zero - <5%)	2015	89% paper recycling 15% wet waste recycled	On track
	100% Compliance to waste management legislations	Ongoing	100% compliance for regulated wastes	100% Compliant
Associate Awareness	One awareness communication per quarter & One campaigns per year	2012	Achieved	Achieved

Revised Environmental Targets FY 2013-14 onwards

With a shift towards large campus-based office infrastructure planned in the coming years, emerging mandates for renewable energy integration in our energy mix, and building on our past initiatives, we have reviewed and improved our organizational level environmental performance targets in order to leverage the opportunities presented. The revised long-term targets are stated below. We have brought in new targets on data center energy performance (Power Utilization Efficiency-PUE), renewable energy procurement and supply chain sustainability to encompass material issues, enabling us to progressively shift reliance on conventional power to renewable forms and scaling up our impact through influencing our supply chain respectively.

Sustainability Area	Target	Time line	Identified Enabler
Carbon footprint[21]	Carbon footprint* (per capita) reduction by 50% over baseline 2007-08 *(Scope 1 + Scope 2)	2020	New energy efficient Green Building office infrastructure (designed as per LEED standards), upgradation and enhanced energy efficiency in existing offices, operational energy efficiency, green IT, onsite renewable energy installations and procurement of renewable power
Data centre[22] energy	Achieve PUE at 1.65	2016	Data centre cooling power management, server consolidation and virtualization, optimum data centre load management
Renewable energy	20% renewable energy procurement of total power requirement	2020	Procurement of renewable energy at feasible locations, and where there exist renewable energy purchase obligations
Water efficiency	Achieve water neutrality	2020	Sewage treatment and recycling for zero discharge, rainwater harvesting (within campuses and outside)
Waste management	Zero* solid waste disposal to landfill (*<5%)	2017[23]	Waste categorization, segregation, quantification and developing recycling channels
Supply chain	Supply chain sustainability –include sustainability requirements in contracts for all vendors & conduct vendor assessments	2017	Engaging with key and high risk vendors, including sustainability requirements as a part of the contract and conducting vendor assessment

Energy Performance

With a significant proportion of the carbon footprint of TCS coming from energy consumption, energy efficiency has been identified as a key focus area and TCS has taken up the objective is to reduce the energy footprint through various measures like green IT, green infrastructure, operational energy efficiency, etc.

The primary source of electricity at TCS is grid electricity with diesel generators (DG) sets used for back-up support during power outages. At some TCS facilities 'green power' is procured (hydroelectric power, wind power, biomass-based power). Some overseas locations use fuel for space heating. A source-wise breakup of the 468,522 MWh (2,064,730 GJ) of electricity consumed by TCS in FY 2013 is given in Figure 19.

13

3

84

- Electricity from onsite fuel combustion
- Electricity from Grid
- Electricity from green sources

(in %)
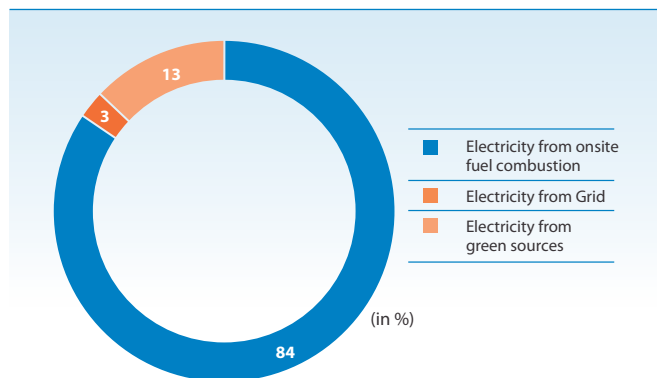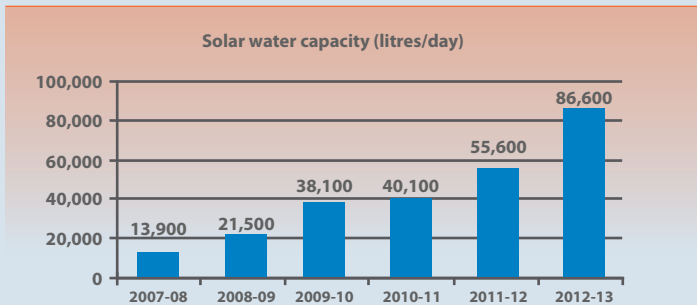
Figure 19: Electricity Consumption by Source (%)

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21   Carbon footprint reduction target has been revised to include Scope 1 as well since for our operations Scope 1 and Scope 2 emissions are inter-dependant with Scope 1 coming primarily from diesel fuel consumption to operate diesel generators for power back-up and Scope 2 for purchased power.
22   Weighted average across TCS data centres larger than 1000 sq. ft.
23   The timeline for waste management target has been extended from 2015 to 2017.

TCS strives to manage its energy footprint through a series of initiatives including infrastructure to operational changes, the highlights of which are summarized below.

Area	Action
Green office infrastructure	TCS views green infrastructure as a key tool in the drive to reduce energy footprint, material footprint and carbon footprint. All new offices coming up are designed as per LEED Green Buildings - Gold rating. TCS already has LEED Certified Green Buildings at Chennai, Bhubaneswar and Trivandrum. The other upcoming facilities at Hyderabad, Pune and Ahmedabad are also designed at higher resource efficiency levels.
	Some key features of the TCS green buildings include onsite renewable energy (solar photovoltaic panels), solar thermal installations, improved energy efficiency, chiller waste heat recovery units, solar PV based peripheral lighting systems, etc. In FY 2013, TCS increased its solar water heater capacity by 55% over 2011-12 (Figure 20), thereby helping reduce the energy used in heating water for use in kitchens and gymnasium washrooms.
	Solar water capacity (litres/day) 13,900 (2007-08), 21,500 (2008-09), 38,100 (2009-10), 40,100 (2010-11), 55,600 (2011-12), 86,600 (2012-13) *Figure 20: Solar Water Heater Capacity (ltr/day)*[24]
Green IT	TCS has undertaken a series of initiatives to reduce the energy footprint of our data centres and computer workstations, such as server virtualization and consolidation, data center power management, server cooling load management, shift to blade servers, procurement of energy-star rated equipment, remote desktop control, desktop virtualization projects to help reduce the energy consumption further by consolidating individual CPU loads on a single server for load optimization, etc.
Energy audits	TCS has taken up the internal energy audit projects at various locations to identify potential energy efficiency projects to come up with all possible innovations and ideas to improve the energy performance of the older buildings.
Operational energy efficiency	Operational controls have been put in place and are monitored on an ongoing basis, including: ■ Optimization of HVAC operating hours to ensure energy saving without compromising on employee comfort ■ Temperature regulation in work areas at optimal comfort levels ■ Rationalization of illumination levels in conformance to applicable building and energy efficiency codes ■ Installing Variable Frequency Drives (VFD) in air handling units ■ Power Factor management ■ Minimizing use of energy intensive lighting ■ Auto hibernation software patches for switching off of monitors when not in use ■ Employee engagement through awareness drives and visual communication methods, etc.

