

**QUALIFYING EXPLANATORY STATEMENT  
(QES)**

**TATA CONSULTANCY SERVICES LIMITED  
MIDDLE EAST & AFRICA (MEA)**

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## 1. Foreword

This Qualifying Explanatory Statement (QES) contains all the required information on the carbon neutrality for Tata Consultancy Services Limited's (TCS) operations in Middle East & Africa region. If provided with any information affecting the validity of the following statements, this document will be updated accordingly to reflect the status regarding carbon neutrality where the claims are being made.

TCS is committed to reducing the impact on the environment from its operations proactively by setting targets and driving initiatives at strategic as well as operational levels. TCS had the target to reduce its Scope 1 + Scope 2 carbon footprint (per capita) by 50% over the baseline year of 2007-08 by 2020. We achieved this target in Mar 2018 due to our commitment to drive change. The Company has set a new carbon reduction target to reduce absolute Scope 1 + Scope 2 greenhouse gas emissions by 70% by 2025 over a 2016 base year. It aspires to achieve net-zero emissions by 2030. Key strategies include energy efficiency across operations, expanded use of renewable energy sources, working with supply chain partners to reduce value chain emissions, and optimizing business air travel and employee commutes. Since TCS India operations contribute the most to our carbon footprint (TCS India represents 87% of our people footprint and 97% of carbon footprint in FY23) these initiatives are taken up initially in India and will be gradually replicated in our overseas operations based on feasibility. Most of the locations in overseas geographies are put up in leased / multitenant facilities.

## 2. Organizational Details

Tata Consultancy Services is an IT services, consulting and business solutions organization that has been partnering with many of the world's largest businesses in their transformation journeys for over 50 years. TCS offers a consulting-led, cognitive powered, integrated portfolio of business, technology and engineering services and solutions. This is delivered through its unique Location Independent Agile™ delivery model, recognized as a benchmark of excellence in software development.

A part of the Tata group, India's largest multinational business group, TCS has over 600,000 of the world's best-trained consultants in 55 countries. The company is listed on the BSE (formerly Bombay Stock Exchange) and the NSE (National Stock Exchange) in India. TCS' proactive stance on climate change and award-winning work with communities across the world have earned it a place in leading sustainability indices such as the MSCI Global Sustainability Index and the FTSE4Good Emerging Index.

## 2.1 Organizational boundary

The organizational boundary for carbon neutrality covered in the scope of this document is based on operational control for TCS' operations in Middle East & Africa. All the offices owned or leased by TCS, where TCS has an operational control, are included in the boundary.

## 2.2 Reporting boundaries

### *Direct Emissions (Scope 1 as per GHG Protocol)*

- a) Direct emissions from stationary combustion – Diesel used in DG sets & Natural Gas used for space heating
- b) Direct emissions from mobile combustion – fuel used in company owned vehicles
- c) Direct fugitive emissions from the release of GHGs in anthropogenic systems – emissions associated with leakage of refrigerant gases from the cooling systems

### *Indirect Emissions (Scope 2 as per GHG Protocol)*

- d) Indirect emissions from imported electricity - electricity purchased from non-renewable sources, natural gas-based electricity, district heating and cooling across owned and leased offices

Only Scope 1 and Scope 2 emissions as mentioned above are included in the carbon neutrality boundary of the geography.

## 2.3 Entity Responsible

GHG accounting and management is carried out by a cross functional team in TCS. Corporate Environmental Sustainability Health and Safety (ESHS) team is primarily involved in the estimation of GHG emissions. The ownership of collection of data and actions towards emission reductions are with the Corporate Admin team under the Head, Delivery Center Management and Shared Services. TCS has robust IT enabled environmental sustainability data collection and accounting method which helps in gathering data across all parameters on monthly basis and generate dashboards. This data is verified internally, and emission estimations are reviewed on periodic intervals.

## 2.4 Time Period Covered

1st April 2022 to 31st March 2023

### 3. Carbon Management Plan.

TCS' approach to sustainable growth is built on the belief that it can strengthen its business while also valuing the environment and its ecosystem. TCS has set ambitious targets in carbon footprint reduction as a part of its sustainability strategy. Key strategies include energy efficiency across operations, phased transition from conventional energy to renewable energy, working with supply chain partners to reduce value chain emissions and optimizing business air travel and employee commutes. The Company's Vision 25x25 is a strategic lever which is expected to enable achieving this aspiration, along with carbon removal offsets as a last option in the carbon management hierarchy wherever other options for reductions are not feasible.

The highest level of direct responsibility of implementing the carbon management plan rests with the Board level Stakeholder Relationship Committee consisting of three members from the board of directors including the CEO of the organization and two independent directors who overview the sustainability and carbon footprint performance on half yearly basis.

Carbon Management Plan (CMP) at the company is based on the carbon management hierarchy i.e., avoid by changing the technology or upgradation, reduce through energy and process efficiency, replace with low carbon/renewable energy and, lastly, offset. The green-house gas management approach at TCS has four key levers – green infrastructure, green IT, IT-enabled operational efficiencies, and renewable energy.

For its operations in MEA, TCS has purchased high quality Energy Attribute Certificates (EAC) towards switching over to renewable energy. For details on initiatives taken up in this year or earlier years, refer TCS Integrated Report on <https://on.tcs.com/Annual-Report-2023>.

