

Corporate Sustainability Report 2015 | 2016





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About the Report

TCS publishes Sustainability Reports annually. The last report published was for the financial year 2014-15. This is TCS' Tenth Sustainability Report, for financial year 2015-16 (April to March). It has been prepared in conformance with the G4 Sustainability Reporting Guidelines published by the Global Reporting Initiative (GRI) which focuses on the principles of materiality and stakeholder inclusiveness and is in accordance with the 'Core' option. The report addresses the key sustainability topics gleaned through interactions with the different stakeholder groups. 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 1.9% of consolidated headcount). ¹
Environmental	Delivery centers in India and UK, Hungary, Singapore, China, Philippines, Brazil, Chile, Uruguay and Mexico.	Remaining delivery centers outside India (accounting for approx. 4% of headcount) ²

Data measurement techniques and the bases of calculations and estimates are furnished in the relevant areas of the report. The Company does not 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 methodology for data analysis applied in the report. There has been no restatement of information provided in earlier reports. The data is sourced from Ultimatix, the Company's 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 has been externally assured by KPMG. The scope and basis of the assurance have been described in the assurance letter issued by KPMG. No other relationship exists between TCS and KPMG.



1 List of subsidiaries available on Page 171 of the Annual Report - http://www.tcs.com/investors/Documents/Annual%20Reports/TCS_Annual_Report_2015-2016.pdf
 2 List of delivery centers is available at: <http://www.tcs.com/worldwide/india/locations/office-locations/Pages/default.aspx>

CEO's Message



Dear Stakeholders,

I am happy to connect with you on the occasion of the publication of TCS' Corporate Sustainability Report. This is our 10th edition of the Report since 2007.

I am pleased to reaffirm our support to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

On the business front, we concluded FY16 with a strong overall performance for the financial year with total revenues of Rs. 1.086 trillion, up 14.8%.

Digital technology has had a profound impact which has presented tremendous opportunities for the future. This, at the same time, is forcing every business to reimagine and rethink their products, services and business models. We have been making significant investments in digital technologies in terms of training & talent development through our immersive Digital Learning Platform; building innovation labs and customer collaboration labs and investing in platforms and automation products which are being appreciated by customers. Machine learning and Neural Automation will have a strong impact on business processes. Our research efforts over the last four years in this area culminated in the launch of Ignio™ earlier this year, which is receiving great interest from our customers.

We continue to focus on innovation both from the point of view of future business models as well as specific industry and technology solutions that will make a huge impact on our customers.

This year, we had our highest all-time employee addition with a gross addition of 90,182 employees – giving us a diverse base of over 350,000 professionals from 129 nationalities. In order to equip all our employees with right skills in the digital world we launched our Digital Learning Platform. In the past 12 months over 120,000 TCSers have developed skills in new technologies using the TCS Digital Learning Platform.

We consolidated our position among the top global IT brands and were recognised as the fastest growing IT Services brand globally over the last five years, scoring highly on measures like familiarity, loyalty, staff satisfaction and corporate reputation. TCS was ranked among the Forbes most innovative companies for the eighth consecutive year. We were also ranked as a UK Superbrand for the second year in a row. Among other major accolades, TCS ranked #1 in Europe for Customer Satisfaction by Whitelane Research for the third year in a row. We were also recognised as a Top Employer globally across 24 countries by the Top Employers Institute - one in only eight organisations worldwide to have achieved this status.

Beyond business, we continue to enhance our footprint in the communities where we operate. In North America, our STEM technology platforms have brought together over 250 organizations in support of mentoring over 750,000 girls, young women and students from underrepresented minorities. In UK, we created 1,000 internships for young British university graduates to spend a year, training and working at TCS centres across India. In a different type of intervention to enable education of girl students in India, TCS built new sanitation facilities in 1,472 schools. TCS partnered with All India Institute of Medical Sciences (AIIMS) to transform the Out Patient Department (OPD) process using technology interventions to improve access to healthcare and help treat patients effectively and efficiently.

...CEO's Message

To underline our serious commitment to advancement in Computer Science we made a significant contribution for setting up infrastructure at the Carnegie Mellon University. We are also setting up a Research Centre at IIT Hyderabad and now have a dedicated team to sharpen our collaboration with leading technology institutions to promote market driven innovation.

In the first anniversary of Purpose4Life, I am very proud to say that we saw an overwhelming participation from TCSers globally, contributing over 600,000 hours of volunteering to make a positive impact in their communities. Fit4Life continues to grow with active participation of over 80,000 employees.

Safety of our employees remains an important focus for us. Our Safety First initiative launched last year continues to promote a safety culture among our associates. This year, several branch led programs impacted more than 250,000 employees across the globe. Through these programs we take more significant steps for building a stronger safety culture within TCS.

We continue to work on our environmental sustainability targets and continually reduce our environmental impact. With a strong focus on energy efficiency, green infrastructure and green IT, we strive towards reducing our specific energy and carbon footprint. This year, we have strengthened our commitment to promoting environmental suitability as we expand our Energy Management Programme. We have deployed extensive smart metering which is a leading edge, scalable, cloud based IoT platform in 107 sites within our India operations. This has resulted in absolute energy savings of ~12.5 million kwh. We continue to drive water efficiency at our premises through wastewater treatment and closed loop recycling to reduce our demand on fresh water, working towards our long term target of water neutrality. Through effective waste management aligned to the 3R principle, we aspire to achieve zero waste discharge at all our campuses.

With all our investments we are well positioned to capture growth opportunities in the market and make a huge impact on customers and society.

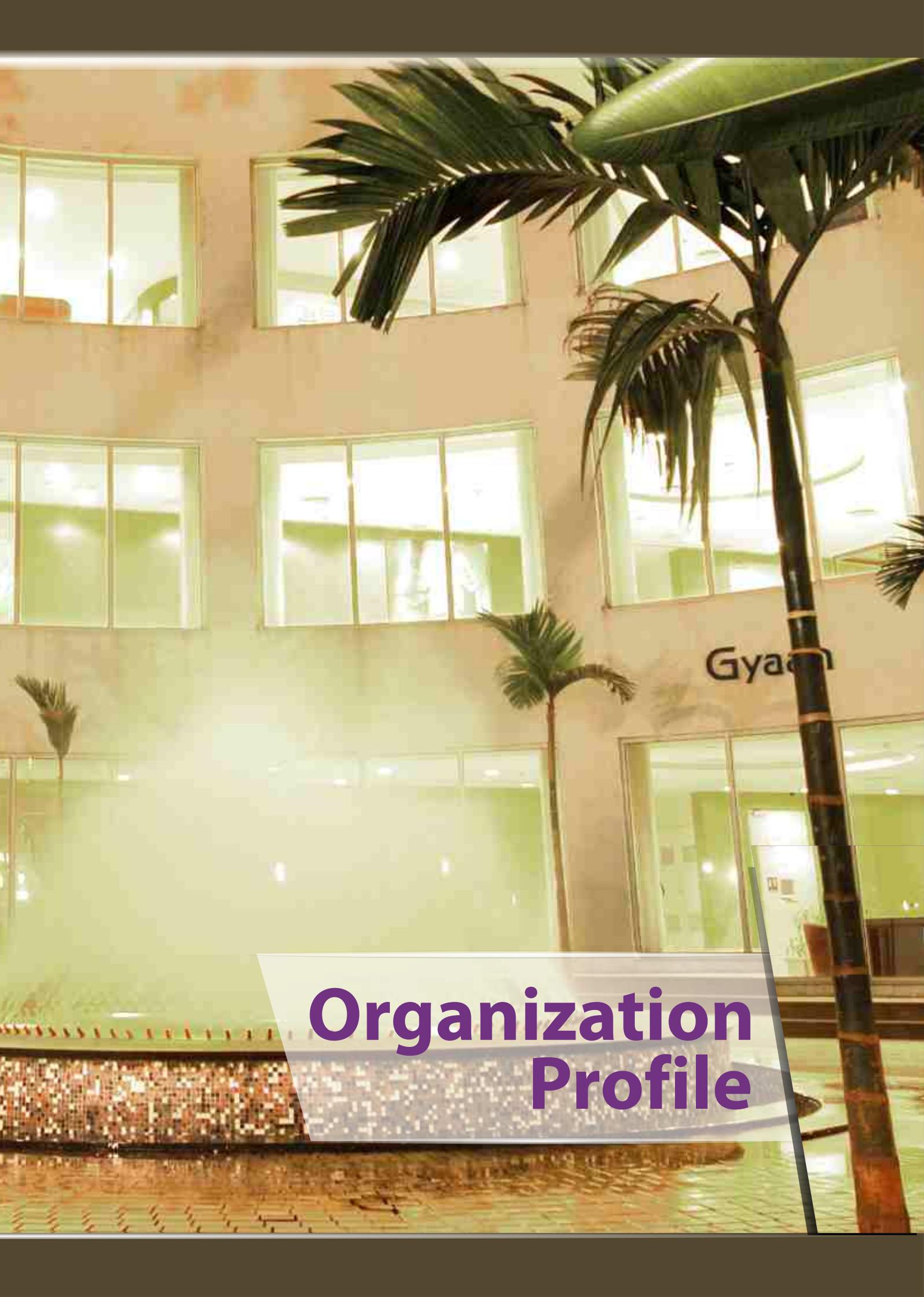
Regards,

N. Chandrasekaran
CEO & MD, TCS





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Organization Profile

Organization Profile

Tata Consultancy Services is an IT services, business solutions, and Business Process Services (BPS) 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 company³, listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. In FY 2016, we reported consolidated revenues of USD 16.5 billion.



MISSION AND VALUES

It is our mission to continue to help customers achieve their business objectives with our 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 IT services, consulting and business solutions organization that delivers measurable results to global businesses, ensuring a level of certainty no other firm can match. We offer a consulting-led, integrated portfolio of IT, BPS, IT infrastructure, engineering, and assurance services. In addition, we have launched several new service offerings around mobility, social computing, Big Data and the cloud. This is delivered through its unique Global Network Delivery Model™, recognized as the benchmark of excellence in software development.

We have built strong domain capabilities in a range of industry verticals, positioning ourselves as a strategic partner capable of reliably delivering innovative technology-led solutions to business problems. The key industry verticals we service are: Banking, Financial Services, and Insurance (BFSI); Retail and Consumer Packaged Goods; Telecom; Media and Entertainment; High Tech; Manufacturing; Life Sciences and Healthcare (LSHC); Energy Resources and Utilities (ERU); Travel, Transportation, and Hospitality (TTH); and government sectors. Exhibit 1 illustrates our revenue break-up by industry.

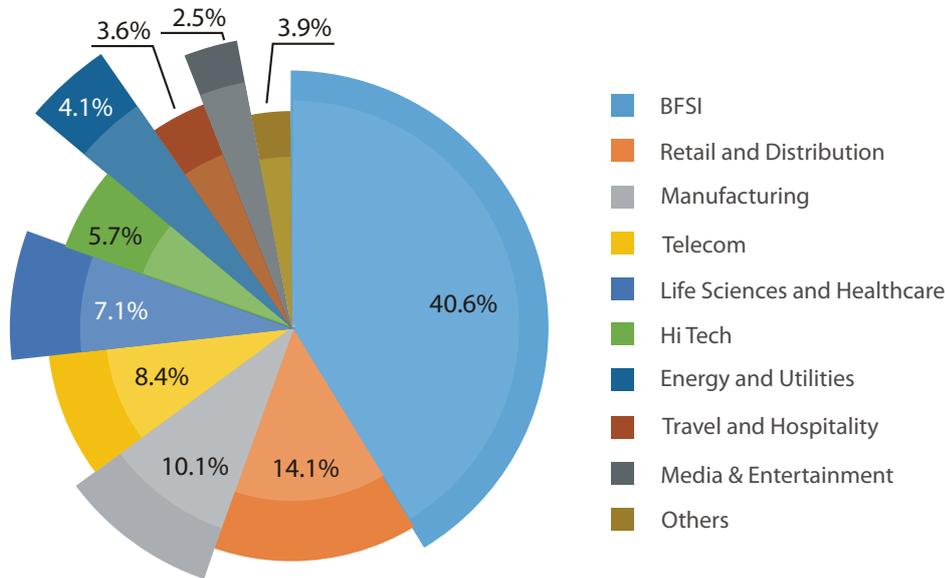


Exhibit 1: Revenue Break-Up by Industry Vertical

Global Footprint

TCS has been steadily expanding its geographic footprint. In addition to the traditional markets for its services – North America, United Kingdom, and Continental Europe, we have been expanding our presence in emerging markets like Asia-Pacific (APAC), India, Latin America (LATAM), and Middle East and Africa (MEA).

As of March 31, 2016, TCS has 229 offices across 55 countries. Exhibit 2 displays the break-up of our offices by geography. In FY16, we expanded our global footprint with 25 new offices in 6 countries.



Exhibit 2: TCS Offices across the Globe

TCS' GNDM™ is characterized by a global, interconnected workforce, integrated processes and a robust, multi-tiered collaboration and communication infrastructure, with a global delivery footprint, which covers over 145 solution centers across 19 countries.



Exhibit 3: Our GNDM™ Centers around the World

GNDM™ leverages our diverse technical, language, and domain-specific capabilities to deliver custom, quality solutions faster and in compliance with local regulatory requirements and cultural preferences.

Exhibit 4 illustrates the revenue breakup by geography for FY 2016.

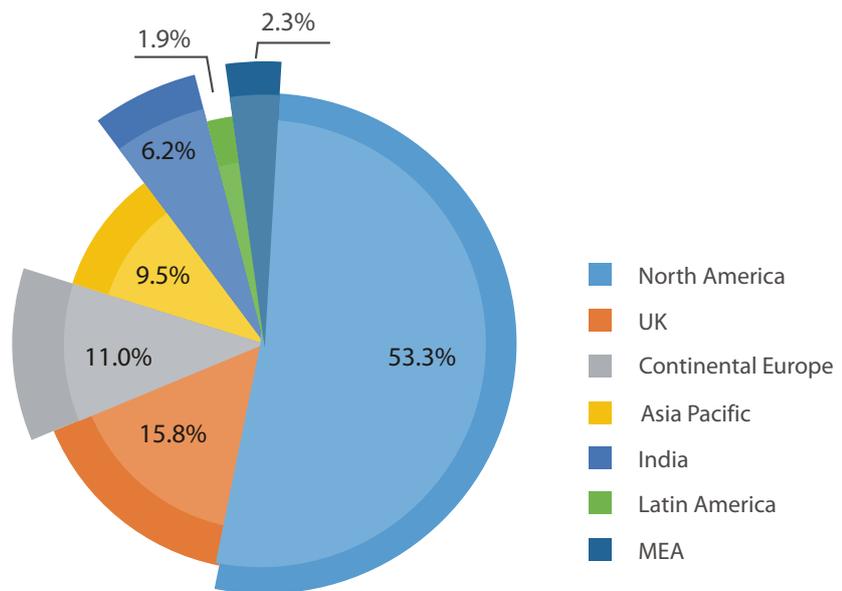
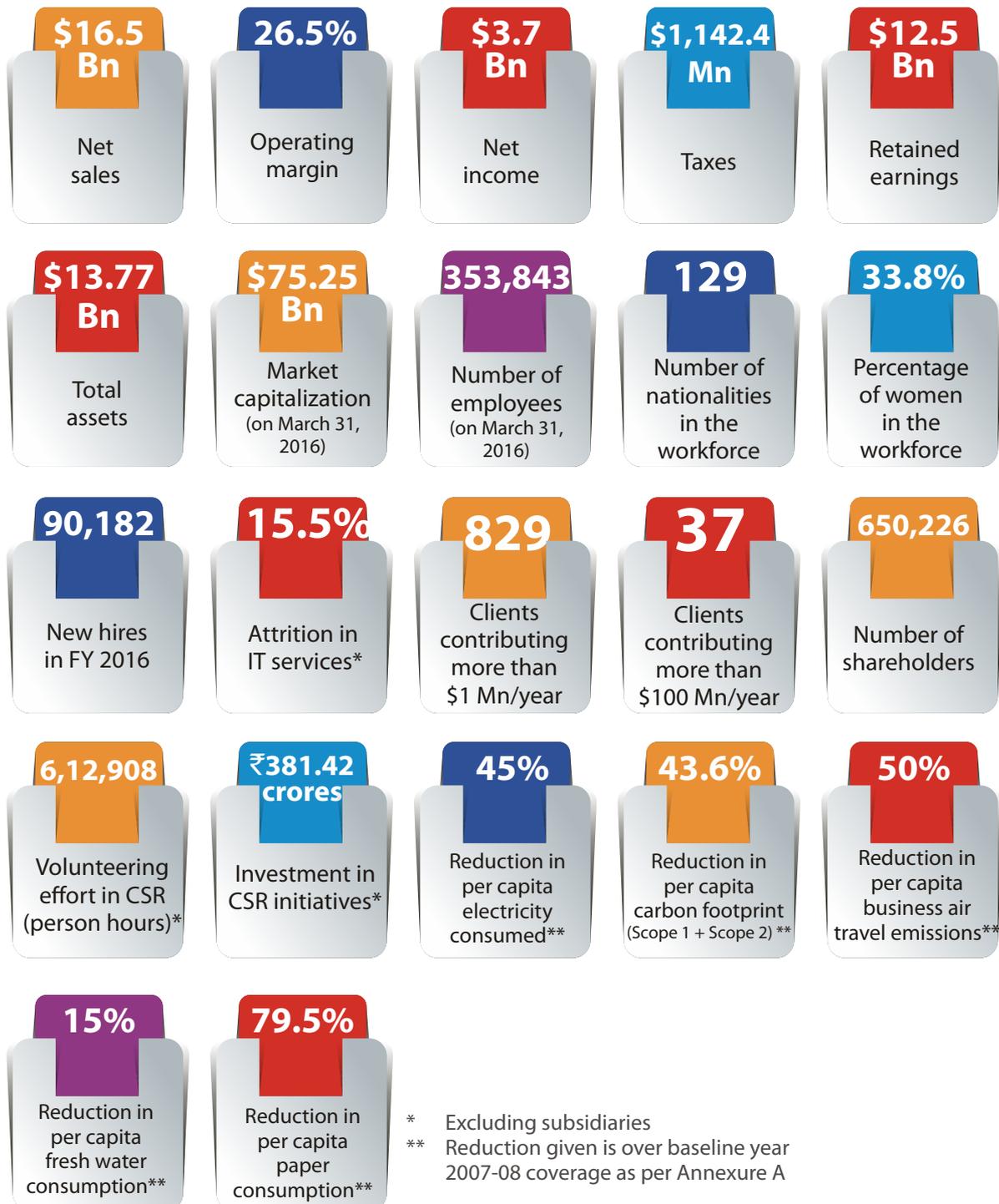


Exhibit 4: Revenue Breakup by Geography

TCS by Numbers

Our strategy for longer term growth has been to continually expand addressable market by investing in newer geographies, newer industry verticals and newer service lines and strengthen and deepen existing client relationships through a customer centric approach, superior execution that gives clients an experience of certainty, a full services capability and a scalable global network delivery model (GNDM™).



Awards and Recognition

Key awards and accolades Received in 2015-16



Corporate

- World's most powerful brand in IT Services - Brand Finance
- Ranked 57 among Top 100 US Brands by Brand Finance
- Dun & Bradstreet Corporate Award
- Ranked Number 1 – IDC Financial Insights FinTech Rankings Top 100
- Recognized as 'Superbrand' by Superbrands (UK) list for business-to-business brands
- TCS UK and Ireland recognized as 'Company of the Year' by the Top Employer Institute
- Ranked Number 1 in Dataquest's Top 20 list of Indian IT companies
- Winner of Make in India Awards for Excellence in the IT services category
- Winner of Best Practice in Developing Future Leaders Award at the Best Leadership Development Practices of Asia Awards



Leadership

N Chandrasekaran:

- Ranked 'Best CEO', Technology/ IT Services & Software Sector - Institutional Investor's 2015 All-Asia Executive Team rankings
- Winner of Qimpro Platinum Standard Award 2015 (Business)
- One of Business Today's Best CEOs (IT & ITES)
- Appointed as a part-time non-official director on the central board of the RBI



Recognition from Partners

- SAP Pinnacle award
- Oracle Excellence Award for Specialized Partner of the Year – Asia Pacific, North America
- #1 ranking for customer satisfaction – Whitelane Research
- Red Hat's System Integrator Partner of the Year for North America
- Hitachi Data System's Global System Integrator Partner of the Year
- Fastest Growing SI Partner of the Year for 2015- Expericon
- Business Transformation Award – Pegasystems Partner Excellence Awards
- Winner, IBM Mobile App Throwdown Contest 2015 for Business Partners
- GSI Partner of the Year Award at Dell World 2015

Talent Management



- Recognized as a Global Top Employer by the Top Employers Institute
- Golden Peacock National Training Award
- Won multiple awards as part of the Global HR Excellence Awards and Recruiting and Staffing Best in Class (RASBIC) awards - World HRD Congress
- Number One Best Employer Brand and BPO Organization of the Year by the World HRD Congress - Global HR Excellence Awards
- 'Best Places to Work For' and Number One in the BPS sector - Business Today – People Strong Survey



- Ranked #64 in the World's Most Innovative Companies list - Forbes
- Recognized for the 'Best In House IP Team of the year - IT & Technology' at Global IPR Conclave

Capability and Innovation



- Dow Jones Sustainability Index - World and Emerging Markets 2015: Bronze Status
- 2015 Silver Stevie Award for Corporate Social Responsibility
- Hong Kong Corporate Citizenship Award 2015
- Mentor Leadership through Technology Award at the Inaugural MWM Summit 2015
- Canadian HR Reporter Best Corporate Social Responsibility Program Award 2015
- TCS UK & Ireland wins 'Social Responsibility project of the Year' - Employee Engagement Awards
- India Sustainability Leadership Award 2015 by World CSR Day organization in the area of Sustainable Carbon Management category
- CII National Award for Excellence in Energy Management 2015 for Deccan Park, Hyderabad
- CII (Western Region) Best Practices Case Study Award 2015 (Waste Management) in conference on Sustainability & Inclusive Development
- Carbon Disclosure Leadership Index (CDLI), India 2015 (fourth year in a row) with a perfect score of 100

Community and Environment

Stakeholder Engagement and Materiality Definition

Our Stakeholders

TCS engages with a broad spectrum of stakeholders, internal and external, to understand their concerns and priorities and use these to guide policy formulation and decision-making. Business considerations largely govern the decision on which stakeholders to engage with and in what manner and periodicity. Key stakeholders have been identified through a stakeholder prioritization exercise undertaken in consultation with our Company's management. Customers, employees, shareholders, investors, engineering colleges, staffing agencies and other vendors are among the identified key stakeholders. A stakeholder interaction exercise with both internal and external stakeholders was undertaken as part of the report development. TCS is a member of a number of industry bodies like NASSCOM and CII and works closely with these bodies in shaping policy.

Exhibit 5 describes TCS' stakeholder interaction framework. Some other stakeholders that we closely engage 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. TCS continues to engage with these stakeholder groups on an ongoing basis through a variety of channels.

Stakeholder	Interfacing Group	Engagement Types by Frequency
Customers	Sales/Pre-Sales Marketing Delivery teams Senior management	<ul style="list-style-type: none"> • As needed: Project-related calls and meetings, PMRs, relationship meetings, visits, responses to RFI/RFPs, sponsored events, mailers, newsletters, brochures
		<ul style="list-style-type: none"> • Continuous: TCS website, customer portal
		<ul style="list-style-type: none"> • Half-yearly: Customer satisfaction surveys⁴
		<ul style="list-style-type: none"> • Annual: Customer Summit, Innovation Day
Employees	HR Senior Management	<ul style="list-style-type: none"> • As needed: Town halls, roadshows, project/operations reviews, videoconferences, audio conference calls, PEEP, PROPEL (employee forum), one-on-one counseling
		<ul style="list-style-type: none"> • Monthly: @TCS (in-house magazine)
		<ul style="list-style-type: none"> • Continuous: TCS website, Ultimatix Notice Board, CEO Connect, CTO Blog, Corporate Corner, JustAsk, IdeaMAX, dipstick surveys, grievance redressal system
		<ul style="list-style-type: none"> • Annual: PULSE (employee feedback survey), long service awards, sales meet, Blitz (business planning meet)
Shareholders	Investor Relations Company Secretary Senior Management	<ul style="list-style-type: none"> • As needed: Press releases and press conferences, email advisories, facility visits, in-person meetings, investor conferences, non-deal roadshows, conference calls
		<ul style="list-style-type: none"> • Quarterly: Financial statements in Indian GAAP and IFRS, earnings call, exchange notifications, press conference
		<ul style="list-style-type: none"> • Continuous: Investors Page on TCS website
		<ul style="list-style-type: none"> • Annual: Annual General Meeting, Annual Report

⁴ The survey is done at an account-level and measures TCS' performance on various parameters across multiple dimensions.

