

Business responsibility report

Introduction

Mindtree has historically approached business responsibility with an inward-looking approach; we are keen on bringing a significant change starting with the people aspect of our organization. Creating a responsible organizational culture is the first step towards accountability and we have put in considerable efforts and energy into it. This has led to a deeper impact on our responsibility towards our work, as we extend it to the outside world, the society and the whole ecosystem.

This report demonstrates Mindtree's commitment to sustainability as a business imperative that helps clients and societies flourish. It is also an opportunity to constantly innovate and create meaningful engineering solutions to build a sustainable tomorrow.

Scope

This report gives an overview on the triple bottom line performance of the enterprise. It includes management of relevant risks and opportunities and adherence to the nine principles stated in the National Voluntary Guidelines (NVG) on Social Environmental and Economic (SEE) Responsibilities of Business, released by the Ministry of Corporate Affairs, Govt. of India.

The FY 2014-15 report covers economic parameters across Mindtree's global locations and social and environmental parameters across Mindtree's offices in India (about 86.41% of our total workforce operates out of India-based locations). Exhaustive details about our sustainability policies and initiatives are illustrated in our second sustainability report for the year 2013-14 (<http://www.mindtree.com/sustainability/mindtree-sustainability-report.pdf>)

The content is mapped to the corresponding NVG principles as depicted below:

NVG Principles	Sustainability Dimension
1 and 7	Corporate governance & advocacy
4 and 9	Stakeholder engagement
3 and 5	Workplace sustainability
2 and 6	Ecological sustainability
8	Inclusive growth

Sustainability framework

Our sustainability framework is our cognizant approach to institutionalize what has been implicit in our culture all along. It is three-pillared, comprising governance and advocacy, workplace sustainability and ecological sustainability. Presently we are identifying more areas to build on our sustainability footprint.



- **Governance and advocacy:**

Our endeavor on corporate governance is in line with recommendations by the United Nations Global Compact (UNGC) guidelines and the Organization for Economic Co-operation and Development (OECD) principles of corporate governance.

- **Ecological sustainability:**

Mindtree will continue to address its ecological responsibility at different levels by launching new organizational initiatives, creating an environment for deepening people engagement with ecological responsibility and further extend the sustainability intent to external stakeholders, and to collaborate with them in different ways to conserve ecological resources.

- **Workplace sustainability:**

Our philosophy of diversity and inclusion, non-discriminatory environment, equal employment opportunities, wellness and wellbeing, safe work environment by providing fair working conditions and work-life balance form the very basis of our business responsibility vision. This vision guides us towards inclusive policies, frameworks and charters, thereby keeping us on the right track.

Corporate governance and advocacy

Sustainable governance

Our values are the anchor for our governance structures and processes. We are driven by strong ethics, honesty, integrity, fairness and transparency, in the way we conduct business.

The Governance committee and the Chairman set the agenda and frequency of the meetings and involve other committee members when required. Our Business responsibility performance, including CSR (Corporate Social Responsibility) and sustainability is assessed at a frequency decided by the Board and the relevant committees.

The Board oversees the triple bottom line performance of the enterprise, including management of relevant risks and opportunities. This is done in adherence to national and global principles, standards and codes in all relevant domains including business responsibility. Our open channels enable free flow of communication, feedback or recommendations between people at all levels.

Our vision to be a globally admired organization has clearly endured the fluctuations of the global business environments over the years. Our “walk the talk” leadership model is supported by an effective governance framework, strong risk management and associated processes.

Mindtree's sustainability policy guides our stakeholder engagement and influences our day-to-day operations. Our strong corporate governance is the key driver that provides business value and sustainable growth while enhancing long-term competitive advantage and shareholder value creation, ensuring results on the triple-bottom line.

The key dimensions of our effective corporate governance includes strong leadership team, independent board, transparency, fairness and accountability, enterprise risk management and integrity of our employees.

To us, sustainability begins with integrity. We conduct ourselves with the highest standards of integrity and are transparent in our professional transactions and dealings that impact the workplace. Our business strategy is planned to accommodate our sustainability views and programs, which in turn helps us identify, assess and manage business risks.