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24   *The solar water heater capacity has been revised and restated for FY 2011-12 and FY 2010-11*

All these initiatives have helped TCS reduce its energy consumption by 6% over FY 2012 and 32% over baseline year FY 2008 (Figure 21) and will be instrumental in helping us achieve our long term carbon target.
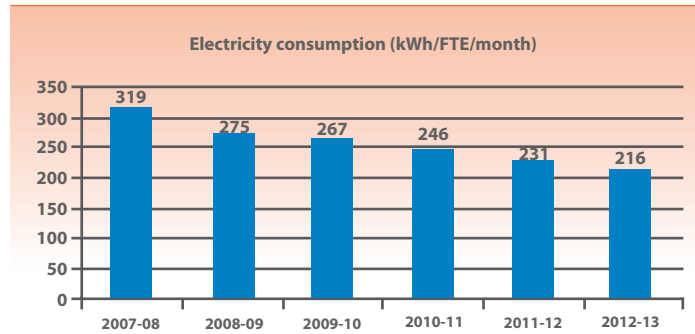
Electricity consumption (kWh/FTE/month)

Year	Value
2007-08	319
2008-09	275
2009-10	267
2010-11	246
2011-12	231
2012-13	216

Figure 21: Electricity Consumption (kWh/FTE/month)

Total fuel consumption by company owned vehicles in FY 2013 was 108,971 litres of petrol and 158,362 litres of diesel. The total direct energy consumption by primary energy sources is 646,335 GJ (from fuel consumption in owned vehicles, diesel consumption in diesel generators (DG), LPG/natural gas combustion in canteen kitchens and space heating).

GHG Emissions (Carbon Footprint)

The sources of GHG emissions contributing to TCS's carbon footprint[25] are:

- Scope 1: Diesel-run Generator sets, Company-owned vehicles, Refrigerant gases (fugitive) emissions, cooking gas combustion, fuel combustion for space heating
- Scope 2: Purchased Electricity
- Scope 3: Business Air Travel & mobile fuel combustion in company hired vehicles

TCS has successfully reduced its specific carbon footprint through appropriate mitigation measures clearly[26] demonstrating the decoupling of business growth and increase in absolute carbon footprint. The combined GHG emissions (Scope 1 + Scope 2) was 1.99 in FY 2013 as compared to 2.12 in the last financial year, 34% less than the baseline year 2008 (Figure 22).

Scope 1 + Scope 2 emissions (tCO2e/FTE/annum)

Year	Value
2007-08	3.00
2008-09	2.71
2009-10	2.44
2010-11	2.35
2011-12	2.12
2012-13	1.99
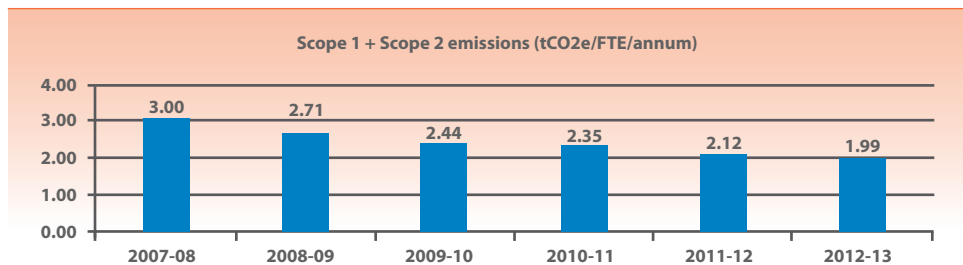
Figure 22: Carbon Footprint (Scope 1 + Scope 2) in tCO2e/FTE/annum
(The absolute Scope 1 and Scope 2 emissions are 58,961 and 300,555 tonnes of CO2e in FY 2012-13)

Specific Scope 2 GHG emissions (per FTE) have reduced by 40%[27] over baseline year as against the target to achieve 50% reduction by 2020, primarily, with the help of various initiatives on energy efficiency.
The year-on-year carbon (scope 2) performance is summarized in Figure 23.

Scope 2 emissions (tCO2e/FTE/annum)

Year	Value
2007-08	2.75
2008-09	2.42
2009-10	2.19
2010-11	2.09
2011-12	1.89
2012-13	1.66
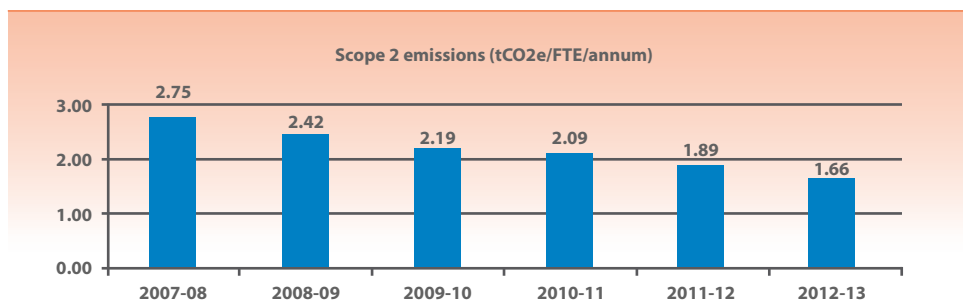
Figure 23: Carbon Footprint (Scope 2) in tCO2e/FTE/annum

25 Scope 1 and Scope 3 emissions have been calculated using the emissions factors published by the Green House Gas protocol. For Scope 2 emissions for India i.e. purchased electricity related carbon emissions, the source is the emissions factor published by the CO2 Baseline Database for the Indian Power Sector, User Guide, Version 8.0, January 2013 published by Central Electricity Authority of India. For Scope 2 emissions of overseas geographies emission factors published by Greenhouse Gas Protocol have been referred.
26   The FTE count increased by 1.76 times while the absolute carbon footprint (Scope 1 + Scope2) has increased by only 0.83 times over the baseline year.
27   A part of this reduction is attributed to the shift of Scope 2 emissions in some regions in India to Scope 1 due to mandatory power cuts by the state electricity distribution companies.

The GHG emission from business air travel (Scope 3)[28] has reduced by 58% over baseline year and is 0.34 tCO2e/FTE/annum. The reduction achieved has been possible due to the organization's commitment to optimize the business air travel by encouraging audio and video conferencing. The year-on-year trend is given in Figure 24.

