

# Business Responsibility Report

## Introduction

The value underpinning all business actions at Tata Steel is to serve Common Good, ensuring that all its excellence programmes integrate economic, environmental and social performance drivers.

The Company's focus remains steadfast on the efficient deployment and utilisation of resources - people, processes and materials – for the production of eco-efficient, safe products, whilst its operations and presence lead to an improvement in the quality of life of the communities it serves. An enduring legacy of sustainability, this focus is articulated in the two components of its Vision – Value Creation and Corporate Citizenship.

The Tata Steel Group operates in a large number of geographies across the world. Therefore, sustainability initiatives and programmes are implemented across a number of locations according to the specific needs of diverse groups.

### Section A: General Information about the Company

1. **Corporate Identity Number (CIN):** L27100MH1907PLC000260
2. **Name of the Company:** Tata Steel Limited
3. **Registered address:** Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001
4. **Website:** www.tatasteel.com
5. **E-mail id:** cosec@tatasteel.com
6. **Financial Year reported:** 2012-13
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**  
 Manufacturer of Steel and Steel products  
 National Industrial Classification (NIC) Code: 330
8. **Three key products/services manufactured (as in balance sheet):**  
 (i) Hot Rolled Coils; (ii) Cold Rolled Coils and Galvanised Coils; (iii) Wire Rods and Rebars.
9. **Total number of locations where business activity is undertaken:**
  - i. Number of International Locations (5 major):  
 Tata Steel Limited's (TSL) international production capacities are located largely in Europe and Asia Pacific. Majority of the steel business activity of Tata Steel Europe is at Port Talbot (UK), Scunthorpe (UK), Rotherham (UK), IJmuiden (Netherlands) while that of NatSteel is in Singapore.
  - ii. Number of national locations:  
 TSL's Indian operations are mainly carried out from Jamshedpur in Jharkhand with manufacturing divisions in Kharagpur (West Bengal), Joda & Bamnival (Odisha) and Tarapur (Maharashtra). Mines, Collieries & Quarries are located in the states of Jharkhand, Odisha and Karnataka.
10. **Markets served by the Company:**  
 The main markets for TSL's products are Europe and India with some sales in other markets of Asia and North America.

### Section B: Financial Details of the Company

1. **Paid up Capital (₹):** 971.22 crores
2. **Total Turnover (₹):** 38,199.43 crores
3. **Total profit after taxes (₹):** 5,062.97 crores
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of PAT:**  
 Total expenditure reported is ₹ 170.76 crores which is 3.37% of TSL's PAT excluding spend on Environment Sustainability which is about ₹ 300 crores.
5. **List of activities in which expenditure in 4 above has been incurred:**
  - i. Infrastructure Development to improve the quality of life of the community
  - ii. Community Development
  - iii. Health & Medical support
  - iv. Support to charities, NGOs and Government for social causes

**Section C: Other Details**

**1. Does the Company have any Subsidiary Company/Companies?**

Yes. TSL had 315 subsidiary companies as on 31st March, 2013.

**2. Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).**

Each subsidiary company has its own CSR activities in its respective area of operations.

**3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [>30%, 30-60%, < 60%]**

Tata Steel supports and encourages standalone/independent activities by other entities with the exception of its wholly owned subsidiary Jamshedpur Utilities & Services Company Limited (JUSCO). The percentage is less than 30%.

