Business Responsibility Report

Mindtree was born to be a global software solutions company with social sensitivity. Ever since its inception in 1999, social cause has been an innate part of our vision. Our vision explicitly mentions 'making societies flourish' as an integral part of our ideology. This inherent DNA of the organization kept intact throughout our growth over 16 years, finds a natural alignment with several global and national frameworks of responsibility such as United Nations Global Compact (UNGC), Global Reporting Initiative (GRI) and National Voluntary Guidelines of the Government of India (NVG).

Mindtree is a UNGC signatory. We have been reporting our sustainability performance based on the GRI framework since 2012-13. Our website carries links to all the sustainability reports since 2012-13 (http://www.mindtree.com/abouts-us/sustainability).

Mindtree's environmental initiatives, directed by our Environmental Health and Safety policy, endorse the precautionary principle of the UN to conserve natural resources. Our organization reports the details of emissions, resource efficiency measures and progress in the Carbon Disclosure Project (CDP) report annually.

Mindtree is a global information technology company which works closely with its clients across the world, to create technological solutions for their growth. We do not manufacture physical products but create and offer IT solutions and services as per the evolving needs of our clients. This renders product policies redundant in our case.

A member of Confederation of Indian Industry (CII), National Association of Software and Services Companies (NASSCOM), The Associated Chambers of Commerce of India (ASSOCHAM) and Bangalore Chambers of Industry and Commerce (BCIC), and recipient of several awards and accolades, Mindtree is recognized as a leader in corporate governance and talent development innovations. Our leaders inspire thought leadership and responsible corporate citizenship over several public platforms.

Mindtree's vision on responsibility embraces the nine principles of NVG along with their key elements. What enables it further is an array of frameworks, charters, policies, codes of conduct, management systems and monitoring tools integrated into our operations.

Business responsibility matters get a direction and inspiration right from the Board level. The Board is in charge of setting the focus, direction and criteria for responsibility initiatives.

The initiatives are also supervised by members of the Board, the Board committees (the CSR Committee and the Risk Committee), the Mindtree Foundation and the sustainability function. The CSR (Corporate Social Responsibility) Committee is chaired by Subroto Bagchi, the Chairman. N.S. Parthasarathy, President, COO, heads the sustainability domain and provides the direction and review on matters of sustainability, including reporting. Abraham Moses, the Head of the Mindtree Foundation leads and drives the CSR Charter through the various CSR projects. The frequency of committee meetings is decided by the chairman and members of the respective committees, with a minimum frequency of once a year. Over the last year, the CSR Committee has met twice. As we closed the year, the Board reviewed the CSR performance, paved the way ahead for the next year and met with our Non Government Organization (NGO) partners.

All policies are formulated with the consultation of stakeholders, conform to national/ international norms as relevant, and come into effect with the approval of the Board and the CEO. Policies are either published through a link on the website (e.g. Whistleblower policy, Code of Conduct for Integrity: at http://www.mindtree.com/about-us/sustainability/governance-advocacy) or published through PeopleHub - our internal portal and other numerous channels of communication within the organization.

Mindtree has set in place, several mechanisms to track possible deviations from policies, receive and redress grievances over the deviations, through generic engagement platforms as well as specific access points for grievances. Mindtree has been designing mechanisms to further increase people participation in policy-making and to give a greater voice to people's inputs into policy and strategy.

Data related to key parameters of reporting on business responsibility gets audited and externally validated by third party verifier agencies while internal and periodic evaluations monitor the policy implementation. KPMG audits and assures that the information we share in the sustainability report is in accordance with GRI and mapped to NVG principles.

Mindtree views sustainability and CSR as distinct constructs: in its view, sustainability can be strategic and CSR should be non-strategic in its intent.

