

**TATA CONSULTANCY SERVICES**

Experience certainty. IT Services  
Business Solutions  
Outsourcing



# Corporate Sustainability Report 2007

# Corporate Sustainability Report

## 2007

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**TATA CONSULTANCY SERVICES**

Experience certainty.

## List of Abbreviations and Acronyms

Term	Description
AIDS	Acquired ImmunoDeficiency Syndrome
AIP	Academic Interface Programme
ALP	Adult Literacy Programme
ASI	Associate Satisfaction Index
BitC	Business in the Community
BNHS	Bombay Natural History Society
BoD	Board of Directors
BRM	Business Relationship Manager
CBFL	Computer Based Functional Literacy
CCTV	Closed Circuit Television
CDMA	Code division multiple access (CDMA)
CEP	Continuing Education Programme
CFT	Cross Functional Teams
CII	Confederation of Indian Industry (CII)
CLP	Computer Literacy Programme
COSO	Committee of Sponsoring Organizations of Treadway Commission
CPO	Corporate Programme Office
CSAT	Customer Satisfaction
CS	Corporate Sustainability
CSR	Corporate Social Responsibility
DC	Delivery Centre
EMPI	Entrepreneurship and Management Process International – Business School in New Delhi , India
EFQM	European Foundation for Quality management
FSC	Forest Stewardship Council
G2G Services	Government to Government Services
HIV	Human immunodeficiency virus
HP	Hewlett-Packard
HR	Human Resource
HSE	Health, Safety and Environment
ICT	Institute of Chemical Technology – a premier institute in Mumbai, India

Term	Description
IPR	Intellectual Property Rights
IRD	Investor Relations Department
KM	Knowledge Management
L&D	Learning and Development
<i>Maitree</i>	<i>Maitree</i> is a social platform of all members of the Tata Consultancy Services Limited family, which extends its activities "beyond the corporate
MBNQA	Malcolm Baldrige National Quality Award
MCA	Master of Computer Applications
MoU	Memorandum of Understanding
MSc	Master of Science
NASSCOM	The National Association of Software and Services Companies (NASSCOM) - this Indian chamber of commerce is a consortium that serves as an interface to the Indian software industry and Indian BPO industry.
NCR	Non-conformance report
NLM	National Literacy Mission
NREGS	National Rural Employment Guarantee Scheme
OFI	Opportunities for Improvement
PEEP	Proactive Employee Engagement Programme
PIP	Process Improvement Proposal
PMRY	Prime Minister Rozgar Yojana – This is a programme launched in India for providing self-employment to educated unemployed youth
PULSE	Digitized employee satisfaction survey
RGS	Requirements Gathering System
RM	Regional Manager
RSC	(Customer)Relationship Score Card
SEI	Software Engineering Institute (SEI)
SRCC	Society for Rehabilitation of Crippled Children
SWOT	Strengths Weaknesses Opportunities Threats
TBEM	TATA Business Excellence Model
TCoC	<a href="#">Tata Code of Conduct</a>
TQMS	Tata Quality Management Services
TRDDC	Tata Research Development and Design Centre

# *Introduction*





## Introduction

The Corporate Sustainability Report from Tata Consultancy Services Limited (TCS) summarises the Corporate Sustainability (CS) programmes undertaken by TCS in the financial year 2006/07. The report elaborates on the information provided in the Company's Annual Report with respect to the CS initiatives, activities and programmes in TCS.

As the Annual Report has financial information as well as management discussion and business analysis, this Report does not replicate this information. TCS's Annual Report 2006/07 is available under the Investors section on the TCS web site – <http://www.tcs.com>.

The decision to provide an annual stand-alone Sustainability report was in part due to feedback from some stakeholders. Being the first stand-alone Sustainability Report, we, at TCS, consider this report as a precursor to the annual Sustainability Report that we aim to bring out along with the Annual Report. In view of this, the report provides a background to CS in TCS as an integral part of the heritage of the Tata Group.

The report focuses on significant economic, environmental, and social factors which impact the way TCS does business, including its relationships with key stakeholders. It uses the Global Reporting Initiative guidelines to illustrate TCS's progress and performance in CS activities.

This report has been produced in accordance with the Global Reporting Initiative's G3 Reporting Guidelines. The G3 framework has six possible levels of compliance. Our assessment is that this report is in accordance with GRI application level A.

This annual Corporate Sustainability report will be our main method of reporting to stakeholders on our range of policies,







Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report Externally Assured	Report on all criteria listed for Level C plus 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Report Externally Assured	Same as requirement for level B	Report Externally Assured
	G3 Management Approach Disclosures	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosed for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.		Report on a minimum of 20 Performance Indicators, at least one from each of economic, human rights, labor, society, product responsibility.		Respond on each core G3 and Sector Supplement* indicator with due regard to the materiality principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	

priorities and performance. During the course of the subsequent releases of the Sustainability reports, TCS intends to conduct a more formal materiality assessment process where decisions on corporate citizenship priorities will include inputs from stakeholders such as shareholders and employees. Our aim is to build on this first report so that further detail on our sustainability performance can be provided. During the course of the subsequent releases of the Corporate Sustainability Report, TCS intends to work closely with stakeholders such as customers and shareholders, to refine the materiality decision process. Your feedback will help us in preparing subsequent reports and so we welcome your input. Please email your comments and suggestions to our Corporate Sustainability team via [Pankaj.Baliga@tcs.com](mailto:Pankaj.Baliga@tcs.com)

### About TCS

Tata Consultancy Services Limited (TCS) is one of the world's leading information technology consulting, services, business process outsourcing, and engineering services organizations, offering services to clients across 55 countries. It has envisioned and pioneered the adoption of the flexible global business practices that today enable companies to operate more efficiently and produce more value. TCS achieved this by creating and perfecting a unique method of global deployment and delivery of high quality, high value services and products in IT consulting and business process outsourcing. Known as the "Global Delivery Model™," this strategic services delivery concept has reshaped the IT services industry.

TCS continues to invest in new technologies, processes, and people which can help its customers succeed. From generating novel concepts through TCS Innovation Labs and academic alliances, to drawing on the expertise of key

Key Facts		Performance
	Established in 1968.	Achieved revenues of \$4.3 billion in 2006/07, an increase of 41% on the previous year.
	Over 85,000 employees, covering 67 nationalities, around the world.	Global presence with operations in 47 countries and 148 offices across the globe.
	First Indian software company to cross the \$4 billion mark in revenues.	TCS's employee development programmes have been recognised by external bodies in India & America: ranked 1st in Hewitt Employees 4th survey of Indian organisations.
	Member of Business in the Community's PerCent Club.	TCS was awarded by the World Council for Corporate Governance's Golden Peacock Global Award for CSR in February 2007. 
	Participated in Business in the Community's Corporate Responsibility	TCS achieved the gold performance band for the Community section and silver band for the

partners, it keeps clients operating at the very edge of technological possibility.

Whether TCS is envisioning a business advantage, engineering an IT solution, or executing an outsourcing strategy, it helps its customers experience certainty in their every day business.

Our culture has been shaped over the years by a few basic beliefs that are reflected in our Vision, Mission and Values. At the core of our organisation culture is the 'passion for customer delight'. Based on this passion, are our deeply entrenched values such as integrity, ethical conduct of business, and respect for individuals. Our new brand promise 'Experience certainty', the collective pledge of TCS and its employees, represents our capacity to deliver and our capability to meet the commitments that we make to our stakeholders. Continuous learning, sharing of knowledge and collaboration are integral to the way we work at TCS

### Scope of the Report

The data collection process for some indicators may not be as mature at some locations in and outside India. It will be specified where the data reported is global, or is local, with the definition of 'local', and where the data has been 'assumed', that is, calculated based on assumptions. For the section titled 'Environment', TCS, in this first report, is reporting data predominantly for its centres in India


This report does not include details of TCS's joint ventures, to maintain comparability with subsequent reports. It also does not include subsidiary information apart from the financial spend on subsidiaries in FY 2006/07. Data on leased facilities in India has been included, where applicable, though data on leased facilities abroad has not been reported. A significant amount of our operations are on client locations where we do not have control; hence, data pertaining to client locations has also not been reported.

**Vision**  
To be among the global top 10 by 2010.

**Mission**  
To help customers achieve their business objectives by providing innovative, best-in-class consulting, IT solutions and services. Make it a joy for all stakeholders to work with us.

**Values**  
Integrity, Leading Change, Excellence, Respect for the Individual, Learning and Sharing

### Report Application Levels

		2002 In Accordance	C	C+	B	B+	A	A+
Optional	Self Declared							
Optional	Third Party Checked			Report Externally Assured		Report Externally Assured		Report Externally Assured
Optional	GRI Checked							

### ***A word from our CEO***

TCS from its inception in 1968 has sought to build on the TATA heritage and recognise the importance of the community wherever it operates. The rapid growth of TCS over the past five years has not diverted us from our core beliefs that the community is not just another stakeholder, but the very reason for a company's existence. Indeed, as well as TCS having a target to be in the top 10 global consulting firms by 2010, we seek to have a similar scale of CS action and **influence for good on society**.

Our ethical stance in the Marketplace is well recognised and we are grateful to have been invited to share our views at a number of forums. TCS is highly respected for its community practice and workplace principles and this, we believe, is a key reason for the lowest turnover of staff in the Indian industry amongst the main players in our sector. The main challenge facing business, governments and individuals on this planet is that of the environment and climate change. TCS has a two fold commitment:

- To work towards reduction of its carbon foot print by 25% to 30% in five years through a number of programs worldwide
- To engage in action across the industry and governments

TCS aims to develop a number of initiatives that will have transformational impact on society and individuals from those who have the least opportunity in life through to encouraging young people as Tomorrow's Leaders and playing our part to ensuring the sustainability of the environment within which we all live.



**S Ramadorai**  
**CEO and MD**



## Key impacts, risks and opportunities

TCS's strategic planning process involves both strategy development and strategy deployment, with key business risks and opportunities being evaluated as part of this process. In keeping with TCS's responsibilities and business challenges across the globe, we have established a Corporate Risk Office, reporting to the Chief Financial Officer, which carries out risk assessments to help identify possible issues and thus the potential business impact.

A detailed Risk Management manual is in place which covers the various risks faced by the Company and the processes for evaluating and addressing them. The Board of Directors regularly reviews the risk management practices of the Company. We also have a dedicated Global Legal Department to ensure legal compliance. The Unit heads, in consultation with legal, are responsible for ensuring legal and regulatory compliance. Well-defined processes exist for complying with and surpassing legal and regulatory requirements and managing risks across global operations.

TCS has an Enterprise Risk Management (ERM) approach to identifying risks and taking constant improvement and mitigation plans to align with meeting its Business Goals as included in the Business Plans referred to earlier. The ERM approach that TCS has adapted is based on the Committee of Sponsoring Organizations (COSO) of Treadway Commission recommendations. (COSO was set up as a private sector initiative in the US in 1985 to overcome fraudulent financial reporting by public companies and came up in the year 1994 with the ERM recommendations).

Face-to-face and across teleconferencing systems, workshops and training sessions constantly help align various business groups to the ERM vis-à-vis their own goals and objectives. The Business plans are monitored by the executive management team in a frame work of metrics- and objectives-driven performance management in monthly/quarterly reviews. The internal controls for each business and function are facilitated by the existence of this strong metrics and monitoring culture. The ERM process is overseen by the functional and geographical leadership, Audit committee of the Board, and the Board of Directors.

The ERM approach covers risks on account of a range of influencers that impact business objectives:

- Monetary and Foreign exchange scenarios across countries
- Labour and legislative scenario across countries
- Legal compliance
- Impacts of competitor moves, customer concerns, technology scenarios and shifts
- External market
- Infrastructure
- People and professionals
- Business continuity

TCS operates on the Tata Business Excellence Model (TBEM), which has been adapted from the Malcolm Baldrige model and is a framework designed to measure performance excellence and business ethics. It includes a strong focus on Corporate Responsibility activities and reflects the belief that these should be considered as "business as usual" within the company. Within the annual TBEM review process, TCS produces an assessment of its strengths and areas for improvement in the context of the TBEM business performance parameters. This includes its business objectives, business framework (including stakeholder identification), key risks and opportunities. Social responsibility is one of the core values within the TBEM methodology and this integration allows the CS initiatives to be mapped to TCS's core business strategies rather than being a stand-alone addition.

Apart from the TBEM annual review, there is an annual review of TCS's strategy map (which includes CS factors) and quarterly meetings to review strategies and plans. Actions from previous strategy reviews are taken forward into progress reviews, also held quarterly. This ensures that TCS's business risks and opportunities are regularly updated to ensure they are fit for purpose.

Strategies are incorporated into Annual Business Plans and deployed via specific action plans cascaded throughout the organisation. Performance is measured via balanced scorecards which are in place at all levels of the organisation. Reporting of key impacts, opportunities and threats can be found within the Management Discussion and Analysis section of the Annual Report. Fundamentally, the products, services and operations of software companies do not have any direct adverse impact on the environment and society. However, to minimise any indirect impact, TCS has taken measures to ensure that all our suppliers and vendors use environment-friendly components and abide by regulations in the use of labour, pollution control, and so on.

## Distribution of Products and Services

TCS has identified the following major service offerings for achieving its growth aspirations:

- IT Solutions and Services:** TCS offers application development and maintenance services over the entire IT application lifecycle, including migration and reengineering, e-commerce and internet services, testing services, architecture and technology consulting, systems integration, as well as packaged software implementation across multiple industry and technology domains.
- Asset based IT Services:** TCS utilises its proprietary software assets to deliver solutions to clients in specific industries and has licensed several software intellectual property rights. TCS also develops and markets a variety of products across diverse industries. It has developed products such as the Hospital Management System, eIBS, NCS, FIG and Quartz™ for the banking and financial services industry, CemPac for the cement industry, and also software development tools such as MasterCraft™, Assent, DataClean and Infrex
- Engineering and Industrial Services:** TCS offers a range of engineering services, embedded software and R&D services to diverse clients, assisting in new product development and product lifecycle management through services in the areas of product design, simulation, engineering drafting, computer-aided engineering design and manufacturing, product data management and customisation of engineering software.
- IT Infrastructure Services:** The Company offers services that include complete outsourcing of IT networks, consulting and integration, hardware support and installation, and infrastructure management.
- Business Process Outsourcing:** TCS offers a variety of transaction-based IT-enabled services. These include inbound call centres, back office support, engineering services and database services. TCS's focus in this space is to provide transactional services 24x7 for client needs from various geographies; thereby, ensuring business continuity and disaster recovery.
- Global Consulting Services:** One of the first companies to set up an independent consulting division, TCS today includes consulting as an integrated part of any assignment to its customers in different industry segments.

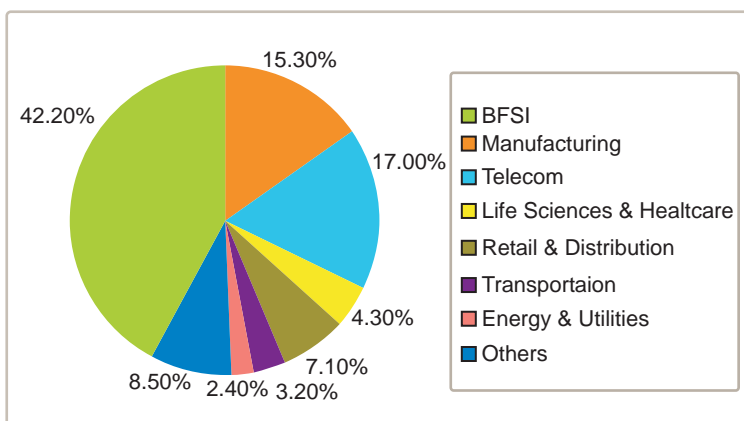
### % Revenue Distribution by Service Lines\*\*

IT Solutions & Services	IT Infrastructure Services	Engineering & Industrial Services	Business Process Outsourcing	Global Consulting	Asset Based Offerings
76.2	6.1	5.9	5.8	3.4	2.6

\*\*As of Q3, 2006/07

The Industry verticals where the Company has a sizable presence are:

- Banking & Financial Services
- Insurance
- Manufacturing
- Telecommunications
- Life Sciences and Health Care
- Retail
- Transportation
- Utilities
- Entertainment and Media



Revenue from Industry Verticals in FY 2006/07

### Share of key markets in global IT services spends – 2006 \*

IT Services Market	2006	Growth
North America	50.0%	7.0%
USA	44.0%	
Western Europe	30.0%	6.4%
Asia Pacific*	15.0%	7.5%
Japan	9.0%	
India & China		20.0%
Latin America	2.0%	10.0%
Central Europe, Mid-east & Africa	3.0%	12.0%

### Share of key markets in global BPO spends – 2006 \*

BPO Market	2006	Growth
North America	68.0%	10.0%
Europe, Middle East & Africa	20.0%	9.0%
Western Europe	18 - 19%	
Asia Pacific	12.0%	20.0%

### % Revenue Distribution by Geography \*\*

Americas	Europe	India	Others
56.5	28.3	8.9	6.3

\* Source: "Strategic Review 2007"

The Company's sales organisation is geography based. In addition to India, the geographies in which TCS operates and has sales offices are North America, the UK & Ireland, Europe, Ibero-America, the Middle East & Africa, India and the Asia-Pacific region (APAC). The Company had 148 offices worldwide in 39 countries as on March 31, 2007 and operated out of 112 locations / branches worldwide.