Business air travel emissions (tCO2e/FTE/annum)

Year	Value
2007-08	0.80
2008-09	0.44
2009-10	0.52
2010-11	0.44
2011-12	0.42
2012-13	0.34
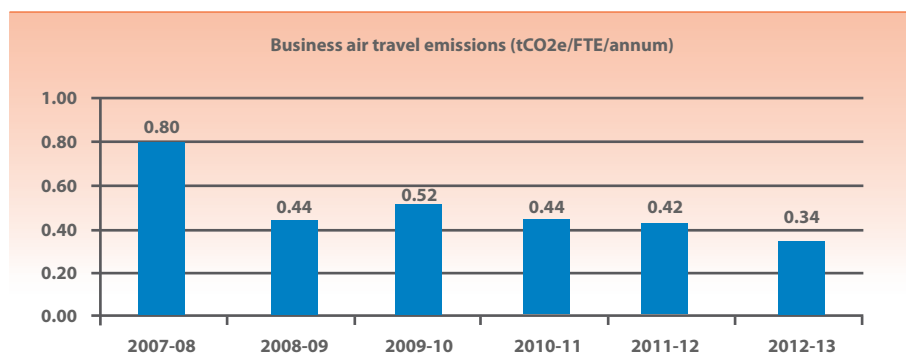
Figure 24: Carbon Footprint (Scope 3-Business Air Travel) in tCO2e/FTE/annum (The absolute Scope 3 emissions from business air travel is 77910 tonnes of CO2e in FY 2012-13)

Scope 3 emissions, due to hired vehicles, have increased from 0.18 tCO2e/FTE/annum to 0.25 tCO2e/FTE/annum (absolute emissions is equal to 39,991 tonnes of CO2e), due to improved reporting from hired buses used for employee commuting. This data is not included in the above Figure in order to maintain year-on-year data comparability.

Ozone Depleting Substances

Some of the refrigerants like R-22 used in the HVAC systems have an Ozone Depleting Potential (ODP). All the ozone depleting refrigerant gases as per the Montreal Protocol will be phased out and replaced with ODP free refrigerants in line with the country-specific timelines agreed as per the Montreal Protocol and country regulations. The new facilities coming up at TCS have HVAC systems based on non-ozone depleting refrigerants. ODS emissions reported are primarily in the form of system losses / fugitive emissions. During HVAC maintenance the refrigerants gas is extracted in sealed containers and recharged back into the system thereby ensuring that there is no significant release of refrigerant to the atmosphere. The ODP of the total refrigerant emissions to the atmosphere in FY 2013 is 0.29 tonnes.

Other Emissions

Emissions of SOx and NOx gases from the diesel generator sets (used as standby source of power during power outages) are as given below:

Emissions	Quantity (tonnes)
SOx	10
Nox	1179

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28   Business air travel emissions are for all geographies and hence the FTE used is total FTE across all geographies.

Water Performance

Fresh water consumed at TCS comes from municipal supplies, bore-wells, tanker supply and packaged drinking water procured at some sites. The source-wise breakup of the 2.33 million kL of water consumed in FY 2013 is given in Figure25. Groundwater is used only for landscaping[29].

Electricity consumption (kWh/FTE/month)

- Municipal: 54
- Borewell: 20
- Purchased (Tanker): 25
- Bottled: 1

(in %)
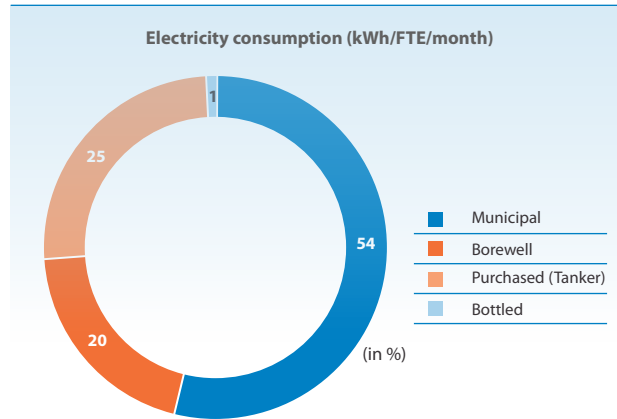
Figure 25: Freshwater consumption by source

Some of the steps taken to reduce fresh water consumption include:

- Dual flushing system in toilets
- Taps with variable output and sensors
- Drip irrigation system
- Optimization of water flow rates through faucets
- Regular maintenance of water pumps
- Sewage treatment plants where feasible; treated sewage water for A/C cooling tower make-up, toilet flushing and gardening
- Employee actions on water conservation through engagement and awareness

As an outcome, fresh water consumption per capita has decreased by 13% over baseline year FY 2008 (increased marginally over last year) (as shown in Figure 26).

Fresh water consupmtion (litres/FTE/month)

Year	Value
2007-08	1,234
2008-09	1,242
2009-10	1,253
2010-11	1,104
2011-12	1,073
2012-13	1,076
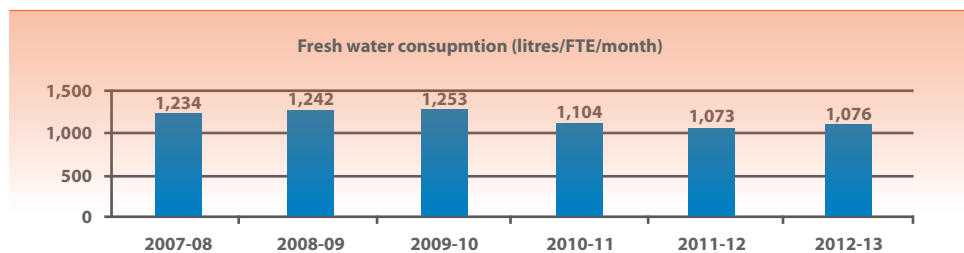
Figure 26: Fresh Water Consumption (litres/FTE/month)

Sewage Treatment and Reuse

Many TCS facilities have sewage treatment plants (STP). The treated effluent from the STP is tested regularly against applicable effluent disposal standards and recycled for use in HVAC cooling tower make-up, toilet flushing and gardening. The recycled treated sewage quantity has increased from 526,729 kL to 610,577 kL with the commissioning of new TCS projects designed for zero water discharge (Figure 27).

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29 *No source of water is directly impacted due to water consumption by TCS. For offices where measurement systems are not available, we use thumb rule to arrive at the quantity of water consumed/recycled/reused.*
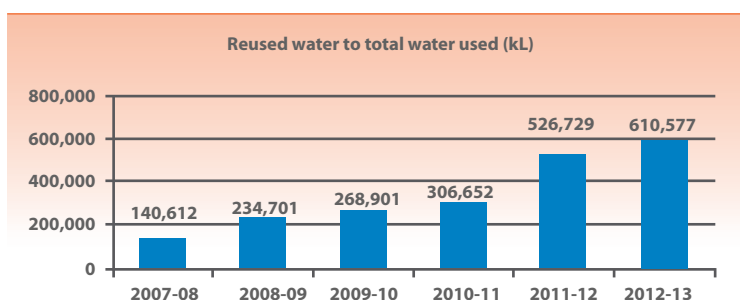
Figure 27: Recycled water after treatment (kL)

The percentage of the total sewage recycled to the total fresh water consumption has marginally increased from 26% in FY 2012 to 27% in FY 2013. All upcoming new TCS facilities have STPs designed for 100% treatment and further recycling of the treated effluent[30].

Rainwater Harvesting

In order to achieve water sustainability various efforts are made & implemented by TCS in its owned premises and in leased premises wherever feasible. The rain water harvesting structure is an important feature of building design in the form of roof top collection system, recharging to bore wells, construction of recharge trenches, recharging pits, and water bodies for storing rain water.

