TATA CONSULTANCY SERVICES
Experience certainty.

TATA

Corporate Sustainability Report

2013-14

CARBON FOOTPRINT
DIVERSITY COMMITMENT
SAFETY ENVIRONMENT
TALENT HEALTH WELLNESS
SUSTAINABILITY
GLOBAL COMPACT WASTE
ECONOMIC IMPACT
WATER BIO DIVERSITY
COMMUNITY RENEWABLE ENERGY SUPPLY CHAIN
AGILITY
SOLAR ENERGY

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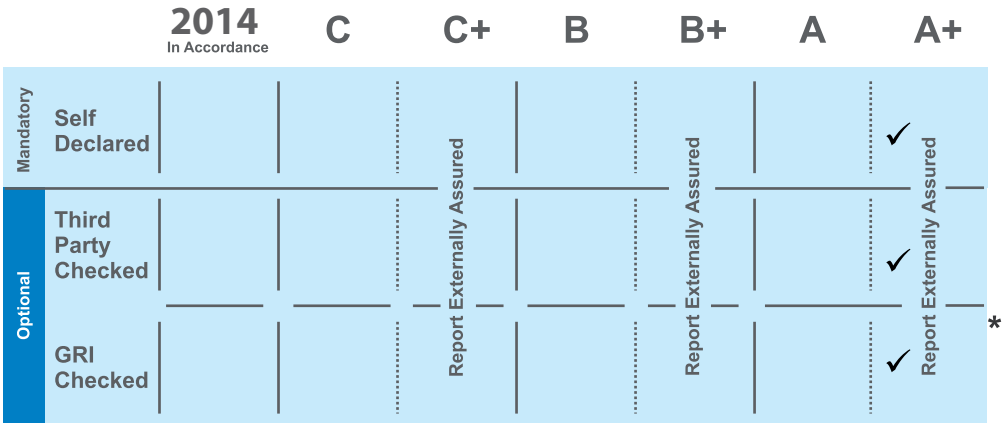
Report Application Level



** Please see GRI Application Level Check Statement page 91*

About The Report

TCS publishes Sustainability Reports annually, the last report being for Financial Year 2012-13.This is our Eighth Sustainability Report, for Financial Year 2013-14 (April to March). It has been prepared in conformance to the G3.1 Sustainability Reporting Guidelines published by the Global Reporting Initiative (GRI). The report addresses the key sustainability topics gleaned through interactions with the different stakeholder groups, based on the core principles of materiality and stakeholder inclusiveness. These topics cover the full range of material economic, social and environmental impacts of the organization. The report boundaries and exclusions are provided below:

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

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

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

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 3.6% of consolidated headcount).
Environmental	Delivery centers in India and UK, Hungary, China, Philippines, Chile, Uruguay and Mexico.	Remaining delivery centers outside India (accounting for approx. 4% of headcount)

CEO's Message

Dear Stakeholders,

TCS sustained its momentum in 2013-14 and posted industry leading rates of growth and profitability to drive a stronger competitive position in the market. We recorded growth across all markets, and I strongly believe we have more opportunities going ahead. We are also living in the middle of a fundamental economic shift driven by a clutch of new digital technologies. I believe TCS is in pole position to help our customers reimagine their business using these technologies like cloud, big-data, social, mobile and robotics – commonly referred to as the Digital 5 Forces.

What is equally important is that we have been able to sustain our strong commitment towards sustainability by ensuring energy efficiency, driving carbon footprint reduction as well as deploying Green IT, water efficiency, waste management and supply chain sustainability programs. We have adopted a holistic approach towards environment protection. Our green campuses have played a critical role in decoupling business growth and the impact on the environment. Our green data centers and building renewable energy sources remain a key focus area. With these initiatives, we are on-track and strongly positioned to achieve the targets we have set for ourselves as a part of our environmental sustainability roadmap.

Beyond business, TCS continues to be active in playing a strong role in society. We have taken giant steps in promoting STEM careers across the world. We recently announced an expansion of our goIT student technology awareness program, initially launched in 2009 in Cincinnati, Ohio, USA.

The program is reaching 10 cities across North America in 2014 with an objective to prepare underserved groups, at-risk youth, girls, and minorities for STEM careers. The goIT initiative involves skilled TCS employee volunteers teaching computer science in 35 school districts, training the teachers to make such courses more engaging as well as conducting summer camps for over 7,000 students since 2009. TCS' larger STEM efforts include serving as a US2020 Founding Leadership Partner, a national STEM movement that aims to engage one million STEM professionals in mentorship opportunities by the year 2020. TCS also facilitated a 'Computer Science Education: Progress, State-by-State, City-by-City' roundtable event with STEM connector in May this year, and is the Founding Partner of Million Women Mentors.

We continue to nurture talent with diversity. Today, the best talent from across the globe is working together to offer our best solutions and capabilities to our customers. It is this power of 'One TCS', combined with our expertise and investments in new digital technologies that we will be harnessing further to ensure we stay relevant to all our stakeholders.

As an organisation, we are also extremely serious about the health and wellbeing of our employees. To promote a culture of personal safety and security, I launched the SafetyFirst initiative. We now have a dedicated team within TCS to look after the safety aspects of our employees, with a Corporate Safety Leader and Safety Champions across branches driving the initiative. Our Fit4Life initiative that had begun two years ago has received tremendous response from TCSers, and with each year, it's just getting bigger and better.

Early this year, we also launched Purpose4Life, an initiative to motivate and enable our employees to contribute towards societal well-being. Through this program, we are providing a platform to TCSers to commit a minimum of 10 hours in a year towards activities that would be based on our CSR themes of education, health and environment. TCS has already been actively involved in various CSR initiatives in the past. Through Purpose4Life, we have extended these in a more structured manner, which can involve more TCSers. I believe we are at a vantage point to make a positive impact to the world around us, considering the collective strength of our 300,464 employees and the geographical reach we have.

I am pleased to confirm that Tata Consultancy Services reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

TCS will continue to work towards inclusive growth, where each of our stakeholders is equally valuable and that includes the community in which we operate. I believe in what our founder Jamsetji Tata once said, ***"In a free enterprise, the community is not just another stakeholder in business but is in fact the very purpose of its existence."***

Regards,
N. Chandrasekaran
CEO & MD, TCS

Organizational Profile

Organizational Profile

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

Founded in 1968 as part of the Tata group, TCS is headquartered in Mumbai, India and is a public limited company[1], listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. In FY 2014, TCS reported consolidated revenues of USD 13.44 billion.

Mission and Values

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

Business Overview

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

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

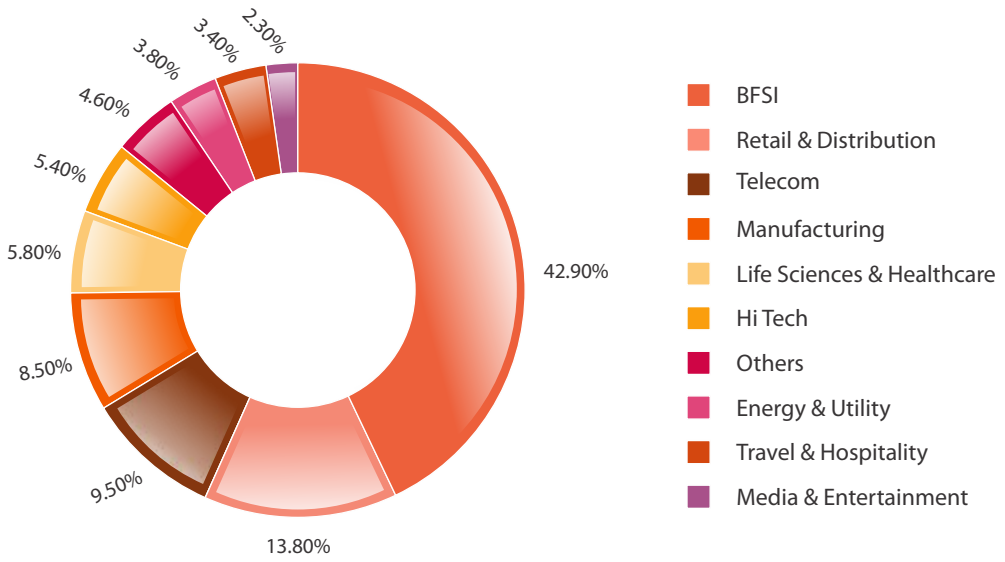


Figure 1: Revenue break-up by industry vertical

1 Please refer to our FY2014 Annual Report for details of the shareholding pattern (Page 81), changes in the capital structure during FY2014 (Page 112) and the complete list of Subsidiaries (Pages 184-185). Our Annual Report can be accessed from our website. The URL is: http://www.tcs.com/investors/Documents/Annual%20Reports/TCS_Annual_Report_2013-2014.pdf

Global Footprint

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

As of March 31, 2014, TCS had 226 offices across 46 countries. The break-up of offices by geography is as below :

24	24	24	14	9
USA and Canada	UK and Ireland	12 Countries Asia Pacific	8 Countries Latin America	8 Countries Middle East and Africa
			32	99
			13 Countries Europe	India

In addition, our Global Delivery Network Model (GNDM™) consists of a network of 150 delivery supporting centers located in 23 countries **(See Figure 2)** that uniquely positions us to deliver our world class services seamlessly to any location in the world.

The revenue breakup by geography is provided in Figure 3.

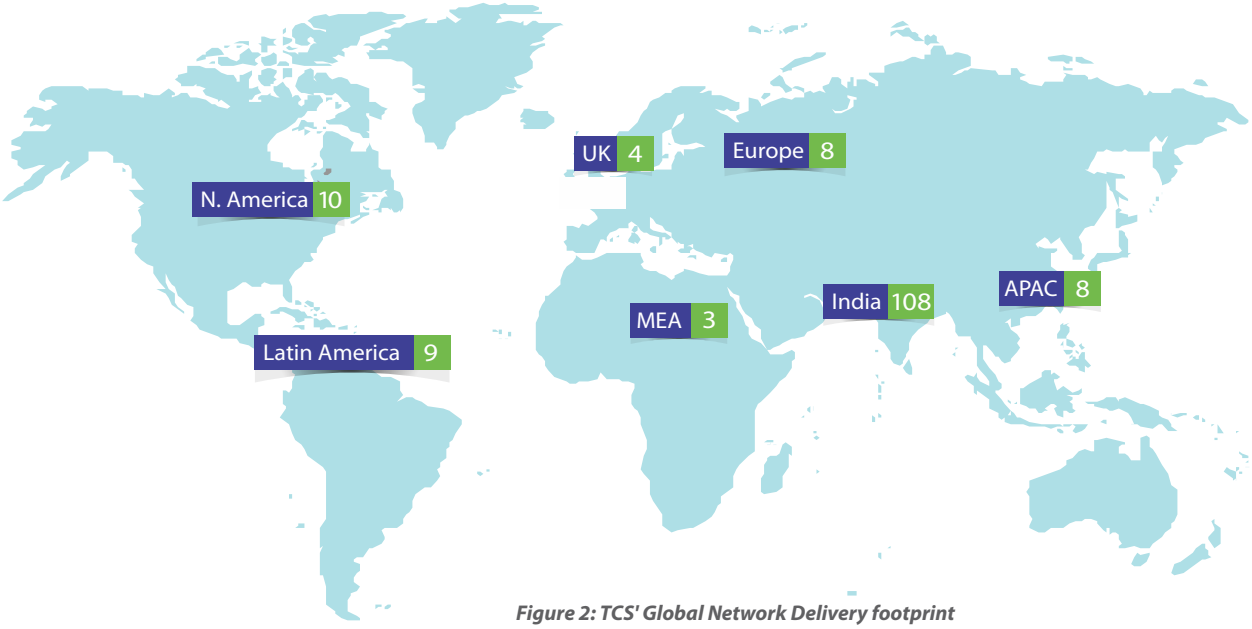


Figure 2: TCS' Global Network Delivery footprint

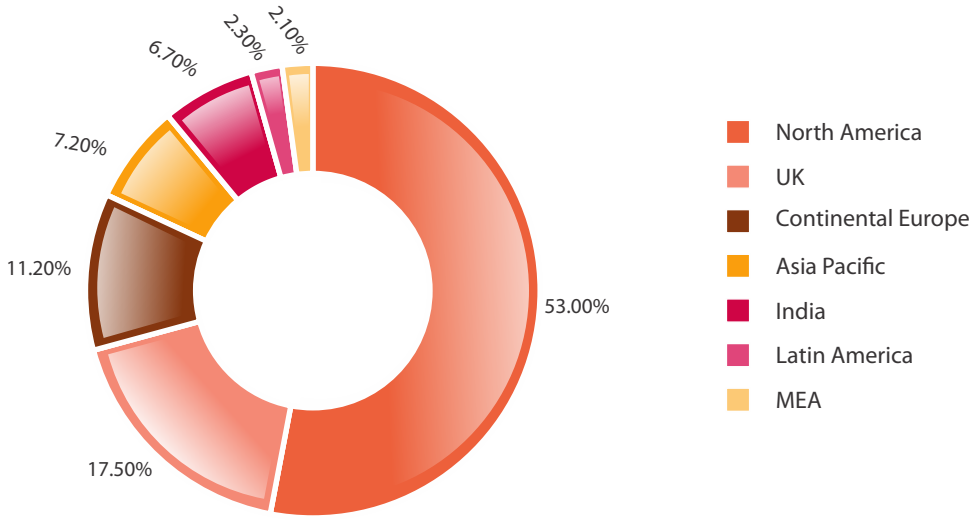


Figure 3: Revenue Breakup by Geography

TCS by Numbers

Net Sales	$13.44 Bn
Net Income	$3.14 Bn
Taxes	$996 Mn
Retained earnings	$10.3 Bn
Total Assets	$11.5 Bn
Market Capitalization **(on March 31, 2014)**	$70.2 Bn
Number of Employees **(on March 31, 2014)**	300,464
Number of nationalities in the workforce	118
Employee Costs in USD	Mn 7,544
% of women in the workforce	32.7%
New hires in FY 2014	61,200
Attrition in IT Services*	10.4%
Reduction in per capita paper consumption**	78%
Operating Margin	29.0%
Clients contributing more than $1 Mn/year	714
Clients contributing more than $100 Mn/year	24
Number of shareholders	598,756
Number of small shareholders (holding nominal share capital upto INR 1 Lakh)	593,170
Volunteering effort in CSR (person hours)*	96,499
Investment in CSR initiatives*	₹ 93.58 cr
Reduction in per capita electricity consumed**	39%
Reduction in per capita carbon footprint (Scope 1 + Scope 2) **	34%
Reduction in per capita business air travel emissions**	61%
Reduction in per capita fresh water consumption**	13%

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

Awards

Key awards and accolades received by TCS in FY 2014 are listed below.

CORPORATE

- India's 'Most Valuable Company' - **BT 500 rankings**(2nd year in a row)
- World;s Most Innovative Companies - **Forbes**
- India's Most Admired Company - **Fortune**
- India's Most Respected Company - **Business World**
- Global Leaders - **Dow Jones** Sustainability World Index

PARTNERS

- Top SI of the year - **HP Partner Summit**
- Best Skill Excellence of the year - **HP Partner Summit**
- Best Performing IT Vendor of the Year - **Singapore Airlines**
- Technology Partner - **Manufacturing Leadership 100 Awards**
- Partner Excellence Award - **Pegasystems, Inc.**
- Microsoft Supplier of the Year - **Microsoft**
- Partner of the Year Award for APJ - **EMC World**
- System Integrator Partner of the Year - **Netapp UK & I Partner**
- SAP Pinnacle Award - **SAP**
- Official Technology Consulting Partner - B**oston Marathon & Boston Athletic Association**

LEADERSHIP

- 100 CEO Leaders in STEM - **STEMConnector**
- Business Visionary Award - **NDTV** Profit Business Leadership Awards
- Best CEO - **Institutional Investor's 2013 Annual** All-Asia Executive Rankings
- Best CEO - **Business Standard**

INVESTORS

- Top Honors - **FinanceAsia's** Investor poll

TALENT MANAGEMENT

- #1 Top Employer in Netherlands - **Top Employers Institure** (CRF Institute)
- Gold Award for 'Innovation in Learning' - **Learning and Performance Institute**
- 'Achievers 50 Most Engaged' - **Workplaces in the USA**
- Best Employer in China - **Eighth Chinese Employer Brand Awards**
- Top Employer in South Africa - **Top Employers Institute**
- Best Practices in HR - **Argentina**
- Excellence in HR Technology
- Platinum Award for Innovation - **Greentech HR Award**

GLOBAL CSR EXCELLENCE AND LEADERSHIP AWARDS

- Best Company - CSR - **Fundacion Regazo**
- Best Corporate Steward Business Civic Leadership Center - Citizen - **U. S. Chamber of Commerce Foundation**
- Special Award - Contribution to the Green Building mission - **GreenCo Summit 2013**
- Best Partnershio in Sports Corporate Engagement Awards - **Europe**
- Best Program - raise brand awareness Corporate Engagement Awards - **Europe**
- Best community involvement Corporate Engagement Awards - **Europe**
- Sustainability Disclosure Leadership Award - **Parivartan**
- Excellence in Energy Management - **Confederation of Indian Industries**
- Best Volunteering Company - **Red Cross in Ecuador**
- Excellence in Green House Gas Reduction - **Earth Care Awards** - JSW - TOI
- Company with Best Social Service Practices - **Foundation Tierra Nueva of Carollo Father**
- Global 500 **Carbon Performance Leadership** Index
- **Carbon Disclosure Leadership** Index.

CAPABILITY AND INNOVATION

- Ranked No.1 for customer satisfaction in the **UK**
- Level 5 in the Enterprise-wide Appraisal - **CMMI-DEV v1.3**
- Leader in insurance application outsourcing - **Everest Group**
- Global Leader & Star Performer in Life Science IT Outsourcing - **Everest Group**
- Leader in Retail Banking BPO - **NelsonHall**
- IT 'Innovator of the Year' - **Microsoft**
- Leader in SAP Application Management - **Gartner Magic Quadrant**
- Leader in SAP & Oracle Application Management Services - **Gartner Magic Quadrant**
- Leader Communication Service Providers - **Gartner Magic Quadrant**
- Leader in Finance & Accounting - BPS - **Everest Group**
- IT Outsourcing Company of the Year - **Belgium**
- Top 10 Global Service Provider in China - **China Council for International Investment Promotion**

COMMUNITY AND ENVIRONMENT

- Highly Commended - **Citi International Award** - Business in the Community's Responsible Business Awards
- Platinum Big Tick - B**usiness in the Community's Responsible Business Awards**
- Gold Award - APOnline MeeSeva project -1**7th National Conference on e-Governance**

Stakeholder Engagement & Materiality Definition

Our Stakeholders

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

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

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

Described below is 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.

Stakeholder | Interfacing Group | Engagement Types by Frequency

Stakeholder		Interfacing Group	
Customers		Sales / Pre-Sales, Marketing, Delivery Teams, Senior Mgmt	
As needed:	Project-related Calls and meetings, PMRs, Relationship Meetings, Visits, Responses to RFI/RFPs, Sponsored Events, Mailers, Newsletters, Brochures	**Continuous:**	TCS website, Customer portal
		Half-yearly:	Customer Satisfaction Surveys[2]
		Annual:	Customer Summit, Innovation Day
Employees		HR, Senior Mgmt	
As needed:	Town Halls, Roadshows, Project / Operations Reviews, Videoconferences, Audio conference calls, PEEP, PROPEL (associate forum), One-on-one counseling	**Monthly:**	@TCS (Inhouse magazine)
		Continuous:	TCS website, Ultimatix Notice Board, CEO Connect, CTO Blog, Corporate Corner, JustAsk, IdeaMAX, Dipstick surveys, mPower (quick grievance redressal)
		Annual:	PULSE (employee feedback survey), Hats Off (Long Service Awards), Velocity (Sales meet), Blitz (Business Planning meet)
Shareholders		Investor Relations, Company Secy, Senior Mgmt	
As needed:	Press Releases and Press Conferences, Email advisories, Facility Visits, In-person meetings, Investor Conferences, Non-Deal Roadshows, Conference Calls	**Quarterly:**	Financial Statements in Indian GAAP and IFRS, Earnings Call, Exchange Notifications, Press Conference
		Continuous:	Investors Page on TCS website
		Annual:	Annual General Meeting, Analyst Day, Annual Report

2 *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

Stakeholder	Interfacing Group	Engagement Types by Frequency
Head Hunters, Staffing Firms,Other Suppliers	HR, Senior Mgmt, CTO	**As needed:** Academic Interface Program, Co-Innovation Network meetings **Continuous:** TCS website, Academic portal **Annual:** Sangam (High-level academic conference), Campus recruitment
Academic Institutions	HR, ISUs, Procurement	**One time:** RFI/RFPs, Empanelment process **As needed:** Transactional meetings, Periodic Reviews, Surveys
Partners and Collaborators	Alliance Mgmt, 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 Mgmt	**As needed:** Conferences and seminars, Working Committee Meetings, Surveys, Meetings **Annual:** Conferences, Summits
Governments	Govt ISU, Corporate Affairs, HSE / Finance, CSR Team, Senior Mgmt	**As needed:** Governance RFIs / RFPs, Presentations, Project Meetings, Reviews, Calls and Meetings, Surveys, Consultative sessions **Continuous:** TCS Website
NGOs, Local Communities, Society at large	CSR Team, Volunteers, Corp Comm, Senior Mgmt	**As needed:** Field visits, Due Diligence, Calls and Meetings, Conferences and seminars, Surveys, Press Releases, Press conferences, Media interviews and quotes, Sponsored events **Continuous:** TCS Website

Apolitical Stance

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

Definition of Content

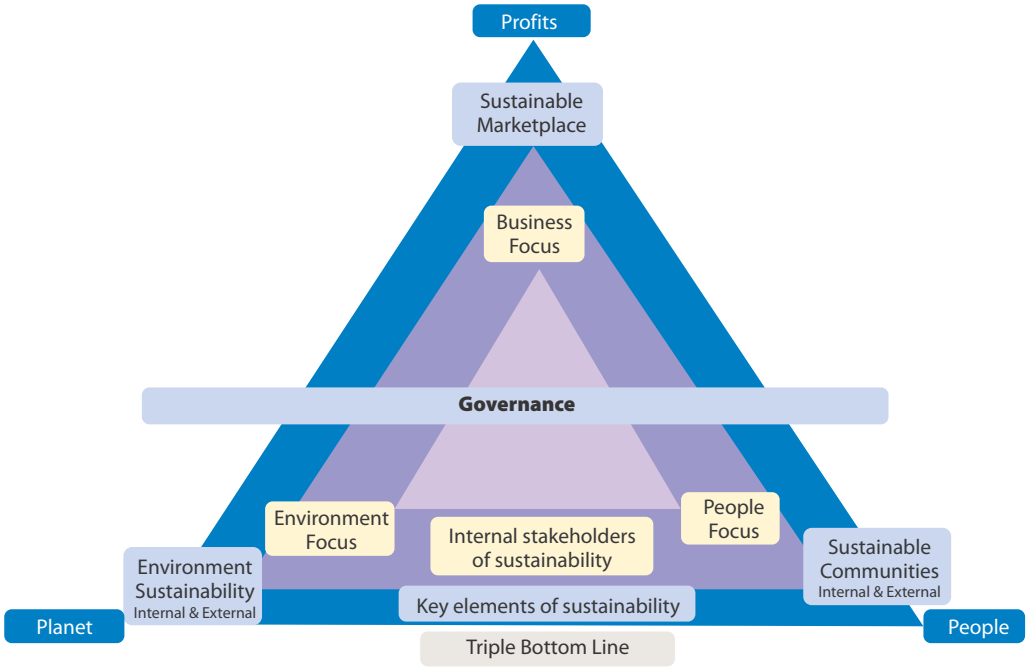
The content for this report is arrived at by applying a materiality filter on the various topics that come up in the course of stakeholder interactions described in the earlier section. A team of senior managers evaluated these topics for materiality to the business to arrive at the key sustainability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

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

Our Sustainability Strategy and Corporate Governance

Sustainability Strategy and Approach

TCS embodies the Tata group's philosophy of building sustainable businesses that are firmly rooted in the community and demonstrate care for the environment. Towards this, TCS has adopted the 'triple bottom-line' approach and recognizes that People, Planet and Profit as the central pillars of corporate sustainability.