Stakeholder	Interfacing Group	Engagement Types by Frequency
Academic Institutions	HR Senior Management CTO	• As needed: Academic Interface Program, Co-Innovation Network (COIN™) meetings
		• Continuous: TCS website, Academic portal
		• Annual: Sangam (high-level academic conference), campus recruitment
Head Hunters, Staffing Firms, Other Suppliers	HR Business Units Procurement	• One-time: RFIs/RFPs, empanelment process
		• As needed: Transactional meetings, periodic reviews, surveys
Partners and Collaborators	Alliance Management CTO	• As needed: Meetings/calls, COIN meetings, visits, partner events
		• Monthly: Conference calls
		• Quarterly: Business reviews
		• Annual: Partner events
Industry bodies	Corporate Affairs Finance Senior Management	• As needed: Conferences and seminars, working committee meetings, surveys, meetings
		• Annual: Conferences, summits
Governments	Government Business Unit Corporate Affairs HSE/Finance Teams CSR Team Senior Management	• As needed: Governance RFIs/RFPs, presentations, project meetings, reviews, calls and meetings, surveys, consultative sessions
		• Continuous: TCS website
<ul style="list-style-type: none"> • NGOs and Local Communities • Society at large 	CSR Team Volunteers Corporate Communications Team Senior Management	<ul style="list-style-type: none"> • 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

Exhibit 5: TCS' Framework for Interaction with Stakeholders

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

Exhibit 6: Material Topics identified for key Stakeholders

G4-18, G4-24, G4-25, G4-26, G4-27

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.

Material Topics

The deliberations at the Sustainability Council serve as the foundation for setting the sustainability context for our Company leading to the determination of material issues. Relevant stakeholder representatives debated these issues to arrive at the prioritized list reflecting significant economic, environmental and social impacts, which allow an assessment of our performance for the reporting period.

As part of the process of prioritizing the Company's material issues, issues specifically relevant to TCS were listed based on our current material issues, and an external peer review, as well as taking into consideration sector specific issues. These were discussed with both internal and external stakeholders with the objective of prioritizing the material topics. The internal stakeholders included senior management members and employees whereas the external stakeholders included suppliers, contractors, NGOs, and academic institutions.

Each stakeholder group was asked to rank the listed material issues against specific business parameters to arrive at the average score for each issue and a stakeholder specific score. A weighted average was considered based on the relevance and criticality of each material issue to the respective stakeholder group. This was further used to arrive at an aggregated score for each material issue from all the stakeholders.

The topics material to TCS have been prioritized through this process and after deliberation by management, and are listed in Exhibit 7.

Area	Material Topics	Why this is material
Profit	Corporate Governance	Strong leadership and effective corporate governance practices have been the company's hallmark inherited from the Tata culture and ethos. The company's philosophy on corporate governance underlines business strategies and ensures fiscal accountability, ethical corporate behavior, and fairness to all stakeholders, including regulators, employees, customers, vendors, investors, and the society at large.
	Ethical Behavior and Business Practices	TCS emphasizes both the pursuit of technical excellence and the highest standards of professionalism on the part of the company and its employees. The Tata Code of Conduct confirms our dedication to integrity, fairness, and social responsibility.
	Delivery Capability	Our unique Global Network Delivery Model (GNDM™) allows customers to choose the sourcing strategy best suited to their business needs. We take a "follow-the-sun" approach, meaning that no matter where our clients' business is located, we help keep it running 24/7, while providing a seamless experience across all operations.
	Business Continuity	The company has sustained its commitment to the highest levels of quality, best-in-class service management, robust information security practices, and mature business continuity processes that have helped achieve significant milestones during the year.

Area	Material Topics	Why this is material
People	Working and Labor Conditions	The company is focused on providing its 353,843 employees from 129 nationalities across 55 countries a meaningful and compelling environment. An environment which gives today's diverse, multi-generational, and mobile workforce the confidence to realize their potential and provide world-class solutions to customers. This positive and inspiring environment fosters innovation, stimulates a performance culture, and motivates employees to develop themselves personally and professionally.
	Learning Opportunities and Career Development	Successful delivery of digital initiatives is contingent on gaining new capabilities in multiple digital technologies that are evolving at a rapid pace. TCS has created a world-class Digital Learning Platform – an integrated ecosystem that combines virtual, physical, and experiential learning with high-quality content that is available anywhere, anytime, and on any device.
	Occupational Health and Safety	For a people-centric organization like ours, occupational safety, health, and wellbeing of employees is critical to business. Our commitment towards providing a healthy and safe work environment to our employees, contractors, and anyone who comes to our offices forms the bedrock of our safety processes. We have extended our people focus beyond the workplace to personal safety through the SafetyFirst initiative, to create a culture of safety among our employees.
Planet	Climate Change Risks and Opportunities	Climate change is a complex global issue interrelated to multiple environmental aspects. This makes it relevant to businesses either directly or indirectly. TCS recognizes this link between climate change and business strategy, making this issue material to us. Driven by the Tata Group Climate Change Policy and TCS' Environmental Policy, GHG accounting and mitigation are key elements of the environmental sustainability roadmap (2020).
	Electronic Waste (e-Waste)	As an IT company, TCS is a bulk consumer of electrical and electronic items, which results in e-waste generation at the end of life of these items. A focused policy and streamlined processes ensure that this generated e-waste is disposed of responsibly through government authorized recyclers. Recyclers are periodically audited to ensure disposal of these assets is under our 'duty for care'.
	Green IT/Data Centers/Office Buildings	Office infrastructure (buildings and IT assets) is central to any IT company's operations. TCS' strategy to build 'green' infrastructure and energy efficient IT infrastructure (including data centers) is a key enabler of its environmental sustainability roadmap. The company has leveraged opportunities to drive eco-efficiency in pursuit of its environmental sustainability goals.
	Energy Consumption and Efficient Management	The pillars of energy management at TCS are energy efficient office buildings, Green IT, data center power management, operational energy efficiency, and renewable energy. Energy is a critical resource for TCS and is a key contributor to its carbon footprint. Efficient management of energy is important to minimize our carbon footprint and to drive operational cost efficiency.

Exhibit 7: Topics Material to TCS

G4-18, G4-19, G4-20, G4-21

Material Topics	Aspects	Boundary of Impact ⁵	Indicators Covered
Corporate Governance	Governance structure and composition	Internal	G4-34, G4-36
	Highest governance body's role in setting purpose, values and strategy	Internal	
	Performance evaluation of highest governance body	Internal	
	Risk management by highest governance body	Internal	
Ethical Behavior and Business Practices	Anti-corruption	Internal	G4-56, G4-57
	Compliance	Internal	
	Anti-competitive behavior	Internal	
Delivery Capability	No GRI aspect identified	Internal	Additional
Business Continuity	No GRI aspect identified	Internal	Additional
Working and Labor Conditions	Employment	Internal	G4 LA3, LA13
	Labor Management Relations	Internal	G4 LA4
	Diversity & Equal Opportunity	Internal	G4 LA12, 13
Learning Opportunities and Career Development	Training and Education	Internal	G4 LA11
Occupational Health and Safety	Health and Safety	Internal	G4 LA5-8
Climate Change Risks and Opportunities	GHG Emissions	Internal	G4 EN16-21
Electronic Waste (e-Waste)	Effluents and Waste	Internal	G4 EN23
Green IT/Data Centers/Office Buildings	Energy	Internal	G4 EN3-7, EN 8-10, EN16-21, EN22, EN 26
Energy Consumption and Efficient Management	Energy	Internal	G4 EN3-7
	Emissions	Internal	
	Compliance	Internal	

Exhibit 8: Boundary of Impact for Material Aspects

G4-18, G4-19, G4-20, G4-21

⁵ Boundary of Impact: Internal includes all TCS offices and campuses





Corporate Governance

Our Sustainability Strategy and Corporate Governance

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.

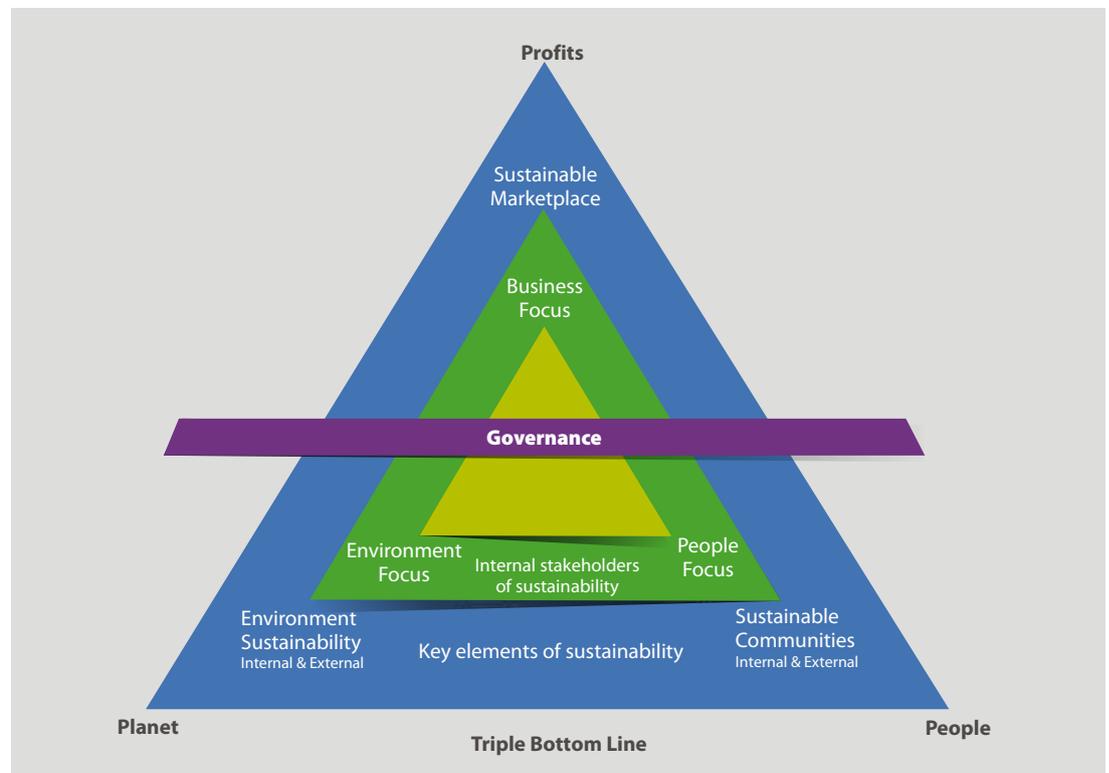


Exhibit 9: Our Approach to Sustainability

People: Sustainable Internal and External Communities – Our 353,843 employees are the backbone of TCS, who actively participate in sustainability initiatives. Externally, we conduct a diverse range of CSR initiatives in the areas of education and skill building, health, environment, and affirmative action through volunteering, sponsorships, and pro bono leveraging the company's IT capabilities. In addition, initiatives focused at promoting supply chain and procurement sustainability ensure that vendors and suppliers are aligned to our sustainability objectives.

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

Profit: Sustainable Marketplace – In addition to ensuring sustainability in business performance, our specialists work 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.

Corporate Governance

We foster sustainability with strong corporate governance that oversees business strategies and ensures fiscal accountability, ethical corporate behavior, and fairness to all stakeholders. Being part of the 148-year old Tata group which epitomizes sustainability, TCS has inherited a strong legacy of fair, transparent, and ethical governance, as embodied in the Tata Code of Conduct⁶ (TCoC).

⁶ The full text of the Tata Code of Conduct is available on: <http://www.tcs.com/SiteCollectionDocuments/About%20TCS/Tata-Code-of-Conduct-2015.pdf>

Our corporate governance strategy is aligned with the ten principles articulated in the UN Global Compact, to which TCS is a signatory.

At the top of the governance structure is the Board of Directors⁷ representing the shareholders, and various committees on the Board, overseeing the Executive Management. TCS has a unitary board structure consisting of 11 members of whom nine are Non-Executive Directors⁸ (including the Chairman) and six are Independent Directors⁹. Ms. Aarthi Subramanian was appointed as an Executive Director for a period of three years with effect from March 12, 2015. The composition of the Company's Board and detailed profiles of Board Members are available on the website.¹⁰

Aspect	How
Avoidance of Conflict of Interest	<p>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 keeping it separate from that of the Chief Executive Officer and Managing Director.</p> <p>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, which they may have, does not involve any conflict of interest with the operations of the company and their role therein.</p> <p>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.</p>
Intra-group Transactions	<p>TCS does not derive any material revenues (~0.004% of revenues in FY 2016) from its holding company Tata Sons Limited. Employees and resources (including cash) are not shared between Group companies.</p> <p>Independent Directors make up half the Board. Dealings with Tata Sons or with a group company is done on an arms-length basis and have to be approved by the Board. Transactions, if any, are reviewed closely by the Board to ensure that all shareholders' interests are protected. All transactions with Tata group companies are disclosed in TCS' Annual Report (Page 181-183).</p>

⁷ Details of Board level committees on pages 108 – 115 of the Annual Report: http://www.tcs.com/investors/Documents/Annual%20Reports/TCS_Annual_Report_2015-2016.pdf

⁸ 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

⁹ 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 three 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

¹⁰ http://www.tcs.com/about/corp_facts/board_directors/Pages/default.aspx

Aspect	How
<p>Board Oversight of the Sustainability Agenda</p>	<p>To ensure governance focus in business sustainability, our Board of Directors meet seven-eight times a year instead of the statutory four times. While four of these meetings are for the review and approval of financial results, the remainder is for more detailed oversight of business, strategy, and sustainability matters.</p> <p>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, among others.</p> <p>The CEO is the Director responsible for Sustainability. Oversight of the company's sustainability strategy is the responsibility of the Sustainability Head, EVP, and 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 the senior management in line with our overall sustainability objectives, and performance on these two specific aspects of TCS' sustainability agenda is reviewed by the Board on an annual basis. A framework to enable the Board's self-evaluation is currently under review.</p> <p>The Sustainability Council</p> <p>A sustainability council conducts a quarterly performance review to ensure our sustainability initiatives are running effectively. The council sees representation from key departments within TCS.</p> <p>The Executive Vice President and Global Head of HR presides over all matters related to sustainability within the organization and the overall corporate sustainability of the organization falls within the purview of the CEO & MD.</p>
	 <pre> graph TD A["Board Level Committee (including CEO & MD - Director Responsible for Corporate Sustainability)"] --- B["Executive Vice-President & Global Head-HR Head - Corporate Sustainability"] B --- C["Sustainability Council Representatives from..."] C --- D["Internal IT"] C --- E["Infrastructure, Planning & Development"] C --- F["Administration"] C --- G["Health, Safety & Environment"] C --- H["Human Resources"] C --- I["Corporate Social Responsibility"] C --- J["TCS Maitree"] C --- K["Corporate Communications"] C --- L["Investor Relations"] </pre>

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11 The Code of Conduct for Directors is available at the link:
http://www.tcs.com/investors/corp_governance/Documents/TCS_Directors_Policy.pdf

Aspect	How
Fiscal Oversight	<p>An Audit Committee, consisting of 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.</p> <p>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.</p> <p>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.</p>
Independent and Effective Validation	<p>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 practices, the planning and execution of internal audit is oriented towards the review of controls in the management of risks and opportunities in the company's activities. Our external auditors are Deloitte Haskins and Sells, who do not have any undue dependence on TCS.</p>
Disclosure and Transparency	<p>Benchmarked against global peers, TCS discloses significant 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 the website. Half-yearly results are sent to shareholders along with a message from the Managing Director on the company's performance.</p> <p>The quarterly earnings release is accompanied by a press conference, which is streamed live on our website. We also organize a conference call where the management briefs investors and analysts on the quarter gone by, and takes questions.</p> <p>Through our robust investor outreach program, TCS' management meets investors at the company's premises or at investor conferences and addresses their queries and concerns.</p>
Ethics and Compliance	<p>The Tata Code of Conduct (TCoC), which every employee signs at the time of joining the company, contains sections on stakeholder groups that make up a governing framework for responsible corporate citizenship and principled behavior. TCS has established procedures to deploy the TCoC and to enable employees to understand the code and follow it in letter and spirit. The leadership personally conveys TCS' values and the importance of the TCoC at employee events. Local ethics counsellors at every company location advise and guide employees on ethical matters.</p> <p>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 on Prevention of Sexual Harassment at the work place. This policy was updated in February 2014 to align with current legal mandates, in particular the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013' enacted in India, where TCS has the majority of its workforce.</p> <p>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 board level committee on matters relating to the Insider Trading Code and the TCoC.</p> <p>Two meetings of the Ethics and Compliance Committee was held during the year.</p>

Aspect	How
Board Composition and Selection of Board Members	<p>The Nomination and Remuneration Committee, consisting of two independent Directors and two non-independent Directors including 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 of the Board from time to time.</p> <p>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.</p>
Protecting Minority Shareholders' Interests	<p>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 or Board to express their concerns.</p> <p>We organize regular global investor outreach programs, where investors can interact with the management. Minority shareholders can move their private resolutions for discussion by the Board of Directors, or even requisition a General Body Meeting.</p> <p>Small shareholders can interact with the Board of Directors in person at the Annual General Meeting and have their queries or 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.</p>
Employee Access to the Board	<p>TCS are empowered with a culture that encourages open communications and offers various channels for communicating concerns and grievances.</p> <p>Larger concerns are presented 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.</p> <p>Lastly, the company has a Whistle Blower Policy, with the necessary mechanism for employees to directly report concerns about unethical behavior to the Chairperson of the Audit Committee, without fear of reprisal or victimization.</p>
Sustainability and Risk Management	<p>TCS has an enterprise compliance management (ECM) framework and process which has been deployed across the company. A digital platform provides an enterprise-wide view of compliance across global locations. The major risks are regularly identified and systematically addressed through mitigating actions.</p> <p>We ensure compliance to all applicable laws globally, including those relating to employment and immigration; taxation; forex and export controls; health, safety, and environment; company laws; establishment; SEZ regulations; data privacy; anti-bribery and anti-corruption regulations; and IT security. A committee at the corporate level oversees and monitors the deployment of the compliance function.</p>
Succession Planning	<p>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, this occurs at every level – at the corporate level, at the business unit level, at the account level, and even at the project level.</p> <p>At the highest level, succession planning of senior management is directly reviewed by the Executive Committee of the Board. Business or Unit Heads are invited to Board Meetings from time to time to give update the Board. 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.</p>

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Aspect	How
Remuneration Policy	<p>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.</p> <p>Compensation for Non-Executive Directors on the Board consists of:</p> <ul style="list-style-type: none"> • Sitting Fees for attending Board meetings and meetings of Committees of the Board, to the tune of INR 30,000 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. <p>Remuneration of the Managing Director and Executive Directors consists of a fixed component (salary, benefits, perquisites, and allowances) and a performance-linked variable component (commission).</p> <p>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.</p> <p>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 discussed in this report. Details of the compensation paid out to Members of the Board in FY 2016 are disclosed on Page 111 of the Annual Report.</p>

Serving as an Ethical Exemplar

At TCS, integrity is the first core value that underpins all business activities. The company has earned its reputation of being trustworthy through several decades of consistent, value-based conduct.

The TCoC serves as a roadmap on principled conduct. Training on the TCoC is a part of the induction process for all employees. Awareness of the TCoC and adherence to it is promoted by several methods such as an annual ethics awareness week featuring invited speeches, poster sessions, contests, and ethics themed video screenings. A Whistle Blower Policy has also been incorporated through which instances of serious misconduct can be reported directly to the Board without fear of reprisal.

TCS has been able to build a strong, highly successful, global business, and is able to sustain its leadership position by adhering to the high standards of principled conduct. In all contracts with customers, suppliers, and partners, clauses on principled conduct are explicitly included. We seek to learn leading practices through active participation in international and Tata Group forums on ethics, and by adopting leading practices that aid in improving adherence to principled conduct.

Our policies and training modules have been periodically reviewed and revised to comply with the legislation with respect to bribery, corruption, and with improved norms on business ethics.

TCS' enterprise risk management program (ERM) involves risk identification, assessment, and mitigation planning for strategic, operational, and compliance related risks across business units, functions and geographies.

Our Marketplace

Sustainability of Business Performance

Key stakeholder concerns regarding the sustainability of TCS' business performance are centered around five major areas:

- Is there sufficient headroom for continued growth?
- Is the company's size likely to impede agility?
- Will supplyside constraints hamper growth or impact margins?
- Might macroeconomic uncertainties or new technologies impair business?
- Are we investing sufficiently in innovation?

Some of these concerns are addressed in this section of the report. Key strategic risks faced by TCS and the company's approach to mitigating them are summarized on Pages 73 and 74 of the FY 2016 Annual Report.¹³

Strategy for Long-term Growth

TCS' revenue growth comes from following a two-pronged strategy built around:

- Expanding the company's addressable market by region, by industry, and by service-line
- Deepening the company's relationships with existing clients

Key elements of this strategy for sustainable, longer-term growth are explained in detail on Pages 68 and 69 of the FY 2016 Annual Report.

Demand-side Sustainability

TCS has had a consistently stellar track-record of revenue growth. The company's 10-year Compound Annual Growth Rate (CAGR) is 18.7%, and we closed FY 2016 with revenue of USD 16.544 billion (up 7.1% YoY). See Exhibit 10 for details.

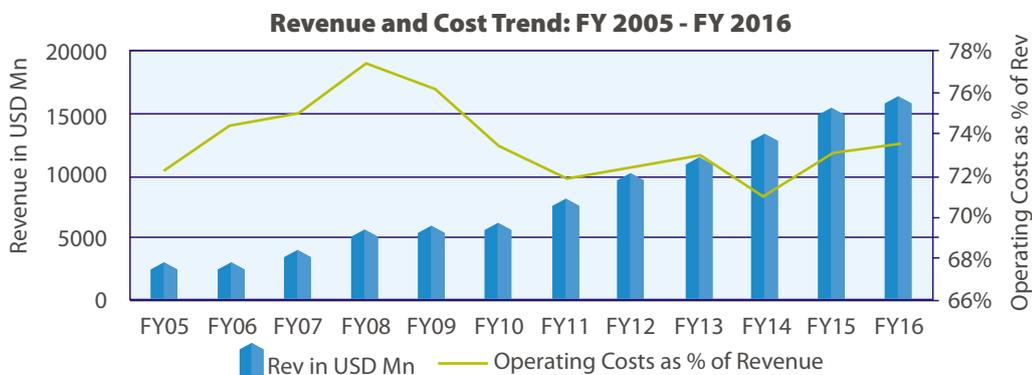


Exhibit 10: Revenue and Cost Trend: FY 2005 - FY 2016

Other highlights of FY 2016:

- Volume growth of 12% YoY
- Gross margin of 43.9% and EBIT margin of 26.5%
- Gross headcount addition of 90,182 and net addition of 34,187

TCS believes that our long term growth trajectory is sustainable, because:

- the global market for IT services is growing
- offshore outsourcing is a mainstream strategic option today,
- TCS has the strong foundational elements needed to partake in this growth
- TCS' strategy for longer-term growth is to ensure customer satisfaction and deliver results

Global market: Headroom for Growth

According to NASSCOM's Strategic Review, global spend on IT services and BPM is estimated to be \$836 billion in 2016. This is a highly fragmented market in which TCS' market share is 1.9%, suggesting significant headroom for growth.

Going forward, technology spending is expected to further increase as the technology intensity of businesses increases. The 6-year CAGR for the period 2013-2019 is expected to be 1.7% according to Gartner. Historically, TCS' growth is far higher than the growth in global spend on IT services.

Enablers for Growth

The pre-requisites for sustaining growth are:

- Maintaining the same high quality of service that our customers have come to expect
- Continuing to invest in innovation so as to remain at the cutting edge of technological and business evolution
- Ensuring that the company remains agile despite its size
- Maintaining a strong brand image that encourages customer loyalty

In the next few sub-sections, we explore these four foundational enablers in further detail.

Best-in-class Quality

Our Quality Management System is a complete set of documents, tools, methods, and practices based on our business model, with a focus on service and solution delivery, customer management, security management, and people processes. The system is designed to ensure that customers experience a level of certainty that no other organization can match.

Every project goes through three tiers of quality checks, which are described in Exhibit 11.

Product Quality	Internal Quality Assurance	All work items, products, or deliverables undergo peer review / independent review / self review / code walkthrough.
	External Quality Assurance	Internal experts who are not part of the project verify each work item or deliverable
Product Quality and Process Compliance	Final Inspection	An external reviewer does the final quality check to ensure completeness and usability of the package before the final product is delivered 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.

Exhibit 11: Three Tiers of Product Quality and Process Compliance Checks

In addition, Project Management Reviews (PMR) are conducted every quarter by senior managers and project audits are performed by to verify compliance with customer-specific processes and TCS' Integrated Quality Management System (iQMS).

TCS continues to maintain Level 5 -- the highest maturity level -- enterprise-wide -- for CMMI-DEV® (Development) version 1.3 and CMMI-SVC® (Services) version 1.3. The company continues to adhere to ISO certification enterprise-wide for ISO 20000:2011 (Service Management), ISO 27001:2013 (Security Management), and ISO 22301:2012 (Business Continuity Management) standards.

Information Security and Data Privacy

Information security and data privacy are critical to our business. In pursuit of the Company's Security 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. Our team of information security professionals have industry-recognized credentials such as CISA, CISM, CISSP, CEH, and CBCP, and possess varied backgrounds and experience, such as application development, infrastructure services, networking, forensics, legal, and compliance.

TCS considers all client information as confidential and have rigorous processes in place to protect the same. The Company's 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.