Several TCS owned campuses have rainwater harvesting systems which collect the rain water during the monsoons which is stored either in storage tanks and/or used for groundwater recharging (through recharging pits), bore-well recharging or for creating surface water storages (lakes) within campuses in some cases. The provision of rainwater harvesting lakes in TCS owned premises in the most water-stressed cities of India i.e. Chennai & Hyderabad is an important milestone in achieving water sustainability targets for TCS. Existing terrain conditions as well as ecological considerations have been incorporated while creating water body inside these campuses. The storm water is diverted to the lake to ensure maximum rainwater harvesting. The details of lakes are given below.

Environmental benefits of Rainwater harvesting Lakes
1. Positive micro-climate effect
2. Fulfilling non- drinking domestic demand
3. Irrigation Demand
4. Recreational Area
5. Biodiversity Conservation

Rainwater Harvesting Lakes @ TCS - Synergy Park, Hyderabad & Siruseri, Chennai

(L-R) Recreational area at Siruseri; Meditation center at Synergy Park;
Well established duck colony at Synergy Park

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30   *No significant impact on biodiversity of water bodies or related habitats by discharged water and runoff.*

Additionally, the rain water harvesting lakes also play a role in replenishing surrounding water table through recharge of ground water thereby helping neighboring communities with water availability in their wells and borewells. Thus, by providing rain water harvesting lakes at above mentioned premises, TCS played a vital role in conserving natural water resources, reducing water demand for non-drinking purposes, recreational use, irrigation, as well as enhancing biodiversity & increasing social benefits to the society.

There has been 10% increase in the rainwater harvesting potential created at TCS sites in FY 2013 over the previous year (Figure 28). The current rainwater harvesting potential is 32% of the total groundwater consumed for TCS operations.

Rainwater Harvesting Potential (Cum)

Year	Value
2007-08	54,745
2008-09	59,358
2009-10	87,602
2010-11	96,741
2011-12	135,430
2012-13	148,769
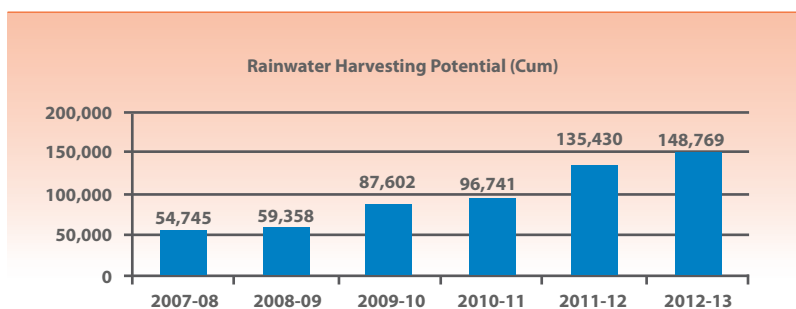
Figure 28: Rainwater Harvesting Potential in cubic meter (cum)

Waste Management

Being an IT services and consulting organization, there are no significant primary emissions or process wastes. In this section, we discuss the various emissions and wastes generated by our office-based operations and the steps taken to mitigate their impact.

Due to the nature of our business, waste generation is fairly limited and restricted primarily to municipal solid waste (MSW). Other wastes include electronic and electrical waste (E-waste) and a small proportion of regulated wastes like lead-acid batteries, waste lube oil, etc. Our waste management practices seek to reduce the environmental impact of waste streams to the extent possible by reduction in generation, segregation at source and proper management to achieve the ultimate goal (long-term target) of <5% waste to landfill. For each category of waste in our offices the management practices are summarized below

- Waste lube oil, UPS (lead-acid) batteries, E-waste – disposed through government authorized recyclers in compliance with local regulations
- Waste paper - Sent for recycling
- Printer toner cartridges - Sent back to the manufacturer under product take-back arrangement
- Bio-degradable garden waste - Vermicomposting
- Bio-degradable food waste - Generation of biogas / composting or sent to piggeries as feed
- Other mixed dry waste - Sent to scrap dealers or municipal disposal

Biodegradable waste

The wet and dry waste generated by the canteens and paper waste at various TCS facilities is recorded and the management practice is regularly monitored. We are continuously striving to reduce the waste generation at source through rigorous associate awareness campaigns and training cafeteria staff to minimize waste.

Waste generated (Kg/FTE/annum)

Year	Value
2007-08	8
2008-09	14
2009-10	14.7
2010-11	19.9
2011-12	16.9
2012-13	18.2

Figure 29: Waste Generated (Kg/FTE/yr)[31]

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31   Data given is only for India geography since most overseas locations are multi-occupancy facilities where waste handling and disposal are handled by the building authority and hence not under TCS' scope

The first step to any waste management practice is waste segregation at source. The hierarchy for disposal of biodegradable waste is biogas recovery through bio-digesters (methane avoidance) followed by composting, disposal as feed to piggeries and, as the last resort, to the municipal waste collection system where no ot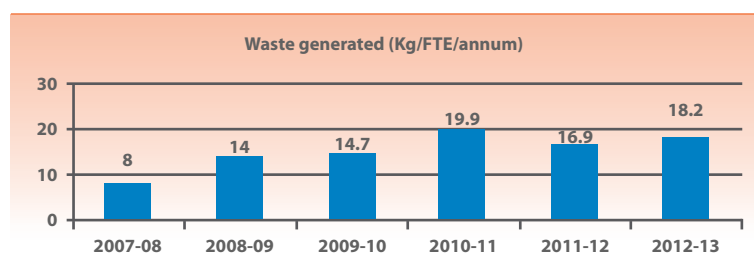her options are feasible. In FY 2013, 15% of the total wet waste generated was treated through composting or bio-digester treatment.

TCS has bio-digesters installed at some of the Pune, Mumbai and Trivandrum offices. The biogas generated from the bio-digesters is used as fuel in the kitchens. More bio-digesters and/or organic waste composters will be installed at all our new campuses and various existing locations, where feasible. Vermicomposting initiatives for handling horticultural (garden) waste continue to progress well with 37 tonnes of compost generated from garden waste in FY 2013 which is used as fertilizer within our campuses.

Onsite composting of food waste

To reduce the wet waste disposed to landfill, all new TCS campuses are designed with bio-digester or composting facilities. The challenge is for the existing offices where space constraint limits what TCS can do. This year, TCS has adopted a new approach to install Organic Waste Converter (OWC) to process food waste where there is space constraint for installing either Bio-digester or bio-composting. This has come out as a useful treatment method for offices with waste generation in the range of 50 to 200 kg per day. TCS has OWC installed at 4 locations and is working to increase this number year-on-year. The ease of operation and managing the OWC makes it a preferred choice for composting. The technology eliminates the possibility of any spillages, foul odor and the waste is converted into manure in a short period (10-15 days). This makes the operations easy to manage, reduces the waste load to landfill and the green house gas emissions and produces rich, quality organic manure.