People: Sustainable Internal and External Communities – Internally, 300,464 employees are the backbone of TCS, who are actively engaged with to drive sustainability initiatives. Externally, TCS conducts a diverse range of CSR initiatives in the areas of education & skill building, health environment and affirmative action using volunteering, sponsorships and pro bono leveraging of our IT capabilities as the modes of engagement. In addition initiatives focused at promoting supply chain and procurement sustainability ensure the alignment of that our vendors and suppliers to the sustainability objectives.

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

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

Corporate Governance

Strong corporate governance that oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders, creates all the conditions necessary to foster sustainability. Being part of the 146-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 Conduct[3] (TCoC).

3 *The full text of the Tata Code of Conduct is available on our website. (URL: http://www.tcs.com/SiteCollectionDocuments/About%20TCS/Tata-Code-Conduct-2013.pdf)*

This 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 Directors 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 10 are Non-Executive Directors[4] (including the Chairman and Vice-Chairman) and 6 are Independent Directors[5]. The composition of our Board and detailed profiles of Board Members are available on our website[6].

The supervisory capability of the current Board has been significantly boosted by the inclusion of highly capable individuals with diverse global management perspectives, broad corporate experience and specific expertise in corporate governance and compliance as independent, non-executive directors.

	Board of Directors										
	C P Mistry	N Chandrasekaran	S Ramadorai	R Sommer	C M Christensen	V Kelkar	P A Vandrevala	V Thyagarajan	I Hussain	A Mehta	O P Bhatt
Demographic Background											
Gender											
Male	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Female											
Age											
25-40											
41-55	X	X									
56-70			X	X	X		X	X	X	X	X
Over 70						X					

Aspect	How
Avoidance of Conflict of Interest	Conflict of interest between the Board's executive function and the supervisory function is minimized by making the Chairmanship of the Board a non-executive role, and keeping it separate from that of the Chief Executive Officer and Managing Director. TCS has a Code of Conduct for Non-Executive Directors, requiring them to always act in the interest of the company and ensure that any other business or personal association, which they may have, does not involve any conflict of interest with the operations of the company and their role therein. Similarly, all employees including the Managing Director and Executive Directors are prohibited from freelancing or accepting any position of responsibility with or without remuneration with any other company without TCS' written approval. For Executive Directors and the Managing Director, such approval must be obtained from the Board.
Intra-group Transactions	TCS does not derive any material revenues (~0.002% of revenues in FY 2014) from other Tata group companies. There is no intermingling of employees and resources including cash amongst the Group companies. Independent Directors make up half the Board. Any dealing with Tata Sons or with a group company is done on an arms-length basis and has to be approved by the Board. Such transactions are reviewed closely by the Board to ensure that all shareholders' interests are protected before they are approved. All transactions with Tata group companies are disclosed in our Annual Report (Page 134-136).

4 A Non-Executive Director is defined as a Director who is not involved in the day-to-day operations of the Company and is not a full-time employee of the Company.

5 An Independent Director is a Non-Executive Director, who (a) does not have any material relationship/ transaction with the Company, its Directors, Promoters, senior management, holding company and its subsidiaries, (b) Is not related to Promoters/Board/Senior Management, (c) Has not been an executive of the Company in the past 3 years, (d) Has not been a partner/executive of the Company's statutory audit/ internal audit firm, legal/consulting firm in the past 3 years, (e) Has not been a material supplier, service-provider or customer or a lessor or lessee of the company, (f) Is not a substantial shareholder i.e. owning 2% or more and (g) Is not less than 21 years of age.

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

Aspect	How
Board Oversight of the Sustainability Agenda	To ensure that business sustainability gets adequate governance focus, TCS' Board of Directors meets 7 to 8 times a year instead of the statutory 4 times. While four of these meetings are for review and approval of financial results, the remainder is for more detailed oversight of business, strategy and sustainability matters. This ensures that the Board's focus goes beyond financial performance and covers various operational and strategic issues including sustainability aspects, budgets, industry performance, peer review and competition analysis, overall risk assessment, performance of subsidiaries, opportunities for organic and inorganic growth etc. The CEO is the Director responsible for Sustainability. Oversight of the Company's sustainability strategy is the responsibility of the Sustainability Head, EVP & Global Head HR. He is supported by the Sustainability Council and dedicated teams for Corporate Social Responsibility and Environment, each headed by highly-qualified specialists in their respective domains. Their goals are determined by Senior Management in line with the Company's overall sustainability objectives, and performance on these two specific aspects of TCS' sustainability agenda is reviewed by the Board on an annual basis. A framework to enable the Board's self-evaluation is currently under review. **The Sustainability Council** In order to drive our sustainability initiatives effectively, a sustainability council with representation from key departments within TCS has been convened. Processes for quarterly review on performance against targets for each stakeholder have also been implemented. The Executive Vice President and Global Head of HR presides over all matters related to Sustainability within the organization and the overall Corporate Sustainability of the organization falls within the purview of the CEO & MD.

Aspect	How
Fiscal Oversight	An Audit Committee, consisting entirely of independent, non-executive Directors, oversees TCS' disclosure process to ensure that sufficient and credible information is disclosed, and that the published financial statements reflect a true and fair position of the company's finances. The committee meets four times a year to approve the quarterly accounts and another three to four times for an in-depth consideration of internal audit reports. The Audit Committee also actively ensures that the internal audit processes provide adequate support in improving the Company's business processes, i.e., making the Company more efficient and cost-effective. As an additional governance control on access to the Company's cash, TCS has a Bank Account Committee of Directors which approves the opening and closing of bank accounts of the Company and to authorize persons to operate the bank accounts of the Company.
Independent and Effective Validation	TCS has an independent third party, M/s Ernst and Young, to oversee and carry out internal audits of the Company's operations as per an internal audit plan which is reviewed annually by the Audit Committee in consultation with the Statutory Auditors. In line with international practice, the planning and conduct of internal audit is oriented towards the review of controls in the management of risks and opportunities in the Company's activities. The external auditors of the Company are Deloitte Haskins and Sells, who do not have any undue dependence on TCS.
Disclosure and Transparency	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 our website http://www.tcs.com/investors/Documents/Annual%20Reports/TCS_Annual_Report_2013-2014.pdf. Half-yearly results are sent to shareholders along with a message from the Managing Director on the Company's performance. The Earnings Release every quarter is accompanied by a press-conference which is video webcast live through our website. There is also a conference call where Management briefs investors and analysts on the quarter gone by, and takes questions. In addition, there is a robust investor outreach program as part of which the TCS Management meets investors at our premises or at investor conferences and addresses their queries and concerns.
Ethics and Compliance[7]	The Tata Code of Conduct, which every employee signs at the time of joining the company, contains 25 clauses that make up a governing framework for responsible corporate citizenship and ethical behaviour. TCS has established procedures to deploy the TCoC and to enable employees, customers, suppliers and partners to understand the code and follow it in letter and spirit. The leadership team personally conveys TCS' values and the importance of the TCoC at employee events. There are Local Ethics Counsellors at every Company location to advise and guide employees on ethical matters. Customers and suppliers are made aware of the TCoC through specific clauses in proposals, contracts, contract discussions, and through the TCS website. In addition, senior managers with access to privileged information, have to comply with an additional code for the Prevention of Insider Trading. TCS also has a global policy to address Sexual Harassment at the work place. 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. At the Board level, the Ethics and Compliance Committee oversees TCS' compliance to the Codes of Conduct to be followed by the Directors, Officers and other employees. Monthly Reports are sent to the Committee on matters relating to the Insider Trading Code and the TCoC. One meeting of the Ethics and Compliance Committee was held during the year.

7 *No significant legal or regulatory non-compliance in general or specifically in relation to the Company's products and services was brought to the Company's attention in Fy2014.*

Aspect	How
Board Composition and Selection of Board Members	The Nominations Committee, consisting of two independent Directors and the Chairman, makes recommendations regarding the composition of the Board, identifies suitable individuals who can be inducted as Independent Directors and takes steps to refresh the composition of the Board from time to time. The supervisory capability of the current Board has been significantly boosted by the inclusion of highly capable individuals with global management perspectives, broad corporate experience and specific expertise in corporate governance and compliance as independent, non-executive directors.
Protecting Minority shareholders' interests	The Corporate Governance philosophy at TCS, based on the Tata Code of Conduct, emphasizes fairness and transparency to all stakeholders. The Company also has a variety of channels through which minority shareholders can interact with the Management / Board to express their concerns. There is a year-round, global investor outreach program where investors can interact with Management. Minority shareholders can move their private resolutions for discussion by the Board of Directors, or even requisition a General Body Meeting. Small shareholders can interact with the Board of Directors in person at the Annual General Meeting and have their queries/grievances resolved. They can also communicate any grievance to the Company Secretary's office where complaints are tracked to closure. At the Board level, a Shareholders/Investors Grievance Committee of Directors consisting of two Independent Directors and one Non-independent Director oversees the redressal of these complaints. independent Director oversees the redressal of these complaints.
Employee access to the Board	Employees at TCS are highly empowered and the Company's culture encourages open communications and offers various channels for communicating concerns and grievances. Larger concerns are represented to the Board by the Executive Directors. In addition, individual senior-level employees are also invited to present to the Board on specific topics under discussion, from time to time. Lastly, we have 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.about unethical behavior to the Chairperson of the Audit Committee.
Sustainability and risk management	TCS has an Enterprise-wide Risk Management (ERM) process administered by a Risk Office that continually identifies the various risks threatening the Company's continued sustainability, as grouped under: (1) Strategic (2) Operational (3) Financial and (4) Compliance related risks The Risk Office maintains a Risk Register and draws up suitable risk mitigation plans for each of the risks identified therein. These risks are reviewed by the Board periodically.
Succession planning	Business sustainability requires consistency in management vision and minimization of impact when there is a leadership change. Therefore, succession planning is an important element in ensuring smooth transitions. At TCS, succession planning occurs at every level – at the corporate level, at the business unit level, at the account level and even at the project level. At the highest level, succession planning of senior management is directly reviewed by the Executive Committee of the Board. Business/Unit Heads are invited to Board Meetings from time to time to give presentations to the Board to update them. This provides an opportunity for the Board to interact with Senior Executives periodically and assess values, competencies and capabilities to help them identify suitable internal successors and provide feedback. In these last four decades, TCS has gone through two CEO-level transitions, the last one in October 2009. The seamless manner in which that transition took place is evidence that the Company's succession planning is working well.Company's succession planning has been functioning well.

Aspect	How
Remuneration Policy	TThe Company follows a compensation mix of fixed pay, benefits and Economic Value Added Analysis based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. Compensation for Non-Executive Directors on the Board consists of: ▪ Sitting Fees for attending Board meetings and meetings of Committees of the Board, to the tune of INR 10,000 per meeting. ▪ Commission, as decided by the Board of Directors and approved by members at the Annual General Meeting, within the ceiling of 1% of the net profits of the Company as computed under the Companies Act, 1956. The commission is distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings. ▪ Reimbursement of any out-of-pocket expenses incurred by the Directors for attending meetings. Remuneration of the Managing Director and Executive Directors consists of a fixed component (salary, benefits, perquisites and allowances) and a performance-liked variable component (commission). The Remuneration Committee decides the annual increments within the salary scale approved by the Members, and the commission payable to the Managing Director and the Executive Directors out of the profits for the financial year and within the ceilings prescribed under law. The commission amount is based on the company's performance as well as that of the Managing Director and each Executive Director, measured along several sustainability-linked criteria discussed in this report. Details of the compensation paid out to Members of the Board in FY 2014 are disclosed on Page 74 of our Annual Report.

Serving as an Ethical Exemplar

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

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

The outcome of this corporate-wide emphasis on ethical behavior, integrity and individual accountability is a very high level of employee awareness of the Company's values. The satisfaction index of the awareness of the Tata Code of Conduct within TCS' employee satisfaction survey was 78.02.

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

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

Since the Company's primary focus is Information Technology (IT), a special training module on IT Ethics has been created in co-operation with Prof. Don Gotterbarn, Professor Emeritus from Tennessee State University. Prof. Gotterbarn is a world-renowned professional expert on Computing Ethics who has been recognized by three different professional organizations for his contribution to promotion of computing ethics. In March-April 2014, Dr. Gotterbarn visited India at the invitation of TCS and recorded training sessions on IT Ethics which are being cascaded across the organization.

Our Marketplace

Sustainability of Business Performance

Key stakeholder concerns around the sustainability of our business performance are centered around five major areas:

- whether there is sufficient headroom for continued growth
- whether the Company's size could impede agility
- whether supplyside constraints could hamper growth or impact margins
- whether macroeconomic uncertainties or new technologies might impair business
- whether the company is investing sufficiently in innovation

Some of these concerns are addressed in this section of the report.

Key strategic risks faced by TCS and our approach to mitigating them are summarized on Page 36 of our FY 2014 Annual Report.

Strategy for long-term growth

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

(a)Expanding our addressable market by geography, by industry and by service-line and

(b)Deepening our relationships with existing clients.

Key elements of this strategy for sustainable, longer-term growth are summarized in and explained in greater detail on Pages 32-33 of our FY 2014 Annual Report.

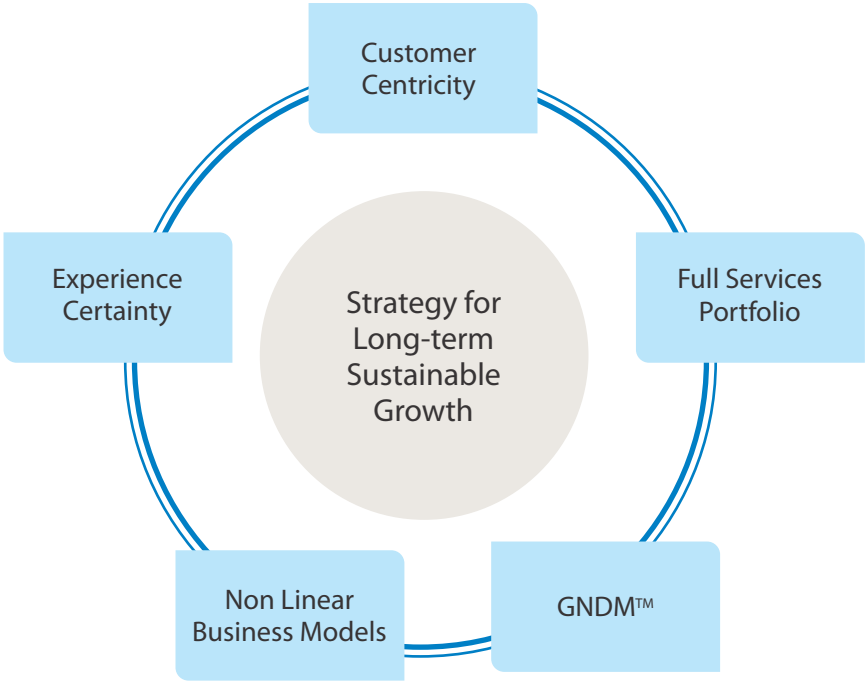


Figure 4: Five point strategy for long term growth

Demand-side Sustainability

TCS has had a consistently stellar track-record of revenue growth. Our 9-year CAGR is 22% and we closed FY 2014 with revenue of USD 13.44 Bn (up 16.2% YoY).

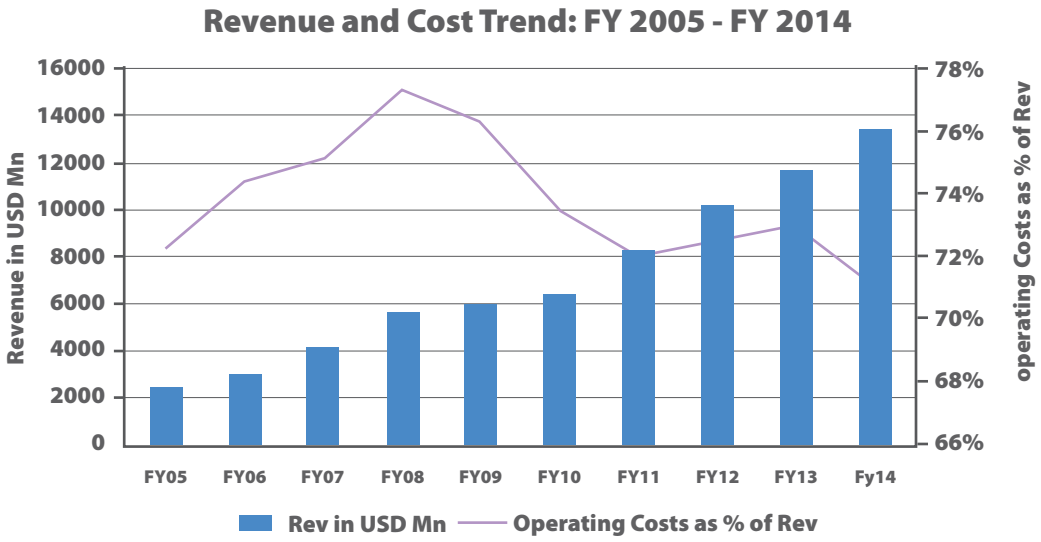


Figure 5: Revenue Growth in USD (FY 2005-2014)

Other highlights of FY 2014:

- Volume growth of 17.4% YoY
- Gross Margin of 47.3%, EBIT margin of 29.1%
- Gross headcount addition of 61,200
- Net headcount addition of 24,268

TCS believes that the long term growth trajectory is sustainable because (a) the global market for IT services is growing, (b) offshore outsourcing is today a mainstream strategic option, (b) TCS has the strong foundational elements needed to partake of this growth and (c) TCS' strategy for longer-term growth is delivering results.

Global market: Headroom for growth

According to NASSCOM's Strategic Review 2014, global spend on IT Services and BPO was estimated to be $922 Bn in 2013, i.e. 1.8% higher than in 2012. This is a highly fragmented market in which our market share is ~1.4%, suggesting significant headroom for growth.

Going forward, technology spending is expected to further increase as the technology intensity of businesses increases. The 5-year CAGR for the period 2012-2018 is expected to be 4.5% according to Gartner. Historically, TCS' growth is far higher than the growth in global spend on IT services due to shifting customer preferences favoring greater offshore outsourcing.

Enablers for growth

The pre-requisites for sustaining our growth are:

(a) maintaining the same high **quality** of service that our customers have come to expect from us,

(b) continuing to invest in **innovation** so we remain at the cutting edge of technological and business evolution,

(c) ensuring that we remain **agile** despite the size and

(d) creating a **strong brand** that creates customer loyalty.

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

Best-in-class Quality

The TCS Quality Management System is a complete set of documents, tools, methods and practices built on and around the business model, with a focus on service & solution delivery, customer management, security management and people processes. The system is focused on ensuring that customers experience a level of certainty that no other organization can match.

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

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

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

Information Security and Data privacy

Information security and data privacy is critical to our business. In pursuit of the Company's Security

TCS Security Policy

TCS is a global leader in providing IT services, business solutions and outsourcing with business operations spreading across continents. TCS services multiple customers through its GNDM(TM) model and as a part of its operations has access to huge volumes of information (including personal information and IPR), impact on which could be detrimental to TCS or its customers' business interests.

Our Security Vision is "To make TCS reliable, resilient and immune to the existing and evolving volatile environment of constant changes, accidents, attacks and failures, so as to enable all our stakeholders experience certainty."

This Security Policy reiterates our commitment to protect all the information assets that we own or are responsible for; thus, ensuring an efficient, safe and secure working environment for TCS and its customers.

TCS will deploy a convergent security model to ensure the following:

- Protection to information assets against unauthorized access by deploying adequate security controls covering physical, logical and personnel security
- Compliance to legal and statutory / regulatory requirements across its global operations
- Continuity of operations in line with business requirements and obligations to its stakeholders
- Inclusion of security responsibilities of various departments / individuals to adhere to this Policy
- Adequate security awareness and competence among associates at all levels to fulfill these responsibilities
- Avenues for associates and other stakeholders to report security weaknesses or violations
- A robust response framework to handle security weaknesses or violations
- Governance of security performance against appropriate targets and objectives, enabling continuous improvements

This Policy would be supported by Security Standards, Procedures and Guidelines and made available to all associates as TCS' Information Security Management System (ISMS). Every associate in TCS is expected to contribute towards the effective implementation and deployment of these security norms.

This ISMS will be periodically reviewed to ensure its continuing applicability and relevance to our operations and evolving stakeholder expectations.

This Policy will extend to TCS and its wholly owned subsidiaries, and will be applicable to all its associates, business associates and external parties having access and usage rights to its infrastructure, IT systems and/or Information resources. Consequences arising out of violations or contravention to any of the objectives of the ISMS will be equally applicable to all associates globally and external parties.

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 Information Security is managed by a team of security professionals having industry-recognized credentials such as the CISA, CISM, CISSP, CEH, CBCP etc, and hailing from varied backgrounds and experience, such as application development, Infrastructure services, Networking, Forensics, Legal and Compliance.

We consider all client information as confidential and have rigorous processes in place to protect the same. Our security policy has been framed to comply with all international privacy laws and information security laws as applicable. Collection, processing and dissemination of any personal data is done under highly controlled conditions [8].

Investing in Innovation

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

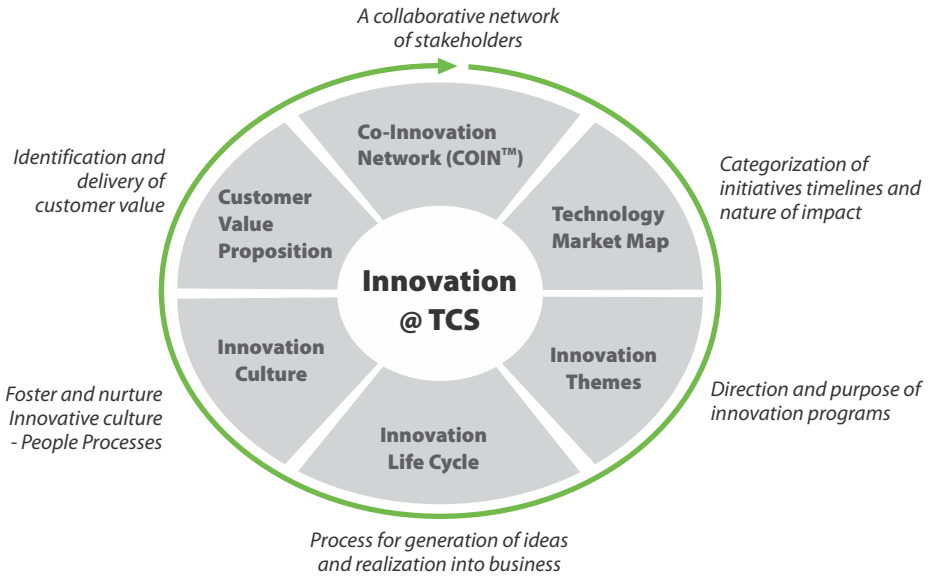


Figure 6: Framework for driving innovation across TCS

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

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

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

8 *No breach of customer privacy or loss of customer data was brought to our notice in FY 2014.*

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

Figure 7: An Overview of TCS' innovation effort

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

Details of the Company's R&D focus areas and innovations are provided on Pages 29-30 and 33 of our Annual Report. As of March 31, 2014, the company has applied for 1,746 patents of which 114 have been granted. TCS' R&D expenses increased in FY 2014, in absolute terms as well as a percentage of revenue. The R&D centers at Pune, Chennai, Bengaluru, Delhi- NCR, Hyderabad, Kolkata and Mumbai have been recognized by the GoI's Department of Scientific & Industrial Research (DSIR). The Company has also set up innovation labs, product engineering groups and groups engaged in path-breaking technologies at multiple locations all over the world.