### Corporate Governance

As of March 31, 2007, Tata Sons Ltd.(TSL) owned 77.51% of Tata Consultancy Services Limited's equity share capital. Charitable Trusts hold 66% of the assets of TSL. The income this generates supports an extensive range of causes, institutions and individuals.

The Company has 8 Directors with a Non-Executive Chairman. Of the 8 Directors, 7 (i.e. 87.50%) are Non-Executive Directors and 6 (i.e. 75%) are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges and exceeds by far the percentages prescribed in the said agreements.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public

companies as on March 31, 2007 have been made by the Directors. Mr. R.N. Tata, who is the Chair of the Board of Directors, is a Non-Independent and Non-Executive officer.



**Board of Directors as of Q4 2006/07**

**Standing – Left to Right: Ron Sommer, A Mehta, R N Tata, N Chandra, N Thyagarajan**

**Sitting – Left to Right: S Ramadorai, Laura Cha, C M Christensen**

*\* In September 2007 the strength of the Board was enhanced to 12 Directors with the induction of four members of the existing Leadership team as Executive Directors on the Board.*

### CS Ownership by Leadership Team



**S. Ramadorai**  
**CEO & Managing Director**

In addition to his overall corporate responsibilities, Mr Ramadorai leads on community and environment issues for the company.



**N. Chandrasekaran**  
**Executive Director, Chief Operating Officer and Head, Global Sales and Operations**

Manages corporate responsibility in the Marketplace, specifically for customer relationships.



**S. Mahalingam**  
**Executive Director, Chief Financial Officer and Head, Global Finance**

His remit includes corporate responsibility in the Marketplace, specifically for supplier relationships.



**S. Padmanabhan**  
**Executive Director and Head, Global Human Resource Development**

Responsible for TCS's policy on Human Rights and the processes and procedures linked with employees in the workplace.



**Phiroz Vandrevalla**  
**Executive Director and Head, Global Corporate Affairs**

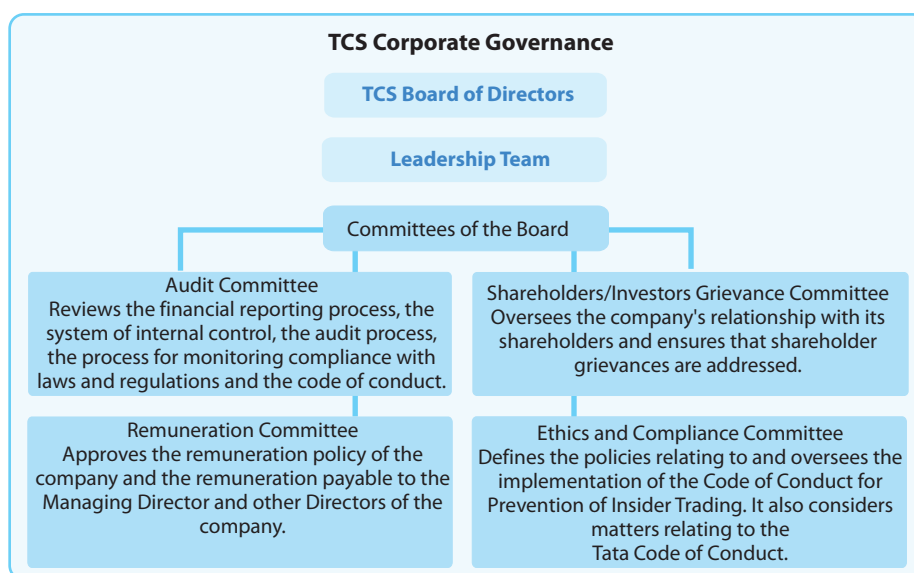
His role includes the corporate responsibilities relating to Occupational Health & Safety.

## TCS's Philosophy on Corporate Governance

TCS Corporate Governance structure consists of a Board of Directors, a Senior Leadership team and a number of Committees.

TCS inculcates good corporate practices into its activities and strives to better them by adopting best practices. Good governance practices ensure efficient conduct of the Company's affairs and help maximising value for all the stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve the vision of becoming a truly global software company while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to the

TATA Group. Being a part of the TATA Group, the Company has a strong legacy of fair, transparent and ethical governance practices and has adopted a Code of Conduct for its employees including the Managing Director. The Company has also adopted a Code of Conduct for its Non-Executive Directors. Both these codes are available on the Company's website. The Company's corporate governance philosophy has been further strengthened through the TBEM, the Tata Code of Conduct (TCoC) for Prevention of Insider Trading, as also the Code of Corporate Disclosure Practices. The Company has in place an Information Security Policy that ensures proper utilisation of IT resources.



The Company is in compliance with the requirements of the revised guidelines on corporate governance stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges. With the adoption of a Whistle Blower Policy last year, and the setting up of a Nominations Committee and an Executive Committee of the Board this year, the Company has moved further in its pursuit of excellence in corporate governance.

The remuneration for the Board of Directors is paid on the basis of their contribution to the Company at meetings of the Board and also for contribution outside of the meetings. Compensation is also related to the overall performance of the Company, which includes corporate sustainability aspects. Compensation of the CEO is more directly related to the performance of the Company.

As of March 31, 2007, the Vice President and Global Head of CS is responsible for the Company's activities relating to corporate sustainability and he reports to the Executive Vice President (Human Resources). The compensation payable to the Vice President is a mix of fixed and variable components. This compensation, to the extent that it relates to performance, is inter-alia, linked with the organisation's performance in the area of corporate sustainability.

Similarly, the Head – Health, Safety and Environment reports to an Executive Vice President and his compensation too is, inter-alia, related to his performance on matters relating to corporate sustainability.

As a member of the TATA Group, each TCS employee must adhere to a comprehensive set of tenets comprising the TCoC. A Director is inducted on the Board with the concurrence of the existing Directors and after a due review of the attributes of the new Director on various aspects, which include economic, environment and social topics. The Directors also examine how the incumbent could contribute to the Company's strategy in general, which includes the above areas. TCS has also set up a Nominations Committee of Directors, which is charged with advising the Board on the need to induct new Directors. This committee is responsible for making recommendations regarding the composition of the Board and in identifying independent Directors to be inducted to the Board. The committee would also take steps to refresh the composition of the Board from time to time.



## Governance Procedures and Ethics Committees and Counsellors

At the board level, an Ethics and Compliance Committee has been set up to ensure tracking of the TCoC, the Code of Conduct for Prevention of Insider Trading, and the Code of Corporate Disclosure Practices to be followed by directors, officers and other employees.

Monthly Reports showing compliance with these codes are sent to the Committee Members. The list of 'Specified Persons' under the Company's Insider Trading Code is also reviewed from time to time.

TCS has established procedures to deploy the TCoC and to enable employees, customers, suppliers and partners to understand the same both in letter and spirit. An Ethics Counsellor at the corporate level supported by Local Ethics Counsellors (LECs) at each location is responsible for Management of Business Ethics at TCS. For more, see Human Rights (page 2)

The leadership team personally conveys TCS values and the importance of the TCoC at employee events. Even customers and suppliers are made aware of ethical requirements through proposals, contracts, contract discussions, and the TCS website. To review the process and deploy TCoC, LECs and the corporate ethics team analyse data and take appropriate actions. Concerns about financial dealings are minimal as all critical large payments are governed by well-defined workflows. The misuse of email or IT systems is a cause for concern, which is handled by a dedicated, independent iSecurity team along with HR that deals with such violation cases promptly. Policies are changed and communicated appropriately across the Company. For example, TCS is the first TATA Company to have the Global Sexual Harassment policy in place.

TCS's business approach across the Globe is driven by Annual Business Plans across the globe. The business plans drawn in the light of overall TCS strategy and Corporate Goals require all businesses to identify the goals, customer / stake holder objectives, the constraints and risks to be overcome and also the TCS's Corporate Social Responsibility to various stake holders depending upon the applicability.

The Business plans are finalized by the Executive (senior) Leadership team of TCS and are followed through by monthly/quarterly reviews.

The Business plans and the financial and stakeholder satisfaction outcomes are influenced by (customer) market dynamics, technology scenario in the IT area, political and economic scenario in different countries and geographies, professionals' aspirations in different locations as TCS's business is centred on people and team capabilities, social and

### Key Sustainability Issues

Key Issues	Main stakeholders affected	TCS approach
Maintain high rates of employee retention	Employees, customers, shareholders	TCS has a best in class attrition rate and it is a key part of its business strategy to retain talented and highly skilled people. TCS continues to invest in world class facilities, to provide excellent learning and development opportunities and to encourage career progression.
Skills development and availability	Employees, academia, community	TCS believes in improving education for all. In addition to its close links with academia via its formal Academic Interface Programme and its own employee learning and development programmes, it has identified education as one of its key themes for community investment. TCS continues to expand its Adult Literacy Programme and many employees volunteer to help in schools.
Ethical business practices	Employees, customers, suppliers	The Tata Code of Conduct and Ethics processes provide a framework to promote ethical behaviour in the workplace and marketplace. A whistleblower policy has been implemented to allow concerns to be raised. TCS is defining a responsible off-shoring policy to help ensure that companies looking to move work off-shore do so in an ethical way.
Customer satisfaction	Customers	TCS will build on its recent global re-branding strategy to communicate its theme of "Experience certainty". "Experience certainty" differentiates the company by leveraging its core strengths of delivery excellence, people, assets and processes. It represents the company's capacity to deliver and its capability to meet commitments that it makes to others.
Energy conservation and waste reduction	Environmental NGOs, community, shareholders, employees	TCS is aware of its responsibility to drive for reductions in the impact it has on the environment. Having analysed its current environmental performance, plans are being finalised to deliver further reductions in CO2 emissions, water and paper consumption. A range of other initiatives are being investigated and progress will be reported in future reports.
Community Investment	Community	As part of its Tata Group heritage, TCS has a strong commitment to community involvement in the countries in which it operates. It works directly with a wide range of charities and professional bodies to develop community based projects. A key initiative for the coming year is support for the rebuilding of the Children's Hospital in Mumbai, the intention being to provide world-class medical facilities to children at a cost of \$25m.



environmental impact in different locations and overall by industry and Global concerns and dynamics

The corporate sustainability performance of the Company is reviewed by the CEO regularly. The performance of Directors is inter-alia dependent on their contribution to and time spent on operational matters of the company other than at meetings of the Board.

### Precautionary Approach

TCS products, services and operations do not have an adverse impact on the environment and society. To minimise the element of indirect impact, we ensure that all our suppliers and vendors use environmentally friendly components and abide by Labour and Pollution control regulations. Our main concerns are third party claims on clients and disposal of electronic waste due to obsolescence. We tackle third party claims by including Warranties and Indemnities in our contracts with our clients. To minimise obsolescence, we donate computers to NGO's and schools to maximise utility and curtail wastage.

TCS's governance is aligned with global awareness for the need for sustainability and environmental protection. TCS has been focusing on sustainability through a combination of direct and indirect initiatives. The specific initiatives cited in the sections on management approaches (See GRI Index, Page 47) and performance indicators have been adopted with the Precautionary approach explicitly in mind in order to preserve the environment for future generations.

Some of the Precautionary approach initiatives are:

- Water conservation across locations
- Electricity conservation across locations
- Green area environment preservation and enhancement across locations
- E-waste disposal
- Composting
- Vermiculture
- Recycling of wastewater
- Rainwater harvesting
- Bio-digesters for canteen waste

### Charters and Memberships

To anticipate public concerns at national and international levels, we actively participate in forums such as NASSCOM, IEEE, ASQ, ISACA and ACM, which research and provide updates on legal, regulatory and educational issues. We are also tied up with renowned universities that are global trendsetters in this area.

### Stakeholder Engagement

The major stakeholder groups for TCS are its clients, employees, shareholders, and academic institutes that are the source of trainee engineers who are recruited in large numbers. Other stakeholders include the IT Industry in India and abroad, vendors, government, and the community at large.

#### Employees

For employee engagement, see Labour Practices (Page 20)

#### Shareholders

TCS has always valued its customer relationships. This philosophy has been extended to investor relationships and an Investor Relations Department (IRD) was set up in June 2004, prior to the Company's Initial Public Offer of shares. The IRD focuses on servicing the needs of investors, analysts, brokers and the general public.

TCS has also constituted a Shareholders / Investors Grievance Committee of Directors to redress complaints of investors such as transfer or credit of shares to dematerialised accounts, non-receipt of dividend / notices / annual reports, and so on.

The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India, which include The Financial Express, The Indian Express, Deccan Chronicle, Lok Satta, Business Standard, Business Line, Hindustan Times and Sandesh. The results are also displayed on the Company's website <http://www.tcs.com>. Half-yearly results are sent to the members along with a message from the Managing Director on the Company's performance during the half-year. Press releases issued by the Company are also displayed on the website. Presentations made to the Institutional investors and analysts after

Shareholder Complaints				
TCS	Opening	Received	Resolved	Pending
2004-05 Q5	76	10059	10018	17
2005-06 Q1	17	2273	2287	3
2005-06 Q2	3	500	501	2
2005-06 Q3	2	646	648	0
2005-06 Q4	6	176	180	2
2006-07 Q1	2	108	107	3
2006-07 Q2	3	181	184	-
2006-07 Q3	-	182	182	-
2006-07 Q4	-	120	117	3

declaration of the quarterly, half-yearly and annual results are displayed on the Company's website. A Management Discussion and Analysis Statement is a part of the Company's Annual Report.

Tata Sons Ltd. is the major shareholder of the Company, and its representative is the Chairman of the Board of the Company, allowing a direct engagement. TCS's IRD continues to hold regular conference calls and audio web casts with financial analysts and holds events such as analyst days that enable a dialogue. Transcripts of these calls and the associated presentations are available from the Investors section of the TCS web site. TCS has introduced an SMS Alert service so that shareholders and analysts can elect to receive summaries of results as soon as they are announced. A grievance redress procedure is in place so that any queries or complaints can be raised directly with the Company.

### Customers

Through our relationship-building process, we not only strengthen our relationships with the clients, but also build and nurture them across the project (operational), account (tactical), and CXO (strategic) levels in the client organisation, through dedicated owners and teams. Executive sponsors for each large account, work at building relationships at the strategic levels of the client organisation. Performance of our relationships with each large customer is regularly viewed using the Relationship Score Card (RSC), and the review findings are used to improve it. Our relationship building approaches have helped us secure strong customer loyalty.

### Communities

TCS has a policy of engaging with local communities in the areas in which they operate. See Community (Page 28).

### Industry bodies, Government bodies, NGOs, Charitable Trusts

TCS engages with a wide range of organisations to help provide a focus on CS. TCS works with the CSR cell of the Bombay Chamber of Commerce, the National Association of Software and Services Companies (NASSCOM) Foundation and the Confederation for Indian Industry (CII). A TCS senior executive is on the board of the National Literacy Mission. TCS works with NGOs in the field of education, such as the Virmani Education Trust, to develop and deliver its internationally recognised Adult Literacy Programme. TCS is working with BitC, in UK, to drive continuous improvements in all aspects of CSR including the workplace.

### Academia

For TCS, the academic community is one of its largest stakeholders and provides resource for its significant intake of trainee engineers. TCS seeks to add value to this community by close interaction in terms of support for curriculum and technology upgrades. TCS hosts an annual academic conclave, called Sangam, which is attended by heads of over 50 leading Indian and international educational institutions and gives forum for stakeholder interaction and feedback, as does the recently introduced Faculty Development Programme. For more, see Academic Interface Programme (Page 32).

### Partner/Suppliers

TCS partners, subsidiaries, and its vendors are also stakeholders in the organisation.

Partner/Supplier	Key Relationship Requirements	Relationship	Communication Mechanisms
Academic Institutions	To make available the best talent from campus	MoU AIP	Academic Portal, Liaison Manager 'SANGAM'
PR Advertising Agencies	To enhance the public image of TCS	Contracts	Regular meetings, Reports, Surveys
HW/SW Suppliers & Communication Service Providers	To deliver state-of-the-art infrastructure in time To ensure quality & service continuity	Contracts	Meetings of IS&S with suppliers SLAs and review meetings
Travel Agents and Airlines	To provide timeliness of service	Contracts	Daily interactions with travel agents located in TCS premises
Financial Analysts Technology Analysts	To provide competitive reports, industry trends, technology changes	Contracts	Reports, Surveys

### TATA Group

TCS is part of the TATA Group and participates in Group-wide bodies such as the Tata Council for Community Initiatives, the umbrella agency that guides TATA Group companies in their community development work. Various channels, including the TBEM process and Group forums, enable two-way communication between the Tata Group and its member companies and between Tata companies.

# *Economic*



## Economic

### Economic Strategy and Management Approach

TCS's strategy is based on three pillars. These are the Global Network Delivery Model™, Strategic Acquisitions, and Integrated Full Services Play.

#### Global Network Delivery Model™

The Global Network Delivery Model™ (GNDM™) is a truly global network. GNDM™ is much more than having an India-centric delivery model with near-shore centres and is not about setting up Offshore Development Centres (ODC) in different geographies. The GNDM™ enables our delivery centres to collaborate on projects, leverage all our assets, work on a 'follow-the-sun model' if necessary, and above all, through their homogeneity in terms of quality, skills as well as look-and-feel, give customers the same experience of certainty, irrespective of whether they work with us in Chennai, China or Chile. The Company became the first organization in the world to be certified enterprise-wide for ISO 9001-2000, ISO27001:2005 and ISO 20000:2005 in January 2007. Our customers can continue to experience the certainty of "high quality of service delivery", as we stay focused on continuous improvement of security, quality and processes in an industry where technology changes occur frequently.