A View of Organic Waste Converter & curing system installed @ Gateway Park, Mumbai

Paper management initiative

Paper management at TCS is based on the waste management hierarchy with waste reduction at the pinnacle. Our success on paper consumption reduction initiative is evident from the reduction achieved in the per capita paper consumption; 16% reduction over last year and 76% reduction over the baseline (Figure 30).
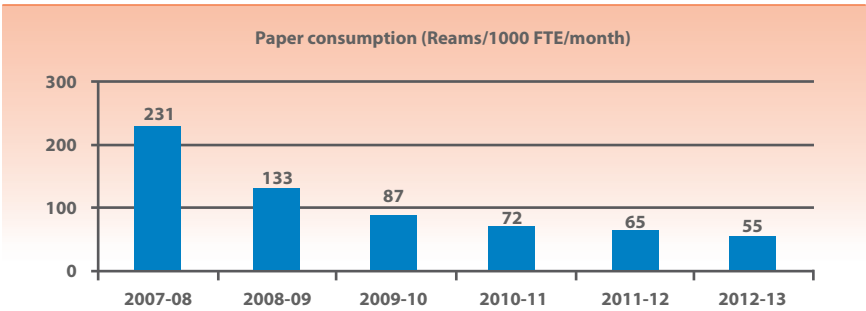

Figure 30: Paper consumption (Reams/1000 FTE/month)

The paper waste which is generated is carefully segregated, shredded and sent for recycling. In some cases, they are sent to NGOs which also supply stationery (notepads, files, etc) made from recycled paper to TCS. In FY 2013, the recycling initiative strengthened with 89%[32] of the total paper waste being recycled.

E-waste Management

The E-waste generated at the various TCS facilities includes defunct computers, monitors, servers, etc. and specified electronic and electrical items. Management of E-waste is as per TCS' E-waste Management policy which complies with the WEEE directive / local regulations and the Government of India's E-waste (Management and Handling) Rules, 2011.

In FY 2013, 10917[33] numbers of waste computers were disposed off through government authorized handlers / recyclers. In addition, computers which were deemed obsolete for TCS's purposes but are in working condition, are donated to charitable institutions which have use for such equipment. Recipients of such donations are required to return the hardware to TCS once it reaches end-of-life at their end or arrange for proper disposal through government authorized E-waste vendors.

Hazardous Waste Management

For India operations hazardous wastes[34] (as defined by regulations) are handled and disposed of as per the Ministry of Environment and Forests' (MoEF) Hazardous Waste Handling and Management Rules, only through government authorized vendors. Similarly, appropriate local regulations are followed in other geographies as applicable. However, due to the relatively

Hazardous Wastes Disposed[35]	FY 2013
Lube oil from DG sets (litres)	20,323
Used batteries from UPS systems (nos.)	5992

Additionally, all the used printer cartridges and photocopier toner bottles are sent back to the manufacturer under product take back arrangement to ensure proper disposal.

Employee Engagement

We engage with our associates creating environmental awareness and sensitizing them towards nature and conserving its various resources. The training methodologies used range from induction training to continuous learning to awareness mailers to various campaigns and competitions on environment. The total training man-hours imparted on health, safety and environment was over 240,000. We also have an ecology club under the employee engagement forum Maitree, where associates come together and engage in various activities like clean-up drives, awareness sessions, road-shows, tree plantations drives, sapling distribution, etc. Some of the days observed include World Earth Day (April 2012), World Bio-diversity Day (May 2012), World Environment Week (June 2012), Green Consumer Day (September 2012), World Wildlife Week (October 2012), Pollution Control Day (December 2012), Energy Conservation Day (December 2012), World Water Day (March 2012), Earth hour campaign (March 2012).

Photographs of Hariyali – TCS participatory plantation & Shramdan activity at Bhavale Hills, Thane, Mumbai

Photographs of beach clean-up drive at Mumbai

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32 Data given is only for India geography since most overseas locations are multi-occupancy facilities where waste handling & disposal is handled by the building authority
33 Data for all geographies.
34   There were no reported spills of hazardous wastes in FY 2013. Zero percent of our wastes are shipped internationally and none are deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII.
35 Data only for India geography.

Biodiversity Conservation and Enhancement

Case Study 1: Protection of endangered & threatened tree species Adansonia digitata (Baobab Tree) from Woodborer infestation @ Yantra Park

In line with TCS' commitment to conserve and enhance biodiversity, we carry out a biodiversity mapping within our campuses and also evaluate the key issues which need focus and control. TCS' campuses are home to 305 flora species and 127 fauna species with some rare species like **Cinnamomum camphora** (Camphor Tree), **Elaeocarpus granites** (Rudraksha Tree), **Pterocarpus santalinus** (Red Sandalwood) and Santalum album (Sandalwood Tree). We continuously strive to do what we can to protect this rich biodiversity. One example is the protection of an endangered tree species from insect infestation.

Our Yantra Park campus in Mumbai is home to a 150 year old Baobab tress which has been preserved over the years. Baobab trees are long lived, deciduous type (typically 25 m tall & 5.5 m perimeter) with smooth, gray bark and thick trunks and branches. It absorbs huge quantity of CO_2 from atmosphere & is resistant to the forest fire. The tree is rare in distribution in India & facing crisis of survival. This is due to diminishing numbers of pollinating animals (frugivorous bat species). It is enlisted as endangered species in Red Data Book of India. The Baobab tree, at Yantra Park was infested with woodborers (an insect). The infestation was so severe that without proper and timely treatment, the tree would have died and collapsed in a few years.

Woodborers are insects which feed on and make their homes in the bark & trunks of the trees. Borer infestations often go unnoticed until plants or parts of plants begin to die or show external signs of damage. They make the tree weak, causing limbs/branches to fall and can make trees susceptible to disease (bacterial & fungal infections). Pest control activity was carried out by specialized vendor under the supervision of entomologist/tree pathologist. This helped us in successful removal of woodborer infestation thereby enhancing the longevity of the Baobab tree and preserving a rare and endangered plant species.
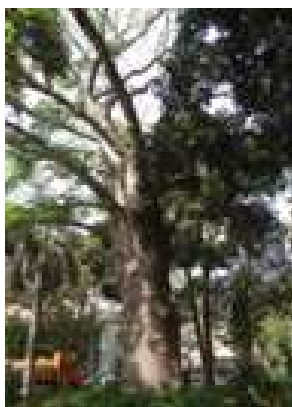
Baobab Tree @ TCS Yantra Park   *Damaged trunk*   *Scratching infected trunk larva in infected tree*

Case Study: Marine Turtle Conservation Program 2013

November 2012 – May 2013

TCS along with Sahyadri Nisarga Mitra (a NGO based near Mumbai) has implemented Marine Turtle Conservation Program on participatory basis since 2010-11 to address the cause of protecting breeding sites of globally endangered species of marine Olive Ridley Turtles (Lepidochelys olivacea). We continue to support this biodiversity conservation initiative over the last three years and simultaneously enhancing impact by extending the program to 3 additional sites, i.e., Anjarle, Dive Agar in Ratnagiri & Raigad district respectively (around 250 km South of Mumbai along the western coast) and Arnala in Thane district near Mumbai.