Investing in Innovation

Innovation is one of the strategic pillars of TCS. Our Research and Innovation (R&I) is focused on two primary themes - digital technologies that help reimagine the relationship between consumers and businesses across industries, and the continuous industrialization of software and computing. From a sustainability perspective, R&I has the following responsibilities: to scan emerging technologies and create a pipeline of new offerings; to create intellectual property and reduce the company's technology risk; and to create thought leadership in new technologies.

The company has well defined processes and frameworks for converting a new idea from the drawing board into a scaled and deliverable solution. TCS Co-Innovation Network (COIN™), the ecosystem for collaborative innovation, has expanded its footprint and marked this with events in Sydney, Australia and Helsinki, Finland.

Innovation and new lines of business: The recently launched neural automation offering Ignio™, has been the outcome of research and innovation in TCS Innovation Labs – Pune. The TCS IoT platform, incubated by R&I, has found wide adoption. We have launched new R&I programs for intelligent and autonomous infrastructure, personalized medicine, and smart machines. These will provide new offerings and solutions for customers in the future.

Privacy and security: TCS continues to invest in data privacy and security research. We have created tools for data masking that can be used in various application development and maintenance scenarios. We have made progress in research on areas such as cryptography, hash control, and access rights management.

Innovation and customers: We organized the Innovation Forum in New York and London in the last year, and also hosted Innovation Days with key clients. Our Innovation Champions work with clients to enable them better leverage innovation. We conducted Design Thinking Workshops to study complete user journeys and understand B2B2C scenarios and identify the pain points of end users.

Intellectual property: We encourage researchers to file patents. At the end of FY16, the company had applied for 2,842 patents in total -- including 565 during the past 12 months -- of which the company has been granted 341 patents.

Encouraging innovation: We have various initiatives to promote innovation within the company. TCS Innovista, an award program for innovative ideas across the organization, was launched this year. Our researchers attend and present at top tier research conferences. Best papers are awarded. Scientists are encouraged to undertake research projects.

Community: Many of our research projects are focused on benefitting the community.

- **Water filters:** TCS Innovation Labs- Pune has designed water filters that are affordable and easily usable. These aim to help low income households protect themselves from waterborne diseases as well as arsenic and fluoride present in ground water.
- **mKRISHI®** is a patented mobile based personalized services delivery platform and we continue to invest in it and improve its reach and services.
- **Accessibility:**
 - **Visual Sub-titles:** To help the hearing impaired understand videos which do not have sub titles, TCS Innovation Labs – Mumbai is building a photo-recognition algorithm that can generate 'lip movement; or 'visual' subtitles.
 - **Remote Speech Therapy (RST) platform:** This low cost mobile application and web based platform allows speech therapists to help patients practice and improve articulation.

- **Mother and child welfare apps:** TCS Innovation Labs – Mumbai, along with King Edward Memorial (KEM) hospital and Mumbai Breastfeeding Promotion Committee (MBPC), developed a mobile based application to educate lactating mothers. This was launched at KEM hospital in 2015. The lab and KEM hospital have also developed an app that allows expectant mothers and health workers evaluate the health status of the mother and child.
- **Social collaboration tool for crowd safety:** A multilingual chat platform, GG talk, was developed and deployed in the Kumbh Mela to help streamline field communication across departments. Secure, real-time communication and the knowledge repository GG Talk offered improved crowd management during the event.
- **Energy and water:** The Remote Energy Monitoring Solution¹⁴ that is creating real energy savings for TCS has inputs in energy analytics from TCS Innovation Labs - Chennai, and is based on the innovative the TCS IoT platform. Research on campus water management continues to be an area of interest.

Exhibit 12 presents TCS' investment in R&I.

Expenditure	FY16 (\$ Mn)	FY15 (\$ Mn)
Expenditure on Research and Innovation	171	147

Exhibit 12: TCS' Expenditure on Research and Innovation in the Last Two Years

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 around whether and how the organization will be able to focus on the right sectors for future growth.

Both these concerns are addressed by TCS' organization structure (depicted in Exhibit 13), which is designed to enhance customer focus, accountability and agility. TCS is organized into several operational units aligned to the different industry verticals. Each market-facing Business Unit owns its 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.

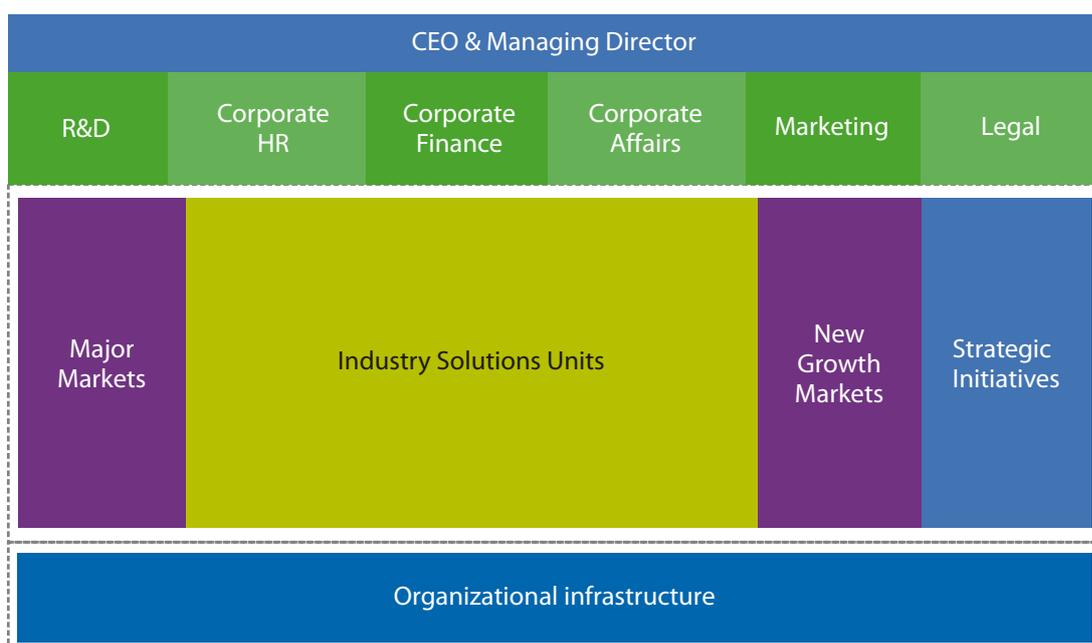


Exhibit 13: TCS' Organizational Structure

Brand Building

We continue to implement global marketing initiatives to promote the TCS brand. All marketing communications – including advertising, promotions, and sponsorships – tend to be understated, designed to strengthen the trust clients repose in us when they choose TCS, along with other key attributes they most appreciate in our work: high quality, reliability, and dependability. TCS' tagline, 'Experience Certainty' captures the essence of these attributes.

We evaluate our brand value at regular intervals in select markets. Our brand is benchmarked against a pre-defined competitive set, and along specific image and personality parameters that include attributes such as 'ethical' and 'trustworthy'. Our marketing and communications strategy is fine-tuned based on findings from this brand survey.

TCS participated in leading industry and business events around the world and held key customer summits world-wide, reaffirming our commitment to delivering a complete brand and organizational experience. Apart from our regular branding activities, we also continue 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 other distance running events. Lastly, we continue to communicate our brand values using various internal channels and marketing assets.

Some of TCS' sponsorships in FY 2016 are:

To reinforce TCS' brand attribute of commitment to fitness and excellence, we sponsor various marathons across the world. These sponsorships serve to reinforce TCS' commitment to wellness, because they give us an opportunity to engage with runners, their friends and family, and the broader community to drive home the importance of fitness and health. In FY 2016, some of the major marathons sponsored by TCS were:
 TCS New York City Marathon
 Boston Marathon
 Bank of America Chicago Marathon
 TCS Amsterdam Marathon
 Standard Chartered Marathon Singapore
 Standard Chartered Mumbai Marathon
 World 10K Bangalore



TCS IT Wiz, India's biggest inter-school IT Quiz program, started in 2011 and is also organized in UAE. The event held in 14 locations across India and has become a national benchmark in the inter-school quizzing circuit for the level of research, the intensity with which teams compete, and the number of participants' it draws. TCS IT Wiz provides a wider outlook to students about IT and its trends in the current global scenario; IT plays an integral role in the knowledge economy and is a key enabler for success in diverse fields. The event provides an opportunity to learn outside the classroom, fosters a competitive spirit amongst students, and triggers voluntary learning to prepare them for the future.

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 software solutions have limited relevance and hence are not directly applicable.

Likewise, product labeling requirements do not apply to the Company's business. Documentation of the custom applications the Company builds for clients is as per mutually agreed specifications. System documentation is not governed by any regulation or industry code. All TCS' marketing communications including advertising, promotions and sponsorships comply with the relevant laws of the countries that TCS operates in. No instance of regulatory non-compliance in this area was brought to the Company's attention in FY 2016.

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

Financial Sustainability

The successful execution of TCS' strategy for sustainable growth requires investments in building capacity, in people, and in new business initiatives. Our 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, and we fund our growth entirely through internal accruals. We did not receive any significant governmental financial assistance in FY 2016. These structural attributes of our business model are sustainable. We also have a robust risk management framework with which we scan the environment for potential risks to this sustainability and take mitigative steps.

Strong Cash Flows

Our growth is financed by cash generated from operations. As of March 31, 2016, total shareholder's equity stood at \$ 11,048.4 Mn (FY15: \$ 9,184.9 Mn), of which retained earnings made up \$12,499 Mn (FY15: \$10,669 Mn).

As of March 31, 2016, the company had cash and cash equivalents of \$4,526.4 Mn (FY15: \$3,275.9 Mn), which includes bank deposits of \$70.6 Mn (FY15: \$2,697.9 Mn). The net cash generated from operations was \$3,186.5 Mn (FY15: \$3,462.3 Mn).

We believe there is sufficient cash from operations to meet our working capital requirements. In addition, we have short term working capital facilities with various commercial banks.

Delivering Shareholder Value, Year After Year

In FY 2016, we paid a total dividend of \$0.7 (INR 43.5) i.e. a payout ratio of 42% of the consolidated profits under IFRS (excluding special dividend). TCS' market capitalization as of March 31, 2016 is \$ 75.25 Bn.

Our Sustainability Services

Information Technology has a big role to play in driving the sustainability agenda for our customers. We provide consulting services and industry domain expertise to clients on sustainability solutions and frameworks which helps them optimizing their carbon footprint and enhancing sustainable performance. According to Smarter 2020 report, the IT sector, through its solutions and services can help achieve the carbon emission savings of 16.5% of global "business-as-usual" (BAU) emissions in 2020.

Sustainability Services by TCS

TCS continues to play a big role in driving sustainability agenda for its customers. We have a dedicated strategic Business Unit, Eco-Sustainability Unit who has been providing innovative solutions and industry

domain expertise. With the global momentum of economic growth over the next few years, we see this opportunity expanding to a large scale. Most of the opportunities are compliance driven (emissions and energy related), and geared towards changing customer behavior. TCS has also developed mature solutions and offerings to tap this opportunity. Our services include Sustainability Performance Management, Energy Management Services, Water Management, carbon foot-printing, and renewable energy.

Environment, Health, Safety and Sustainability Value Engine: In 2015, TCS launched an Environment Health Safety and Sustainability value engine, under the Innovation and Transformation Group (ITG), which seeks to make sustainability domain expertise part of the solutions and services we provide to leading global manufacturing customers. Each member of ITG, consisting of over 175 business consultants, has an average of 10+ years of industry experience in functional and technological consulting. As part of this value engine, we have been providing sustainability advisory and consulting services on compliance management, EHS consulting, social listening and reporting & disclosure etc.

Sustainability services provided by Eco-sustainability Unit and EHS&S value engine can be split up into following 4 key areas:

- 1) **Strategy & Risk:** To create significant impact, organizations need to consider the environmental efficiencies in their entire value chain. The internal operations and business processes of an organization may only contribute a fraction of the ecological impact of the entire value chain, as compared to the other components of the value chain such as raw materials procurement, their manufacturing and processing, shipping and transportation, use and disposal. TCS being a strategic consulting partner for many of its client offers the following solutions to build their sustainability strategic roadmap and risk management at an enterprise level:
 - **Reporting and disclosure:** We have developed a Managed Services framework to support sustainability processes and management procedures, to meet customer's efforts toward voluntary sustainability disclosures such as the Global Reporting Initiative and the Dow Jones Sustainability Index. We have been consulting on reporting and disclosure services since past 4 years for manufacturing and other industries.
 - **EHS Managed Services:** TCS brings together the scalability aspects of BPS to the Environment, Health & Safety (EHS) domain. We focus on streamlining and standardizing key EHS areas. These are then managed as a service model, offering efficiencies & optimization.
 - **Compliance management:** We support our clients with compliance process blue-printing as well as creating, verifying and submitting necessary documentation associated with the key climate change regulations.
 - **Supplier Risk Assessments:** TCS helps design, deploy, or enhance existing system(s) to monitor supplier sustainability performance and risks periodically. We also have frameworks to profile and rank suppliers, and identify different sourcing options
 - **Climate change strategy development:** As part of climate change strategy development, we help in developing policies and systems to recognize climate change risk and opportunities and to mitigate the risks and convert the opportunities to advantage.
- 2) **Operations:** TCS continues to invest in building capabilities on the key aspects of the entire value chain to create significant sustainability impact, and help its clients drive their sustainability agenda effectively and efficiently by focusing on following areas:
 - **EHS consulting and Re-imagination:** TCS focuses on aspects like enhancing the safety culture at organizations via process standardization and best practice consulting. The idea of safety is now expanded across the dimensions of environment, health, food & assets. The consulting & advisory services are enabled through enterprise platform solutions, where we support our customers from an end to end due diligence, system mapping, product selection and implementation.

- **Energy Management:** We help in deploying integrated energy management platform that covers all type of facilities and energy sources across the enterprise operations. This provides an enterprise-wide visibility of energy data leading to better decision making while implementing energy efficiency projects for scope 2 reductions.
- **Renewable energy strategy development:** TCS supports organizations to identify feasible options for renewable energy procurement or installations by analyzing local weather conditions and market scenario. This also includes suggesting optimal energy mix, considering the relevant policies and technology maturity of alternative energy resources.
- **Carbon footprinting/baselining:** We support customers in carbon footprinting and baselining their GHG Emissions under Scope 1, 2 and 3 in line with WRI GHG protocol.
- **Water Management:** We help conduct water balancing & footprinting exercises at an enterprise level. This includes outlining product boundary, schematization of production & processes, calculations of product water footprints and water footprint sustainability assessment.

We have been developing water and climate change risk maps for our customers for their own operations and across their supply chain, as well as to develop management plans accordingly.

3) Products & Services: We differentiate ourselves as a trusted partner helping clients drive the sustainability agenda through the thought leadership in this space, ability to innovate and co-create solutions, rich sustainability and industry domain expertise and an established partnership ecosystem to provide following end-to-end solutions:

- **LCA assessment:** TCS facilitates sustainability information disclosure for products for voluntary disclosure requirements such as eco-labels to comply with environmental declarations and reporting frameworks

4) Consumer Influence: 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 business. We help companies to understand the consumer's views through data generated from various channels through the following:

- **Social Media Analytics:** Through our social business solutions, engage, listen, analyze and respond to customers on product sustainability and campaigning
- **Smart Meters/Smart Energy:** Our Smart Integration framework merges diverse utility applications like customer portals, billing system, Meter Data Management System(MDMS), Outage Management System (OMS), work & asset management systems



Our Workforce

Human capital is the largest factor in our business, and the sustainability of revenue growth is directly dependent on the organization's ability to attract and retain the right talent. TCS has a highly educated workforce, whose technical skills are greatly valued globally. Employment is at will with three months' notice from either side for termination. Less than 0.05% of the workforce is unionized in India, which is our largest region of operation.

TCS recognizes the criticality of human capital to the business and its sustainability, and has in place mature processes assessed at the People Capability Maturity Model (PCMM) Level 5.

The total number of employees including subsidiaries as on March 31, 2016 was 353,843 (End-FY15: 319,656). The workforce is predominantly young, with an average age of 29.5 years. A break-up of the workforce by employee category and age is given in Exhibits 14 and 15.

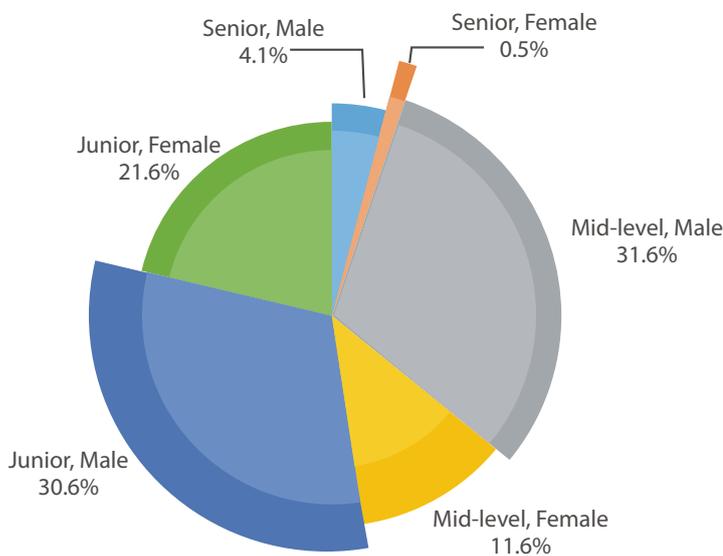


Exhibit 14: Workforce by category

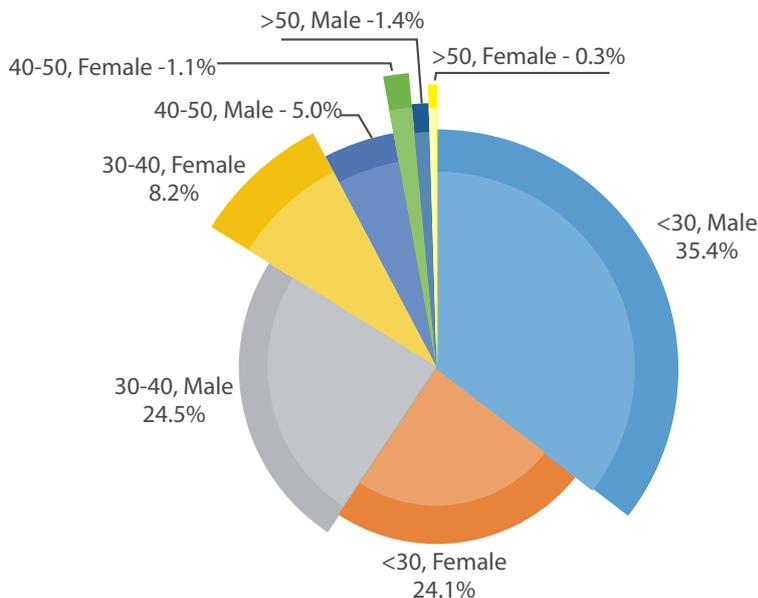


Exhibit 15: Workforce by age

Diversifying the talent pool

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 do not play a part in determining compensation levels. TCS has a well-defined Diversity and Inclusion Policy.

With tailored training programs and greater gender as well as cross-cultural sensitization, TCS has been able to diversify hiring, in terms of gender, geographic locations, and academic discipline.

With over 100,000 women employees, TCS is one of the largest employers of women in the world. As on March 31, 2016, women constituted 33.8 % (consolidated) of TCS' workforce. This success is due to several initiatives that weave diversity and inclusion into the ethos of the organization (see Exhibit 16).

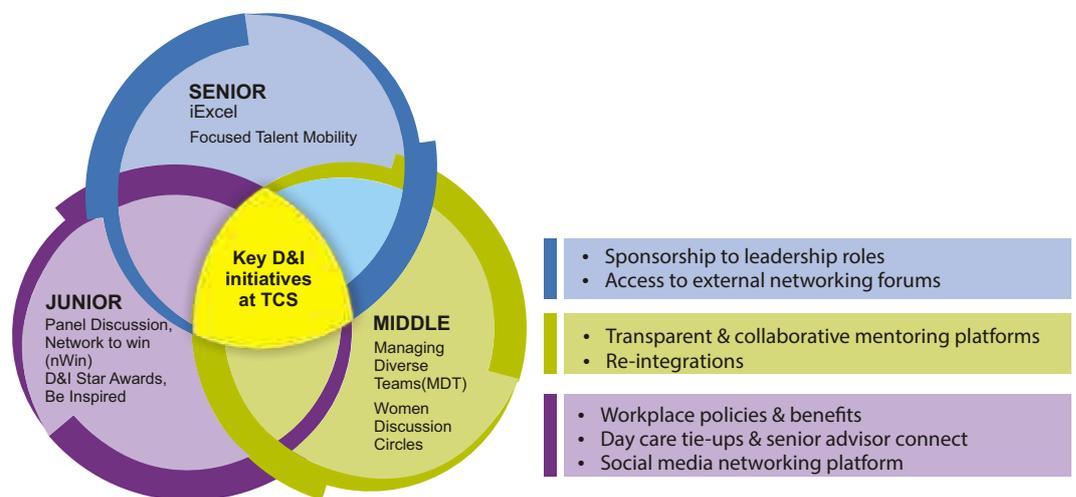


Exhibit 16: Diversity Initiatives

Through the initiative 'Network to Win' mentors are assigned to small groups of junior women employees to provide guidance on professional and personal aspects. Career aspirations, work-life integration, organizational culture, life stage changes, leadership development, and safety and wellbeing, are addressed through discussion circles, formal and informal networking, coffee chats, virtual live chats, and panel discussions.

'iExcel' is a special program which grooms high potential women in middle and senior levels to become leaders. Covering aspects like Business Finance, Customer Partnership and Sales, Business Strategy, Executive Presence and Power Messaging, the program allows participants to interact with top leaders within and outside TCS, who also act as role models and mentors. TCS has also developed a special learning module for mid-level managers, both men and women, to equip them with the skills required to motivate and effectively work with a diverse team. This module — called Managing Diverse Teams (MDT) — was launched on the company's internal development portal.

At the end of FY16, TCS had a diverse base of 3,53,843 employees in 55 countries from 129 nationalities including 33.8 per cent women professionals. Exhibit 17 has the non- Indian workforce breakup by nationality.

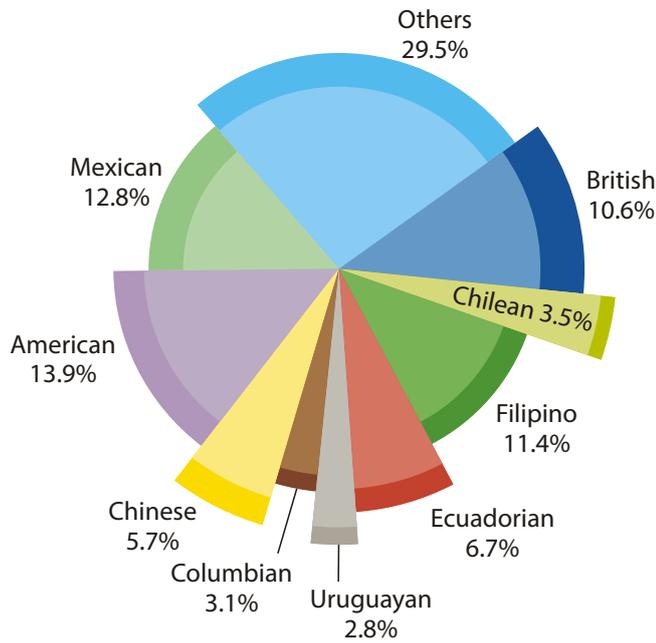


Exhibit 17: Non-Indian Workforce by nationality

Talent Acquisition

TCS continues to attract high quality talent and has been able to successfully scale up the talent acquisition process by developing a global workforce plan that is aligned with the company's short, medium, and long-term business plans. The company's talent requirements are fulfilled partly by re-skilling and up-skilling employees not already allocated to specific projects, and partly through focused recruitment drives conducted by the Talent Acquisition Group. Experienced professionals are recruited through online job sites, head-hunters, and recruitment agencies, as well as through employee referral schemes.

The company's talent acquisition strategy is focused on campus recruitment within India and internationally, as also lateral hiring. The company has invested in building relationships with universities across the world, as well as improving the quality of academic training at these engineering colleges. In FY 16, TCS (including subsidiaries) recruited 90,182 employees, on a gross basis (as compared with 67,123 in FY 2015). Of this, 34,365 (38%) were graduates fresh out of college.