#### Strategic Acquisitions

A key driver for growth has been the Company's strategic acquisitions for creating new capabilities that would drive higher levels of synergistic growth. The value being generated by these acquisitions has been significant and so far we have seen only the beginning of synergistic revenue opportunities. We believe that many of the acquisitions we have made in the last couple of years have become force multipliers for the Company in terms of both revenue growth and improved capabilities. Many of the large value deals the Company has been able to win can be attributed to these acquisitions.

#### Integrated Full-Services Play

TCS is increasing its focus on expanding the breadth of its service offerings and capabilities to become a one-stop service provider. The power of the GNDM™ as well as our strategic acquisitions is illustrated through our integrated full-services play that now captures the entire value chain of IT — from consulting to products and solutions and from implementation to support. One recent example of all our services at work as part of an Integrated Full-Services Play is the \$140m banking/financial services deal from Bank of Pichincha in Ecuador. This deal uses FNS/BANCS the core banking engine from TCS. This entire business initiative was consulting led with the objective of bringing about significant improvement in the cost-income ratio of the bank. In this deal TCS will be offering the bank IT Services, Infrastructure Services and BPO - all using our GNDM™. The Bank of Pichincha will depend on TCS's FNS centre in Sydney and India Development centres for any product customization. It will depend on TCS's Santiago centre for BPO best practices and process management. Any other custom development will be done at TCS's centre in Uruguay. TCS's process capabilities and range of services provide a compelling value proposition for its existing customers with over 96.8% of our business this year coming from repeat customers. Moreover, these offerings are also witnessing traction among more than the 100 new customers added during the year and give the Company significant opportunities to cross-sell different solutions to customers.

### Economic Performance

#### TCS's financial results (unconsolidated) :

TCS Limited (Unconsolidated)	For the year ended 31/3/2007		For the year ended 31/3/2006		
	Rs. crore	% of total Income	Rs. crore	% of total Income	% Increase
Total Income	15156.52	100.00%	11293.76	100.00%	34.20%
Total Expenditure	10639.00	70.19%	7957.54	70.46%	33.70%
Profit before, Interest, Depreciation, and Taxes	4517.52	29.81%	3336.22	29.54%	35.41%
Profit before Taxes	4170.68	27.52%	3074.35	27.22%	35.66%
Net Profit after taxes	3757.29	24.79%	2716.87	24.06%	38.29%

For more, see page 63 of the Annual Report 2006/07



## Contribution to Benefit Schemes

For Indian employees, TCS contribution to the different benefit schemes is as follows:

### Operations in India

Retirement Benefit	Type	Maintained	Employer contribution
Provident Fund	Defined contribution plan	In-house	12%
Superannuation	Defined contribution plan	With Life Insurance Corporation of India	15%
Gratuity	Defined benefit plan	The actuarial valuations are done by approved acturist on basis of which the funding to the Gratuity Fund with LIC is done	NA

For employees in the US, the TCS contribution plan follows the 401K for both expatriates and local hires.

## Market Presence

In all its areas of operation, TCS remuneration to its employees is significantly more than that specified by the Minimum wage Laws in the respective countries

## Local Market Spending – Suppliers and Senior Recruitment

Local market spending, for the data shown, has been collated from two sources:

- The amount spent on TCS subsidiaries at each location
- The amount incurred by standalone units in each location

In the last few years, we have started operations in several countries. This business expansion has introduced us to new markets; our ability to identify and attract talented professionals locally has brought diversity in our operations and served to enrich our business approach.

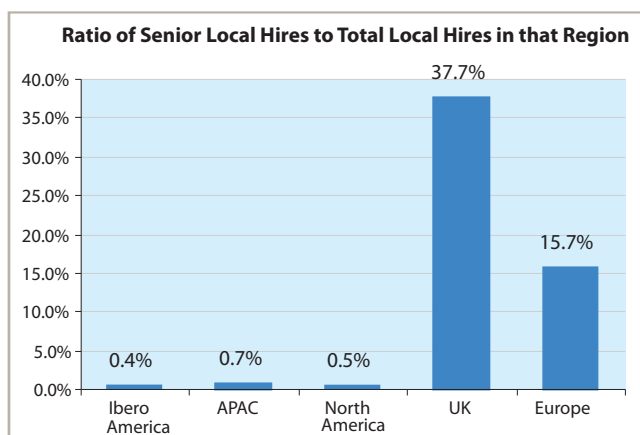
Today, we have seasoned professionals who have brought a breadth of experience, industry knowledge, and the ability to lead a team to new business heights. The approach of absorbing local talent is a conscious effort on our part to integrate with the country in which we choose to do business. It has brought about greater efficiencies in business, even as we are able to contribute better to the local community. The approach has been demonstrated across verticals and geographies in our organisation and has manifested itself in geographies like the UK, the US, Europe and Ibero-America where we have built a sizeable presence.

‘Senior Management’ refers to employees, who carry out leadership roles and who bring over 13 years of experience in a said area or skill.

Region	Local Market Spending as a % of Revenue
India	62.7%
Americas	41.3%
UK	53.2%
Europe	99.6%
Asia Pacific	99.0%
Ibero America	90.8%
Africa and Middle East	47.5%

## Financial Implications of Climate Change

The nature of TCS business does not contain highly polluting processes. In spite of this, we are committed to environmental management, as a vital responsibility. We want to move forward in this area, certifying all our centres, raising awareness amongst all our associates and partners and promoting concern for the environment. Our greatest contribution to the environment is in the potential our services and solutions in Information Technologies have to offer, in order to help our clients contribute to the improvement of environmental management and thus benefit society in general.





# *Environment*





## Environment

### Environment Strategy and Management Approach

All organizations have a role to play in protecting the environment. TCS also recognises the adverse impact that the IT industry has on the environment and strives to address this within TCS and with its customers and suppliers.

TCS's commitment to the environment stems from the TATA Group's abiding concern for environment and society. TCS strives to provide a healthy work environment to all its employees and conducts environment friendly business at all its offices. To achieve these goals, TCS has published an Environmental Policy (See [http://www.tcs.com/AboutUs/social\\_initiatives.aspx](http://www.tcs.com/AboutUs/social_initiatives.aspx)). In line with the objective of continuous improvement and the Experience Certainty process initiative, TCS continuously updates its Environmental Policy, encompassing air, water, and other natural resources; and the interrelation of these natural elements with the environment. This policy was formalised in March 2003 and subsequently reviewed in January 2007.

The policy, driven by the Senior Management, aims at maintaining the ecological balance by minimising waste generation from business operations and by recycling obsolete IT hardware. The policy continues to focus on environment conservation as an essential element of TCS's business philosophy and infrastructure. TCS has established and implemented a documented Environmental Management System to improve its environmental performance in accordance with the requirements of the International Standard ISO 14001: 2004. The Environmental Management System (EMS) covers Delivery Centres providing Consulting & IT Services, BPO, IT Infrastructure Services, Engineering & Industrial Services and Product Based Solutions.

TCS is committed to reducing the environmental impact of its operations through appropriate ongoing material management. This calls for a conscious effort across TCS in areas that have been defined in the company's Green Purchasing Policy (See [http://www.tcs.com/AboutUs/purchasing\\_policy.aspx](http://www.tcs.com/AboutUs/purchasing_policy.aspx)).

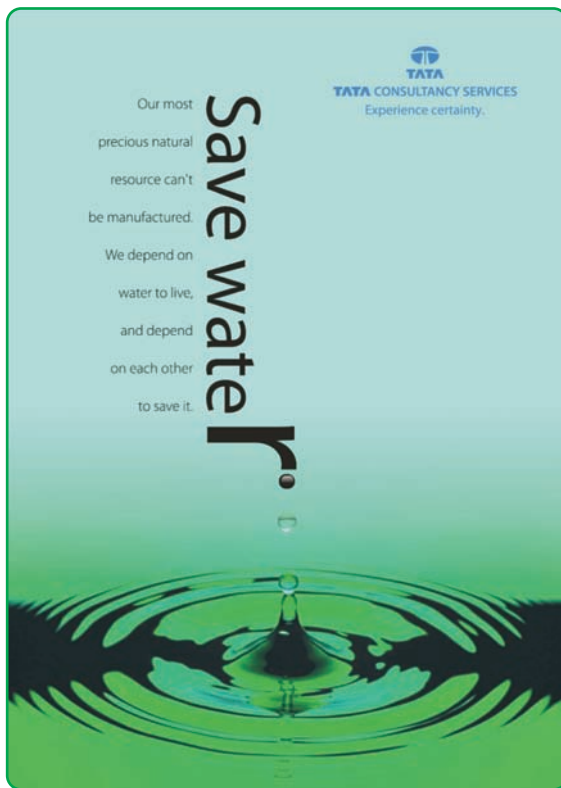
A dedicated department for Health, Safety and Environment (HSE) focussed on sustainable development came into existence in June 2006 which undertook large-scale training to increase awareness amongst TCS employees. The HSE has trained over 20,000 associates and over 1500 managers in India. Computer based awareness sessions have been added on *Ultimatix* and awareness posters have been put up across centres to educate. *Ultimatix* also houses all Environment policies, an ISO 14001:2004 awareness presentation, standards for Road Safety, the Green Office 10 point plan, and Tips for Home, Saving-Water & Electricity for everyone to read and practice.

In the last one year TCS has adopted various initiatives in realizing the impact of IT/ service industry on environment and measures that may be adopted to mitigate the same. Being a global organisation, TCS needs to adopt initiatives that are standard throughout the globe; hence the HSE Department is working towards achieving ISO 14001:2004 certification in all its Delivery Centres/ Solution Centres in

#### TCS BANYAN PARK, MUMBAI

This site originally housed a chemical factory and was bought by TCS in 2002. It now has 1,400 trees in its 22-acre spread. Every tree in the campus has been mapped, divided into five zones and subdivided into endemic (these cannot be disturbed) and exotic (these can be transplanted) types. Wooden signposts provide information on Banyan Park's biodiversity. Shortly after purchasing the property, TCS commissioned Anish Andheria from Sanctuary magazine to prepare a report on the estate's flora and fauna. Based on his findings, TCS has mapped a 'nature trail' that highlights the wildlife found in Banyan Park. This includes 51 species of butterflies, around 2,500 bats & 44 kinds of birds, which amount to about 14 per cent of the bird species found in Mumbai.





Save Water Poster



Green office Poster

India. 12 centres across India have already been certified. This year, TCS aims to get 17 more centres certified by December 2007. The certifying agency is TÜV Nord, and the auditing agency is TÜV India Private Limited.

In countries like Hungary, TCS is already using leased buildings which are ISO 14001 compliant. The 'Leadership Development Block' in TCS, Trivandrum and TCS, Bhubhaneshwar has been constructed according to LEED certification. TCS is aiming for Platinum LEED Certification for Bhubhaneshwar and Gold Certification for Trivandrum in FY 2007/08. Both sites have been built on the 'Green Building' design concept.

Energy audits, starting with centers in Mumbai, are being conducted across all solution centres.

### Goals and performance

- This year we have achieved 5% savings in electricity consumption and thus brought down our CO2 emission levels.
- We have recycled 44713 cubic meters of wastewater and are reutilising the same for gardening and air-conditioners. We have introduced rainwater harvesting in our new facilities and we are trying to include older facilities as well.
- 100% of all suitable PCs available for donation are donated to charitable causes.
- We are progressively working towards achieving zero carbon footprint
- We are now examining renewable energy resources such as solar cookers, solar water heaters, wind turbines, bio-digesters, and tree plantations, which could be replicated throughout TCS centres

#### TARGETS FOR 2007-08

Electricity Consumption: 5% reduction  
Water Consumption: 2% reduction

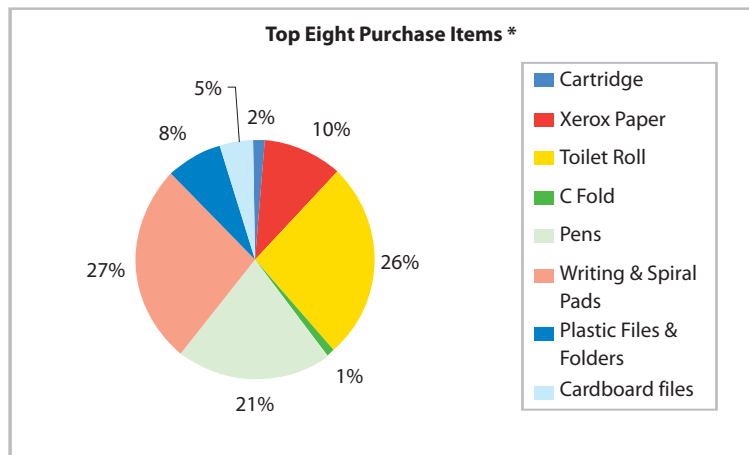
### Environment Reporting and Performance Indicators

#### Material

Due to the nature of its operations, consumed material in TCS is indirect

TCS has now moved to environment-friendly stationery in Europe. All paper and print products used by TCS centres in Europe are FSC (Forest Stewardship Council) Certified. Papers with FSC certified logos are those which have been certified by a 3rd party audit to assure buyers that the fibre in the paper is coming from FSC certified forests, controlled sources or recycled sources. At this time, FSC is the only forest certification system endorsed by environmental groups internationally (Reference: <http://www.marketsinitiative.org/resources/eco-paper-labels>)

Consumables :	Quantity
Wood (cu. Ft)	91135
Plywood (sq. Ft)	2952847
Glass & L Mirror (Sq. Ft)	361661
Tiles & Marbles 1(Sq. Ft.)	2147559
Cement (Kgs)	24822100
Cables (assorted) (mt)	1713957
Electrical fittings - assorted (#)	61429
Pipes (metres)	611181
Plumbing & Sanitary Fitting (#)	10889
Furniture (#)	20215



\* India Data

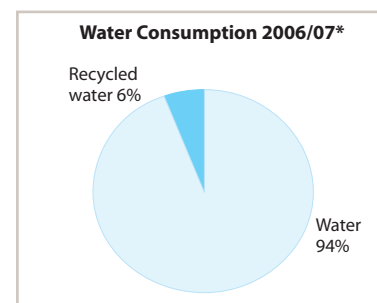
## Energy

Due to the conservation and efficiency improvements listed below, TCS has achieved an efficiency improvement of 5% in its energy usage

- Auto power off of PC monitors/computers after some idle time
- Maintaining constantly the air conditioning temperature at 24°C
- Encouraging employees to physically switch off the monitor and PC before leaving
- Energy saving lighting techniques such as “alternate lighting”—in a succession of lights, keeping every alternate light off, and maximising usage of day light
- Reducing elevator usage by operating only a percentage of lifts available.

## Water

TCS manages water reuse and wastewater treatment through Sewage Treatment Plants (STPs). The nature of TCS's operations is such that there are no effluents or discharge as by-products. Water discharge from TCS is mainly constituted by sanitation, which, in all its centres, is released to municipal sewage lines



\* India Data

## Biodiversity

The Company has 41 centres spread across India, out of which 14 are on land owned by the Company. In India, centres on owned land occupy approximately 40 acres and on leased land occupy 76 acres. Of all the centres in India, Banyan Park in suburban Mumbai, with an area of .62 acres has been classified as a centre on land with high terrestrial biodiversity value

For Banyan Park, the impact on account of construction of a new facility has been considered and accordingly various measures have been undertaken to protect the natural environment. Some of these measures are:-

- Only 45 % of ground area is being used for construction and 55% of the area is protected.
- The total capacity has been reduced from 6000 to 2000 employees thereby avoiding cutting of a large number of trees.
- The snakes that have been spotted on campus are being relocated to the National Park in Mumbai.
- The bat colony inside Banyan Park has been declared as a "No development" zone.



To retain the biodiversity value of the property, the protected area is being maintained and monitored on a continual basis. TCS has sought the help and advice of local environmentalists and specialists in the preservation of trees, birds,



### VERMICULTURE AT BANYAN PARK

TCS introduced vermiculture at its Banyan Park site in September 2005 as a way of recycling its canteen and garden waste of approximately 150 kg a day. The beds were laid by Clean Air Island, a society for urban rejuvenation, with the deep burrowing earthworm technology. TCS Staff were trained in the simple, daily routine of laying waste. Monitoring was carried out by Clean Air Island technical staff for two months and the process is now streamlined. Vermiculture pits have now been introduced at other TCS sites.



bats and butterflies in our property. The Company also has a partnership with the Sanctuary magazine and an in-house organisation named *Maitree* in providing assistance in this regard.

