Corporate Sustainability Report

2010-11

Report Application Level

2002 In Accordance		C	C+	B	B+	A	A+
Mandatory	Self Declared						✓
Optional	Third Party Checked						✓
Optional	GRI Checked						✓ *

Columns: Report Externally Assured (appearing at C+, B+, and A+)

* Please see GRI Application Level Check Statement page 91

About the Report

TCS publishes Sustainability Reports annually, the last report being for Financial Year 2009-10. This is our fifth Sustainability Report, for Financial Year 2010-11 (April to March). It has been prepared in conformance to the G3.1 Sustainability Reporting Guidelines published by the Global Reporting Initiative (GRI). The report addresses the key sustainability topics gleaned through interactions with the different stakeholder groups, based on the core principles of materiality and stakeholder inclusiveness. These topics cover the full range of material economic, social and environmental impacts of the organization. The report boundaries and exclusions are provided below:

Data	Basis	Exclusions
Financial	TCS' Consolidated, Global Operations	None
Human Resources	TCS Ltd's global operations, including wholly owned subsidiaries	Subsidiaries not wholly owned by TCS (accounting for 11.7% of consolidated headcount).
Environmental	Delivery centers in India	Delivery centers outside India (accounting for <5% of rev)

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

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

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

Contents

CEO's Message

As an avid trekker, it is a constant source of wonder and inspiration to me when I see how plants and animals in their natural habitats are in such harmony with their ecosystems, consuming only as much as they require and sustaining the cycle of life. A sustainable corporation, to my mind, does much the same. It creates a harmonious ecosystem, aligning its economic interests with those of its stakeholders: employees, customers, shareholders, local communities and society at large. Once that alignment is achieved, sustainability becomes core to its business and no longer just an afterthought.

At TCS, we keep looking for how better we can align ourselves with our stakeholders. Our strategy for longer-term growth – consisting of Customer Focus, Full Services Capability, Global Network Delivery Model™, Strategic Acquisitions and Non-Linear Business models – is all about aligning our organization and our business model with the needs of our clients and with the technology landscape.

My frequent meetings with our teams, customers and partners convince me that the opportunities before us are immense in every one of our markets. Each of our industry segments, service lines and market units has tremendous potential. To realize that potential, we have built a customer-centric organization where the customer is the focus for every improvement and every innovation so our efforts today result in improving the customer's business tomorrow. This alignment with the customer's interests helped us deliver excellent financial results this year.

But the theme of harmony through alignment extends to other stakeholders too. Take employees for instance. In a people-centric business such as ours, a motivated, engaged workforce is important for business success. And as we get larger, empowerment and engagement are key to energizing our people. At the start of the year, we launched an initiative called Realize Your Potential – a vehicle designed to enable each employee to realize his or her potential, and to commit to making a difference to their colleagues and helping them realize their potential. To my mind, helping every individual achieve self-actualization is also the path to building a high performance culture. It's not only the virtuous thing to do, it's also good business. Little wonder then, that we consistently top the industry in employee retention.

It is no different when it comes to our environmental stewardship or our community engagements. Greening our IT infrastructure and lowering our carbon footprint is not only the responsible thing to do, it also brings down energy costs and those savings directly flow into the bottomline. This year, against a target of a 2% reduction in our per capita electricity consumption, our teams actually delivered a 7.7% reduction. We reduced our per-capita carbon footprint by 6.8% year on year. For the future, we have even more ambitious targets – a 50% reduction in carbon intensity by 2020 and a 20% reduction in water consumption by 2015, vis-à-vis baseline year FY2008.

N. Chandrasekaran
CEO & Managing Director

We help many of our clients – largely Fortune 500 and Global 2000 corporations – similarly bring down the energy footprint of their IT infrastructure with our Green IT offerings. Our Eco-Sustainability practice leverages our process expertise and IT prowess to help our clients reduce their overall environmental footprint by measuring and optimizing their resource consumption, waste generation and recycling. By turning an altruistic mission into a business, we can not only multiply the good we can do to the environment but also benefit commercially.

The most exciting demonstration of this win-win model is our launch of iON in India this year. This cloud-based, enterprise automation platform for Small and Medium Businesses (SMBs) has democratized enterprise computing and made best-in-class process automation tools accessible to SMBs at an affordable price point, on a pay-per-use basis and delivered in the most energy-efficient fashion.

Which brings me to our commitment to society. We are fortunate to have an ownership structure which is fully aligned with community; about half the dividends we pay out goes to the Tata trusts which own our promoter group, and into funding the various social and philanthropic causes they support. Maximizing shareholder wealth, in our case, results in maximized social good. But that doesn't stop us from undertaking a whole lot of socially responsible activities in the three broad areas of education, health and environment.

I'm happy to report that this year, TCSers and their families volunteered over 55,068 person hours of their personal time towards various causes within their local communities. Making a difference to the community, is also a source of individual sense of fulfillment – yet another instance of aligned interests.

Lastly, I want to talk about our continued investments in various communities, often building technology solutions pro-bono to address such issues as illiteracy, child welfare or farmer connectivity. Some of these could have business potential in the future, but for now, our interest is entirely non-commercial.

We also have fully commercial offerings which end up doing social good. Our e-governance solutions help local, state and central governments become more accessible, efficient and responsive to their citizenry. When a small farmer in rural Andhra Pradesh can get a record of his land holdings within 10 minutes from the local citizens service center, that is social and economic empowerment at the grassroots level. And it is enabled by technology that we built.

Once you align business and responsible citizenry, you stop looking at one as being different from the other. In an aligned organization, there are no three different bottomlines; they are the same.

N Chandrasekaran
Chief Executive Officer and Managing Director
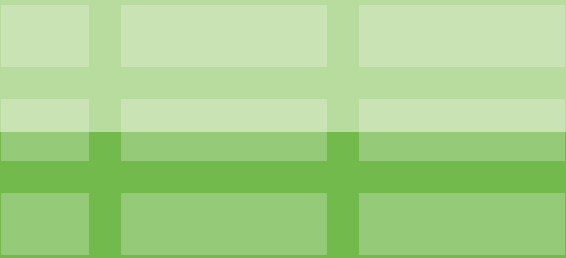
Organizational Profile

Organizational Profile

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

Founded in 1968 as part of the Tata group, TCS is headquartered in Mumbai, India and is a public limited company[1], listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. In FY 2011, TCS reported consolidated revenues of USD 8.2 billion.

Mission and Values

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

The Company plans to further strengthen and consolidate its position in the global IT industry as an integrated full services player with a global footprint in terms of innovation, operations and service delivery.

Domain-centric approach

Large global corporations which make up our customer-base are today looking for strategic partners who not only excel in technology and possess a full-services delivery capability but can also understand their business and leverage that domain expertise to deliver technology-led solutions to their business problems.

At TCS, we anticipated these customer preferences and re-architected the Company for agility, accountability and adaptability. The customer-centric, domain-led business unit structure helps us constantly sharpen and grow our competencies in each of the industry verticals we service.

Domain expertise is advanced through investments made in a global network of solution centers and innovation labs, hiring industry experts and by encouraging associates to get industry-recognized certifications and training. Our customers and partners as well as other stakeholders recognize our growing expertise in many disciplines with awards and recognition.

The different industry verticals services by TCS and their revenue contribution are represented in Figure 1. The individual service offerings making up our full-services capability, and their revenue contribution are listed in Figure 2.

Legend for Figure 1:
- Banking, Financial Services & Insurance (BFSI)
- Telecom
- Manufacturing
- Retail & CPG
- Hi Tech
- Life Sciences & Healthcare
- Energy & Utilities
- TTH
- s_Governance
- Others
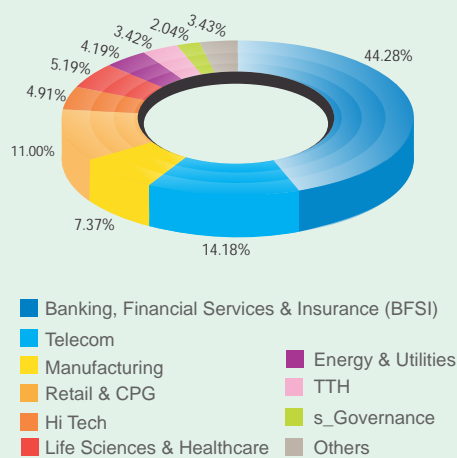
Figure 1: Revenue Breakup by Industry Vertical

Legend for Figure 2:
- ADM
- BI
- Enterprise Solutions
- Testing
- EIS
- Infra
- Others
- BPO
- Consulting
- Products
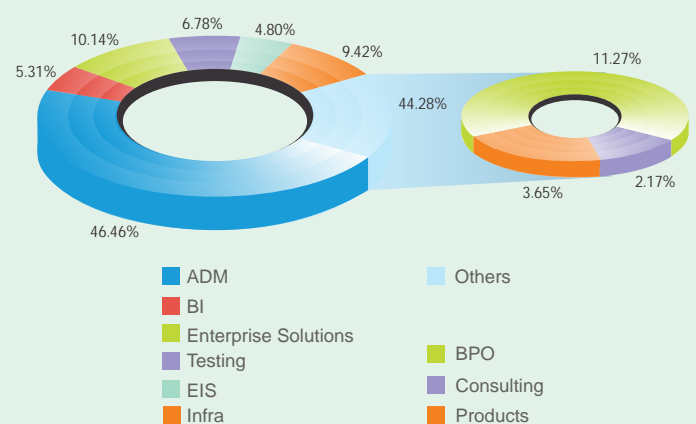
Figure 2: Revenue Breakup by Service Offering

Global Footprint

We have invested in building a large, global sales network to reach out to clients across the world.
As of March 31, 2011, TCS had 145 offices across 42 countries, catering to some 1034 active clients. The break-up of offices by geography is as below:
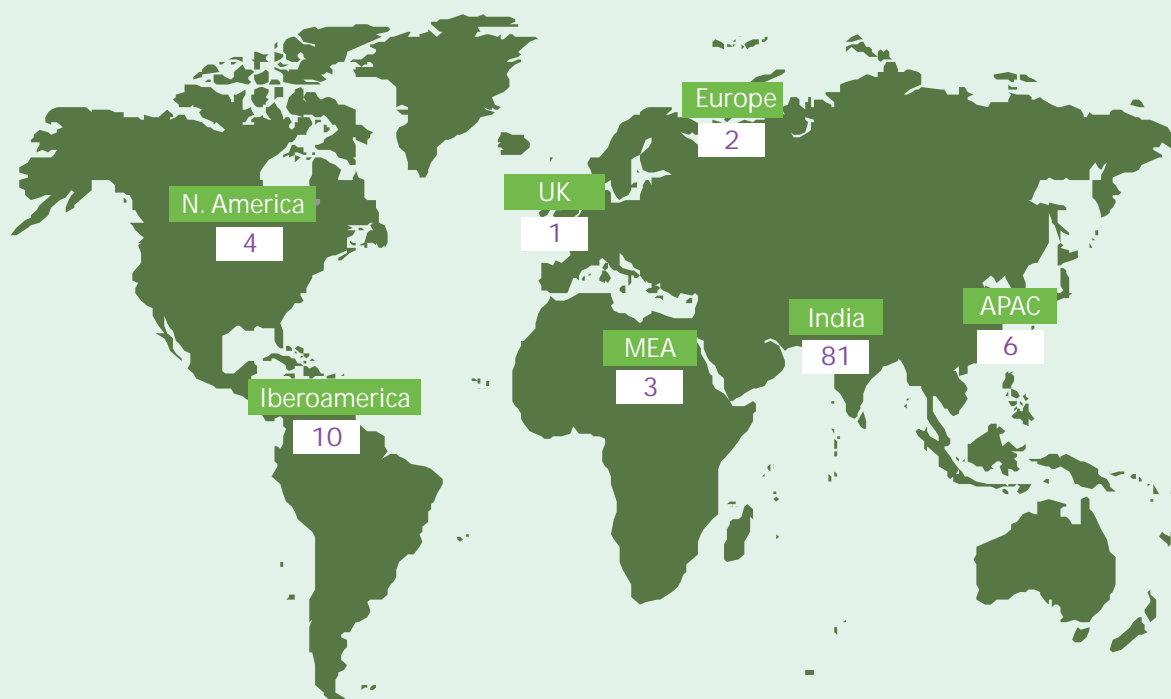
Figure 3: TCS' Global Network Delivery footprint

- 18 offices across USA and Canada
- 12 offices across 7 countries in Latin America
- 11 offices across UK and Ireland
- 22 offices across 12 countries in Europe
- 18 offices across 12 countries in Asia Pacific
- 7 offices across the Middle East and Africa
- 54 offices across India

In addition, our Global Delivery Network Model™ (GNDM™) consists of a network of 107 delivery centers located in 20 countries (See Figure 3) that uniquely positions us to deliver our world class services seamlessly to any location in the world.

The revenue breakup by geography is provided in Figure 4

■	North America
■	UK
■	Europe
■	India
■	Asia Pacific
■	Iberoamerica
■	Middle East and Africa

53.87%
15.46%
9.32%
9.20%
6.58%
3.62%
1.95%
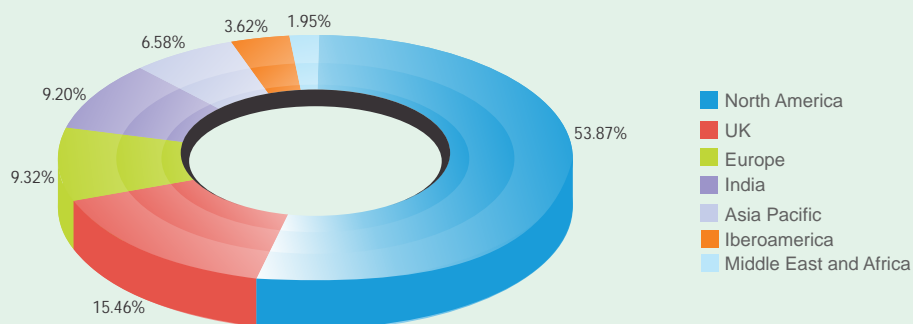
Figure 4: Revenue Breakup by Geography

TCS by numbers

Taxes $465 Mn

Net Income $1.9 Bn

Total Assets $7.3 Bn

Retained earnings $5 Bn

Number of shareholders 665,659

Overall Attrition (incl BPO)* 14.4%

New hires in FY 11 69,685

% of women in the workforce* 30.3%

Reduction in per capita carbon footprint* 6.8%

Volunteering effort in CSR (person hours)* 55,068

Investment in CSR initiatives* $6.6 Mn

Reduction in electricity consumed/FTE* 7.7%

Market Capitalization (on March 31, 2011) $51.9 Bn

Attrition in IT Services* 13.1%

Number of active clients* 1034

Number of Employees (on March 31, 2011) 198,614

Number of nationalities in the workforce 99

Reduction in per capita paper consumption* 17%

Number of non-Indian employees 13,665

Clients contributing more than $1 Mn/year* 458

Clients contributing more than $100 Mn/year* 8

Number of small shareholders (<1000 shares) 656,820

*Excl subsidiaries

Awards

CORPORATE

- Ranked # 1 in DataQuest Magazine's DQ Top20 company rankings, winning three awards: #1 IT Company in India, Top Software Exporter and Best IT Employer
- Ranked BEST IT-Software at the NDTV Business Leadership Awards
- Won the "Best Recovery of the Year" award from Business Continuity Institute
- Received the "Most Admired IT Company of the Year" award at Bloomberg UTV CXO Awards 2010
- Received Workforce Management's "Optimas Award for General Excellence"
- Assessed at Maturity Level 5 in the Enterprise-wide Multiple Simultaneous Appraisal of Capability Maturity Model for Development and for Services (CMMI®-DEV and CMMI®-SVC) by Software Engineering Institute
- Enterprise wide integrated ISO 14001 & OHSAS 18001 certification 2010 to 2013 from TUV Nord India
- Awarded Gold Shield for Excellence in Financial Reporting by Institute of Chartered Accountants of India
- Two amongst seven winners of MIT Technology Review India's "Grand Challenges for Technologists" program
- Ranked as # 1 player in the Nordic region in EquaTerra's Nordics Service Provider Performance Study 2010
- Received Golden Peacock Innovation Management Award by Institute of Directors, India
- Included in the Dow Jones World Sustainability Index 2010

PARTNER

- 'Outstanding Team Contribution Award' for TCS' Galaxy Program team at Woolworth's Annual IT Supplier Awards in Sydney, Australia
- Best Core Banking IT Implementation Award to TCS and Hua Xia Bank (HXB), China from The Asian Banker
- SAP® Pinnacle Award in the "Global Partner Service Innovator" category
- Ranked in the 1st quartile on CDP Supply Chain Module

Awards

LEADERSHIP

- CFO Mahalingam chosen Best Performing CFO Award in the IT and ITeS sector by CNBC TV18
- Vice Chairman S Ramadorai received Corporate Citizen Award from Vijay Amritraj Foundation
- CEO N Chandra conferred honorary Doctorate in Literature (Honoris Causa) by
  SRM University, Chennai

TALENT MANAGEMENT

- Top honours at Global HR Excellence Awards at World HRD Congress, Mumbai
- Best HRM Company in China for the second consecutive year from 51 Job Inc. China
- Six top awards at BPO Excellence Awards 2010-11 from Stars of the Industry Group, Mumbai
- HR Excellence Awards for Leadership Development and Diversity from Delaware Valley HR
  Department, USA
- Ranked # 1 Employer in India by Dataquest 2010 DQ-IDC Best Employers survey
- "Investing in People" Award for the TCS goIT initiative from Workforce One Investment Board of
  Southwest Ohio
- Leading HR Practices in E-Human Resources Management and Leading CEO Awards for TCS APAC
  from Singapore Human Resources Institute
- "Employee Volunteering Award" from European Employee Volunteering Awards for TCS Europe

INNOVATION

- mKRISHI wins Big Tick in the Business at BITC Community's Awards for Excellence for TCS
- mKRISHI (Mobile Agro Advisory System) and Home Infotainment Platform- Interactive
  Set-top box from TCS Innovation Labs – receive Aegis Graham Bell Innovation Award from
  Aegis School of Business and Telecommunications, Mumbai
- mKRISHI wins eINDIA eAgriculture Award for Private Sector Initiative of the Year
- Tata Swach wins Wall Street Journal Asian Innovation Awards

COMMUNITY & ENVIRONMENT

- Commendation Certificate for "Significant Achievement" in CII-ITC Sustainability Awards
- Level Two Contributor in Broad-Based Black Economic Empowerment (B-BBEE) Assessment
  for TCS South Africa
- 'Silver label' in Low-carbon Office Operations Program (LOOP) from World Wildlife Fund
  for TCS Hong Kong
- Thane Go Green Award awarded to TCS Yantra Park, Mumbai, Thane
  by Thane Municipal Corporation
- Special Commendation Golden Peacock Environment Management Award for TCS Deccan Park

Stakeholder Engagement

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

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

TCS is a member of a number of industry bodies like NASSCOM and CII. We work closely with these bodies in shaping policy, with local, state and central governments across the world to roll out e-governance initiatives or as part of government-facilitated community betterment initiatives. Lastly, we work with local communities directly or through various NGOs as part of our CSR initiatives in different parts of the world, and with the larger society.