Our code of conduct policy encompasses specific guidelines on information security, third party relationships, equal opportunities, human rights and breach in discipline and workplace etiquette:

- **Anti-bribery and Anti-corruption Policy:** It is our policy to conduct our business activities with honesty, integrity and the highest possible ethical standards by not engaging in bribery or corruption across our operations. We are committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt and unethical business practices.
- **Integrity Policy:** All Mindtree Minds, irrespective of level, role and location are bound by our integrity policy.
- **Whistleblower Policy:** The whistleblower policy is governed by the Culture Protection Committee (CPC) that is responsible for case investigation, case closure and safeguarding the whistleblowers. This policy establishes mechanisms to enable secured disclosures of incidents related to corporate governance, party transactions, siphoning of funds, non-compliance to the law of the land, concealing legal mandatory disclosures, breach of fiduciary responsibilities, financial irregularities, sexual harassment, misuse of intellectual property, breach of integrity and any suspicious activity that indicates a potential threat to Mindtree's assets and employees.

The following is the summary of the complaints received and disposed off during the financial year 2014-15:

- a) No. of complaints received: 34
- b) No. of complaints disposed off: 32
- c) No of complaints open : 2

Policy advocacy

Our approach to governance goes beyond adherence or checking for deviances: we evangelize and advocate ethical values within the enterprise by setting an example at higher levels and ensuring a cascading effect. Responsibility for advocacy hence becomes a proactive mandate closely related to governance. Our committed work in advocacy is in close association with several national platforms and forums and has earned us the position of repute and leadership in this domain.

As a responsible corporate citizen, our enterprise designs and deploys its governance systems within the specified legislative and policy frameworks prescribed by the Government of India. Our leaders are on several industry platforms and public forums such as CII and NASSCOM. We address diverse segments of the society, with advocacy positions consistent with the national policy frameworks and often inspiring proactive commitments.

Compliance with various codes like the UNGC program and the OECD principles enables us to continuously benchmark our efforts and raise the bar in corporate governance.

Stakeholder engagement

Mindtree's approach to sustainability is one that is inclusive and inclusion implies an acknowledgement of contributions, concerns and significance of the stakeholders in its fold. We seek to collaborate with our stakeholders to make a significant impact.

Being a people-focused organization, people are naturally our important internal stakeholders. We place our people, Mindtree Minds and their families, at the center of our stakeholder engagement approach while extending our commitment and engagement with customers, investors and shareholders, partners and suppliers, current and future generations, communities and NGOs, regulators, public policy makers and the environment.

Our stakeholder engagement platforms reflect our primary commitment to our people. A part of our initiatives focus on enabling internal communication and relationships to work effectively, while maintaining transparency and openness at all levels.

Using the power of dialogue and feedback, we have managed to create multiple platforms of engagement with our internal stakeholders which bring in multiple effects and mutual benefits. The periodic engagements are carried out at different time intervals, offering scope for continual feedback and integration.

We regard our stakeholder feedback and our learning from these engagements as critical inputs in shaping the direction of our policies and strategies.

We determine material aspects through a rigorous brainstorming process involving key stakeholders within the organization. The identified aspects have significant economic, social and environmental impact on our stakeholders and us. The feedback received through the process of stakeholder engagement is a crucial input to our strategy-setting process and future actions.

Detailed discussions and reviews with the Board and its committees, the senior management and other stakeholders across the organization at regular intervals enable us to work consistently and deliver results to our direct and indirect stakeholders.

Workplace sustainability

Mindtree's belief in the power of people is incorporated in the strategic drivers that shape our people practices and processes. Our values create a global foundation for context drivers such as engagement, learning and empowerment, throughout an employee's lifecycle and is led by our People Function team.

Employees	Total	Permanent	Contractual
Male	11,188	10,315	873
Female	4,204	3,887	317

Mindtree's culture is based on the foundation of leadership, vision, values, effective communication, strategic plans and people policies that are focused on the employees. We believe that commitment, cooperation and responsibility is the basis of engagement that provides an empowering platform for Mindtree Minds to connect at different levels of the organization. Communication, performance clarity and feedback, organizational culture, rewards and recognition, relationships with managers and peers, career development opportunities and knowledge of the organization's goals and vision are some of the important factors that drive Mindtree's employee engagement practices.

Motivation

Our rewards and recognition charter encourages the spirit of performance and focuses on a culture that rewards performance. We have several programs to recognize effort and a range of awards for exceptional work performance. We believe this is an important exercise in both engagement and retention.

Performance Management

It has become important for us to keep the workgroup engaged in their day-to-day work through consistent quality feedback. PACE, our Performance Management System focuses on sustaining the high performance culture.

Our 360 Degree Feedback program has been a part of Mindtree's performance management practice since 2008. This program evaluates Mindtree Minds against organizational values and leadership traits. It is a value-based behavioral assessment tool which is common to all employees.

