



Sustainability | Leadership | Innovation



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Tata Consultancy Services LTD: Structured for sustainability

Finalist: Embedding an integrated approach award

What

Tata Consultancy Services (TCS) is an Indian values-driven technology company, providing IT services, consulting and business solutions. TCS follows the Tata Group philosophy of building sustainable businesses that are rooted in the community and demonstrate care for the environment. This includes designing technology that tackles challenging social issues. Impact on society and the environment are core decision criteria. TCS's corporate structure reinforces these values: around half of TCS's equity is held through its holding company Tata Sons Private Limited by Tata Trusts, which funds community initiatives in a range of areas. So as well as pursuing positive impact with its company activities, TCS's corporate structure means that a large portion of its profits is reinvested back into people and planet.

TCS has set goals to reduce the company's impact on the environment. By taking concerted steps to improve its energy efficiency, TCS's halved its carbon footprint two years ahead of its 2020 target. It has also put in place a range of initiatives on water conservation, waste reduction and renewable energy.

The finance team is a crucial part of TCS's integrated approach to sustainability; it is immersed in decision-making and leads on sustainability reporting. Finance staff are integrated in cross-functional teams throughout TCS and act as business partners. The company prizes decision-making based on good-quality data; finance provides critical data analysis and insights at all levels.

'In a free enterprise, the community is not just another stakeholder in business, but is in fact the very purpose of its existence.'

Jamsetji Tata,
founder of Tata Group

Why

TCS was founded and structured based on a belief that business should be sustainable and bring benefit to the community. Tata Group's abiding concern for society and the environment is still the driving force behind TCS's activities. TCS believes that this core commitment to sustainability, community and respect for the environment is also a means of delivering long-term stakeholder value.

With the biggest portion of its equity held by a philanthropic organisation, Tata Trusts, TCS's distinctive organisational structure shows how deeply rooted its values are. The structure also ensures that TCS is incentivised to create value while recognising its responsibility to the world in which it operates.



'The organisation's guiding philosophy of focusing on planet, profit and people shone through the entry. The finance team is clearly involved in that philosophy and takes pride in the business and what it contributes socially.'

Finance for the Future Awards judges

'One of the reasons for our success has been that finance has been a partner in the journey through and through ... Business finance is embedded across the business groups, so that they are helping business groups understand the ramifications of decisions which are taken.'

Mr V Ramakrishnan,
CFO, Tata Consultancy Services Ltd

How

The drive to do good for society and the environment is thoroughly embedded in TCS, in both commercial and charitable projects. The company's integrated approach is evident throughout its operations:

- > The company **applies the Tata Code of Conduct** in its work, using this guiding document as both its governance framework and moral compass.
- > Supporting the high-level Code of Conduct, TCS **takes a triple bottom line** approach to sustainability. The motivating interests of people, planet and profit inform everything that the company does.
- > To evaluate its progress, TCS **sets meaningful and measurable goals**. The company has internal goals on carbon footprint and energy management, and it sets targets for community initiatives based on the impact it wants to achieve.
- > TCS **incorporates sustainability into its governance**. The Health, Safety and Sustainability Committee is a Board sub-committee that meets twice a year to oversee sustainability. The Chief Sustainability Officer reports to the Board on activities and progress.
- > Decision-making across the company is **supported by centralised and decentralised finance staff**. The centralised finance team looks at best financial practices and tools, which are used by the finance staff integrated into non-finance functions and projects.
- > TCS **is committed to data-driven decision-making**. After analysing energy data, finance staff identified opportunities for greater energy efficiency. This led to an improved system that records real-time energy consumption data so TCS can proactively address any issues. With this, TCS managed to keep energy costs flat despite strong business growth.
- > Supported by data, the company **commits to environmental initiatives** to reduce the environmental impact of its work. Across its sites it has reduced its carbon footprint; designed new campuses with full recycling of water waste; and reduced its paper consumption by 87% since 2008.
- > Its staff are essential to what TCS can achieve, so the company **invests in staff-focused sustainability projects** and education. The company has a sustainability month each year. It also created a staff handbook, based on the UN Sustainable Development Goals, of specific actions that staff can take to support a sustainable world.
- > The company **generates learnings from philanthropic projects**. Data from these projects provides valuable lessons that are fed into TCS's revenue-generating activities.
- > TCS **communicates its work through sustainability reporting**. It reports on sustainability activities in its annual report. The company's annual corporate sustainability report is aligned to GRI sustainability reporting standards and is externally assured.



A blend of business and benevolence

As well as embedding sustainable thinking throughout the organisation and its commercial activities, TCS runs philanthropic technology projects. The company believes the two support each other.

Examples of its community-focused projects include:

Improving cancer care

In this non-revenue generating project, TCS built a platform that uses digital technology to address challenges in India's cancer care, connecting healthcare professionals and organisations within the National Cancer Grid. It enables cancer specialists to communicate with local healthcare staff, improving patients' access to local cancer care. TCS applies the technology nuances from what it has developed and learnt from this project to its commercial work for healthcare clients.

Passport

In a commercial project, TCS partnered with the Indian government to improve an inefficient, highly manual, process for issuing passports. TCS built a new platform that used technology to process passport applications much more quickly. This generated profits – and goodwill – for TCS, but also created social impact.

www.tcs.com



DISCLAIMER

This case study presents **Tata Consultancy Services Ltd** entry for the Finance for the Future Awards 2019. The case study only includes information that was part of the organisation's 2019 entry. Some of this information may now be out of date. For a current view of the organisation's work, please visit their website at the link given above.



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