Given below is a list of key stakeholders that TCS engages with, the interfacing group within TCS, the forms of engagement and the frequency. Some other stakeholders that we closely engage with, such as Industry Analysts, Equity Analysts and the media have not been mentioned here because they are proxies for other named stakeholders – customers, shareholders and the larger society respectively.

	Stakeholder		Interfacing Group		Engagement Types by Frequency

Customers			
Sales/Pre-Sales, Marketing, Delivery Teams, Senior Mgmt	As needed:	Project-related Calls and meetings, PMRs, Relationship Meetings, Visits, Responses to RFI/RFPs, Sponsored Events, Mailers, Newsletters, Brochures	
	Continuous:	TCS website, Customer portal	
	Half-yearly:	Customer Satisfaction Surveys[2]	
	Annual:	Customer Summit, Innovation Day	

Employees			
HR , Senior Mgmt	As needed:	Town Halls, Roadshows, Project / Operations Reviews, Videoconferences, Audio conference calls, PEEP, PROPEL (associate forum), One-on-one counseling	
	Monthly:	@TCS (Inhouse magazine)	
	Continuous:	TCS website, Ultimatix Notice Board, CEO Connect, CTO Blog, Corporate Corner, JustAsk, IdeaMAX, Dipstick surveys, mPower (quick grievance redressal)	
	Annual:	PULSE (employee feedback survey), Hats Off (Long Service Awards), Velocity (Sales meet), Blitz (Business Planning meet)	

2 The Survey is done at an account-level and measures TCS' performance on various parameters across multiple dimensions. In FY 2011, performance ratings improved broadly. Areas where clients showed maximum satisfaction were: 'Responsiveness to emergencies' and 'Adherence to security norms'.
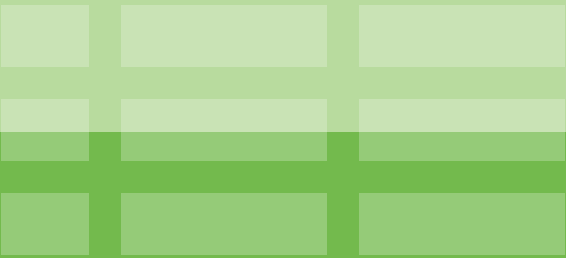
Stakeholder Engagement

Stakeholder   **Interfacing Group**   **Engagement Types by Frequency**

Shareholders Investor Relations, Company Secy, Senior Mgmt	As needed: Press Releases and Press Conferences, Email advisories, Facility Visits, In-person meetings, Investor Conferences, Non-Deal Roadshows, Conference Calls Quarterly: Financial Statements in Indian GAAP and US GAAP, Earnings Call, Exchange Notifications, Press Conference Continuous: Investors Page on TCS website Annual: Annual General Meeting, Analyst Day, Annual Report
Academic Institutions HR, Senior Mgmt, CTO	As needed: Academic Interface Program, Co-Innovation Network meetings Continuous: TCS website, Academic portal Annual: Sangam (High-level academic conference), Campus recruitment
Head Hunters, Staffing Firms Other Suppliers HR, ISUs Procurement	One time: RFI/RFPs, Empanelment process As needed: Transactional meetings, Periodic Reviews, Surveys
Partners and Collaborators Alliance Mgmt, CTO	As needed: Meetings / Calls, COIN meetings, Visits, Partner Events Monthly: Conference Calls Quarterly: Business Reviews Annual: Partner Events
Industry bodies Corporate Affairs, Finance Senior Mgmt	As needed: Conferences and seminars, Working Committee Meetings, Surveys, Meetings Annual: Conferences, Summits
Governments Government ISU, Corporate Affairs, HSE / Finance, CSR Team Senior Mgmt	As needed: Governance RFIs / RFPs, Presentations, Project Meetings, Reviews, Calls and Meetings, Surveys, Consultative sessions Continuous: TCS Website
NGOs, Local Communities, Society at large CSR Team, Volunteers Corp Comm, Senior Mgmt	As needed: Field visits, Due Diligence, Calls and Meetings, Conferences and seminars, Surveys, Press Releases, Press conferences, Media interviews and quotes, Sponsored events Continuous: TCS Website

Definition of Content

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

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

Corporate Governance

Corporate Governance

At the heart of corporate sustainability is sound Corporate Governance. An enlightened governance body that oversees the company's business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders, creates all the conditions necessary to foster sustainability. This is best exemplified by the longevity of the Tata group, which has been around for over 150 years.

Being part of such a group, TCS has inherited a strong legacy of fair, transparent and ethical governance, as embodied in the Tata Code of Conduct[3] (TCoC). This is aligned with the ten principles articulated in the UN Global Compact to which TCS is a signatory.

At the top of the governance structure is the Board of Directors representing the shareholders, and various Committees on the Board, overseeing the Executive Management. TCS has a unitary board structure consisting of 12 members of whom 9 are Non-Executive Directors[4] (including the Chairman and Vice-Chairman) and 6 are Independent Directors[5]. The composition of our Board and detailed profiles of Board Members are available on our website[6].

Non-Executive Board Members

Ratan N Tata
Chairman

S Ramadorai,
Vice Chairman

Ishaat Hussain

Independent Board Members

Laura Cha

Prof. Clayton
M Christensen

Aman Mehta

Dr. Ron Sommer

Venkatraman
Thyagarajan

Dr. Vijay Kelkar

Executive Board Members

1 N Chandrasekaran,
   CEO and MD

2 S Mahalingam,
   CFO and Executive Director

3 Phiroz A Vandrevala,
   *Executive Director and Head,
   Global Corporate Affairs*

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

Different aspects of TCS' Corporate Governance are addressed below:

■ Aspect ■ How

Avoidance of Conflict of Interest

TCS has a Code of Conduct for Non-Executive Directors, requiring them to always act in the interest of the company and ensure that any other business or personal association, which they may have, does not involve any conflict of interest with the operations of the company and their role therein.

Similarly, all employees including the Managing Director and Executive Directors are prohibited from freelancing or accepting any position of responsibility with or without remuneration with any other company without TCS' written approval. For Executive Directors and the Managing Director, such approval must be obtained from the Board.

Conflict of interest between the Board's executive function and the supervisory function is minimized by making the Chairmanship of the Board a non-executive role, and keeping it separate from that of the Chief Executive Officer and Managing Director.

Intra-group Transactions

TCS does not derive any material revenues (~1% of revenues in FY 2011) from other Tata group companies. There is no intermingling of employees and resources including cash amongst the Group companies.

Independent Directors make up half the Board. Any dealing with Tata Sons or with a group company is done on an arms-length basis and has to be approved by the Board. Such transactions are reviewed closely by the Board to ensure that all shareholders' interests are protected before they are approved. All transactions with Tata group companies are disclosed in our Annual Report (Page 102-106).

Board Oversight of the Sustainability Agenda

To ensure that Business Sustainability gets adequate governance focus, TCS' Board of Directors meets 7 to 8 times a year. While four of these meetings are for review and approval of financial results, the remainder is for more detailed oversight of business, strategy and sustainability matters.

Meeting more than the statutory number of times ensures that the Board's focus goes beyond financial performance alone and covers various operational and strategic issues including sustainability aspects, budgets, industry performance, peer review and competition analysis, overall risk assessment, performance of subsidiaries, opportunities for organic and inorganic growth etc.

The CEO and Managing Director personally oversees the Company's sustainability strategy and reports on the initiatives and progress at the Board meetings. He is supported by dedicated teams for Corporate Social Responsibility and Environment, each headed by highly-qualified specialists in their respective domains. Their goals are determined by Senior Management in line with the Company's overall sustainability objectives, and performance on these two specific aspects of our sustainability agenda is reviewed by the Board on an annual basis[7].

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7   There are currently no processes in place for evaluating the Board's own performance with regard to sustainability matters.

Aspect **How**

Fiscal Oversight

An Audit Committee, consisting of independent, non-executive Directors, provides oversight of TCS' disclosure process to ensure that that sufficient and credible information is disclosed, and that the published financial statements reflect a true and fair position of the company's finances.

Four meetings are held during the year for approval of quarterly accounts and another three to four meetings for in-depth consideration of internal audit reports. The Audit Committee also actively ensures that the internal audit processes provide adequate support in improving the Company's business processes, i.e., making the Company more efficient and cost-effective.

As an additional governance control on access to the Company's cash, TCS has a Bank Account Committee of Directors which approves the opening and closing of bank accounts of the Company and to authorize persons to operate the bank accounts of the Company.

Independent and Effective Validation

The Company has appointed E&Y to oversee and carry out internal audits of TCS activities. The audit is based on an Internal Audit Plan, which is reviewed each year in consultation with the Statutory Auditors and the Audit Committee. In line with international practice, the planning and conduct of internal audit is oriented towards the review of controls in the management of risks and opportunities in the Company's activities. Based on various internal audits conducted, there has been a substantial amount of improvement in areas of Accounts, HR and Project Management.

The external auditors of the Company are Deloitte Haskins and Sells, who do not have any undue dependence on TCS.

Disclosure and Transparency

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

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

In addition, there is a robust investor outreach program as part of which the TCS Management meets investors at our premises or at investor conferences and addresses their queries and concerns.

Ethics and Compliance[8]

The Tata Code of Conduct, which every employee signs at the time of joining the company, contains 25 clauses that make up a governing framework for responsible corporate citizenship and ethical behaviour. TCS has established procedures to deploy the TcoC and to enable employees, customers, suppliers and partners to understand the code and follow it in letter and spirit.

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

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

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

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

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8   No significant legal or regulatory non-compliance in general or specifically in relation to the Company's products and services was brought to the Company's attention in FY2011.

Aspect **How**

Board Composition and Selection of Board Members

The Nominations Committee, consisting of two independent Directors and the Chairman, makes recommendations regarding the composition of the Board, identifies suitable individuals who can be inducted as Independent Directors and takes steps to refresh the composition of the Board from time to time.

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

Protecting Minority shareholders' interests

The Corporate Governance philosophy at TCS, based on the Tata Code of Conduct, emphasizes fairness and transparency to all stakeholders. The Company also has a variety of channels through which minority shareholders can interact with the Management / Board to express their concerns.

There is a year-round, global investor outreach program where investors can interact with Management. Minority shareholders can move their private resolutions for discussion by the Board of Directors, or even requisition a General Body Meeting.

Small shareholders can interact with the Board of Directors in person at the Annual General Meeting and have their queries/grievances resolved. They can also communicate any grievance to the Company Secretary's office where complaints are tracked to closure. In FY 2011, TCS received 355 complaints – mostly about matters regarding transfer or credit of shares, non-receipt of dividend, notices, annual reports, etc. – all of which were resolved.

At the Board level, a Shareholders/Investors Grievance Committee of Directors consisting of two Independent Directors and one Non-independent Director oversees the redressal of these complaints. This Committee met once during the year, on March 18, 2011.

Employee access to the Board

Employees at TCS are highly empowered and the Company's culture encourages open communications and offers various channels for communicating concerns and grievances. Larger concerns are represented to the Board by the Executive Directors. In addition, individual senior-level employees are also invited to present to the Board on specific topics under discussion, from time to time.

Lastly, we have a Whistle Blower Policy, with the necessary mechanism for employees to directly report concerns about unethical behavior to the Chairperson of the Audit Committee, without fear of reprisal or victimization.

Sustainability and risk management

TCS has an Enterprise-wide Risk Management (ERM) process administered by a Risk Office that continually identifies and the various risks threatening the Company's continued sustainability, as grouped under:

(1) Strategic   (2) Operational   (3) Financial and   (4) Compliance related risks

The Risk Office maintains a Risk Register and draws up suitable risk mitigation plans for each of the risks identified therein. These risks are reviewed by the Board periodically.

Aspect **How**

Succession planning

Business sustainability requires consistency in management vision and minimization of impact when there is a leadership change. Therefore, succession planning is an important element in ensuring smooth transitions. At TCS, succession planning occurs at every level – at the corporate level, at the business unit level, at the account level and even at the project level.

At the highest level, succession planning of senior management is directly reviewed by the Executive Committee of the Board. Business/Unit Heads are invited to Board Meetings from time to time to give presentations to the Board to update them. This provides an opportunity for the Board to interact with Senior Executives periodically and assess values, competencies and capabilities to help them identify suitable internal successors and provide feedback.

In these last four decades, TCS has gone through two CEO-level transitions, the last one in October 2009. The seamless manner in which that transition took place is evidence that the Company's succession planning is working well.

Remuneration Policy

The Company follows a compensation mix of fixed pay, benefits and Economic Value Added Analysis based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

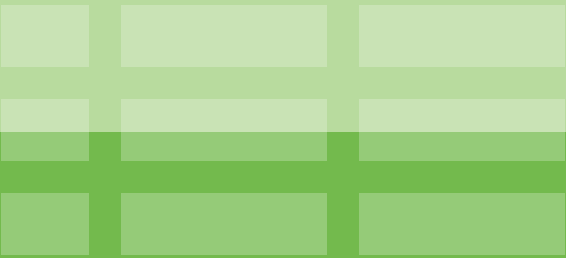Compensation for Non-Executive Directors on the Board consists of:

- Sitting Fees for attending Board meetings and meetings of Committees of the Board, to the tune of Rs 10,000 per meeting.

- Commission, as decided by the Board of Directors and approved by Members at the Annual General Meeting, within the ceiling of 1% of the net profits of the Company as computed under the Companies Act, 1956. The commission is distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings.

- Reimbursement of any out-of-pocket expenses incurred by the Directors for attending meetings.

Remuneration of the Managing Director and Executive Directors consists of a fixed component (salary, benefits, perquisites and allowances) and a performance-liked variable component (commission).

The Remuneration Committee decides the annual increments within the salary scale approved by the Members, and the commission payable to the Managing Director and the Executive Directors out of the profits for the financial year and within the ceilings prescribed under law. The commission amount is based on the company's performance as well as that of the Managing Director and each Executive Director, measured along several sustainability-linked criteria discussed in this report.

Details of the compensation paid out to Members of the Board in 2010-11 are disclosed on Page 64 of our Annual Report.

Sustainability of Business Performance

Sustainability of Business Performance

Key stakeholder concerns around the sustainability of our business performance are centered around five major areas: whether there is sufficient headroom for continued growth, whether the Company's size could impede agility, whether supplyside constraints could hamper growth or impact margins, whether macroeconomic uncertainties or new technologies might impair business and lastly, whether the company is investing sufficiently in innovation. Some of these concerns are addressed in this section of the report.

Some of the key risks to our longer-term sustainability, and TCS' approach to mitigating these risks are summarized on Pages 26-29 of our FY 2011 Annual Report.

Demand-side Sustainability

TCS has had a consistently stellar track-record of revenue growth. Our 6-year CAGR is 22.5% and we closed FY 2011 with a revenue of USD 8.187 Bn (up 29.1% YoY).
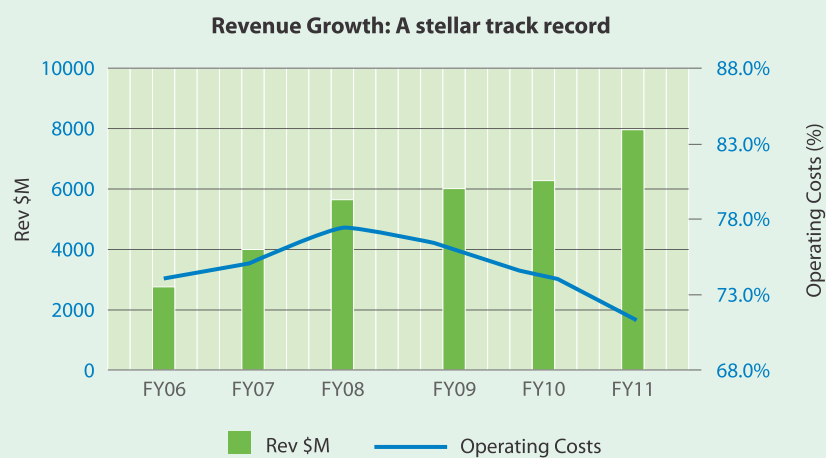

Revenue Growth: A stellar track record

Figure 5: Revenue Growth in USD (FY2006-2011)

Other highlights of FY 2011:

- 97.8% of revenues from existing customers
- Volume growth of 29.6% YoY
- Gross Margin of 45.3%, EBIT margin of 28.1%
- Gross headcount addition of 69,685
- Net headcount addition of 38,185

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

Global market: Headroom for growth

According to the IDC-NASSCOM Strategic Review 2010-2011, global spend on IT Services and BPO was estimated to be $732 Bn in 2010, i.e. 2% higher than in 2009. This is a highly fragmented market in which our marketshare is ~1%, suggesting significant headroom for growth.

Going forward, technology spending is expected to further increase as the technology intensity of businesses increases and lagging verticals as well as geographies play catch up. The 5-year CAGR for the period 2011-2015 is expected to be 4% according to Gartner. Historically, TCS' growth is far higher than the growth in global spend on IT services. This is due to shifting customer preferences favoring greater offshore outsourcing – a shift that became even more pronounced in the last few years of global economic dislocation and drift.

Foundations for growth

The pre-requisites for sustaining our growth are (a) maintaining the same high quality of service that our customers have come to expect from us, (b) continuing to invest in innovation so we remain at the cutting edge of technological and business evolution, (c) ensuring that we remain agile despite the size and (d) creating a strong brand that creates customer loyalty.

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

Best-in-class Quality

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

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

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

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

Information Security and Data privacy

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

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

We consider all client information as confidential and have rigorous processes in place to protect the same. Our security policy has been framed to comply with all international privacy laws and information security laws as applicable. Collection, processing and dissemination of any personal data is done under highly controlled conditions[9].