A view of the beaches that breed Olive Ridley Turtles and the hatchery at Anjarle, Dive-Agar and Maral

Various turtle conservation activities include preventing killing/hunting of turtle arriving for breeding, protection nests, construction of hatchery, translocation eggs into hatchery, protection of hatchery, releasing hatchlings into their natural habitat (the ocean). The activities run during the entire breeding period from November to April. A total of 37 nests were protected and 1482[36] hatchlings released during the current year.

Releasing of hatchlings into their natural habitat is popularly known as Turtle Festival when large number of nature lovers visit Velas and nearby sites to witness the hatchlings being released into the ocean. In order to involve local community in turtle conservation SNM has implemented Village Based Tourism by offering stay and board facilities in the villagers' homes. This serves as an income generating opportunity for the villagers thereby increasing their stake in the turtle conservation program.

(L-R) Hatchery at Velas with SNM & TCS members; Nests in the hatchery; Hatchlings emerging from nests

TCS provides funds for various activities of the conservation program including creating awareness among the local population and visiting nature lovers and enthusiasts. The participatory involvement of TCS associates (Mumbai & Pune centers) is ensured though TCS – Maitree's Ecology clubs in Mumbai and Pune. A total number of 185 associates visited the **Turtle Festival 2013 @ Velas** (90 associates from Pune & 95 from Mumbai visited on 24-25 March & 5-6 Apr 2013 respectively). During this event associates stayed in the village, interacting with NGO workers & villagers, participating in nature/mangrove trails and attending hatchling release events.

Awareness among associates through participation in nature/mangrove tracking @ Velas

(L-R) Hatchlings released in to their natural habitat i.e. Sea; Associates enthusiastic participation in Turtle Festival 2013 at Velas

This TCS-supported Marine Turtle Conservation Program has contributed towards conservation of the endangered marine turtles on the western coast near Mumbai. This has also been instrumental in involving TCS associates and increasing the awareness about biodiversity conservation among associates and the community.

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36   Till April 2013

Appendix A

While TCS has presence in several geographies across the world, more than 90% of the associates are based out of India geography. We are building capacity to report the environmental performance of all overseas delivery centers[37] and intend to increase the scope of reporting in a phased manner. This year, we have continued reporting the environmental performance for three overseas geographies (for 7 countries including UK, Hungary, China, Philippines, Chile, Uruguay and Mexico).

Geography-wise environment performance for FY 2013[38]

KPI	India	Europe	Latin America	Asia Pacific
Electricity consumption (kWh/FTE/month)	218	248	160	174
Carbon Footprint (Scope 1 + Scope 2) (tCO2e/FTE/annum)	2.03	1.00	0.72	1.37
Water consumption (Ltrs/FTE/month)	1097	618	639	439

Supply Chain HSE Engagement

As part of its business sustainability approach, TCS has embarked on a journey of extending its health, safety and environmental responsibility to its supply chain with an expectation that its vendors and contractors conduct their business in socially and environmentally responsible manner. TCS values the contributions from its existing and potential supply chain partners in its current and future business growth. The supply chain sustainability program is directed towards engagement and capacity building where required for our supply chain partners to attain our expected level of HSE performance.

Over the last year of the supply chain HSE initiative the number of key vendors complying with mandatory requirements has increased significantly due to the increased awareness and introduction of structured management systems in their operations. All vendors must sign-off on Health, Safety and Environment requirements, thus formally agreeing to comply with these. Key critical vendors were identified based on a 'risk-based' approach as a first step. The engagements and assessments have been initiated for these critical vendors. TCS has communicated its HSE expectations to all of its vendors and is currently actively engaged with the vendors to help them build their HSE performance to align with TCS expectations. Onsite HSE audits have been conducted for high risk vendors like e-waste and hazardous waste vendors to review their legal compliances and waste handling practices, thereby extending our 'duty of care' approach to areas that can have significant impact on our performance. We plan to monitor and review the progress on an ongoing basis.

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37   *In the overseas geographies, most of the locations are small sales offices with very less employee strength. A major proportion of associates are based out of client locations. Hence, we shall report only on the larger delivery centers where we have a significant presence.*

38   *Delivery centers across India, Europe (UK, Hungary), Asia Pacific (China, Philippines), Latam (Uruguay, Chile, Mexico)*

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Aspects	Materials	Fully	Paper Management Initiative	71
	Energy	Fully	Energy Performance	64
	Water	Fully	Water Performance	68
	Biodiversity	Fully	Biodiversity Conservation and Enhancement	73
	Emissions, effluents and waste	Fully	Waste management	70
	Products and services	Fully	Sustainability in Marketing	35
	Compliance	Fully	Ethics and Compliance	23
	Transport	Fully	GHG Emissions (Carbon Footprint)	66
	Overall	Fully	Environmental Impact	62
DMA LA	**Disclosure on Management Approach LA**	Fully	Supplyside Sustainability	40
Aspects	Employment	Fully	Diversifying the Talent Pool Talent Retention	42 43
	Labor/management relations	Fully	Competitive Compensation Model, Supplyside sustainability	46 40
	Occupational health and safety	Fully	Occupational Health and Safety	47
	Training and education	Fully	Learning & Development	45

Profile Disclosure	Description	Reported	Cross-reference/ Direct answer	Page
	Diversity and equal opportunity	Fully	Diversifying the talent pool, Supplyside sustainability	42 40
	Equal remuneration for women and men	Fully	Competitive Compensation Model	46
DMA HR	**Disclosure on Management Approach HR**	Fully	Commitment to Human Rights	53
Aspects	Investment and procurement practices	Fully	Commitment to Human Rights	53
	Non-discrimination	Fully	Learning & Development	45
	Freedom of association and collective bargaining	Fully	Supplyside Sustainability	40
	Child labor	Fully	Commitment to Human Rights	53
	Prevention of forced and compulsory labor	Fully	Commitment to Human Rights	53
	Security practices	Fully	Commitment to Human Rights	53
	Indigenous rights	Fully	Commitment to Human Rights	53
	Assessment	Fully	Commitment to Human Rights	53
	Remediation	Fully	Commitment to Human Rights	53
DMA SO	**Disclosure on Management Approach SO**	Fully	Corporate Social Responsibility	53
Aspects	Local communities	Fully	Corporate Social Responsibility Direct and Indirect Economic Impact	53 51
	Corruption	Fully	Serving as an Ethical Exemplar	52
	Public policy	Fully	Apolitical Stance	53
	Anti-competitive behavior	Fully	Ethics and Compliance	23
	Compliance	Fully	Ethics and Compliance	23
DMA PR	**Disclosure on Management Approach PR**	Fully	Brand Building	33
Aspects	Customer health and safety	Fully	Brand Building	33
	Product and service labelling	Fully	Brand Building	33
	Marketing communications	Fully	Brand Building	33
	Customer privacy	Fully	Information Security and Data Privacy	30

Profile Disclosure	Description	Reported	Cross-reference/ Direct answer	Page
	Compliance	Fully	Ethics and Compliance	23