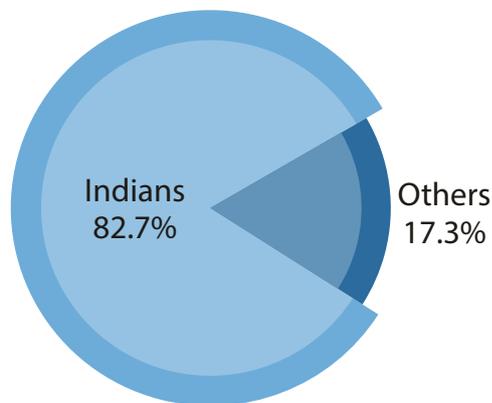


Exhibit 18: New employees in India and other countries

Breakup of new employee hires by gender and age

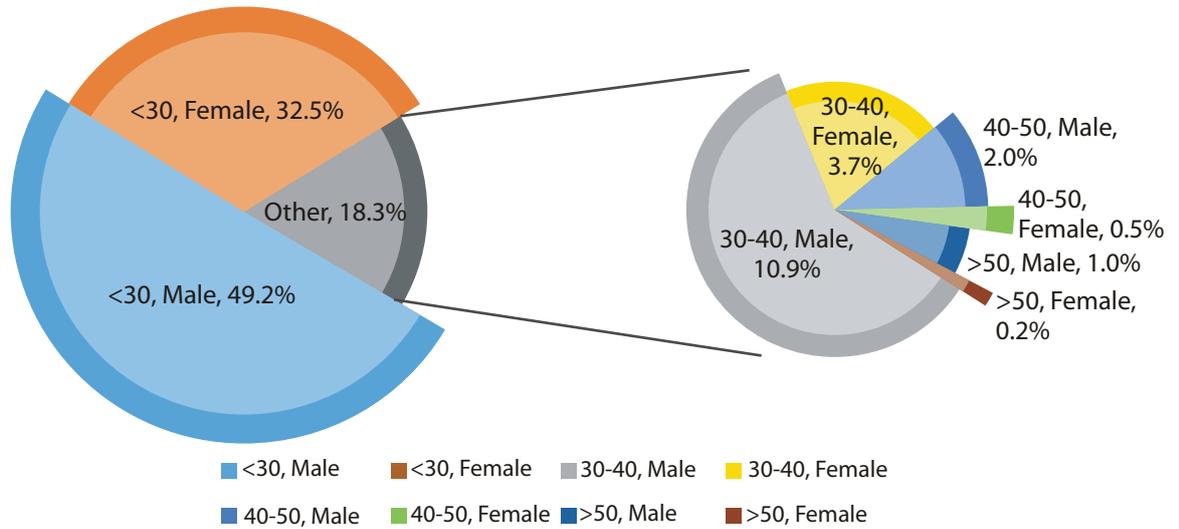


Exhibit 19: New employees categorized by gender and age

Academic institutes are important stakeholders in our talent acquisition strategy. Our Academic Interface Program (AIP) helps us build strong, long-term relationships with academic institutions. This year, faculty and students from over 900 institutes globally benefitted through a range of initiatives including technology awareness, contests, and development of industry oriented curricula.

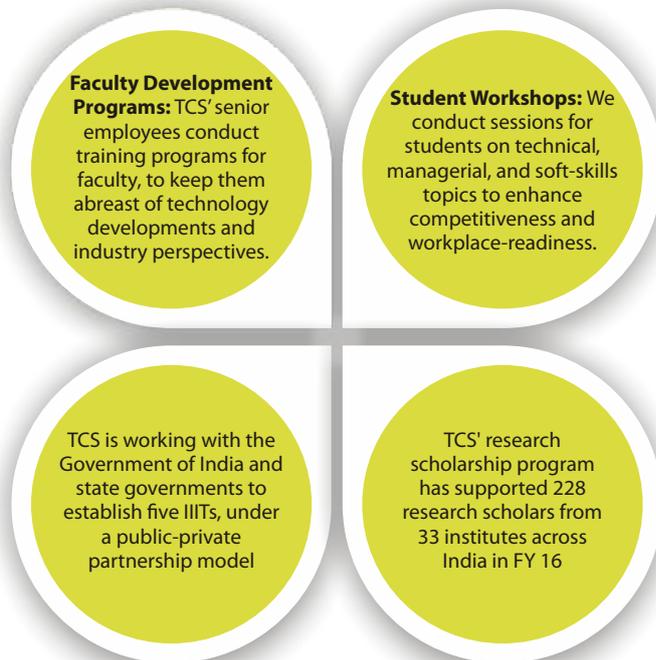


Exhibit 20: TCS' Academic Interface Program

Campus Commune

TCS has created a student engagement platform, Campus Commune, for Engineering, MBA, and Science graduates. Campus Commune aims to create an environment of collaborative learning for these students and gives them an opportunity to learn more about the company, as well as its various business units, and network with other students. More than 800,000 students from over 1,000 institutions participate actively on Campus Commune.

Through the platform, TCS also mentors students, inspiring them to explore unique career opportunities within the company. Students share experiences as well as knowledge of industry trends, engage in discussions, and participate in debates and polls. We currently have 32 interactive channels on this portal,

which focus on business units interests, and gamified hiring. About 10% of the specialized campus recruitment for niche skills takes place through such contests.

Three new channels – Digital Trends, ESRM & ECM and Gamelab were started in FY16 with an objective of bringing awareness and creating positive mindshare about business units and career opportunities. The ITIS business unit in TCS used a gamified learning channel to identify and interview students for campus hiring this year.

Kaizen Express is a social learning platform designed for students to test and improve their English language skills. The platform incorporates gamification learning techniques to make it engaging and lively. A 'study meter' is automatically calibrated based on the user's performances at each level. At every stage of the learning journey, the students are guided by language experts from TCS, who offer timely guidance on the portal – through blogs, video blogs, podcasts, or questions related to grammar.

This year, TCS made +760 job offers through contests such as CodeVita, TESTimony, Enginx, GameOn!, and CASE Wiz.

CodeVita provides a platform for coding enthusiasts in technical colleges to showcase their programming skills. Code Vita, the world's largest coding contest, has also been an opportunity for TCS to spot the brightest programming talent and encourage them to work on exciting projects with TCS. CodeVita drew **197,000** registrations across **18** countries.

TESTimony is India's biggest software testing contest for engineering students. **127,000** students from **10** cities and **900+** engineering colleges in India have taken the challenge. Students learn about mobile testing, agile assurance, DevOps, using tools like Appium, Selenium and Jmeter

Enginx is the Engineering Innovation contest from TCS' Engineering and Industrial Services Business Unit. The contest challenges participants to create innovative engineering solutions towards addressing the needs of the developing world, through applying Frugal Engineering, Value Engineering, Reverse Innovation principles to produce at the most affordable price point.

TCS GameOn! is a Game Design, and Development Contest for students with a unique combination of exponential creative skills and immense passion for games. This is an annual National level challenge launched by DESS - SMWR Gamification sub-practice for Engineering, Arts and Science colleges across India.

Casewiz is TCS' flagship Case Study contest sponsored by Manufacturing ITG Unit to engage with students. The contest is open to students from India's top business schools.

Exhibit 21: TCS' Campus Commune provides a platform for students to learn

Local Recruitment outside India

TCS is a multinational company with operations in 55 countries. Local recruitment is an integral part of our staffing strategy in each of these countries, spanning every level in the local organization. In FY 2016, TCS recruited 16,173 employees outside India. At the TCS group level, the percentage of senior-level employees among local recruits was 8% (compared with 5% for FY15).

We have built relationships with universities through our Academic Interface Programs in different parts of the world. The brand awareness created by these programs helps attract quality talent when we participate in their placement programs and conduct on-campus interviews. Recruitment of experienced professionals is done through our empanelled recruitment agencies and head-hunters.

Local Subcontractors

A key element of our recruitment strategy is the need-based use of contractors, especially for assignments which are of a short-term nature or which require skills not available readily, 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 that we operate in. In case such skills are needed on a longer term basis, we try to build the capabilities internally and eventually replace these contractors with employees. In FY 2016, TCS spent \$1,280 million (7.7% of revenue) on subcontractors, compared with \$1,084 million (7% of revenue) in FY15.

Talent Development

iEvolve is a comprehensive next-generation competency and learning management system developed by TCS in-house. The platform provides an integrated mechanism for employees to record their Skills & Competencies (Behavioral, Leadership, Technical & Domain) and on-going training requirements that translate into developing & administering individual learning plans; document, track & report learning delivery; and assess competencies.

This dynamic, user-friendly, mobile accessible platform facilitates every employee's learning journey. It enables employees to aspire to newer roles and provides mechanisms (learning objects) to meet those aspirations. It thereby reinforces TCS' commitment to the continuous development of each of its employees.

At the start of the year, employees -- in consultation with their supervisor -- define a learning and development plan for the year, based on their interests and aspirations as well as the needs of the project and business unit they work in. Employees then undertake the various training sessions and workshops outlined in the plan. These may include e-learning sessions on iEvolve, external certifications, iQclass (digital interactive classrooms) connect sessions, classroom sessions conducted by various technical Centers of Excellence within TCS, as well as Management Development Programs (MDPs). Each employee is assessed biannually on the progress made against this plan.

Average per capita training hours in FY 2016		
Category	Male	Female
Senior level	24.3	32.8
Middle level	40.2	43.4
Junior level	104.2	84.0

Exhibit 22: Average training hours invested by employees in FY 2016

In FY 2016, a total of 4,288,617 learning days were invested towards competency development, including training in relevant technology areas. The breakup of this is as below: See Exhibits 21 and 22 for details. Of this, 148,620 learning days went into developing management skills and leadership qualities among employees identified for managerial and leadership roles.

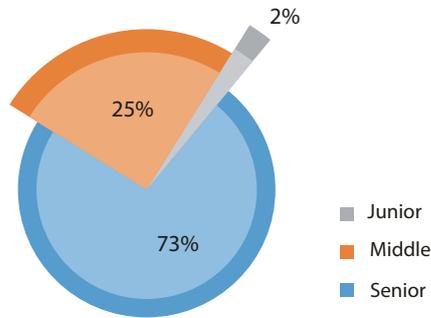


Exhibit 23: Learning days by employee category

Training programs at the entry level, as well as 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 to meet customers' business needs. This process also helps individuals drive career growth and realize their potential in different ways. In addition, HR also organizes multiple programs on financial management, health, and other areas that assist them in managing career endings.

Talent Retention

TCS views talent retention as another critical success factor – as important as talent acquisition – and has invested heavily in building an employee-friendly culture and developing mature processes towards improving it. We have been assessed enterprise-wide at PCMM Level 5, and our retention programs are considered best-in-class in the industry. Employee retention has been enhanced by offering competency enhancement and career growth options, role mobility, challenging assignments, competitive and differential compensation, flexible working hours, a collaborative work environment, as well as rewards, recognition and benefits.

The outcomes of these retention programs have also been superlative. The 'return to work' and retention rates after parental leave are 74%. Although the majority of parental leave was taken by female employees, 6 of the 14 employees who opted for adoption leave were men. In FY 2016, attrition in IT Services was 14.7% (on a LTM basis) while overall attrition, including BPS, stood at 15.5%. Of this, attrition caused by departures of new hires within the same year was 4.5%. Of total attrition, female employee attrition was 34%. The attrition rate is higher at junior levels – 16.4%. Exhibits 23, 24, and 25 have more details.

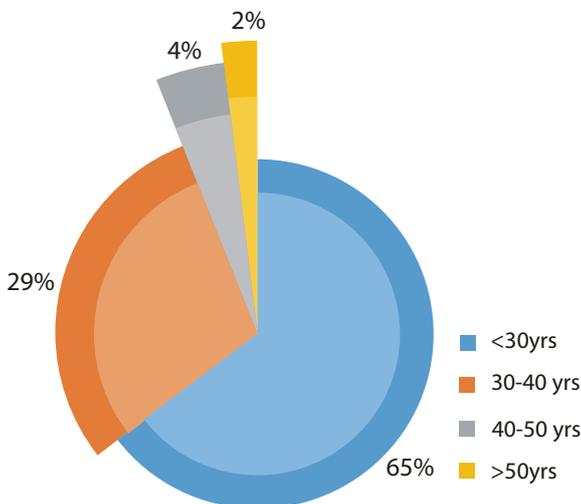


Exhibit 24A: Departures by Age (out of employee base in age group)

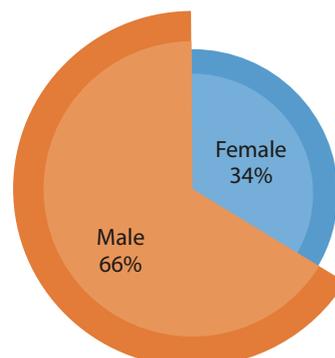


Exhibit 24B: Departures by Gender (of Total Attrition)

G4-DMA SOCIAL, G4-LA1, G4-LA3

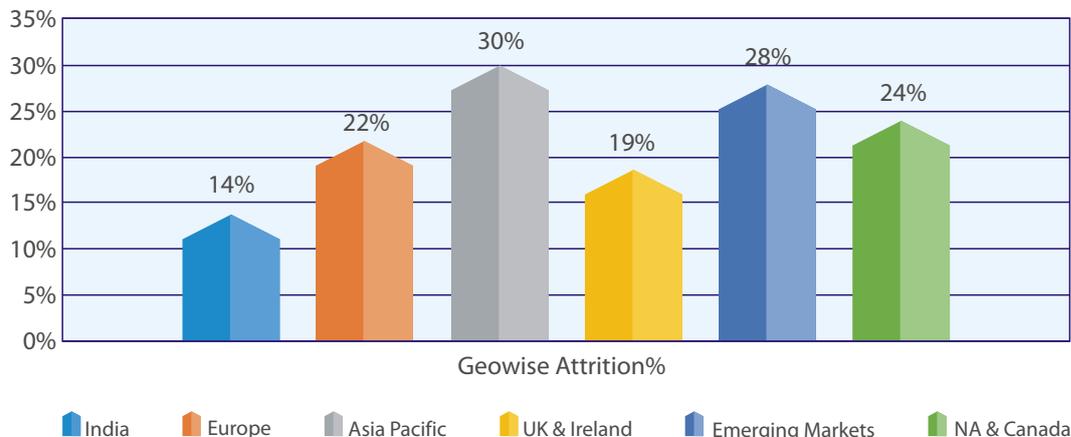


Exhibit 25: Departures by Region

Career Development

All employees receive regular performance and career development reviews. Our CareerHub platform helps employees learn and grow, providing timely updates to fuel their career in the organization. An integral part of the CareerHub is Inspire - TCS High Potential Program and CareerHub process. The 'Inspire' program aims at identification, engagement and building of a robust leadership pipeline, in line with the organizational growth objectives. Special initiatives are taken to make high potential employees more visible and offer projects and learning that will enhance their skills. They also undergo focused leadership programs to help them move into higher roles. CareerHub is used by all other employees in middle to senior management. It is a competency based approach with emphasis on experiential learning. In both these processes, employees have career discussions with their chosen mentors, who create customized Individual Development Plans for them.

At TCS, career processes are online and transparent, with a holistic view of aspirations, mentoring, and developmental interventions, as well as an opportunity to share their feedback online. "My Career Eureka" is a social media platform for employees to share insights and get advice on their careers in TCS from peers and experts. Employees can also voice their views on career processes on this community. Employees receive fast responses to their queries, read inspirational success stories, and receive guidance from senior executives who act as mentors. The community is also used to crowdsource ideas on improving our career planning tools.

Competitive Compensation Model

TCS has to attract and retain talent in a highly competitive market. Most of our workforce consists of software engineers who hold engineering graduate and post-graduate degrees. Exhibit 26 depicts our employee costs over the last three years.

Year	FY 2014	FY 2015	FY 2016
Employee Costs in USD Mn	7,544	8,940 ¹⁵	9,709.9

Exhibit 26: Employee Costs over the Last Three Years

To ensure competitiveness in the pursuit of talent, we regularly benchmark our compensation plans and benefits¹⁶ with those offered by peers to ensure that competitiveness. There is also a skill-based allowance for employees possessing niche skills, designed to motivate employees to acquire marketable skills, thereby benefiting themselves as well as the company.

G4-EC1, G4-EC5, G4-DMA SOCIAL, G4-LA2, G4-LA11, G4-LA13

¹⁵ Excluding impact of \$423 million paid as Special One-time Bonus to employees

¹⁶ TCS offers gratuity, a defined benefit retirement plan, to 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 FY2016 stood at \$369.4 million.

Compensation structures are driven by prevailing practices in each country we operate in. But across the enterprise, remuneration is the same for men and women working at the same location and in the same grade¹⁷. 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 our company's and employee's interests has the effect of strengthening team spirit and improving collaboration among teams.

Reward and Recognition

Subscribing to a performance based culture, we have several schemes for recognizing and rewarding employees. TCS Gems is the global online employee recognition platform for managing reward mechanisms. Some of the popular awards are Star of the Month and Quarter Awards, On the Spot Award, Best Program and Project Manager Awards, Star Team Award, Beyond Performance Award, Service Awards. Employees may also get appreciation certificates. Employees who get rewards can choose from a variety of redemption options.

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

Challenging Assignments

The importance of work content and an individual's quest for self-actualization can never be overstated. By virtue of its broad footprint across regions and industries, and the execution of large complex projects, we offer plenty of opportunities for ambitious individuals who seek challenging assignments and exposure to different kinds of roles, technologies, and locations. This contributed to our ability to retain high performers.

Employee Engagement and Motivation

Our internal social networking portal, "Knome", facilitates multi-dimensional engagement with the largely young workforce. Employees across the globe post their views, suggestions, and questions, and get feedback through comments and answers from other employees. The senior leadership engage regularly with employees through blogs and live chat sessions, which allows each employee to make their voice heard, and their feedback taken into account by the top management.

Employee retention and motivation are greatly facilitated by fostering a spirit of community, through shared activities outside of work. TCS Maitree provides a platform for engaging employees and their families, and develop a sense of camaraderie. It also channels their energy and enthusiasm into activities that benefit local communities and the environment. Maitree provides employees with avenues for various interest-based clubs, such as for music, dance, adventure, ecology, yoga, sports, and photography. Activities such as Family Day, Summer Camps for employees' children, Celebrating Cultural Diversity are also organized.

We take an active interest in the wellbeing of employees and have sponsored and supported athletic and sporting events at the national, regional, and local levels. The company encourages employees to participate in these activities and stay fit. On our campuses, the focus on a culture of fitness translates into a myriad of activities, from yoga to aerobics, from tennis and badminton coaching to cricket and football tournaments.

Initiatives like TCS Fit4Life and Purpose4Life have enthused employees to take care of their fitness and to volunteer towards social causes. The company encourages employees to participate in these initiatives by forming teams, and through 'gamification'.

¹⁷ Remuneration for men and women at the same location and grade is in the ratio 1:1



Through Fit4Life, TCS' CEO himself encourages employees to form teams and pursue a passion for running. Our sponsorship of the Mumbai Marathon, the World 10K Bangalore, and other long-distance events across the world has sparked widespread interest in fitness and running.

Occupational Health and Safety

Health and safety (H&S) considerations are integral to our business process and are laid down in the organization's Occupational Health and Safety (OHS) Policy which translates into the objectives and targets towards inculcating safe behavior (see Exhibit 27).

Objectives	Goals	Target
Building a safety culture and inculcating safe work practices among employees and contractors	Training associates and contractors	1 hour per associate per year
		2 hours per contract staff per year
	Creating general awareness	1 communication per month
		1 campaign per quarter
Providing safe workplaces and compliance to H&S management system and regulatory requirements	H&S inspections for all the sites	1 annual inspection per site
	Compliance to H&S legal and HSE-MS requirements	100%
Incident reporting and implementation of remedial measures	Reporting of accidents and near miss incidents	Increase in number of reporting
	Resolution of incidents reported and effectiveness of measures	100%

Exhibit 27: Occupational Health and Safety Objectives and Targets

Globally, we strive to achieve beyond compliance leadership in occupational health and safety. 115 TCS centers are Occupational Health and Safety Management System -certified as per OHSAS 18001:2007. The Occupational Health and Safety Management System is also integrated with the organization's Quality Management System. Under the management system, each location has a Health, Safety and Environment committee that meets on a regular basis to discuss H&S issues and improvement programs. The Board-level Health, Safety, and Sustainability committee and Corporate Sustainability Council review our health and safety performance on a regular basis.

Hazard identification and risk assessment method is followed to identify workplace risks to employees as well as contractors and ensure sufficient and suitable mitigation measures are in place for a healthy and safe work environment. The generic OHS risks identified include ergonomic risks, road safety in company provided transport, indoor air quality, fire and other general office risks like slips, trips, falls, electrical shock, etc.

We proactively monitor safety measures and performance at upcoming facilities across India. Deployment of safety processes and systems are mandated with effective tracking of lead as well as lag safety indicators in order to maintain a comprehensive oversight of safety performance.

Employee engagement is the key pillar of safety initiatives at TCS. This is achieved through various communication channels like trainings, posters, events, emails, floor meetings, skits, videos, and blog posts on Knome (an internal social media portal). Safety training is a mandatory part of induction for new employees, while continuous learning programs increase occupational health and safety awareness among employees. In FY 2016, we spent over 670,000 hours imparting training on health, safety, and environment through classroom sessions, inductions, and web based training. Several campaigns like the Road Safety Awareness, Ergonomics Awareness, Fire Safety awareness, Incident reporting engage associates to make them more aware and safety conscious.

G4-DMA SOCIAL, G4-LA5, G4-LA8

18 Remuneration for men and women at the same location and grade is in the ratio 1:1

Our SafetyFirst initiative was launched in May 2014 with the objective to become a zero fatality organization across four key areas – health failures, accidents, external violence and self-harm. Over the last 2 years, the initiative has catalyzed a change in the mindset and behavior of employees. The transition has been from understanding that 'safety begins with me', gradually towards adopting 'safety as a habit'.

Ergonomics Awareness Campaign - (October 2015)

Due to our sedentary lifestyles, ergonomics continues to be a prominent concern. TCS has a 360 degree approach to ergonomics – starting from providing an ergonomically correct workstations and chairs, awareness campaigns on the correct sitting posture and workstation stretches. The Ergonomics Campaign is organized every year, and in 2016 over 100,000 employees participated through various activities. Local teams continue to monitor effectiveness, engage with management, and drive improvement in this area



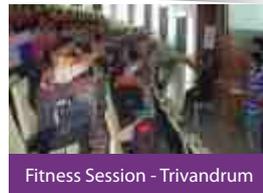
Fitness Session - Kochi



Floor Walk - Bhubaneswar



Training Session for Contractors - Hyderabad



Fitness Session - Trivandrum



Training Session for Contractors - Kolkata



Video Screening - Pune



Skit Performance - Delhi



Doctor Session - Lucknow



Eye Check Camp - Delhi

Sustain a Stronger Mind Initiative at TCS UK Offices

TCS UK undertook a wellbeing campaign initiative 'Sustain a Stronger Mind' across offices that ran over a 12-week period. The objective of this campaign was to reduce workplace stress and promote positive mental well being by engaging our employees through activities that focussed on:

- Physical wellbeing in relation to stress by doing workstation stretches and fitness sessions
- Mental wellbeing in relation to stress by promoting seven positive points for a better life
- Nutrition in relation to stress by organizing nutritional breakfast workshops to highlight the benefits of a balanced diet

The 'Five Steps to Wellbeing' that promote positive mental wellbeing were used to structure the campaign. They were: connect, take notice, be active, keep learning and give.



Taking the Road Safety Campaign Beyond TCS...

We organize a Road Safety Campaign every year to engage employees, business partners, and the society at large. Safety being a focus area in the TATA Group policy, the campaign has been extended beyond TCS since 2012. This initiative was started as a pilot in TCS-Kerala. After receiving excellent feedback, it has now been implemented at various branches in India.

During the fifth Road Safety Campaign held in January 2016, we reached out to educational institutions to sensitize them about road safety. In Mumbai, an inter-college skit content was organized on the same theme. Six local colleges participated and were given an opportunity to perform within TCS premises.



Injury Statistics

TCS being a service sector company, most in-office injuries occur due to slips, trips, and falls or being struck by stationary objects, etc. Road accidents in company provided transport is also a key focus area. We focus on capturing information on all types of incidents including accidents, near-misses, and safety observations and ensure 100% closure of the reported incidents with effective corrective and preventive actions.

Severity	Number of Injuries
Fatality ¹⁹	0
Lost Time Injury	35
Medical Treatment Injury	30
First-aid Injury	69

Exhibit 28: Work-related Injuries Based on Severity

¹⁹ There was one fatality near TCS' Nagpur office to a third party person standing outside the mechanical gate and was fatally injured due to the movement of the gate.