Our sustainability framework is built on three pillars: Governance & advocacy, Workplace sustainability and Ecological sustainability.
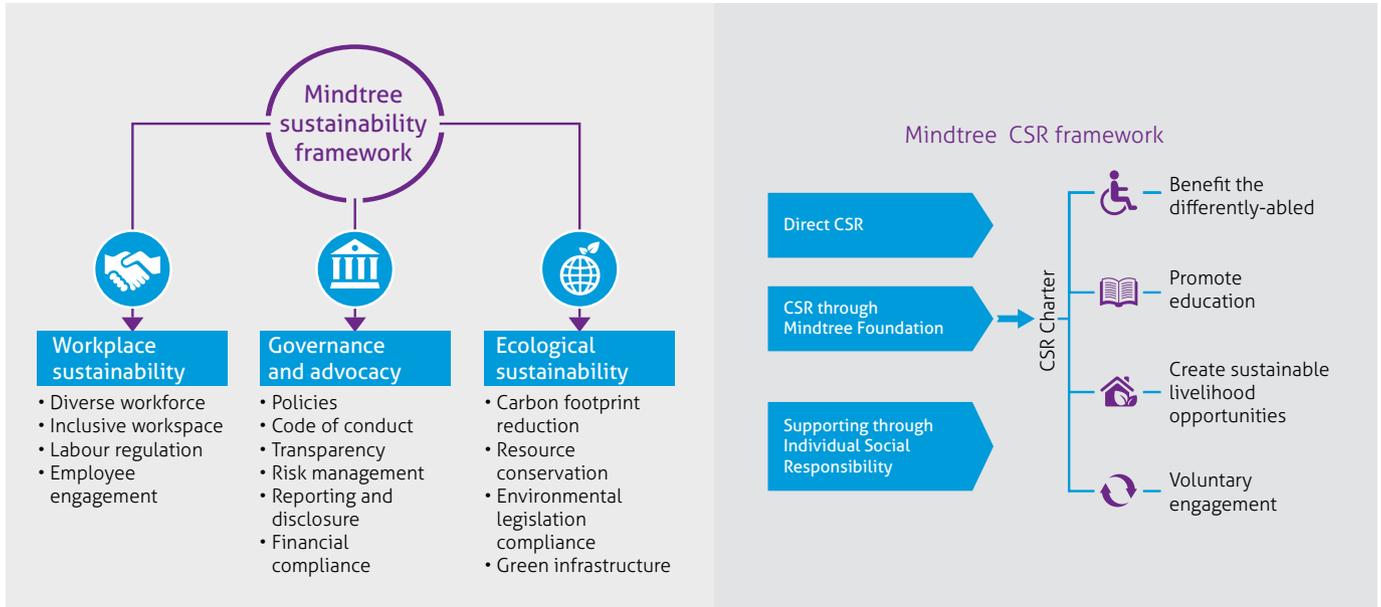
Governance and ethics

Principles which guide us:

- Act in the spirit of law and not just the letter of law.
- Do what is right and not what is convenient.
- Provide complete transparency on our operations.
- Follow openness in our communication to all stakeholders.

The Integrity policy of Mindtree insists on conducting all business activities with honesty, integrity and the highest possible ethical standards while vigorously, enforcing the business practice of not engaging in bribery or corruption, wherever we operate globally. An extensive education program ensures all employees are aware of the zero-tolerance approach the management maintains towards the implementation of the policy.

Our anti-bribery and anti-corruption policy enables prevention, deterrence and detection of fraud, bribery and all other corrupt and unethical business practices, including extortion.

The Whistle Blower Policy offers a scope for disclosure and redress of issues such as related party transactions, siphoning of funds, non-compliance of 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 or event which indicates a potential threat to the security of Mindtree's assets and people.

During the year, we resolved 34 out of the total 35 cases of overall grievances received, with one case kept open.

We respect and endorse the global principles and national laws on human rights. The organization culture has been consciously cultivated to be a humane organization in all spheres of its operations. All our people, including contractual workers, are trained in issues pertaining to human rights.

Human rights forms an integral part of our supplier code of conduct as well. Our NGO partners are anchored in the protection of human rights and we are proud to be associated with them.