Investing in Innovation

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

A collaborative network of stakeholders

Identification and delivery of customer values

Co-Innovation Network (COIN™)

Customer Value Proposition

Innovation @ TCS

Technology Market Map

Categorization of initiatives timelines and nature of impact

Innovation Culture

Innovation Themes

Innovation Life Cycle

Foster and nurture Innovative culture - People Processes

Direction and purpose of innovation programs

Process for generation of ideas and realization into business
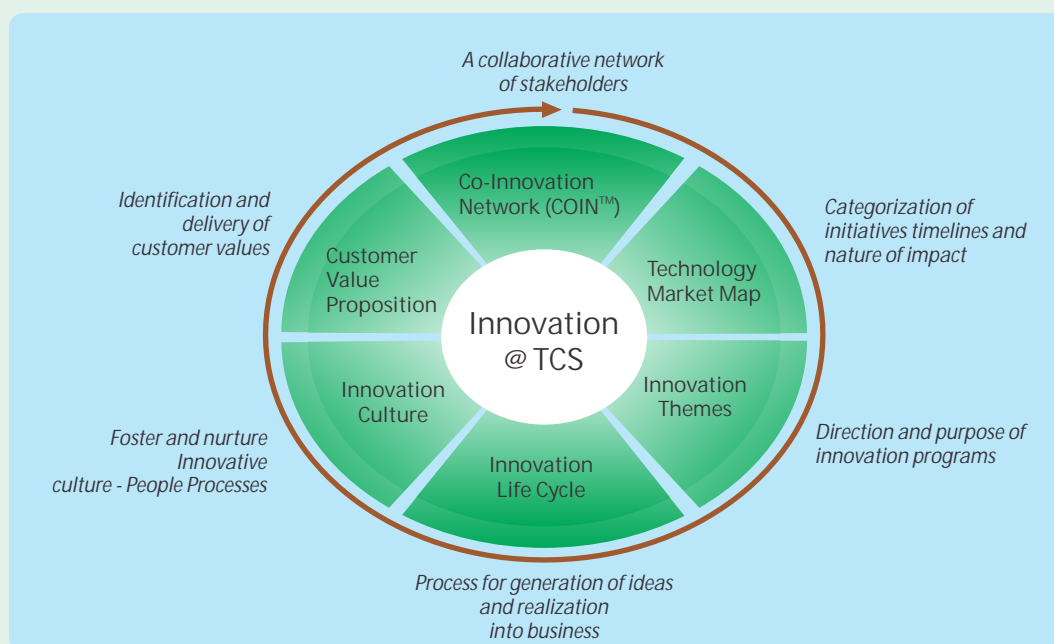
Figure 6 Framework for driving innovation across TCS

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9   No breach of customer privacy or loss of customer data was brought to our notice in FY 2011.

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

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

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

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

Figure 7 An Overview of TCS' innovation effort

TCS R&D continues to attract top research talent from India and across the world. The Company continues to support sabbaticals, internships and PhD sponsorships in research areas relevant to the Company, in premier academic institutions. Research based competencies have been introduced in the Company's learning portal. A range of tools from the TCS Tools Group provided automation, process efficiencies, improvements and innovation in current business areas.

In FY 2011, TCS filed 223 patent applications and got 6 patent grants. Cumulatively, TCS has filed 448 patent applications, of which 68 have been granted.

Research themes for the next year include (but not be limited to) greater focus on non-linear solutions. Other research areas will be tools, performance and agility, security and privacy, customer experience, ubiquity and mobility.

Non-linear initiatives are those which businesses which can deliver revenue growth without a commensurate headcount addition. Some examples are:

- **Software Products:** Our products, primarily in the banking, capital markets and insurance areas (branded as TCS Báncs) contribute about 3.6% of revenues and have been ranked the best in the respective areas by industry analysts. We are now investing in building products in the healthcare, retail and government sectors.

- **iON:** This is a first of its kind software platform targeted at small and medium enterprises, wherein a monthly subscription fee gives SMEs access to the complete stack of hardware and a fully integrated suite of software that they need for their end-to-end process automation needs, all delivered through the cloud. Formally launched in February 2011 in India, this platform has evoked enthusiastic acceptance in the market.

- **Bank-in-a-box:** We offer core banking software in a Software-as-a-Service model to the hundreds of rural banks and co-operative banks that service the large rural population in the Indian hinterland. This makes available a world-class banking platform at an affordable cost to these small banks, obviating the need for expensive capex or the complexities of managing technology.

- **Process-in-a-cloud:** TCS has built multi-tenant platforms in the areas of HRO, Finance and Accounting, Procurement and Analytics partnering best-in-class technology providers and in Life Insurance Policy Administration using our own Bancs platform. Clients are migrated from their legacy software to our standardized, shared platform which is operated by our staff to deliver the desired process outcomes to the client. In effect, the client pays only for the process outcomes without having to worry about the logistics of the delivery.

Expenditure on R&D

Despite an overall focus on cost reduction, TCS' R&D expenses actually increased in FY 2011, in absolute terms as well as a percentage of revenue. Expenses reported under this head are only those incurred in designated Research and Development centers in India, including employee cost of research personnel, infrastructure maintenance costs and other operational costs incurred by these teams. It does not include expenses incurred by individual business units investing in building products, platforms and other intellectual property.

	FY 2010-11 ($ Mn)	FY 2009-10 ($ Mn)	% Increase
R&D Expenses	23.4	18.3	27.9

Structured for Agility

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

Both these concerns are addressed by the new organization structure that TCS rolled out in 2008. This structure was designed to not only enhance customer focus and accountability, but also to provide agility by reorganizing TCS into multiple, smaller operational units consisting of

4,000-15,000 employees, each pursuing the best possible growth in their individual domain (See Figure 8).

Each of the market-facing Business Units owns its own resources and pursues growth in its respective domain at the best possible pace that the domain can support, with all the agility and focus of a smaller company. The effectiveness of this structure was evident in FY 2011, when every business unit turned in the best growth its industry afforded, enabling the Company to report industry-leading topline growth, while expanding margins further year on year.

CEO & Managing Director					
R&D	Corporate HR	Corporate Finance	Corporate Affairs	Marketing	Legal
Major Markets	Industry Solutions Units			New Growth Markets	Strategic Initiatives
Organizational infrastructure					

Figure 8 Organization Structure designed for agility

Brand-building

Being a services company catering to a purely B2B market, sustainability issues such as the environmental, health and safety impacts of products and services are not applicable[10]. Likewise, product labeling requirements do not apply. Documentation of the custom applications we build for clients is as per mutually agreed specifications. System documentation is not governed by any regulation or industry code and therefore, the issue of non-compliance does not arise. All our marketing communications including advertising, promotions and sponsorships comply with the relevant laws of the countries that we operate in. No instance of regulatory non-compliance was brought to our attention in FY 2011.

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10   *No non-compliance with environmental laws /regulations were brought to the Company's attention in FY 2011*

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

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

Some of the events sponsored by TCS in FY 2011 are as below:

|	
GARMIN cervélo PRO CYCLING TEAM	TCS is the official technology partner for Team Garmin-Cervélo, a top-ranked powerhouse in professional cycling for the racing season 2011.
RAJASTHAN ROYALS	TCS is the technology partner of the Rajasthan Royals, the Jaipur franchise cricket team that represents the state of Rajasthan in the Indian Premier League. TCS provides IT expertise to help the team analyze the players' performance, simulation and other areas. In turn, TCS enjoys greater visibility among cricketing fans, with the RR players sporting the TCS logo.
Standard Chartered MUMBAI 2010 MARATHON / TATA CONSULTANCY SERVICES WORLD 10K BANGALORE 2011 / BOSTON ATHLETIC ASSOCIATION Boston Marathon / Bank of America Chicago Marathon / ING NEW YORK CITY MARATHON	To reinforce TCS' brand attribute of commitment to excellence, we sponsor various marathons across the world in order to support the commitment to excellence of the participants. These sponsorships also serve to reinforce our commitment to wellness, because they give us an opportunity to engage with runners, their friends and family, and the broader community to drive home the importance of fitness and health. In FY 2011, TCS sponsored five major marathons: ■ Standard Chartered Mumbai Marathon (which won the Gold Label by the IAAG in 2010, the highest recognition of organizational excellence for a road race) ■ World 10K Bangalore ■ Boston Marathon ■ Bank of America Chicago Marathon ■ ING New York City Marathon
TCS IT Wiz	Building awareness around the TCS brand amongst school children and sparking an interest in IT amongst them is important for future supply-side sustainability. One way we do this is by sponsoring and organizing TCS IT Wiz, India's first and biggest IT quiz for schools, conducted in 12 cities. This event, in its twelfth year, has become a benchmark in the inter-school quizzing circuit for the level of research, the intensity with which teams compete and the sheer participation numbers it draws.
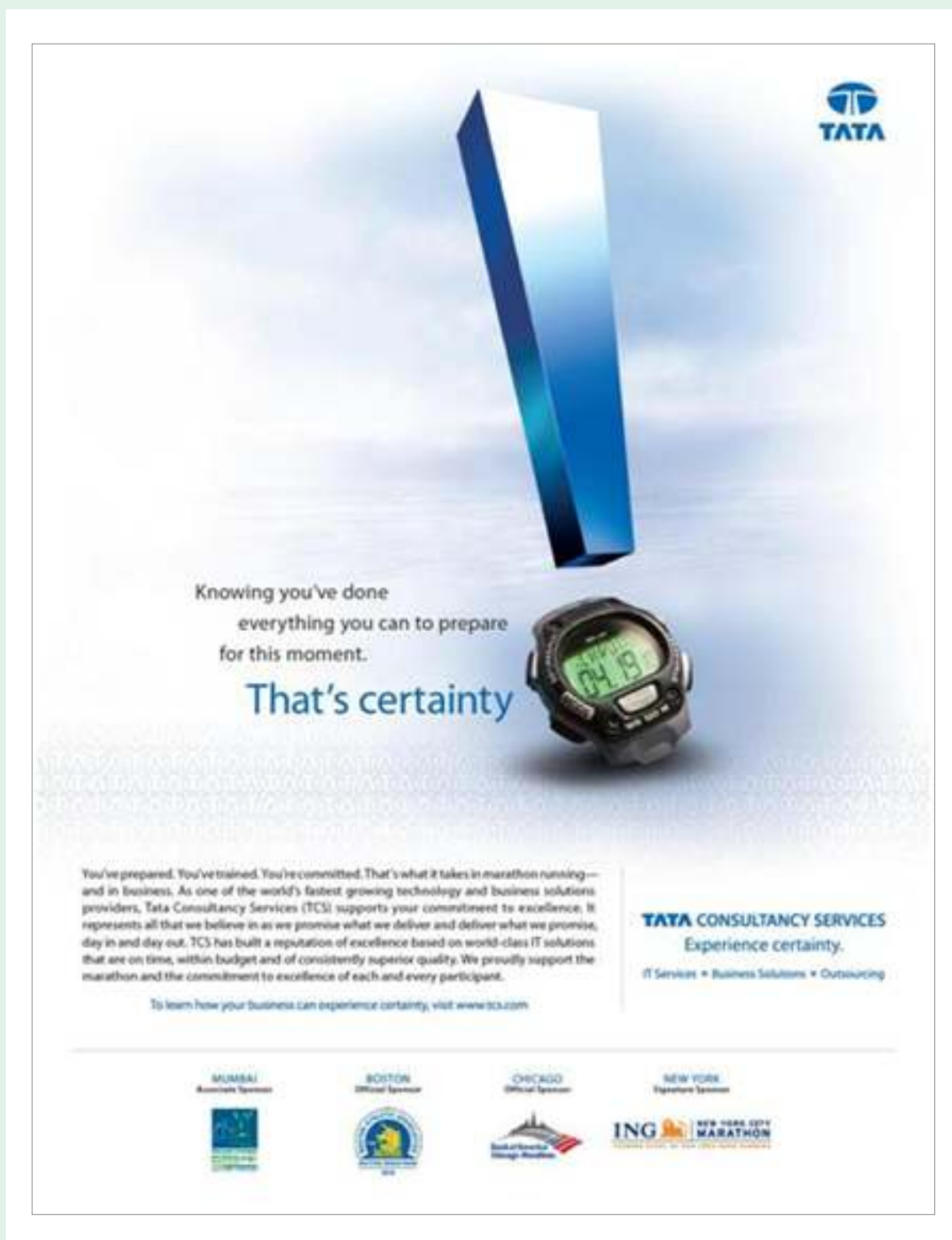
Figure 9 TCS' advertisement on our marathon sponsorships

TCS evaluates the health of the corporate brand at regular intervals in select markets. The evaluation is benchmarked against a pre-defined competitive set, and along specific image and personality parameters that include attributes such as 'ethical' and 'trustworthy'. The Company's marketing and communications strategy is fine-tuned based on findings from this brand survey. In FY 2011, we launched the Certainty 2.0 campaign, which further improves on the positioning achieved through the original "Experience Certainty" branding.

Strategy for long-term growth

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

(I) expanding our addressable market by geography, by industry and by service-line and

(ii) deepening our client relationships. Key elements of this strategy for sustainable, longer-term growth are summarized in Figure 10 and explained in greater detail on Pages 19-20 of our FY 2011 Annual Report.

Figure 10 Five point strategy for long term growth

Financial Sustainability

Successful execution of our strategy for sustainable growth requires investments in building capacity, in people and in new business initiatives. The ability to fund these investments either through internal accruals or from the outside is critical to business sustainability. Happily, TCS' business model has a financial profile characterized by strong cash generation, low capital needs, low working capital requirements, negligible debt and very attractive Return on Equity. TCS is a near zero-debt company, funding its growth entirely through internal accruals. We did not receive any significant governmental financial assistance in FY 2011[11].

These are structural attributes of our business model, and sustainable going forward. Equally important, we have a robust risk management framework using which we scan the environment for potential risks to this sustainability and take mitigative steps. Some of the key attributes of our financial sustainability are further explored in this section.

Strong Cashflows

The Company's growth is financed by cash generated from operations. As of March 31, 2011, Total Shareholder's Equity stood at $5,657 Mn of which Retained Earnings made up $5,031.5 Mn.

As at March 31, 2011, the Company had cash and cash equivalents of $348.5 Mn (FY10: $228.2 Mn) and Bank Deposits of $713.2 Mn (FY10: $813.1 Mn). Cashflow from Operations was $1,526.4 Mn.

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11   *Excluding tax incentives applicable in specific locations*

The Company believes that it has sufficient cash from operations to meet its working capital requirements. In addition it has short term working capital facilities with various commercial banks. The available lines of credit with banks were $ 307 Mn as at March 31, 2011.

Independent Credit Ratings

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

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

Shareholder Value delivered, year after year

After going public, TCS has consistently paid out dividends to its shareholders every year, maintaining a payout ratio of around 30%. In FY 2011, the Company paid a total dividend of $0.29 (Rs 14) i.e. a payout ratio of 36.63% of the unconsolidated profits under US GAAP.

TCS' market capitalization as of March 31, 2011 was $51.9 Bn, a 53% increase over the market-cap at the end of FY 2010.

Supplyside Sustainability

The largest factor that goes into our business is human capital and therefore sustainability of revenue growth in the IT Services industry is directly dependent on the organization's ability to attract the right talent in the right quantity and thereafter, upskilling, motivating and retaining them in the organization[12].

Ours is a highly educated, highly aware workforce whose technical skills are much valued globally and consequently, many of the labor-management imbalances found in traditional industry (or the corrective measures sought through collective bargaining) are largely absent here. Employment is at will with one month's notice period from either side for termination, but employees have significantly higher bargaining power in this industry, so workers' interests are largely protected by the free market and less than 0.01% of the workforce is unionized.

Recognizing the criticality of human capital to the business and its sustainability, TCS has mature processes devoted to attracting, retaining and developing this human capital, assessed at PCMM Level 5.

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

The total number of employees including subsidiaries as at March 31, 2011 was 198,614 (End-FY10: 160,429). Excluding non-wholly owned subsidiaries, the headcount stood at 175,373 (FY10: 140,619). It is a predominantly young workforce, with an average of ~28 years. A break-up of the workforce by employee category and age is given below:
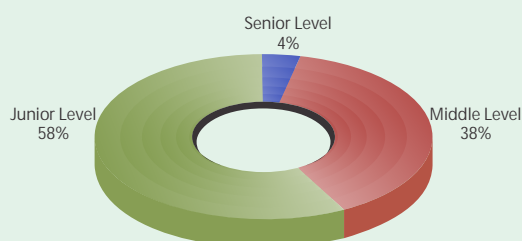

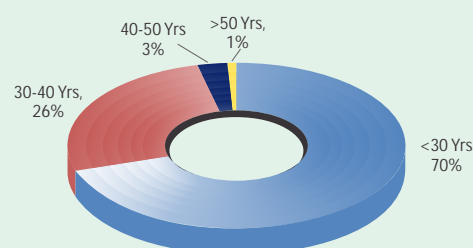Figure 11 Break up of workforce by category

Figure 12 Breakup of workforce by age

Talent Acquisition

A most critical component of sustaining the Company's growth trajectory has been the company's ability to attract good talent in sufficient numbers and to successful scale up the talent acquisition process.

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

On-campus recruitment of fresh engineering graduates plays a very significant part in the Company's talent acquisition strategy, so the Company is invested in building strong relationships with universities across the world and in improving the quality of academic training at engineering colleges. In FY 2011, TCS recruited 69,685 employees on a gross basis (FY 2010: 38,063). Of this, 26,458 i.e. 38% of the gross hires were fresh graduates.
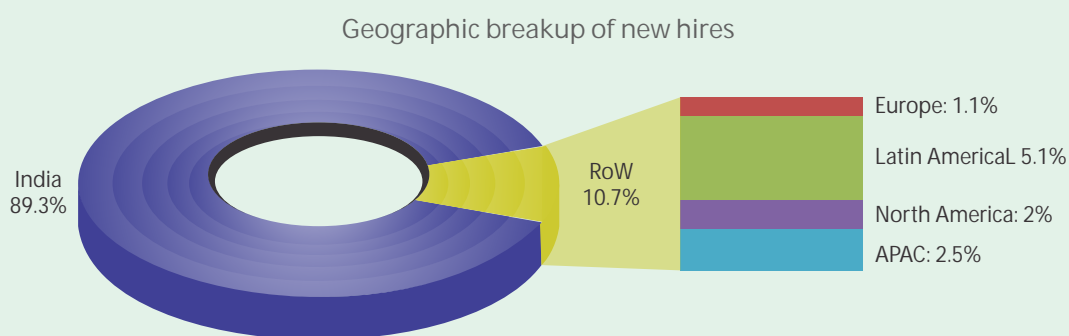

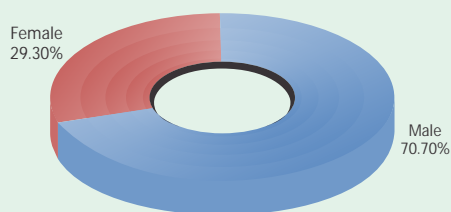Figure 13 Breakup of new employee hires by region
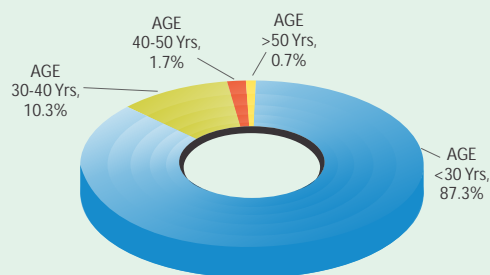
Figure 14 Breakup of new employee hires by gender

Figure 15 Breakup of new employee hires by age

Academic Interface Program

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 Academic Interface Program (AIP) helps build a robust high-quality, long-term relationship between the Company and academic institutions. Key highlights of our AIP are:

- Faculty Development Programs (FDP): TCS' senior consultants conduct training programs for faculty, to keep them abreast with technology developments and provide them with an industry perspective.