Expenditure incurred in the Company's R&D centers during FY 2014, excluding expenses incurred by Innovation Centers and by individual business units investing in building frameworks, products, platforms and other intellectual property, went up 10.5% YoY as can be seen below:

	FY 2013-14 ($ Mn)	FY 2012-13 ($ Mn)	% Increase
R&D Expenses	32.7	29.6	10.5 %

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 which is designed to enhance customer focus, accountability and agility. TCS is organized into many small operational units, each with 4,000-15,000 employees, aligned to the different industry verticals. Each market-facing Business Unit owns its resources and pursues growth in its respective domain at the best possible pace that the domain can support, with all the agility and focus of a smaller company (See Figure 8).

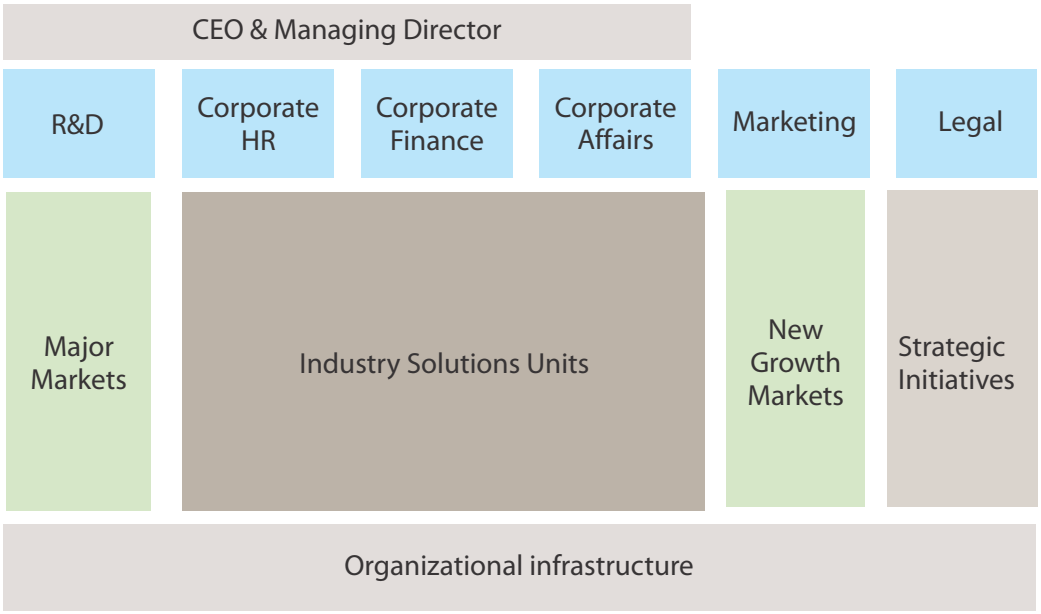


Figure 8: Organization Structure designed for agility

Brand Building

The Company continued to implement global marketing initiatives to promote the TCS brand. All our marketing communications – including advertising, promotions and sponsorships – tend to be understated, designed to strengthen the trust our clients repose in us when they outsource the development and upkeep of key mission-critical systems to us, along with other key attributes they most appreciate in our work: high quality, reliability and dependability . Our tagline, "Experience Certainty" captures the essence of these attributes.

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

TCS participated in leading industry and business events around the world and held key customer summits world-wide reaffirming its commitment to delivering a complete brand and organizational experience. The Company ensures that all marketing communication abides with the Tata Code of Conduct.

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

Being in the IT services domain, TCS does not sell products or services which are hazardous or banned in any market

Some of TCS' sponsorships in FY 2014 are as below:

TCS is the technology partner of the Rajasthan Royals, the Jaipur franchise cricket team in the Indian Premier League. TCS provides IT expertise to help the team analyze the players' performance, simulation and other areas. In turn, TCS enjoys greater visibility among cricketing fans, with the RR players sporting the TCS logo.

To reinforce TCS' brand attribute of commitment to excellence, we sponsor various marathons across the world in order to support the commitment to excellence of the participants.

These sponsorships also serve to reinforce our 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 2014, major marathons sponsored by TCS were:

- Standard Chartered Mumbai Marathon
- World 10K Bangalore
- Boston Marathon
- Bank of America Chicago Marathon
- ING New York City Marathon
- TCS Amsterdam Marathon
- BMW Berlin Marathon

TCS IT Wiz, India's biggest inter- school IT Quiz programme, started in 1999 as a part of the educational Initiative to help build awareness about technology and provide a window to the world of Information Technology for young students. In 2011 TCS launched the first international edition in UAE.

TCS IT Wiz is a knowledge platform currently held in 14 cities across Indian 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 sheer participation number it draws. TCS IT Wiz provides a wider outlook to the students about Information Technology and its trends as 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 platform provides an opportunity to learn outside the classroom, fosters competitive spirit amongst students and triggers voluntary learning, and 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 our business. Documentation of the custom applications we build for clients is as per mutually agreed specifications. System documentation is not governed by any regulation or industry code. All our marketing communications including advertising, promotions and sponsorships comply with the relevant laws of the countries that we operate in. No instance of regulatory non-compliance in this area was brought to our attention in FY 2014.

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

Financial Sustainability

Successful execution of our strategy for sustainable growth requires investments in building capacity, in people and in new business initiatives. TCS' business model has a financial profile characterized by strong cash generation, low capital needs, low working capital requirements, negligible debt and very attractive Return on Equity. TCS is a near zero-debt company, funding its growth entirely through internal accruals. We did not receive any significant governmental financial assistance in FY 2014[9].

These are structural attributes of our business model, and are sustainable. Equally important, we have a robust risk management framework using which we scan the environment for potential risks to this sustainability and take mitigative steps.

Strong cash flows

The Company's growth is financed by cash generated from operations. As of March 31, 2014, Total Shareholder's Equity stood at $9,213 Mn (FY13: $7,537 Mn) of which Retained Earnings made up $10,289 Mn (FY13: $8,025 Mn).

As at March 31, 2014, the Company had cash and cash equivalents of $245 Mn (FY13: $339 Mn) and Bank Deposits of $2,406 Mn (FY13: $1,361 Mn). Net Cash generated from Operations was $2,613 Mn (FY13: $2,266 Mn).

The Company believes that it has sufficient cash from operations to meet its working capital requirements. In addition it has short term working capital facilities with various commercial banks.

Shareholder Value delivered, year after year

In FY 2014, the Company paid a total dividend of $0.5 (₹32) i.e. a payout ratio of 37% of the consolidated profits under IFRS.

TCS' market capitalization as of March 31, 2014 was $70 Bn.

Our Sustainability Services

TCS Eco-Sustainability Services

Information Technology has a big role to play in driving the sustainability agenda for our customers. TCS offers IT-led services in the 4 key areas/

Strategy & Risk

Reporting & Disclosure
Compliance Management
Supplier Risk Management

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.

Operations

Sustainability Performance Mgmt
Energy Management
Water & Waste Management
Green IT

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.

Products & Services

Life Cycle Assessments
Product & Package Materials
DfE and PLM Integration
Low Carbon Logistics

TCS differentiates itself 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 the end-to-end solutions

Consumer Influence

Social Media Analytics
Product Info Through Mobile Apps
Smart Homes/Smart Meters

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

Detailed view of TCS Eco-sustainability services

Strategy & Risk	**Reporting & Disclosures** Develop a robust data model to support the sustaibility processes and management procedures, leveraging our "ecoBIDS" framework to meet customers efforts toward voluntary disclosures
	Compliance Management TCS supports client with compliance process blue-printing, EHS systems implementation, as well as in creating, verifying and submitting necessary documentation associated with the key regulations such as RoHS, REACH, etc.
	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.
Operations	**Eco-footprinting/baselining** Deploying "ECView" to baseline an oranization's GHG Emissions under Scope 1, 2 and 3 in line with the ISO 14064-1:2006 standard
	Energy Management TCS helps design and deploy an integrated energy management platform that covers all type of facilities and energy sources across the enterprise operations.
	Renewable Energy TCS support organizations to arrive at an optimal energy mix, considering the relevant policies and technology maturity of alternative energy resources.
	Water & Waste Management | Sustainability Performance Management We help Select, design and implement an integrated management platform on proprietary or COTS or bespoke software to track, and monetize enterprise performance across energy, water, waste, and carbon dimensions
	Green IT/Data Centers As part of our larger IT infrastructure transformation framework, 'itransform' our 'PowerInsight' tool provides real-time information about the power consumption of both the IT and the non-IT (cooling and lighting) components in a data centre
Products & Services	**LCAs for Eco Labeling & EPD** TCS Facilitates sustainability information disclosure for products for voluntary disclosure requirements such as eco-labels to comply with enviornmental declarations and reporting frameworks
	Product & Package optimization | Sustainable materials TCS helps model and understand the possible impacts of interventions across the product and package composition towards product weight and material optimization, migration to more sustainable sources.
	Integration of DfE with PLM | Digital Manufacturing TCS helps future-proof new product development by integrating DfE principles in product design
	Low Carbon Logistics TCS can help improve network throughput with an innovative application of pull-based process design and Theory of Constraints(ToCs) solution
Consumer Influence	**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.
	Product Information through Mobile Applications Dedicated Mobile UX Design team, comprising user experience designers, and user researchers help identify best means to share your product's sustainability benefits.
	Social Media Analytics Through our social business solutions, engage, listen, analyze and respond to customers on different social channels

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 in the right quantity.

TCS has a highly educated workforce, whose technical skills are greatly valued globally. Although employment is at will with one month's notice period from either side for termination, employees have significantly higher bargaining power in this industry, ensuring workers' interests are largely protected by the free market and less than 0.055% 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 devoted to attracting, retaining and developing this human capital, assessed at PCMM Level 5.

The total number of permanent employees* including subsidiaries as at March 31, 2014 was 3,00,464 (End-FY13: 2,76,196). It is a predominantly young workforce, with an average age of ~28.7 years. A break up of the permanent workforce by employee category and age is given below:

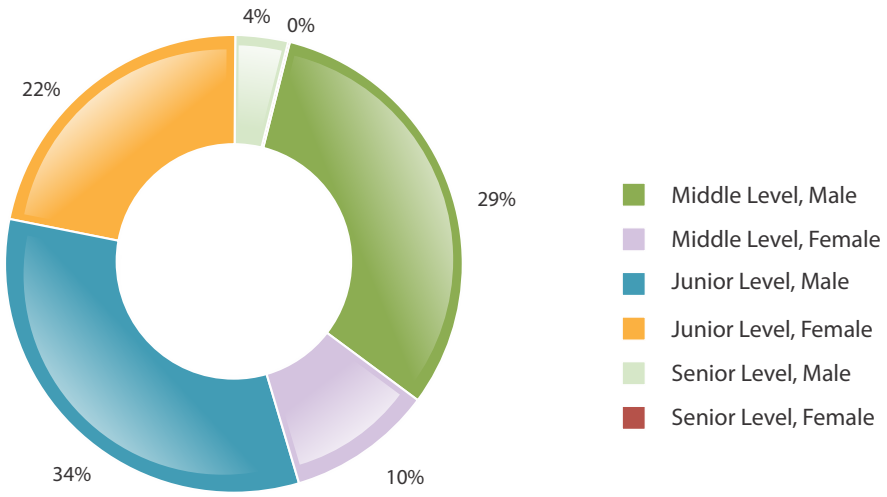


Figure 9A: Break up of workforce by category

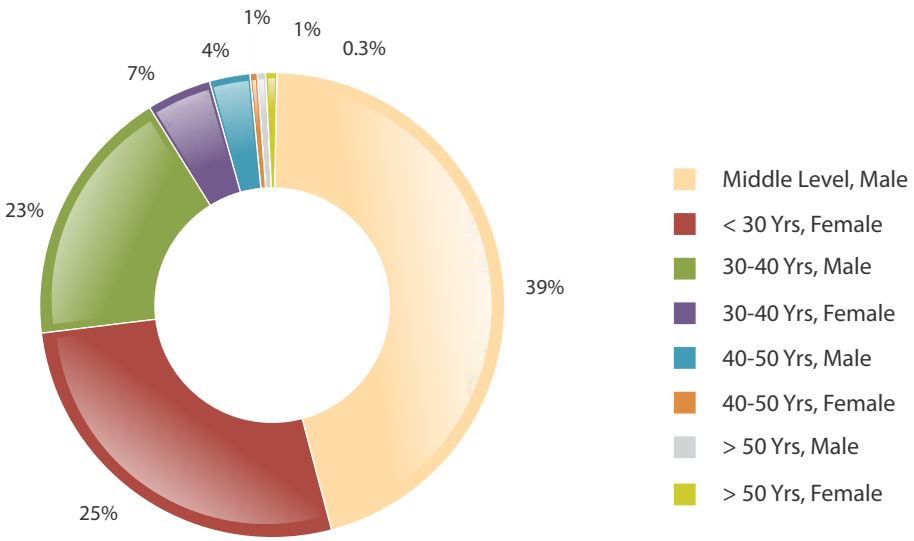


Figure 9B: Breakup of workforce by age

**TCS does not have part time employees on the payroll.*

Additionally, during FY14, TCS workforce on temporary basis comprised 20,741 individuals.

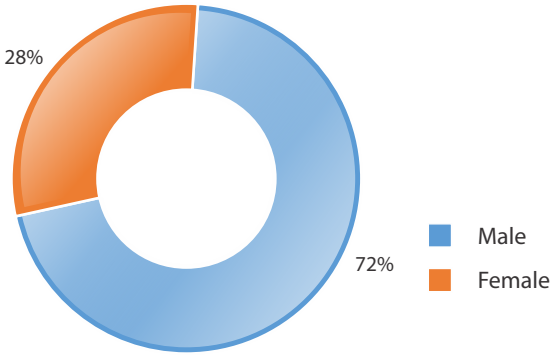


Figure 10: Breakup of temporary workforce

Diversifying the talent pool

With custom-tailored training programs and greater gender as well as cross-cultural sensitization, TCS has been able to expand the talent pool from which to recruit, in terms of gender, geography and academic discipline.

TCS is an Equal Opportunity Employer and subscribes to the Tata Code of Conduct in embracing diversity in race, nationality, religion, ancestry, marital status, gender, age, ethnic origin, physical ability and sexual orientation. Compensation levels are merit-based, determined by qualification, experience levels, special-skills if any and performance. Gender and any of the other diversity parameters don't play any part in determining compensation levels. TCS has a well-defined Diversity & Inclusion Policy.

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

As at March 31, 2014, women constituted 32.7 % (Consolidated) of TCS' workforce. The number of non-Indian nationals in our workforce stood at 27,510 (including subsidiaries), representing 118 different nationalities (FY 2013: 118 nationalities). The breakup by nationality is provided in Figure 11.

Composition of International Workforce - TCS Consolidated

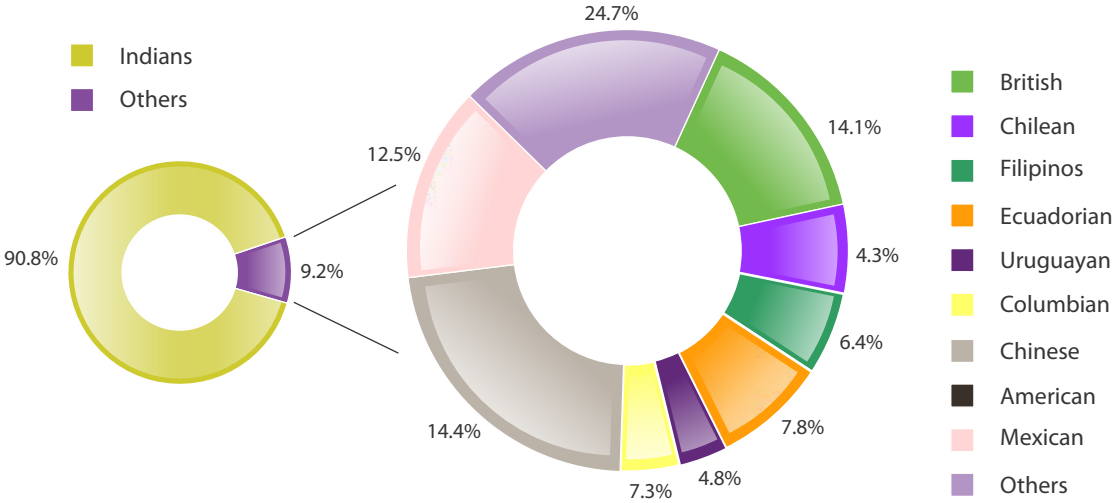


Figure 11: Break up of non-Indian workforce by nationality

Talent Acquisition

The Company continues to attract high quality talent and has been able to successfully scale up the talent acquisition process. The global workforce plan is structured in alignment with the short, medium and long term business plans. The consolidated requirements are part-fulfilled by re-skilling / up-skilling existing unallocated associates and the balance fulfilled through focused drives by the Talent Acquisition Group. Experienced professionals are recruited through online jobsites, head-hunters, recruitment agencies and through employee reference schemes. Other sources of experienced talent include strategic initiatives like M&A and in-sourcing.

The Company's talent acquisition strategy is strongly focused on Campus Recruitment of engineering graduates and has invested in building relationships with universities across the world, as well as improving the quality of academic training at engineering colleges. In FY 2014, TCS (including subsidiaries) recruited 61,200 employees, on a gross basis (FY 2013: 69,728). Of this, 22,718 i.e. 37% of the gross hires were fresh graduates.

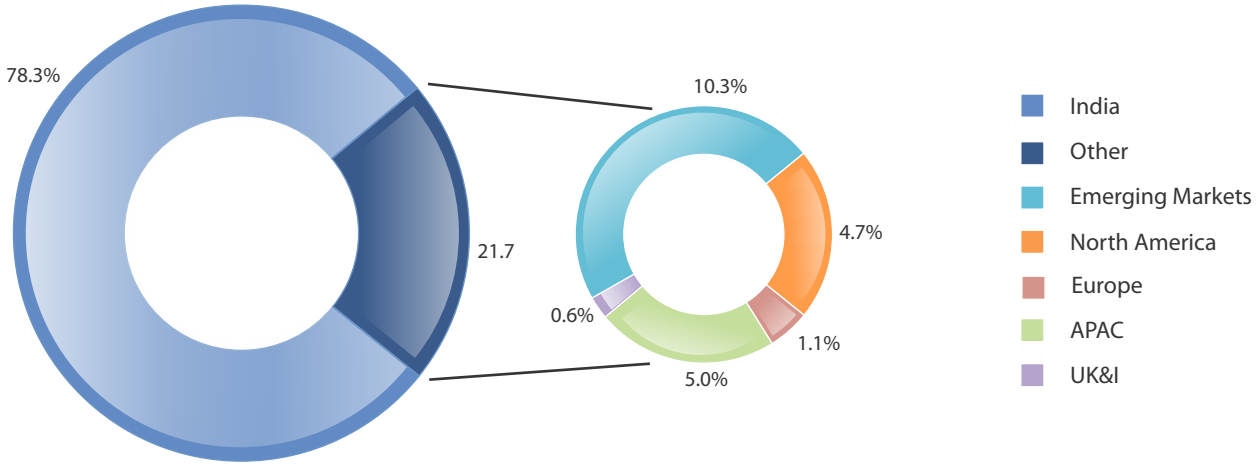


Figure 12: Breakup of new employee hires by region

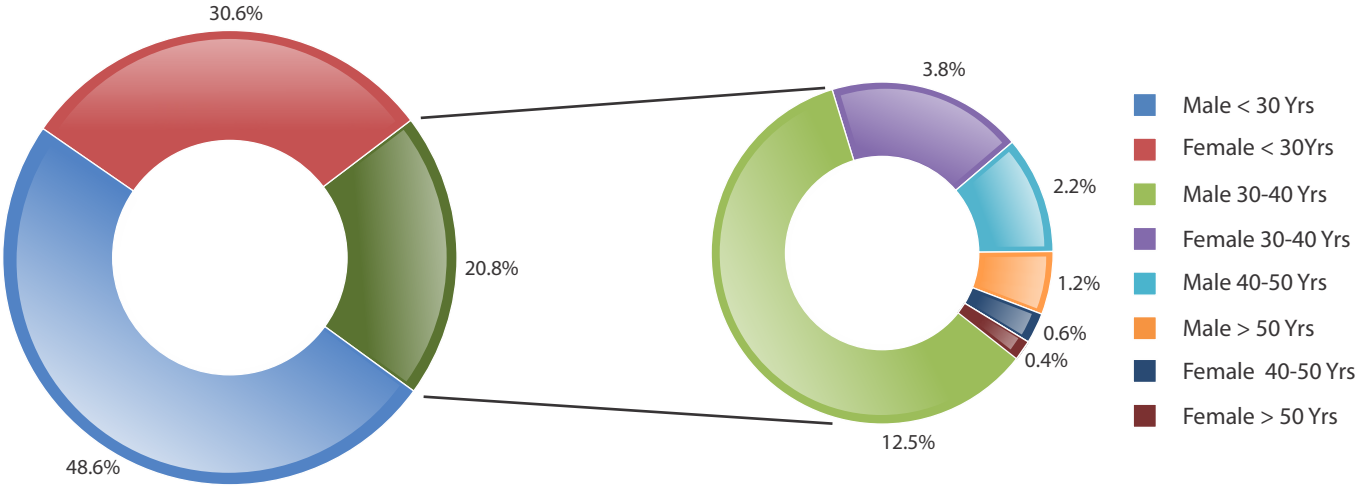


Figure 13: Breakup of new employee hires by gender and age

The Academic Interface Program (AIP) helps build a robust high-quality, long-term relationship between the Company and Academic Institutions

Faculty Development Programs: TCS' senior associates conduct training programs for faculty, to keep them abreast with technology, developments and an industry perspective.	Student Workshops: Sessions for students on technical, managerial or soft-skills topics to enhance competitiveness and workplace-readiness
Memebership in Boards of Studies(BOS) / Curriculum Commitees: TCS representatives participate in Curriculum Committees or BOS of select academic institutes, to help shape the curricula and make it industry-oriente.	Project Support and Internships: TCS provides internship opportunities for students from Indian and overseas institutions
Student Awards: Sponsors the Best Student and the Best Student Project awards.	Sponsorship of Academic Technical Events in closed partner institutes.

Campus Commune

TCS has created a professional networking platform for campus recruits to connect, share, explore and collaborate with their peers and TCS associates prior to joining the Company. Campus Commune aims to engage the campus community and sustain an interest in a career at TCS. The platform provides users with timely information and updates about the Company, Initial Learning Program (ILP), applicable processes and other pertinent topics of interest.

TCS also plays a role in mentoring and guiding students to explore career opportunities within the Company by way of experience sharing, discussions, awareness building on relevant industry trends, engaging through debates, polls and other engagement practices and pertinent topics of interest.

The Company continues to actively attract young talent through innovative platforms.

CodeVita was launched in 2012 to provide a platform for Coding Enthusiasts in technical colleges to showcase their programming skills. Code Vita 2013, the second season of this contest, was a huge success with over 1,30,000 registrations across colleges in India. Code Vita has also been a wonderful opportunity for TCS to spot the brightest programming talent in the academia and attract them into TCS.