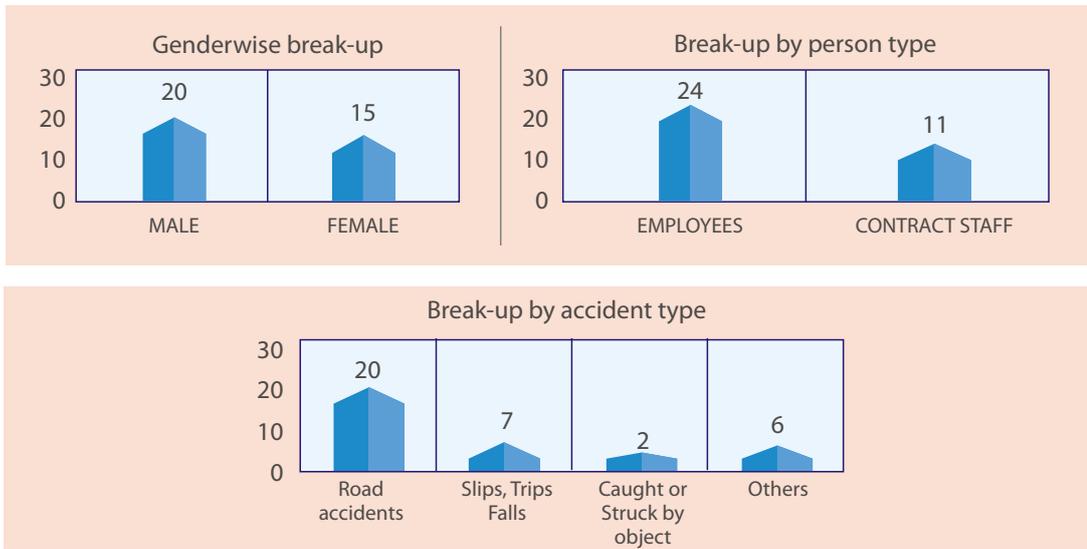


Exhibit 29: Break up of High Severity Injuries²⁰

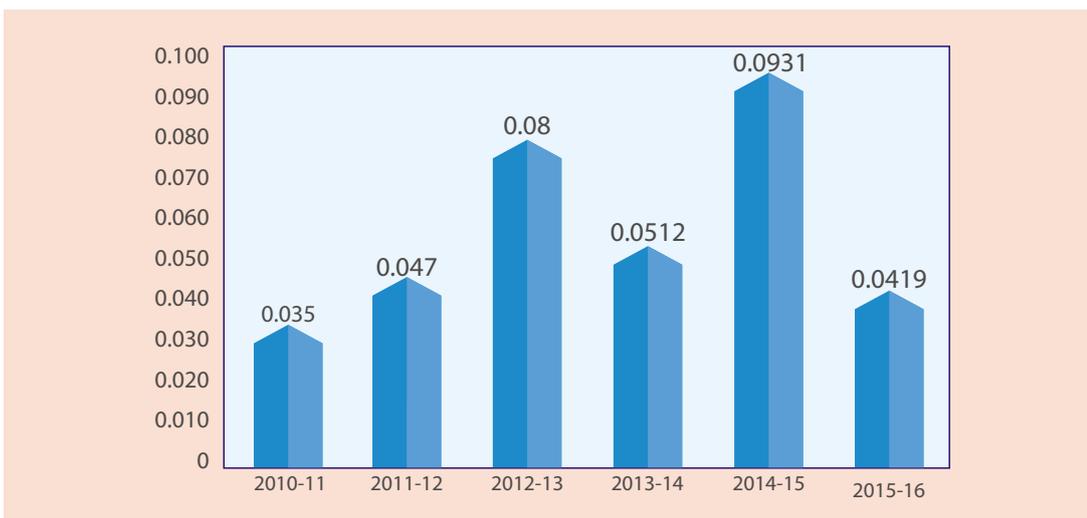


Exhibit 30: Lost Time Injury Frequency Rate (Year-on-Year Trend)

Lost Time Injury Frequency Rate (LTIFR)²¹ is the number of lost time injuries per million man-hours worked (TCS employees and contract staff working in TCS offices).

²⁰ High severity injuries include fatalities and lost time injuries

²¹ Only work related injuries have been considered from all geographies. This does not include the lost time cases on road in personal or public transport involving employees travelling to and from work. These cases are tracked internally and reviewed and road safety awareness campaigns are aligned to sensitize employees on road safety.

Our Community

Being part of the Tata group, TCS has a unique relationship with society at large. This section highlights our global CSR initiatives – through volunteering, sponsorships, and pro bono IT services – in the areas of education and skill building, health and wellness, and environmental sustainability.

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 performing arts.

These trusts also provide aid and assistance to various non-government organizations working in the areas of education, healthcare, and livelihoods.²²

Direct and Indirect Economic Impact

The most significant, direct economic impact TCS has is the productivity benefits that clients gain from the automation of various business processes. Greater cost-efficiency and productivity at a firm-level translates into higher productivity for the larger economy.

Our work directly translate into community benefits when we engage with various governments to digitize their operations, particularly in the area of citizenry services. For instance, MeeSeva is an e-governance initiative in Andhra Pradesh and Telangana that incorporates the vision of the National eGovernance Plan – facilitating a single entry portal for a range of G2C services. TCS does not believe that any part of its operations has a potential or actual negative impact on the communities in which we work.

Our profitable global operations result in payment of corporate taxes applicable in multiple countries. The 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 2016, TCS provided for a total tax expense of \$1,142.4 Mn. Based on NASSCOM's figures for the entire sector, it is estimated that we contributed 1% to India's GDP and our share of India's exports in FY 2016 is over 6%.

Direct and Indirect Employment

TCS' strategy of tapping into the local talent in each delivery location results in the generation both direct and indirect employment. Direct employment results in the creation of tens of thousands of white-collar jobs, broadening 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 local employment opportunities for skilled workers, while our vendors hire housekeeping staff, security guards, drivers, gardeners, maintenance workers, chefs, cafeteria staff, etc.

It is conservatively estimated that TCS generates 27 indirect jobs for every 10 direct jobs. Taking these indirect jobs into account, TCS' consolidated, global employment generation footprint is estimated at over 956,000.

Broad based 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-BPS 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 1 cities. With a view to leverage benefits of low costs and a motivated local workforce, the IT-BPS industry has started establishing centers in Tier 2 and Tier 3 cities. Over the last four years, TCS has been leading this foray with the workforce in Tier 2 and 3 cities steadily growing as a percentage of the company's total workforce in India.

²² More details of the work funded by these trusts can be found on their websites (<http://www.dorabjitatrust.org> and www.srtt.org).

Intangible benefits

TCS employees are well educated, well-groomed young professionals. Almost a third of our workforce comprises of women. The experience of working within a global company allows employees to broaden their horizons. In Tier-2 cities in India, this influences parents to invest in higher education for their children, including girls, who find inspiration to seek higher education and pursue corporate careers.

Corporate Social Responsibility: Nurturing People and Planet

Our CSR board-level committee recommends to the Company's board the CSR policy as well as the expenditure, monitoring the CSR policy from time to time, overseeing the activities impacting the quality of life of various stakeholders; overseeing the company's corporate and societal obligations; and reports to the Board about the same. The TCS Foundation was established in March 2015 with the objective of undertaking CSR activities of the Company.

Our CSR initiatives seek to leverage our global presence and large employee base to transform the delivery of social programs while using IT expertise to create agility and efficiency. We undertake community initiatives with a focus on education skill development, health & wellness, and environmental sustainability.

Initiatives are also tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms and follow-up field visits are regularly carried out. The Company has engaged highly trained employees to drive and monitor these activities.

Addressing the Global Skill Gap

The company's focus on skill development has been enhanced with larger reach and significant impact in FY 2015-16.

Since 2010, **BPS Employability Program** has provided an effective platform for the development of communication skills, corporate etiquette, interview skills, and basic computer knowledge among youth in marginalized regions of the country. The program involves 80 to 100 hours of interactive training designed to enhance employability. Till date, the program has trained more than 50,000 youth across 17 states in India.



Students participating in the IT employability program in Karnataka, India

Inspired by the success of the BPS Employability Program, we also created and implemented a specially designed initiative to enhance employability among engineering students from rural areas. The **IT Employability Program** includes 200 hours of learning, which starts during the fifth

semester and continues, in a phased manner, till the seventh semester of the undergraduate or engineering course. After the training, students attend a TCS placement drive through which the meritorious candidates find employment. A key highlight of the program is the involvement of TCS employees and this engagement has helped students envision a future career in IT. In FY 16, over 500 students benefitted from this program.

This year too, TCS contributed INR 350,000 towards 5 scholarships through **Foundation for Academic Excellence and Access (FAEA)** to help SC/ST students studying in professional courses in leading colleges in the country.

TCS' commitment towards the development of faculty for academic institutes, improvement of employability of students and development of curricula as per industry requirements has been consistent through its **Academic Interface Programme (AIP)**. TCS helps 75 boards of various institutes across the country in revamping their curriculum as per current industry trends. In addition, TCS has signed a Memorandum of Understanding with the governments of Gujarat, Assam, Tamil Nadu, Maharashtra, and Jharkhand to serve as a partner in the establishment of Indian Institute of Information Technology in Vadodara, Guwahati, Tiruchirappalli, Nagpur, and Ranchi respectively. This is being done through the PPP model in association with the Govt. of India and other industry partners.

TCS announced a five year extension to its **Research Scholar Program (RSP)**, which seeks to support doctoral students in India in computing sciences. Under this program, scholars receive a stipend as well as funds to travel to conferences to present their work. Scholars have an opportunity to interact with TCS researchers and receive mentoring. This flagship program supports nearly 20% of all the computer science PhD students in India as per an ACM survey. In FY16, TCS selected 40 research scholars, taking the total scholars supported by the program to 228. An extension to the program is expected to benefit an additional 200 students from 61 institutes across the country, in a five year period.

The TCS RSP complements other efforts the company is making in enhancing the research and computing capabilities in India. TCS is the founding sponsor of the ACM India Doctoral Dissertation Award. The company is also making significant financial commitments in setting up new institutes of information technology across the country.

The **FC Kohli Center on Intelligent Systems (KCIS)** at IIT Hyderabad established by TCS, aims to coordinate and energize education and research and help in imparting high-quality training to bachelors, masters, and doctoral students. The research undertaken at the center is expected to have the potential for significant social impact through innovative products, and start-ups.



Empowering adults through literacy

Created and first implemented in 2000, TCS' **Adult Literacy Program (ALP)** is accessible in nine Indian languages and three foreign languages. These IT enabled modules for functional literacy have reached 261,518 beneficiaries globally.

Through our **Advanced Computer Training for Visually Impaired (ACTC)**, we have been working on creating employment among individuals with visual impairment. This program also covers personality development in line with business requirements of the industry. This extraordinary project aims at bridging the gap between computer skills of people who are visually impaired and those required by IT/ITES. Till date, TCS has trained 176 individuals of which 127 candidates have found eEmployment.



Participants in the all women training batch, UDAAN

UDAAN, the Special Industry Initiative (SII) for J&K is funded by the Ministry of Home Affairs and implemented by National Skill Development Corporation (NSDC). TCS was one of the first organizations to partner with NSDC to implement the program in Kolkata. UDAAN is a part of an overall initiative for addressing economic issues in J&K, with this program specifically focusing on providing skills and job opportunities to graduate and post graduate youth. Since inception, the program has trained 697 youths, of which 559 have received employment offers. 370 of the trainees have joined TCS.

TCS is expanding its focus to include digital literacy and entrepreneurship in remote locations across India.

Bridge IT is a unique project that provides digital literacy in schools, adult literacy through a computer based functional literacy program, and creates entrepreneurs armed with digital tools to enhance their business opportunities. The program currently reaches 4,817 children, 505 adults and 31 entrepreneurs in 36 villages across three states. TCS has also invested in a new center at IIT Hyderabad to energize education and research and help impart high-quality training to bachelors, masters, and doctoral students.



Benefitting economically disadvantaged communities of rural India through IT



School students participating in Insight

Insight is an IT awareness and empowerment initiative for senior school students in India. It is based on the syllabi prescribed by school boards. By using the Case Study Methodology, students are able to understand, retain and apply programming concepts in their examinations, where they see significantly higher scores. It delivers a unique blend of technical and life skills to improve students' IT proficiency. Insight has been made available on the cloud since February 2016, to enable greater accessibility to the program.

Using the quiz platform is as an effective supplement to computer science. **TCS IT Wiz**, the biggest inter-school IT Quiz program in India and **Rural IT Quiz**, Government of Karnataka's flagship program, aim to build awareness and improve IT skills of young students.

Through **Empower**, TCS aims at building the capacity of its support staff. Modules for training include acquiring basic computer skills, communication through English, and other relevant soft skills. In FY16, over 1,200 beneficiaries received training under the program.

TCS is also supporting the development of the **GAINS (Girls Advancing in STEM) Academy** at Avasara which was established in Pune in October 2014. Avasara aims at providing girls twenty-first century skills such as exposure to coding and critical thinking, to promote holistic learning.



Encouraging girls education at the Avasara Academy

At the **Manuski Hostel** in Pune, TCS has supported the education of 40 children from socially and economically disadvantaged communities. Water filters, computers, and a broadband connection have also been provided in the girls' hostel. A library has been set up for the boys' hostel. In Noida, TCS has associated with **Vidya & Child** to promote learning in Math, English, and other soft skills among children. TCS provided financial support for 18 meritorious students in Class X, XI, XII. TCS has also supported the working of 41 Gadadhar Abhyudaya Prakalpa (GAP) units promoting holistic development of underprivileged children across the country.

Community Initiatives in North America



golT session at Minneapolis

In North America, through the company's interventions more than 20,000 people have been impacted. **golT** is TCS' signature community engagement program in North America through which our employees teach computer programming and mentor youth to increase STEM education and career awareness. This year, the initiative reached 997 students of which 426 were girls. TCS also actively participated in the Hour of Code, a coding competition conducted during the Computer Science Education Week that saw participation from more than 1,300 students including 400 women.

We were a proud co-founding sponsor of the inaugural US2020 STEM Mentoring Awards, held on July 23 at the White House. The award was instituted to recognize mentors for their exceptional work in science, technology, engineering, and math (STEM) mentoring. The awards

ceremony was part of the first ever STEM Mentoring Symposium, bringing together leaders from the Obama administration, public, private, and social sectors to share best practices, discuss common challenges and reaffirm mentoring as a powerful tool for education reform and nation building.

Community initiatives in UK

In UK, TCS reached more than 34,000 people through its interventions. **IT Futures**, our flagship program, encourages students to develop an interest in IT and strengthens the ability of educators to deliver effective training and relevant skills. This year, TCS participated in the Big Bang Fair, a STEM fair, organized to enhance children's interest in IT. In the event, TCS volunteers created fun technical challenges for the student participants. The TCS Tech Challenge is another novel program where university teams produce detailed, real world solutions in support of partner charities.



Students participating in IT Futures in UK

IT for Good challenges 14-18 year olds to come up with an IT system to help people overcome a real world problem for the chance to win a week's MISSION YOU training placement with TCS in London, Edinburgh, Peterborough, or Liverpool. With its Apps for Good partnership, TCS has teamed up with the organization to challenge young people aged 11-14 to develop problem solving skills and became tech entrepreneurs, who create apps to solve problems. Stepney Green Maths and Computing College is the first institute we partnered with our IT Futures program, which aims at inspiring young people at various stages in their education.

Other Global Initiatives

In Asia Pacific, Australia, and New Zealand, our programs impacted over 14,000 people. In Australia, six not-for-profit organizations were selected to receive expert IT and technology support pro bono, as part of a new community program. Our **Go4ITWork Experience Program** encourages an interest in IT among women, and saw participation from 20 women from 47 different schools in Sydney and Melbourne.



TCS associates volunteer at IT awareness sessions in South Africa

In Middle East and Africa, our programs have impacted over 2,000 people. TCS South Africa has initiated several programs to bring about **IT awareness** in schools and in underdeveloped rural areas of South Africa. In South Africa, TCS has trained more than 500 underprivileged children in IT in a year. Through its graduate training program, the company has trained and recruited 33 youth in South Africa.

In LATAM, the programs reached over 3,000 people. **ENABLE**, a program focusing on the social and economic empowerment of differently abled people, impacted 375 people. We also partnered with Centro Paula Souza, to conduct technical lectures for 150 students. Centro Paula Souza is the largest technical education institution in Latin America with 282 education units and 285,000 students. The program is expected to train more than 1,000 students.

Promoting Health and Well Being

It is not only important to provide high quality education to all sections of the society, but also to ensure that learning happens in a clean and healthy environment. The '**Swachh Bharat, Swachh Vidyalaya Abhiyan**' launched by the Government of India, intends to enhance cleanliness across schools, through enhanced water and sanitation facilities. The program is focused on providing the girl child the surety of safety, dignity, and equality. A special task force started executing this program in March, 2015 and was completed in by July 31, 2015. TCS' intervention has benefitted 80,757 girls in 1,472 schools across 1,169 villages in four states. The Ministry of HRD and state authorities have noted that the TCS model is an excellent approach towards sanitation, which can be adopted by other corporates and PSUs.

Our model leverages our core competencies in technology to create sustainable solutions for several organizations that are devoted to providing health services towards marginalized and affected groups. TCS has chosen to work with cancer, cleft palate, and the general rural community health. For example at **AIIMS**, TCS understood that the way forward was to change the current OPD process and enhance patient experience by decreasing the time between the entry and exit processes. Post comprehensive analysis, TCS decided on the following approach: Phase I (Short Term) would include OPD Transformation and Performance and improvement of the existing IT systems. Phase - II (Long Term) would include enterprise resource planning implementation and electronic medical record stream. Post TCS' intervention, the patient reception center now has a seating capacity of 750 with 52 operational counters. There are 10 operational web kiosks with an increased capacity in the waiting area. 85 patient care coordinators have been assigned and 34 departments have successfully streamlined their processes to treat 1000 patients a day.

We also designed and implemented a comprehensive Hospital Management System for TMC, Kolkata. TCS has been supporting the system and IT Infrastructure since 2011 and has added value through constant on-demand enhancements and upgrades. In FY 16, compatibility for clinical and EMR capacities was ensured and the endoscopy process has been enhanced by third party software integration and re-organization of the order and payment process. Computer-on-Wheels has been configured and introduced in wards to ensure immediate information and update. The new GE-PACS

system integration with the HMS was carried out without impacting day-to-day operations in the Radiology Lab. The donor fund management process has been linked with social assessment for disbursement of funds to the low income patients. Employee leave and appraisal process has been implemented for in-house staff. The IVR system and OS in digital networks has been upgraded. The physical setup of key equipment has been changed for better air circulation and maintenance. In FY 16, more than 130,000 patient visits and treatment details were successfully logged.

A comprehensive and fully integrated, web-based solution was also provided pro bono to the **Cancer Research Institute at Chennai**. In FY 16 as a result of laboratory equipment integration, the advantage of HMS could achieve a bigger number of patients, delivering as much as 540,000 investigation results.

The company also utilizes its expertise in IT to assist social organizations by highlighting areas of improvement and suggesting processes and systems to increase efficiency. TCS provides simple, user friendly and holistic systems which assist in mapping core functions of the social program and translating them into tools promoting transparency and visibility and accountability. Last year, we successfully launched projects for **Mumbai Mobile Creches, Operation Smile, Center for Social Action, and Impact India**.

TCS is attempting to deploy a practical model to improve education, healthcare, and environment and promote economic empowerment in rural areas across India. To improve livelihood options in Panvel, India, TCS associates have trained 50 women in making eco-friendly jute bags through the **Women Empowerment Program**. More than 520 children in this area are benefiting through the provision of a two-storey school building prepared with a science lab, a library, and a solar operated computer lab. Infrastructure for clean drinking water is also built as supplementary support. Volunteers visit the school every weekend to teach the kids conversational English, Science, and Math. These activities come under the Panvel Rural Development program that is a flagship volunteering initiative of TCS Maitree. More than 1,114 children and adults have benefitted from such initiatives in **Panvel (Maharashtra), Padmapur (Odisha), and Challeria (UP)**.

In China, TCS employees supported **Operation Smile** by maintaining accurate medical records for all the patients and provided support in the pre-op and post-op activities. 157 patients benefitted from this program. TCS associated also developed **SenCi**, a Senior Citizen Mobile Application which provides reminders for medicines and doctor's appointments. In Australia, HeartKids Australia, Cystic Fibrosis New South Wales, Hunter Medical Research Institute, The Royal Hospital for Women Foundation, The Australian Indigenous Leadership Centre, and The Penguin Foundation will be the first beneficiaries of the TCS Australia and New Zealand Pro Bono Community Program.

Providing relief during occurrences of natural disaster

In FY 16, Chennai was hit by devastating floods that affected a significant proportion of the population. Serving as the lead organization in the Tata Group's crisis response, TCS spearheaded several initiatives to help disaster hit individuals recover from their losses and rebuild their lives. We helped setting up community kitchens and health camps and assisted in the distribution of food and emergency kits. More than 2,500 individuals received aid at the health and wellness camps set up by TCS. In addition, TCS donated INR 10 crore to Tamil Nadu government's flood relief work and also donated INR 13.8 crore to the Tata Group's efforts.

Environmental Stewardship

We have mapped the biodiversity at our office sites and have implemented various conservation and enhancement programs to protect and enhance biodiversity. Currently, there are 305 types of flora being nurtured within various TCS campuses.

TCS in association with the Sahyadri Nisarga Mitra Chiplun has been implementing the **Marine Turtle Conservation Program** since 2010. The program aims to protect the breeding sites of the Olive Ridley Turtle and prevent illegal hunting and killing of turtles while protecting these species from other predators. Till date, we have helped protect 150 nests of Olive Ridley turtles and successfully translocated 16,202 eggs to hatcheries. 8,290 baby turtles were successfully released into their natural habitat. The program has ensured a higher survival rate (51.17%) of the turtle hatching, thereby contributing to an increase in the marine turtle population worldwide.

TCS has also provided support for the maintenance of the **Chinnapanahalli Lake in Bengaluru**. Over 8,000 TCS employees also drove maintenance activities for the garden surrounding the lake. Volunteers helped rebuild the senior citizen's park, pruned hedge plants across the garden, built a nursery, provided manure to the plants, and helped with the construction of an underground water drainage system. Chinnapanahalli Lake is now an abode for bird species like the painted stork, spot billed duck, egrets, bee eater, and the cormorant.

Restoring Heritage Sites



TCS helped restore the Rajabai Clock Tower

The **Rajabai Clock Tower** is located in the Fort campus of the University of Mumbai (India) and is a UNESCO World heritage site. TCS has played a significant role in restoring the 87m tower. The architectural restoration of the tower included structural services, such as stoning, re-establishing woodwork, water-proofing, and electrical work, ensuring the longevity of the building for future generations. One of the biggest challenges was to implement sensitive restoration and

repair work of the clock tower at a height of 87m (~29 floors). The restoration has helped renew the building's glory.

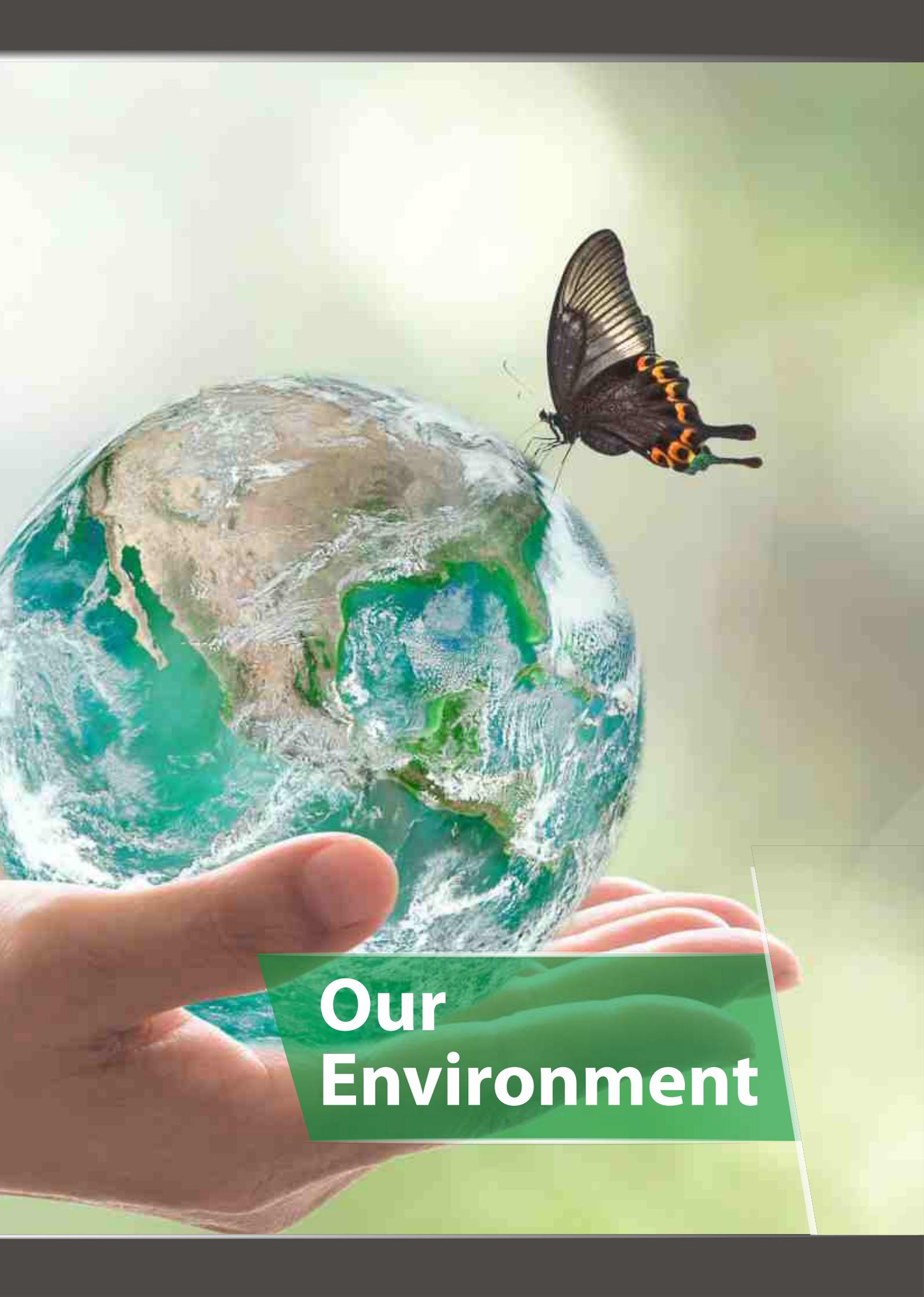
Volunteering

We encourage volunteer-driven, meaningful activities for employees and their families. TCS Maitree is a core human resources function within TCS and is based on the philosophy of Together, Caring and Sharing.