- Student Workshops: Training sessions for students on technical, managerial or soft-skills topics to enhance competitiveness and workplace-readiness.

- Membership of Board of Studies (BoS) / Curriculum Committees: TCS representatives participate in Curriculum Committees or Board of Studies of select academic institutes, to help shape the curricula and make it more industry-oriented.

- Project Support and Internships: TCS provides internship opportunities for students from Indian and overseas institutions and sponsors the Best Student and for the Best Student Project awards.

- Sponsorship of Academic Events and hosting professors on sabbatical in TCS.

- Dedicated portal for academia: TCS maintains a web portal linked to TCS website for continuous dialogue with academia on the performance of their alumni and on the curriculum, with useful resources for students deciding on their career.

- "Sangam", an annual meet with academic leaders from major engineering and management institutes

- TCS offers higher education programs for its associates in partnership with prestigious Institutes in India like Anna University – Chennai and Jadavpur University – Kolkata.

Diversifying the talent pool

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

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

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

As at March 31, 2011, women constituted 30 % of TCS' workforce (unchanged since last year). The number of non-Indian nationals in our workforce stood at 11,682 (excluding subsidiaries), representing 99 different nationalities (FY 2010: 80 nationalities). The breakup by nationality is provided in Figure 16.
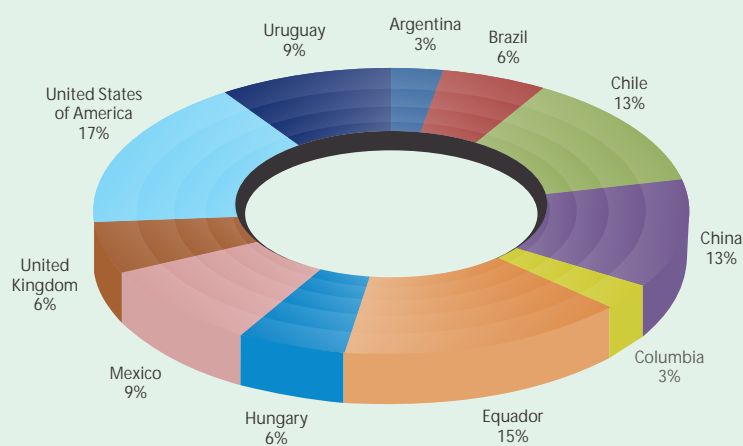

Figure 16 Break up of non-Indian workforce by nationality

Ignite – from Science to Software

Ignite is our pioneering initiative to help science graduates transform into software professionals, allowing us to tap into the large stream of science graduates in India. Designed as an intensive seven-month training program covering computing, core technology skills, TCS processes and tools, communication and team skills, business literacy, and cultural awareness along with live project experience, Ignite equips science graduates with the skills necessary to pursue a career in the IT industry.

Local Recruitment outside India

TCS is a multinational company with operations in 42 countries. Local recruitment is an integral part of our staffing strategy in each of these countries, spanning every level in the local organization. In FY 2011, TCS recruited ~7500 employees outside India. The percentage of senior-level employees amongst local recruits was 6.12% (FY 2010: 5.54%), higher than the enterprise average of 4%.

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

Local Subcontractors

A key element of the manpower demand fulfillment strategy is the need-based use of contractors, especially for assignments which are of a short-term nature or which require skills not readily available or in sufficient numbers internally. For this purpose, TCS maintains strong relationships with a network of empanelled vendors – staffing agencies and head-hunters – in every country that we operate in. We tap into this network to find suitable candidates whenever the need arises. In case those skills are needed on a longer term basis, TCS looks to build equivalent capabilities internally and eventually replace these contractors with employees. In FY 2011, TCS spent $465 Mn (5.7% of Rev) on subcontractors (FY10: $351.2 Mn, 5.5%).

Talent Retention

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

The outcomes of these retention programs have also been best in class. The return to work and retention rates after parental leave are high, at 74%. The majority of parental leave is taken by female associates. 6 out of the 8 employees who opted for adoption leave were women. Our attrition figures have historically been, and continue to be, the lowest in the industry. In FY 2011, attrition in IT Services was 13.1% (on a LTM basis) while overall attrition, including BPO, stood at 14.4%, which is the lowest in our peer group. Of this, attrition caused by departures of new hires within the same year was 4.4%. Attrition amongst female employees was 31.21 %. Attrition levels are higher at junior levels – at 16%.
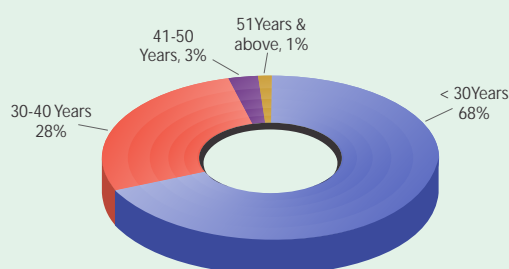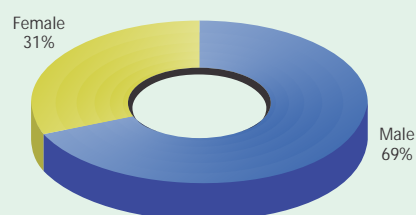

Figure 17 Break up of departures by age
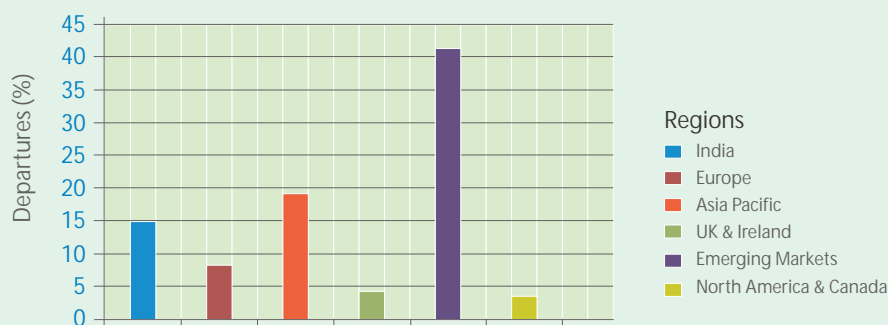

Figure 18 Breakup of departures by gender

Figure 19 Breakup of departures by region

41

Learning & Development

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

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

Average per capita training hours in FY 2011

Category	Male	Female
Senior management	36	31
Middle	47	33
Junior management	101	97
Business Associates/Others	19	13

In FY 2011, overall 2,375,985 learning days were invested towards competency development including training in thrust technology areas. The breakup of this is as below:

Senior Level 1%
Middle Level 6%
Junior Level 93%
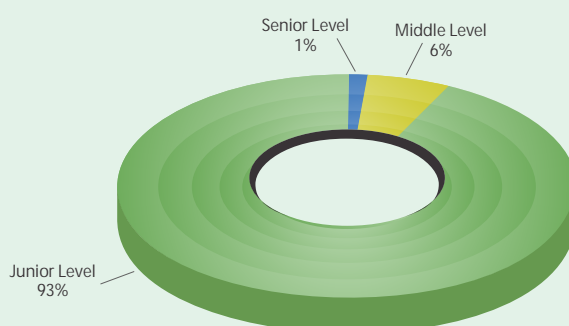
Figure 20 Breakup of learning days by employee category

Of this, some 123,822 learning days went into developing management skills and leadership qualities amongst employees identified for managerial and leadership roles.

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

TCS places significant emphasis on training and grooming employees at all levels with a long term perspective that develops the right competencies which help individuals drive growth in their careers and realize their potential in different ways to support their continued employment and post retirement phase. In addition, HR also organises multiple programs on financial management, health and other areas that assist them in managing career endings.

Career Development

Every individual aspires for career progression, so catering to these aspirations, motivating employees to realize their potential and providing them with a predictable roadmap and necessary tools for personal growth is key to retaining employees.

Personal Development Planning for all employees, male and female, forms a central part of our annual appraisal and goal-setting process, and is linked to the competency development and learning plans described in the earlier section. Apart from technical competency development, there is also tremendous focus on soft skills development including team building, innovative and creative thinking, cross cultural adaptation etc.

TCS keeps employees engaged and motivated by providing opportunities for continuously upgrading competencies by rotation across roles, technologies, customer and industries and geographies. With an explicit linkage to competency and performance, career progression becomes a highly transparent experience and serves as a powerful motivator.

Competitive Compensation Model

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

Employee Costs 2009-11

Figure 21 Rising employee costs FY2009-11

To ensure competitiveness in the pursuit of talent, TCS regularly benchmarks its compensation plans and benefits[13] with those offered by peers to ensure that competitiveness. There is also a skill-based allowance for employees possessing niche skills, designed to motivate employees to acquire marketable skills thereby benefiting themselves as well as the company.

Compensation structures are driven by prevailing practices in the different countries we operate in. But across the enterprise, remuneration is the same for men and women working at the same location and in the same grade[14]. In India, in addition to a fixed component of the salary, there is a variable component linked to the Economic Value Added (EVA). Payout of that component depends on

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13   TCS offers gratuity, a defined benefit retirement plan for eligible employees in India and in certain overseas locations. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Total benefit obligation at the end of FY2011 stood at $181.7 Mn. More details are provided on Pages 136-137 of the Annual Report.
14   Remuneration for men and women at the same location and grade is in the ratio 1:1

organizational performance as well as individual performance. This alignment of the Company's interests and the individual's interests has the effect of strengthening team spirit and improving collaboration amongst teams.

Reward and Recognition

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

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

Challenging Assignments

The importance of work content and an individual's quest for self actualization can never be overstated. By virtue of its broad footprint across geographies, across industries and appetite for executing large complex projects, TCS offers plenty of opportunities for ambitious individuals who seek challenging assignments and exposure to different kinds of roles, technologies and geographies. This has been an important aspect of TCS' best-in-class ability to retain high performers.

Employee engagement and motivation

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

Wellness is the other side of the same coin. TCS actively supports athletic and sporting activities at the national, regional and local level and encourages employees to participate. On TCS campuses, the focus on wellness translates into a myriad of activities, from yoga to aerobics; from tennis and badminton coaching to cricket and football tournaments. Our sponsorship of the Mumbai Marathon and other long-distance events across the world has sparked widespread interest in fitness and running.

Occupational Health & Safety

TCS is committed to providing a healthy and safe work environment to all associates and partners on TCS premises. Occupational Health and Safety Management System as per OHSAS 18001:2007 has been deployed and enterprise wide certification for 67 facilities (including 7 overseas facilities) has been received by Third Party certification agency.

To ensure continual improvement in the safety standards, TCS has instituted HSE committees across all its centres. Fire and other emergency preparedness drills are conducted as per defined frequency. TCS facilities located in various geographies track and comply with all local legal and statutory requirements related to occupational health and safety.

The occupational risks related to associate activity in the facility is low and mainly consist of workplace environment issue like slips, trips and falls, vision-related issues associated with display screen equipment (computer monitors), ergonomic issues related to long sedentary hours and work station design, illumination, thermal comfort, indoor air quality, food and water hygiene-related issues, etc.

TCS has addressed all the above issues in the design stage itself through appropriate infrastructural facilities. In addition, there is periodic monitoring, periodic upgrades, training, awareness campaigns and mock drills.

Employee workstations and chairs are ergonomically designed, sufficiently spacious and well-lit, as per BEE (Bureau of Energy Efficiency) standards. Other features include: thermal comfort monitoring, slip-resistant flooring, training on correct ergonomic postures, low radiation display screens, indoor air quality monitoring and fire drills. Apart from these, trainings on preparedness in natural and other emergencies are also imparted. Other proactive initiatives include camps for periodic medical checks, in-house doctors, first aid facilities and counseling for stress management.

The risks related to contractor activities in the facility are addressed through engineering controls, administrative, PPEs etc.

Guidelines and manuals are in place to ensure road safety, incident, injury & illness reporting, pest control guidelines etc. In FY 2011, more than 75,000 associates and contractors were a part of classroom sessions, floor-walks, awareness campaigns and web based training on Health & Safety.

In FY 2011, a stringent incident and near-miss reporting system was deployed to ensure 100% closure of all incidents that were reported. This system was a step forward towards creating incident free work environment. A large number of associates participated in awareness campaigns on occupational health and safety that were periodically convened in FY 2011.

Occupational Health & Safety Campaigns

Nutrition Week (1st – 7th September, 2010)

A series of mailers were circulated on healthy living, the importance of exercise etc. The Body Mass Index calculator was launched on the internal portal. The portal provides tips to employees to promote a healthy lifestyle.

Road Safety Week (1st – 7th January, 2011)

Road Safety Week was observed at various TCS locations to create awareness about safety and road rules and regulations for pedestrians and drivers. The awareness sessions also focused on safety while travelling in company buses and incident reporting.

Safety Week (1st – 7th March, 2011)

In line with the National Safety Council, the theme for the Safety Week was Behavior Based Safety (BBS). A variety of competitions were convened to promote that "Safety is everyone's responsibility." Competitions were convened to encourage incident reporting. Within the safety week, 50 situations were reported from various TCS offices.

Injury Data

Typical to any service sector company, injuries common in TCS offices include first aid cases, slips, trips and falls, illness and road accidents that the associates meet with while commuting. The focus is on capturing the all the incident data including near-misses. An increase in the number of incidents/near-misses reported (97 in FY 2011) reflects the success of the drive.

The increase in the injury incidence rate over the last three years (as shown below) is a reflection of the increase in incident reporting rather than an increase in the actual number of incidents.
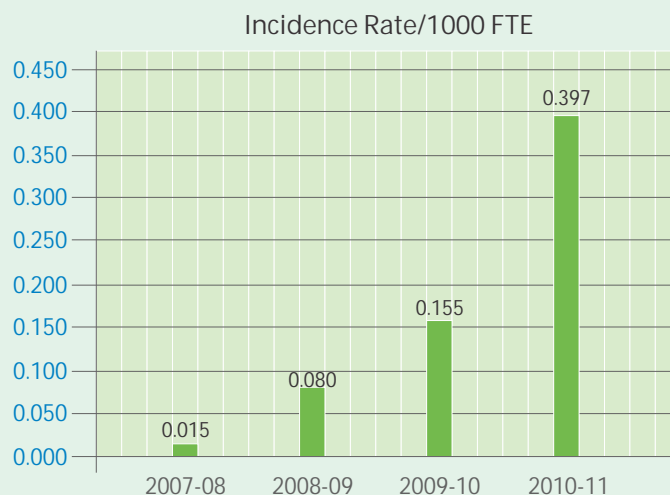
Incidence Rate/1000 FTE

Year	Value
2007-08	0.015
2008-09	0.080
2009-10	0.155
2010-11	0.397

Figure 22 Injury Incidence Rate

TCS has deployed an online occupational incident management tool to facilitate tracking and effective management of all incidents.

Supply Chain HSE Engagement

In 2010-2011, the HSE vendor assessment was initiated. The assessment engaged 50 key vendors and mandatory and desirable requirements as per TCS were communicated to them. The vendor selection process is a part of the mandatory criterion. The desirable criterion has been enforced to allow the vendors the opportunity to build capacity to meet the stakeholder's expectations. The desirable criterion shall become mandatory for the vendor over a timeline of 3 years. The forms of engagements are convened to promote among vendors an assurance of compliance with the mandatory HSE requirements while encouraging them to gradually comply with the other criterion as well.

Vendor audits are also conducted for key vendors to ensure compliance to regulatory requirements.

Construction Safety

TCS has created campus-style facilities across various locations. At present, construction is in progress at 5 locations which include Mumbai, Pune, Hyderabad, Ahmedabad and Chennai. In order to monitor the safety at the construction sites, TCS has appointed an independent construction safety officer for unbiased assessment at construction site. Amenities like safe drinking water, proper drainage, regular medical check-up of labors and waste disposal facilities are available at site and labor camps.

Safety induction trainings for new workers are mandatory. Various trainings like On-the-job training, tool box talks are provided to create awareness about safety amongst the workers and project staff. Regular inspection of construction plant and machinery equipment, work permit systems, personal protective equipment, is conducted as a part of the safety management system. Quarterly comprehensive audits are also conducted to assess the site's safety performance. All applicable legal and statutory requirements are identified, assessed and complied with.

Construction Safety Performance

Construction safety performance at four of the ongoing construction sites is monitored for key performance indicators like lost time, number of fatalities, reportable accidents, injuries, fires, first aid injuries, near-misses and safety observations.

No fatalities were reported during the financial year 2011 on account of effective implementation of stringent safety practices. In addition, during financial year 2011 there were no lost time injuries. The construction safety performance measured in LTIFR (Loss Time Injury Frequency Rate) was 'zero' with no reportable accidents recorded across all the construction sites. Several measures for example the number of safety trainings including tool box talks (37,448), number of safety observation (6,831), number of safety audits and inspections (583) and number of safety meetings (121) are also being tracked as lead indicators.

Community Engagement

Being part of the Tata group, TCS has a unique relationship with society at large, the capital structure ensuring that shareholder interests are fully aligned with society's. In this section, we examine this relationship further, look at the direct and indirect impact that TCS' operations have on the local communities and TCS' global CSR initiatives – through volunteering, funding and pro bono leveraging of our IT capabilities – in the areas of Education, Health and Environment.

Shareholder Interests aligned with Society's

While the traditional corporate mandate of maximizing shareholder returns has been gradually replaced with a more enlightened, more inclusive and therefore more sustainable concept of stakeholder value, there is always the question of whose interests gets primacy when the interests of individual stakeholder groups are not fully aligned.

The unique ownership structure of TCS ensures that the interests of shareholders and those of local communities as well as that of the larger society are fully aligned, allowing the organization to perform greater social good by just focusing on running the business well.

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

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

Thus, nearly 49% of the dividend paid out by TCS every year goes towards funding the philanthropic work carried out by these trusts. It is a source of tremendous pride and motivation to our associates that that their efforts and contribution to the company's success results in tangible benefit to society on a scale much larger than what any standalone CSR program could hope to achieve.