Learning and Development

Our Culture and Competence (C2) initiative is conceptualized with the objective of facilitating learning and development within the organization. The learning that we provide enables Mindtree Minds to enhance their consultative approach. This in turn helps:

- Have greater engagement with clients
- Make recommendations based on client needs
- Pose the right questions and recommend observations with suitable findings
- Plan and implement recommendations
- Evaluate effectiveness after conclusion of client engagement

Mindtree's learning culture has been formulated to improve every individual's consulting approach. We believe that the areas we focus on must leave an impact on our business goals and add value to the consulting skills of an individual in our given context. With this in mind, we have focused on essentially five broad learning disciplines:

- Technology
- Management
- Teaming and Relationships
- Innovation
- Need for Balance

A variety of learning options ensures that there is a "natural" learning channel available for everyone. Some of these learning channels include expert-led learning, mentor-based learning, technology-aided learning and learning by sharing.

Mindtree conducts programs to hone soft skills like presentation skills, leadership skills, business communication skills etc. We also have technical skills programs required for various roles like Technical Lead, Project Manager etc.

% of Employees that received skills training	
Permanent	79.95%
Contractor	24.54%
Permanent Women Employees	84.75%
PWD Employees	84.09%

Diversity and Inclusion

Inclusion and diversity are closely related concepts, affirming one other. In our experience, the diversity in our enterprise adds a richness to talent and perspectives and results in the creation of multiple values. The diversity we thrive on spans across race, religion, ethnicity, nationality, gender and sexual orientation and includes people with disabilities.

Our inclusive approach has created a diverse environment which is based on the four pillars called "EDGES" – Ethnicity, Disability, Gender and Sexual Orientation. As an equal opportunities employer, we follow non-discriminatory practices. We respect and value our workforce and with those whom we do business.

- While women formed 16% of our talent pool in 2004, today that number is at 28% (and counting). Our strong focus in this area-via policy guidance, strategic push in talent acquisition, special support mechanisms for women, engagement forums, career tracks, coaching and mentoring for growth and more – have enabled us to reach this position today.
- We have embarked on the next phase of our journey to ensure the percentage of women in our workforce and more importantly at the leadership level. We have started special recruitment drives for women, unique incentive schemes for recruiters who present the CVs of women candidates and additional incentives on employee referrals for recruitment of women.
- Support mechanisms such as child care crèches, baby's day out facility and ensuring safety and security during transport are our small but firm steps which go a long way in smoothening our women's career challenges.
- Flexi work, part-time work, work-from-home, compensatory offs and special needs leave- our leave options are a step towards bringing about better work life balance.
- Two women directors have been inducted into our board. This takes our gender-focus to new levels, while strengthening the aspirations of our capable women Mindtree Minds.
- A combination of our policies, benefits, support system and good engagement mechanisms play a role in increasing the number of women returning to work after maternal leave
- Dhriti Community is a platform especially for women employees, focusing on women's challenges and issues, trying to address them, motivating them to not only be assimilated well into the organization but also to enhance their potential.

Mindtree has a comprehensive framework designed to aid inclusion. We believe that an inclusive environment encourages a stable career path. Our inclusion framework is driven by our reasonable accommodation policy. In addition to this, we support accessible infrastructure at all our facilities and provide accessible technology and information systems. Currently, we have 41 differently-abled people and we plan to scale up by identifying job roles suitable for them and to facilitate the individual's career stability and growth.

Health and wellness

Health and well-being of our employees is an area of prime importance to us. We promote a comprehensive approach that encompasses physical, mental and emotional wellbeing under our flagship program Healthy Mind Healthy Body (HMHB). This system-level monitoring provides a platform for employee assistance programs to get neutral and objective professional assistance from qualified counselors, in complete anonymity and confidentiality. This is an online program for both physical and mental health, complete with referral networks and support systems.

With all our India locations certified under OHSAS 18001:2007, we drive an exhaustive Environment, Health and Safety (EHS) policy that entails workplace hazards identification and risk assessment programs, security measures, safety promotions, health, emergency response and overall wellness. They are frequently revised based on regulations, industry trends and employee feedback.

We have a one stop health portal for all health related queries, referral networks, support systems, articles, online chat sessions with dieticians and exercise finders. Work life balance sessions, laughter therapy were introduced to manage stress and practice happiness at work place. We had no serious accidents or injury or fatalities during the year under reporting.