ASPIRE is a mandatory online and interactive program for technical graduates. The program aims to prepare students who have been offered jobs at TCS for the ILP, ensure that they learn the basic concepts of IT, get to know more about the Company and sharpen their communication skills. The Aspire modules are deployed online in an interactive and gamified manner, reaching more than 20,000 students.

Ignite – from Science to Software

The Ignite program is a pioneering initiative to induct science graduates to TCS. Ignite has trained 1025 associates during FY 2014. These associates were selected from a talent pool of 120,000 Science graduates from 500 high potential colleges across 400 districts across India.

The technology-enabled, project based learning approach at Ignite evolves continuously leading to the development of innovative digital assets.

Local Recruitment outside India

TCS is a multinational company with operations in 46 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 2014, TCS at a consolidated level recruited 14,320 employees outside India. The percentage of senior-level employees amongst local recruits was 5% at the TCS group level (FY 2013: 5.3%).

Fresher recruitment is facilitated by the relationships built up with empanelled universities through our Academic Interface Programs in different parts of the world. The brand awareness created by those programs helps attract quality talent when we formally 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 the manpower demand fulfillment strategy is the need-based use of contractors, especially for assignments which are of a short-term nature or which require skills not readily available or in sufficient numbers internally. For this purpose, TCS maintains strong relationships with a network of empanelled vendors – staffing agencies and head-hunters – in every country that we operate in. We tap into this network to find suitable candidates whenever the need arises. In case those skills are needed on a longer term basis, TCS looks to build equivalent capabilities internally and eventually replace these contractors with employees. In FY 2014, TCS spent $883 Mn (6.6% of Rev) on subcontractors (FY13: $638 Mn, 6.0% of Rev).

Learning & Development

TCS' Integrated Competency And Management System enables systematic tracking of the training roadmap of the Company's large workforce, while integrating skill assessment and individual development and providing employees an end-to-end view of their learning and competency development needs, as well as their progress against the plan.

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

Average per capita training hours in FY 2014		
Category	**Male**	**Female**
Senior management	23.3	29.0
Middle management	36.4	41.9
Junior management	91.0	99.4
Others/N/A	30.1	29.5

In FY 2014, overall 3,152,707 learning days were invested towards competency development including training in thrust technology areas. The breakup of this is as below:

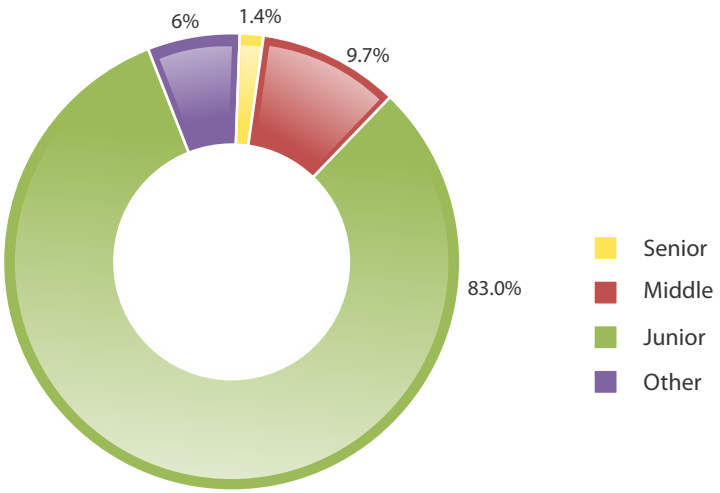


Figure 14: Breakup of learning days by employee category

Of this, some 239,130 learning days went into developing management skills and leadership qualities amongst employees identified for managerial and leadership roles.

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

TCS places significant emphasis on training and grooming employees at all levels with a long term perspective that develops the right competencies which help individuals drive growth in their careers and realize their potential in different ways to support their continued employment and post retirement phase. 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 people-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 through a wide range of competency enhancement and career growth options, role mobility, challenging assignments, competitive and differential compensation, flexible working hours, a collaborative work environment, rewards, recognition and benefits.

The outcomes of these retention programs have also been best in class. The return to work and retention rates after parental leave are at 70%. Although the majority of parental leave was taken by female associates, adoption leave was opted for primarily by male associates. In FY14, 10 out of the 16 employees who opted for adoption leave were men. Our attrition figures have historically been, and continue to be, the lowest in the industry. In FY 2014, attrition in IT Services was 10.4% (on a LTM basis) while overall attrition, including BPO, stood at 11.3%. Of this, attrition caused by departures of new hires within the same year was 2.9%. Of total attrition, female employee attrition was 35.3 %. Attrition levels are higher at junior levels – at 12.5%.

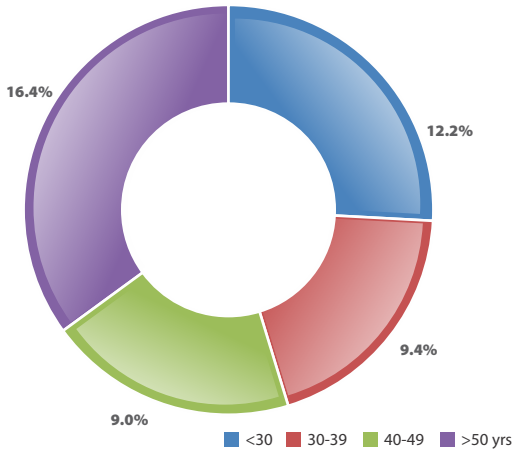


Figure 15: Break up of departures by age (out of employee base in age group)

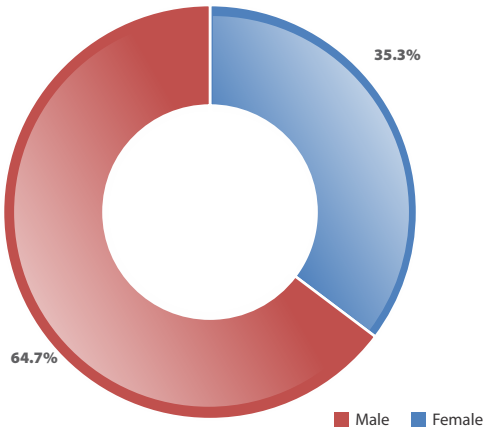


Figure 16: Breakup of departures by gender (out of total attrition)

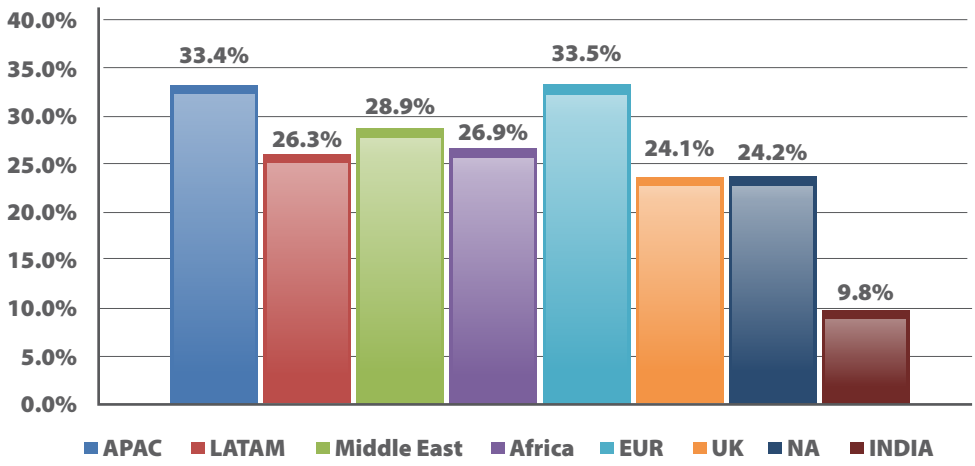


Figure 17: Breakup of departures by region

Career Development

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

An integral part of the CareerHub is Inspire - TCS Hi Potential Program (HiPo) and CareerHub process. The 'Inspire Program' aims at identification, engagement and building of a robust leadership pipeline, keeping in line with the organizational growth objectives. Under this program special initiatives are taken for hi potential employees (in senior and middle grades) at the ISU and organizational level to bring about more visibility to the high potential employee in terms of positioning, allocations, projects and learning. HiPo's undergo exclusive focused leadership programs to help them move into higher roles. The CareerHub Process is for all other employees in middle to senior management and equivalent grades. It is a competency based approach with emphasis on experiential learning. In both these processes mentees have career discussion with their chosen mentor and customized Individual Development Plan is created by mentor post discussion.

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 associates to connect for insights and plan their careers in TCS. In this community, associates have a common ground to blog, discuss, clarify and develop a better understanding about their careers as well as to connect with domain experts.

Employees can voice their views and inputs on the career processes through the Career Eureka community on the internal social networking platform. This community launched in late 2013, has been successful in responding to associates' queries in real time, sharing inspirational success stories of mid-level and senior associates, and also for receiving guidance through a one-to-many mentoring opportunity. The community is also used to crowd-source ideas and use this platform to constantly develop and improvise on our career planning tools.

Competitive Compensation Model

TCS has to attract and retain talent in a highly competitive labor market. The workforce consists of mainly software engineers who hold engineering graduate and post-graduate degrees and even entry-level wages of engineers in any country tend to be several times higher than the minimum wage in that country. Our employee cost over the last three years is given below:

	FY 2012	FY 2013	FY 2014
Employee Costs in USD Mn	5,654	6,549	7,544

To ensure competitiveness in the pursuit of talent, TCS regularly benchmarks its compensation plans and benefits[10] 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.

Compensation structures are driven by prevailing practices in the different countries we operate in. But across the enterprise, remuneration is the same for men and women working at the same location and in the same grade[11]. In India, in addition to a fixed component of the salary, there is a variable component linked to the Economic Value Added (EVA). Payout of that component depends on organizational performance as well as individual performance. This alignment of the Company's interests and the individual's interests has the effect of strengthening team spirit and improving collaboration amongst teams.

Reward and Recognition

Subscribing to a performance based culture, TCS has several schemes for recognizing and rewarding employees. TCS Gems is the formal, global online employee recognition platform for managing all the rewarding mechanisms at TCS. 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, appreciation certificates. Associates can choose their reward from a variety of redemption options ranging from electronic items, utility products, gift vouchers, travel accessories, charity and more.

Other forms of rewarding outstanding performance include fast-track promotions, sponsorship of external training and certification programs, assignment to key positions, membership to professional bodies, sponsorship to international conferences, public announcements of individual/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 geographies, across industries and appetite for executing large complex projects, TCS offers plenty of opportunities for ambitious individuals who seek challenging assignments and exposure to different kinds of roles, technologies and geographies. This has been an important aspect of TCS' best-in-class ability to retain high performers.

Employee engagement and motivation

Communication within TCS has moved to the next level thanks to Knome, TCS's internal social networking portal. From the traditional one-dimensional mode of communicating to multi-dimensional engagement, the organization caters to its largely young audience through this social network. TCS associates across the globe can now post their views, suggestions and questions at one place, and also expect to get feedback through comments and answers from other associates. TCS' senior leadership engage regularly with associates through blogs and live chat sessions, which has ensured that that the voice of a regular associate is not just heard, but 'actioned' upon by the top management.

Besides, the simplification journey within TCS will usher in an era where employees will get their work done faster, in a more efficient way through effective and easier processes.

Employee retention and motivation are greatly facilitated through closer engagement with employees and by fostering a spirit of community, through shared activities outside of work. TCS sponsors picnics and social gatherings at every location so employees and their families get together under informal settings. Another forum for employees and their families to participate in and develop sense of camaraderie is TCS Maitree, which harnesses their energy and enthusiasm to undertake activities for the betterment of the local communities and the environment.

TCS takes an active interest in the wellbeing of employees and has actively supported athletic and sporting events at the national, regional and local level. The company encourages employees to participate in these activities on a regular basis and stay fit. On TCS 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 in giving back to the society respectively. The company encourages associates to participate in these initiatives by forming teams, and 'gamification' done through their respective portals. Through Fit4Life, TCS' CEO himself encourages employees to form teams and pursue a passion for running. TCS' 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.

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10 TCS offers gratuity, a defined benefit retirement plan for eligible employees in India and in certain overseas locations. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Total benefit obligation at the end of FY2014 stood at $246.6 Mn.

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

Commitment to Human Rights

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

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

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

No incident of discrimination or non-compliance with relevant labor laws by any of our business partners was brought to our notice in FY 2014. As on March 31st 2014, all pending grievances relating to human rights were addressed and resolved.

Employee Wellness and Safety

Health and Wellness

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Similarly, Purpose4Life is aimed at ensuring mental and social well-being of employees. It is designed to motivate and enable TCS' associates to contribute towards societal well-being by providing a platform that could channelise the effort and leverage the extensive geographical reach. As part of this initiative, each TCS associate is encouraged to commit a minimum of 10 hours in a year towards activities that would be based on TCS' CSR themes of Education, Health and Environment.

Case Study on Health and Wellbeing

TCS UK launched 2 employee wellbeing programs - "Healthier Me in Q3" and "Know you're Score in Q4". Both these quarterly campaigns focused on physical and mental wellbeing, engaging employees by providing activities, information and access to support on a variety of wellbeing subjects.

The campaigns launched a focus on mental wellbeing, in an effort to raise awareness on the causes of stress and offer self-help measures to identify and reduce common stressors. Employees were offered the opportunity to undertake a wellbeing self-assessment. One to one stress and lifestyles consultations, on site massages, de-stressing mind and body workshops as well as nutritional information and advice as a natural remedy to help control stress were provided.

The second aspect of the campaigns focused on physical wellbeing to include seasonal health, personal fitness, cardiovascular health and smoking cessation. Local health clubs and complementary gym and swimming passes were introduced at a number of locations. TCS supported the British Heart Foundation national campaign to raise awareness of heart disease across the UK and held competitions "ramp up the red" to encourage participation.

In addition, mini health screening sessions at a number of offices were offered, to include BP & cholesterol checks with instant results enabling follow up recommendations and advice as applicable, alongside a nutritional workshops offering advice on healthy eating. The initiative concluded with a smoking cessation program, encouraging people to quit smoking forming a chain of abstinence across our offices.

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

Occupational Health & Safety

TCS' workforce is its key asset and knowledge bank. The need is to drive safety as a culture within the organization so that Safety First becomes the TCSers way of life. TCS' commitment to provide a healthy and safe work environment to all associates and partners on TCS premises is articulated in the organization's Occupational Health & Safety (OHS) Policy[12] which translates into the objectives and targets towards inculcating safe behavior.

Occupational Health & Safety Objectives and Targets

Objectives	Goals	Target
Building a safety culture and inculcating safe work practices among associate and contractors	Providing training for associates and contractors	1 hour per associate per year
		2 hours per contract staff per year
	Creating general awareness	1 awareness communication per month
		1 awareness campaign per quarter
Providing safe workplaces and compliance to H&S management system & regulatory requirements	H&S inspections for all the Sites	One 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%

TCS has an integrated management system including an occupations health and safety management system as per OHSAS 18001:2007 standard. This forms the bedrock towards driving OHS as an integral part of the roles and responsibilities of each stakeholder across the organization. TCS has enterprise wide certification from an external certification agency (TUV-Nord) for 96 facilities (including 22 overseas facilities) and is committed to include more locations under the certification in a phased manner. All facilities located in various geographies track and comply with all local legal and statutory requirements related to occupational health and safety and strive for 'beyond compliance' leadership.

The cross-functional Corporate Sustainability Council is responsible for outlining strategies and deploying OHS improvement initiatives across the organization and the Board-level Health, Safety and Sustainability committee reviews to ensure governance. To ensure centre-level focus, each certified location has a HSE committee, appointed and chaired by the Centre Head. This cross-functional team oversees the deployment of HSE processes and initiatives, monitors the performance and spearheads the continual improvement plans for that center.

The key generic H&S risks which have been identified as typical to TCS' nature of operations include ergonomic risks arising due to computer usage, indoor air quality & fire risk typical to an office building and general office risks including slips, trips, falls, electrical shock, etc. Hazard identification and risk assessment has helped identify each such risk and ensure that proper mitigation measures are put in place to create a healthy and safe work environment.

Some of the mitigation measures include provision of ergonomically designed chairs and workstations, low radiation computer monitors, monitoring of indoor air quality, periodic cleaning of HVAC ducting to avoid sick building syndrome. In addition, the measures include fire detection, alarm and suppression systems, regular inspections and audits to review safety preparedness, mock drills, safety training and employee engagement campaigns on safety. Other proactive initiatives on health and wellness include periodic camps for medical checks, visits by doctors, first aid facilities, Fit4Life campaign, employee assistance program and counselors for stress management. The risks related to contractor activities in the facility are addressed through engineering and administrative controls, use of Personal Protective Equipments (PPEs) and training, as appropriate.

Training and engagement is an important element for safety awareness. Health and safety training is imparted to associates as a part of the induction module at the time of joining to achieve minimum mandatory H&S competence combined with an annual refresher web based HSE training. Knome, the social network of TCS, has emerged as a strong platform to engage the Gen Y TCSers on safety topics. Additionally, several awareness campaigns are

conducted to reach out to associates like Road Safety, Fire Safety, Ergonomics, Behavior based safety, etc. In FY 2014, over 380,000 man-hours of training through classroom sessions, induction trainings and web based training on Health, Safety and Environment have been imparted.

TCS is also proactively monitoring safety practices at all the new facilities coming up at various locations across India. Deployment of safety processes and systems is mandated with effective tracking of lead as well as lag safety indicators in order to maintain a comprehensive oversight of safety performance.

Injury Data

Typical to any service sector company operating in office-based premises, the most common injuries within TCS premises occur due to slips, trips and falls or being struck by stationary objects, etc. The focus is on capturing all types of incidents including accidents, near-misses and safety observations and ensuring 100% closure of the reported incidents with appropriate corrective and preventive actions.

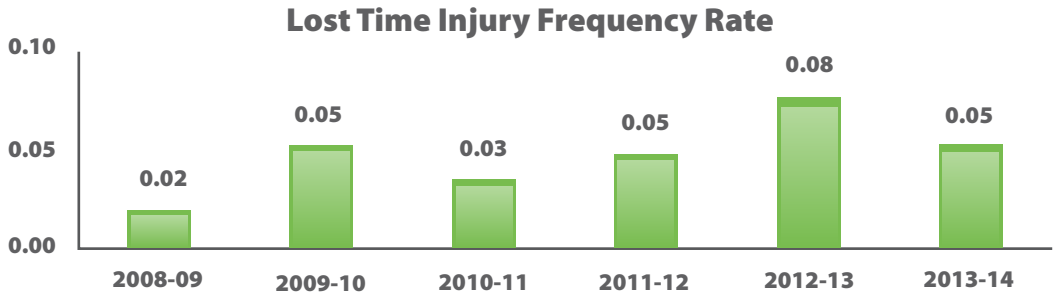


Figure 18: Lost Time Injury Frequency Rate

Figure 18 Lost Time Injury Frequency Rate (LTIFR)[13] - number of lost time injuries per million man-hours worked (TCS associates + contract staff working in TCS offices).

Occupational Health & Safety Campaigns

In order to inculcate a safety culture in the organization and emphasize that "Safety is everyone's responsibility", we continue to engage with associates on fire safety, road safety, ergonomics, electrical hazards, slip trips and falls. Activities include innovative ground-level and online activities, competitions for TCS associates and contract staff, educative information-based mailers and floor-walks to engage with associates.

Road Safety Week (6th to 10th January 2014)

Road safety remains a critical area to engage with associates to sensitize them towards the importance of being safe road users. The Road Safety Month, observed in the entire month of January 2014, saw various activities including pledge campaign, display of banners and posters, interactions on Knome, road safety kiosks, training on two wheeler and four wheeler driving, various engaging competitions, road safety quotient quizzes, skits and road shows, etc. The participation and feedback received from the associates was very encouraging with associates realizing the significance of this issue.

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

Snapshots of associate engagement during Road Safety Month

Road safety pledge campaign @ TCS Kolkata

Road safety pledge campaign @ TCS Kolkata

Associate turn-out for movie-screening on road safety @ TCS Trivandrum

Talk on road safety by traffic police @ TCS Kolkata

Floor-walk to create awareness on Road Safety @ TCS Trivandrum

Two-wheeler safety training for lady associates @ TCS Bhubaneswar

Road Safety kiosk made from waste material @ TCS Bangalore

Road Safety training to TCS cab drivers @ TCS Kolkata

Facilitating the Safest driver @ TCS Bangalore

Our Community

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

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

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

Direct and Indirect Economic Impact

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

The productivity benefits from the Company's IT-related work directly translate into community benefits when TCS engages with various governments to digitize their operations, particularly in the area of citizenry services. DigiGovTM, an integrated system which facilitates optimized planning and execution among government departments thereby impacting the working of government functions, is an example of TCS' service. The Company does not believe that any part of its operations has a potential or actual negative impact on the communities with whom it works.

TCS' profitable global operations result in payment of corporate taxes applicable in multiple countries. Thereby, funding the governments indirectly to help improve the quality of their civic services. Tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled and provided for. In FY 2014, TCS provided for a total tax expense of $996 Mn, distributed across over 52 countries. Based on NASSCOM's figures for the entire sector, it is estimated that TCS contributed 0.92% to India's GDP and our share of India's exports in FY 2014 is over 4%.

Direct and Indirect Employment

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

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

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

All in all, it is conservatively estimated that we generate 32 indirect jobs for every 10 direct job[14]. Taking these indirect jobs into account, TCS' consolidated, global employment generation footprint is estimated at over 870,000.

Infrastructure Development

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

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

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

Intangible benefits

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

Corporate Social Responsibility: Nurturing People and Planet

Tata Consultancy Services Limited is an IT services, business solutions, and outsourcing organization that delivers real results to global businesses, ensuring a level of certainty no other firm can match. Within its CSR activities, TCS increasingly employs the use of technology as a key enabler to assist and resolve business challenges faced by social organizations and to tackle development issues faced by diverse communities globally.

The core themes for TCS' CSR programs are:

- Education & Skill Development
- Health
- Environment

Programs under Education include IT enabled modules and advisory systems for learning and creating an interest and enabling an interest in IT.

1. Adult Literacy Program

Since 2000, TCS has been using its expertise in IT to conceptualize and develop the modules for achieving functional literacy among adults. Today, the Computer Based Functional Literacy (CBFL) software is available in 9 Indian languages and 3 foreign languages namely, Northern Sotho (South Africa) and Moore (West Africa) and Arabic. Reaching out to 2,02,051 beneficiaries since inception including prison inmates in New Delhi and Lucknow, this program has enabled marginalised communities in remote areas experience the power of IT

The CBFL software is available on www.tcsion.com/ALP

Beneficiaries of TCS' Adult Literacy Program

14 Source: NASSCOM

2. BPS Employability Program

Skill development with a focus on promoting IT/ITES employability has been a principal area of engagement. Since 2010, TCS has dedicated itself towards addressing the issue of lack of exposure to contemporary skills within India. The tremendous growth of India's IT/ITES sector and its future prospects can offer employment opportunities. However, the lack of exposure to contemporary skills makes it difficult for the youth to gain entry-level employment in the sector.

TCS launched a simple yet powerful employability training program for marginalised youth across India. This Employability Training Program comprises 80 to 100 hours of powerful interactive content designed to develop skills that increase their chances of finding employment. The training provides an effective platform for the development of communication skills, corporate etiquette, interview skills, resume building and basic computer knowledge. Above all, the program enables the trainees to become self-confident. Recruitment process for entry level jobs is conducted by TCS BPS post the training. In 2013-14, 12,117 beneficiaries underwent training in 15 Indian states. This year 632 beneficiaries successfully joined TCS.