Direct and Indirect Economic Impact

The most significant, direct economic impact we have is the productivity benefits that our clients gain from the automation of their various business processes using the IT applications we build for them and also from plain vanilla IT outsourcing. According to one recent study of labor productivity in the credit union industry spanning 1992-2005, the first wave of productivity improvement (at a time where the IT function was largely managed in-house) mainly came from computerization of hitherto manual processes and thereafter, the largest benefits came from outsourcing. The authors found that credit unions which outsource IT incurred 30% lower costs than if they performed the function in-house. Greater cost-efficiency and productivity at a firm-level translates into better productivity at the

level of the larger economy and thus, we can claim a role in a transformational phase of the global economy, marked by significant productivity gains from the deployment of IT.

The productivity benefits from our IT-related work directly translate into community benefits when we engage with various governments to digitize their operations, that too in the area of citizenry services. The level of transparency, access and empowerment that these initiatives can create in communities can never be overstated. We do not believe that any part of our operations has a potential or actual negative impact on the communities we work in.

Secondly, our profitable global operations result in payment of the applicable corporate taxes in multiple countries, helping fund the governments there and thereby improving the quality of civic services in those jurisdictions. Tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled and provided for. In FY 2011, TCS provided for a total tax expense of $465.3 Mn, distributed across 50 countries.

Direct and Indirect Employment

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

And then there is indirect employment. Each of our delivery centers, housing a few thousand employees are massive and their construction employs architects, engineers and hundreds of construction workers. Once the facility is commissioned, the center opens up tremendous local employment opportunities for workers with all kinds of skills as our vendor-partners begin to hire housekeeping staff, security guards, drivers, gardeners, maintenance workers, chefs, cafeteria staff etc.

The creation of all these jobs, direct and indirect, at one location, creates a massive demand for local housing there, sparking a secondary real-estate boom in residential properties with multiple projects coming up, employing hundreds of skilled and unskilled construction workers.

Moreover, the beneficiaries of these net new jobs are often young (median age of the workforce: 28 years) and therefore tend to display high consumption patterns, benefiting local businesses and by extension, the local economies. The spending behavior and consumption patterns of our employees open up tremendous business and entrepreneurial opportunities. Banks set up branches or ATMs to service this highly attractive demographic. Small businesses come up in the vicinity to supply all varieties of services and products – restaurants, grocers, departmental stores, gyms, pharmacies etc. These in turn generate even more local employment and opening up new tax revenues for the government.

All in all, it is conservatively estimated that we generate 4 indirect jobs for every 1 direct job[15]. Taking these indirect jobs into account, TCS' consolidated, global employment footprint is estimated at over 800,000.

Infrastructure Development

The coming up of new communities around our delivery centers is also accompanied by development of the local infrastructure. Local municipalities and utilities respond to the needs of the growing community by improving existing roads and building new ones to improve connectivity, extending the grid to supply electricity and laying pipelines for water and sewerage. Public and private transport providers begin catering to the commuting needs of local residents. Telecom companies set up towers nearby for mobile connectivity and cables for

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15   Source: NASSCOM Strategic Review 2010

voice and data services. The blooming of physical infrastructure is accompanied by development of educational and healthcare infrastructure, resulting in a vibrant, standalone township.

Broadbased Regional Development

Historically, Indian IT industry came up mainly in the four metros (New Delhi, Mumbai, Chennai and Kolkata), Bangalore and Hyderabad, taking advantage of the availability of engineering talent and supporting infrastructure.

Recognizing the multiplier effect that the IT-BPO industry has on the local economy, various state governments are encouraging IT companies to establish centers in smaller cities in order to broadbase the resultant economic development beyond just the Tier I cities – a geographical trickledown of sorts.

Consequently, the IT industry has started establishing centers in Tier II and Tier III cities, taking advantage of lower costs and the highly motivated local workforce. TCS has been leading this foray into the hinterland, with headcount in Tier II/III cities* steadily growing as a percentage of our total India headcount over the last 3 years.

Year	FY09	FY10	FY11
Tier II/III Headcount	6.7%	8.4%	9.7%

* Ahmedabad, Lucknow, Pune, Kochi, Bhubaneswar etc

Intangible benefits

TCSers comprise a set of highly educated, highly visible young professionals, almost a third of them women, working out of campuses on the outskirts of the cities and increasingly in the smaller cities. This has other intangible influences on the more traditional communities in which our campuses might be located.

The evidence of social progress and individual prosperity resulting from college education influences parents in these communities to invest in their children's further education. Traditional biases against the girl-child weaken and girls in the community find inspiration to overcome traditional barriers and seek higher education and pursue careers. These changes in behaviors and outlooks have a positive impact on the overall developmental metrics of nearby communities.

Serving as an Ethical Exemplar

Another impact of TCS' operations in the community is the superior moral environment we help foster through our values-driven behavior. TCS regards integrity as a core value that underpins all business activities. Our reputation of trust has been earned through several decades of such consistent, value-driven conduct.

We have adopted the Tata Code of Conduct (TCoC) which every employee of TCS signs up on joining the company and which serves as an ethical roadmap in our daily activities. Training on Tata Code of Conduct (TCoC) is a mandatory part of the induction of all associates. Awareness is heightened by organizing road-shows, compliance workshops and an annual Ethics Week featuring quizzes, awareness sessions, essay-writing contests etc. There is also a Whistleblower Policy through which instances of malfeasance can be reported directly to the Board without fear of reprisal.

The outcome of this corporate-wide emphasis on ethical behavior, integrity and individual accountability is a very high level of employee awareness of the Company's values[16]. In the 2010 employee satisfaction (PULSE) survey, 93.3% percent of associates expressed satisfaction with the level of awareness of the Tata Code of Conduct and with TCS' adherence to it in spirit and letter.

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16   *2010 employee satisfaction (PULSE) survey, 93.3% percent of associates expressed satisfaction with the level of awareness of the Tata Code of Conduct and with TCS' adherence to it in spirit and letter.*

The fact that the Company has been able to build a strong, highly successful, global business without compromises on the ethical front makes TCS a moral exemplar worthy of emulation, spreading our culture outside the organization's boundaries. In all our contracts we explicitly mention the TCoC clause to our Customers, Partners and Suppliers. We also participate in international and group forums as part of the learning and sharing mechanisms.
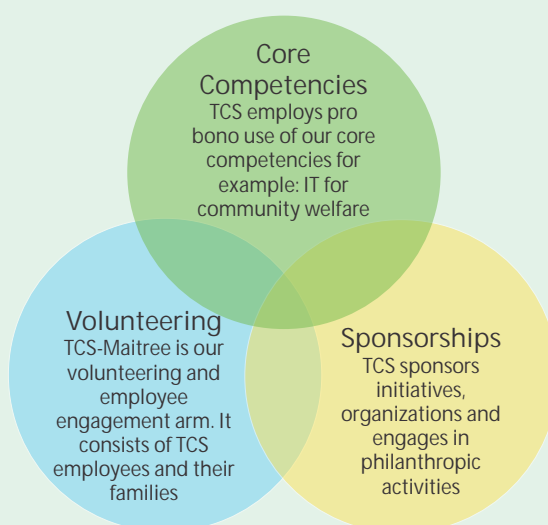
Apolitical Stance

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

Commitment to Human Rights

A strong commitment to human rights is an integral part of the Tata Code of Conduct. TCS follows a rigorous screening process before entering into a business relationship with its vendors. All the contracts that we enter into, representing 100% of our operations, in every part of the world, require the counter-party to comply with the relevant laws safeguarding labor rights and human rights in the respective jurisdiction. All employees, including security personnel, are sensitized to human rights as part of their orientation program. The nature of our business precludes operations at risk of human rights violations. So we do not carry out formal human rights reviews or impact assessments. No incident of discrimination or non-compliance with relevant labor laws by any of our business partners was brought to our notice in FY 2011. No grievance related to human rights violation was filed in FY 2011.

Corporate Social Responsibility

Tata Consultancy Services works towards realizing social good by nurturing people and planet in recognition that an equitable socio-economic system is vital to the sustainability of a corporation. As part of our Corporate Social Responsibility, TCS undertakes programs for communities in the three broad areas of Education, Health and Environment. The engagements take three broad forms:

Core Competencies
TCS employs pro bono use of our core competencies for example: IT for community welfare

Volunteering
TCS-Maitree is our volunteering and employee engagement arm. It consists of TCS employees and their families

Sponsorships
TCS sponsors initiatives, organizations and engages in philanthropic activities

TCS has created process documents which use specific indicators to identify significant communities in the geography within which they operate. The Strategic Planning document and the Community Locator prepared and applied in 2010, identify generic steps leading to a customized and strategic CSR plan for developing and deploying an initiative in a particular geography. We do not believe we have any significant negative impact on any community where our operations are based, so our community initiatives are largely promotive or preventive in nature, rather than curative.

In FY 2011, TCS spent an estimated USD 6.6 Mn on CSR initiatives. In addition, TCS associates and families volunteered 55,068 hours on CSR activities.

Impact through Empowerment

TCS community initiatives have focused on enabling communities and people to take lead in their own live and improve their well-being. TCS has sought to achieve this through literacy, training and information on skills, and education on health, financial management etc.

Figure 23- Adult Literacy Programme

Computer-based Functional Literacy

The Adult Literacy Programme, the flagship programme of CSR at TCS, enables inclusion of people into information streams so that they are equipped to make better choices .

TCS developed the Computer Based Functional Literacy paradigm through the use of its IT core competencies. The programme was first launched in 2000 and till date has made 1,75,000 people literate. In FY 2011 TCS is partnering with the National Literacy Mission Authority in India to spread literacy under the Saakshat Bharat Programme through a camp based mode.

A pilot programme of 9 camps in the states of Andhra Pradesh, Karnataka and Uttar Pradesh were held between July to September 2010, where 399 women were made literate with writing and numeracy skills. By June 2012 a larger rollout of 228 camps all over India will cover around 23,000 women to make them functionally literate in reading, writing and numeracy.

Figure 24- mKRISHI providing assistance to farmers in India

mKRISHI

TCS developed a mobile based crop advisory service to help rural farmers throughout India have better access to agricultural information through a cell phone application. It provides expert advice and personalized information to rural farmers in their local language and is also adaptable to illiterate farmers who can register a query using voice-specific functions.

The value of mKRISHI and its business implications in the rural scenario are quite significant. In rural India there is a limited availability of electricity, therefore the use of a mobile phone is an effective way to provide timely information to the rural population.

mKrishi delivers personalized rural services like Crop Advisory, Best Practices, Financial Services, Rural Employment, Government Services and Weather Information.

Figure 25 Farmers using the mKRISHI application

Farmer logs have indicated that mKRISHI has resulted in increase in yield, reduction in cost, improved efficiency and better price for the produce for farmers. It has also led to income generation opportunities for the rural youth and agricultural graduates.

Information about appropriate use of chemical fertilizer has led to the avoidance of soil erosion and infertility. There has also been a reduction in ground water pollution as a result of excessive use of nitrogen fertilizer.

In 2010-2011 farmers from Andhra Pradesh, Rajasthan, Tamil Nadu, Punjab and Uttar Pradesh have benefitted from services provided by mKRISHI.

In the UK, TCS is working with the Government's Department for International Development (DFID) potentially to deploy its IT capabilities in developing countries. In FY 2011, mKRISHI was identified as one of only 30 DFID supported world beating projects.

Figure 26 Childline: emergency helpline for children in distress

ChildLine

TCS uses its core competencies to develop Management Information Systems pro bono for NGOs.

TCS developed the ChildLine/ChildNet application for Chidline India Foundation that has been deployed extensively. At present, this software covers 200 cities/districts in India and by 2015 the organization plans to cover 640 districts/cities with this software. TCS has also provided a comprehensive Donor Management System to the organization.

Figure 27 TCS Application prepared for Smile Train

Smile Train

TCS has developed a comprehensive solution to enhance patient care for Smile Train, an NGO that works with children with cleft palates. The solution encapsulates information across all Smile Train partners and helps synergize best practices.

Figure 28 Supporting operations of Impact India Foundation

Impact India Foundation

Impact India is a part of an international initiative against avoidable disablement.

The organisation consulted with TCS for their Community Health Initiatives. TCS recommended the development of an MIS to reach their curative and preventive measures. This system was subsequently developed by TCS to help track success against targets and improve traceability and accountability for the ground staff as well as the management team.

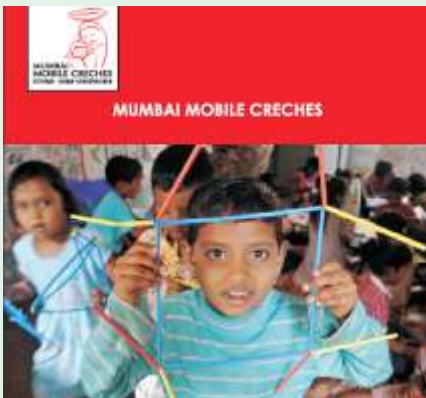The system enhanced the Foundation's ability to quantify activities from a perspective of Social Return on Investment (SROI) by accurate articulation of Inputs, Tangible Outputs, Measurable Outcomes and Socio/Economic Impact. It also enhanced accuracy in reporting of the programme to Donors, Management and other stakeholders and therefore provide the visibility of a Single Truth across the programme. The system provides measurement of "Disability Reduction" in that geography and a trend analysis across regions within the geography to identify similarities, changes and developments. It also tracks key performance indicators (KPI) to ensure that the programme is sustainable and replicable.

Figure 29 TCS Created a MIS system for Mumbai Mobile Crèches

Mumbai Mobile Crèches

TCS analyzed the internal tools and the business needs of Mumbai Mobile Crèches and designed an Inventory Solution to assist them in capturing their monthly quarter spend per centre as well as the derive cost per child. TCS also designed a comprehensive Donor Management system which also included a provision for tracking repeat donations.

Volunteering at TCS- Maitree

The employee engagement arm of TCS was enhanced to include socially relevant activities. The approach to social initiatives entails being proactively involved and working at the grassroot level. The projects undertaken include aiding underprivileged children across various schools in India and helping rural communities at Panvel (Maharashtra), Nainar (Chennai), Padmapur (Odisha) and Challera (New Delhi). In FY 2011, TCS associates reached out to 3500 beneficiaries in 5 villages.

TCS associates have developed a sustainable model to improve education, healthcare and the environment of these villages. In Panvel, Maharashtra, and Nainer Chennai, TCS associates were engaged in primary and secondary school education. Women in Panvel underwent a paper product certification program by Jan Sikshan Sansthan (Raigad) which enables them to procure loans from banks.

Figure 30 Computer Center for children at Nainar, Tamil Nadu

In FY 2011, TCS-Maitree's rural initiative at Nainar, in Tamil Nadu India, reached more than 140 beneficiaries. Training in screen printing and job referrals for house-keeping and helped to increase the women's income from Rs. 600 to Rs. 1500

Computer Literacy Training and Personality Development Programmes were conducted at Padmapur, Odisha and Challera, Delhi. In FY 2011, TCS reached 240 villagers in Padmapur, Odisha

Figure 31 Primary School Initiative at Wazepur

India and about 300 villagers in Challera, New Delhi India.

In the domain of education & skills development, TCS Maitree globally reaches over 65 institutes in China, Ecuador, India, South Africa and UK. In FY 2011, 10,225 children were reached by over 6,610 TCS volunteers and families.

Client partnerships- TCS-Yale Morgan Stanley

In FY 2011 TCS partnered with its client Morgan Stanley and Yale School of Management to promote Social Entrepreneurship. Core Competencies of TCS, Morgan Stanley and Yale School of Management were leveraged effectively to bring about societal transformation in multiple areas like rural entrepreneurship development, eco-tourism, sale and marketing of

Figure 32 Supporting Social Entrepreneurs in India

eco friendly products, women's empowerment, employment generation and micro-financing. Students from Yale analysed the work being done by various social entrepreneurs in India. To identify their challenges and obstacles faced by the organization and assisted in developing potential solutions. As a follow-up measure, TCS volunteers continue to work with the social entrepreneurs identified.

Health Initiatives

Initiatives in India

TCS also organized a School Health Education Programme to educate students on topics such as health, hygiene and personal care. Health Camps and Awareness programmes such as eye and dental camps, camps on women health awareness, etc. were also conducted in FY 2011.

TCS organized fundraising through walks and other events in support of health related causes such as Cancer etc. In FY 2011, TCS organised 24 Blood Donation drives. A total of 3,498 associates participated in these camps.

Initiatives in North America

TCS has supported various health-related causes such as the Walk for Hope which is in support of cancer research and cure. In FY 2011, TCS in support of the American Diabetes Association organized the Boston, New York and Chicago marathons. 33 TCS marathon runners raised about $14,000 for the organization. TCS associates also participated in the Heart Walk for American Heart Association, the March of Dimes in support of healthy mothers and healthy babies and Making Strides against Breast Cancer.

TCS volunteers have supported the Salvation Army by organizing food and clothes drives at their local community centers. In addition, TCS associates also volunteer at old age and nursing homes. In FY 2011, 10% of TCS associates in North America participated in various community engagement initiatives.

Initiatives in UK & Europe

From April 2010 to January 2011, a match funding scheme was initiated in UK and Europe through which a total of £66k was donated to charities. TCS raises funds through marathons and fun runs, cricket tournaments as well as through donations and general volunteering.

In October 2010, TCS Europe initiated fundraising and awareness activities for Multiple Sclerosis and Breast Cancer.

Today is a Good Day, TCS' flagship health programme was formally launched on 3rd March 2010, which is also the Founder's Day for Tata group. The initiative was launched in UK and in FY 2011 12 walks were organized to promote healthy lifestyles. TCS also conducted employee fundraising for the Institute of Cancer Research, Leukemia and Lymphoma Research, Myeloma UK, Macmillan Cancer Support and Anthony Nolan bone marrow donation. The programme has also supported local hospitals and hospices.

In FY 2011, a bone marrow donation registration awareness event was conducted at TCS London offices which resulted

Figure 33 Creating awareness for Breast Cancer

Figure 34 CEO Mr. N. Chandrasekaran at the Chicago Marathon

Figure 35 Associates supporting the British Heart Foundation

in 19 potential life saving donors. The charity with support from TCS is also working to prevent late diagnosis of cancer and aims at saving 27,000 lives each year in UK through awareness of the disease.

Through its TIAGD programme, TCS encouraged 10 major Tata Steel sites in UK to have Macmillan information units for a day. TCS offices in UK held cancer awareness days in association with Macmillan Cancer Support.

Community Health Initiatives in UK have focused on Cancer as a major health concern. Oganisations such as the British and Irish Heart Foundations, National Society for Prevention of Cruelty to Children, Leonard Cheshire Disability for people with learning and physical disabilities, Air Ambulance, Royal British Legion have also been supported.

Figure 36 Associates donating blood for the Red Cross at Singapore

Initiatives in Asia Pacific and Australia

In FY 2011, in support of Operation Smile, a charity auction was held to help cleft lip and palate children. RMB 26,000 raised through the auction helped 8 children undergo the surgery. TCS China also organised a volunteer initiative at the Operation Smile Hospital in Hangzhou. TCS' involvement with Operation Smile included collection of patient information and undertaking supportive roles in the operation, and during recovery. In FY 2011, TCS was able to help 63 patients undergo surgery and 200 patients (aged 4-35) to receive free diagnosis and medical advice.