TCS Purpose4life (P4L), a corporate volunteering initiative that motivates and enables our employees to contribute towards societal well-being. It is designed to channelize our CSR efforts and leverage the extensive geographic reach. Education, Health, and Environment are the main focus areas under which initiatives are carried out. Interested associates pledge and commit to volunteer a minimum of 10 hours a year. P4L has been supported by an online and globally accessible platform and mobile apps. In FY16, we crossed 600,000 hours of volunteering.

Our employees find this to be a satisfying way of giving back to the society and the best way of continuing the Tata legacy. There are many dedicated volunteers who volunteer along with their families so that the importance of social responsibility is cascaded to the coming generations as well.





Our Environment

Our Environment

TCS acknowledges the role it needs to play as a responsible corporate citizen and targets to decouple growth and the impact on the environment through conscious changes in its strategy across the value chain. Aligned to our continued commitment towards playing a leadership role in environmental protection and climate change mitigation, we follow a sustainable approach while pursuing business aspiration and enhancement of shareholder value.

Guided by our environmental policy, we continuously strive to reduce our ecological footprint and drive efficiency through resource optimization and reduction of waste. Green IT, green buildings or sustainable supply chain initiatives - the ultimate objective is to embed sustainability into daily operations and also help our customers achieve sustainable growth through our green solutions and service offerings.

With a strong emphasis on energy efficiency, green infrastructure, and green IT, we continue to reduce our energy and carbon footprint. We also focus on water efficiency and reducing the demand on fresh water through wastewater treatment and closed loop recycling. Effectively managing waste as per the 3R principle (reduce, reuse, and recycle), TCS aspires to attain the status of 'zero waste to landfill' across all its campuses. Our supply chain sustainability drive aims to influence our supply chain partners to improve their sustainability performance through continuous engagement and gradual capacity building. All this is deployed through our Environment Management System framework in accordance with the international standard ISO 14001:2004. Our key delivery centers at 114 locations across the globe have been certified to this standard.



Exhibit 31: Environmental Management at TCS

Focused commitment and persistent efforts towards its environmental sustainability roadmap has helped TCS decouple business growth and the ecological footprint. The performance²³ for FY 2015-16 is depicted in Exhibit 32.

Objective	Target Date	Status
Carbon footprint* (per capita) reduction by 50% over baseline 2007-08*(Scope 1 + Scope 2)	2020	On track
1.65 (weighted average) PUE	2018	Target year extended
20% renewable energy procurement	2020	On track
Water neutrality	2020	On track
Zero* solid waste disposal to landfill (*<5%)	2020	Target year extended
Inclusion of vendor sustainability requirements in contract and performance of assessments	2017	On track

Exhibit 32: Summary of Environmental Performance

Compliance

TCS complies with all applicable environmental regulations. There were no instances of fines imposed due to non-compliance to environmental regulations or negative consequences due to TCS' operations in the reporting period.

Energy Efficiency and GHG Mitigation

Commitment – To reduce the specific carbon footprint by 50% by 2020.

The changing global climate affects the planning and day-to-day operations of businesses, governments, and other organizations. The manifestations of climate change include higher temperatures, altered rainfall patterns, and more frequent or intense extreme weather events such as intense rainfall, heatwaves, drought, and storms. Each year there are climatic events that present risks to people and organizations. As climate change becomes more apparent, mitigation as well as adaption are becoming critical for business sustainability. With an Environmental Sustainability Roadmap, TCS has defined a proactive energy and carbon management plan. Our target is to reduce our carbon footprint by 50% by 2020 over the baseline year 2007-08. The performance is summarized in Exhibit 33.

The sources of greenhouse gas (GHG) emissions contributing to TCS' carbon footprint (depicted in Exhibit 4)²⁴ are:

- **Scope 1:** Diesel operated generator sets, company-owned vehicles, refrigerant gases (fugitive emissions), cooking gas combustion, fuel combustion for space heating

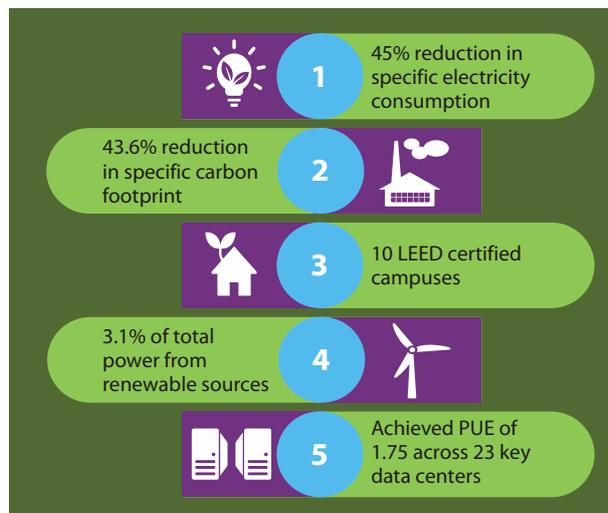


Exhibit 33: Energy and carbon performance

²³ All performance measured over the baseline year 2007-08

²⁴ Scope 1 and Scope 3 emissions have been calculated using the emissions factors published by the Green House Gas protocol. For Scope 2 emissions – i.e. purchased electricity related carbon emissions – for India, the source is the emissions factor in the CO2 Baseline Database for the Indian Power Sector, User Guide, Version 11.0, April 2016 published by Central Electricity Authority of India. For Scope 2 emissions of locations other than India, emission factors published by DEFRA 2015 have been used.

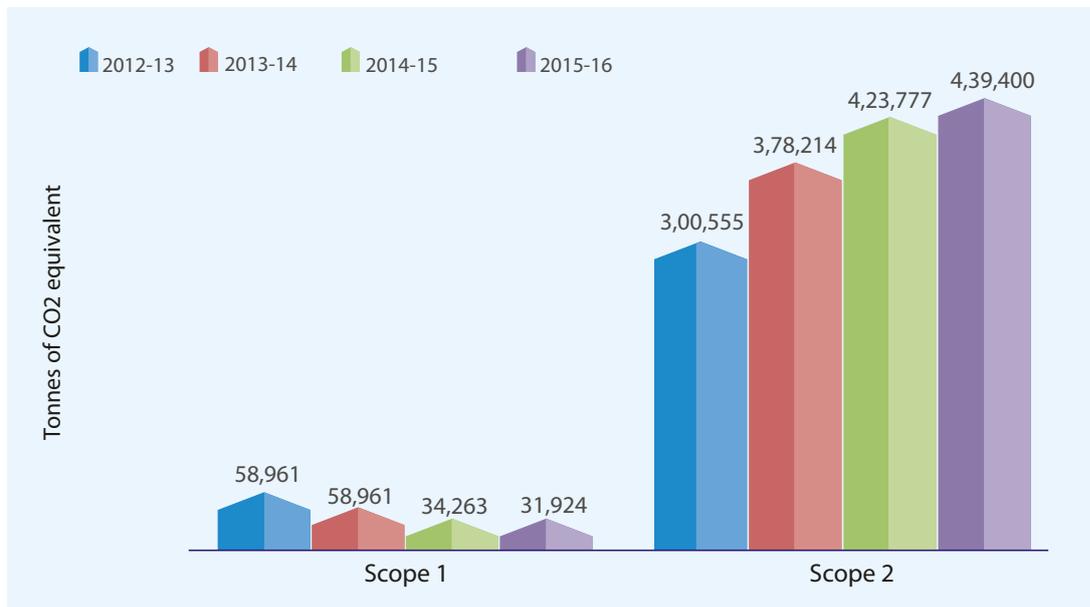


Exhibit 34- Carbon Footprint (Scope 1 and Scope 2) Distribution

■ **Scope 2: Purchased electricity**

At TCS, the grid is the primary source of electricity, with diesel generator (DG) sets used for back-up power supply during outages. Solar power through roof-top solar panels and 'green power' (hydroelectric or wind power) purchased through third party providers are sources of renewable energy in some of the TCS locations along with conventional power. Natural gas fuel is used in some overseas locations for space heating. A source-wise breakup of the 592,323 MWh (2,312,683 GJ) of electricity consumed by TCS in FY 2016 is given in Exhibit 35. The total direct energy consumption by primary energy sources was 277,391 GJ (from fuel consumption in owned vehicles, diesel consumption in diesel generators, combustion of cooking gas, and space heating).

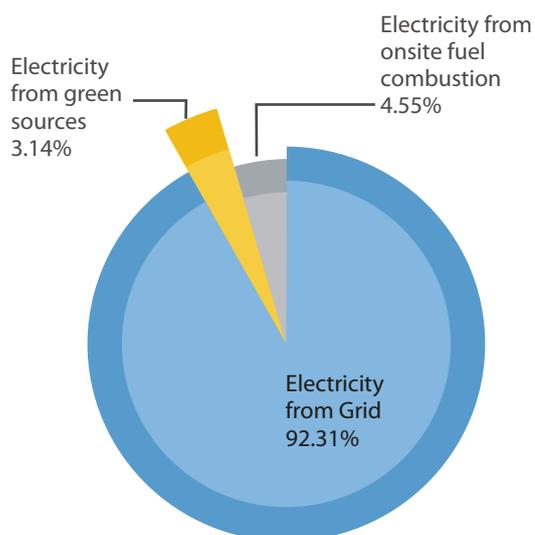


Exhibit 35: Break-up of Electricity Consumption by Source (%)

Over 90% of TCS' Scope 1 + Scope 2 carbon footprint is attributable to indirect energy use. Energy in the form of electricity, being the single largest contributor towards TCS' carbon footprint, is a key input²⁵ to TCS' business operations. As the business grows, the energy requirement also increases. TCS leverages state-of-the-art energy efficient technologies, innovative thinking, and people engagement to find solutions that meet business needs and simultaneously benefit the environment. To achieve its carbon target, TCS has formulated a detailed plan of action on energy and carbon management, focusing on the following elements (Exhibit 36):

- Green buildings and office infrastructure
- Green IT
- Operational energy efficiency
- Procurement of renewable energy

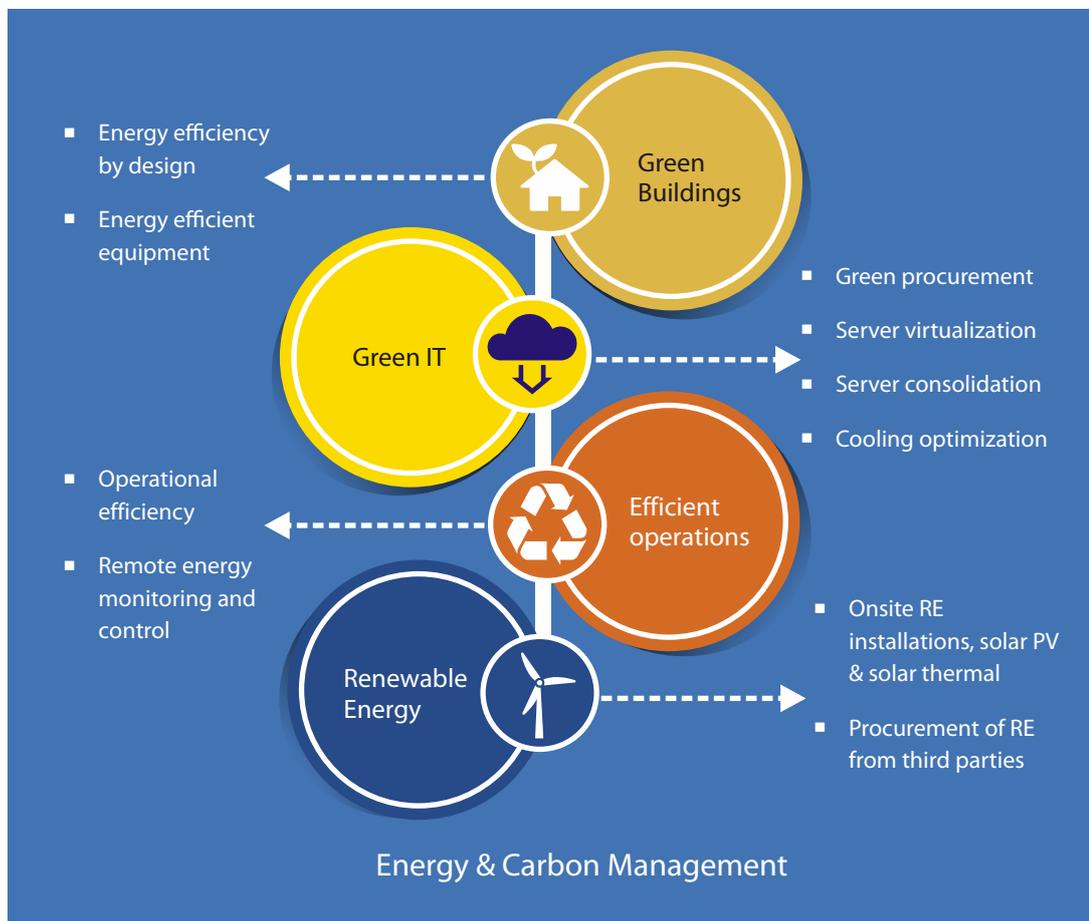


Exhibit 36: Enablers to Energy and Carbon Management

²⁵ Being a services company, there is no direct material consumption in TCS' operations. Resources consumed -- including electricity, water, physical infrastructure, and office information and communication technology equipment -- are auxiliaries which support operations.

Green Buildings

TCS views green infrastructure as a key enabler for reducing the ecological footprint of office spaces and achieving sustainable growth. All our owned campuses are designed according to LEED Green Building standards for energy and resource efficiency, among other factors. TCS has 10 LEED certified campuses at:-

1. Siruseri Phase 1, Chennai – LEED Gold; Siruseri Phase 2, Chennai – LEED Platinum (Exhibit 7)
2. Sahyadri Park, Pune – LEED Gold
3. Banyan Park, Mumbai – LEED Gold
4. Peepul Park, Trivandrum – LEED Silver
5. Kalinga Park, Bhubaneswar – LEED Platinum
6. Barabati, Bhubaneswar – LEED Platinum
7. Synergy Park (Phase 2), Hyderabad – LEED Gold
8. Garima Park, Ahmedabad – LEED Gold
9. Gitanjali Park, Kolkata – LEED Gold
10. TCS Centre, Kochi – LEED Gold

The other upcoming facilities at Hyderabad, Trivandrum and Indore are also designed as per green buildings standards and will be certified when completed. Some of the new office spaces which TCS has leased are also LEED certified. Energy efficiency is a key criterion for new leases of office spaces.



Exhibit 37: The campus at TCS Siruseri, Chennai, which is LEED Platinum Certified

Some key features of our green buildings include energy efficient design of the building envelope, energy efficient electrical and mechanical equipment, onsite renewable energy (rooftop solar photovoltaic panels), solar thermal installations (hot water generators), chiller waste heat recovery units, and solar PV based peripheral lighting systems.

Green IT

As a part of its Environmental Sustainability Roadmap, our internal IT team works on reducing the carbon footprint in all its areas of operations through procurement of energy efficient IT infrastructure, operational energy efficiency, eco-friendly disposal of end-of-life IT equipment through e-waste management, and other such initiatives.

FY 2015-16 saw effective integration of smart meters across our key data centers as part of TCS' Remote Energy Monitoring and Control initiative. This has helped monitor data center power usage and Power Usage Effectiveness (PUE) on an online platform and drive efficiency. Key steps taken to improve the efficiency of

data centers included optimal alignment of air supply grill tiles, arranging racks in hot and cold aisles, plugging cold air leaks, providing cold aisle containment and optimization of cooling units by switching off extra units. UPS optimization was also carried out; excess capacity was removed or replaced with matching capacity in order to reduce the losses and improve the PUE. In addition, the temporarily unutilized space within data centers was consolidated and partitioned to reduce cooling needs.

In FY 15-16, the average PUE of our 23 key data centers improved from an average of 2.2 to 1.75, with six data centers having a PUE of 1.65 or less. Despite our strong focus and keen efforts on this metric, we fell short of our target of 1.65 by March 2016. This was attributed to the legacy infrastructure across older locations which required considerable revamping and modernization. Based on our experience so far and better estimates of the work involved, we have extended the timeline to 2018. Towards that, we have planned several initiatives including ODC virtualization to optimize IT infrastructure efficiency.

Efficient Operations

TCS Remote Energy Management and Control initiative helps monitor, report, manage and improve energy usage for over 100 offices we occupy across India. The solution comprises hardware embedded assets, TCS Data Acquisition and Management System, and TCS Connected Universe Platform, the company's cutting-edge cloud-based IoT platform, which facilitates data management, analytics, rich query capabilities, and visualization.

TCS has also set up a centralized Resource Operations Center (ROC) at its campus in Kochi supported by subject matter experts, energy analysts, and cloud-based IT systems experts, to enable real-time monitoring of energy consumption and advanced energy analytics. This has helped identify real-time wastages in energy use and yielded significant savings.

The ROC continuously monitors the underlying infrastructure to ensure consistently high levels of data availability, data quality, and system uptime of infrastructure comprising more than 15,000 sensors and associated servers and gateway devices. TCS Global Infrastructure Monitoring Solution helps quickly identify the failure points in this multi-layered structure.

The ROC provides real-time alerts based on complex rules combining multiple data sources such as energy consumption, occupancy, and weather. The platform also enables analytics that allow us to optimize key loads, such as enhancing chiller operations for effective chiller scheduling and management.

The solution also provides real-time visualization of consumption, cost, and other key performance indicators (KPIs) at the location, region, and enterprise levels. This allows us to measure the energy performance of sites and aggregate KPIs for comparison by type of site, climatic zone, nature of operations, and so on. Poorly performing sites are taken up for assessments and audits to identify opportunities for enhancing their energy performance.

Renewable energy

Renewables are an important element of the global climate change adaptation strategy, improving the resilience of existing energy systems and ensuring delivery of energy services in changing climatic conditions. To meet its carbon target, TCS has also identified renewable energy as a substitute to high carbon energy. Roof-top solar power plants have also been installed at our campuses. Some of our offices also have small renewable energy installations including solar peripheral lights, solar electrical fencing systems, and solar water heaters. TCS is looking at procurement of renewable energy through third party providers over the next few years to achieve a target of 20% renewable component by 2020. In FY 2015-16, renewable energy accounted for 3.1% of the total energy consumed.

TCS has successfully reduced its specific carbon and energy footprint, clearly demonstrating the decoupling of business growth from carbon and energy footprint. TCS has also reduced its energy consumption by 5% over FY 2015 and 45% over baseline year FY 2008 (as depicted in exhibit 38).

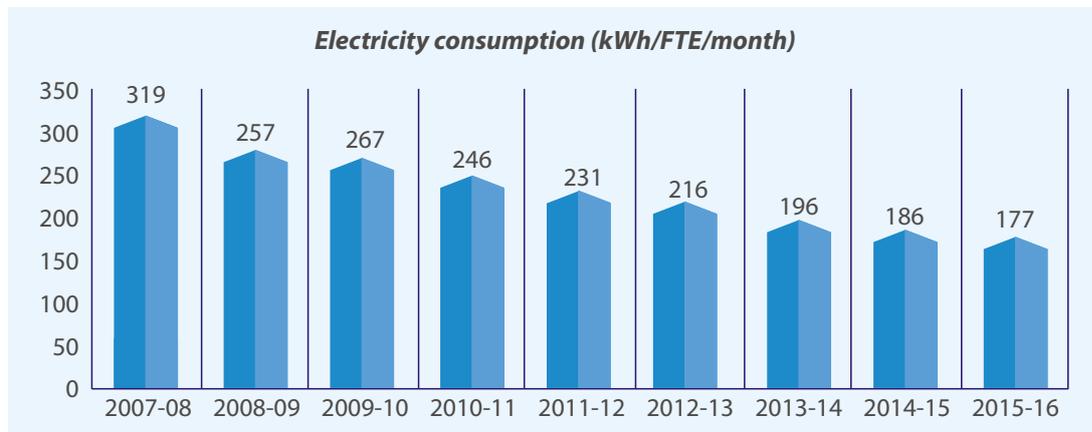


Exhibit 38: Year-wise reduction in Electricity Consumption (kWh/FTE/month)

Our combined GHG emission (Scope 1 + Scope 2) was 1.69 tCO₂e/FTE in FY 2016 as compared to 1.82 tCO₂e/FTE in the last financial year; 43.6% less than the baseline year 2008 and 7% less than the last reporting year (Exhibit 39).

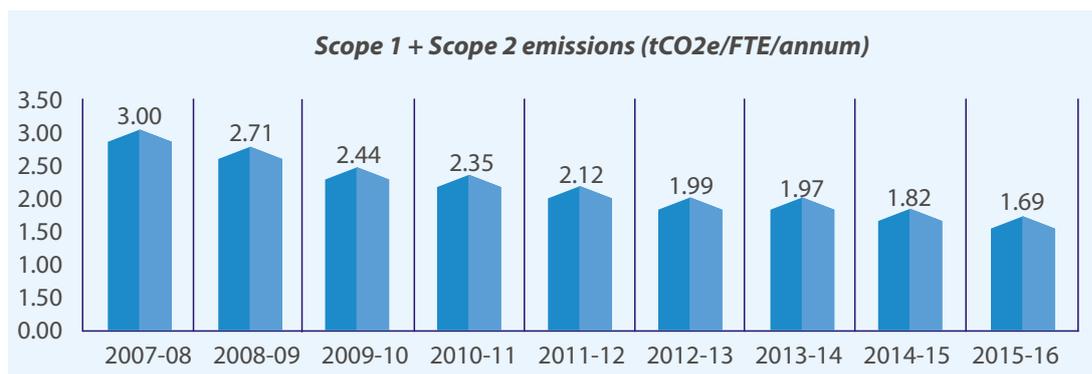


Exhibit 39: Year-wise reduction of Carbon Footprint (Scope 1 + Scope 2) in tCO₂e/FTE/annum

Scope 3 includes other indirect carbon emissions, which are a consequence of company's activities but occur from sources not owned or controlled by the Company. Often this typically contributes significantly to the total carbon footprint for any organization.

The Scope 3 accounting standard by the GHG Protocol classifies emission sources into pre-defined categories. The various categories of Scope 3 emission sources applicable to TCS, along with the approach and reporting boundaries, are described in Exhibit 40.

Scope 3 Category	Accounting Approach
	<p>Category 1 – Purchased goods and services</p> <p>The carbon footprint from the information and communication technology equipment purchased, which are not capitalized, is accounted under purchased goods. The services which TCS procures for infrastructure management are delivered from within TCS premises and hence are accounted for in Scope 1 and Scope 2 emissions.</p>

G4-DMA (Emissions),
G4-EN18, G4-EN19,
G4-EN5, G4-EN6, G4-EN7

Scope 3 Category	Accounting Approach	
	Category 2 – Capital goods	Emissions from office machinery, equipment, furniture, computer, servers, and electrical machinery which are capitalized are accounted for in this category.
	Category 3 – Fuel and energy related activities (not included in Scope 1 and Scope 2)	The emissions associated with upstream extraction, production, and transportation and T&D losses due to the electricity consumed in TCS offices are quantified under this category.
	Category 4 – Upstream transportation and distribution	IT goods constitute a significant proportion of the company's overall purchase. The upstream transportation and distribution emission for the IT purchases have been quantified based on the life cycle data published by key suppliers to TCS for different IT assets like desktops, laptops, and servers.
	Category 5 – Waste generated in operations	Emissions associated with waste disposal have been quantified taking into consideration the recycled quantities, waste treatment, and disposal methods.
	Category 6 – Business travel	Business air travel is very relevant and material to TCS due to the nature of business and our operating model. The GHG emission from business air travel (Scope 3) has reduced by 50% over baseline year and is 0.40 tCO ₂ e/FTE/annum. This reduction has been possible due to our commitment to optimize business air travel through strict controls and by encouragement of audio and video conferencing. The year-on-year trend is given in Exhibit 12.
	Category 7 – Employee Commuting	This has two components – travel in hired vehicles provided by the company and travel in personal or public transport. The distance traveled is monitored for company vehicles by type of vehicle and fuel, and used to calculate the associated emission. For employees commuting by personal or public transport, the number of employees using personal transport (two-wheelers or cars) is collected from the parking pass issue records, and it is assumed that the rest use public transport. It is assumed that on an average, a person travels 30 km a day for work, based on the average distance of the offices in each city from the geographical center. Emissions are accounted for based on the kilometers travelled and the emission factor for passenger cars, motorbikes, buses, and trains. This data is reported only for India, representing over 90% of our total employees.

Exhibit 40: Categories of Scope 3 Emissions

The profile of the Scope 3²⁶ categories applicable to TCS is given in Exhibit 41.