### Waste Management

Handling of waste takes place for:

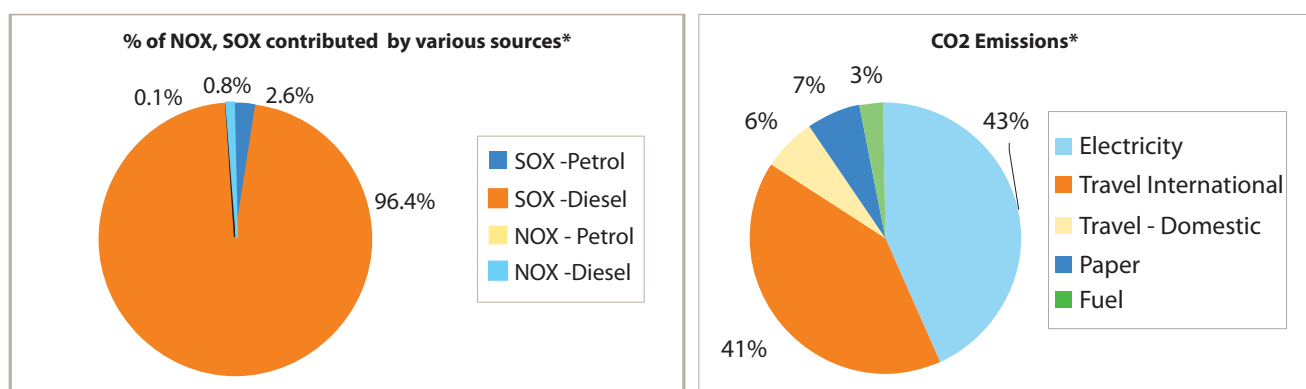
- **E-waste:** Buy back by authorized vendors. All obsolete computers in TCS India are being fed to e-waste vendors for recycling. In Hungary, obsolete computers are returned to the suppliers who then dispose of it appropriately. In India, all obsolete cartridges are returned to HP and all obsolete batteries are being sent to vendors authorized by the Pollution Control Board, India for disposal.
- **Fuel Waste:** Waste lube oil is being sent to vendors authorized by the Pollution Control Board, India for disposal
- **Food waste:** In FY 2006/07, 850 tons of vermi-composting was done, the balance waste being sent to secured land-filled sites of the local municipalities.
- **Paper waste:** Control on the paper waste generation by using back-to-back printing mode and/or recycling. The paper usage is also monitored through IDM
- **Water:** All sanitary and kitchen water is discharged to municipal sewage lines.

### Emissions

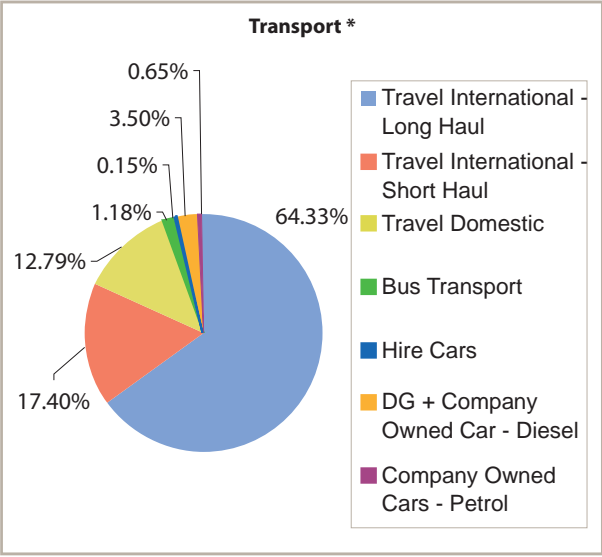
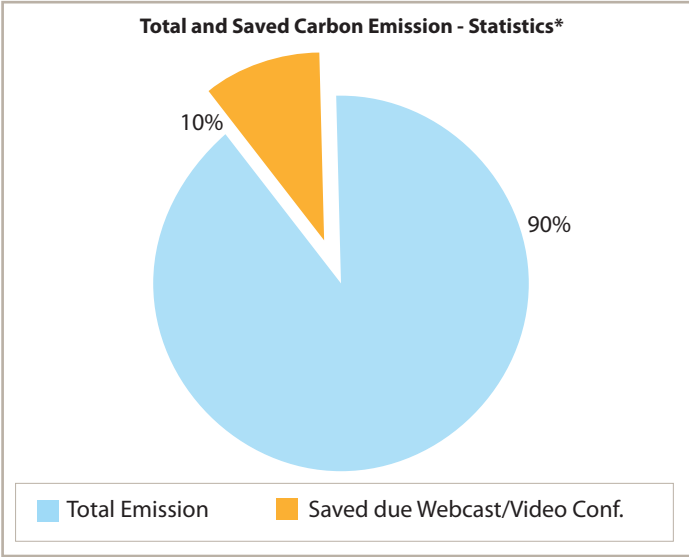
Sources of emissions due to TCS operations are energy consumption, domestic and international travels, and transporting members of the workforce.

To reduce greenhouse gas emissions due to consultants travelling to client locations for meetings, TCS promotes the use of video conferencing to its clients. In FY 2006/07, TCS managed to save 10% of its total emissions by using video conferencing to conduct meetings.

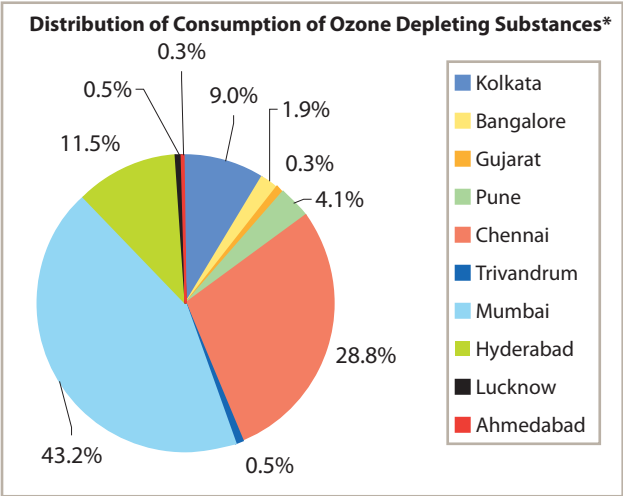
The NO<sub>x</sub> and SO<sub>x</sub> emissions can also be attributed to TCS' travel emissions. TCS strives to keep NO<sub>x</sub>, SO<sub>x</sub> emissions minimal but cutting down on air and car travel where possible.







The Ozone layer surrounding the earth, around 15-30 km from the surface, acts as a natural filter to prevent the sun's biologically harmful ultra-violet radiation. While TCS does not directly emit ozone depleting gases into the atmosphere, it consumes Freon Charge R22 and R12 through some air conditioning units used in India centres. A plan is currently underway to phase out all old air-conditioning units that employ Freon as a refrigerant.



**Protection of Sanjay Gandhi National Park, Mumbai**

TCS has collaborated with Sanctuary magazine to help protect the 100+ sq km National Park in Borivali, Mumbai. In April 2005, over 1,000 TCS employees worked with park rangers to initiate a range of actions to help preserve the area's biodiversity.

\* India Data

# *Labour Practices*



## Labour Practices

### Labour Practices Strategy and Management Approach

TCS's growing workforce is comprised of skilled and diverse people of all ages across various nationalities and educational qualifications; about 25% of our employees are women.

We address the specific requirements of these employee segments through appropriate special approaches. Our job diversity comes from the requirements of our diverse customer profile, the varied breadth and depth of offerings (the widest amongst all our competitors), the definition of our roles and responsibilities and design of our organisational structure. It is this richness that enables us to provide the most innovative and best-in-class services to our customers. We use the services of contract employees called Business Associates (BAs) to supplement our own employee strength; they make up about 5% of our workforce (reduced from 8% last year). The BAs form part of the regular project teams and follow all the processes applicable to our permanent employees. Employee Health and Safety

There are eleven Health Safety Environment Local Councils in place, one for every major region of operation in TCS. The Delivery Centre Head (DCH) for that region presides over each Local Council, which consists of representatives from all support groups as well Project and Group Leaders.

We rigorously follow all the applicable Safety and Health laws of the countries in which we operate, for example, the Health and Safety Policy in the Utilities sector in the UK. In line with our culture of care



**Ergonomic Work Environment**

### Work Environment Factors and Measures

WE Factors	Measures (Targets)	Achievement
Fire Safety	Awareness of fire safety precautions (100% coverage) Regular checking of equipment (once in six months)	Half-yearly mock drills by Fire Committees, resulting in greater awareness; Fire Protection systems checked every quarter
Security	Number of Security violations/incidence entry point Number of NCRs/OFls raised during customer/external audits	All offices manned round-the-clock; electronic security in place Tamper-protected areas and CCTV securing entry & exit points
Light and Space	Work space 80 sq. ft. per employee Lighting of 300 lux. per workspace	Office design based on Open Planning concept; average space per employee around 110 sq. ft.; Illumination of 350-400 lux
Air	Maintain comfortable temperature of $24 \pm 1^\circ \text{C}$ Use of non-CFC branded air fresheners	Temperature & relative humidity constantly monitored & maintained at $24 \pm 1^\circ \text{C}$ , & a range of 40-60% hydro
Water	Water filters, purifiers, etc. to ensure good water quality	Safe drinking water provided at all DCs
Ergonomics	ASI on PULSE question on Ergonomics	Pilot study in Delhi (ongoing)

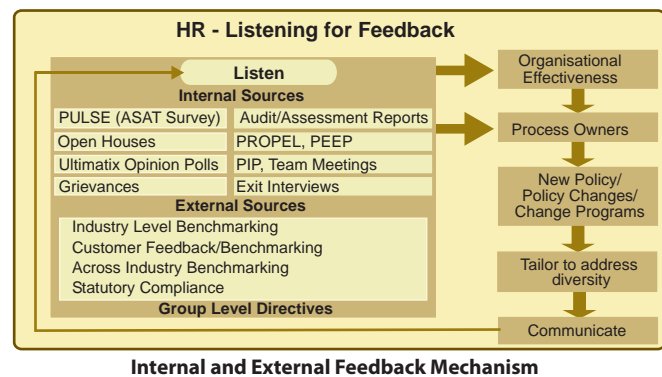


for our employees, we ensure a clean, comfortable, and ergonomically well-equipped work environment. Safety precautions, including contingencies for fire, are taken care of at all work locations. Health check-up facilities are provided to all employees. All our offices facilitate timely availability of wholesome food to the employees. Gymnasium facilities and green environs help to inculcate healthy living habits among employees. Our periodic ISO 27001 audits help ensure that safety requirements are taken care of at all times. The Webhealthcentre portal on *Ultimatix*, our digital portal, creates awareness of various health-related issues. In addition, employee engagement events through Maitree, (Maitree, an association of employees and their families across the globe, is a key vehicle of CS within the organisation) such as regular yoga sessions, vision testing, and talks by psychologists on work-life balance, recreation activities and health month help to improve the quality of workplace environment.

## Employee Engagement

Employee inputs are solicited through the annual survey called PULSE, conducted through the Company's digital portal, *Ultimatix*. Opinion polls, Proactive Employee Engagement Programme (PEEP), open-house sessions, Process Improvement Proposals (PIPs), grievance mechanisms, and exit interviews are some other mechanisms to solicit feedback from employees. Cross-Functional Teams (CFTs) of local Admin, HR and employees are deployed for seeking the feedback. To ensure appropriate client site work environment, our work contract provides a baseline, and HR regularly liaisons with client support groups. Some channels of Employee Engagement in TCS are:

- **Speak Up:** Speak Up is a platform for employees to discuss pertinent matters with the Company's seniors and to bring themselves closer to the Company and its management; thus developing the channels of communication between employees and the Company's top executives.
- **Grievance Redressal System:** Employee grievances are logged through a centralised grievance redressal system. Branch Grievance Coordinators and the Corporate Grievance Process Lead perform weekly and monthly reviews to ensure quality grievance resolution by the Human Resources Team within the specified timeframe. Ethics Counsellors at regional and corporate levels also play a key role in handling the sensitive grievances.
- **PIPs:** Employees can log PIPs through a link in *Ultimatix*. To encourage employee participation in the endeavour, the 'Best PIP' award is given annually.
- **PEEP – Mentoring:** PEEP is a mentoring initiative in which employees connect one-on-one with TCS's senior management.
- **Propel:** Propel provides a forum to discuss issues and ideas, to promote the ideas and to resolve issues at inception level itself. Propel covers all employees across TCS. Camps and confluences are conducted for problem solving, discovery of new ideas, dialogue, reflection and fun. Through these sessions, the employees are provided a platform for learning, interacting and problem solving.
- **PULSE:** PULSE is the company's annual Associate Satisfaction Survey, undertaken every year to measure and understand the TCS Associate's attitude, opinions, motivation, aspirations and satisfaction. Through PULSE, TCS attempts to find out opportunities for improvement, invite suggestions, ascertain shortcomings, design appropriate plans, which finally conclude in action. The steady rise in the Associate Satisfaction Index (through PULSE) is an indication of TCS culture and care for its associates.
- **Stress Management:** The IT industry is known for its high-pressure



work atmosphere and long working hours, which create high levels of stress. TCS encourages its employees to de-stress by participating in Fun@Work which is a term used across TCS to refer to any activity or programme that is conducted during work. Fun@Work Committees are formed across accounts which organise, picnics, parties and get-togethers with fun and games. Annual picnics take place in each region that gives TCSers spread across a region to come together and celebrate with their families and colleagues.



## Workforce and Diversity

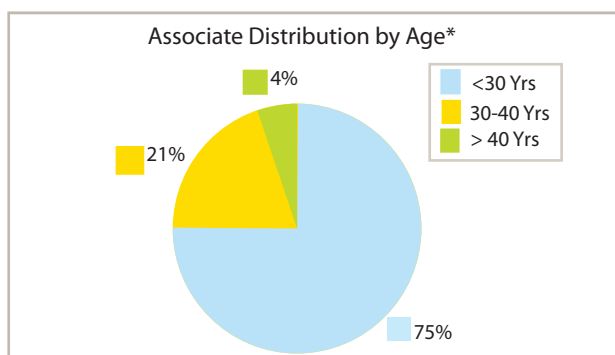
TCS's greatest asset is its workforce. During FY 2006-07, the Company has made substantial addition to human resources. The Company had a gross addition of 32,462 (previous year 27,377) employees and a net addition of 22,750 (previous year 21,140) employees primarily through recruitment and mergers and acquisitions in FY 2006-07. The total number of employees in the Company as on March 31, 2007 was 85,582 (62,832 as on March 31, 2005) employees. Even though 59% (43,890 people) of the net average headcount during the year have been recruited in the last two years, the average work experience of 48% of the workforce is more than 3 years, showing the success the Company has in attracting and retaining talent. Our employees are not unionised except for 72 staff members who comprise less than 0.1% of our total workforce.

### Diversity In Board Of Directors

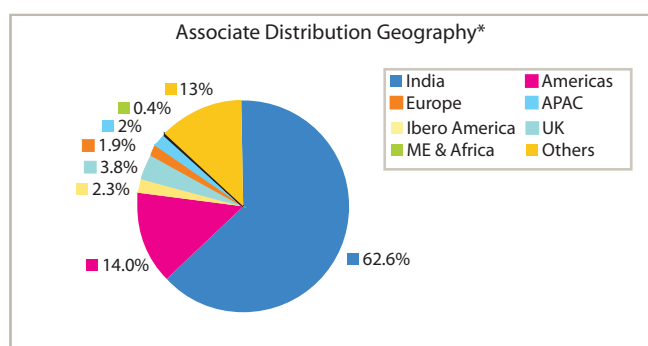
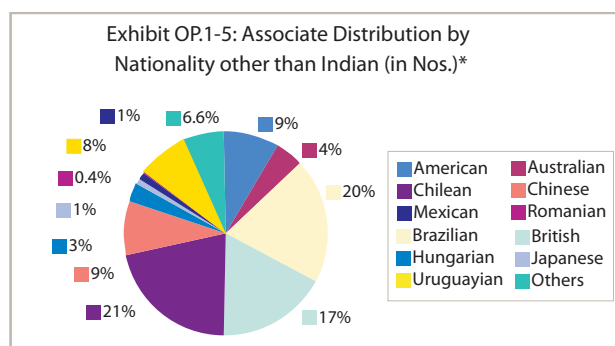
As of March 31, 2007, women constitute 15% of the Board of Directors (i.e., 1 female in 8) and 38% of the Board of Directors is in the 50-60 year age bracket, the rest being in the 60-70 year bracket

As on March 31, 2007, women constituted 26% (previous year 24%) of the workforce. The Company employed people from 67 (previous year 53) different nationalities in its workforce. Non-Indian nationals aggregated 9.6% (previous year 6.5 %) of the total workforce as on March 31, 2007. Being an equal opportunities employer, TCS does not discriminate between men and women. In every employee category, irrespective of seniority, the basic salary is the same for both genders. The attrition rate of 11.3% (previous year 9.9%) in FY 2006/07 is one of the lowest in the industry. The second level analysis of attrition rate over the last 12 months shows that the IT attrition rate was 10.6% and the BPO attrition rate was 20.2%. This low attrition rate has been achieved by continuously investing in learning and development programs for employees, competitive compensation, creating a compelling work environment, empowering employees at all levels as well as a structured reward and recognition mechanism.