Creativity and Team Work at the BPS employability program

TCS was the first organisation in India to sign an MOU with the National Skill Development Corporation (NSDC) to promote employability among youth from Jammu & Kashmir. Through 14 weeks of training designed by TCS, Udaan seeks to improve skills relevant to the industry as well as increase employment opportunities available to them. The Company trained 179 candidates in FY 14 of which 139 were offered jobs in TCS. 15 women from Jammu, Kashmir and Ladakh, took part in Udaan's first ever all women training batch. All 15 trainees were offered employment at TCS.

3. IT Employability Program

Encouraged by the success of the BPS Employability Program, in FY 14 TCS has embarked on a new initiative to promote employability. Students in the 5th semester of four engineering colleges in Andhra Pradesh, Karnataka, Madhya Pradesh and Maharashtra, have received training through a specially designed 200 hour module designed to promote employability in the IT sector.

4. Computer Operator cum Programming Assistant (COPA) ITI Training

The Faculty Development Program for Industrial Training Institute (ITI) instructors has helped to enhance the capability of the faculty so that the quality and course delivery is in line with the latest industry practices. In coordination with our technology specialists, we have trained COPA faculty from ITIs located in Uttar Pradesh, Haryana, Gujarat, West Bengal, Maharashtra, Odisha, Karnataka and Tamil Nadu. 106 trainees across 8 states have been trained and certified by TCS under this initiative.

Participants attending a COPA session

5. Advanced Computer Training Center (ACTC)

Addressing skill deficit leading to unemployment among visually impaired in India, TCS created IT-enabled vocational courses that are in sync with the industry requirements in addition to providing training in personality development and corporate etiquette. The Advanced Computer Training Center for Visually Impaired (ACTC) has trained 136 individuals while facilitating employment for over 100 candidates across multiple companies.

ACTC: Encouraging employability among the visually challenged youth in India

6. IT Wiz

Under CSR, the Company has also used quizzing as a medium to create an interest in IT. TCS IT Wiz, the biggest inter school IT Quiz program in India, started in 1999 as a part of the educational Initiative to build awareness and hone IT skills for young students. The program is the first and the largest powerful knowledge platform of this scale, on information technology for students of class 8-12. In FY2014, nearly 800,000 students from over 4000 schools across India and UAE participated in TCS IT Wiz.

Students enthusiastically participating in TCS IT Wiz

7. Rural IT Quiz

TCS has also partnered with the Government of Karnataka to start India's first Rural IT Quiz in 2000. The Quiz aims at enhancing IT awareness among students from rural areas, promoting inclusive growth and building their confidence. The Rural IT Quiz currently reaches rural students in Madhya Pradesh, Gujarat, Maharashtra, Chattisgarh and Rajasthan. In FY14 nearly 14.54 million students from over 8000 schools participated in the Rural IT Quiz.

8. InsighT

The InsighT program is designed to meet the ISC, CBSE and State Board syllabus in India and uses a case study methodology with a practical approach. InsighT seeks to promote team building, leadership, communication, and presentation skills, along with technical skills. This year, InsighT was run in 30 schools during covering 1,433 students.

Students participate in the InsighT program

9. BridgeIT

BriDgeIT is a unique project to demonstrate the use of IT as a key enabler in school education, adult literacy and creation of entrepreneurs in Jhansi district (Bundelkhand region), Uttar Pradesh. The program reaches 500 school children through computer-aided learning, 250 adults through the adult literacy program and also provides support to 5 Dalit entrepreneurs.

Benefitting school children through BridgeIT

10. Empower

Through Empower, TCS aims at building capacity and capabilities of its support staff at various TCS offices in India. Modules for training include acquiring basic computer skills, communication through English, and other relevant soft skills. In FY14, 431 beneficiaries received training under the Empower program.

Enhancing communication skills of security personnel in New Delhi, India

11. Global focus on STEM "Education to Careers"

Under the STEM "Education to Careers" banner in North America, TCS is working to create a robust framework to promote interest and careers in Science, Technology, Engineering and Mathematics (STEM). The goIT Student Technology program aims to increase students' interest in IT by providing in-school IT career and awareness workshops, and hands-on technology education to high school students free of cost. Since its inception in 2009, goIT has evolved from a two-school camp to a year-long program and has impacted over 7,000 students across 40 schools. 2 Schools have expanded their technology education courses & 4 schools have been assisted with curriculum reviews. In addition, national level partnerships have been forged with leading organizations such as US 2020, Million Women Mentors and nPower. 275 students from underrepresented minorities have been served through US2020 & Citizen Schools. 160 disadvantaged youth, and 50 veterans have been trained through npower and placed in internships & jobs.

TCS' STEM school program has been appreciated in the US and Canada

In an expansion of its efforts to promote interest in IT & technology, Go for IT was launched in Australia & China this year. Go for IT is a one week structured and intensive work placement initiative designed to encourage girls to consider IT as a career. TCS employees interact with the trainees also sharing their personal experiences, providing insight into their current roles and thereby increasing the students' enthusiasm towards IT. In South Africa, **two innovative IT learning centres** were created for the education of children as well as adults. In partnership with Change the World, TCS appointed a trainer to train teachers and students in order to make the most efficient and effective use of the IT centre. This year, the ***IT Futures program*** was launched in UK & I. The program seeks to engage students at critical stages in education, while strengthening the ability of educators to deliver effective training and relevant skills. As part of this program, TCS is proud to be a founding donor of the Queen Elizabeth Prize for Engineering.

Students participating in the IT Futures program, in the UK

12. Pro bono IT offerings

The Company also works to providing pro bono end to end consultancy and architect comprehensive solutions to enable social organizations to be efficient and accountable.

The CSR Tech team has been instrumental in leveraging core competencies (i.e. feasibility assessment, analysis, design, development and consulting) for social programs and initiatives. Large number of non-government organizations (NGO) struggle to visualize and function with corporate style efficiencies. TCS' CSR Tech Team uses information technology as a key enabler to assist such organizations and be instrumental in analyzing and highlighting areas of improvement and suggesting processes and systems to increase in efficiency for social organizations. This has assisted NGOs in highlighting visibility of program activities translating into enhancement of NGO efficiency, credibility and accountability and fact based analysis. In 2013- 14 the CSR Tech Team has focused on multiple health based initiatives for organizations like Retina India Foundation (Indian Retina Repository) and Operation Smile (Patient Management System). CSR Tech Team has also prepared a Case Management System to assist Justice and Care in tracking human trafficking cases.

An integrated Hospital Management System and IT infrastructure which includes a comprehensive and fully integrated, web-based solution has been provided free of cost to the Cancer Institute at Chennai. FY14 marked successful operational usage of all 17 modules of Med Mantra.

Cancer Research Institute, Chennai, India

The institute was made paperless with integrated patient care across departments. Current patient clinical records were put online, over 500,000 clinical investigation results reported and over 140,000 consultations were performed.

TCS also designed and implemented a comprehensive **Hospital Management System for Tata Medical Centre, Kolkata.** Running on a state of art IT infrastructure, TCS provided pro bono IT services valued at INR 4.2 crore in FY 14. TCS also funded and implemented an INR 2.7 crore Disaster Recovery and Business Continuity Solution. Currently a Clinical Trial platform is also being developed.

China, one out of approximately every 600 newborn babies suffers from cleftings. Often, these children have difficulty in eating, speaking, hearing and/or breathing properly. Currently, it is estimated that there are 2.5 million children in China suffering from cleftings. It takes as little as 45 minutes for an Operation Smile cleft lip surgery to change a child's life. **Operation Smile** is an international children's medical charity that heals children's smiles, forever changing their lives. Based on the Operation Smile international medical mission model, teams of Chinese medical volunteers conduct local programs to take care of more Chinese children year-round. Smaller in size, Local Missions are carried out in remote areas of mainland China where patients from small towns seek medical help. Working in close collaboration with Operation Smile, TCS has extended help in designing a comprehensive IT system for the hospital in Hangzhou. The project officially kicked off in July, 2013. Two associates have been allocated pro bono to conceptualize, drive and execute this project over the next few months. The team has finished the requirements analysis, work plan, all the UI design, and a third of the coding. The team also conducts a weekly update and review session via conference-call review with both internal teams and the external client, the Hospital.

In India, the CSR Tech team was invited to do feasibility study for **Operation Smile India** at their center at Guwahati to move towards a digitized model of capturing detailed patient medical records. The comprehensive Patient Care system being built by TCS would assist Operation Smile in tracking patients more efficiently.

Volunteering through TCS Maitree

TCS-MAITREE

Together - Caring & Sharing

The Company cultivates and propagates volunteer-driven, meaningful activities for TCS associates & their families in the domain of associate engagement and community services. TCS Maitree is a core function of H.R. within TCS and is based on the philosophy of Together, Caring and Sharing. TCS has grown tenfold in the last decade with the workforce scattered around the globe in innumerable locations. The essence of TCS Maitree is to come together; care and share in the spirit of friendship within the TCS community, and then reach out with the same spirit to the less privileged. During the year 81,269 TCS associates volunteered 96,499 hours in CSR activities.

TCS is working to deploy a sustainable model to improve education, healthcare and environment and promote economic empowerment in rural areas across India. To enhance their livelihood options in Panvel India, TCS associates have trained 45 women in making eco-friendly jute bags through the 'Women Empowerment Program'.

TCS Maitree Women's Empowerment Programme

In this village more than 570 children are benefitted through the provision of an infrastructure for clean drinking water as well as supplementary support in the learning of science and mathematics. More than 250 people both children and adults have benefitted from these initiatives in Panvel (Maharashtra), Nainar (Tamil Nadu), Padmapur (Odisha), Challera (Uttar Pradesh).

TCS launched Purpose4Life, in March 2014 enabling employees to commit to social causes. It is aimed to provide a platform for scaling up efforts of socially conscious associates in the areas of health, education, and environment. Through Purpose4Life, every associate can pledge their social contribution in terms of volunteering hours in **three focus areas - Health, Education and Environment.** Associates can form teams and immediate family members can be included as well.

Eco-Futures Program in UK

In UK, the Eco Futures program was launched in conjunction with award winning environmental charity Global Action Plan (www.globalactionplan.org.uk). This initiative aims reaching and engaging employees in UK so that collectively TCS' and our customers' environmental impact can be significantly reduced.

Disaster Relief Efforts in FY 14

Typhoon Yolanda Relief

On November 2nd, 2013, Typhoon Yolanda battered the Visayas Region in Philippines, leaving more than 4 million people displaced. In Philippines, TCS mobilized the efforts of its employees to repack relief goods, volunteered to organize a donations helpdesk, in addition to raising sums in support of two organizations providing relief distributions, medical missions, trauma counselling to the five of the worst-hit provinces of Iloilo, Northern Cebu, Palawan, Samar, and Leyte.

All items and funds raised were donated to the Philippine Red Cross Rizal Chapter (PRCRC) and the Operation Blessing Phils., Inc., a non-profit humanitarian aid foundation that provides short-term medical, disaster relief, and assistance to economically disadvantaged individuals in Philippines and Asia.

Flood relief efforts in Canada

Thousands of Canadians were impacted by the widespread flooding that occurred during late June/early July across Alberta and the Lac Mégantic train derailment which took place in Quebec on July 6th. These incidents displaced people from their homes and communities and caused numerous deaths. TCS Canada setup donation pages for each relief effort through the Canadian Red Cross. Employees raised a combined $2,285 between both relief efforts. TCS matched employee's donations, doubling the impact of their gift in the lives of those in need.

Relief to victims of Boston Marathon

Following the Boston Marathon tragedy in April 2013, TCS encouraged associates to support relief efforts by contributing to The One Fund Boston. The charity was established by Massachusetts Governor & Boston Mayor to help the people most affected by the tragic events that occurred during the marathon received significant support from TCS. TCS provided a 100% matching contribution for employee donations.

Our Sustainability Strategy and Corporate Governance

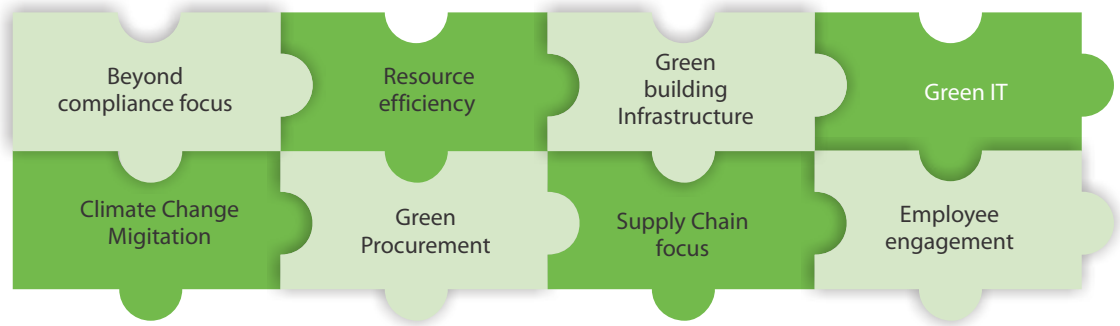
Our Environment

TCS views sustainable growth as an imperative for a sustainable future. One Earth is not enough to meet the needs of the people it is housing today.[15] The rate of resource consumption is almost 1.5 times the rate at which nature can replenish itself. The cumulative pressure that we are putting on the planet is leading to the deterioration of the natural resources which have been at our disposal since time immemorial. At this rate, by 2050 even three earths will not be enough to meet our needs.

Reversal of this impact on the environment is possible only through a collaborative effort of governments, businesses and society. This crisis poses an opportunity for businesses to innovate and be a part of the solution by radically changing the way they do business in their operations, supply chain, products and services.

TCS acknowledges the role it needs to play as a responsible corporate citizen and targets to decouple the growth in business and the impact on the environment through conscious changes in its strategy across the value chain. From green buildings to green IT to green supply chain, the commitment is to grow sustainably and also help customers achieve sustainable growth through green solutions and service offerings.

The key pillars of successful environment sustainability have been a senior management commitment and an integrated management systems approach guided by the TCS Environmental Policy[16] and a beyond compliance approach.[17] 96 TCS locations are certified for Environment Management System (EMS) under ISO 14001:2004 with an ongoing commitment to bring additional and upcoming software development centers under scope of certification. With a strong focus on energy efficiency, LEED certified green infrastructure and green IT, TCS strives towards reducing its specific energy and carbon footprint. TCS continues to maintain its focus on water efficiency and reducing the demand on fresh water through wastewater treatment and closed loop recycling. Through building effective waste management capabilities aligned to the 3R principle, it aspires to become zero waste discharge at campuses. Focus on the supply chain in extending the influence continues through communication and engagement.



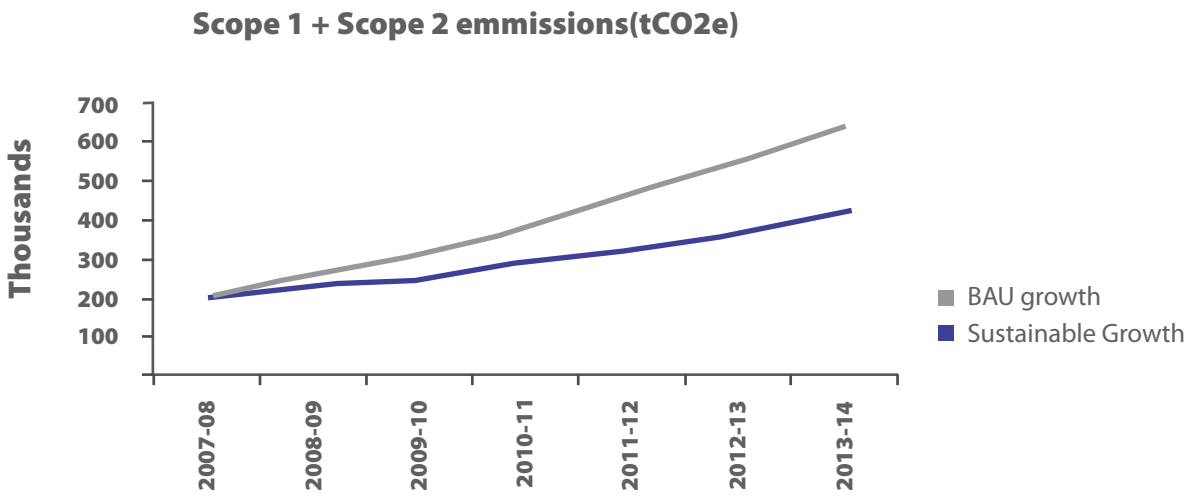
Environment Management @ TCS

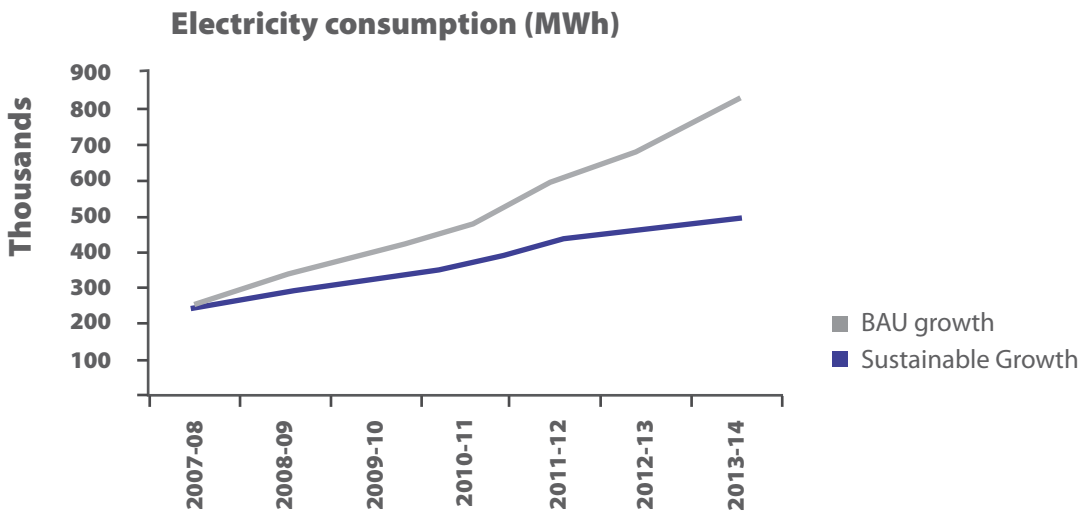
15 *Source: WWF Living Planet Report 2012*
16 *TCS' Environmental policy - http://www.tcs.com/about/corp_responsibility/environmental/Pages/default.aspx*
17 *Compliance to all relevant environmental laws, acts, rules and guidelines is monitored on an ongoing basis across all TCS sites. No instances of significant non-compliance to environmental laws and regulations were brought to our notice in FY 2014.*
18 *All performance over the baseline year 2007-08*

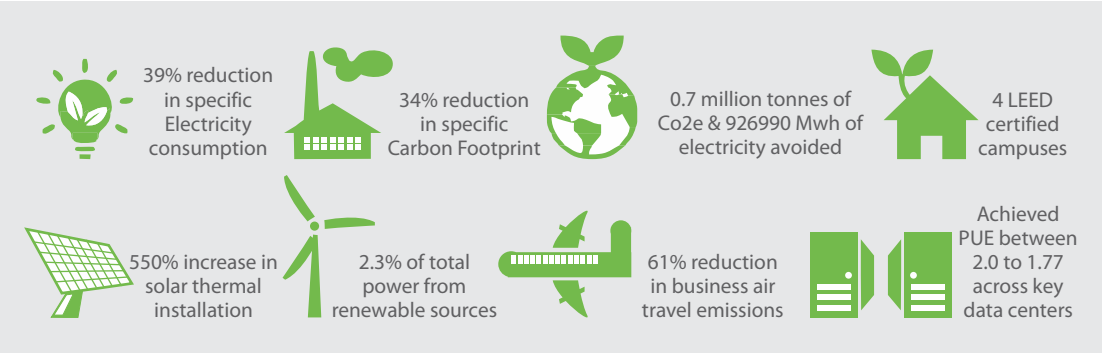
TCS' commitment & sustainable growth story is summarized in its environmental performance [18]

Carbon & Energy

Target: Specific Carbon Footprint reduction by 50% by 2020



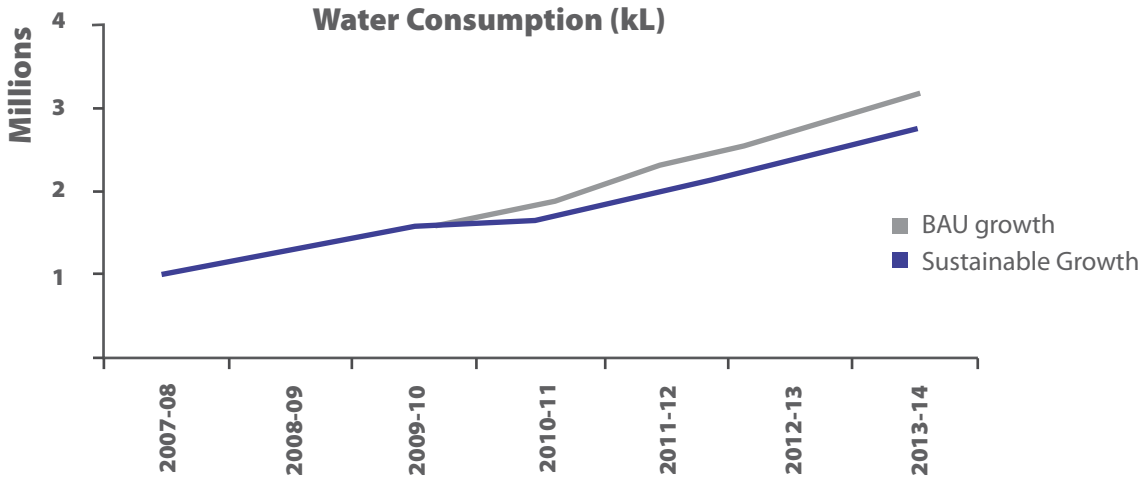


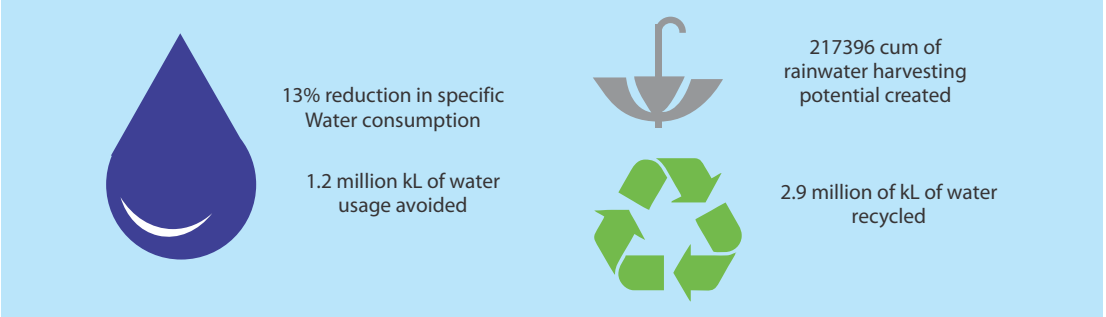


Water

Target: Water Neutrality[19] by 2020

Performance

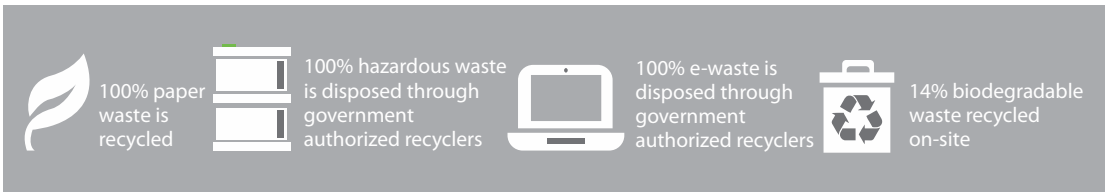




Waste

Target: Zero Waste to Landfill by 2017

Performance



Supply Chain

Target: Include vendor sustainability requirements in contract & conduct assessments by 2017

Performance

19 *Water Neutrality shall be achieved through a combination of water conservation at source, treatment, recycling and reuse & rainwater harvesting to make good the freshwater consumed either within TCS campuses or through community based watershed management projects to benefit the society and environment at large.*

Carbon & energy management

Office buildings make up the largest building type within the commercial building sector and hence account for the maximum energy consumption among buildings. Office buildings also offer significant energy efficiency opportunities in new as well as existing buildings. While new buildings can be designed for higher energy efficiency, existing buildings can be upgraded to improved building and energy management systems. This is the fundamental approach TCS has adopted. Energy in the form of electricity is a key resource[20] for TCS which is essential for business operations. It is also the single largest contributor towards TCS' carbon footprint, Figure 19 (a & b). Energy management has been identified as a key focus area and TCS has taken up the objective is to reduce the energy footprint through various measures like green building infrastructure, green IT, operational energy efficiency, etc.