A detailed list of health and well-being programs is provided in the picture below:



Human Rights

Mindtree's code of conduct is built on 'walk the talk' leadership model - good corporate governance and the practice of values in every business transaction across the organization. Our commitment to human rights stems from the belief that as an organization, our actions must have a positive impact on our tomorrow and the world. For salaries or any other employee benefits, we do not discriminate on grounds of race, ethnicity, gender, gender-identity, language, age, sexual orientation, religion, socio-economic status, or physical and mental ability. Our position on equal opportunity is strong in all aspects of employment including recruitment, training, conditions of service, career progression, termination or retirement. There have been no defaults in this area thus far.

We comply and adhere with all the human rights laws and guidelines laid down by the Constitution of India, national and international laws and do not condone violation of human rights. We respect employees' right to freedom of association and at present, none of our employees are part of registered trade unions.

We have become a signatory to the UNGC as we are committed to respect and support the fundamental principles contained in the Universal Declaration of Human Rights.

Human Rights across our Value Chain

Our supplier code of conduct and procurement processes have also established the required checks and balances to ensure that there are no violations of human rights in our supply chain. This ensures that the services and suppliers we employ are free of child/ forced/ compulsory labor. We support human rights by building human sensitiveness at all levels. Our inclusion philosophy is based on a strong respect for human rights.

We have extended our values and governance norms to our supply chain by applying the Supplier Code of Conduct to our vendors. Our checks and balances at the evaluation level and our Supplier Code of Conduct at the policy level ensure that there are no human rights violations with labor (such as forced labor or child labor) across our vendor base. In the reporting year, we carried out random vendor assessment and evaluation by visiting vendor site offices before enrolling them. We assess them on physical infrastructure, working conditions, use and type of labor, respect for human rights, quality of infrastructure and tools, materials used and sustainable practices.

Mindtree's suppliers undergo human rights screening as prescribed by the contract containing the principles of Mindtree's Supplier Code of Conduct. Our enterprise-level commitment to LEED standards in our new buildings ensures green procurement and local sourcing practices.

There have been no code of conduct violations or complaints for the reporting period. Grievances are addressed through appropriate channels available to all our employees, including contract staff and visitors.

Ecological sustainability

Mindtree believes sustainability initiatives will create high impact outcomes when it is adopted by every single individual in the enterprise. Ecological sustainability is a part of our core business strategy and the way in which we conduct our business. Our ecological initiatives create positive impacts for the bottom-line of the company and also for the brand.

Our focus is on finding ways to do more with less, including resource conservation practices, greenhouse gas footprint reduction, efficient energy management, water efficiency, and sustainable waste management by encouraging Mindtree Minds to be evangelists. We have implemented continuous optimization cycle that has enabled us to push boundaries and incubate new ideas for sustainable transformations.

Our locations in India are ISO 14001:2004 and OHSAS 18001:2007-certified. After receiving the ISO 14001, we have widened the scope of our environment, health and safety initiatives. This transformation resulted in the amendment of our EHS policy. Our EHS policy demonstrates our commitment to maintain high standards of environmental protection, sharing of best practices and providing a safe and healthy workplace.

Performance highlights

Sustainability is a continuous journey for us. We have set strategic targets on our carbon footprint on a year-on-year basis, which are published in our sustainability reports. We monitor our progress on our set goals at regular intervals. The scope includes all locations of Mindtree's offices in India (representing 79.53% of our workforce). We have illustrated considerable progress in our sustainability initiatives in the areas of energy, water, GHG emissions and waste management at different levels launching new organization initiatives with greater people engagement to conserve ecological resources.

Our strategic priorities in the immediate future revolve around reducing our per capita water consumption, especially reducing our dependence on fresh water, adopting solar energy by installing solar panels in all Mindtree India facilities roof tops, consolidating our energy monitoring and robustness of our data and reporting through analytics and at getting Mindtree India facilities BEE energy star rating certified.

We did not have any monetary or non-monetary sanctions imposed on us for non-compliance with environmental laws and regulations during fiscal 2014-15.

Biodiversity

Mindtree operations do not directly affect forest areas, bio-diverse areas or protected zones. While it does not erode biodiversity, there is scope to add value through creation of biodiversity. One way to achieve this would be to shift from water-intensive practices such as greening of premises through landscaping to creating mini, urban forests in the premises. The campus already has some mini forests coming up with the expert help of the naturalists who are working with us on this project. We are also planning an artificial pond at the foothills of the Mindtree office at Bhubaneswar – this would be a pond which restores and recharges the earth and helps raise the water table around the region. It would also meet the water needs of the Mindtree site.