## Benefits – Employment and Retirement



	2004/05	2005/06	2006/07	2007/08 targets
Number of full time equivalent employees	40,992	62,832	85,582	Gross addition of >42,000
Non-Indian Nationals	3.5%	6.5%	9.6%	>10%
Female employees	21.6%	24.0%	26.0%	>26%
Attrition rate	8.0%	9.9%	11.3%	<12%



Employee distribution across the globe as of Q3, FY 2006/07



Welfare benefits for full-time employees include subsidised Housing and other loans, medical facilities, retirement benefits, transportation, canteen facilities, overseas allowances, family events (picnic, treks, cultural events), on premise bank extension counters/ATMs, Helpdesk facilities, flexible working hours, assistance in school admissions, holiday homes, magazine subscriptions, Tata Welfare Fund, overseas travel reimbursement for paper presentations and maternity leave for adoption. TCS also provides retirement benefits to all its full-time employees:

- Provident Fund (on which Loans are permitted)
- Gratuity: An employee will be eligible for payment of gratuity either as per the payment of Gratuity Act, 1972, or as per the Company's Gratuity scheme, whichever is higher, at the time of resignation/retirement.
- Superannuation Fund
- Paid Vacations before retirement: All employees of TCS India who have served TCS or any of its group companies for a period of 20 years and above, and who are due to retire from service in 3 months or less are entitled to a fully paid vacation (including air transport, lodging, food, and actuals) at a company guest house of their choice.
- Entitlement to continue on Medical Insurance scheme
- Long service recognition: TCS employees receive rewards and recognition after pre-defined periods of service

### Training, Education and Development

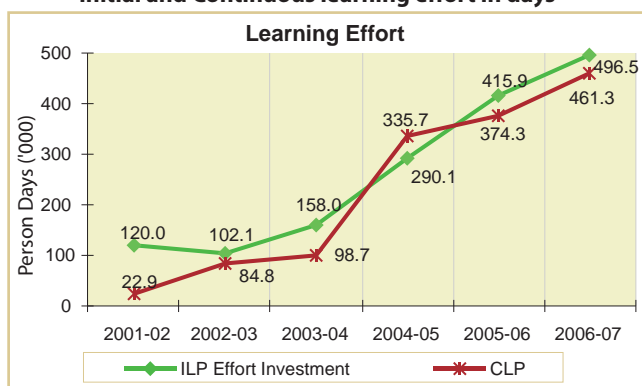
New recruits undergo a six-week Initial Learning Programme (ILP) at either the L&D facility in India or at facilities provided in other countries, catering for overseas recruitment. Initial training as part of the ILP covers corporate values, principles and business behaviour. As part of this training, all employees must sign the TCoC to indicate their awareness of its principles and the expectations set.

Following on from the ILP is the Continuous Learning Programme (CLP) which updates the employees' training as they progress through the organisation. The CLP addresses technology and domain type training plus management and leadership development programmes and diversity management programmes. There is also the Leadership Development programme (LDP) which has several modules intended for leadership development.

We achieve our strategic learning objectives through deployment of action plans. iCALMS is a repository of all role profiles, competency requirements and learning programs. It provides an integrated mechanism for employees to capture their individual skill levels, aspirations and ongoing training needs; translates them into individual learning plans; tracks learning delivery; and assesses competencies. Technical and managerial training needs aligned with current roles and career aspirations are captured during performance reviews and through iCALMS on an ongoing basis.

The Learning and Development (L&D) group addresses the learning needs of all employees, including managerial and leadership development programs. Topics such as diversity, ethical business practices, workplace safety and security are covered during organisational induction training on an ongoing basis. ISO 14000 and ISO 27001 awareness and fire drill

Initial and Continuous learning effort in days



Level	Average Learning Days Per Employee per year
Junior Management	12
Middle Management	9
Senior Management	28

Managerial Skills & Leadership Development Effort												
2006/07	No. of Programs				No. of Participants				Learning Effort(Days)			
Competencies	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Generic Managerial Skills	87	143	206	164	1722	2857	4309	3490	3557	4962	6750	5382
Leadership Skills	19	22	22	35	401	459	41	652	1338	1787	1046	2076
Continual Learning for Business Advisor Skills	16	30	29	46	416	580	648	984	1957	1083	2643	3110
Grand Total	122	195	257	245	2539	3896	4998	5126	6852	7832	10439	10568

training help employees to ensure their own safety and that of their workplace environment.

### Learning And Development - Trivandrum

TCS recognises that investing in its people is a key to the sustainability of its delivery model by generating employee satisfaction and minimising the attrition rate. One aspect of this is the culture of learning throughout an employee's development lifecycle and TCS invests around 6% of its profits in L&D. The L&D centre, at Trivandrum, India, was established in 1998 to deliver its training requirements. It has 18 classrooms, a library, an auditorium, a conference hall, discussion rooms, and about 300 personal computers connected to servers.

All full-time employees of TCS, including all support groups, receive half-yearly career development reviews. All new employees, in the first year of their employment, receive quarterly reviews. At the end of every assignment, employees may also receive formal project-end reviews.

On our extranet portal, *Ultimatix*, there is a section

devoted to education and training of employees on healthcare. Every month, this section covers topics such as fitness, diet related nutrition facts, stress related articles, etc.

In the event of outbreak of an epidemic, in India or overseas, *Ultimatix* is the chosen mode of communication to disseminate knowledge and dispel myths (e.g. during the SARS and bird flu outbreaks in Asia); email is also used as a communication medium to send dos and don'ts messages. Workshops are also conducted to disseminate information. In 2007, *Maitree* started the 'HIV/AIDS Sensitization Drive' in different Mumbai branches.



Learning Centre, TCS, Trivandrum

### Recognition

- In 2007, TCS was ranked #1 overall in the DQ-IDC Best IT Employer Survey. TCS has received this ranking four years in a row.
- TCS received the Indian Society for Training & Development (ISTD) award for Innovative Training Practices in January 2007.
- TCS was in the top 10 'Best Employers in Asia 2007' study conducted by Hewitt Associates



Radhika Sareen and S Sampathkumar of Learning & Development, TCS, receiving ISTD

# *Human Rights*



"The destiny of  
**human rights**  
is in the hands of all  
our citizens in all our communities."

*Eleanor Roosevelt*

## Human Rights

### Human Rights Strategy and Management Approach

Our culture has been shaped over the years by a few basic beliefs that are reflected in our Vision, Mission and Values. At the core of our organisation culture are our deeply entrenched values such as integrity, ethical conduct of business, and respect for individuals.

TCS is also registered as a participant in the UN Global Compact, a well recognised public forum where organisations publicly profess their acceptance of the UN Declaration of Human Rights.

TCS is an equal opportunities employer and has laid down the guidelines for the same in the Tata Code of Conduct.

### Whistle Blower Policy

If an employee wishes to 'blow the whistle' in the matter of a significant dishonesty or other inappropriate behaviour in TCS or any other Tata Company, he or she can make 'protected disclosures' directly to the highest authority for this purpose, namely, the Chairman of the Audit Committee who is a member of the Board of Directors of TCS. This policy protects the rights of the employees who make protected disclosures to the Company. In FY 2006/07, one case under this policy was reported; the Audit committee closed this case after a detailed investigation.

### Employee Rights

As an Equal Opportunities Employer in accordance with the TCoC, TCS also lays down the code to maintain a work environment free of sexual harassment. TCS is among the first Indian companies to have the global Sexual Harassment policy in place for its employees. There is no distinction made between salaries of male and female employees. For more, see Labour Practices (Page 20). TCS's recruitment policy lists down explicitly that child labour must not be used for its operations.

TCS has been certified People Capability Maturity Model (PCMM) Level 5 with the assessment valid enterprise-wide till 2007 end.

### Suppliers

The supply chain extends from vendors to their sub-vendors and suppliers. Vendors comprise a wide spectrum right from engineering colleges, which provide the basic human capital, to suppliers of IT infrastructure and software products and beyond to infrastructure providers like builders, housekeeping, catering, safety, and security agencies.

TCS acknowledges that its responsibility goes right down the chain and while it cannot control all compliance and monitoring, it demands statutory compliance from all and holds up the Tata Code of Conduct as a guide for action.

'Adherence to the Tata Code of Conduct' is included in the master agreements and contracts that TCS signs with these suppliers and contractors.

As TCS is, of course, a supplier to many organisations, we are working with our customers and their supply chain audits (face to face and questionnaires) to continually refine our CS action plan and targets across a balanced scorecard. Feedback from these audits is helping TCS to drive similar initiatives with its own suppliers. It is the intention that TCS will trade only with those who meet the requirements of our policy. Where improvements are necessary to achieve compliance with the standards, TCS will work with suppliers to identify and implement the required changes within an agreed timeframe.

#### Case Study: Procurement In The UK

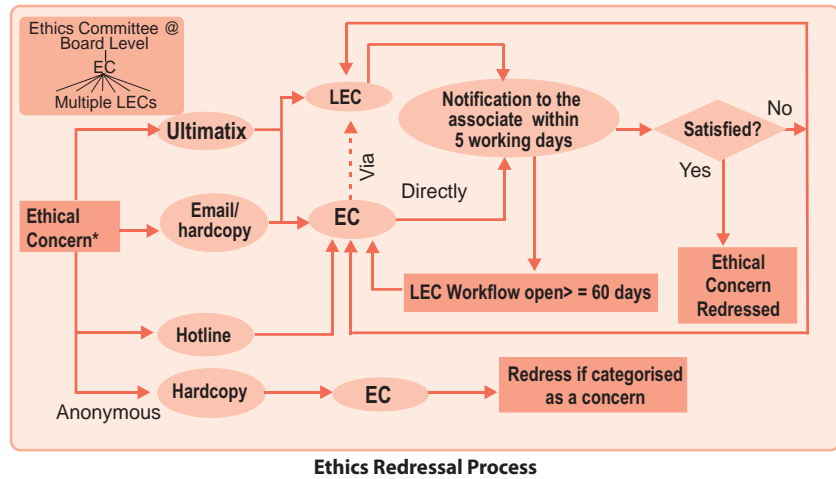
During 2006, TCS UK implemented a sustainable procurement policy to help it focus on its internal practices and those of its suppliers in terms of environmental and social factors. This includes the adherence to the labour standards outlined in the International Labour Organisation (ILO) conventions and extends the principles within the TCS Code of Conduct and the TCS Environmental policy to its suppliers. The supplier risk assessment process was piloted from within TCS's UK organisation and involved questionnaires being sent to key suppliers. Feedback from this initial pilot will be assessed so that rollout of the audits across the company can take place in 2007/08.



## Ethics and Discrimination

### Ethics Committees and Counsellor

At the board level, an Ethics and Compliance Committee has been set up to ensure tracking of the Tata Code of Conduct and the Code of Conduct for Prevention of Insider Trading, and the Code of Corporate Disclosure Practices to be followed by directors, officers and other employees. The Corporate level Ethics Counsellor and location level LECs are responsible for Management of Business Ethics at TCS. They analyse data and take appropriate actions to review the process and deploy the TCoC. Independent committees are set up across locations to verify and implement the policy in letter and spirit as per location-specific requirements. The cross-functional team for Ethics and CS meet regularly to take stock of the feedback from the TBEM assessment and TQMS survey. The management approach and deployment of ethics and human rights is validated by the employee perception on ethics. TCS has an internal target of 75% as the Employee Satisfaction Index on ethics. The figure below gives the Associate Satisfaction Index on Ethics. It also reflects ranking given to TCS by DataQuest magazine



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		Concerns Received on TCoC				
Year		02-03	03-04	04-05	05-06	06-07
Geography-wise	India	25	35	15	15	35
	USA	10	19	10	9	15
	UK	4	-	1	2	6
	Others	6	5	3	-	4
SLA Compliance	Closed in < 30 days	12	27	10	14	20
	Closed 30 - 60 days	8	16	5	3	21
	Closed in > 60 days	25	16	7	7	13
	Open	-	-	7	2	6
Channels	Ultimatix	-	58	24	31	44
	Email Message	-	-	8	10	15
	Hard Copy	-	2	4	-	0
	Anonymous	-	4	3	-	1



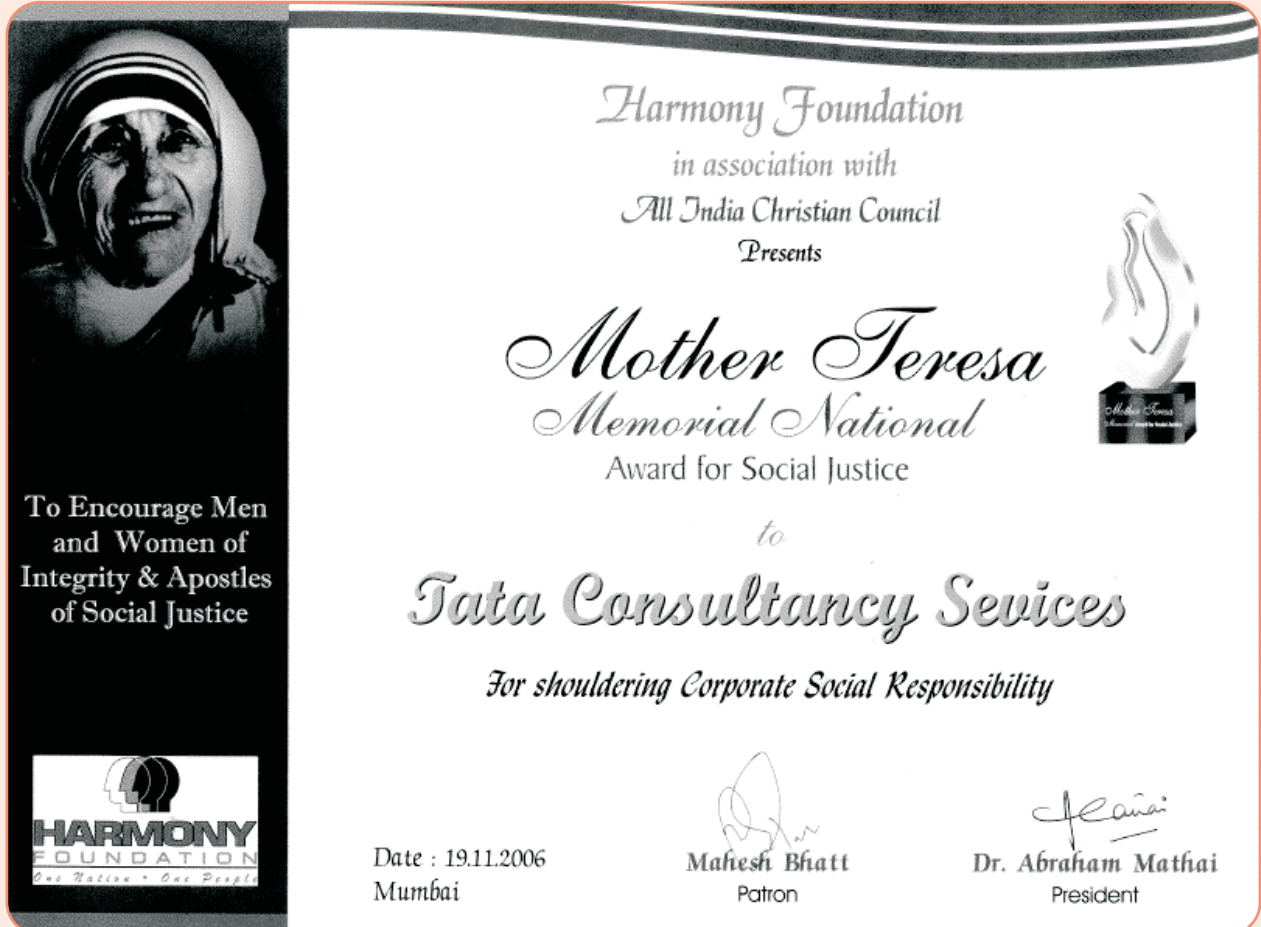
### Measure of perception on ethical climate

## Training to Employees and Support Groups

Training based on TCS Values and the TCoC, emphasizing on 'Respect for the Individual' is given to all TCS employees as part of their induction programme. During induction of security personnel at all branches in TCS, training is provided on inter-personal aspects. Also, use of force during security violations is prohibited.

## Recognition

Recipient of the Harmony Foundation Award, 2006



# *Community*



School Initiative at Wazapur, Panvel, India



Blood Donation Drive at Hangzhou and Beijing, China



Computer Literacy Programme at Hertfordshire, UK



Helping out at Sanjay Gandhi National Park, Mumbai



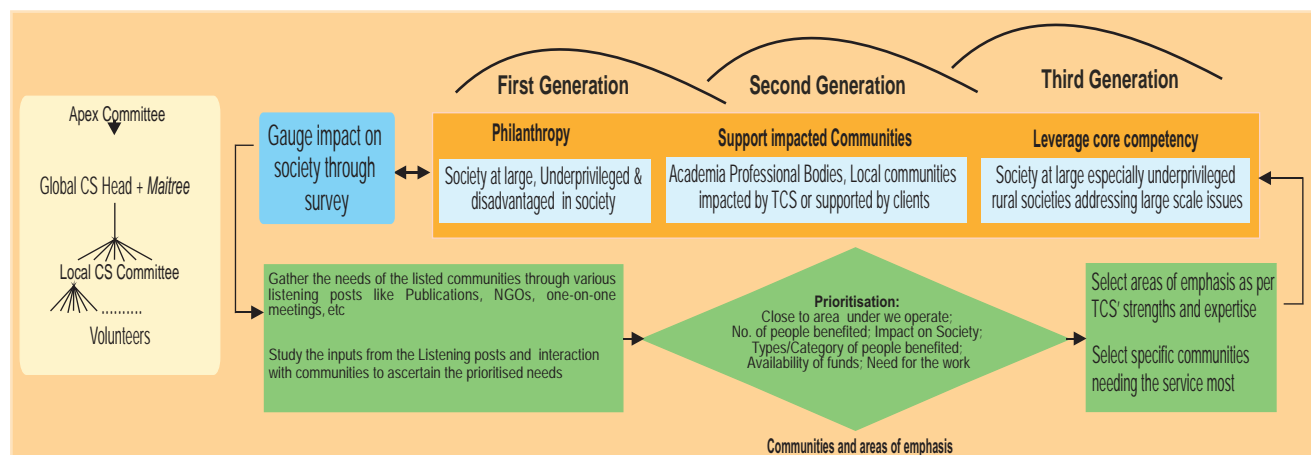
## Community

Corporate Sustainability (CS) in TCS is aligned with the Tata tradition of creating wealth in the community with a twin focus on Education and Society.