The sources of GHG emissions contributing to TCS's carbon footprint[21] (Scope 1 & Scope 2) are:

·Scope 1: Diesel operated Generator sets, Company-owned vehicles, Refrigerant gases (fugitive) emissions, cooking gas combustion, fuel combustion for space heating

Scope 2: Purchased Electricity

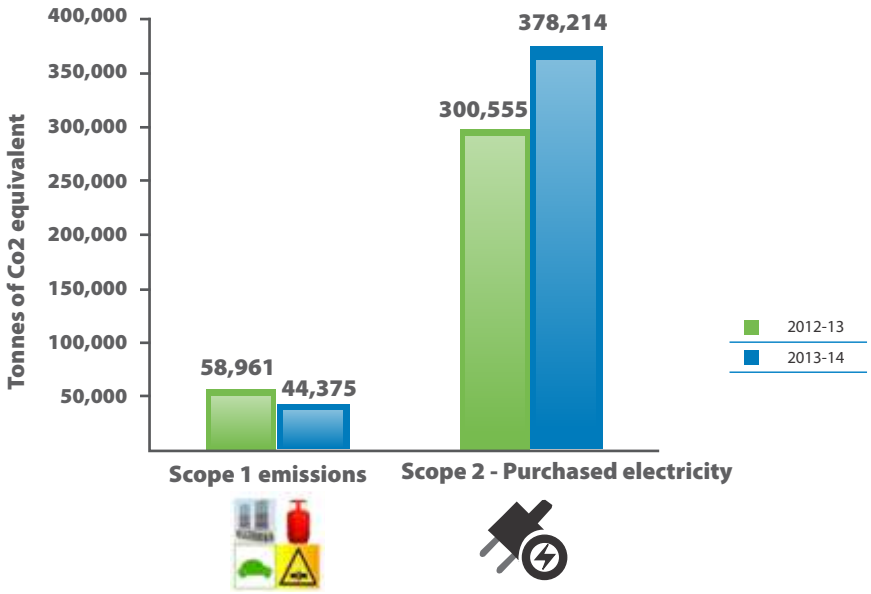


Figure 19-a Carbon Footprint (Scope 1 & Scope 2) distribution

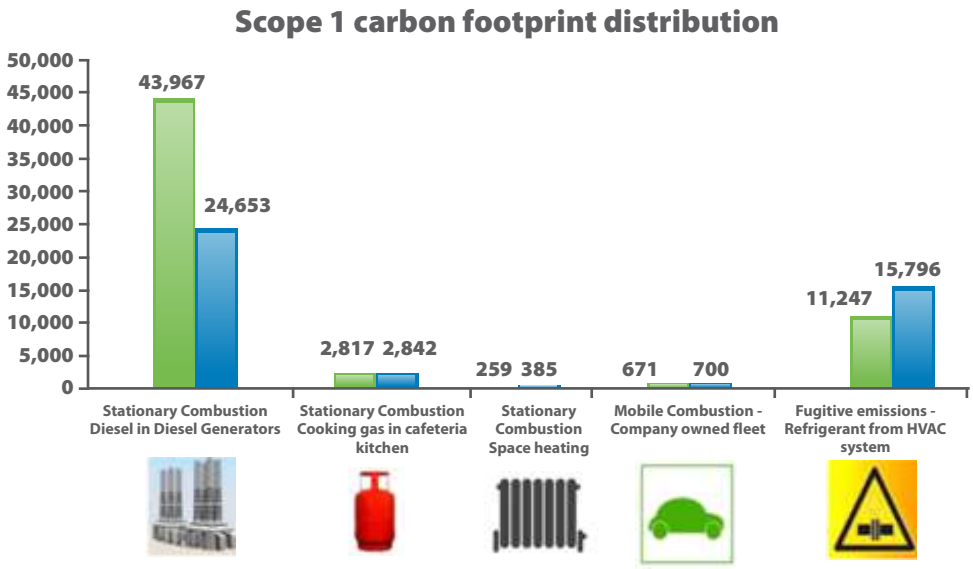


Figure 19-b Scope 1 carbon footprint distribution

20 *Being a services company, there is no direct material consumption in our operations. Resources consumed including electricity, water, physical infrastructure and office information & communication technology equipment are auxiliaries which support our operations*

21 *Scope 1 and Scope 3 emissions have been calculated using the emissions factors published by the Green House Gas protocol. For Scope 2 emissions for India i.e. purchased electricity related carbon emissions, the source is the emissions factor published by the CO2 Baseline Database for the Indian Power Sector, User Guide, Version 9.0, January 2014 published by Central Electricity Authority of India. For Scope 2 emissions of overseas geographies emission factors published by DEFRA have been referred.*

The primary source of electricity at TCS is grid electricity with diesel generator (DG) sets used for back-up power supply during power outages. Some TCS offices have provision for roof-top solar and at some offices 'green power' is procured through open access (hydroelectric power, wind power). Some overseas locations use fuel for space heating. A source-wise breakup of the 502,461 MWh (2,031,486 GJ) of electricity consumed by TCS in FY 2014 is given in Figure 20. The total direct energy consumption by primary energy sources is 389,975 GJ (from fuel consumption in owned vehicles, diesel consumption in diesel generators, combustion of cooking gas, space heating).

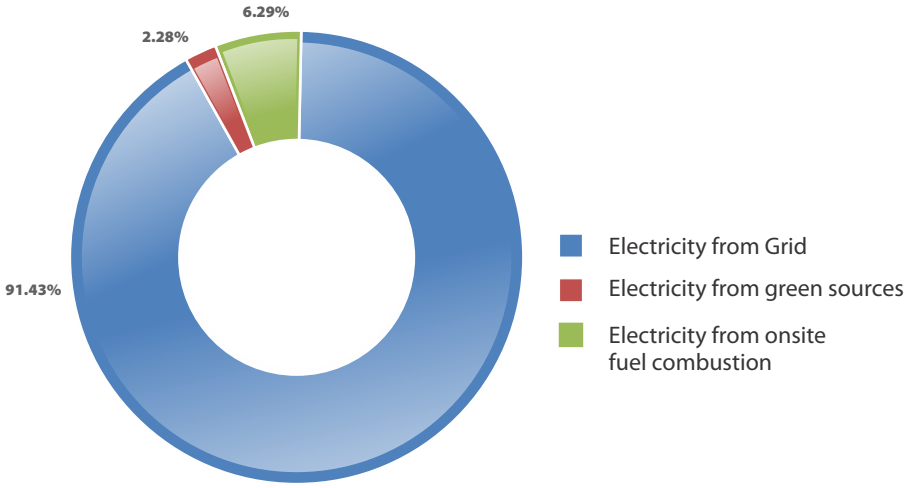
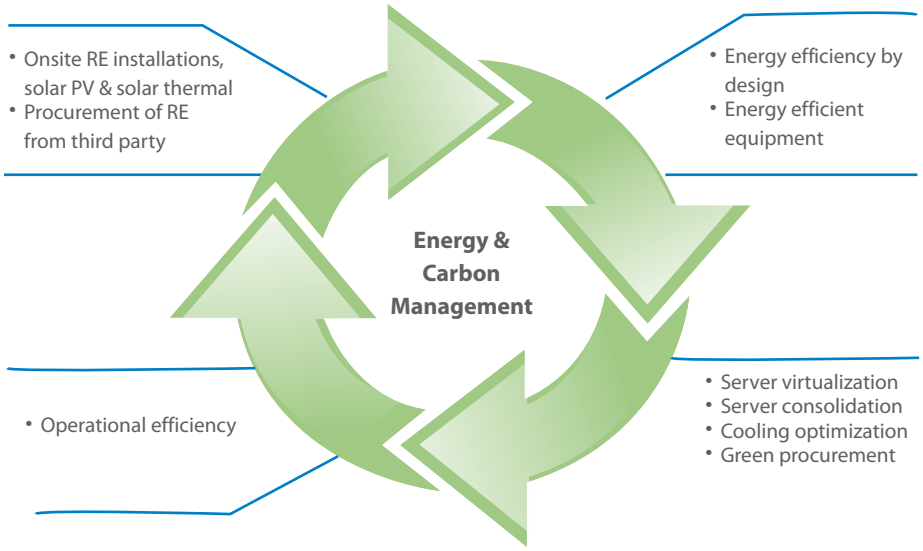


Figure 20: Electricity Consumption by Source (%)

TCS strives to manage its energy and carbon footprint focussing on four key levers – Green Buildings, Green IT, Operational efficiency and renewable energy.



Green Buildings

TCS views green infrastructure as a key tool for sustainable growth by reducing the ecological footprint of office spaces. All new offices coming up are designed as per LEED Green Building standards for high energy and resource efficiency. LEED certified TCS offices include Siruseri–Chennai, Kalinga Park–Bhubaneswar, Peepul Park-Trivandrum, Sahayadri Park–Pune. Sahayadri Park got certified this year as LEED Gold. The other upcoming facilities at Hyderabad, Kochi, Trivandrum, Indore and Ahmedabad are also designed as green buildings and will be certified under LEED. 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.

TCS Sahyadri Park, Pune (L-R) - The rear-side building envelope covered with metal screen to minimize solar heat gain overlooking the beautiful landscape; Maximum use of natural day light and natural ventilation; Use of LED street lighting in the campus

Some key features of the TCS green buildings include energy efficient design of 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, solar PV based peripheral lighting systems, etc. In FY 2014, TCS added solar water heaters in 4 offices in India (taking the total to 28 offices) increasing its solar water heater capacity by 5.5 times over 2007-08 (21). This helps reduce the energy used in heating water in kitchens and gymnasium washrooms.

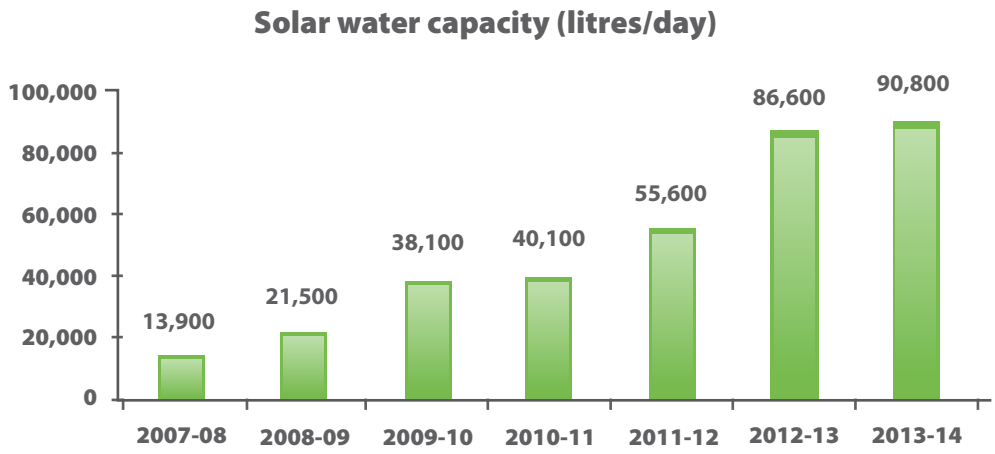


Figure 21: Solar Water Heater Capacity (L/day)[22]

Green IT

TCS has a dedicated team within the internal IT function to ensure a substantial focus on greening the IT infrastructure. TCS' Green IT journey has been focusing on data centres as well as distributed IT energy efficiency apart from enhancing the green quotient of the IT equipment itself. New data centers are designed for higher energy efficiency to maintain average Power Usage Effectiveness (PUE) value of 1.5. Concurrently existing data centers are undergoing rigorous assessment for improvements in energy efficiency and PUE as part of TCS' sustainability roadmap.

In order to achieve the target on data center PUE management and attain a weighted average PUE of 1.65 by 2016 across key data centers, TCS has adopted a RAID (Review, Agree, Implement and Demonstrate) approach and identified timely milestones for effective monitoring and tracking.

Some of the initiatives towards PUE management are -

- IT Load optimization through server consolidation, virtualization, removal of ghost and power hungry systems, shift to energy efficient IT equipment,
- Cooling efficiency improvement through capacity rationalization, raising data center temperature to 23-24 degree from 18-19 degree Celsius (without compromising operational requirement), optimal rack alignment and replacement of solid glass doors with perforated doors to ensure better air circulation, cold containment, etc. With cooling infrastructure contributing 40-60% to the total data center power consumption, this is a strong focus area for driving energy efficiency. TCS leveraged on internal capability, in-house developed tools

– Power-Assess and Power-Insight, for thermal analysis of the data center layout to implement data centre power management initiatives

- Reduction of losses in power distribution through UPS load optimization

All of the above green initiatives have helped TCS improve the PUE of the 11 data centers selected this year from 2.4 - 2.1 in FY 2012-14 to 2.0 - 1.77 in FY 2013-14.

Efficient Operations

Effective operational controls are as important as efficient design to maximize the performance and derive eco-benefits. In order to optimize performance, TCS has a multi-pronged approach. The new campuses are equipped with remote energy monitoring and management system which is closely controlled and analysed to ensure maximum energy efficiency. TCS is working to deploy a remote energy monitoring system in some of the older offices which are identified as power guzzlers along with energy audits to identify opportunities towards energy efficiency. Apart from this, control measures implemented across all locations include

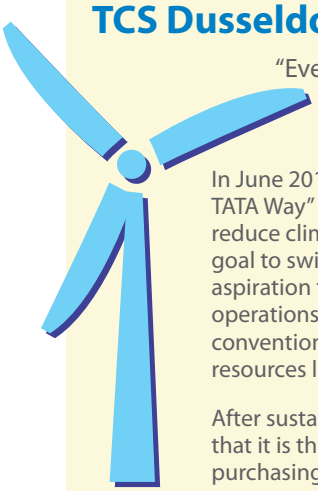
·optimization of HVAC operating hours to ensure energy saving without compromising on thermal comfort as per building standards,

- optimization of illumination levels to meet work environment guidelines as well as energy efficiency codes,
- installation of Variable Frequency Drives (VFD) in air handling units,
- power factor management,
- energy efficient lighting fixtures,
- remote desktop power management, and
- employee engagement

Renewable energy

The energy efficiency measures help us reduce our carbon footprint, but use of energy is inevitable for our operations and hence to further mitigate our climate impact, TCS has been keenly considering renewable energy as a substitute for high carbon energy. Believing in making a difference wherever possible, small renewable energy installations are installed across different offices including solar peripheral lights, solar electrical fencing system, solar hot water generators, etc. At the campuses, roof-top solar power plants are also installed to cater partly to the energy demand. Additionally, TCS is looking at procurement of renewable energy through open access mechanism and targets to increase this capacity over the next few years to achieve a target of 20% renewable component by 2020. In FY 2013-14 the total renewable energy component was 2.28% of the total energy consumed.

TCS Dusseldorf, Germany - *The first TCS office to go Carbon Neutral**



"Every business and we, as individuals, should pledge to do our bit to protect the environment and catalyze a change tosave our future generations."

Sapthagiri Chapalapalli,
Region Head, Central Europe

In June 2013, with a vision to do business "The Responsible TATA Way" and a target to reduce our carbon footprint and reduce climate change impact, TCS-Dusseldorf took up a goal to switch to renewable power by January 2014. The aspiration to become 'Carbon Neutral' within our own operations catalyzed the strategic decision to shift from conventional power to green power from renewable resources like wind and solar.

After sustained efforts, TCS Dusseldorf is today proud to say that it is the first TCS office globally to go carbon neutral by purchasing 100% power from renewable sources.

**Scope 2 emissions*

At TCS, environmental initiatives are seen as part of the 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, compliance fees are included as a part of the operational budget for the facility.

TCS has successfully reduced its specific carbon and energy footprint through appropriate mitigation measures clearly demonstrating the decoupling of business growth and increase in absolute carbon and energy footprint.[23] All these initiatives have helped TCS reduce its energy consumption by 9.5% over FY 2013 and 39% over baseline year FY 2008 (Figure 22).

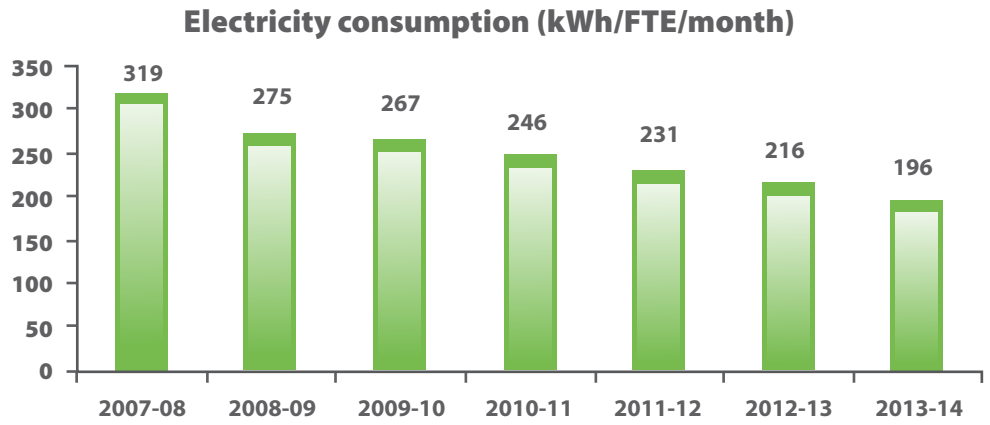


Figure 22: Electricity Consumption (kWh/FTE/month)

The combined GHG emissions (Scope 1 + Scope 2) was 1.97[24] in FY 2014 as compared to 1.99 in the last financial year, 34% less than the baseline year 2008 (Figure 23).

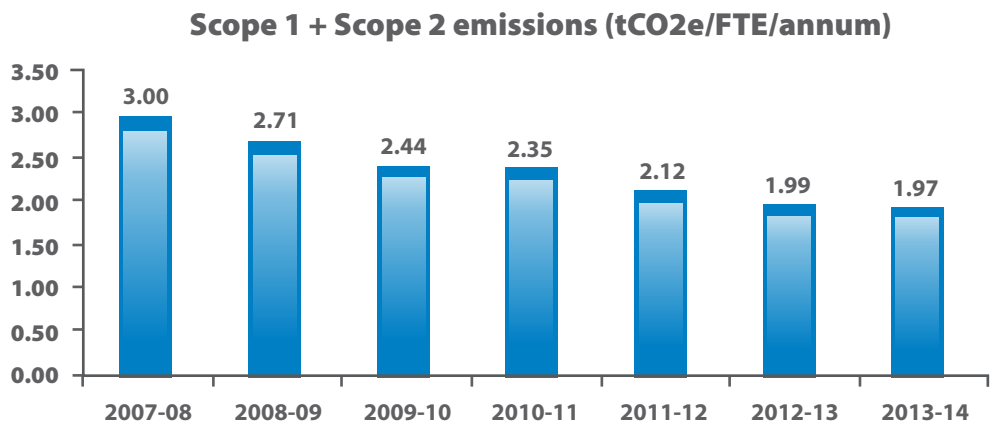


Figure 23: Carbon Footprint (Scope 1 + Scope 2) in tCO2e/FTE/annum

23 *The FTE count increased by 2.27 times while the absolute carbon footprint (Scope 1 + Scope2) has increased by only 1.16 times over the baseline year.*

14 *The year-on-year reduction in specific carbon footprint is only 1% due to significant increase (by over 10%) in the National grid emission factor for India geography. Electricity consumption contributes over 90% of the Scope 1 + Scope 2 carbon footprint. The Company has reduced specific electricity consumption by 9% over last year and by 39% over the baseline year through ongoing efforts on energy efficiency. Hence, despite the 10% reduction in specific electricity consumption, our specific carbon footprint has reduced by only 1% due to a high increase in the National grid electricity emission factor. Using the same grid emission factor as FY 2012-13, the reduction in specific carbon footprint is 8% over last financial year taking the overall carbon footprint reduction to 39% over the baseline year (2007-08).*

Scope 3 carbon footprint

This 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 comprises most of the total carbon footprint for any organization. TCS undertook a study to quantify the indirect emissions due to its operations in FY 2013-14 as per the GHG Protocol Scope 3 accounting standard.

The Scope 3 accounting standard by the GHG Protocol classifies emission sources into pre-defined categories and the accounting has to be done as per these categories. The various categories of Scope 3 emission sources applicable to TCS along with the approach and reporting boundaries are described below:

- Category 1 – Purchased goods & services: 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 get accounted for in Scope 1 & Scope 2 emissions.
- Category 2 – Capital goods: Emissions from office machinery, equipment, furniture, computer, servers, 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 % of the Company's overall purchase. The upstream transportation and distribution emission for the IT purchases have been quantified based on the Life Cycle study published by key suppliers to TCS for different IT assets like desktop, laptop 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 the disposal methods.
- Category 6 - Business travel: Business air travel is very relevant and material to TCS due to the nature of business and operating model. The GHG emission from business air travel (Scope 3)[25] has reduced by 61% over baseline year and is 0.31 tCO2e/FTE/annum, and is a reduction of 9% over the last financial year. The reduction has been possible due to the organization's commitment to optimize the business air travel through strict controls and by encouraging audio and video conferencing. The year-on-year trend is given in Figure 24-b.

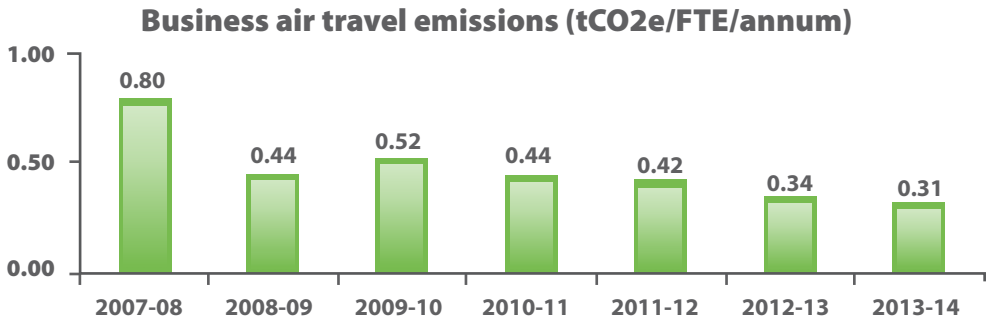


Figure 24-b Carbon Footprint (Scope 3-Business Air Travel) in tCO2e/FTE/annum

Category 7 - Employee Commuting: It has two components - travel by company provided hired vehicles & travel in personal or public transport. The vehicle kilometers for company provided hired vehicles is monitored by type of vehicle and fuel and used to account for the associated emissions. For employees commuting in personal or public transport, the number of employees using personal transport (two wheeler or wheeler) is collected from the parking pass issue records and the remaining are assumed to travel by public transport. We have assumed that on an average a person would travel 30 km in a day for work based on the average distance of our offices in any city from the geographical centre. Emissions are accounted for based on the passenger kilometer and the respective emission factor for passenger car, motorbike, bus and train as different modes of transport. With India geography as base to over 90% of associates, this data is reported for the India geography only.