Green community

Our green community and sustainability teams evangelize ecological sustainability within the organization. Events such as the Earth Day and Environment Day see prolific activities around various planetary themes. The organization-wide activities help deepen people's engagement towards environmental responsibility.

The Green Community, a group for the ecologically concerned, runs awareness campaigns throughout the year through fliers, posters, mailers, talks by experts on social issues, working on ecological issues directly, planning projects and executing them.

Interestingly, some of our eco-efficiency initiatives and ideas have come from our Green Community volunteers. Some of our employees have voluntarily taken up environment-related projects and are driving them with our support and commitment.

Supplier sustainability

Our supply chain strategy tackles issues related to skill-sets, innovation and collaboration frameworks, partnerships and alliances, co-creation, research, and analytics. Our value chain consists of services including identification of business transformation opportunities for clients, providing consulting services to leverage these opportunities and crafting and delivering value-based solutions. The responsibilities of all stakeholders at each stage of the value chain is clearly articulated. Our supplier code of conduct and the LEED principles extend the responsibility of transparency and integrity to our suppliers and facilitates sustainable sourcing.

Customer engagement

We have consistently harnessed our expertise to build meaningful technology solutions, provide value-added quality services and helped our clients' businesses to flourish. We ensure that we provide high quality deliverables and have globally recognized quality certifications such as CMMI, ISO 14001, ISO 20000 and ISO 27001.

One of the most important measures of organizational performance is customer satisfaction. Our Customer Experience Surveys (CES) consistently show high scores across multiple criteria such as satisfaction, loyalty, advocacy and value for money. This is a reflection of our people engagement skills and the back-end support that enables it. In a knowledge-driven service industry where over 90% of business is accrued through repeat business, engagement for performance is a major business driver.

A holistic risk rating model has been developed to monitor key customers across a range of risk parameters including delivery, people, revenue and credit risks. This helps in effective identification and resolution of problem areas.

We have not received any customer complaints or experienced any cases with regard to unfair trade practices, irresponsible advertising or anti-competitive behavior in the last seven years.

Inclusive growth and Equitable development

Corporate social responsibility

As a people-oriented organization which thrives on profits and profitability, we also commit our resources to societal challenges pertaining to education, livelihood, and disability. Our Corporate Social Responsibility (CSR) efforts have been primarily carried by the Mindtree Foundation which was set up in 2007. With the help of several committed NGO partners, we deliver social values to the deserving people.

Our CSR endeavor is not associated to a certain percentage of profits; we have contributed to social causes even when our financial performance has suffered. This is because our CSR is not strategic in its intent or outlook but due to our values and culture. While our ecological sustainability initiatives do examine the Return on Investment (ROI), our CSR investments maintain a conscious disconnect from its appeal.

We identify challenges in education, livelihood, and disability areas and provide a range of interventions that also build internal capacities. These capacities empower the beneficiaries to sustain themselves over a period of time. We look for initiatives that are bound to create multiple impacts across socio-economic realities of the society and support them.

We especially believe in linking our employee volunteering initiatives with our CSR endeavors to ensure that our organizational responsibility initiatives and individual convictions are well integrated. We are also keen to include learning and appreciation of social sensitivity into our social responsibility as this is the foundation of our culture.

Mindtree Foundation strives to achieve our charters through its CSR programs, grant programs, voluntary programs, organizational development programs and technical consultancy programs. The following table summarizes our Mindtree Foundation activities during fiscal 2014-15:

CSR Contribution	Amount (INR)
Donation-charitable institutions	16,109,806
Donation - school fees	2,639,000
Donation - food expenses	209,571
Indirect expenses towards donation	434,585
Miscellaneous	174,622
Total	19,567,584

Individual social responsibility

We continue to involve our employees in our social projects through our Individual Social Responsibility (ISR) projects under the flagship program 'One Good Deed' (OGD). Our sustainability performance and impacts, from ideas to execution, are all powered by the individual. While individuals wear the sustainability mandate, we create the encouraging environment around them, giving room for individualized paths for growth. Our people engage in individual social projects of their choice, some of them growing into intrapreneurs or entrepreneurs in their chosen areas of impact. Our social contributions strive to empower individuals who come with great need and great promise.

We expose our campus-fresh minds to our sustainability character and culture right from their day one at Mindtree. We make it mandatory for our freshers to pick and choose at least one initiative from our wide range of sustainability and ISR projects, participate in the activities and write a report on their experience and learnings.