### CS Strategy and Management Approach

A Vice President & Head-Global CS, has been appointed to focus on CS activities. A cross-functional Apex team consisting of the Global Head of Human Resources, representatives from the *Maitree* team, the Adult Literacy Programme (ALP) owner, the AIP owner, and Global Head of CS, oversees the CS activities in TCS. *Maitree* is a social platform of all TCS employees and their families, which extends its activities beyond the corporate activities to include initiatives by individuals or groups of employees.

CS strategy is developed within the annual strategic planning and TBEM processes with further specific CS action plans being defined by a cross-functional team on Ethics and CS. The process by which the Community investment part of CS strategy is driven is illustrated below.



TCS leaders encourage and support initiatives by our employees and help to align the initiatives with the 3-generation perspective, to maximise their effectiveness. CS action plans, based on TBEM feedback and CS survey results, are reviewed regularly by the cross-functional Apex team. Actions taken include: (i) Regular feedback from the stakeholders, (ii) Volunteers meet, road shows, CS bulletin, applying for awards and certifications like Social Accountability (SA) 8000; the pilot for which is in progress.

TCS will continue to drive improvements in its CS practices through involvement with organisations and initiatives such as BitC's Corporate Responsibility Index on a worldwide basis. CS targets and objectives in all main geographies are shared worldwide in a continually developing scorecard. The delivery of initiatives is motivated via champions who focus on:

- Ethics (Workplace and Marketplace)
- Community
- Environment

These champions are coordinated by a facilitator in each region with a two way reporting structure with the core CS leads in India, UK and USA. These in turn mutually support and develop CS in their adjacent developing business geographies, that is, USA to South America, UK to Europe and India to the rest of the world. TCS has endorsed two international voluntary initiatives, namely the United Nations Universal Declaration on Human Rights and the UN Global Compact. TCS is a member of NASSCOM, with one of the TCS leadership acting as an Executive Council member. TCS is also a member of BitC in the UK. We have achieved membership of BitC's PerCent Club (which prescribes investing 1% of pre-tax profits in community investments) with the aim for 2007/08 being to exceed the 1% threshold for our community investments.

We have also participated in the Corporate Responsibility Index in 2006, achieving 86% overall and reaching the Gold standard for our Community programmes.



## The TCS 3-Generation Approach

The first generation involves initiatives characterized by philanthropy. These initiatives express TCS's and its employees' social conscience and their joint efforts to aid the less privileged in society.

The second generation involves initiatives that support communities affected by the business.

The third generation involves initiatives visibly pioneered by TCS, from using its core competence to address the needs of large-scale societal problems.

All the generations are equally important and the model serves as a mechanism help categorise the activities.



## First Generation

### Case Studies

Volunteering is an integral part of CS and has attracted more than 1,000 employees at TCS offices in India and abroad.

- Blood Donation Drives are organized regularly across TCS.
- St. Peter's School Initiative London—Sensitization of school children in the UK towards Indian culture

Other CS activities carried out in several cities in India include support for restoration of heritage buildings, involvement in educational causes, assistance in building hospitals, sponsoring of sports events, creating computer databases for NGOs, re-uniting children from remand homes with their parents using telephone and e-mail contacts, computer training at orphanages, organising blood donation camps, participating in clean-up of localities and beaches

TCS is partnering with the MS Swaminathan Research Foundation and the NASSCOM Foundation for the Mission 2007 National Alliance covering about 6,00,000 Indian villages. Simultaneously, the programme has also been scaled up along with the Tata Council for Community Initiatives to work with government agencies.



Left: children sampling Indian food. Right: in a gurudwara with the TCS team

## First Generation

### Case Studies Contd..

In the UK, a significant campaign has been the work done with underprivileged youth, initially through sponsoring of Stepney Football Club in a deprived part of London to address major self-esteem and racial tension issues and education aligned activities driven cooperatively by national CS and Royal initiatives. Other UK initiatives include education activities in a variety of forms. In the US, TCS supports many health causes such as construction of Habitat for Humanity houses and the Salvation Army initiatives. All over Europe, over 700 TCSers joined activists of the UN World Food Programme to create awareness of and raise funds to fight child hunger. In Hungary, TCSers shared their festivities during Holi and Diwali in children's hospitals, with food, gifts and entertainment. Mr. S. Ramadorai has taken special interest in the building of a 'bund' (embankment) to protect soil erosion at Sanjay Gandhi National Park, Mumbai.



**Presenting the football kits to the Stepney Football Club, UK**

At the Mumbai Marathon, in 2007, there was a registration of 300 participants from TCS, and the focused drive was aimed at collecting funds for rebuilding the 59-year-old Society for Rehabilitation of Crippled Children's (SRCC) Hospital into a world class referral hospital for children in Asia, which is estimated to cost over 70 million Rupees when completed.



**Mr and Mrs. Ramadorai at the Mumbai Marathon**



Second  
Generation

## Case Studies

**Academic Interface Programme (AIP)**

TCS has always fostered close relations with Academia and is acknowledged as a pioneer in India for having provided a direction and perspective to IT education. The AIP facilitates a robust high-quality, long-term relationship leading to a win-win situation for both since it also provides special access for recruitment.

The AIP consists of a Faculty Development Programme (FDP), workshops with Academic institutes, project support and internship to students, sponsorship of academic events and hosting Professors on sabbaticals in TCS. The highlight of the annual calendar is **"Sangam"**, a conference with Heads of leading Engineering and Management institutes and separately with Heads of Computer Science Departments.



TCS has jointly evolved higher education programmes for its own employees at prestigious institutes in India, such as Anna University in Chennai and Jadavpur University in Kolkata, where engineers can study for a Masters degree. A recent new initiative is the Global Internship Programme which has enhanced TCS's ability to attract talent across the US, Europe, Asia and Latin America.

To enhance the availability of talent, TCS is developing alliances with an increasing number of colleges which is helping us to recruit the best quality talent from over 300 colleges including a considerable number from Tier III cities in India. We have opened up the talent availability pool further by identifying Science and Maths graduates through an innovative programme called IGNITE. IGNITE is a seven month residential training programme that converts science students into software engineers through a focus not only on software but also other skills to create global-ready professionals.

TCS sponsors awards for best student and student project and provides internships to students from India and other selected overseas institutes. TCS has partnered with Education World to institute an annual Teachers Award programme. The award is designed to recognise great teachers, to stimulate discussion in the academic fraternity about the value of teaching and to encourage departments and institutions to value great teachers.

**Academic Interface Programme (AIP)**

	<b>Target 04/05</b>	<b>Actual 04/05</b>	<b>Target 05/06</b>	<b>Actual 05/06</b>	<b>Target 06/07 Q3</b>	<b>Actual 06/07 Q3</b>
Number of workshops conducted	35	180	70	268	270	240
Workshop Satisfaction Index	>3.2	3.67	>3.2	3.59	>3.2	3.56
Number of Faculty Development Programmes (FDP) conducted	14	16	28	37	100	57
FDP Satisfaction Index	>3.2	3.64	>3.2	3.66	>3.2	3.62
Number of events sponsored	35	117	70	144	175	95
Number of project students	400	759	800	1087	1300	938
Number of Institutes	-	244	-	397	-	



Second  
Generation

## Case Studies Contd..

For the last four years, TCS has been conducting an IT Quiz in rural and urban centres to raise the level of IT awareness. This year almost 100,000 children participated in the programme in Karnataka alone. TCS also partners with academia to sponsor initiatives aimed at developing academic thinking on a range of issues. A recent example is the collaboration between TCS, Nyenrode Business University and The Wall Street Journal Europe to provide Europe's top business students a platform to share their views on 'Global Sourcing' from an 'Innovation' perspective. See the Global Sourcing and Innovation Award 2007 web site (<http://www.gsiawards.com/home.html>) for further information.

Another example is TCS's link with the Said Business School, Oxford University, via a 3-year sponsorship of the Oxford-Indiforum, which brings together leaders in Indian business and Government to exchange ideas on topics of interest to the business community.



Award ceremony at the IT Rural Quiz

Second  
Generation

## Case Studies Contd..

**Initiatives in Hungary**

In Hungary, second generation initiatives include training in Networking and SAP ABAP for engineering students at Budapest University of Technology & Economics. S. V. Mani (GM and Head - Eastern Europe, TCS, Hungary) became the first Indian and first Asian to receive the prestigious "For Budapest" award from the Municipal Government of Budapest which is given every year to well known personalities who have contributed significantly in the various fields for the development of the Budapest city.



S.V. Mani with the "For Budapest" award

Second  
Generation

## Case Studies Contd..

**Suryodaya Educational Program for College Students**

The Suryodaya program links rural engineering colleges in Gujarat for a learning program that enhances IT and soft skills and aimed at Students of 3rd and 4th year of engineering (all branches), MCA and MSc from more than 30 engineering and MCA colleges. Named "College to Career" by the government of Gujarat, this program intends to help students upgrade their technology and programming skills and enhance communication and presentation skills. The Suryodaya initiative has been launched state-wide and is covering more than 30 colleges with 2000+ students

**Insight Educational Program for School Students**

InsightT is a camp, which aims to provide an overview of the skills required in the IT industry to Class 11 students from less affluent schools and with limited exposure to IT. It is a blend of technical as well as business ethics, human resources, cultural sensitivity and related skills.



The CEO, Mr. Ramadorai, inaugurating InsightT

**Research & Development with Academic Institutes**

TCS has established academic alliances and R&D collaboration with institutes in India and overseas through its Division, Tata Research Development and Design Centre (TRDDC) which is one of India's premier R&D centres in software engineering and process engineering. TCS has a regular programme where funding is provided for sponsored research in areas related to TCS domain, for example, intelligent Internet and microelectronics. Such alliances become important in research contexts that require a longer time frame, and a space protected from business pressures. TRDDC's collaborations with these institutes lead to the generation of IPR and meet the need for TRDDC to have timely access to upcoming and future technologies and expertise. Several research papers have been published as a result of these research activities with the active involvement of TRDDC. The table shows academic alliances of TCS with varsities and the areas in which these alliances have been forged.

**Academic Alliances of TCS**

University	Area of alliance
Georgia Tech University (USA)	Software Quality & Assurance
University of Aalborg (Denmark)	Mobile Communications
University of California (USA)	Riverside Networking
University of Illinois at Urbana Champaign (UIUC) (USA)	Mathematical modelling & Optimization
University of Wisconsin, Milwaukee (USA)	Business applications
University of York and King's College, London (UK)	Model-based development of systems
Indian Institute of Technology, Bombay (India)	Intelligent Internet Research Lab
	VLSI Design & Electronics
Indian Institute of Technology, Madras (India)	Computational Engineering & Finite Element Analysis and Design
Indian Institute of Science, Bangalore (India)	Advanced Product Design & Prototyping

## Third Generation

### Case Studies

TCS's Adult Literacy Programme (ALP) has served over 100,000 learners all over India in eight languages. Further enhancements to the existing interface as well as functionalities have also been initiated. TCS has partnered with central and state governments for technology enablement of important community based solutions. We have also worked with international bodies and NGOs directly in the field in several path-breaking programmes that have benefited rural and underprivileged communities.

TCS strongly believes that despite infrastructural and demographic constraints, suitable technology can transcend limitations and bring big gains to rural India. Many of our projects are a validation of this. Some of these projects use new technologies like:

- Mobile phone based applications
- Internet based applications
- Natural / Local Language software
- Voice recognition
- Video conferencing
- Satellite based broadcasts

Each of these applications works with limitations such as poor connectivity, illiteracy, lack of English proficiency, and minimal resources.

#### APOnline

APOnline provides multiple services through multiple channels, any time and any where to the people, government departments and businesses of Andhra Pradesh (AP). This application has been developed in partnership with the Government of AP and has won the 'Innovation of India' Award instituted by the 'Innovation of India – Marico Foundation' in June 2006. The application has also won the Microsoft eGovernance award for its eGovernment initiatives through its contribution towards the society in Oct 2006.

Key features of the application include:

- **Interactive Services:** People can apply for new electricity and water connections; register for a new provisional certificate for setting up small scale industries; submit requisition of birth & death certificates; apply for land records, nativity certificates and so on. Examination cells can host hall tickets for download and post exam results.
- **Transactional Services:** Citizens of AP can pay their utility bills (electricity, water, telephone and mobile phones), pay property taxes, purchase pre-paid PIN numbers of mobile operators, and so on.
- **Information services:** The gateway provides up-to-date information on a wide range of subjects relating to different government departments.
- **G2G Services:** APOnline develops internal applications for various government departments such as online teacher transfer requisitions, online counselling of teacher transfers, online workflow system for PMRY, and so on.



TCS Hyderabad RM, G Ramanathan and AP Online Operations Head, MR Srinivas receiving the 'Innovation for India' award

Third  
Generation

## Case Studies Contd..

**National Rural Employment Guarantee Scheme (NREGS) Solution**

This development automates Andhra Pradesh Government's Rural Employment Guarantee Scheme, providing all the required data about the rural unemployed online, to facilitate a speedy and error-free implementation of the scheme. It is expected that the scheme will allow 3.5 million rural households to register for wage employment across 13 districts in Andhra Pradesh.

A summary of the benefits of the development are:

- **Organises Complex Data:** The solution enables the collection, storing, sorting and search of large volumes of data on people, jobs and wages.
- **Simplifies Complex Tasks:** It simplifies the issue of job cards to rural households, identifies work to be undertaken, generates work estimates, and monitors progress of work execution and details of wage payment.
- **Speeds up Processes:** It reduces time taken to generate work estimates from 15-20 days to a few minutes.
- **Reduces Fraud:** The system enables crediting of wages directly into bank/postal accounts of wage seekers thus minimising errors and frauds. The payment cycle has been significantly reduced to less than 1 week.

**Farmers' Application: Project 'mKrishi'**

This application is a new concept in providing information for farmers by giving them access to key details via mobile phones. Farmers can access localised information and advice on agricultural issues through graphic and voice formats in local languages. This is of greatest value to farm communities that have limited village infrastructure.

The range of information available includes:

- **Weather Forecasts:** Mobile phones display graphically a seven-day forecast of precipitation, cloud cover and temperature variation for a specific village.
- **Pesticide and Fertiliser Advice:** The farmer sends a query by either pressing an icon or responding to voice or text menu. Local information on weather, soil and crop is provided to the server automatically through a CDMA network. An expert replies with advice on the type and amount of fertiliser required and pesticide to be used.
- **Market Information:** Mobile phones display local 'mandi' (market) rates across commodities in nearby markets.

**Village Knowledge Portal**

The Village Knowledge Portal will be a part of "Village Knowledge Centres" run by the M. S. Swaminathan Research (MSSRF) foundation and enables a complex system of information sharing among rural communities through rural ICT kiosks.

Key features include:

- **Content Sharing in local language:** Village communities can share current information such as agricultural data, weather information, and expert advice on farming and other rural occupations in the local language.
- **Online and Offline content:** Each village kiosk can update local content and store it locally, distribute it, or synchronise it with the repository.
- **Prioritisation of content:** Each location can export and import articles of interest and prioritise such movement.



## Third Generation

### Case Studies Contd..

#### Computer Based Functional Literacy Program

Computer Based Functional Literacy (CBFL) has introduced a paradigm shift in the way a language is taught by ensuring functional literacy within 30 to 45 hours of learning. This solution is especially of value to illiterate women, labourers and those in the casual worker categories who cannot spare long hours for study.

In the last few years, 1400 ALP centres have functioned in places like Andhra Pradesh, Guna district in Madhya Pradesh, Maharashtra, and Uttar Pradesh. The content has been translated into 8 languages and benefited more than 100,000 people. The programme was also identified by the South African Government, and the first set of Northern Sotho language lessons has been created. The National Literacy Mission (NLM) has acknowledged TCS's contribution towards its mission and has plans to adopt CBFL in its 11th Plan.

Key features include:

- **Lively Content:** Usage of Flash animation and sound clips lead to recognition, retention, and recall of words.
- **Flexible Schedules:** The course can be run for one to two hours each day for about three months. As sessions are not long, classes can be timed to suit the local community.
- **Easy Operability and Maintenance:** "Teachers" at these centres can be trained easily as the technology is simple.
- **Local Language Software:** TCS software package that is available in eight languages (Telugu, Tamil, Hindi, Marathi, Bengali, Gujarati, Oriya, and Urdu; Kannada package under development) is the key facilitator.



**CBFL classes in South Africa**

### Maitree

*Maitree* is a unique initiative in the organization, for all TCS associates and their families, launched to provide a forum for ideas and skills and to engage in socially relevant activities. TCS-*Maitree* offers a host of activities that promotes the bonding of the associates and their families of all age groups irrespective of all their status/hierarchical levels.

#### Vision:

- To integrate TCSers amongst themselves and to enthuse a sense of camaraderie.
- To understand the challenges of globalization.
- Facilitating the organization in creating a brand for itself among the associates.
- Motivating and encouraging family participation through various events and activities.
- Making Responsible Global citizens that would be the leaders of tomorrow.



#### Mission:

- To understand cultural differences and help in cross-sensitizing the associates.
- To work on various community initiative projects at local & overseas locations and to propagate the Tata and the TCS core values.
- Advocating the 'Experience Certainty' campaign through various *Maitree* road shows.
- To create awareness on subjects like HIV/AIDS, Global Warming, Environmental Hazards etc. which are being globally discussed today.