### 4. Methodology used in emission estimation

Annex C (informative) of PAS2060 lists the suitable and acceptable GHG emission calculation methods. As per PAS 2060 the applicable standards and codes for an organization are a) BS EN ISO 14064-1, Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals, and b) WBCSD/WRI GHG Protocol, Corporate Accounting and Reporting Standard are permitted. TCS' carbon accounting methodology is in line with these standards and hence in alignment with the PAS 2060 standard. The calculation and GHG Inventory have been prepared by TCS and verified by the Ernst & Young Associates LLP.

Annexure A provide the details of the emission factors, and other values used for the estimation.

## 5. Emission Quantification

The below table provides the emission estimation of MEA

### *Direct emissions in tCO<sub>2</sub>e (Scope 1)*

	Direct emissions from stationary combustion	Direct emissions from mobile combustion	Direct fugitive emissions arising from the release of GHGs in anthropogenic systems	Total Direct Emissions (Scope 1)
MEA	0	0	0	0

### *Indirect emissions from purchased electricity/heat/steam in tCO<sub>2</sub>e (Scope 2)*

	Total Conventional Electricity [MWh]	No. of RECs/GOs/i-RECs purchased	Total Indirect Emissions (Scope 2) from imported electricity, electricity purchased from non-renewable sources, natural gas-based electricity, district heating and cooling
MEA	1,580	1,727	0

A detailed breakup of emissions is given in Annexure B

### *Uncertainty*

Our emission estimation is based on actual data reported by the TCS offices and published emission factors and only a very small percentage of the data is estimated. Hence, the uncertainty across Scope 1 and Scope 2 emissions is assessed to be very small.

## 6. Declaration

- Offsets granted or allowance credits surrendered represent genuine, additional GHG emission reductions elsewhere.
- Projects involved in delivering offsets meet the criteria of additionality, permanence, leakage and double counting.
- The purchase of the carbon offsets is verified by an independent third-party verifier: Ernst & Young Associates LLP.
- Credits from Carbon offset projects is issued only after the emission reduction has taken place. Same calculation of emission was shared with third party vendors providing offsetting and

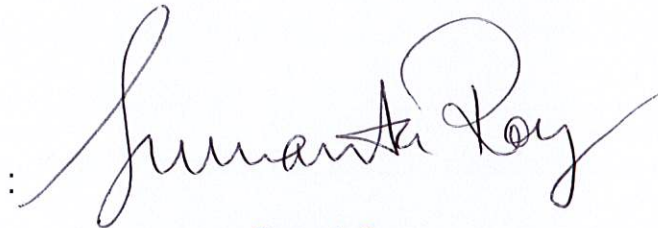
neutralization instruments. In some instances, electricity invoices were not available and hence consumption data was not exact but projected. Hence the offsetting was carried with some buffer to cater to any inadvertent under-accounting.

- e) Credits from Carbon offset projects are retired within 12 months from the date of the declaration of achievement.
- f) Credits from Carbon offset projects are stored and retired in an independent and credible registry.
- g) Carbon offsetting certificates are available in Annexure D.
- h) Carbon Neutrality related documents will be retained for further period of 6 years

## Declaration of Carbon Neutrality

Carbon neutrality across Scope 1 and Scope 2 for Tata Consultancy Services Limited across Middle East and Africa operations has been achieved in line with PAS2060 on 31<sup>st</sup> March 2023 for the period 1st April 2022 to 31st March 2023, certified by Ernst & Young Associates LLP.

Sign



Name

:

**Sumanta Roy**

Designation

:

**Head - Middle East, Africa and Mediterranean  
Tata Consultancy Services Limited**



## Annexure A

### Emission Factors (EFs) used for Purchased Conventional Electricity

Data Source: Bill from Energy Provider/Landlord or meter reading wherever available

Country Name	Electricity Emission Factor tCO <sub>2</sub> e/MWh	Source
Bahrain	0.6994	IEA v5 - IEA 2022 (12/2022)
UAE	0.5285	IEA v5 - IEA 2022 (12/2022)
Israel	0.4618	IEA v5 - IEA 2022 (12/2022)
Qatar	0.4854	IEA v5 - IEA 2022 (12/2022)
Saudi Arabia	0.6118	IEA v5 - IEA 2022 (12/2022)
South Africa	0.9285	IEA v5 - IEA 2022 (12/2022)

## Annexure B

### Detailed emission breakup

Countries	Total Conventional Electricity [MWh]	No. of RECs/GOs/i-RECs purchased	Emission from imported electricity, electricity purchased from non-renewable sources, natural gas-based electricity, district heating and cooling (Scope 2) in t CO <sub>2</sub> e
<b>MEA</b>	<b>1,574</b>	<b>1,727</b>	<b>0</b>
Bahrain	4	5	0
UAE	8	16	0
Israel	850	897	0
Qatar	6	6	0
Saudi Arabia (Sales)	621	708	0
Saudi Arabia (Akaria II)	534	-	0
South Africa	85	95	0

Countries	Carbon Footprint [fugitive emission (refrigerant)] in t CO <sub>2</sub> e	Carbon Footprint [mobile combustion] in t CO <sub>2</sub> e	Carbon Footprint [stationary combustion] in t CO <sub>2</sub> e	Total Direct Emission [Scope 1] in t CO <sub>2</sub> e	No. of CERs purchased
<b>MEA</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Bahrain	0	0	0	0	0
UAE	0	0	0	0	0
Israel	0	0	0	0	0
Qatar	0	0	0	0	0
Saudi Arabia	0	0	0	0	0
South Africa	0	0	0	0	0