STANDARD DISCLOSURES PART III: Performance Indicators

Economic

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	Page
Economic performance				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	TCS by numbers Demand Side sustainability	12 29
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	Environmental Impact **UNGC Principle 7**	62
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Competitive Compensation Model	46
EC4	Significant financial assistance received from government.	Fully	Financial Sustainability	39
Market presence				
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Fully	Competitive Compensation Model	46
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	Local subcontractors Supplyside Sustainability	43 40
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	Local Recruitment outside India **UNGC Principle 6**	43
Indirect economic impact				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	Corporate Social Responsibility	53
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	Direct and Indirect Economic Impact	51
Environmental				
Materials				
EN1	Materials used by weight or volume.	Fully	Environmental Impact **UNGC Principle 7 & 8**	62
EN2	Percentage of materials used that are recycled input materials.	Fully	Paper Management Initiative **UNGC Principle 8 & 9**	71

Profile Disclosure	Description	Reported	Cross-reference/ Direct answer	Page
Energy				
EN3	Direct energy consumption by primary energy source.	Fully	Energy Performance **UNGC Principle 7 & 8**	64-67
EN4	Indirect energy consumption by primary source.	Fully	Energy Performance **UNGC Principle 7 & 8**	64
EN5	Energy saved due to conservation and efficiency improvements.	Fully	Energy Performance **UNGC Principle 7 & 8**	64
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	TCS EcoSustainability Solutions Energy Performance **UNGC Principle 8 & 9**	36 64-67
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	Energy Performance **UNGC Principle 7 & 8**	64-67
Water				
EN8	Total water withdrawal by source.	Fully	Water Performance **UNGC Principle 7 & 8**	68
EN9	Water sources significantly affected by withdrawal of water.	Fully	Water Performance **UNGC Principle 7 & 8**	68
EN10	Percentage and total volume of water recycled and reused.	Fully	Sewage Treatment and Reuse **UNGC Principle 7 & 8**	68
Biodiversity				
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	Biodiversity Conservation & Enhancement **UNGC Principle 7 & 8**	73
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	Biodiversity Conservation & Enhancement **UNGC Principle 7 & 8**	73
EN13	Habitats protected or restored.	Fully	Biodiversity Conservation & Enhancement **UNGC Principle 7 & 8**	73
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	Biodiversity Conservation & Enhancement **UNGC Principle 8 & 9**	73
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Fully	Biodiversity Conservation & Enhancement	73

Profile Disclosure	Description	Reported	Cross-reference/ Direct answer	Page
Emissions, effluents and waste				
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	GHG Emissions (Carbon Footprint) **UNGC Principle 7 & 8**	66
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	GHG Emissions (Carbon Footprint) **UNGC Principle 7 & 8**	66
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	Energy Performance GHG Emissions (Carbon Footprint) **UNGC Principle 7, 8 & 9**	64-67
EN19	Emissions of ozone-depleting substances by weight.	Fully	Ozone depleting substances **UNGC Principle 7 & 8**	67
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	Other emissions **UNGC Principle 7 & 8**	67
EN21	Total water discharge by quality and destination.	Fully	Sewage Treatment and Reuse **UNGC Principle 7 & 8**	68
EN22	Total weight of waste by type and disposal method.	Fully	Waste Management **UNGC Principle 7 & 8**	70
EN23	Total number and volume of significant spills.	Fully	Hazardous Waste Management	72
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Fully	Hazardous Waste Management	72
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Fully	Sewage Treatment and Reuse	68
Products and services				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Sustainability in Marketing **UNGC Principle 8 & 9**	35
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Fully	Sustainability in Marketing **UNGC Principle 8 & 9**	35
Compliance				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	Environmental Impact **UNGC Principle 7**	62

Profile Disclosure	Description	Reported	Cross-reference/ Direct answer	Page
Transport				
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	GHG Emissions (Carbon Footprint) **UNGC Principle 7 & 8**	66-67
Overall				
EN30	Total environmental protection expenditures and investments by type.	Fully	Environmental Impact **UNGC Principle 7 & 8**	62
Social: Labor Practices and Decent Work				
Performance Indicator	**Description**	**Reported**	**Cross-reference/ Direct answer**	**Page**
Employment				
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	Supplyside Sustainability	40
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	Talent acquisition **UNGC Principle 6**	41
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	Competitive Compensation Model	46
LA15	Return to work and retention rates after parental leave, by gender.	Fully	Talent retention	43
Labor/management relations				
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Supplyside Sustainability	40
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	Supplyside Sustainability **UNGC Principle 3**	40
Occupational health and safety				
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	Occupational Health and Safety **UNGC Principle 1**	47
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Fully	Injury Data **UNGC Principle 1**	50
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	Occupational Health and Safety **UNGC Principle 1**	47
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	Occupational Health and Safety **UNGC Principle 1**	47

Profile Disclosure	Description	Reported	Cross-reference/ Direct answer	Page
Training and education				
LA10	Average hours of training per year per employee by gender, and by employee category.	Fully	Learning & Development	45
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	Learning & Development	45
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	Career Development	46
Diversity and equal opportunity				
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	Diversifying the talent pool **UNGC Principle 6**	42
Equal remuneration for women and men				
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation. **	Fully	Competitive Compensation Model **UNGC Principle 6**	46
Social: Human Rights				
Performance Indicator	Description	Reported	Cross-reference/ Direct answer	Page
Investment and procurement practices				
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Fully	Commitment to Human Rights **UNGC Principles 1-6**	53
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Fully	Commitment to Human Rights **UNGC Principles 1-6**	53
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	Commitment to Human Rights **UNGC Principles 1-6**	53
Non-discrimination				
HR4	Total number of incidents of discrimination and corrective actions taken.	Fully	Commitment to Human Rights **UNGC Principles 1-6**	53
Freedom of association and collective bargaining				
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Fully	Commitment to Human Rights	53

Profile Disclosure	Description	Reported	Cross-reference/ Direct answer	Page
Child labor				
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Fully	Commitment to Human Rights UNGC Principles 1,2 & 5	53
Forced and compulsory labor				
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Fully	Commitment to Human Rights UNGC Principles 1,2 & 4	53
Security practices				
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	Commitment to Human Rights UNGC Principles 1 & 2	53
Indigenous rights				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	Commitment to Human Rights	53
Assessment				
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Fully	Commitment to Human Rights	53
Remediation				
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Fully	Commitment to Human Rights	53
Social: Society				
Local communities				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Fully	Corporate Social Responsibility	53
SO9	Operations with significant potential or actual negative impacts on local communities.	Fully	Corporate Social Responsibility	53
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	Corporate Social Responsibility	53
Corruption				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	Serving as an Ethical Exemplar UNGC Principle 10	52
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	Serving as an Ethical Exemplar UNGC Principle 10	52