**MAITREE**  
Together - Caring & Sharing

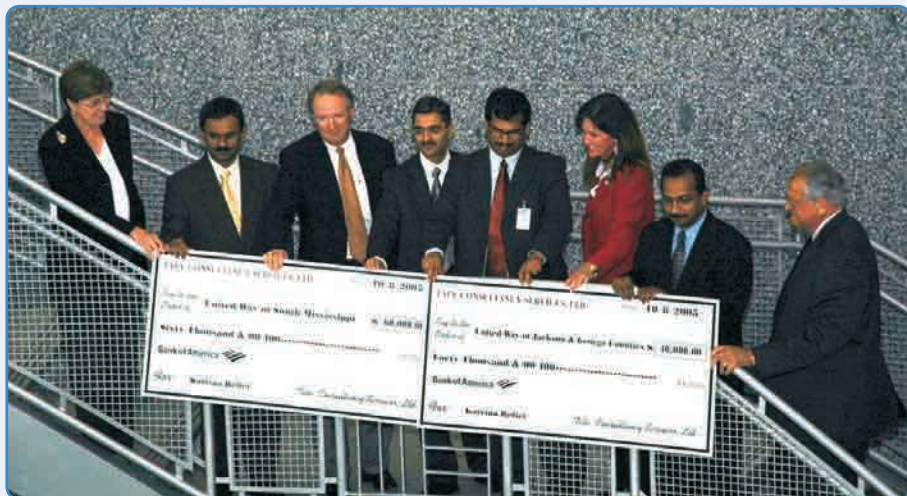
## Case Studies

### ***Divya Drishti***

Executed from Kolkata, India, *Divya Drishti* is a project to help achieve navigation of the visually-impaired through a mobility aid. TCS software engineers are focusing on creating a schematic design of a near-perfect indoor navigation system, providing the blind with an audio-map of their surroundings, with transmitters which guide and inform them along the path of minimum obstruction.

### **Globally helping the communities**

- Helping the local communities in U.S/U.K by refurbishing old age homes and gifting food baskets.
- During Hurricane Katrina, TCS Employees lent a helping hand and received appreciation from the U.S government.
- Conducting Intercultural Trainings for TCS associates for cross sensitization.



**Individual contributions amounting to USD 50,000 were matched by TCS and a cheque of USD 100,000 provided to relief agencies during Katrina**

### **Awareness Sessions for Associates:**

Disaster Management Workshop for associates and for the Administration Department—to make 'First Responders' whose timely and accurate intervention can help to stabilize the victim until a trained assistance arrives on site during a calamity—were organized across centres in Mumbai.

Right to Information (RTI) Act Awareness Sessions were conducted by Mr. Shailesh Gandhi, Convener, National Campaign for People's Right to Information. The session was attended by more than 1000 TCS associates

Around 500 TCS associates in Mumbai attended a basic session on HIV/AIDS awareness organized by *Maitree*. In addition to this, 20 associates were certified as Peer Educators by Modicare Foundation after they attended a full day session which covered all aspects of HIV/AIDS Awareness including counselling a HIV positive person.



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## Case Studies Contd..

### Promoting Rural Literacy through the Wazapur (Panvel) Initiative

Started two-and-a-half years ago, the Wazapur initiative primarily aimed at teaching conversational English to primary school children in Wazapur village in Maharashtra state. Under the Children's Education Programme, the children learnt to converse in English through fun, games and classroom exercises. At Waze Senior School, our CEO Mr.S.Ramadorai launched the Computer Literacy Programme (CLP) by inaugurating a lab, primarily aimed at the senior students. The next cause that was taken up in the village was the Women's Literacy Program (WLP) in which women were taught to perform basic calculations, along with awareness of health and hygiene. Women from Wazapur showed interest in the craft of tailoring, so *Maitree* took the help of a professional to train them. In the interior of Wazapur village is a predominantly tribal belt called adivasi pada where the community still ekes its living by cutting wood or working as contract labourers. Most people are poor and do not have the basic amenities of life like water, medical aid, and education. *Maitree* is taking steps to bring these people into the mainstream village life of the people of Wazapur.



Learning enthusiasts at the Wazapur School with their instructor (volunteer from TCS)

#### TCS Maitree: Panvel School Drive Effectiveness, Location: Wazapur, Raigad Dist (25 kms from Panvel)

2005/06	2006/07
Volunteer count rose from 10 to 60 employees. Children attending the school went up from 10 to 45	Volunteer count rose from 60 to 80 employees. Children attending the school went up from 45 to 250. Coverage of WLP increased
Using creative teaching methodology, taught with the existing English books that the kids had Celebrated <i>Diwali</i> (Festival of Lights) Independence Day with the kids, Distributed Uniforms. Trying to talk with nearby tribal villages ( Waadi) to make their kids as well to join the classes Launched the Women's Literacy Programme	A lady teacher involved in teaching embroidery, stitching etc to the WLP participants Medical Camp Organized for Children. HIV/AIDS Awareness session organized for the villagers and for the 10th std students of secondary school. Computer Lab Inauguration by the CEO and MD, Mr. Ramadorai. More than 250 students of the Waze secondary school benefiting from the lab. Deployed Renewable Energy Form i.e. Hybrid system of Solar Panels and Wind Energy to run the computer lab. Planning to extend Computer Literacy Program to villagers and using ALP CDs to impart literacy. Use of ALP thus overcoming the under utilisation of the computer lab. Boring done at the secondary school to provide the water.

**\*Children's Education Program (CEP) and Women's Literacy Program (WLP)**



**MAITREE**  
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## Case Studies Contd..

### Eco Friendly Drives

*Maitree* volunteers participated in a 'Beach Cleaning Drive' organized by the Ocean Conservancy on the International Coastal Clean-up Day at Hong Kong.

55 Volunteers from AVIS participated in a major clean-up drive at Juhu Beach in Mumbai. A similar drive was also organized at Chennai.

40 associates participated in Harishchandragad Eco-Drive Trek. Huge amounts of plastic litter, biodegradable garbage, bottles and so on were collected. Green Audits were organized at various TCS offices to check for the consumption of paper, water and electricity. Vermicomposting and rain water harvesting were promoted during these audits.



**TCS Volunteers at an Eco-Drive**

## Public Policy Participation

On the proposed bill to the IT Act 2006, in furtherance to the amendment of the IT Act 2000, TCS provided extensive review inputs to NASSCOM. In fact, whenever NASSCOM or any public body has elicited our opinion on policy framing or any guidelines, TCS has been forthright in providing an unbiased opinion.

TCS strictly adheres to the policy of non-alignment with any political party as laid down in the Tata Code of Conduct. There have been no corporate contributions to political parties, politicians, and related institutions globally.

### Recognition

- AC Nielsen's Corporate Image Monitor has ranked TCS in the top 10 on Social Responsibility, Environment, Higher Education and Research.
- The ALP has been commended as an Innovation in the Corporate Social Responsibility area under the EMPI-Indian Express awards.
- TCS won global recognition for its CS activities in February 2007 as the winner of the Golden Peacock Global Award for CSR. TCS also won the same award at the national level in January 2007 at a competition organised by the Institute of Directors.
- TCS has received Mother Teresa Award for Social Justice in the Corporate category.
- UK's BitC has recognized TCS for its CS. TCS has also achieved 'Silver Band' in BitC's Corporate Responsibility Index.



# *Product Responsibility*



## Product Responsibility

### Product Responsibility Strategy and Management Approach

TCS takes responsibility for the products and services it delivers. Our Quality Management processes ensure that the service we deliver has minimal defects; TCS also provides warranty periods in its contracts with its customers for after-delivery service in the case of a defect.

TCS's commitment to quality and schedules ensures that the client's needs are met consistently. It adopts a systematic approach to problems, and encourages experimentation, innovation and creativity in finding feasible solutions. Being a process-oriented organization, TCS believes that the definition of a good process and subsequent adherence to that process is a critical part in ensuring a successful project. Through its solutions, TCS, by automating manual processes for its customers, aims to reduce paper usage. Through its Research and Development arm, TRDDC, TCS is currently also exploring new ways of converting industrial waste into useful products (See Research and Development, Page 43).

### Quality Management System

TCS's Quality Management System (QMS) is based on the ISO 9001:1994, IEEE standards, ISO 9001-3 and CMM Guidelines. Well-defined architected processes are adopted for development, implementation, maintenance, and conversion projects. These processes are defined in the Process Handbook documents, which form a part of the TCS QMS. TCS also conducts different reviews at different stages of the project life cycle to ensure high quality.

### Reviews

There are three levels of review that are performed—Internal Quality reviews, performed by members of the project team; External Quality reviews that are carried out by analysts external to the project team; and a Final Inspection to make sure all open defects and suggestions have been closed. The objectives of the review will be to ensure that:

- The project requirements are met
- No errors have been introduced
- Standards are adhered to
- Testing has been adequate

### Testing

Different types of testing - to make sure that the system works at its most minute level, as well as a whole- form an integral part of the project.

- Unit Testing: Testing each module/block as a single unit
- Integration Testing: Testing the different interfaces of the system to make sure it works as a whole
- System Testing: Testing the system for system level functionality, security, external interface, usability and integration of the different modules under it.
- Acceptance Testing: Based on pre-defined acceptance criteria, the client conducts the acceptance test during this phase. The TCS team provides support during this phase.

### Certainty With Speed

Cutting-edge solutions delivered with speed and precision and the constant search for excellence and innovation had led to a partnership between the makers of one of the world's fastest and most famous red car and Asia's largest software company. A Formula 1 entry, as part of Ferrari's technology team, is a feather in the cap for TCS, showing that the Indian industry leader is now part of an elite group that is



driving the future of technology worldwide. Collection and processing of millions of data elements with speed and accuracy is daily business at Scuderia Ferrari - the Maranello, Italy based home of the car manufacturers. While glamour and speed is what attracts millions of viewers to the races, a lesser-known fact is that increasingly, TCS has also delivered cutting edge engineering solutions to several customers in Europe in the automotive, aerospace, heavy engineering and automation domain. TCS remains the first and only Indian company to enter the F1 stadium alongside the most famous occupant of this global arena.



# There are times when everything must change.

Imagine operating a computer system through which thousands of parties – bankers, brokers, fund managers, clearinghouses, stock exchanges, and investors – transfer hundreds of billions of dollars every day. Now imagine executing a total transformation of this system that doesn't result in significant system or procedural changes for its users.

Such a daunting task was presented to CDS Clearing and Depository Services Inc. (CDS), Canada's central securities depository clearing and settlement hub. CDS needed to integrate existing systems, shorten cycle times, reduce costs, and create new functionality for the 21st-century investment community. They turned to TCS for help.

What followed was an ambitious three-year engagement to build a new system that represented one of the largest and most complex infrastructure initiatives in Canadian financial services. TCS placed experts on-site at the client's Toronto headquarters and at our development center in Chennai, India. The nine-hour time difference between locations placed our team on the job 24/7, dramatically collapsing timeframes for building and refining the new applications and systems.

The first priority was to integrate two 25-year-old legacy systems and create a single clearing and settlement platform with powerful, advanced features. TCS hastened development by using our proprietary Network Custody Solution (NCS), which automates such tasks as trade settlement, corporate-action administration, registration of securities, claims and rejections, securities borrowing and lending, custody and depository management, and charges and taxes.

This high level of automation dramatically reduced the overall cost of processing securities transactions. It also positioned CDS and the Canadian capital markets to be ready for any industry move to shorten the settlement cycle from three days to one. TCS helped the Canadian client leap beyond interim solutions to achieve a faster, more efficient, and highly user-friendly system for everyone involved in the financial services arena.

TCS provides IT services and applications and we aim to ensure the impact of our business on local communities and the environment is minimised. We comply with all laws governing marketing communications including advertising and sponsorship. Our Code of Conduct and IT security policy ensures compliance with the highest standards of data protection.

## Research and Development

Area	Applicable Laws
Local Regulatory Requirements	STP Laws, Shops and Establishment Act, and others
Financial	FEMA, Financial Reports in line with the Accounting System of the country of operation, Tax laws, Export Regulations
Global Regulatory Requirements	Immigration laws, IPR laws, Labour laws of country of operation
Corporate and Secretarial	Companies Act 1956, Securities Contract Regulation Act, SEBI Act & regulations made there under, provisions of listing agreements of stock exchanges
Product, Occupational Health & Safety, Accreditation, Certification & Registration, Environment	As in the internally structured Work Environment (WE) Guidelines. Health & Safety audits as required

TCS has always been a pioneer and a leader on the forefronts of investment in R&D. It has an enviable track record in industrialization of Software Production. Innovation is an important part of the organizational 'DNA' of TCS. It is a key enabler of the 'Experience Certainty' proposition.

We disrupted the IT Services world when we created the India-centric model. We have evolved and matured the India model to the Global Network Delivery Model™ today. 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.

The Tata Research Development and Design Centre (TRDDC) was established in 1981 as a division of Tata Consultancy Services and has the distinction of being the first and the largest dedicated R&D centre in the Indian software industry. Targeted at high-end technological needs, TRDDC demonstrates



TCS's commitment to delivering innovative solutions through the creation of intellectual assets. These take the form of new technologies, models, tools and products that serve the software engineering needs for TCS clients in a wide range of industry verticals. Equipped with interdisciplinary skills of over 200 highly qualified professionals, TRDDC maintains strong links with universities and academic institutions all over the world.

TRDDC is focused on Innovation through R&D in the following two significant areas that will build new solutions and use tomorrow's technology to solve today's business problems.

### Process Engineering:

- Transformation of industrial waste: A major initiative is underway at TRDDC to transform industrial waste into useful products. TRDDC scientists have developed a number of techniques for converting industrial waste into alinite cement which has properties that closely match those of the more conventional Portland cement.
- Nanotechnology: TRDDC is investigating the use of nano-materials for industrial coatings where special properties are needed in the coatings. These nano-material based coatings can transform certain applications through their robust and long lasting properties.

### Software Engineering:

- Data Masking: Research on data privacy has already led to the release of the first data privacy tool developed in India, Masketeer. Data masking tools have major applications in the financial services, healthcare and public information areas.



- **System Complexity Management:** TRDDC has been working on new techniques for managing the complexity of very large IT systems – IT systems with 100,000+ desktops, 1000+ servers and inter-linked communication and storage resources.
- **Fraud Detection:** Applications to detect fraud in large system-based organizations like stock exchanges and public utilities such as electricity providers are being developed at TRDDC. This requires using software for the identification of patterns of potential misuse in real-time, e.g., collusion between parties and cartelization on stock markets.
- **Information Extraction Tools:** TRDDC is working on extracting information from very large text databases, to help identify major trends and problems from seemingly unconnected data. New techniques using algorithms are being developed to identify patterns in such text and to make them available for subsequent inspection in an understandable form.

## Customer Satisfaction and Dissatisfaction

Customer Satisfaction and dissatisfaction are determined at each level of the client relationship—operational, tactical and strategic. At the project level, we obtain client requirements at the start of the project. This forms the basis for collection of customer feedback. The half-yearly (or project-end) Customer Satisfaction (CSAT) polled to all our clients enables subsequent information gathering, analysis and action at the project level.

The findings of CSAT surveys are used to develop action plans to meet the requirements of different customer groups and to exceed customer expectations. The outcome of our efforts is reflected in positive referrals and repeat business.

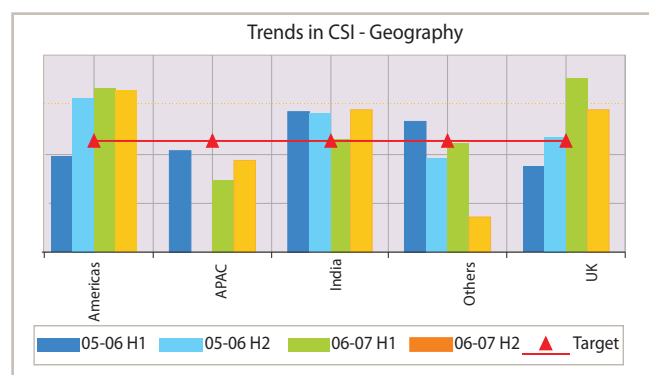
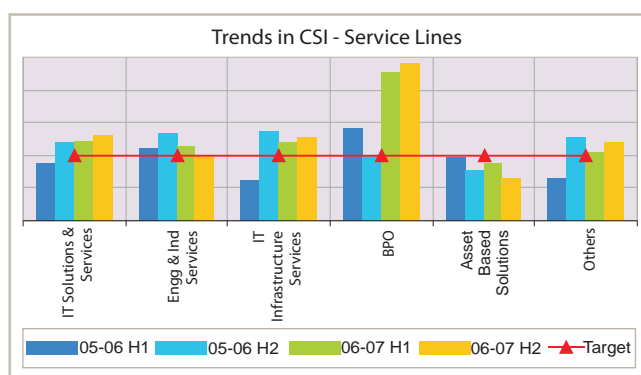
At the relationship level, Relationship Score Card (RSC) reviews and participation in customer's strategy sessions are used to gauge CSAT levels, which form the basis for corrective action.

At the tactical and strategic levels, our Leadership team visits clients, and the clients visit our locations in India. The annual Lifeline survey enables us to better understand the organisational needs of our clients whom we consider strategic to our business. To make this survey truly independent and unbiased, the TCS team that participates in face-to-face interaction with executives of a particular customer comprises senior-level individuals who have no current or prior association with that relationship. Analysis of the survey feedback is shared with all the concerned units for action. At the account level, it is used to initiate corrective action, prepare improvement action plans, share Best Practices across accounts/segments for addressing customer issues and as inputs to key areas like product planning, marketing, and new business opportunities. Our overall customer satisfaction index as measured by the internal surveys stands at 88% at the end of FY 2006/07 against a target of 85%; the target for FY 2007/08 remains at 85%.