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

The profile of the Scope 3[26] categories applicable to TCS is given below in Figure 24-a.

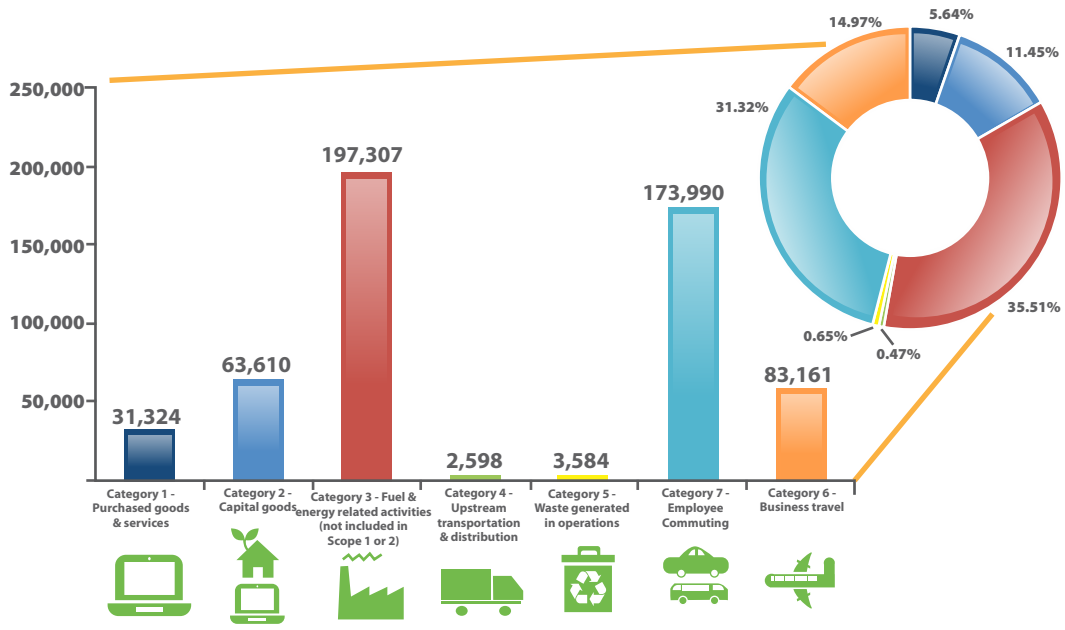


Figure 24-a : Scope 3 carbon footprint distribution

Ozone Depleting Substances

Some of the refrigerants like R-22 used in the HVAC systems have an Ozone Depleting Potential (ODP). All the ozone depleting refrigerant gases as per the Montreal Protocol will be phased out and replaced with ODP free refrigerants in line with the country-specific timelines agreed as per the Montreal Protocol and country regulations. The new facilities coming up at TCS have HVAC systems based on non-ozone depleting refrigerants. ODS emissions reported are primarily in the form of system losses / fugitive emissions during maintenance and repair. During maintenance, the refrigerant is extracted in sealed containers before the system is opened for repair and recharged back into the system after completion, thereby ensuring that there is no significant release of refrigerant to the atmosphere. The ODP of the total refrigerant emissions to the atmosphere in FY 2014 was 0.41 tonnes.

Other Emissions

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

Emissions	Quantity (tonnes)
Sox	5
Nox	661

Water Performance

Water neutrality, the ambitious goal which TCS has set for itself, is an endorsement of the TATA Group's larger commitment to give back to the society. The pillars of TCS' water target are water efficiency by design in new offices/campuses, 100% treatment and recycling of sewage and rainwater harvesting (within TCS premises and outside, as a part of our CSR).

Fresh water comes through various sources like municipality or the industrial development authority, water tankers, bore-wells, and packaged drinking water (at some sites). The source-wise breakup of the 2.75 million kL of water consumed in FY 2014 is given in Figure 25. Groundwater is used only for landscaping.[27]

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26 *Emission factors used are from DEFRA 2013 & DEFRA 2012 – GHG conversion factors, GHG Protocol All sector tools 2014, Lifecycle GHG assessment study published by key suppliers of ICT equipment to TCS.*

27 *No natural water source is directly impacted due to water consumption by TCS. For offices where measurement systems are not available, we use thumb-rule assumptions to estimate the quantity of water consumed/recycled/reused.*

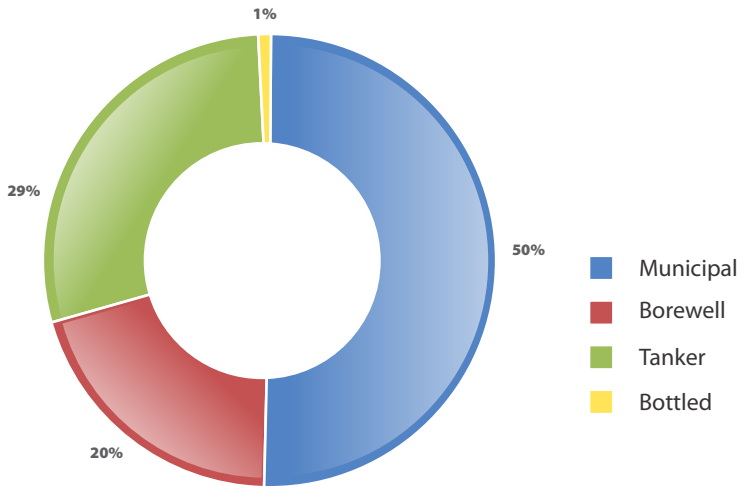


Figure 25: Freshwater consumption by source

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

- Dual plumbing in toilets so that recycled water can be used for flushing
- Low flow water taps with variable output and sensors
- Drip irrigation system for landscape watering
- Regular maintenance of water pumps to maintain high efficiency
- Providing sewage treatment plants where feasible and use of treated sewage for non-consumptive uses like cooling tower make-up, toilet flushing and gardening
- Employee involvement in water conservation measures through engagement and awareness

As an outcome of the above measures, fresh water consumption per capita has decreased by 13% over baseline year FY 2008 (increased marginally over last year) (as shown in Figure 26). We have been able to maintain the freshwater consumption levels despite the increase in campus based operations (large landscaped areas with higher water requirement) due to better water management.

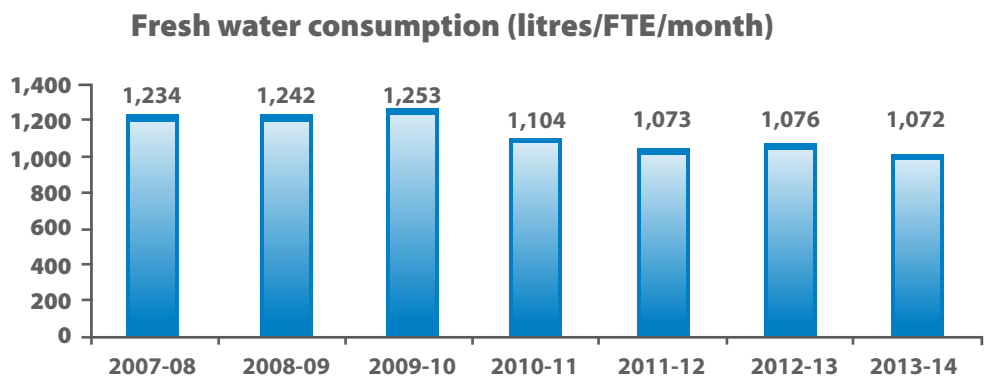


Figure 26: Fresh Water Consumption (liters/FTE/month)

Many TCS facilities have sewage treatment plants (STP). The treated effluent from the STP is tested regularly against applicable effluent disposal standards and recycled for use in HVAC cooling tower make-up, toilet flushing and gardening. The recycled treated sewage quantity has increased from 610,577 kL to 805,051 kL with the commissioning of new TCS projects designed for zero water discharge (Figure 27).

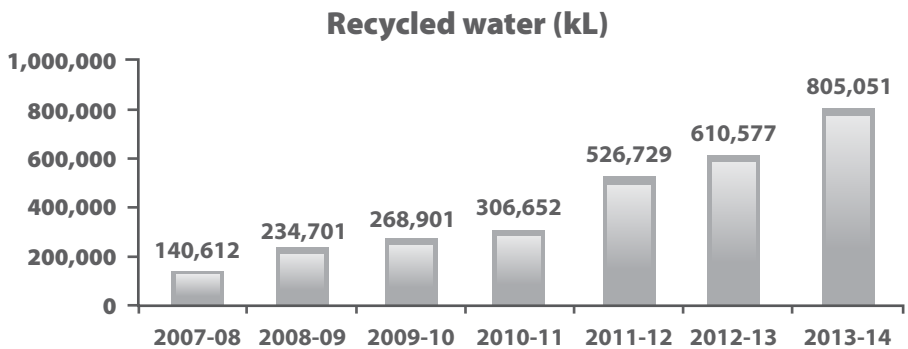


Figure 27: Recycled water after treatment (kL)

The percentage of the total treated sewage recycled out of the total fresh water consumed has increased from 27% in FY 2013 to 30% in FY 2014. All upcoming new TCS facilities have STPs designed for 100% treatment and further recycling of the treated effluent.[28]

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

Siruseri, Chennai and Synergy Park, Hyderabad have large rainwater lakes. The rainwater harvested at TCS Siruseri served 7% of the total water demand at the location in FY14, hence contributing towards water sustainability. These lakes also play a role in replenishing surrounding water table through recharge of ground water thereby helping neighboring communities with water availability in their wells and bore wells.

There has been 46% increase in the rainwater harvesting potential created at TCS sites in FY 2014 over the previous year (Figure 28). The current rainwater harvesting potential is 40% of the total groundwater used across TCS facilities.

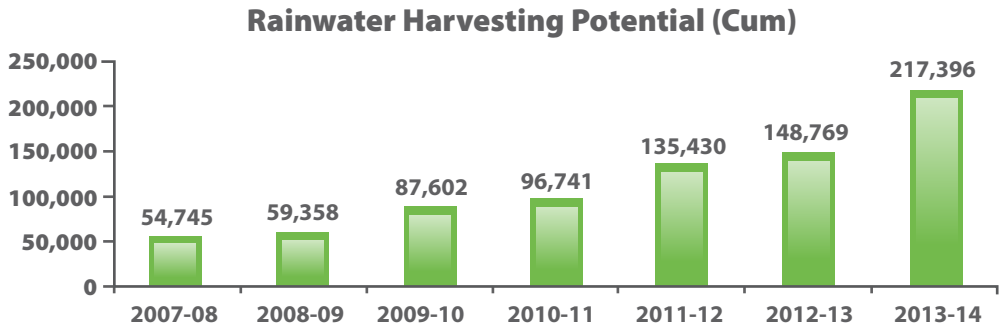


Figure 28: Rainwater Harvesting Potential in cubic meter (cum)

Waste Management

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

Our solid waste generation is fairly limited and restricted primarily to municipal solid waste (MSW). We also generate electronic and electrical waste (E-waste) and a small proportion of potentially hazardous wastes like lead-acid batteries, waste lube oil, etc. which are regulated in many part of the world including India where there are specific regulations governing their handling and disposal.

Municipal solid waste today is a growing concern with limited landfill space available. It is one of the contributing factors for global warming and climate change. Our waste management practices seek to reduce the environmental impact of waste streams to the extent 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. For each category of waste in our offices the management practices are summarized below –

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

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

Environmentally Sustainable Biodegradable Waste management

TCS continuously strives to reduce waste generation at source through rigorous associate awareness campaigns and training cafeteria staff to minimize the biodegradable waste generated Figure 29.

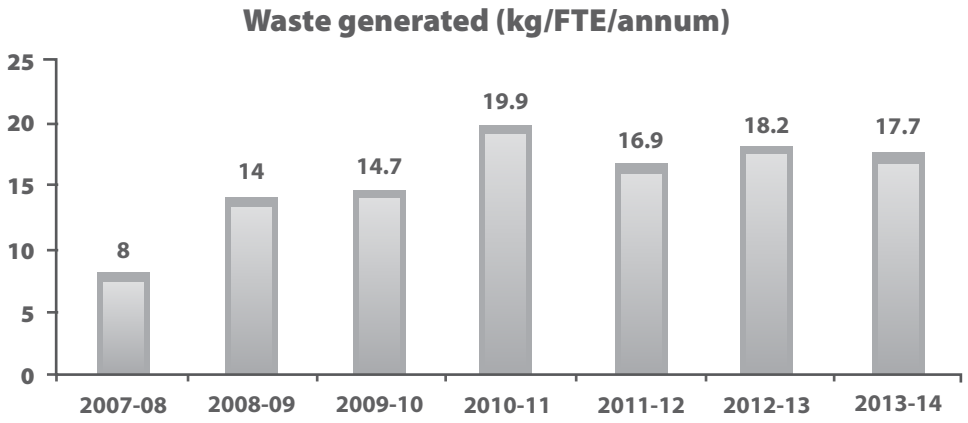


Figure 29: Waste Generated (Kg/FTE/yr)[29]

TCS' sustainable waste roadmap emphasizes on the 3R principle to mitigate emissions and to achieve the goal of "zero waste to landfill". The first step to any waste management practice is waste segregation at source. The hierarchy for disposal of biodegradable waste is biogas recovery through bio-digesters (methane avoidance) followed by composting, disposal as feed to piggeries and, as the last resort, to the municipal waste collection system where no other options are available. The technology selected depends upon the space availability and the estimated food waste generation. In FY 2014, 14% of the total wet waste generated was treated through onsite composting or bio-digester treatment.

Bio-digesters are installed at some of offices in Pune, Mumbai and Trivandrum. The biogas generated from the bio-digesters is used as fuel in the kitchens. Smaller solutions like organic waste converters are chosen for smaller offices with space constraint and low volumes of waste generation. This year TCS has added biodegradable waste treatment capacity of 2.3 tonnes per day (TPD) across 3 offices with a planned capacity addition of over 7 TPD in the next financial year. Vermicomposting initiatives for handling horticultural (garden) waste continue to progress well. A total of 60 tonnes of compost was generated from garden waste in FY 2014 which is used as fertilizer within our campuses. This is an excellent bio-fertilizer and avoids the use of chemical fertilizers thereby avoiding soil / groundwater pollution and also maintains good health of the vegetation.

Paper management initiative

Though paper is not a material resource for TCS, we have focused on reducing paper consumption primarily since paper manufacturing involves cutting trees, generates high levels of pollution. This would also help us to reduce cost. Paper management at TCS is based on the waste management hierarchy with waste reduction at the pinnacle. Our success on paper consumption reduction initiative is evident from the reduction achieved in per capita paper consumption; 6.8% reduction over last year and 78% reduction over the baseline (Figure 30).

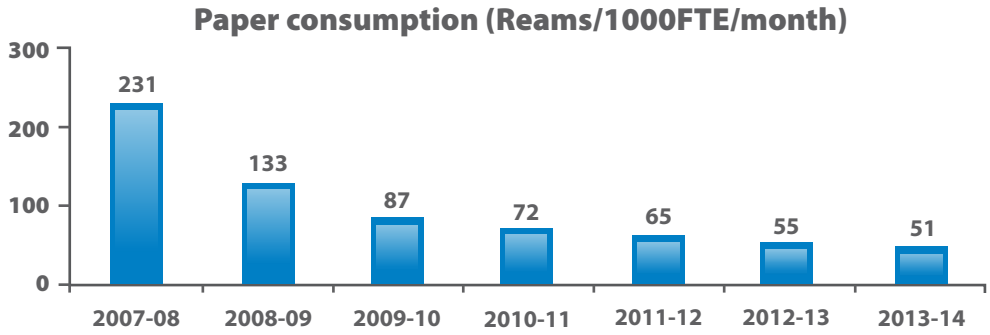


Figure 30: Paper consumption (Reams/1000 FTE/month)

29 *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*

Much of this reduction can be attributed to migration of many paper-based processes to automated ones, reduced demand by clients to provide multiple hard copies of documents and migration to soft copy formats rather than hard copies. However, a key reduction has been achieved through creating awareness among associates and also enforcing printing discipline through automated as well as manual means.

The paper waste which is generated is carefully segregated, shredded and sent for recycling. In some cases, they are sent to NGOs which also supply stationery items (notepads, files, etc.) made from recycled paper back to TCS. In FY 2014, the recycling initiative strengthened where 100%[30] recycling of the total paper waste was achieved.

E-waste Management

The E-waste generated at the various TCS facilities includes defunct computers, monitors, servers, etc. and specified electronic and electrical items. Management of E-waste is as per TCS' E-waste Management policy which complies with the WEEE directive / local regulations, various country regulations, including the Government of India's E-waste (Management and Handling) Rules, 2011. E-waste dismantlers and recyclers undergo a due-diligence audit process to verify their HSE legal compliances through a desktop review and a site audit, thereby extending 'duty of care' to the supply chain. HSE process deployment and effectiveness is also evaluated over and above compliance. Those found to be lacking at basic deployment rigor and effectiveness are excluded from the disposal contract process. In FY 2013-14, 20 vendors were evaluated through the due-diligence process; 17 vendors qualified the due-diligence process while 3 vendors were disqualified from the contract process based on HSE performance criteria.

In FY 2014, 11601[31] numbers of waste computers were disposed of through government authorized handlers / recyclers or as per regulations applicable in each country. In addition, computers which were in working condition but deemed obsolete for TCS's purposes were donated to educational and charitable institutions which have use for such equipment. Recipients of such donations are required to return the hardware to TCS once it reaches end-of-life at their end or arrange for proper disposal through government authorized E-waste vendors. TCS offers to facilitate this disposal through the authorized channels.

Hazardous Waste Management

For India operations hazardous wastes (as defined by regulations) are handled and disposed of as per the Hazardous Waste Handling and Management Rules, 2008, only through government authorized vendors. TCS conducts compliance and site audits before registering hazardous waste vendors as a part of its supply chain sustainability drive. Similarly, appropriate local regulations are followed in other geographies where applicable. However, due to the relatively small proportion of TCS-operated facilities in overseas geographies (which are mostly leased and operated by building owners), the generation of such wastes is rather marginal and is appropriately handled through the building operators.

Hazardous Wastes Disposed[33]	FY 2014
Lube oil from DG sets (litres)	31,086
Used batteries from UPS systems (nos.)	2,714

Employee Engagement

We engage with our associates creating environmental awareness and sensitizing them towards nature and conserving its various resources. The training methodologies used range from induction training to continuous learning to awareness mailers to various campaigns and competitions on environment. The total training man-hours imparted this year on health, safety and environment was over 380,000. We also have an Ecology Club under the employee engagement forum TCS Maitree, where associates come together and engage in various activities like clean-up drives, awareness sessions, road-shows, tree plantations drives, sapling distribution, etc. Some of the days observed include World Earth Day (April 2013), World Bio-diversity Day (May 2013), World Environment Week (June 2013), Green Consumer Day (September 2013), World Wildlife Week (October 2013), Pollution Control Day (December 2013), Energy Conservation Day (December 2013), World Water Day (March 2014), Earth hour campaign (March 2014).

31 *Data for all geographies.*
32 *There were no reported spills of hazardous wastes in FY 2014. Zero percent of our wastes are shipped internationally and none are deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII.*
33 *Data only for India geography.*

World Environment Week, June 2013

The Environment Week 2013 was celebrated with great enthusiasm throughout TCS with the UNEP's theme for the week, "Think-Eat-Save", as an anti-food waste campaign. The week-long celebration from 3rd to 7th June was implemented with day specific theme on environment & sharing of information on TCS environment strategy and performance. Several environmental conservation programs were implemented including inauguration of various green Initiatives, resource conservation, and informative lectures by experts, exhibitions & competitions.

Inauguration of Organic Waste Converter by UNICEF Chief , UP Alede Khurd at Awadh Park, Lucknow on WED 2013

Environmental Pledge and Pollution Check Camp @ Kolkata

Laying of Foundation stone of Bio-digester @ Kochi & Inaugration of Vermi-composting @ Kalinga Park,

Plantation drive @ Kalinga Park and Green Initiative walkthrough @ Pune

Associate involvement in various programs is reflected through participation which was over 28,000 during the week. TCS had associated with various external agencies/organizations such as UNICEF, WWF, Social Forestry Dept, Govt. of Gujarat, Biotech-India, VFPC - Kerala, Suchitra Kitchen Composter, Excel Industries Ltd., Tata Motors, TVS, Hariyali (NGO), etc. for various activities across the various offices. It was during the week that the Road Map for Sustainable Water Use & Waste Management was rolled out as a firm action plan towards the environmental sustainability goals.

Employee engagement case-study –

Afforestation drive in joint venture with Department of Social Forestry, Government of Gujarat @ TCS Gandhinagar

The afforestation drive @ TCS Gandhinagar was initiated in the World Environment Week 2013 as a part of social and environmental commitment of the organization towards Greening Gujarat Mission. It involved plantation of 5200 trees in an area of 3.5 hectare in association with the Social Forestry Department, Government of Gujarat at Gandhinagar. Traditional native tree species with high ecological value were selected such as Ficus Benghalensis (Banyan Tree), Tamarindus Indica (Tamarind Tree), Ficus Religiosa (Peepul Tree), Manilkara Hexandra (Ceylon Iron Wood/ Khirni), Hymenodictyon Orixense (Bridal Couch Tree), Buteam Monosperma (Palash Tree) , Mangifera Indica (Mango Tree).

(L-R) Inaugural address by Dr. H.S. Singh, additional Chief Conservator of Forests, Govt. of Gujarat to associates on WED 2013 at Gandhinagar; TCS associates participation in Strip Plantation Program

The plantation was initiated on World Environment Day 2013 in presence of Dr. H.S. Singh, additional Chief Conservator of Forests, Govt. of Gujarat, as chief guest in presence of the Chief Conservator of Forest, District Forest Officer and about 600 associates from TCS participated in plantation program at Gandhinagar.

Eco-engagement case study @ TCS UK

TCS UK with support from GAP, rolled out environmental awareness campaigns across all of our offices in 2013-14. The themes were Energy Consumption **(Switch Off September)**, Waste Generation **(No Waste November)**, and Business Travel **(Journey Less January)** - with each of the campaigns running for a period of 4 weeks. The objective of the campaigns was to increase awareness of environmental impacts to influence behavioural change.

HSE champions and Eco-enthusiasts volunteered to drive the campaigns at their offices. They were provided with tool kits containing key messages and facts, posters and ideas on how to engage their peers. They acted as local champions, taking ownership of the delivery and monitoring of the campaign through floor walks, distributing local communications and creating a buzz through competitions, quizzes and events

Switch off September

At the beginning of the campaign each centre surveyed and identified electrical appliances that were left on at the end of the working day. A "switch off" message was left on all these appliances and the survey was conducted every week. This was supported by a visual campaign with poster displays and demonstration of an energy bike on site at Peterborough and Liverpool. A pledge campaign was run to encourage stronger commitment. Competitions and quizzes were organized for engagement.

No Waste November

Each centre identified how they could support this campaign. Where recycling banks were already in place, better signage was provided and "which bin" drop in sessions were organised. All printers were set to duplex printing mode only. The TCS Leamington Spa office replaced the paper cups with ceramic mugs and all the other TCS London offices replaced the under the desk bins with communal recycling banks. The campaign was brought to life with visual diplay sculptures, a bin amnesty and a count down to removing under the desk bins and an end of campaign print off competition.