Profile Disclosure	Description	Reported	Cross-reference/ Direct answer	Page
SO4	Actions taken in response to incidents of corruption.	Fully	Serving as an Ethical Exemplar UNGC Principle 10	52
Anti-competitive behavior				
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	Ethics and Compliance	23
Compliance				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	Ethics and Compliance	23
Social: Product Responsibility				
Performance Indicator	Description	Reported	Cross-reference/ Direct answer	Page
Customer health and safety				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	Brand Building	33
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	Brand Building	33
Product and service labelling				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	Sustainability in Marketing	35
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	Sustainability in Marketing	35
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	Stakeholder Engagement	15
Marketing communications				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	Brand Building	33
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	Brand Building	33

Profile Disclosure	Description	Reported	Cross-reference/ Direct answer	Page
Customer privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	Information Security and Data Privacy UNGC Principle 1	30
Compliance				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	Brand Building	33

EXTERNAL ASSURANCE

KPMG

KPMG (Registered)
Lodha Excelus
1st Floor, Apollo Mills Compound
N. M. Joshi Marg
Mahalakshmi
Mumbai - 400 011
India

Telephone +91(22) 3989 6000
Fax +91(22) 3090 2511
Internet www.kpmg.com/in

Independent assurance statement

To the management of Tata Consultancy Services Limited

Introduction
We have been engaged by Tata Consultancy Services (TCS) ('the Company') for conducting a Limited Assurance on their Corporate Sustainability Report ('the Report') for the Financial Year (FY) 2012 -13.

Boundary, scope and limitations
The boundary of the report covers TCS's economic, environmental and social performance of its global operations along with exclusions as stated in the 'About the Report' section of this Report. The limited assurance was provided on the economic (excluding financial), environment, and social performance indicators and information provided by TCS for the FY 2012 -13. We have carried out site visits at the following locations:

- **National locations**
  - Digital Zone and Chennai One – Chennai,
  - Kohinoor Park and Synergy Park – Hyderabad,
  - Wellspring and ODC1 – Mumbai,
  - SJM Towers and L-Centre – Bengaluru
- **International location**
  - Science Park and Office garden – Budapest, Hungary.
- **Video conference**
  - Shanghai, China

Specific limitations
Our assurance process was subject to the following limitations and we have not been engaged to

- Verify data or information other than that covered in scope of work
- Verify data or information related to TCS's financial performance, sourced from its audited annual report for the financial year 2012-13
- Verify any statement indicating intention, opinion, belief and / or aspiration by TCS
- Determining which, if any, recommendations should be implemented

Procedures of limited assurance
We conducted our work in accordance with requirements of 'Limited Assurance' as per 'International Federation of Accountants' (IFAC) International Standard for Assurance Engagements [ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information] and 'Type 2 Moderate Level' assurance requirements of AA1000 Assurance Standard 2008 by AccountAbility. Under this standard, we have reviewed the reliability and accuracy of sustainability performance data/information.

We evaluated TCS's adherence to the following AA1000 Accountability Principles 2008

- Inclusivity: to assess if TCS has included relevant stakeholders while developing and achieving an accountable and strategic response to sustainability
- Materiality: to assess if the Report includes material information required by TCS's significant stakeholders to be able to make informed judgments, decisions and/or actions
- Responsiveness: to assess if TCS has appropriately responded to stakeholder concerns in line with its internal/external policies/standards and adequately communicated these in the Report.

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The procedures comprised:
- Assessment of stakeholder consultation processes and methodology for determining the material issues
- Interaction with the senior management and sustainability core group at corporate office and senior and middle management at delivery centers
- Evaluating the Report's content to ascertain its application level as per the criterion mentioned in the Global Reporting Initiative's G3.1 Guidelines for Sustainability Reporting
- Assessment of report contents to ensure consistency with the requirements of the AA1000 AS (2008) principles
- Verification site visits and video conference as mentioned in the scope of assurance
- Verification of systems and procedures used for data collection, collation, and analysis
- Review of the Report to ensure that there is no misrepresentation of disclosures as per scope of assurance and our findings

Reporting criteria
The sustainability information contained in the Report was prepared by TCS according to the Global Reporting Initiative guidelines (GRI-G3.1) for sustainability reporting.

Our conclusion
Based on our review, nothing has come to our attention that causes us to believe that the data and Information in the Report for the reporting period, in all material aspects, is not fairly represented in line with the requirements of GRI G3.1 guidelines and as per AA 1000 AS(2008) principles as given below:

- **Inclusivity** - TCS engages with its key stakeholders through formal and informal engagement channels. TCS can strengthen its approach to consolidate input from both internal and external stakeholder groups and integrate it into prioritization of its material issues
- **Materiality** - TCS has identified material issues through a formal process involving participation from key internal stakeholders.
- **Responsiveness** - TCS has responded to stakeholder concerns through existing policies, management systems and structured engagement at multiple levels. TCS can further demonstrate how stakeholder feedback is incorporated into development of its sustainability report

Our observations
The following is an excerpt from the observations and opportunities reported to the management of TCS. These do not, however, affect our conclusions regarding the Report, and they are consistent with the management action plans

- TCS has assigned specific goals and targets against health, safety and environment aspects of its performance. The Company may consider extending the same to include aspects of social and economic performance and formulate a sustainability roadmap.
- TCS has reviewed its environmental performance and revised its targets to establish new goals till the year 2020 covering the aspects of carbon footprint reduction, data centre energy efficiency, renewable energy use, water efficiency, waste management and supply chain sustainability.
- There is scope to strengthen the disclosure on social performance by instituting formal impact assessments for the significant community initiatives taken up by TCS
- The information on the training man-hours of its BPO employees is currently not reported. TCS may consider reporting the same in the next year's sustainability report

Independence
A multidisciplinary team having necessary skills and experience in ISAE 3000, AA1000AS, stakeholder engagement, auditing environmental, social and economic information conducted the assurance. Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behavior. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence.

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Responsibilities

TCS is responsible for developing the Report contents. TCS is also responsible for identification of material sustainability issues, establishing and maintaining appropriate performance management and internal control systems and derivation of performance data reported. This report is made solely to the Management of TCS in accordance with the terms of our engagement and as per scope of assurance. Our work has been undertaken so that we might state to TCS those matters for which we have been engaged to state in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than TCS for our work, for this report, or for the conclusions expressed in this independent assurance report. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.

Santhosh Jayaram
Technical Director
KPMG
25 June 2013

AA1000
Licensed Assurance Provider
000-25

CONTACT

Corporate Headquarters
TCS House
Raveline Street
Fort   Mumbai 400 001
Maharashtra
India
Phone 6778 9999 Fax 6778 9000 www.tcs.com

Please email any feedback/queries to corporate.sustainability@tcs.com

TATA CONSULTANCY SERVICES

Experience certainty.

About Tata Consultancy Services (TCS)

Tata Consultancy Services is an IT services, consulting and business solutions organization that delivers real results to global business, ensuring a level of certainty no other firm can match. TCS offers a consulting-led, integrated portfolio of IT and IT-enabled infrastructure, engineering and assurance services. This is delivered through its unique Global Network Delivery Model™, recognized as the benchmark of excellence in software development. A part of the Tata Group, India's largest industrial conglomerate, TCS has a global footprint and is listed on the National Stock Exchange and Bombay Stock Exchange in India.

For more information, visit us at **www.tcs.com**

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