Corporate social responsibility

Mindtree's CSR activities are anchored on inclusiveness: the poor, marginalized segments of society are its main beneficiaries. People with disability form 3% of total beneficiaries. Almost half of our beneficiaries are women. Inclusive growth and equitable development are the purpose behind many of our endeavors in creating sustainable livelihoods, skill development, education support and support for people with disability.

Mindtree's CSR follows three modes in CSR: direct projects of Mindtree, projects through the Mindtree Foundation and nurturing individual social responsibility initiatives through volunteering and social entrepreneurship. Under the direction of the CSR committee and the steering committee, the CSR projects gain focus for action through the CSR policy and the charter.

I Got Garbage is a direct CSR project of Mindtree which transforms lives of urban waste pickers apart from addressing the issues of the growing urban waste problem.

Mindtree Foundation plans, monitors, reviews and strengthens 14 CSR projects across education, livelihoods and people with disability in five states of India with the support of 13 NGO-partners.

Channelling ₹ 26,271,304 on its CSR projects in the year 2015-16, the Foundation has benefited 21,769 beneficiaries and has involved 7,236 volunteers from Mindtree.

All our projects are supported by a long term vision with a view to create long lasting impacts. We choose projects which are niche and have a deep impact. Our data monitoring methods and systems are getting stronger to enable us to assess our impacts, the community adoption and the continuity of our efforts more effectively.

Our CSR efforts are now focusing on taluk levels covering the whole spectrum of the defined needs. This, in our experience, creates sustainable social change. Having consolidated our education initiatives at the taluk level (in Kanakapura, Karnataka), in 2015-16 we went ahead to offer full spectrum support to our livelihood initiatives in Bhubaneswar, Odisha and at the taluk level in Korategere, Tumkur district, Karnataka, and for children with disability in Vijayapura, Karnataka and in Tiruvallur district, Tamilnadu.

For further details on CSR, please refer to the annexure 7 of the Directors' Report.

Inclusion

Our inclusion philosophy is reflected in three ways:

- Our CSR efforts embrace marginalized and deprived segments of the society, as explained in the CSR section above.
- Our workplace is driven by a diversity & inclusion charter called EDGES which ensures we stay diverse and inclusive in Ethnicity, Disability, Gender and Sexual orientation.
- We include wide segments of the society as our stakeholders and gather their concerns and issues, to factor them into our policies and strategies.

In 2015-16, we undertook an exclusive consultation with our stakeholders through a third party, and determined a set of key material issues for us. This set of material issues-across social, environmental and economic categories formed the foundation of our sustainability performance in 2015-16. Details of the process, issues and how we address them are shared in our 2015-16 sustainability report.

Workplace sustainability

Born to be an IT organization with a human face, our workplace culture and the values it reflects are paramount to our pride and purpose. We have no 'human resources' function. We thrive on a 'people function'. We are an environment that nurtures both competence and responsibility at the individual level, at the team level and the organizational level.

Our learning and organizational development initiatives cater to all levels of the organization from new entrants to leadership. Our programs are a blend of classroom and virtual sessions allowing for accessibility across locations while maintaining personal touchpoints which are an essential element of coaching and mentoring. Our initiatives are designed to equip people with the skills necessary for their current role, and to groom them for the future.

Policy of equal opportunity and non-discrimination keep our work environment fair and just. No exclusive employee associations are active in our organization. 100% of our eligible people are covered by our performance review systems. All our people across categories receive safety and skill training.

Our diversity charter includes diverse segments within the fold of the organization. Women form 28% of our talent pool. We are targeting 30% by 2016-17 and 32% the year after. Two of our board members are women. Our current efforts are geared towards strengthening gender ratios at middle levels and enabling women leaders to move up the ladder. An interlinked system between talent acquisition, talent development and leadership development are working towards better gender balance.

Forty nine people with disability contribute to our organization's value creation, well supported by our policy of reasonable accommodation for them and our carefully designed physical and technological infrastructure for people with disability.