In FY 2011, several blood donation drives were organized in China. Associates also donated clothes and radio cassette recorders to orphans at the Zhejiang Disabled Hospital.

In Australia, TCS associates participated in a charity run on the 11th of February 2011 in support of the Friedreich Ataxia Research Foundation.

Initiatives in Middle East and Africa

TCS associates in Africa supported Breast Cancer Month by making donations to "Reach for Recovery". TCS is working closely with Dream Fields Project which brings sustainable soccer fields and equipment for youth in disadvantaged communities in Africa. TCS also works with Reach a Dream Foundation to help terminally ill children between the ages of 3-11 realise their dreams.

In South Africa, TCS has worked with the "Cecilia Rivandeneira" Foundation and since August 2010 has been working to develop the Volunteer Programme at the public Hospital "Baca Ortiz" where volunteers work with children suffering from cancer. 25-30 volunteers participate in each visit to the hospital.

TCS also works with the Ecuador Red Cross on their Blood Donation Programme which takes place every six months. This semi-annual Campaign promotes solidarity by popularizing the message of "Donate Blood, Save a Life." During the last campaign held on October 2010, TCS donated 11 bags of blood.

Education & Skill Development

In FY 2011, TCS reached out to 65 institutions in China, Ecuador, India, South Africa and UK. Programmes initiated by TCS reached 10,225 children globally through the efforts of over 6,610 TCS associates and families.

Figure 37 Participants at TCS Wiz

Initiatives in India

TCS has a long running programme to create an interest in Information Technology among high school students and to encourage them to choose a career in IT. TCS IT Wiz, now in its 10th edition, has become the benchmark in school quizzing. This annual event reaches out to over 2 lakh school students from 5,000 schools across 12 cities in India. In FY 2011, the quiz was held over 12 regional rounds with the grand finale in Chennai in December 2010.

Figure 38 Winners of TCS Wiz 2010-2011

Figure Advanced Computer Training Center for the visually impaired

Since 2000, TCS has also partnered with the Department of IT- Government of Karnataka, to conduct the Rural IT Quiz. This event has been conducted annually for 2 years and has attracted 14 lakh students.

TCS set up the Advanced Computer Training Centre for training the visually impaired. The training centre offers IT-enabled vocational courses that are in sync with the industry requirements.

The objective of the programme was to create a platform for imparting computer training and personality development training to enhance employability for the visually impaired individuals. The programme also seeks to create suitable opportunities for these individuals within TCS and other organizations. Till March 2011, 77 visually impaired individuals were trained through this initiative.

TCS participated in the International Daisy Conference held at New Delhi. This conference focused on capacity building in developing countries to allow information to be accessible to all people including those with disabilities. TCS presented the Advanced Computer Training Centre for Visually Impaired and TCS' Exegenix Technology, developed for visually impaired individuals.

The Advanced Computer Training Centre was also presented by TCS at the ILP Global Business and Disability Network Meeting held at Bangalore in FY 2011.

Initiatives in North America

TCS also seeks to address the IT Skills Gap in school students through its programme goIT. Students engage in workshops within the school. TCS Seven Hills Park campus in Ohio hosted a summer robotics camp in which 12 local schools, 65 students and 125 parents were involved. The programme has grown from 2-12 schools in two years.

As a consequence of the programme, two school districts have restructured their technology education programme, adding teachers and resources to increase technical education in their schools. 70% of the programme participants indicated an increased interest in pursuing science and technology after completing their high school education. The programme received the 2010 Investing in People Awards by the Workforce One Investment Board of Southwest Ohio.

Initiatives in UK & Europe

UK Global Fellowship

For the past 3 years, TCS has been working with the Department of Education in the UK and the British Council to support 300 Global Fellows and has hosted them in India and China. The purpose of the

Figure 40 Children interacting with teachers from India through the Global School Partnerships

programme is to encourage a global understanding and to understand a corporate organization as it functions globally. The fellows also serve as ambassadors to 3,000 UK secondary schools.

Global Schools Partnership

TCS has established a partnership of schools between India and UK to encourage cross country correspondence between students and a teacher's exchange programme funded in part by TCS. In FY 2011, nine schools in India were identified to be a part of the initiative.

Local School Partnership

TCS established a partnership with a school in Tower Hamlets, London which specializes in Science, Computing and Math, with the intention of enhancing knowledge of the IT Industry. The programme provides a series of full day workshops to teach soft skills in addition to giving students an understanding of the IT industry, its roles and jobs. The programme has reached out to 180 students till date. TCS also provides work placements every year.

Figure 41 Associates supporting "Wings of Hope" at the London 10k

Wings of Hope

TCS partners with the 'Young Enterprise with a Social Conscience' scheme that helps UK students to develop business skills and gain an understanding of the education in India and Malawi. In FY 2011, 1,400 students from schools across UK participated in the programme. TCS provides a structured placement initiative named 'Mission You'. Students who participate in this initiative develop a strategy plan that would be beneficial for TCS to adopt by 2020. These ideas are then presented to TCS directors who make decisions on the work placements for these students.

TCS associates in Belgium collaborated with 6 other companies to develop 'Discover Your Talent'. This programme focuses on creating employability for immigrant children. The initiative was recognized and appreciated by Business and Society, a member organization that unites companies from various sectors with a common interest in Corporate Social Responsibility.

Under their social inclusion programme, TCS has provided 6 scholarships to students in 3 Australian Universities. TCS sponsored the 3 year IT course that all 6 students were enrolled in.

In FY 2011, TCS made donations in excess of USD 500,000 to a variety of organizations such as America Cancer Society, the Boys & Girls Clubs of America, Habitat for Humanity, Juvenile Diabetes Research Foundation, March of Dimes, Toys R Us Children's Fund and the National Underground Railroad Freedom Centre. In addition, Stg 200,000 was donated to various charities with the primary focus being on influencing a change in the Marketplace, Workplace and Environment. TCS also supported more than 200 charities in UK associated with health and education, several of which were related to the Millennium Development Goals such as the Loomba Foundation, UNICEF, Railway Children and the Simon Community.

Initiatives in Middle East and Africa

In South Africa, TCS associates are regular visitors to the Jordan House-Home for the Aged and in FY 2011 donated reusable goods in addition to money for the benefit of the senior citizens.

In FY 2011, 1,028 associates volunteered 3,602 hours to engage in 246 community benefitting activities.

Reaching where it matters

In February 2010, Chile experienced a massive earthquake measuring 8.8 on the Richter scale. TCS quickly responded to the needs of the families affected by the earthquake by organizing a donation of desalination plants and water purifying filters. TCS donated and implemented5 Desalination Plants and 2,000 Filters cum Water Purifiers, making an investment of USD 1 million.

Figure 42 TCS donated Swatch water filters at Chile

The plants were put up in the Southern Region of Chile to reduce the incidence of water shortage experienced by the coastline and rural sectors. In July 2010, the first Desalination Plant was inaugurated for use. Four other plants were ready for use by the end of 2010.

TCS associates in Switzerland worked with a TCS client Swiss Re to collect funds for the Haiti Earthquake Relief. A collection drive was also initiated by TCS associates in Australia to assist the victim of the Queensland floods. TCS contributed AUD 30,000 towards the Queensland Flood Disaster Fund.

CASE STUDIES

TCS BPO Employability Programme

India produces 3.2 million graduates each year. However the unemployment rate among India's graduates is around 17.2% (Govt. of India 2005). TCS visualized that the problem of graduate unemployment can be resolved by increasing employability of rural graduates.

Initial visits made to rural colleges in Maharashtra and Tamil Nadu indicated that a large percentage of students from these areas do not have access to high quality education or skills training that are essential in a competitive corporate environment like TCS.

In 2010-2011, TCS targeted underprivileged rural youth and individuals from marginalized sections of the society in the Indian states of West Bengal, Odisha, Maharashtra, Gujarat and Tamil Nadu for providing free training in English Communication, Corporate Etiquette and Basic Computer Skills.

TCS has trained over 3600 graduates out of which 375 have received conditional offers of employment from TCS BPO. At present, 250 of the trained candidates are working at entry level jobs in the TCS BPO at Mumbai, Kolkata, Chennai and Baroda. The initiative facilitated the training and subsequent employment of Rita Toto, the first woman to graduate amongst the Totos- a tribe designated by the Government of India as a "particularly vulnerable tribal group".

The programme offers 100 hours of free training to improve the English Communication skills, Computer skills and Corporate etiquette. At the end of the training, the candidates are put through the regular recruitment process.

Figure 43 Enhancing employability of Rural Youth in India

TCS-Maitree Initiatives

TCS Maitree has been rendering community support for Nainar Rural Development Initiative in Chennai, India since September 2007. Based on the community request we started daily tutoring classes for 50 school children.

25 volunteers visit the community every weekend to provide training in school subjects like English, Mathematics and Science. To ensure interest in learning, a trained teacher from the same community was also appointed.

70% who were trained under our supervision passed their Board exams. Before the weekly coaching classes by TCS Volunteers a majority of the students lacked basic mathematical knowledge. The sustained effort of our volunteers resulted in increasing the percentage of students that passed the exam.

"This year, with the help of TCS volunteers I was able to score 90% in my 10th grade examinations. My family was very happy with me…I want to become an engineer, join TCS and help other children like me" **Manikandan - A student helped by TCS Volunteers for 4 years**

Figure 44 Providing support to a village in Nainar, Tamil Nadu

16 year old *Subhash* passed his 12th grade examinations in April. He regularly attended special coaching from TCS Maitree Volunteers who helped him with various school subjects. Subhash's hard work and will to succeed in becoming an Engineer was evident. In addition to coaching him in school subjects, TCS volunteers helped him gain confidence in his abilities. Subhash fared well in his examinations and through the support of TCS Management secured a place at Vel-Tech Arts College, Avadi and is currently pursuing his Bachelors in Science.

Mr. Harendra Singh from TCS Delhi comes from the same school where TCS extended its help through volunteer intervention to improve the quality of education. In his times, things were difficult and he had to fight to achieve success. Mr. Singh is now an employee at TCS and his heart is filled with pride each time he volunteers to teach underprivileged students. He says, that he experienced a moment of pride when after years of sustained effort two of his students qualified the entrance exam for a professional course in fashion designing

Figure 45 Students attending classes at TCS Maitree School Initiative, Delhi
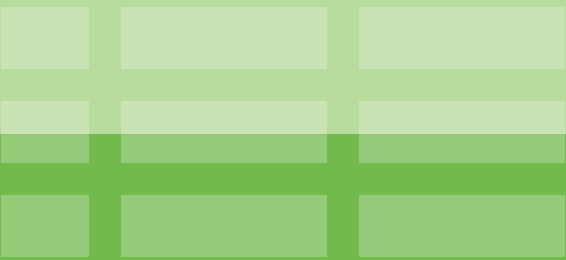
Environmental Impact

Environmental Impact

Being an IT consulting firm, TCS does not consume non-renewable resources nor generate process wastes and emissions on the same scale as many traditional industries. On the other hand, the use of Information Technology has helped significantly reduce transmission and distribution losses, leading to a more efficient and smarter use of the electricity generated and thus reduce the global emission of greenhouse gases (GHG). TCS thus views the growing cognizance of the risks of climate change not only as an opportunity to use our consulting services and green IT methodologies for a greater good, but also as a source of revenues.

TCS is committed to measure, report and continually improve its overall environmental performance by optimizing its resource consumption, minimizing its ecological impact and in line with the precautionary principle espoused by Article 15 of the Rio Declaration, working to reduce its carbon footprint.

We have an Environment Policy[17] that guides key activities designed to minimize our ecological footprint and mitigate the impact of our operations. The pillars of the Policy are:

- Leadership, going beyond mere compliance
- Climate change mitigation through commitment to reduce GHG emissions and corresponding carbon footprint
- Green Procurement
- Reduce, Reuse, Recycle
- Resource Efficiency
- Green Infrastructure – Green Buildings
- Green IT

All TCS sites are compliant to all relevant environmental laws, acts, rules and guidelines. No instances of non-compliance to environmental laws and regulations were brought to our notice in FY 2011.

At TCS, the environmental initiatives are seen as a part of the overall operational improvement and the expenditure is not tracked separately. Running expenses incurred – such as, monitoring and measurement costs, investment in energy efficiency projects, fees paid to the state and central pollution control boards for consents/NOCs, etc. – are met through operational budgets. Further, green infrastructure changes like setting up of Sewage Treatment Plants (STPs) or incremental cost incurred for green building projects are counted under the capital expense budget. However, going forward, we intend to start capturing all relevant environmental expenditure through our existing Management Information System.

17   http://www.tcs.com/about/corp_responsibility/environmental/Pages/default.aspx

Environmental Targets and Performance

Our FY 2011 environmental performance against targets is given below:

Environmental Performance Objective[18]	Target	Achieved[19]
Reduce Electricity Consumption (kWh/FTE/month)	2%	7.75%
Reduce Water Consumption (liters/FTE/month)	2%	11.85%
Reduce Paper Consumption (Reams/1000 FTE/month)	10%	17.40%
Increase Recycling of Sewage water (as % of total water consumed)	10%	8.36%[20]
Increase solar water capacity (litres/day)	10%	99%
Reduce waste generated (Kg/FTE/annum)	5%	-35.61%[21]
Amount of compost generated (Kg/month)	10%	57.81%
Reduce Carbon footprint (tonnes CO2/FTE/annum)	5%	6.77%
Increase Rainwater Harvesting Potential (Cum)	10%	10.43%

*FTE = Full Time Equivalent

Going forward, we are doing away with year on year targets in key areas and setting ambitious longer-term targets against which we will report annual progress. Given below is a summary of our environmental targets for the future:

Environmental Parameter	Target	Timeline
Electricity	5% YoY reduction in per capita electricity consumption	FY 2012
Scope 2 Carbon Emissions	8% reduction in per capita Scope 2 emissions over baseline FY 2011	FY 2015
	50% reduction in per capita Scope 2 emissions over baseline year 2007-08	FY 2020
Freshwater consumption	12% reduction per capita over FY 2011 and 20% over baseline FY 2008	FY 2015
Rainwater harvesting	Zero groundwater depletion (i.e. become groundwater neutral) by replenishing water drawn from borewells through rainwater harvesting	FY 2015
Paper consumption	10% YoY reduction in per capita paper consumption	FY 2012
Wastewater management	100% zero-discharge facilities	FY 2015
Solid waste management	To ensure that less than 5% of solid waste generated goes into landfill	FY 2015

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18   Reductions / Increases over FY 2010 numbers
19   Number in red signifies missing the target
20   Attributed, amongst other reasons, to a Sewage Treatment Plant at one of the larger locations being non-operational for a significant period.
21   The increase in per capita waste generation is due to improved measuring, tracking and reporting practices and not necessarily due to more wastes generated.

Energy Performance

Energy efficiency has been identified by TCS as a major area for improvement and the objective is to reduce the energy footprint through various measures like green IT, green infrastructure, operational energy efficiency, energy audits, awareness drives, etc.

The primary source of electricity at TCS is grid electricity, of which an estimated 64% is from thermal power plants and the balance is from hydroelectric, other renewable and nuclear power sources. Backup support – during power outages – is through diesel generator (DG) sets maintained at each location. In addition, some TCS facilities procured 'green power', from sources like hydroelectric power and wind power farms. A source-wise breakup of the 365,056 MWh (1,237,498 GJ) of electricity consumed by TCS in FY 2011 is given in Figure 46.
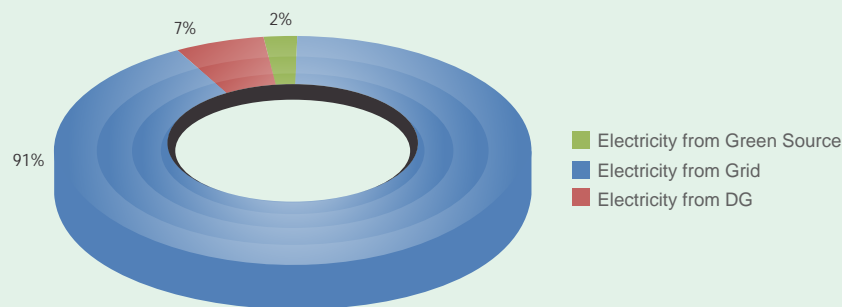

Electricity from Green Source
Electricity from Grid
Electricity from DG

2%
7%
91%

Figure 46 Electricity Consumption by Source (%)

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

| Area	Action
Green office infrastructure	TCS views green infrastructure as a key tool in the drive to reduce energy footprint, material footprint and carbon footprint. All new offices coming up are designed as per LEED Green Buildings - Gold rating. TCS already has 3 LEED Certified Green Buildings; at Chennai (Siruseri – Gold Rated), Bhubaneswar (Kalinga Park – Platinum Rated) and Trivandrum (Peepul Park – Silver Rated). A few more are under review for the certification.
	Some key features of the TCS green buildings include use of solar photovoltaic panels and chiller waste heat recovery units.
	Other initiatives include setting up of solar water heaters for generating hot water. In FY 2011, TCS increased its solar heater capacity by 99% over 2009-10, helping reduce the energy used in heating water for use in kitchens, gymnasiums and washrooms.

Solar Water heater capacity (litres/day)
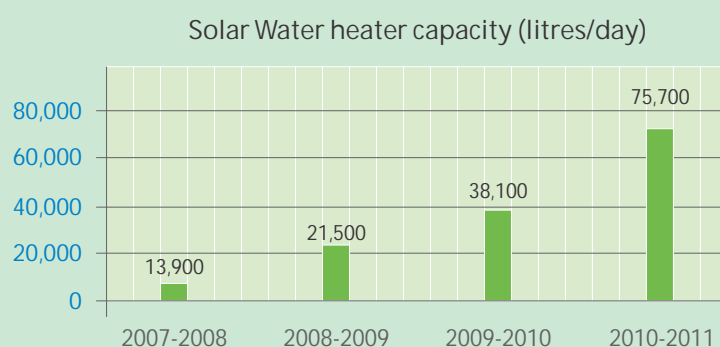
Figure 47 Solar Water Heater Capacity (ltr/day)

Green internal IT	TCS has undertaken a series of initiatives to reduce the energy footprint of our data centres and computer workstations, such as server virtualization and consolidation, server cooling load management, shift to blade server, procurement of energy-star rated equipment, remote desktop control, etc.
	Pilot desktop virtualization projects are underway to help reduce the energy consumption further by consolidating individual CPU loads on a single server for load optimization.
Energy audits	TCS has taken up the internal energy audit projects at various locations to identify potential energy efficiency projects to come up with all possible innovations and ideas to improve the energy performance of the older buildings.
Operational energy efficiency	Operational controls that have been put in place include: ■ Switching on the AC half-an-hour late every morning and turning it off half-an-hour earlier in the evening ■ Regulating temperature in a close band (24+1o C) ■ Replacing tube-lights with CFL luminaries and LED for common areas ■ Installing Variable Frequency Drive in air handling units ■ Capacitor Bank Power Factor Management ■ Putting solar PV based peripheral light system ■ Minimizing use of halogen and other energy intensive lighting ■ Switching off of monitors when not in use through central programming ■ Employee Engagement through awareness drives and putting up posters etc.