The survey analysis is also presented and discussed in review meets. Organisation-level action items and their owners are identified. As the next step, detailed account-level analysis is shared with the respective account owners for closure of action items and for conveying it to the client. The Corporate Programme Office (CPO) and Lifeline team co-ordinate the Lifeline process and ensure closure of action items.

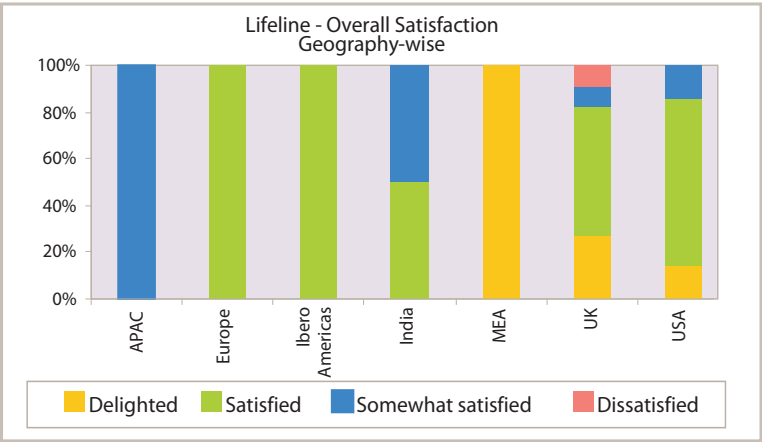
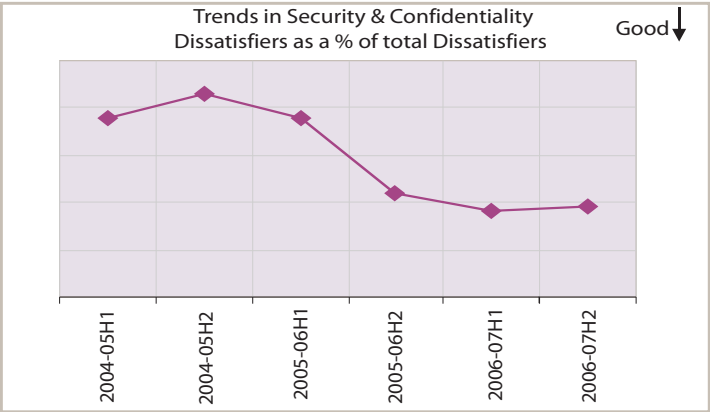


**TCS honoured with the 'Most Distinguished Achievement Award in Information Management (APAC) - 2006' by IBM**



We use customer follow-up methods at every level of the relationship. Identifying owners to close action items resulting from these follow-ups enables prompt resolution of issues raised by clients. Minutes of the meetings are maintained and actions are closed within committed time frames. The overall ownership of closure rests with the concerned Relationship Manager (RM), who is assisted by the concerned units.

At the strategic and tactical levels, the Leadership team interactions and regular meetings of the



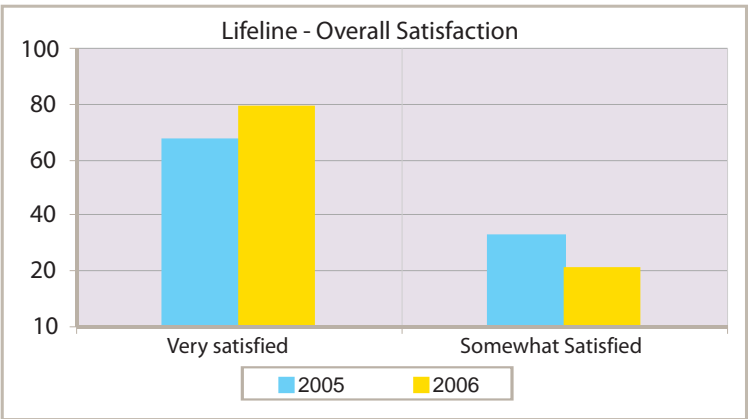
Business Relationship Managers/Regional Managers with clients provide feedback on our performance in comparison with our competition in that particular relationship. Information obtained is largely used by the BRM/RM to take corrective action at a relationship level, to strengthen the relationship and to plan for future business from the client. At the operational level, our project teams at client sites act as key listening posts to understand client perceptions of our performance in comparison with our competition. This is more so in cases where we are working along with our competitors at the same client site.

The team uses this information to take corrective actions, if any, at the project level.

TCS has BS 7799 certification, which is the most widely recognized security standard for Information Security Management and is an assurance that the confidentiality, integrity and availability of vital Corporate and Customer information is maintained.

Marketing Communications

TCS arranges Legal training workshops in-house to provide Project Managers and Technical Experts with a broad perspective of the laws applicable in our Line of Business, entailing contracts and Intellectual Property Right laws. The Marketing group publishes guidelines and standards on usage of the TCS Brand on Ultimatix.



## Recognition

- TCS has been awarded the CII-EXIM Bank Award for Business Excellence 2006 for its achievement of business excellence as a measure of organizational competitiveness. The CII-EXIM award is based on the European Foundation for Quality management (EFQM) model.
- The International Association of Outsourcing Professionals (IAOP) has recognized TCS as one of the world's best BPO outsourcing service providers for 2006.
- Economic Times named TCS as 'Company of the Year' in 2006
- TCS has been awarded the top position in the Top 10 Best Performing IT Services Providers category in the 2007 Global Services 100 listing.
- TCS has been ranked as #1 IT Offshore Supplier of the Year 2006 by JPMorgan Chase (JPMC).
- Forrester, an independent research firm, cited TCS as a Leader in its March 26, 2007 report titled "The Forrester Wave: North American Applications Outsourcing, Q1 2007".
- TCS topped the prestigious ET500 list of top Indian companies for the second consecutive year.
- Frost & Sullivan has selected TCS as the recipient of the 2006 Frost & Sullivan Company of the Year Award in the information technology (IT) services space for the manufacturing industry.
- TCS attained a position in BusinessWeek's Top 100 top performers in the Tech Industry.
- TCS ranked number 367 (last year #406) in the Financial Times, London's FT Global-500 rankings on market capitalisation.



**Mr S Ramadorai, CEO and MD, TCS receiving the CII EXIM Award 2006  
Mr K Subramanya Naidu, Minister for Major and Medium Industries,  
Govt of Karnataka**

The following awards/certifications have been received by TCS in the areas of Quality Management:

- JRD-QV Appreciation received the second consecutive year in a row (Based on the Malcolm Baldrige National Quality Award—America's highest honour for performance excellence- which was established to promote quality awareness, to recognize quality and business achievements of U.S. organizations, and to publicize these organizations' successful performance strategies.)
- ISO 9001 Certification: TCS had been certified enterprise-wide; with the certificate being applicable till 2008. The audit was carried out by RWTUV Germany.
- CMMI Level 5 Certification: TCS had been certified enterprise-wide; with the certificate being applicable till 2007 end. The audit was carried out by Ron Radice from SEI and Bill Hefley (co-author of P-CMM) as lead assessors.

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	4.8 Internal mission / values statement	About TCS Tata Code of Conduct ( <a href="http://www.tcs.com/SiteCollectionDocuments/About%20TCS/TCS_Associates_Code.pdf">http://www.tcs.com/SiteCollectionDocuments/About%20TCS/TCS_Associates_Code.pdf</a> )	3
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	EC3 (core) Pension plan obligations	Contribution to Benefit Schemes	14
	EC4 (core) Financial assistance from government	No financial assistance received in FY 2006/07	
	EC5 (core) Wage comparison	Market Presence	14
	EC6 (core) Practices for spending on local suppliers	Local Market Spending – Suppliers and Senior Recruitment	14
	EC7 (core) Hiring policy – locality of senior management	Local Market Spending – Suppliers and Senior Recruitment	14
	EC8 (core) Infrastructure investments	Community	28
	EC9 (additional) Indirect economic impacts	Community	28
Environmental Performance Indicators	EN1 (core) Total materials used	Materials	16
	EN2 (core) Percentage of recycled material	Waste Management	18
	EN3 (core) Direct energy consumption	Water	17
	EN4 (core) Indirect energy consumption	Not applicable due to the nature of TCS's operations	
	EN5 (additional) Total energy saved through conservation	Emissions	18
	EN6 (additional) Energy efficient products / services	Energy	17
	EN7 (additional) Initiatives reducing indirect energy consumption	Energy	17
	EN8 (additional) Total water withdrawal by source	Energy	17
	EN9 (additional) Water sources significantly affected by water withdrawal	Water	17
	EN10 (additional) Percentage of water recycling / reuse	Till date, no water sources have been affected by water withdrawal.	
	EN11 (core) Land usage related to protected areas	Water	17
	EN12 (core) Impacts on protected areas	Biodiversity	17
	EN13 (additional) Habitats protected / restored	Biodiversity	17
	EN14 (additional) Strategies for managing biodiversity	Biodiversity	17
	EN15 (additional) Number of habitats of IUCN Red List species affected	Environment Strategy and Management Approach	15
	EN16 (core) Direct & indirect greenhouse gas emissions by weight	None	
	EN17 (core) Other relevant indirect greenhouse gas emissions by weight	Emissions	18

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	EN18 (additional) Initiatives to reduce greenhouse gas emissions and reductions achieved	Emissions	18
	EN19 (core) Ozone-depleting substance emissions	Emissions	18
	EN20 (core) NOx SOx emissions by weight	Emissions	18
	EN21 (core) Total water discharge	Water	17
	EN22 (core) Total waste by type and destination	Waste Management	18
	EN23 (core) Total number of significant spills	Nil	
	EN24 (additional) Hazardous waste by weight	Nil	
	EN25 (additional) Water sources / habitats affected by water discharges / runoff	None	
	EN26 (core) Products and services impact reduction	Not applicable due to the nature of TCS's operations	
	EN27 (core) Percentage of products reclaimed	Not applicable due to the nature of TCS's operations	
	EN28 (core) Sanctions for non-compliance	Nil	
	EN29 (additional) Impacts of transport / logistics	Emissions	18
	EN30 (additional) Total spend on environmental protection	Including garden maintenance, total amount spent on environmental protection is Rupees 56,374,674	
Social Performance - Labour Practice Indicators	LA1 (core) Workforce breakdown by region / type	Workforce and Diversity	22
	LA2 (core) Number and rate of employee turnover	Workforce and Diversity	22
	LA3 (additional) Minimum benefits to employees	Benefits – Employment and Retirement	23
	LA4 (core) Collective bargaining agreements	Not applicable as union representation is in place for less than 0.1% of employees.	
	LA5 (core) Notice period and consultation procedures	Not reported. Not applicable in FY 2006/07	
	LA6 (core) Percentage of workforce represented in health and safety committees	Labour Practices Strategy and Management Approach	20
	LA7 (core) Rates of injury, lost days, absenteeism by region	No work-related fatalities have been reported till date; the accident rate remained low in FY2006/07 The 2007/08 target for work related fatalities remains at zero.	
	LA8 (core) Education policies on serious diseases	Training, Education and Development	23

	<b>GRI References</b>	<b>Report Reference</b>	<b>Page</b>
	LA9 (additional) Health and safety topics covered with trade unions	Not applicable	
	LA10 (core) Hours of training per year per employee	Training, Education and Development	23
	LA11 (additional) Skills management / lifelong learning initiatives	Currently, no training exists to support continued employability of employees. For employee benefits, see Benefits – Employment and Retirement	23
	LA12 (additional) Percentage of employees receiving performance / career development review	Employee Engagement	23
	LA13 (core) Composition of governance bodies and employees by gender, age, other indicators of diversity	Workforce and Diversity	22
	LA14 (additional) Remuneration according to gender	Workforce and Diversity	22
Social Performance – Human Rights	HR1 (core) Human rights screening of significant investments	Nil	
	HR2 (core) Percentage of suppliers assessed for human rights screening	Suppliers	25
	HR3 (additional) Employee training on human rights	Being a service-oriented company, the aspects of Human rights relevant to operations is minimal. However, the right to respect fellow employees is included in the Tata Code of Conduct ( <a href="http://www.tcs.com/SiteCollectionDocuments/About%20TCS/TCS_Associates_Code.pdf">http://www.tcs.com/SiteCollectionDocuments/About%20TCS/TCS_Associates_Code.pdf</a> )	
	HR4 (core) Incidents of discrimination	No incidents of Discrimination have been reported in FY 2006/07. See Ethics and Discrimination	26
	HR5 (core) Violations of freedom / collective bargaining	Not applicable as union representation is in place for less than 0.1% of employees.	
	HR6 (core) Child Labour incidents	As TCS is a service-oriented company, no operations exist with risk for incidents of child labour. See Employee Rights	25
	HR7 (core) Forced Labour incidents	As TCS is a service-oriented company, no operations exist with risk for incidents of forced or compulsory labour.	



	<b>GRI References</b>	<b>Report Reference</b>	<b>Page</b>
	HR8 (additional) Percentage security personnel trained in human rights	Training to Employees and Support Groups	27
	HR9 (additional) Incidents – rights of indigenous people	None	
Social Performance – Society	SO1 (core) Community impact policy and procedures	The 3-Generation Approach	29
	SO2 (core) Bribery and corruption mechanisms	No business units are analysed for corruption related risks. . All employees, however, are expected to adhere to the Tata Code of Conduct ( <a href="http://www.tcs.com/SiteCollectionDocuments/About%20TCS/TCS_Associates_Code.pdf">http://www.tcs.com/SiteCollectionDocuments/About%20TCS/TCS_Associates_Code.pdf</a> ).	
	SO3 (core) Percentage of employees trained in anti-corruption mechanisms	All employees are trained to abide by the Tata Code of Conduct ( <a href="http://www.tcs.com/SiteCollectionDocuments/About%20TCS/TCS_Associates_Code.pdf">http://www.tcs.com/SiteCollectionDocuments/About%20TCS/TCS_Associates_Code.pdf</a> )	
	SO4 (core) Action against incidences of corruption	No incidents of corruption were reported in FY 2006/07.	
	SO5 (core) Participation in public policy / lobbying	Public Policy Participation	40
	SO6 (additional) Amount contributed to parties	Public Policy Participation	40
	SO7 (additional) Legal actions on competition issues	None	
	SO8 (core) Fines for non-compliance with laws and regulations	None	
Social Performance – Product	PR1 (core) Health & safety impact assessment	Not applicable because of the nature of TCS's operations.	
	PR2 (additional) Incidents of non-compliance	Not applicable because of the nature of TCS's operations.	
	PR3 (core) Product / service information and labelling	Not applicable because of the nature of TCS's operations.	
	PR4 (additional) Information and labelling non-compliance	Not applicable because of the nature of TCS's operations.	
	PR5 (additional) Policy and compliance for customer satisfaction	Customer Satisfaction and Dissatisfaction	44
	PR6 (additional) Procedures for advertising and promotion	Marketing Communications	45
	PR7 (additional) Advertising and promotion non-compliance	None	

GRI References	Report Reference	Page
PR8 (additional) Number of substantiated complaints relating to breaches of customer privacy regulations	None Customer Satisfaction and Dissatisfaction	44
PR9 (additional) Value of fines relating to breaches of customer privacy regulations	None	

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### **TCS on the Web**

Visit TCS online at  
<http://www.tcs.com> for more information about TCS.

The 2006/07 Annual Report is available at  
<http://www.tcs.com/Investors/pdf/TCS%20Annual%20Report%206%20June%20New.pdf>

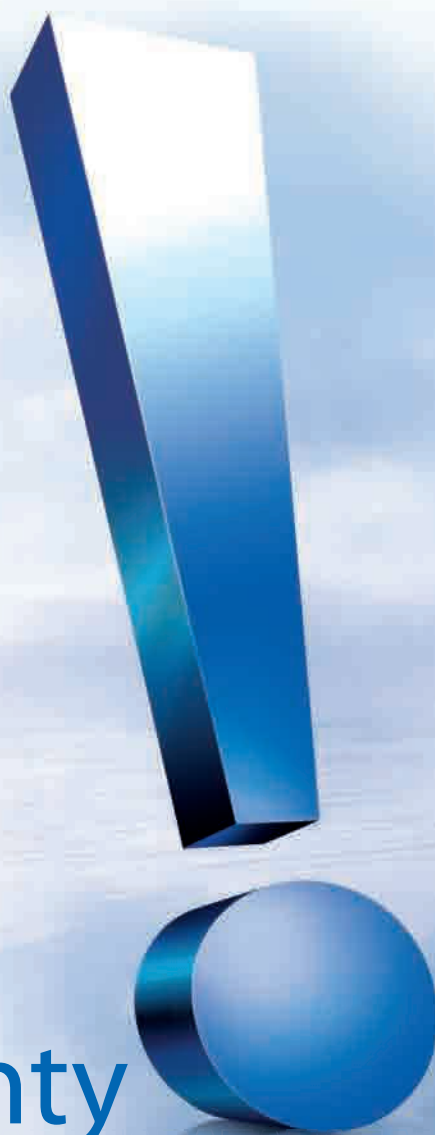
The Tata Code of Conduct for Associates can be found at  
[http://www.tcs.com/SiteCollectionDocuments/About%20TCS/TCS\\_Associates\\_Code.pdf](http://www.tcs.com/SiteCollectionDocuments/About%20TCS/TCS_Associates_Code.pdf)

The Tata Code of Conduct for non-Executive Directors can be found at  
[http://www.tcs.com/about/corp\\_responsibility/codes\\_conduct/Pages/default.aspx](http://www.tcs.com/about/corp_responsibility/codes_conduct/Pages/default.aspx)

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