Our health & safety policy and Healthy Mind Healthy Body - our wellness platform, work constantly towards employee well-being at various levels. All our locations in India are OHSAS certified. Our safety trainings extend to and cover our contractual workers as well.

	Total	Permanent	Contractual
Male	12602	10280	869
Female	4909	4564	345

Ecological sustainability

Ecological sustainability is one of the three pillars of our sustainability framework. We are committed to the precautionary principle towards resource conservation. Green IT and resource efficiency are key components of material issues for us, pushing us beyond compliance levels constantly.

Mitigation strategies for climate change also make smart business sense, and our risk analyses and resultant green initiatives focus on efficiencies across water and energy consumption while trying to increase waste conversion and achieve emission reductions.

Details of improvement in our energy performance, water efficiency, greenhouse gas (GHG) emissions are shared in the Directors Report of this annual report as well as our sustainability report.

Committed to LEED-certified buildings, we are well guided by data monitoring systems which keep our efforts constant and dynamic at all times. We are fully compliant to the norms and methods of measuring and reporting information and externally audited data on emissions, effluents and waste to the regulatory authorities such as Central Pollution Control Board (CPCB), with no legal notice/ show cause pending as of March 31, 2016. We regularly submit our annual Carbon Disclosure Project (CDP) report and publish our detailed performance as a part of our annual sustainability report.

While our environmental management system monitor our efforts and keep them on track, our people come together in various ways to find innovative ways of addressing resource efficiencies. Fresh recruits being trained at our new Global Learning Center, Mindtree Kalinga at Bhubaneswar, have developed apps for resource monitoring and conservation. The Common Bus System pioneered by Mindtree at Global Village tech-park in Bangalore has reduced employee carbon footprint for not only Mindtree but for the whole tech-park, by including employees of other organizations in the plan. Our Pune location has followed suit in 2015-16. Mindtree Minds at Bangalore now have access to a common carpool which allows them to plan their commute together to and from work. Free parking slots and charging spots incentivize the green commuters amongst us.

Renewable energy is our path ahead for the mid-term. We are focusing our efforts on reducing our dependence on fossil fuels by over 50% in the near future. Plans for a solar project at Bangalore and beyond are a work-in progress and we look forward to increasing our clean energy portion of our total energy consumption constantly in the years to come.

Our energy efficiency measures were able to improve our energy per capita by 11.43% in the year. For details on our environmental sustainability initiatives, please refer to our 2015-16 sustainability report-on our website.

	Performance in 2015-16
Energy efficiency	167.6 kWh/ employee/ month
Water management	0.91 KL/ employee/ month
GHG emission	2.44 tons CO2e/ employee/ annum
Waste management	90% (recycled)

Strategy for economic value creation

Our strategy for growth rests on four strategy pillars: digital transformation, delivery transformation, sales transformation and people focus.

Our people come together by sharing the critical values of expert-thinking, relentless dedication and collaborative spirit in a client-centric work culture that is cultivated to be both humane and highly competent. While going digital is our mantra for helping our clients undergo a digital transformation, service stewardship and enhanced value creation for our clients are key material issues for us.

Leveraging our deep domain expertise in vertical industries, we build Agile solutions for web, mobile, data warehousing and UI/ UX scenarios based on our client-needs. Focusing on key areas—digital solutions and managed services—in a select set of industries, developing a highly competent talent pool and strong leadership have proved a winning strategy for us.

Our workplace sustainability initiatives are designed to enable our people to serve the cause of high client value and client satisfaction. Our client experience survey results are an indicator of our client centricity. The survey has shown high levels of client satisfaction on all the key dimensions of client satisfaction over several years.

All our services are compliant with international and national laws, across the regions of our operation, with no instances of any breaches or penalties or sanctions or incidents of anticompetitive practices.

Note: The Business Responsibility Report is as per SEBI's suggested format-Reg 34(2), Nov. 04, 2015.