All these initiatives have helped TCS reduce its energy consumption by 7.75% over FY 2010 and 22.80% over baseline year FY 2008.
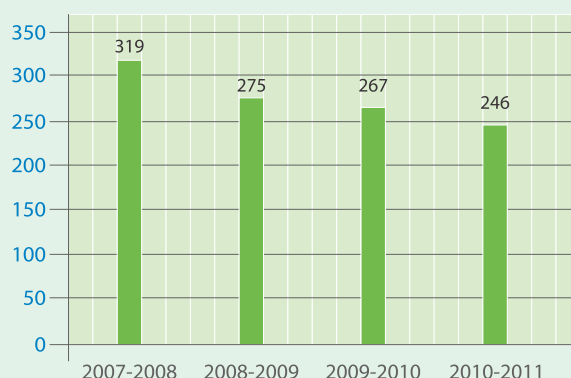

Figure 48 Electricity Consumption (kWh/FTE/mth)

Lastly, total fuel consumption by company owned vehicles in FY 2011 was 112,123 liters of Petrol and 177, 625 liters of Diesel. The total direct energy consumption by primary energy sources is 310,324 GJ (from fuel consumption in owned vehicles, diesel consumption in Diesel Generators, LPG combustion in canteen kitchens).

Water Performance

Fresh water consumed at TCS comes from municipality supply, borewells, tanker supply and a small fraction of packaged drinking water procured at some sites. A source-wise breakup of the 1.6 million kL of water consumed in FY 2011 is shown in Figure . Other than the groundwater aquifers that the on-premise borewells and tankers tap into, no other water sources are impacted.
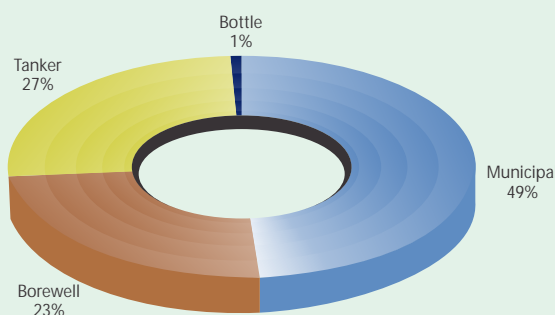
Figure 49 Freshwater consumption by source

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

- Dual flushing system in toilets
- Taps with variable output and sensors
- Drip irrigation system
- Throttling of valves
- Regular maintenance of water pumps
- Sewage treatment plants where feasible; recycled water for A/C cooling tower make-up, flushing and gardening
- Employee engagement and education through awareness drives

As an outcome, per capita water consumption decreased YoY by 11.85% in FY 2011. See Figure 50.
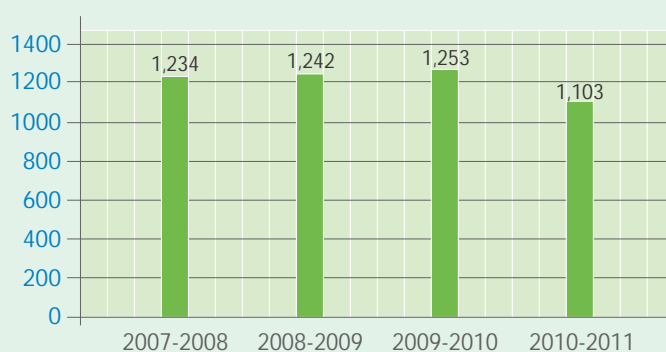
Figure 50 Water Consumption (litres/FTE/mth)

Sewage Treatment and Reuse

Many TCS facilities have sewage treatment plants (STP). The treated effluent from the STP is tested regularly against various national and state effluent standards and recycled for use in HVAC System cooling tower, washroom flushing and gardening. The recycled treated sewage quantity has increased from 268,901 kL to 306,652 kL, an increase of 8.36% (Figure 51).

Reused Water (KL)
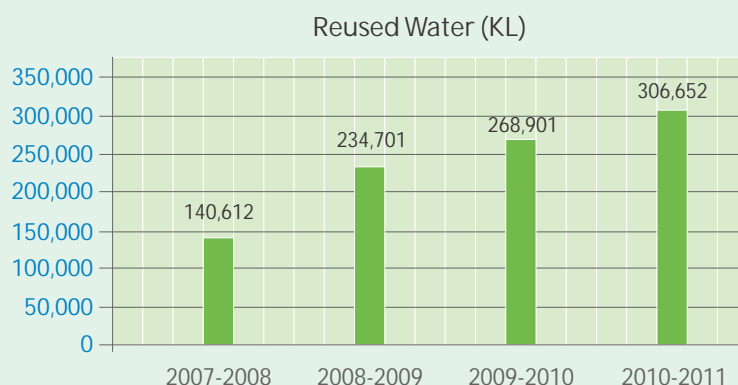
Figure 51 Recycled water after treatment (kL)

The percentage of the total sewage recycled to the total water consumption has increased from 17.3% in FY 2010 to 18.80% in FY 2011. All new TCS facilities have Sewage Treatment Plants and do 100% recycling of the treated effluent[22].

Rainwater Harvesting

Many TCS owned campuses have rainwater harvesting systems which collect the rain water during the monsoons, stored in storage tanks and used for groundwater recharging (through recharging pits), borewell recharging or for creating artificial lakes within campus. There has been 10.43% increase in the rainwater harvesting potential at TCS sites in FY 2011 over the prior year (Figure 52).
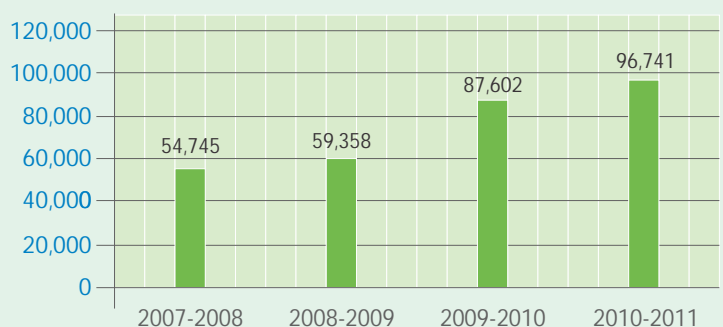
Figure 52 Rainwater Harvesting Potential in cubic meter (cum)

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

Material Consumption

Paper consumption reduced by 17.4% YoY, to 72 reams/per 1000 FTE/month, continuing the steady downward trend since we first began reporting. Printer cartridge consumption remained unchanged YoY, at 6 cartridges/per 1000 FTE/mth.
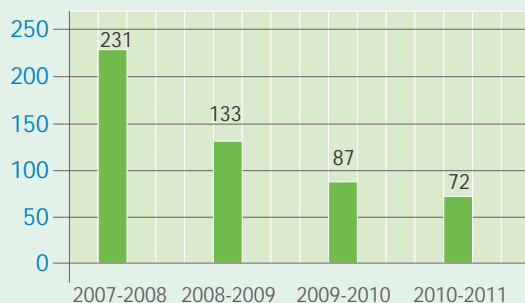
Figure 53
Paper consumption in reams per 1000 FTEs/mth
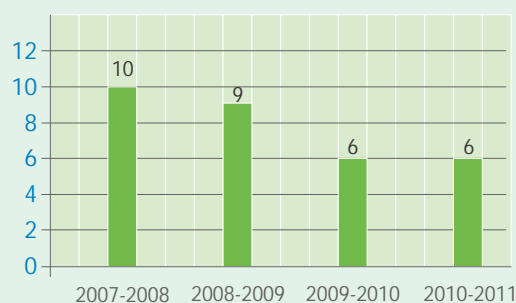
Figure 54
Cartridge consumption per 1000 FTEs per month

Emissions and Waste Management

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

GHG Emissions (Carbon Footprint)

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

- Scope 1: Diesel-run Generator sets, Company-owned vehicles, Refrigerant gas (fugitive) emissions and LPG combustion
- Scope 2: Purchased Electricity
- Scope 3: Business Air Travel

It is estimated[23] that our combined (Scope 1 + Scope 2 +Scope 3 business air travel) Carbon emissions in FY 2011 was 3.01 tCO2/FTE/yr. Scope-wise breakup of our emissions is given in Figure 55.

Scope 3
0.565, 19%

Scope 1
0.261, 9%
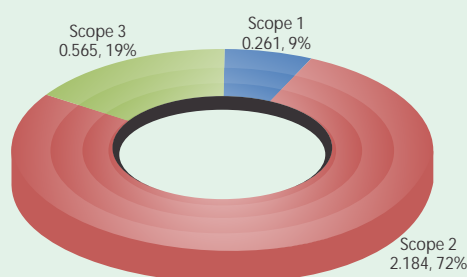
Scope 2
2.184, 72%

Figure 55 Breakup of Carbon footprint by scope (actual emissions in tCO2/FTE/yr and % of total)

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23 *Scope 1 and Scope 3 emissions have been calculated using the emissions factors published by the Green House Gas protocol. For Scope 2 emissions i.e. purchased electricity related carbon emissions, the source is the emissions factor published by the CO2 Baseline Database for the Indian Power Sector, User Guide, Version 6.0, March 2011 published by Central Electricity Authority of India.*

In the year FY 2011, TCS reduced the overall per capita carbon footprint (tonnes CO2e per FTE per annum) by 6.78% over the prior year and by 37.91% over the baseline year 2007-08 (Figure 56).
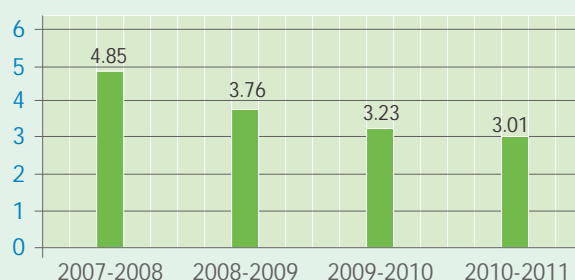
Figure 56 Steadily reducing Carbon footprint (tCO2/FTE/yr)

Also the per capita carbon footprint due to electricity consumption (DG + Purchased electricity) has reduced as shown in the exhibit below (Figure 57). This reduction in the energy carbon footprint is a result of multiple initiatives including procurement of biomass based green power, procurement of low emissions natural gas based power and various energy efficiency initiatives.
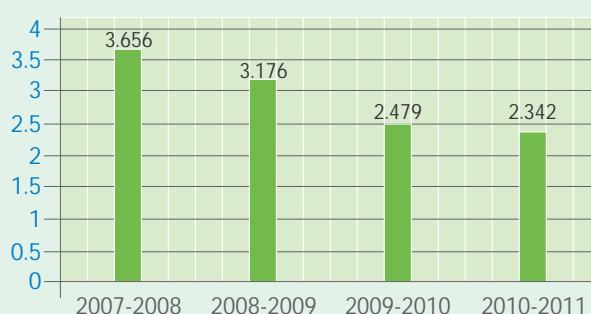
Figure 57 Carbon footprint in tCO2/FTE/yr due to energy consumption (Scope 1 & 2)

Scope 3 emissions, due company-hired vehicles, have increased from 0.004 tCO2e/FTE/yr in 2010-11 to 0.105 tCO2e/FTE/yr due to increased scope of reporting to include company-hired buses used for employee commuting. This figure is not included in the above figures and performances to maintain year-on-year data comparability. TCS continues to control its business air travel to the extent possible by promoting greater use of audio and video conferencing infrastructure.

Ozone Depleting Substances

Refrigerants used in the HVAC systems have an Ozone Depleting Potential, eg. R22. All the ozone depleting refrigerant gases as per the Montreal Protocol will be phased out and replaced with ODP free refrigerants. The new facilities coming up at TCS have HVAC systems based on non-ozone depleting refrigerants. The Ozone Depleting Potential of the total refrigerant emissions is 0.29 tonnes in FY 2011.

Other Emissions

Emissions from the diesel generator sets, used during power outages, are as below:

Emissions	Quantity (tonnes)
SOx	4.26
NOx	522.70

Waste Management

Due to the nature of our business, waste generation is fairly limited. There are dry wastes, wet wastes, e-wastes and a small quantity of hazardous waste. Our Waste Management practices seek to reduce the environmental impact of even this limited waste to the extent possible.

Biodegradable waste

The wet and dry waste generated by the canteens at various TCS facilities went up even on a per-capita basis in FY 2011, but we believe much of this is due to ongoing improvements in data capture and reporting practices.
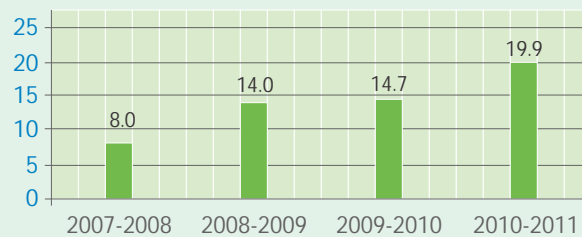
Figure 58 Waste Generated (Kg/FTE/yr)

The first step to any waste management practice is waste segregation at source. The hierarchy for disposal of biodegradable waste is biogas recovery through bio-digesters (methane avoidance) followed by vermicomposting, disposal as fodder to piggeries and, as a last resort, to the municipal garbage collection system where no other options are feasible.

TCS has two bio-digesters, one at Mangaladas (Pune) and the other at Yantra Park, Mumbai. The methane generated from the bio-digesters is used as fuel in the Canteen Kitchen. More bio-digesters and organic waste composters will be installed at various locations in 2011-12. Our vermicomposting initiative is progressing well. 16 of our centers carry out composting, either in campus or at an external facility. Compost generated per month in FY 2011 went up by 60% YoY.
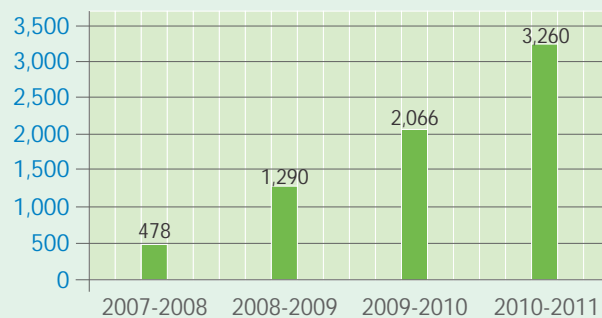
Figure 59 Compost generated (kg/month)

Paper Recycling Initiative

Instead of going into landfills, paper waste is shredded and sent for recycling. In some cases, they are sent to NGOs which purchase the waste paper for a nominal amount and supply notepads made of recycled paper to TCS.

In FY 2011, the recycling initiative progressed further. The number of TCS facilities recycling shredded paper waste went up to 52 (FY 2010: 32). 78% of the total paper waste was sent for recycling in FY 2011 (66% in FY 2010).

E-waste Management

The e-waste generated at the various TCS facilities include defunct computers, monitors, servers and allied hardware. Management of e-waste is as per TCS' E-waste Management policy which complies with the WEEE directive and the Government of India's draft e-Waste Rules 2010.

In FY 2011, 5,733 pieces of equipment from all centers, amounting to 100% of e-waste generated, were disposed of through authorized handlers / recyclers. In addition, computers which were deemed obsolete for TCS's purposes but are in full working condition, are donated to charitable institutions which often lack such equipment. Recipients of such donations are advised to return the hardware to TCS once it reaches end-of-life, for proper disposal.

Hazardous Waste Management

Hazardous wastes[24] are disposed of as per the Ministry of Environment and Forests' (MoEF) Hazardous Waste Handling and Management Rules, through MoEF-authorized vendors only. This is overseen in some states by the local pollution control boards.

Hazardous Wastes	FY 2011	FY 2010
Lube oil from DG sets (litres)	18,723	12,563
Used batteries from UPS sets (nos.)	6,711 nos.	5,182 nos

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

Biodiversity Protection

TCS facilities are located in urban centers, with no proximity to protected areas. A few of our facilities have a relatively higher biodiversity value and TCS has various initiatives for preserving and enhancing the flora and fauna in those ecosystems. Taxonomically, the flora present in select TCS campuses are of 221 plant species belonging to 135 genera and 106 families. The diversified flora supports a variety of fauna. There are 123 animal species identified, including birds, butterflies, mammals and amphibians[25].

The following biodiversity programs have been implemented at some of the TCS campuses.

Flora Conservation Program	Protection of traditional native plant species Transplantation of trees Greening-the-office program Environmental conservation (protection of rare and unique species like Baobob Tree) Establishment of Medicinal garden Provision of Nursery for propagation of plants Adoption of median plantation Use of Biotechnology for waste management (Biodigester & vermicomposting)
Fauna Conservation Programs	Creation of Butterfly Zones Bird habitat improvement Program Snake conservation program Care for Nature Program to protect injured bird and other animals
Biodiversity Awareness program	Provision of Tree/ Bird Boards Class room / Floor walk biodiversity awareness sessions for employee Nature Track for employees for understanding & watching nature E-communication/ posters/mailers/ writing articles & short communications

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24 There were no reported spills of hazardous wastes in FY 2011. Zero percent of our wastes are shipped internationally and none are deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII.
25 None in the IUCN Red List or national conservation list.

Employee Engagement

As an ongoing drive to keep employees conscious and aware on pressing issues like pollution, deforestation, global warming, depletion of non-renewable resources, as well as on the environmental issues specific to the IT industry, various awareness campaigns are planned across the year for associate engagement.

Environment Awareness Campaigns

World environment week, 1st – 7th June 2010 - It was held across all TCS locations with various activities including competitions, quizzes, site level activities like painting competition to increase awareness on environmental issues. Awareness mailers were circulated on various themes under resource conservation with various activities planned around these themes.

Wildlife Week observed in TCS in October, 2010 saw participation from the employees showcasing the interest the TCS associates have for such issues. The event saw a series of mailers being sent to the associates on Biodiversity & Wildlife. Also, competitions like photography competition, quiz and an interesting treasure hunt was conducted to add an element of intellectual inquisitiveness to the event.

Earth Hour Championship – 26th March 2011 - TCS observed the Earth hour by switching of all non-critical lights during the earth hour on 26th March 2011. To encourage participation by various location an inter branch competition was organized on maximum savings achieved during the hour and the winners were recognized. The campaign was well received by the associates who appreciated the organization's intent to spread the 'Save Power' message across.