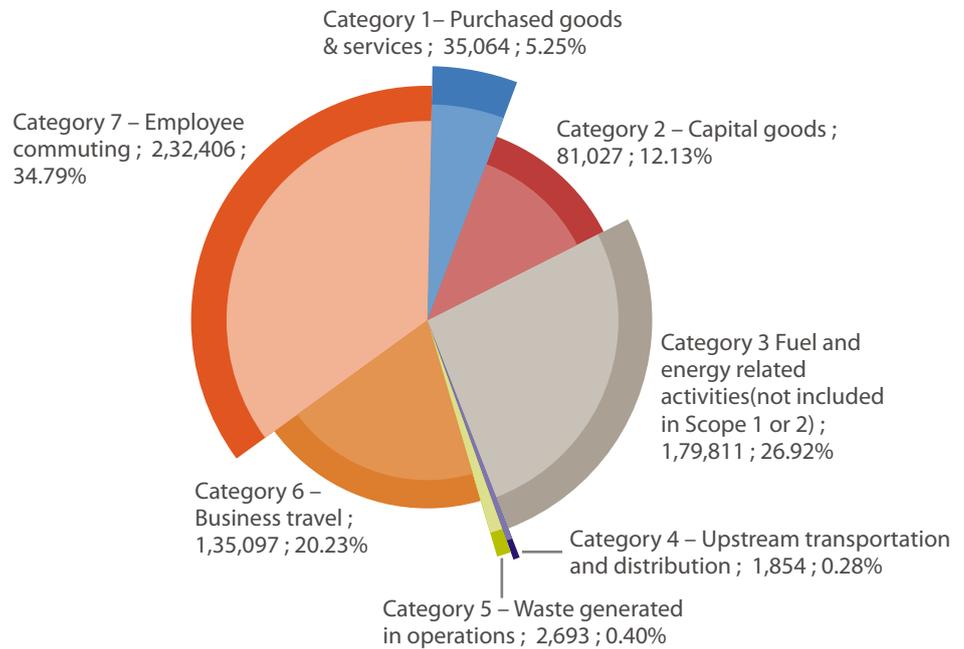


Exhibit 41: Scope 3 Carbon Footprint Distribution (Legend – Category type; carbon footprint in tCO₂e; % of total Scope 3)

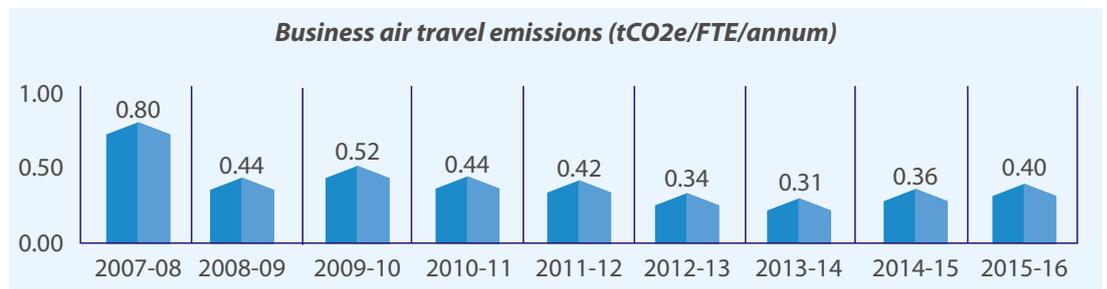


Exhibit 42 Year-wise comparison of Carbon Footprint (Scope 3-Business Air Travel) in tCO₂e/FTE/annum

- 
Cycle to work scheme
- 
100% of waste diverted from landfill
- 
100% FSC and recycled paper
- 
Net Zero Carbon Office

TCS-Liverpool – First TCS Delivery Center certified as ‘net zero carbon’

In April 2015, TCS-Liverpool set a challenging objective to become ‘net zero carbon’. The initiative called ‘Zeros Heroes’ is based on a 5 step plan to reduce the energy demand, recycle 100% of waste, use energy from renewable sources, offsets and employee engagement. Under this, we actively encouraged employees to help in offsetting our emissions by volunteering in local community for plantations, recycling days and educational workshops.

As a outcome of our persistent efforts, we achieved the ‘net zero carbon’ certificate by Alphacello, UK in January 2016, becoming the first TCS Delivery Center to become net zero carbon.

²⁶ Emission factors used are from DEFRA 2016 & DEFRA 2012 – GHG conversion factors, GHG Protocol All Sector Tools 2014, Lifecycle GHG assessment study published by key suppliers of ICT equipment to TCS.

Ozone Depleting Substances

Some of the refrigerants used in HVAC systems, such as R-22, have been recognized as Ozone Depleting Substances (ODS). All the ozone depleting refrigerant gases as per the Montreal Protocol will be phased out and replaced with zero Ozone Depleting Potential (ODP) 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-ODS refrigerants. ODS emissions are primarily in the form of system losses or fugitive emissions during maintenance and repair. The ODP of the total refrigerant emissions to the atmosphere in FY 2016 was 0.22 tonnes of CFC-11 equivalent.

Other Emissions

Diesel generator sets used as a source of power during power outages, emit Oxides of Sulphur (SOx) and Oxides of Nitrogen (NOx) gaseous emissions, which are listed in Exhibit 43.

Emissions	Quantity (tonnes)
SOx	3.3
NOx	413

Exhibit 43: Other Emissions

Water Sustainability

“Clean, safe drinking water is scarce. Nearly 1 billion people in the developing world don't have access to clean, safe drinking water. Yet, we take it for granted, we waste it, and we even pay too much to drink it from little plastic bottles. Water is the foundation of life. And still today, all around the world, far too many people spend their entire day searching for it.” – The Water Project, Inc.²⁷

Commitment – To achieve water neutrality by 2020

To achieve our ambitious goal of achieving water efficiency by 2020, we have ensured water efficient design in new offices and campuses, as well as 100% treatment and recycling of sewage and rainwater harvesting. Exhibit 44 summarizes the water performance.

Fresh water is critical for our operations, and it comes from several sources. The source-wise breakup of the 3.52 million kL of water consumed in FY 2016 is given in Exhibit 45.²⁸



Exhibit 44: Water performance

²⁷ Source: The Water Project, Inc., Water Scarcity and the Importance of Water, accessed 18 July 2016, <https://thewaterproject.org/water-scarcity/>

²⁸ No natural water source is directly impacted due to water consumption by TCS. For offices where measurement systems are not available, assumptions and rules of thumb are used to estimate the quantity of water consumed, recycled, and reused.

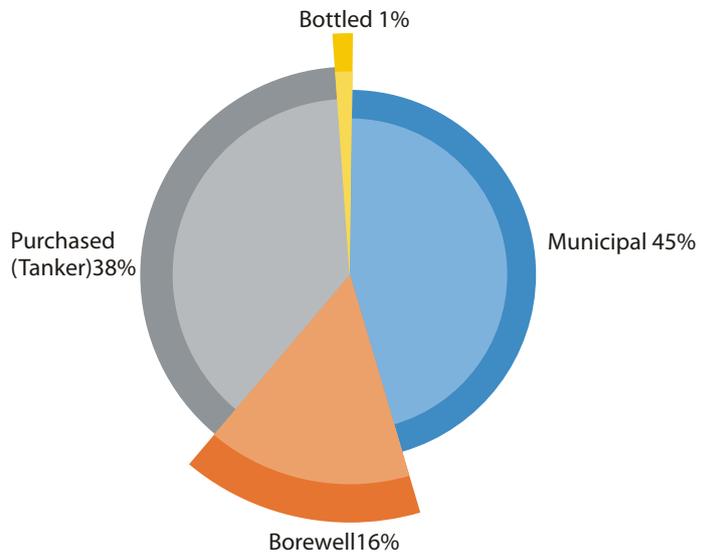


Exhibit 45: Fresh Water Consumption by Source in 2015-16

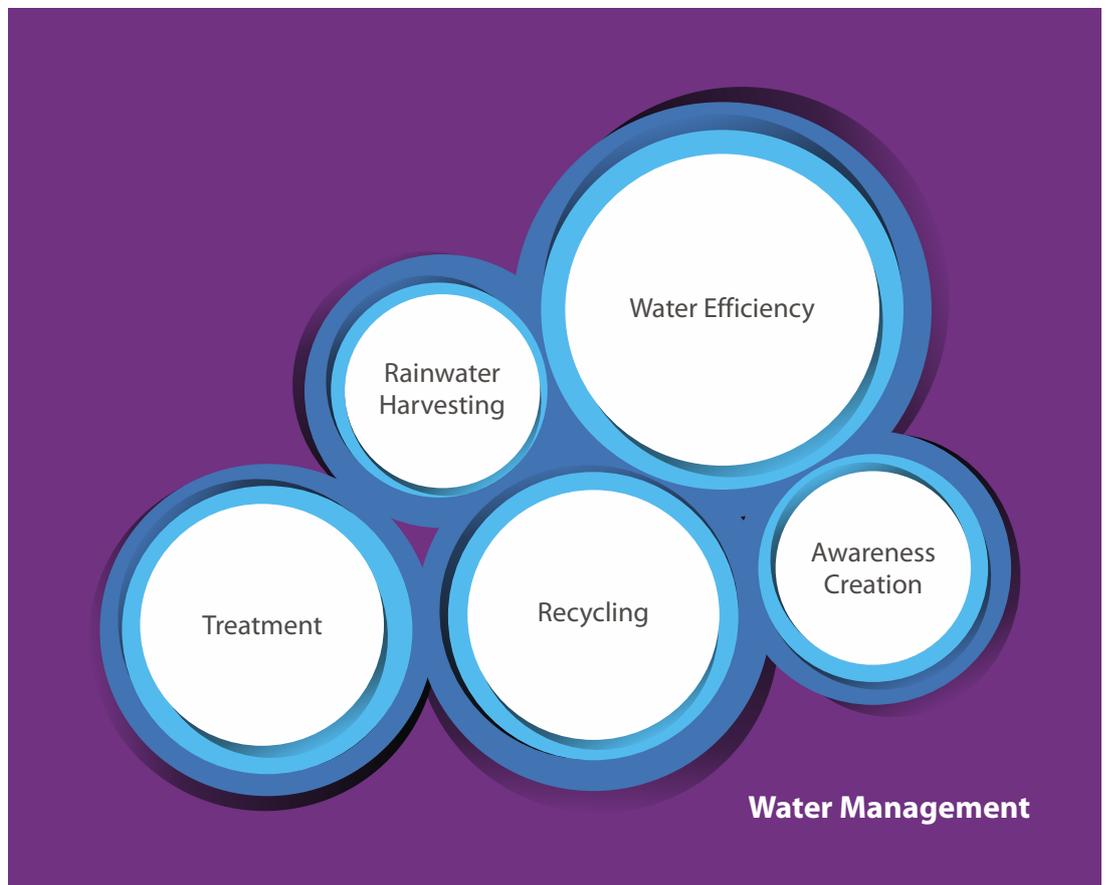


Exhibit 46: Water Management Measures

Consistent water efficiency measures (as indicated in Exhibit 46) have helped reduce the specific fresh water consumption by 15% over baseline year FY 2008, and by 2% reduction over last year (as shown in Exhibit 47).

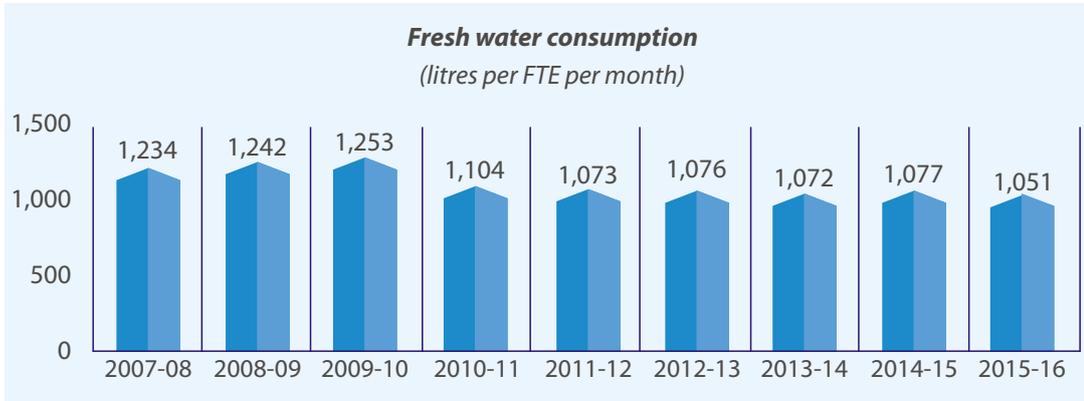


Exhibit 47: Decrease in Per Capita Fresh Water Consumption

Several TCS offices have sewage treatment plants. The treated effluent from these plants 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 has increased with the commissioning of new TCS projects designed for zero water discharge (Exhibit 48).

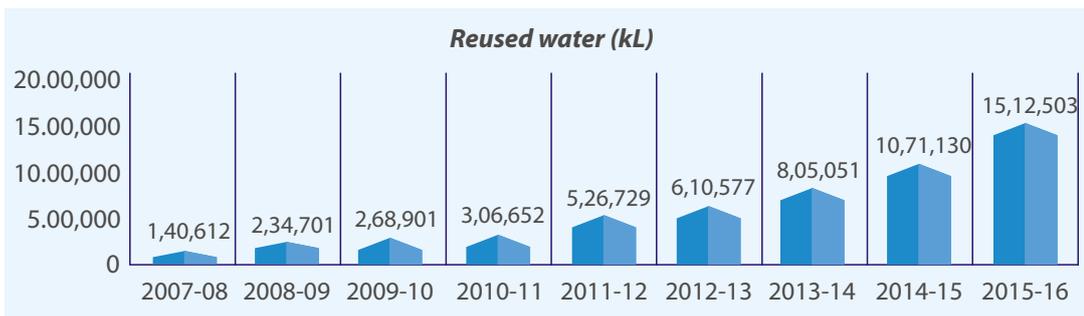


Exhibit 48: Increase in Recycled water (kL)

The percentage of the total treated sewage recycled of the total fresh water consumed has increased from 34% in FY 2015 to 44% in FY 2016. All upcoming TCS owned facilities have sewage treatment plants designed for 100% treatment and further recycling of the treated effluent.²⁹

Rain water harvesting is an important feature of building design at TCS. We have implemented rooftop collection systems, collection and storage tanks, recharging of bore wells, recharge trenches and pits, and in some cases, water bodies for storing rain water.

There has been an 80% increase in the rainwater harvesting potential at TCS sites in FY 2016 over the previous year (Exhibit 49). The current rainwater harvesting potential is 87% of the total groundwater used across TCS facilities.

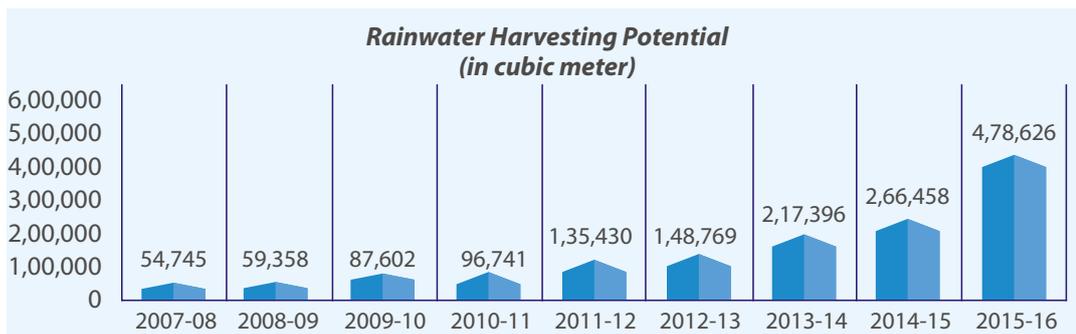


Exhibit 49: Increase in Rainwater Harvesting Potential

²⁹ No significant impact on biodiversity of water bodies or related habitats from discharged water and runoff

Waste Management

Commitment – To achieve zero waste to landfill by 2017

Waste generation is steadily on the rise as a natural result of population increase and economic growth. Waste management is becoming a critical issue, especially in urban areas, since the waste produced is, more often than not, greater than the waste that can be disposed in an environment friendly manner. This has an adverse impact on the environment and imposes public health risk and other socio-economic problems.

For an IT services and consulting organization like TCS, emissions and wastes are limited and from our office operations. There are no process wastes or emissions. Municipal solid waste is the predominant type of solid waste generated from TCS' operations. TCS also generates electronic and electrical waste (e-waste) and a relatively smaller proportion of potentially hazardous wastes like lead-acid batteries and waste lube oil which are regulated in many countries including India, where there are specific regulations governing their handling and disposal.

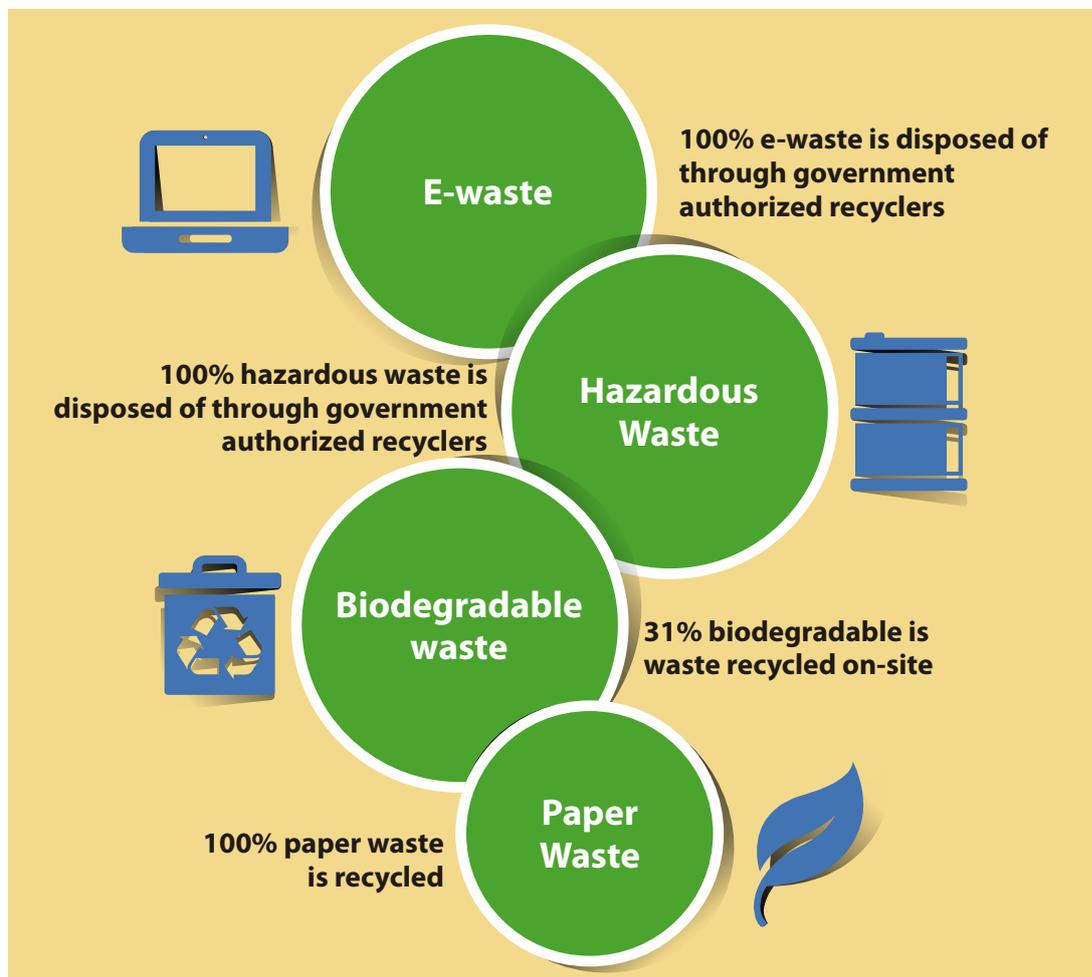


Exhibit 50 Waste management performance

Waste management has been identified as one of the key focus areas in TCS' Environmental Sustainability Roadmap with the objective of becoming a 'zero³⁰ waste to landfill' organization. We have extended the timeline for this target from 2017 to 2020 since the vendor ecosystem capable of robustly handling and recycling all waste streams is still evolving in India. However, for wet waste, we have 100% handling and treatment facilities at all owned campuses.

³⁰ <5% waste to landfill. The target year earlier was 2017 but it has been revised to 2020 as we are working on setting up recycling practices, especially in leased offices where there is limited space and dependency on the landlord

TCS' waste management practices (see Exhibit 50) seek to reduce the environmental impact of waste streams as far as possible by reduction in generation, segregation at source, reuse and recycle where possible, and proper management to achieve the ultimate goal (long-term target) of disposing less than 5% waste to landfill. This has inspired actions to deliver results by raising greater awareness and in turn motivating more action towards sustainable waste management. The waste management performance is summarized in Exhibit 50.

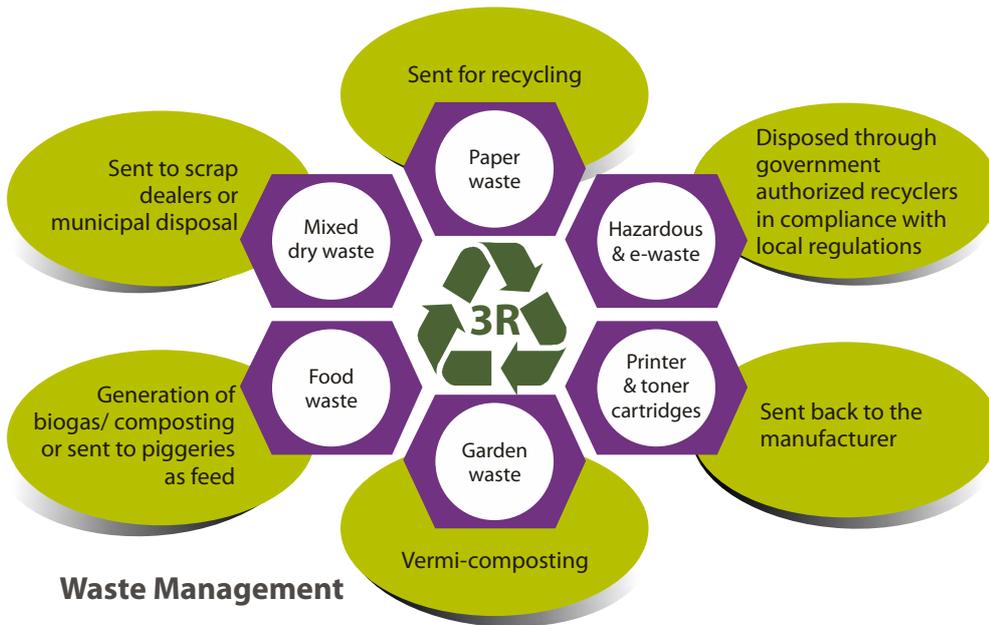


Exhibit 51: Waste Management Methods

Environmentally Sustainable Biodegradable Waste management

Our approach to reducing waste generation starts with reduction at the source, through rigorous associate awareness campaigns and training cafeteria staff to minimize the biodegradable waste generated (Exhibit 52). The waste management strategies are centered on either recycling the waste for further use (where possible) or arranging for safe disposal (paper waste – 127 tonnes, Dry waste – 1740 tonnes, canteen waste – 2867 tonnes). The increase in FY 16 is because the quantity of dry waste has increased due to better accounting and increased reporting.

‘Project Smiley’- for Food Waste Management at TCS Bangalore

Project Smiley was taken up at TCS Bangalore, with the objective of reducing food wastage and diverting waste from landfills through onsite recycling. The key success factor for the project was increased employee participation.

Employees are encouraged to reduce food waste by:

- Adopting self-service
- Building awareness through display boards saying “Take all you can eat, but eat all you take”

Any food waste generated is converted to manure through an onsite composter. Around 500 kg of food waste was processed during the period of November 2014 to Mar 2016, and 162 kg organic manure was generated. After the success of this project, it has been replicated across various TCS locations.

Display board for awareness

Kitchen composter converts food waste to manure

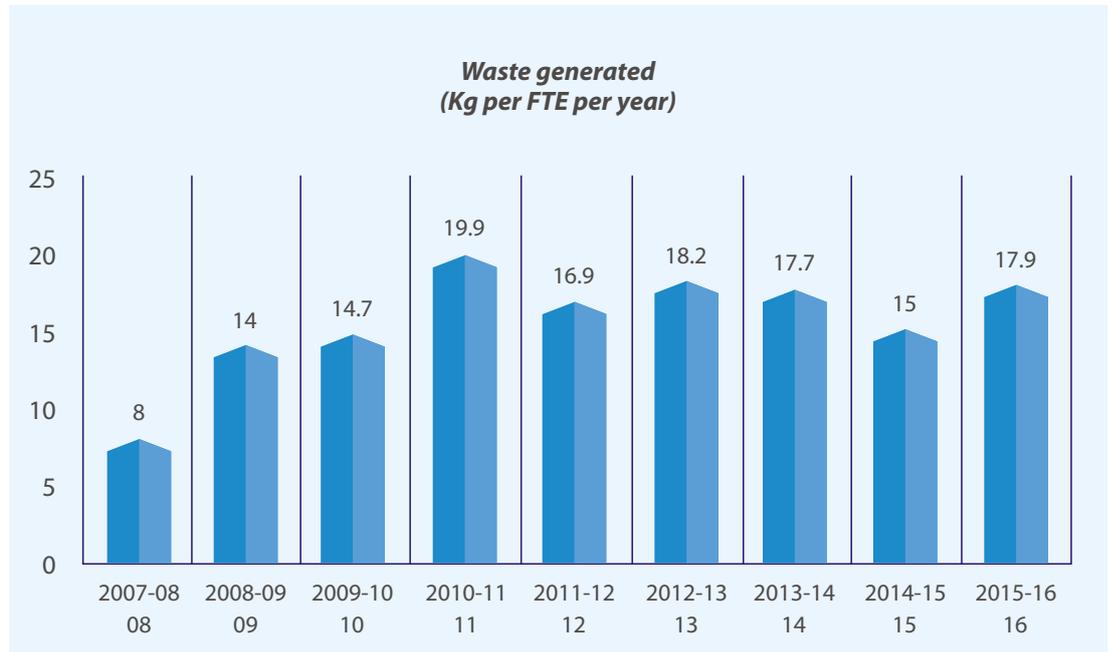


Exhibit 52 Year-wise Waste Generated (Kg/FTE/yr)³¹

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. The technology selected depends upon the space availability and the estimated food waste generation. In FY 2016, 31% of the total wet waste generated was treated through onsite composting or bio-digester treatment. A total of 127 tonnes of compost was generated from garden waste in FY 2016. This is an excellent bio-fertilizer that maintains vegetation health, and also helps us avoid the use of chemical fertilizers and the resultant soil and groundwater pollution.