Journey less January

This campaign identified how reducing our carbon foot print and looking after our wellbeing were linked. Each delivery centre was provided with local travel information and walking routes, which was displayed on notice boards and local intranet sites. Posters and information on tele and video conferencing was communicated, reminding colleageagues that alternative meeting facilities were kinder to the environment and less time consuming. GAP visited London and Redhill with a driving simulator to raise awarness on how different driving styles effect the amount of fuel consumed.

These campaigns were widely recognised for the support of senior management, with the country head acting as an ambassador by sending out launch emails and promoting "best practice" by taking part in the bin amnesty.

As a result of the Switch Off September campaign, there has been an average reduction of 25% of appliances left on across all offices which were surveyed. Since replacing the under the desk bins with communal recycling banks at our London offices, there has been a 26% increase in the amount of waste being recycled.

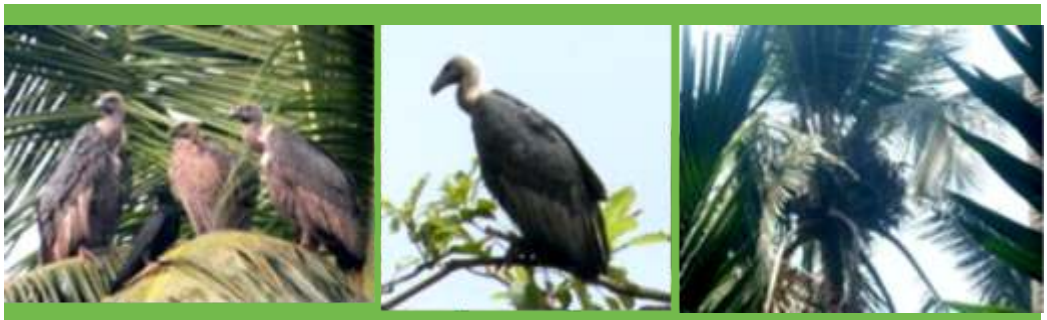
The messages delivered during the campaigns continue to be embedded with each delivery centre briefing new staff on environmental initiatives during the induction process including waste and energy management and public travel information.

Biodiversity Conservation and Enhancement

Vulture Conservation Program at Srivardhan, Maharashtra

Vultures are among the largest flying birds & nature's most successful scavengers. They provide an extensive array of ecological, economic and cultural services in terms of their ability to dispose animal & human remains. Scavenging on carcasses they not only promote the flow of material and energy through food-webs, but also protect the health of humans & wildlife.

Vulture populations have shown rapid decline globally due to various reasons such as loss of nesting habitat, infectious diseases, use of veterinary drugs, environmental pollution, deliberate poisoning of carnivores leading to secondary poisoning (bioaccumulation), low food availability as well as exploitation & persecution.



A close view of White backed Vulture (Gyps bengalensis), Long billed Vulture(Gyps indicus) and vulture nests on coconut tree at Srivardhan, Maharashtra

The decline in Vulture population due to Diclofenac poisoning has become an issue of severe environmental concern in India. According to the IUCN Red List, Indian Vulture (Gyps Indicus), and White-backed Vulture (Gyps Bengalensis) are classified as critically endangered and in urgent need for protection.

These vulture species are found in the Konkan belt of Maharashtra and Sahyadri Nisarga Mitra (SNM) is an NGO working for their conservation. TCS has extended support to the NGO for vulture conservation program in this belt.

The Vulture Conservation program includes, population survey, identification of vulture nests, financial compensation to land owners against loss of coconut fruit as a consequence of vulture droppings, provision of feeding ground within the study area, campaign against use of Diclofenac in various medical shops within surrounding villages, discussion with animal husbandry department and veterinary doctors, and awareness amongst the local population regarding vulture conservation. During population survey a total 39 nests of vultures has been recorded in Srivardhan which will be monitored during the year.

Marine Turtle Conservation Program

TCS along with Sahyadri Nisarga Mitra (a NGO based near Mumbai) has implemented Marine Turtle Conservation Program on participatory basis since 2010-11 to address the cause of protecting breeding sites of globally endangered species of marine Olive Ridley Turtles (Lepidochelys olivacea). We continue to support this biodiversity conservation initiative over the last three years and simultaneously enhancing impact by extending the program to 6 villages - Anjarle, Harihareswar, Kelshi, Maral, Shekhadi and Velas in Maharashtra.

Various turtle conservation activities include preventing the killing/hunting of turtle arriving for breeding, protection nests, construction of hatchery, translocation of eggs into hatchery, protection of hatchery, releasing hatchlings into their natural habitat (the ocean). The activities run during the entire breeding period from November to April. A total of 2216 nest were protected and 931 hatchings released during the current year. A survival rate of 42.01 % of hatchlings was achieved thereby contributing to protection of the depleting marine turtle population.

The Turtle Festival, marking the release of hatchlings into their natural habitat attracted a large number of nature lovers at Velas benefitting 35 families under the Village Based Tourism program. 60 TCS associates went to witness the turtle festival bringing them close to nature.

Turtle Nests in hatchery, hatchlings emerged from nests and releasing of hatchlings into their natural habitat at Velas.

Turtle Festival 2014

Supply Chain Sustainability

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

All purchases are categorized into service or product categories and from the top expenditure categories the vendors with highest volumes are selected. The vendors are further categorized on the risk levels based on an internally defined parameter matrix. Vendors contributing to 80% of expenditure were analyzed for their risk level (Very high, High, Medium or Low) and impact on TCS (Direct or Indirect). Based on the assessment, the engagement model is ascertained with each vendor ranging from regular audits to bi-annual assessment to desktop reviews.

TCS has communicated its expectations on sustainability to all of its vendors and is currently actively engaged with the vendors to help them build their sustainability performance to align with TCS expectations. The Sustainability requirements in the form of the TCS' Supplier Code of Conduct, Contractor HSE requirements are an integral part of vendor contracts and all vendors must sign-off and agree to abide by these requirements as a part of the engagement with TCS.

Desktop assessment have been conducted for some vendors where the impact on TCS is indirect including ICT suppliers and site/process audits/reviews have been conducted for high risk vendors with direct impact on TCS like hazardous and e-waste recyclers, canteen, facility management and transport service providers. Over the last year of the supply chain HSE initiative the number of key vendors complying with mandatory requirements has increased significantly due to the increased awareness and introduction of structured management systems in their operations.

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

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

Appendix A

While TCS has presence in several geographies across the world, more than 90% of the associates are based out of India geography. We are building capacity to report the environmental performance of all overseas delivery centers and intend to increase the scope of reporting in a phased manner. This year, we have continued reporting the environmental performance for three overseas geographies (from 22 offices across 7 countries - UK, Hungary, China, Philippines, Chile, Uruguay and Mexico).

Geography-wise environment performance for FY 2014[36]

KPI	India	Europe & UK	Latin America	Asia Pacific
Electricity consumption (kWh/FTE/month)	197	241	121	140
Carbon Footprint (Scope 1 + Scope 2) (tCO2e/FTE/annum)	2.02	1.02	0.44	1.22
Water consumption (Ltrs/FTE/month)	1092	435	537	798

GRI INDEX

STANDARD DISCLOSURES PART I: Profile Disclosures			
1. Strategy and Analysis			
Profile Disclosure	Disclosure	Level of reporting	Location of disclosure
1.1	Statement from the most senior decision-maker of the organization.	Fully	CEO's message - page 5
1.2	Description of key impacts, risks, and opportunities.	Fully	Sustainability of Business Performance - page 24 Definition of content - page 15
2. Organizational Profile			
Profile Disclosure	Disclosure	Level of reporting	Location of disclosure
2.1	Name of the organization.	Fully	Organizational profile - page 8
2.2	Primary brands, products, and/or services.	Fully	Organizational profile - page 8
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	Structured for Agility - page 28 Business overview - page 8
2.4	Location of organization's headquarters.	Fully	Contacts - page 94
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	Global Footprint - page 9
2.6	Nature of ownership and legal form.	Fully	Organizational profile - page 8
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	Global Footprint - page 9
2.8	Scale of the reporting organization.	Fully	TCS by numbers - page 10
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	Organizational profile - page 8
2.10	Awards received in the reporting period.	Fully	Awards - pages 11, 12
3. Report Parameters			
Profile Disclosure	Disclosure	Level of reporting	Location of disclosure
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	About the report - page 4
3.2	Date of most recent previous report (if any).	Fully	About the report - page 4
3.3	Reporting cycle (annual, biennial, etc.)	Fully	About the report - page 4
3.4	Contact point for questions regarding the report or its contents.	Fully	Contacts - page 94

3.5	Process for defining report content.	Fully	Definition of Content - page 15
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	About the report - page 4
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	About the report - page 4
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	About the report - page 4
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	About the report - page 4
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g.,mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	About the report - page 4
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	About the report - page 4
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	GRI Index - page 78
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	About the report - page 4
4. Governance, Commitments, and Engagement			
Profile Disclosure	Disclosure	Level of reporting	Location of disclosure
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Corporate Governance - page 18 & 19
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Avoidance of Conflict of interest - page 19
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	Corporate Governance - page 18 & 19
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Corporate Governance - page 18 & 19

4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	Corporate Governance - page 18 & 19
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Avoidance of Conflict of interest - page 19
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	Corporate Governance - page 18 & 19
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	Mission and Values - page 8
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	Board Oversight of Sustainability Agenda - page 20
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	Corporate Governance - page 18
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	Environmental Sustainability UNGC Principle 7 - page 56
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	Corporate Governance - page 18 & 19
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	Stakeholder Engagement - page 13
4.14	List of stakeholder groups engaged by the organization.	Fully	Stakeholder Engagement - page 13
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Stakeholder Engagement - page 13
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Stakeholder Engagement - page 13
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	Definition of Content - page 15

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)			
G3.1 DMAs	**Disclosure**	**Level of reporting**	**Location of disclosure**
DMA EC	**Disclosure on Management Approach EC**		
Aspects	Economic performance	Fully	TCS by numbers - page 10 Competitive compensation model - page 38
	Market presence	Fully	Local Recruitment outside India - page 38 & 39 Local subcontractors - page 36
	Indirect economic impacts	Fully	Direct and Indirect economic impact - page 45 Corporate Social Responsibility - page 46
DMA EN	**Disclosure on Management Approach EN**		
Aspects	Materials	Fully	Paper Management Initiative - page 68
	Energy	Fully	Carbon & energy management - page 59
	Water	Fully	Water Performance - page 65 & 66
	Biodiversity	Fully	Biodiversity Conservation and Enhancement - page 74 & 75
	Emissions, effluents and waste	Fully	Waste management - page 67 & 68
	Products and services	Fully	Sustainability in Marketing - page 30
	Compliance	Fully	Ethics and Compliance - page 21
	Transport	Fully	GHG Emissions (Carbon Footprint) - page 64
	Overall	Fully	Environmental Sustainability - page 56
DMA LA	**Disclosure on Management Approach LA**		
Aspects	Employment	Fully	Diversifying the Talent Pool - page 34 Talent Retention - page 37
	Labor/management relations	Fully	Competitive Compensation Model - page 38 & 39 Our Workforce - page 33
	Occupational health and safety	Fully	Occupational Health and Safety - page 42
	Training and education	Fully	Learning & Development - page 36
	Diversity and equal opportunity	Fully	Diversifying the talent pool - page 34 Our Workforce - page 33
	Equal remuneration for women and men	Fully	Competitive Compensation Model - page 38 & 39

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)			
G3.1 DMAs	**Disclosure**	**Level of reporting**	**Location of disclosure**
DMA HR	**Disclosure on Management Approach HR**		
Aspects	Investment and procurement practices	Fully	Commitment to Human Rights - page 40
	Non-discrimination	Fully	Commitment to Human Rights - page 40
	Freedom of association and collective bargaining	Fully	Our Workforce - page 33
	Child labor	Fully	Commitment to Human Rights - page 40
	Prevention of forced and compulsory labor	Fully	Commitment to Human Rights - page 40
	Security practices	Fully	Commitment to Human Rights - page 40
	Indigenous rights	Fully	Commitment to Human Rights - page 40
	Assessment	Fully	Commitment to Human Rights - page 40
	Remediation	Fully	Commitment to Human Rights - page 40
DMA SO	**Disclosure on Management Approach SO**		
Aspects	Local communities	Fully	Corporate Social Responsibility - page 46 Direct and Indirect Economic Impact - page 45
	Corruption	Fully	Serving as an Ethical Exemplar - page 23
	Public policy	Fully	Apolitical Stance - page 14
	Anti-competitive behavior	Fully	Ethics and Compliance - page 21
	Compliance	Fully	Ethics and Compliance - page 21
DMA PR	Disclosure on Management Approach PR		
Aspects	Customer health and safety	Fully	Brand Building - page 29
	Product and service labelling	Fully	Brand Building - page 29
	Marketing communications	Fully	Brand Building - page 29
	Customer privacy	Fully	Information Security and Data Privacy - page 26 & 27
	Compliance	Fully	Ethics and Compliance - page 21
STANDARD DISCLOSURES PART III: Performance Indicators			
Economic			
Indicator	**Disclosure**	**Level of reporting**	**Location of disclosure**
Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	TCS by numbers - page 10 Competitive compensation model - page 38 & 39

EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	Environmental Sustainability UNGC Principle 7 - page 56
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Competitive Compensation Model - page 38 & 39
EC4	Significant financial assistance received from government.	Fully	Financial Sustainability - page 31
Market presence			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Fully	Competitive Compensation Model - page 38 & 39
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	Local subcontractors - page 36 Our Workforce - page 33
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	Local Recruitment outside India UNGC Principle 6 - page 36
Indirect economic impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	Corporate Social Responsibility - page 46
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	Direct and Indirect economic impact - page 45
Environmental			
Indicator	**Disclosure**	**Level of reporting**	**Location of disclosure**
Materials			
EN1	Materials used by weight or volume.	Fully	Carbon & energy management UNGC Principle 7 & 8 - page 59
EN2	Percentage of materials used that are recycled input materials.	Fully	Paper Management Initiative UNGC Principle 8 & 9 - page 68
Energy			
EN3	Direct energy consumption by primary energy source.	Fully	Carbon & energy management UNGC Principle 7 & 8 - page 59
EN4	Indirect energy consumption by primary source.	Fully	Carbon & energy management UNGC Principle 7 & 8 - page 59
EN5	Energy saved due to conservation and efficiency improvements.	Fully	Green Buildings UNGC Principle 7 & 8 - page 60
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	TCS EcoSustainability Solutions - page 31& 32 Carbon & energy management UNGC Principle 7 & 8 - page 59
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	Energy & Carbon management UNGC Principle 7 & 8 - page 59

Water			
EN8	Total water withdrawal by source.	Fully	Water Performance UNGC Principle 7 & 8 - page 65 & 66
EN9	Water sources significantly affected by withdrawal of water.	Fully	Water Performance UNGC Principle 7 & 8 - page 65 & 66
EN10	Percentage and total volume of water recycled and reused.	Fully	Sewage Treatment and Reuse UNGC Principle 7 & 8 - page 67
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	Biodiversity Conservation & Enhancement UNGC Principle 7 & 8 - page 74 & 75
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	Biodiversity Conservation & Enhancement UNGC Principle 7 & 8 - page 74 &75
EN13	Habitats protected or restored.	Fully	Biodiversity Conservation & Enhancement UNGC Principle 7 & 8 - page 74 & 75
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	Biodiversity Conservation & Enhancement UNGC Principle 7 & 8 - page 74 & 75
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Fully	Biodiversity Conservation & Enhancement UNGC Principle 7 & 8 - page 74 & 75
Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	GHG Emissions (Carbon Footprint) UNGC Principle 7 & 8 - page 59
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	Scope 3 carbon footprint UNGC Principle 7 & 8 - page 64
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	GHG Emissions (Carbon Footprint) UNGC Principle 7 & 8 - page 59
EN19	Emissions of ozone-depleting substances by weight.	Fully	Ozone depleting substances UNGC Principle 7 & 8 - page 65
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	Other emissions UNGC Principle 7 & 8 - page 65
EN21	Total water discharge by quality and destination.	Fully	Sewage Treatment and Reuse UNGC Principle 7 & 8 - page 66 & 67
EN22	Total weight of waste by type and disposal method.	Fully	Waste Management UNGC Principle 7 & 8 - page 67
EN23	Total number and volume of significant spills.	Fully	Hazardous Waste Management - page 69
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Fully	Hazardous Waste Management - page 69
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Fully	Sewage Treatment and Reuse - page 66 & 67

Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Sustainability in Marketing UNGC Principle 8 & 9 - page 30
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Fully	Sustainability in Marketing UNGC Principle 8 & 9 - page 30
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	Environmental Sustainability UNGC Principle 7 - page 56
Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	GHG Emissions (Carbon Footprint) UNGC Principle 7 & 8 - page 59
Overall			
EN30	Total environmental protection expenditures and investments by type.	Fully	Environmental Sustainability UNGC Principle 7 & 8 - page 56
Social: Labor Practices and Decent Work			
Indicator	**Disclosure**	**Level of reporting**	**Location of disclosure**
Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	Our Workforce - page 33
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	Talent acquisition UNGC Principle 6 - page 34 & 35
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	Competitive Compensation Model - page 38
LA15	Return to work and retention rates after parental leave, by gender.	Fully	Talent retention - page 37
Labor/management relations			
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Our Workforce - page 33
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	Our Workforce UNGC Principle 3- page 33
Occupational health and safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	Occupational Health and Safety UNGC Principle 1 - page 42

LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Fully	Injury Data UNGC Principle 1 - page 43
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	Occupational Health and Safety UNGC Principle 1 - page 42
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	Occupational Health and Safety UNGC Principle 1 - page 42
Training and education			
LA10	Average hours of training per year per employee by gender, and by employee category.	Fully	Learning & Development - page 36 & 37
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	Learning & Development - page 36 & 37
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	Career Development - page 38
Diversity and equal opportunity			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	Corporate Governance - page 18 Diversifying the talent pool UNGC Principle 6 - page 38
Equal remuneration for women and men			
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	Competitive Compensation Model UNGC Principle 6 - page 42
Social: Human Rights			
Indicator	**Disclosure**	**Level of reporting**	**Location of disclosure**
Investment and procurement practices			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Fully	Commitment to Human Rights UNGC Principles 1-6 - page 40
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Fully	Commitment to Human Rights UNGC Principles 1-6 - page 40
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	Commitment to Human Rights UNGC Principles 1-6 - page 40

Non-discrimination			
HR4	Total number of incidents of discrimination and corrective actions taken.	Fully	Commitment to Human Rights UNGC Principles 1-6 - page 40
Freedom of association and collective bargaining			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Fully	Commitment to Human Rights - page 40
Child labor			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Fully	Commitment to Human Rights UNGC Principles 1, 2 & 5 - page 40
Prevention of forced and compulsory labor			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Fully	Commitment to Human Rights UNGC Principles 1,2 & 4 - page 40
Security practices			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	Commitment to Human Rights UNGC Principles 1 & 2 - page 40
Indigenous rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	Commitment to Human Rights - page 40
Assessment			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Fully	Commitment to Human Rights - page 40
Remediation			
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Fully	Commitment to Human Rights - page 40
Social: Society			
Indicator	**Disclosure**	**Level of reporting**	**Location of disclosure**
Local communities			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Fully	Corporate Social Responsibility - page 46

SO9	Operations with significant potential or actual negative impacts on local communities.	Fully	Corporate Social Responsibility - page 46
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	Corporate Social Responsibility - page 46
Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	Serving as an Ethical Exemplar UNGC Principle 10 - page 23
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	Serving as an Ethical Exemplar UNGC Principle 10 - page 23
SO4	Actions taken in response to incidents of corruption.	Fully	Serving as an Ethical Exemplar UNGC Principle 10 - page 23
Public policy			
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Apolitical Stance - page 14
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	Apolitical Stance - page 14
Anti-competitive behavior			
So7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	Ethics and Compliance - page 21
Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	Ethics and Compliance - page 21
Social: Product Responsibility			
Indicator	**Disclosure**	**Level of reporting**	**Location of disclosure**
Investment and procurement practices			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	Sustainability in Marketing - page 30
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	Sustainability in Marketing - page 30
Product and service labelling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	Sustainability in Marketing - page 30

PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	Sustainability in Marketing - page 30
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	Stakeholder Engagement - page 13
Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	Brand Building - page 29
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	Brand Building - page 29
Customer privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	Information Security and Data Privacy UNGC Principle 1 - page 26 & 27
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	Brand Building - page 29

EXTERNAL ASSURANCE

KPMG

KPMG (Registered)
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Independent Limited Assurance Statement to Tata Consultancy Services Limited on their Corporate Sustainability Report for the Financial Year 2013-14

To the management of Tata Consultancy Services Limited, TCS House, Raviline Street 21, DS Marg, Fort, Mumbai- 400001, India.

Introduction

We have been engaged by Tata Consultancy Services Limited (TCS) ('the Company') for conducting a Limited Assurance on their Corporate Sustainability Report ('the Report') for the Financial Year (FY) 2013 - 14.

Boundary, scope and limitations

The boundary of the report 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. The Limited Assurance was provided on the economic (excluding financial performance, sourced from its audited annual report), environmental, and social performance indicators and information provided by TCS for the FY 2013 -14. We have carried out site visits at the following locations:

National locations

- Kensington Building 1 and 2, Powai – Mumbai
- Gurgoan GG5 and Noida Building 2 – Delhi
- Kalinga Park – Bhubaneshwar
- Sahyadri park – Pune
- Peepul Park – Trivandrum
- Siruseri – Chennai

International location

- Shanghai, China

Video conference

- The data for Mexico was verified over a video conference with their team.

Specific limitations

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

- Verify data or information other than that covered in the scope of work
- Verify data or information related to TCS's financial performance, sourced from its audited annual report for the financial year 2013-14
- Verify any statement indicating intention, opinion, belief and / or aspiration by TCS
- Determining which, if any, recommendations should be implemented

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Procedures of Limited Assurance

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

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

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

The procedures comprised:

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

Reporting criteria

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

Our observations

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

- The key material issues for TCS are based on the evaluation performed by a team of senior managers at TCS. It is recommended to incorporate the external stakeholders views while prioritization of the top material issues.
- Formal impact assessments can be carried out for the key community development projects to further strengthen the disclosure on social performance.
- TCS can include the data on training man-hours provided to its BPO employees as part of their next year's sustainability report.
- TCS may expand the scope of reporting on sustainability aspects across the business value chain. Currently the same is restricted to other indirect (Scope 3) GHG emissions.

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Our conclusion

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

- **Inclusivity** – TCS has documented its stakeholder engagement process and demonstrates regular engagement with its stakeholders. The feedback from the key external stakeholders can be incorporated in the process of prioritization of the material issues.
- **Materiality** – TCS has an enterprise risk management process which evaluates all the risks which have a potential impact on the company's sustained growth. The material issues are prioritized based on its impact on Company and the external stakeholders.
- **Responsiveness** - TCS has responded to stakeholder concerns through existing policies, management systems and structured engagement at multiple levels.

Independence

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

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. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.

Santhosh Jayaram
Technical Director
KPMG
29 September 2014

AA1000
Licensed Assurance Provider
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GRI CERTIFICATE.

Global Reporting Initiative™

Statement
GRI Application Level Check

GRI hereby states that **Tata Consultancy Services** has presented its report "Corporate Sustainability Report FY 2014" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 26 September 2014

Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative

A+
GRI REPORT
GRI CHECKED

The "+" has been added to this Application Level because Tata Consultancy Services has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: *Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 12 September 2014. GRI explicitly excludes the statement being applied to any later changes to such material.*

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TATA CONSULTANCY SERVICES

Experience certainty.

About Tata Consultancy Services (TCS)

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

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

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