CASE STUDY

Marine Turtle Conservation Program @ Velas, Maharashtra - November 2010 – May 2011

Among the various marine communities, the Marine Turtles act as flagship species owing to their vital role in maintaining the health of the world's oceans. Climatic change is pushing these sea turtles towards extinction throughout the globe. The major causes of the worldwide decline in the number of sea turtles also include nest predation, collection of eggs by human beings and killing of adult turtles on nesting beaches. The loss of nesting habitat can have disastrous consequences on the marine turtle population. A total of seven species of marine

Figure 60 A view of the turtle nesting beach

Figure 61 Provision of hatchery for eggs

Figure 62 Protection of eggs

Figure 63 Turtle hatchlings

Figure 64 Release of hatchlings into the sea

turtles have been recorded throughout the world, out of which the Olive Ridley Turtle (Lepidochelysolivacea) breeds along the coastal region of Maharashtra. It is included as an endangered species in the IUCN Red Data Book. Protection of breeding beaches is an important step towards conservation of the marine turtle population. In order to protect the breeding sites or beaches, the TCS-Health Safety and Environment had orga ized the Marine Turtle Conservation Program on a participatory basis, with the leading NGO, Sahyadri Nisraga Mitra, at Velas, Maharashtra. The project involved sponsoring of expenditure for hatcheries for protection of eggs, provisioning protection watchers for patrolling the 6 km beach to prevent hunting or killing of turtles, while the turtles lay eggs and ensuring successful release of turtle hatchlings into their natural habitat, leading to protection of their population. A total of 23 nests were protected in the hatcheries, 2,737 eggs were successfully translocated and 1,305 hatchlings were successfully released into their natural habitat, during the breeding period, from November 2010 to May 2011.

In order to create awareness about turtle conservation, the Turtle Festival 2011 was arranged at Velas, during which turtle hatchlings were released into the sea during the morning and evening times in presence of tourists.

A total of 120 associates participated in the Turtle Festival in which, various programs such as film show on turtles, nature track and expert talks were arranged.

Thus, TCS has significantly contributed in the conservation of wildlife, that is, the endangered species of the marine turtles (Olive Ridley Lepidochelysolivacea) and has helped in preventing the depletion of the marine turtle population. TCS has also created awareness among its employees by participating in the Turtle festival.

Biodiversity enhancement project at the Kalinga Park campus in Bhubaneswar, India has helped turn the barren land around the campus to lush green landscapes. TCS is focused on enhancing biodiversity within and outside our campuses where possible.

GRI Index

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation	Page
1. Strategy and Analysis							
1.1	Statement from the most senior decision-maker of the organization.	Fully	CEO's message				6
1.2	Description of key impacts, risks, and opportunities.	Fully	Sustainability of Business Performance				28
2. Organizational Profile							
2.1	Name of the organization.	Fully	Organizational profile				10
2.2	Primary brands, products, and/or services.	Fully	Organizational profile				10
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	Structured for Agility				32
2.4	Location of organization's hadquarters.	Fully	Contacts				92
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	Global Footprint				11
2.6	Nature of ownership and legal form.	Fully	Organizational profile				10
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	Global Footprint				11
2.8	Scale of the reporting organization.	Fully	TCS by numbers				12
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	Organizational profile				10
2.10	Awards received in the reporting period.	Fully	Awards				13
3. Report Parameters							
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	About the report				3
3.2	Date of most recent previous report (if any).	Fully	About the report				3
3.3	Reporting cycle (annual, biennial, etc.)	Fully	About the report				3
3.4	Contact point for questions regarding the report or its contents.	Fully	Contacts				92
3.5	Process for defining report content.	Fully	Definition of Content				17
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	About the report				3

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation	Page
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	About the report				3
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	About the report				3
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	About the report				3
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g.,mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	About the report				3
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	About the report				3
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	GRI Index				76
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	About the report				3
4. Governance, Commitments, and Engagement							
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Corporate Governance				20
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Avoidance of Conflict of interest				21
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	Corporate Governance				20
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Corporate Governance				20
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	Corporate Governance				20

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation	Page
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Corporate Governance				20
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	Corporate Governance				20
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	Mission and Values				10
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	Corporate Governance				20
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	Mission and Values				10
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	Environmental Impact UNGC Principle 7				64
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	Corporate Governance				20
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	Stakeholder Engagement				13
4.14	List of stakeholder groups engaged by the organization.	Fully	Stakeholder Engagement				15
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Stakeholder Engagement				15
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Stakeholder Engagement				15

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation	Page
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topicsand concerns, including through its reporting.	Fully	Definition of Content				17
STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)							
DMA EC	Disclosure on Management Approach EC	Fully	Sustainability of Business Performance				28
Aspects	Economic performance	Fully	TCS by numbers Competitive compensation model				12 43
	Market presence	Fully	Local Recruitment outside India, Local subcontractors				40 41
	Indirect economic impacts	Fully	Direct and Indirect Economic Impact, Corporate Social Responsibility				47 50
DMA EN	Disclosure on Management Approach EN	Fully	Environmental Impact				64
Aspects	Materials	Fully	Material Consumption				70
	Energy	Fully	Energy Performance				66
	Water	Fully	Water Performance				68
	Biodiversity	Fully	Biodiversity Protection				73
	Emissions, effluents and waste	Fully	Waste management				72
	Products and services	Fully	Brand Building				33
	Compliance	Fully	Ethics and Compliance				22
	Transport	Fully	GHG Emissions (Carbon Footprint)				70
	Overall	Fully	Environmental Impact				64

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation	Page
DMA LA	Disclosure on Management Approach LA	Fully	Supplyside Sustainability				37
Aspects	Employment	Fully	Diversifying the Talent Pool Talent Retention				39 41
	Labor/management relations	Fully	Competitive Compensation Model, Supplyside sustainability				43 37
	Occupational health and safety	Fully	Occupational Health and Safety				44
	Training and education	Fully	Learning & Development				42
	Diversity and equal opportunity	Fully	Diversifying the talent pool, Supplyside sustainability				39 37
	Equal remuneration for women and men	Fully	Competitive Compensation Model				43
DMA HR	Disclosure on Management Approach HR	Fully	Commitment to Human Rights				50
Aspects	Investment and procurement practices	Fully	Commitment to Human Rights				50
	Non-discrimination	Fully	Learning & Development				42
	Freedom of association and collective bargaining	Fully	Supplyside Sustainability				37
	Child labor	Fully	Commitment to Human Rights				50
	Prevention of forced and compulsory labor	Fully	Commitment to Human Rights				50
	Security practices	Fully	Commitment to Human Rights				50
	Indigenous rights	Fully	Commitment to Human Rights				50
	Assessment	Fully	Commitment to Human Rights				50
	Remediation	Fully	Commitment to Human Rights				50

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation	Page
DMA SO	Disclosure on Management Approach SO	Fully	Corporate Social Responsibility				50
Aspects	Local communities	Fully	Corporate Social Responsibility				50
			Direct and Indirect Economic mpact				47
	Corruption	Fully	Serving as an Ethical Exemplar				49
	Public policy	Fully	Apolitical Stance				50
	Anti-competitive behavior	Fully	Ethics and Compliance				22
	Compliance	Fully	Ethics and Compliance				22
DMA PR	Disclosure on Management Approach PR	Fully	Brand Building				33
Aspects	Customer health and safety	Fully	Brand Building				33
	Product and service labelling	Fully	Brand Building				33
	Marketing communications	Fully	Brand Building				33
	Customer privacy	Fully	Information Security and Data Privacy				30
	Compliance	Fully	Ethics and Compliance				22

STANDARD DISCLOSURES PART III: Performance Indicators							
Economic							
Economic performance							
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	TCS by numbers Demand Side sustainability				12 28
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	Environmental Impact UNGC Principle 7				64
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Competitive Compensation Model				43
EC4	Significant financial assistance received from government.	Fully	Financial Sustainability				36

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation	Page
Market presence							
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Fully	Competitive Compensation Model				43
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	Local subcontractors Supplyside Sustainability				41 37
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	Local Recruitment outside India UNGC Principle 6				40
Direct and Indirect economic impact							
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	Impact through Empowerment				51
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	Direct and Indirect Economic Impact				47
STANDARD DISCLOSURES PART III: Performance Indicators							
Environmental							
Materials							
EN1	Materials used by weight or volume.	Fully	Material Consumption UNGC Principle 8				70
EN2	Percentage of materials used that are recycled input materials.	Fully	Paper Recyclying Initiative UNGC Principles 8 & 9				72
Energy							
EN3	Direct energy consumption by primary energy source	Fully	Energy Performance UNGC Principles 8 & 9				66
EN4	Indirect energy consumption by primary source.	Fully	Energy Performance UNGC Principles 8 & 9				66
EN5	Energy saved due to conservation and efficiency improvements.	Fully	Energy Performance UNGC Principles 8 & 9				66
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	Energy Performance UNGC Principles 8 & 9				66

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation	Page
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	Energy Performance UNGC Principles 8 & 9				66
Water							
EN8	Total water withdrawal by source.	Fully	Water Performance UNGC Principle 8				68
EN9	Water sources significantly affected by withdrawal of water.	Fully	Water Performance UNGC Principle 8				68
EN10	Percentage and total volume of water recycled and reused.	Fully	Sewage Treatment and Reuse UNGC Principles 8 & 9				69
Biodiversity							
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	Biodiversity Protection				73
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	Biodiversity Protection				73
EN13	Habitats protected or restored.	Fully	Biodiversity Protection UNGC Principle 8				73
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	Biodiversity Protection UNGC Principle 9				73
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Fully	Biodiversity Protection				73
Emissions, effluents and waste							
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	GHG Emissions (Carbon Footprint) UNGC Principle 8				70
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	GHG Emissions (Carbon Footprint) UNGC Principle 8				70
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	GHG Emissions (Carbon Footprint) UNGC Principles 7, 8 & 9				66-67 70-71
EN19	Emissions of ozone-depleting substances by weight.	Fully	Ozone depleting substances UNGC Principle 8				71

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation	Page
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	Other emissions UNGC Principle 8				71
EN21	Total water discharge by quality and destination.	Fully	Sewage Treatment and Reuse UNGC Principle 8				69
EN22	Total weight of waste by type and disposal method.	Fully	Waste Management UNGC Principle 8				72
EN23	Total number and volume of significant spills.	Fully	Hazardous Waste Management				73
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Fully	Hazardous Waste Management				73
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Fully	Sewage Treatment and Reuse				69
Products and services							
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Brand Building UNGC Principles 8 & 9				33
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Fully	Brand Building UNGC Principles 8 & 9				33
Compliance							
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	Brand Building				33
Transport							
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	GHG Emissions (Carbon Footprint)				70
Overall							
EN30	Total environmental protection expenditures and investments by type.	Fully	Environmental Impact UNGC Principle 8				64

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation	Page
Social: Labor Practices and Decent Work							
Employment							
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	Supplyside Sustainability				37
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	Talent acquisition UNGC Principle 6				38
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	Competitive Compensation Model				43
LA15	Return to work and retention rates after parental leave, by gender.	Fully	Talent retention				41
Labor/management relations							
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Supplyside Sustainability				37
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	Supplyside Sustainability UNGC Principle 3				37
Occupational health and safety							
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	Occupational Health and Safety UNGC Principle 1				44
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Fully	Injury Data UNGC Principle 1				45
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	Occupational Health and Safety UNGC Principle 1				44
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	Occupational Health and Safety				44
Training and education							
LA10	Average hours of training per year per employee by gender, and by employee category.	Fully	Learning & Development				42
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	Learning & Development				42
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	Career Development				43

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation	Page
Diversity and equal opportunity							
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	Diversifying the talent pool UNGC Principle 6				39
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	Competitive Compensation Model UNGC Principle 6				43
Social: Human Rights							
Investment and procurement practices							
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Fully	Commitment to Human Rights UNGC Principles 1-6				50
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Fully	Commitment to Human Rights UNGC Principles 1-6				50
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	Commitment to Human Rights UNGC Principles 1-6				50
Non-discrimination							
HR4	Total number of incidents of discrimination and corrective actions taken.	Fully	Commitment to Human Rights UNGC Principles 1-6				50
Freedom of association and collective bargaining							
HR5	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Fully	Commitment to Human Rights				50
Child labor							
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Fully	Commitment to Human Rights UNGC Principles 1 ,2 & 5				50
Forced and compulsory labor							
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Fully	Commitment to Human Rights UNGC Principles 1 ,2 & 4				50

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation	Page
Security practices							
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	Commitment to Human Rights				50
Indigenous rights							
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	Commitment to Human Rights				50
Assessment							
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Fully	Commitment to Human Rights				50
Remediation							
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Fully	Commitment to Human Rights				50
Social: Society							
Local communities							
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Fully	Corporate Social Responsibility				50
SO9	Operations with significant potential or actual negative impacts on local communities.	Fully	Corporate Social Responsibility				50
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	Corporate Social Responsibility				50
Corruption							
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	Serving as an Ethical Exemplar UNGC Principle 10				49
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	Serving as an Ethical Exemplar UNGC Principle 10				49
Public policy							
SO4	Actions taken in response to incidents of corruption.	Fully	Serving as an Ethical Exemplar UNGC Principle 10				49
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Apolitical Stance				50

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation	Page
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	Apolitical Stance				50
Anti-competitive behavior							
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	Ethics and Compliance				22
Compliance							
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	Ethics and Compliance				22
Social: Product Responsibility							
Customer health and safety							
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	Brand Building				33
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	Brand Building				33
Product and service labelling							
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	Brand Building				33
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	Brand Building				33
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	Stakeholder Engagement				15
Marketing communications							
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	Brand Building				33
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	Brand Building				33
Customer privacy							
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	Information Security and Data Privacy UNGC Principle 1				30
Compliance							
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	Brand Building				33

External Assurance

Independent assurance statement to Tata Consultancy Services Limited's 2010-11 Corporate Sustainability Report

We have been engaged by Tata Consultancy Services Limited (TCS) to provide independent assurance on its 2010-11 Corporate Sustainability Report (the Report).

Assurance scope and Limitations

The limited assurance is provided on the data and information related to TCS's performance across environmental and social indicators for the period 01 April 2010 to 31 March 2011, as presented in the Report.

This assurance statement does not cover

- Data or information other than that covered in scope of work
- Data or information related to TCS's financial performance, sourced from its audited annual report for the financial year 2010-11
- Data and information outside the reporting period
- Any statement indicating intention, opinion, belief and / or aspiration by TCS

Assurance standard

We conducted our work in accordance with;

- Requirements of 'Limited Assurance' as per International Federation of Accountants' (IFAC) International Standard for Assurance Engagements [ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information], and
- 'Type 2 Moderate Level' assurance requirements of AA1000 Assurance Standard 2008 by AccountAbility. Under this standard, we have reviewed the reliability and accuracy of sustainability performance data/information and evaluated TCS's adherence to the following AA1000 AccountAbility Principles 2008
  - o Inclusivity: to assess if TCS has included relevant stakeholders while developing and achieving an accountable and strategic response to sustainability
  - o Materiality: to assess if the Report includes material information required by TCS's significant stakeholders to be able to make informed judgements, decisions and/or actions
  - o Responsiveness: to assess if TCS has appropriately responded to stakeholder concerns in line with its internal/external policies/standards and adequately communicated these in the Report.

Independence

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

Assurance process

We have obtained all the evidence, information and explanations that were considered necessary in relation to the assurance scope and to arrive at conclusions mentioned below. Our work included a range of evidence-gathering procedures including:

- Assessment of stakeholder consultation processes and methodology for determining the material issues
- Interaction with the senior management and sustainability core group at Corporate Office and senior and middle management at delivery centers
- Evaluating the Report's content to ascertain its application level as per the criterion mentioned in the Global Reporting Initiative's G3.1 Guidelines for Sustainability Reporting

External Assurance

- Assessment of report contents to ensure consistency with the requirements of the AA1000 AS 2008 principles
- Verification of systems and procedures used for data collection, collation, and analysis
- Visits to following operations:
  - Siruseri and Shollinganallur - Chennai
  - Infocity - Gandhinagar
  - TCS Towers and GG IV - Gurgaon
  - Deccan Park - Hyderabad
  - Yantra Park and Malad – Mumbai
  - Redhill - UK
- Review of the Report to ensure that there is no misrepresentation of disclosures as per scope of assurance and our findings

Conclusions

Based on the review and work performed, nothing has come to our attention that causes us not to believe that:

- the data and information presented in the Report for the reporting period are fairly stated, in all material aspects, and as per reporting principles.
- TCS engages with its significant stakeholders through formal and informal channels and factors the feedback into reporting and business decision-making in terms of service and delivery roll out, in line with the *Principle of Inclusivity (AA1000APS 2008)*
- TCS has adopted a holistic approach to identify and report on material issues particularly with regard to its efforts in ensuring information security and data privacy, and in the establishment of central technology organization (CTO) that drives innovation process, in line with the *Principle of Materiality (AA1000APS 2008)*
- TCS has developed a partnership approach to address and report on issues across the business at corporate and local levels based on structured stakeholder dialogue, in line with the *Principle of Responsiveness (AA1000APS 2008)*

Observations and recommendations

- TCS may look at establishing a formal sustainability governance structure at the Board level to ensure clarity in roles and responsibilities to further propagate its sustainability agenda.
- TCS has goals and targets for environmental performance however a clear roadmap for the achieving the same can be articulated in the report.
- TCS may improve reporting timeline and consider releasing the report along with annual financial report.
- The data collection and collation system which was commissioned during the reporting period has improved the overall data quality.

Responsibilities

TCS is responsible for developing the Report contents. TCS is also responsible for identification of material sustainability issues, establishing and maintaining appropriate performance management and internal control systems and derivation of performance data reported.

This report is made solely to the Management of TCS in accordance with the terms of our engagement and as per scope of assurance. Our work has been undertaken so that we might state to TCS those matters for which we have been engaged to state in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than TCS for our work, for this report, or for the conclusions expressed in this independent assurance statement. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.

Arvind Sharma
Director
KPMG
23 May 2012

AA1000
Licensed Assurance Provider
000-25

GRI Certificate

Global Reporting Initiative™

Statement
GRI Application Level Check

GRI hereby states that **TATA CONSULTANCY SERVICES** has presented its report "TATA CONSULTANCY SERVICES, CORPORATE SUSTAINABILITY REPORT" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

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

Amsterdam, 21 May 2012

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative

A+
GRI REPORT
GRI CHECKED

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

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

Disclaimer: *Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 10 May 2012. GRI explicitly excludes the statement being applied to any later changes to such material.*

Contact

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

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

TATA CONSULTANCY SERVICES

Experience certainty.

About Tata Consultancy Services (TCS)

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

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

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