Campus Food Waste turns into Campus Energy

The first waste-to-energy project has been adopted at TCS Siruseri in Chennai. Key highlights:

- Food waste is treated on-site to produce electricity (used to run ventilation fans in the basement)
- At full capacity, the digester will process and divert 960 tons of food, and generate 57,600 kWh of electricity annually
- A trial run from July 2015 to March 2016 resulted in the generation of 1003 kWh electricity from 129 tons of food waste
- Besides methane avoidance, the organic fertilizer produced helps to maintain the landscape



A view of Bio-digester (Waste to Energy) at TCS Siruseri, Chennai, Tamil Nadu

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' control

Paper management initiative

Paper management at TCS is based on the waste management hierarchy with waste reduction at the pinnacle. The effectiveness of this approach is demonstrated by the success of our paper consumption reduction initiative due to which the per capita paper consumption has reduced by 79.5% over the baseline (Exhibit 53).

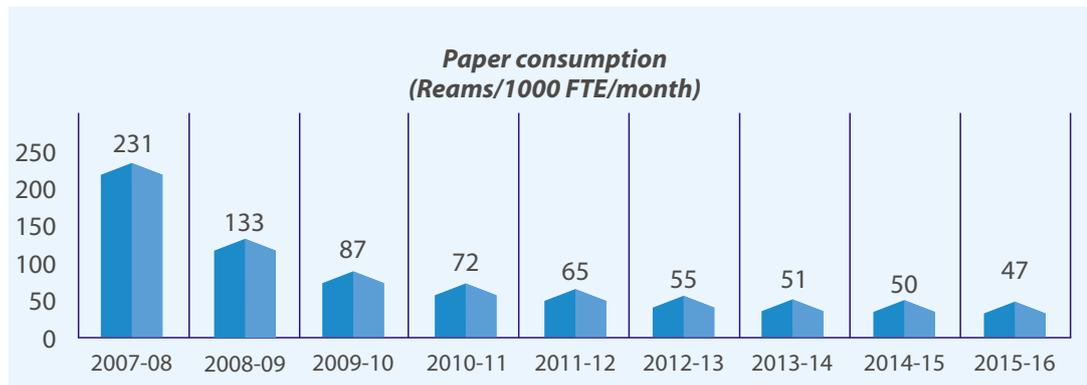


Exhibit 53 Reduction in Paper consumption (Reams/1000 FTE/month)

Much of this reduction can be attributed to creating awareness among employees and enforcing printing discipline through automated as well as manual administrative means. The paper waste is carefully segregated, shredded, and sent for recycling. In some cases, they are sent to NGOs which supply stationery items (such as notepads and files) made from recycled paper back to us. In FY 2016, TCS continued to achieve 100% recycling of the total paper waste.³²

TCS Germany Goes Green

After becoming the first TCS delivery center to switch to 100% green electricity, the TCS Dusseldorf office continues to demonstrate its commitment towards protecting the environment through its shift to sustainable paper. The office uses 100% recycled paper and has inspired other offices in Germany.

The paper procured is certified by:

- **EU-Ecolabel**, which is recognized across Europe for promoting environmental excellence
- **FSC certification**, which ensures that products are made from well managed forests that provide environmental, social, and economic benefits

E-waste Management

The e-waste generated in our offices includes computers, monitors, servers, and other electronic and electrical items. Our E-waste Management Policy complies with the Waste Electrical and Electronic Equipment (WEEE) directive, Government of India's E-waste (Management and Handling) Rules, 2011 and other country level regulations.

To ensure that electronic waste is recycled properly, our e-waste dismantling/recycling service providers undergo a stringent due-diligence audit process to ensure compliance with Health, Safety, and Environment related regulations. A desktop review is followed by a detailed site audit to verify adherence to HSE practices at site, thereby extending 'duty of care' to the supply chain.

³² This data given is only for India, since most overseas locations are multi-occupancy facilities where waste handling and disposal is handled by the building authority

In FY 2016, 21,140 computers were disposed of through government authorized handlers or recyclers, in accordance with the regulations of each country.³³ In addition, computers which were in working condition but deemed obsolete for TCS' purposes were donated to educational and charitable institutions. Recipients of such donations are required to return the hardware to TCS once it reaches the end-of-life or arrange for proper disposal through government authorized e-waste vendors.

Hazardous Waste Management

For India operations, hazardous wastes (as defined by regulations) are handled and disposed of as per the Hazardous Waste (Management and Handling) Rules, 2008, only through government authorized vendors.³⁴ Refer Exhibit 54 for the quantities disposed. We conduct compliance and site audits before registering hazardous waste vendors as a part of our supply chain sustainability drive. Similarly, we follow local regulations in other regions. However, since we have fewer facilities outside of India which are mostly leased and operated by building owners, the generation of such waste is marginal and is appropriately handled through the building operators.

Type of Waste	Amount
Lube oil from DG sets	24,069 liters
Number of used batteries from UPS systems	9,187

Exhibit 54: Disposal of Hazardous Waste in India

Further, all used printer cartridges and photocopier toner bottles are sent back to the manufacturers under to ensure proper disposal.

Environmental expenditure

At TCS, environmental initiatives are seen as part of overall operational and infrastructure improvement, and the expenditure is not tracked separately. Green building projects are included in the capital expenditure while expenditures like monitoring and measurement costs, small energy efficiency projects, and compliance fees are included as a part of the operational budget for the facility.

Employee Engagement

Employee engagement is a key part of TCS' Environmental Sustainability Roadmap. To sensitize employees towards nature and the need for conserving resources, we leverage various awareness models such as classroom training of new employees (induction training), continuous learning, awareness emails, as well as site activities like competitions and other campaigns. The total training hours on health, safety, and environment in the year were over 670,000.

In FY16, TCS observed the Tata Sustainability Month in June. We also observed World Earth Day, World Bio-diversity Day, Green Consumer Day, Pollution Control Day, Energy Conservation Day, World Water Day, and Earth Hour. Each event saw enthusiastic participation from employees.

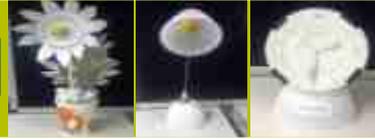
³³ Data for all geographies.
³⁴ There were no reported spills of hazardous wastes in FY 2016. Zero percent of the wastes are shipped internationally and none are deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII.

Tata sustainability month 2015

As part of the Tata Group's commitment towards society and the environment, TCS celebrated a month-long environmental sustainability campaign in June 2015. The underlining theme of the campaign was SMART: Sustainable and Meaningful Actions for a Responsible Tata way. It was observed through the weekly themes Carbon and Energy, Water, Waste, and Biodiversity.

Activities that were conducted included inauguration of various green initiatives, informative lectures by experts, tree plantation drives, exhibitions, floor walks, movie screenings, and competitions for employees and contract staff. Contests included a Rangoli competition, a 'best out of waste' contest, and a photography competition. The campaign was a success and saw participation from over 110,00 employees from across the globe.

'Best out of Waste' Contest



Photography Contest



Green Products Exhibition



Distribution of Organic Manure



Distribution of Saplings and Seeds



Distribution of Saplings and Seeds



Supply Chain Sustainability

We define "critical" as something that would affect our business continuity. Therefore, TCS recognizes the criticality of human capital to business and its sustainability. Non availability of suitably skilled talent may pose a risk to TCS. Ability of the Company to attract and retain talent is critical. This critical risk is mitigated by attracting and retaining talent through the following processes:

- Identification of competency and skill gaps on a continuous basis and aligning with market needs
- Strong process for lateral hiring across the globe
- Process for identification of career aspiration of professionals and helping them reach their goals
- Making TCS a 'caring organization' by offering opportunities for good health, involvement with communities and self- development
- Focus on career aspiration planning for high performers and incentivize them with learning, growth and leadership opportunities

In FY16, TCS remained the highest recruiter in the industry in India with a gross addition of 90,182 employees. TCS continues to remain the employer of choice at engineering campuses in India.

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. With reference to procurement IT infrastructure & other goods & services, the Company purchases goods/services for its operational sustainability and business processes. No particular goods/Services is termed as being more

critical than the other. TCS doesn't identify and manage individual suppliers' transactions but looks at the categories to which they belong. Within each category, TCS seeks three suppliers at least, who could meet the Company's business needs. Further asset categories (in Hardware: Desktops & Laptop, Servers & Storage, Peripherals, Network Equipment, Spares & Services) have been identified with their applicable vendors to help service our needs better. Office supplies and consumables are all locally sourced by individual operating units in the different regions where we operate.

All of the Company's suppliers must sign the Supply Code of Conduct which not only mandates ethical dealings with the Company but also promoted ethical practices throughout the supply chain.

Supply Chain Health, Safety and Environment management.

Commitment – To include vendor sustainability requirements in contracts and conduct assessments

As part of its Environmental Sustainability Roadmap and commitment to Tata group's philosophy, TCS seeks to instill environmental, social, and governance (ESG) practices in its upstream supply chain. We also engage with and support downstream supply chain partners in their respective endeavors on sustainability.

In line with TCS' commitment to sustainability, TCS' key suppliers and supply chain partners are expected to instill socially and environmentally responsible practices in their businesses. Engagement and capacity building are the pillars of the sustainable supply chain program at TCS.

Sustainability is a key criterion for selecting vendors and maintaining ongoing relationships with them (see Exhibit 55). With compliance to legal requirements set as the minimum requirement, some additional highlights of TCS' supply chain sustainability program include:

- Mandatory sign-off on TCS' Supplier Code of Conduct and Contractor HSE requirements by all vendors
- Assessments and audits for high-risk vendors
- Integration of sustainability metrics in vendor reviews
- Training and capacity building

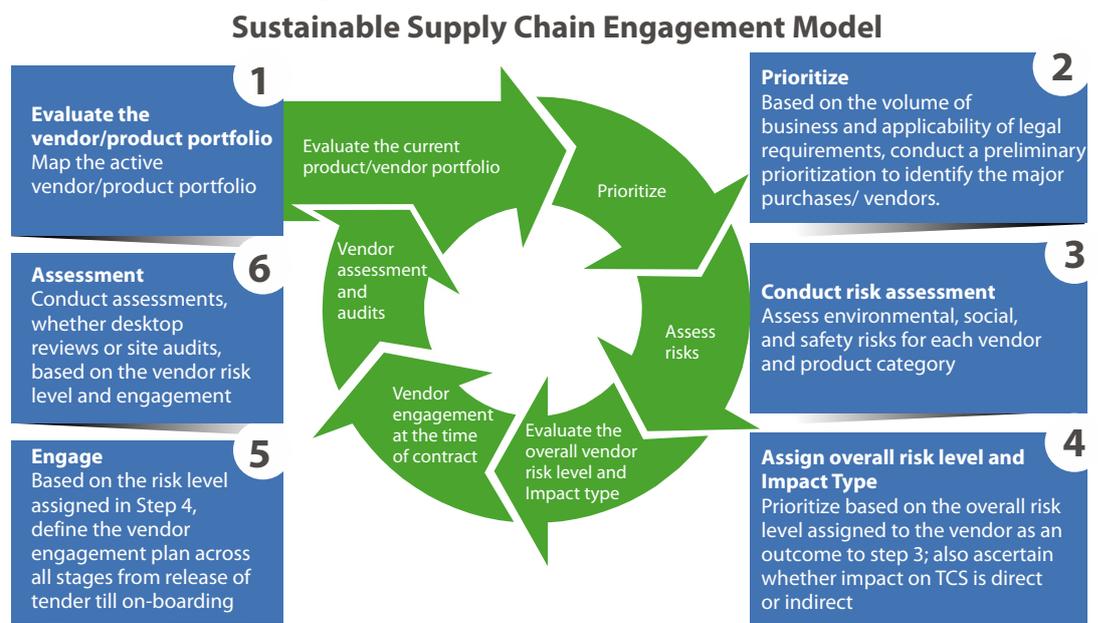


Exhibit 55: Sustainable Supply Chain Engagement Model

This program currently covers a significant proportion of our supply chain partners by expenditure. Desktop assessments have been conducted for some vendors where the impact on TCS is indirect, including ICT suppliers. Site or process audits have been conducted for high-risk vendors with direct impact on TCS, such as hazardous and e-waste recyclers, as well as cafeteria, facility management, drinking (bottled) water suppliers and transport service providers.



GENERAL STANDARD DISCLOSURES		
General Standard Disclosures	Page Number (or Link)	External Assurance
STRATEGY AND ANALYSIS		
G4-1	CEO's message - page 5	Pages 86 - 90
ORGANIZATIONAL PROFILE		
G4-3	Organizational profile - page 10	Pages 86 - 90
G4-4	Organizational profile - page 10	Pages 86 - 90
G4-5	Contacts - page 92	Pages 92
G4-6	Global footprint - page 11	Pages 86 - 90
G4-7	Organizational profile - page 10	Pages 86 - 90
G4-8	Global footprint - pages 11,12	Pages 86 - 90
G4-9	TCS by numbers - page 13	Pages 86 - 90
G4-10	Our Workforce - page 39	Pages 86 - 90
G4-11	Our Workforce - page 39	Pages 86 - 90
G4-12	Supply Chain Sustainability - page 79-80	Pages 86 - 90
G4-13	Organizational Profile - page 10, Global Footprint - page 11	Pages 86 - 90
G4-14	Our Environment - page 62, 63	Pages 86 - 90
G4-15	Our Sustainability Strategy and Corporate Governance - pages 24	Pages 86 - 90
G4-16	Our Stakeholders - page 16	Pages 86 - 90
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
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G4-18	About the Report - page 4, Stakeholder Engagement and Materiality Definition - page 16	Pages 86 - 90
G4-19	Material Topics - page 18	Pages 86 - 90
G4-20	Material Topics - page 18	Pages 86 - 90
G4-21	Material Topics - page 18	Pages 86 - 90
G4-22	About the Report - page 4	Pages 86 - 90
G4-23	About the Report - page 4	Pages 86 - 90
STAKEHOLDER ENGAGEMENT		
G4-24	Our Stakeholders - page 16	Pages 86 - 90
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G4-29	About the Report - page 4				Pages 86 - 90
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G4-32	About the Report - page 4				Pages 86 - 90
G4-33	About the Report - page 4, Assurance Statement - pages 86-89				Pages 86 - 90
GOVERNANCE					
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G4-36	Corporate Governance - page 24				Pages 86 - 90
ETHICS AND INTEGRITY					
G4-56	Ethics and Compliance - page 28, Serving as an Ethical Exemplar - page 30				Pages 86 - 90
G4-57	Ethics and Compliance - page 28, Serving as an Ethical Exemplar - page 30				Pages 86 - 90
SPECIFIC STANDARD DISCLOSURES					
DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
CATEGORY: ECONOMIC					
MATERIAL ASPECT: ECONOMIC PERFORMANCE					
G4-DMA	TCS by numbers - page 13				Pages 86 - 90
G4-EC1	TCS by numbers - page 13, Competitive Compensation Model - page 46				Pages 86 - 90
MATERIAL ASPECT: MARKET PRESENCE					
G4-DMA	Our workforce - page 39				Pages 86 - 90
G4-EC5	Competitive Compensation Model - page 46				Pages 86 - 90
CATEGORY: ENVIRONMENTAL					
MATERIAL ASPECT: MATERIALS					
G4-DMA	Energy Efficiency and GHG Mitigation - pages 65 - 67				Pages 86 - 90
G4-EN1	Energy Efficiency and GHG Mitigation - page 65				Pages 86 - 90
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MATERIAL ASPECT: ENERGY					
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G4-EN3	Energy Efficiency and GHG Mitigation - page 64				Pages 86 - 90
G4-EN5	Energy consumption - page 68				Pages 86 - 90

MATERIAL ASPECT: ENERGY					
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G4-EN7	Energy Efficiency and GHG Mitigation - pages 65-68				Pages 86 - 90
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G4-EN15	Energy Efficiency and GHG Mitigation - page 64				Pages 86 - 90
G4-EN16	Energy Efficiency and GHG Mitigation - page 64				Pages 86 - 90
G4-EN17	Energy Efficiency and GHG Mitigation - page 70				Pages 86 - 90
G4-EN18	Energy Efficiency and GHG Mitigation - page 68				Pages 86 - 90
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G4-EN21	Energy Efficiency and GHG Mitigation - page 71				Pages 86 - 90
MATERIAL ASPECT: EFFLUENTS AND WASTE					
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MATERIAL ASPECT: PRODUCTS AND SERVICES					
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G4-EN28			Not applicable	TCS is an IT services company and hence does not have any packaging material	Pages 86 - 90
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Independent Limited Assurance Statement to Tata Consultancy Services Limited on their Sustainability Report for Financial Year 2015-16

To the Management of Tata Consultancy Services Limited, TCS House, Ravline Street, 21, DS Marg, Fort, Mumbai - 400001, Maharashtra, India

Introduction

Tata Consultancy Services Limited ('the Company' or 'TCS') has requested KPMG in India ('KPMG', or We) to provide an independent assurance on its Sustainability Report 2015-16 ('the Report').

The Company's management is responsible for identifying its material issues, engaging with its stakeholders and developing the content of the Report.

KPMG's responsibility is to provide limited assurance on the Report content as described in the scope of assurance.

Reporting Criteria

TCS's sustainability performance criteria is derived from the Sustainability Reporting Guidelines (G4) of GRI, as detailed in the 'About the Report' section in its FY 2015-16 Sustainability Report.

Assurance standards used

We conducted the assurance in accordance with limited assurance requirements of International Federation of Accountants' (IFAC) International Standard on Assurance Engagement (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information and assurance requirements of AA1000 Assurance Standard 2008 by AccountAbility.

Under these standards, we have reviewed the information presented in the Report against the principles of relevance, completeness, reliability, neutrality and understandability as required by ISAE 3000 and inclusivity, materiality and responsiveness as required by AA1000 AS 2008.

Scope, Boundary and Limitations

The following is covered under the scope and boundary of the assurance engagement:

- The scope of assurance covers TCS's sustainability performance indicator disclosures for the period of 01 April 2015 to 31 March 2016, as per the table below.
- The boundary of the assurance covers the economic, environmental and social performance of TCS's global operations along with exclusions as stated in the 'About the Report' section of the Report. We have carried out site visits at the following locations:

National Locations:

- Mumbai- Nirlon Knowledge Park
- Kolkata- Ecospace 1A, 2B, 2C
- Pune- Sahyadri Park and Commercezone
- Delhi- Noida6 and GG7
- Chennai- Siruseri and Spencer Tower



International Locations:

- London (33 Grosvenor Square)
- Brazil (Through Video Conferencing)

The assurance scope excludes:

- The Company’s financial performance;
- The Company’s statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions of the Company.

The General and Specific Standard Disclosures subject to assurance were as follows:

General Standard Disclosures	Specific Standard Disclosures
<ul style="list-style-type: none"> • Strategy and Analysis: G4-1 • Organizational Profile: G4-3 – G4-6, G4-8 – G4-11, G4-14 – G4-16 • Identified Material Aspects and Boundaries: G4-17 – G4-23 • Stakeholder Engagement: G4-24 – G4-27 • Report Profile: G4-28 – G4 - 33 • Governance: G4-34 – G4-36 • Ethics and Integrity: G4 -56-G4-57 	<ul style="list-style-type: none"> • Economic: Economic Performance (G4-EC1), Market Presence (G4-DMA, G4-EC5) • Environment: Materials (G4-DMA, G4-EN1-G4-EN2), Energy (G4-DMA, G4-EN3-G4-EN7), Water (G4-DMA, G4-EN8 – G4-EN10), Emissions (G4-DMA, G4-EN15 – G4-EN21), Effluents and waste (G4-DMA, G4-EN22 – G4EN26), Products and Services (G4-DMA, G4-EN27), Compliance (G4-DMA, G4-EN29), Transport (G4-DMA, G4-EN30), Overall (G4-DMA, G4-EN31) • Labour Practices and Decent Work: Employment (G4-DMA, G4-LA1 – G4LA3), Labour/Management Relations (G4-DMA, G4-LA4), Occupational Health and Safety (G4-DMA, G4-LA5 – G4-LA8), Training and Education (G4-DMA, G4-LA9, G4-LA11), Equal remuneration for women and men (G4-DMA, G4-LA13), • Society: Local communities (G4-DMA, G4-501)

Assurance procedures

Our assurance processes involve performing procedures to obtain evidence about the reliability of specified performance information. The nature, timing and extent of procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the performance indicators as well as standard disclosures whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the preparation of the Report in order to design assurance procedures that are appropriate in the circumstances.

Our assurance procedures also included:

- Assessment of TCS’s reporting procedures for sustainability reporting regarding the consistency with the application of GRI G4 guidelines.
- Evaluating the appropriateness of the quantification methods and models used to arrive at the data presented in the Report.



- Verification of systems and procedures used for quantification, collation, and analysis of sustainability performance indicators included in the Report.
- Understanding the appropriateness of various assumptions, estimations and materiality thresholds used by TCS for data analysis.
- Discussions with the personnel responsible for the evaluation of competence required to ensure reliability of data and information presented in the Report.
- Discussion on sustainability with senior executives at the different plant locations and at the corporate office to understand the risk and opportunities from sustainability context and the strategy TCS is implementing.
- Assessment of data reliability and accuracy.
- We have relied on the data and information related to the Company's financial performance, sourced from its audited annual report for the FY 2015-16 and included in the Report.
- Verification of key performance data through site visits on an annual basis for
 - Testing reliability and accuracy of data on a sample basis
 - Understanding technical values considered
 - Assessing of the stakeholder engagement process through interactions with relevant internal stakeholders and review of relevant documentation
 - Reviewing of the processes deployed for collection, compilation, and reporting of sustainability performance indicators at corporate and site level

Appropriate documentary evidence was obtained to support our conclusions on the information and data verified. Where such documentary evidence could not be collected on account of confidential information our team verified the same at TCS's premises.

Conclusions

We have reviewed the Sustainability Report of TCS Limited. Based on our review and procedures performed as described above, nothing has come to our attention that causes us not to believe that:

- The report does present TCS' sustainability performance covering its operations as mentioned in the scope.
- Material issues that have impact on TCS and are of interest to its stakeholders have been highlighted in the report.
- The report is in accordance with the GRI's G4 Sustainability Reporting Guidelines.

As per AA1000 AS 2008 principles:

- **Principle of Inclusivity:** TCS, within its reporting boundary has engaged with its stakeholders (both internal and external, viz. - employees, customers, shareholders, academic institutions, vendors, partners and collaborators, governments, NGOs and local communities through different channels. The key concerns by stakeholders and TCS's response to these concerns have been fairly represented in the report.
- **Principle of Materiality:** The methodology of materiality determination uses the perspective of senior management from various functions of TCS. Inputs from the stakeholder engagement process have also been considered. However, the scoring methodology for prioritization of material issues can further be extended to the full range of stakeholders such as investors, key suppliers, customers and regulatory authorities.



- **Principle of Responsiveness:** TCS has identified its various stakeholder groups and the engagement mechanism for each of them along with their specific concerns. TCS responds to concerns raised by stakeholder groups through structured engagement channels and at periodic intervals. TCS has also provided information on specific actions taken by the Company through the disclosure of its performance.

Observations

The following are observation points reported to the management of TCS. These do not, however, affect our conclusions regarding the Report stated above.

- TCS has implemented robust data management systems for measuring, monitoring and reporting of sustainability performance indicators. This has led to an improvement in the quality of data submitted for assurance.
- TCS may expand the scope of reporting on all relevant sustainability aspects across the business value chain. Currently the same is restricted to other indirect (Scope 3) GHG emissions.

Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of the ISAE 3000 standard. Our work was performed in conformance to 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, in relation to the scope of this assurance engagement, 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. The firm applies International Standard on Quality Control (ISQC) 1 and the practitioner complies with the applicable independence and other ethical requirements of the International Ethics Standards Board for Accountants (IESBA) code

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 statement 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 statement 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 statement.



The assurance engagement is based on the assumption that the data and information provided to us is complete and true. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this assurance statement. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.

A handwritten signature in black ink, appearing to read 'Santhosh Jayaram', with a long horizontal stroke extending to the right.

Santhosh Jayaram
Partner
KPMG in India
02 November 2016



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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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