**Section D: BR Information**

**1. a. Details of Director/Directors responsible for BR implementation of the BR policy/policies**

- i. **Name:** Mr. H M Nerurkar
- ii. **DIN Number:** 00265887
- iii. **Designation:** Managing Director
- iv. **Telephone Number:** 0657 2424602, 0657 6500432
- v. **Email id:** hmnerurkar@tatasteel.com

**b. Details of BR head:** Same as above

**2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

<b>P1</b>	Business should conduct and govern themselves with Ethics, Transparency and Accountability
<b>P2</b>	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
<b>P3</b>	Businesses should promote the wellbeing of all employees
<b>P4</b>	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
<b>P5</b>	Businesses should respect and promote human rights
<b>P6</b>	Business should respect, protect and make efforts to restore the environment
<b>P7</b>	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
<b>P8</b>	Businesses should support inclusive growth and equitable development
<b>P9</b>	Businesses should engage with and provide value to their customers and consumers in a responsible manner

	<b>Principle Wise Policies</b>	<b>P 1</b>	<b>P 2</b>	<b>P 3</b>	<b>P 4</b>	<b>P 5</b>	<b>P 6</b>	<b>P 7</b>	<b>P 8</b>	<b>P 9</b>
<b>1</b>	<b>Do you have a policy/policies for:</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
<b>2</b>	<b>Has the policy been formulated in consultation with the relevant stakeholders?</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
<b>3</b>	<b>Does the policy conform to any national/international standards? If yes, specify? (50 words)</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The spirit and intent of the Tata Code of Conduct, all applicable national and international laws as well as international conventions are captured in the policies articulated by Tata Steel. In addition they reflect the purpose and intent of the United Nation Global Compact, the World Steel Sustainable Development Charter, GRI guidelines and international standards such as ISO 14001, OHSAS 18001 and SA 8000.								

4	Has the policy been approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.tatasteelindia.com/sustainability/2012/tata-code-of-conduct.asp								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

### 3. Governance related to BR

- i. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within three months, 3-6 months, annually, more than 1 year:

Quarterly

- ii. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Corporate Sustainability Report for Tata Steel India is published annually and uploaded on its website. The 2012 Report is available on: <http://www.tatasteelindia.com/sustainability/2012>.

### Section E: Principle-wise Performance

#### Principle 1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? (Yes/No). Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes. The Tata Code of Conduct (available on [www.tatasteel.com](http://www.tatasteel.com) and [www.tata.com](http://www.tata.com)) serves as the ethical roadmap for all Tata companies. All suppliers, partners and joint ventures are expected to adopt TCoC or a joint code of conduct incorporating all elements of the TCoC.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved? If so, provide details thereof, in about 50 words or so.

A total of 210 stakeholder complaints were received in Financial Year 2013. Of them 95 were not valid and 18 not applicable. All except 32 have been satisfactorily resolved during the year.

Stakeholder wise Concerns Received in Financial Year 2013	
Anonymous Employees	86
Anonymous Vendors	25
Contract Employee	15
Employee	60
Non-Employee	4
Vendor	20

Concern Analysis		
Stage	FY 12	FY 13
Open	1	32
Not Applicable	38	18
Not Valid	105	95
Valid	65	65

**Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**
**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- **High strength steel:** Automotive high strength steel grades maintain the safety standards of vehicles whilst improving fuel efficiency, through light weighting
- **New CRS:** Has higher corrosion resistance than the existing CRS rebars
- **Lean rebars:** The design aspects included minimum requirement of ferro alloys
- **Fe 600 rebars:** Higher strength have the potential to reduce steel consumption at site by 40%.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**
**i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

- **High strength steel:** In terms of process change and the cross flow of material between units, the difference during the steel making process in resource input is minimal. Therefore the Company focuses on the overall parameters rather than individual steel grades.
- **New CRS:** The production downtime in the steel making shop, during the CRS campaign decreased considerably, reducing the cost of production.
- **Lean rebars (Fe 500D):** Provided a cost savings of ₹ 1.5 crores per year as against conventional rebars produced earlier on account of savings in ferro alloy only. Also the rationalisation of the chemistry has had a positive impact on the production planning.
- **Fe 600:** They further increase the benefits of resource efficient rebars as demonstrated by the success of Fe 500D.

**ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

- **High strength steel:** While exact measures are not possible Tata Steel make extensive use of life cycle assessment to advise its customers in the design of their products made from steel to help minimise energy usage.
- **Lean rebars (Fe 500D):** the consumer benefits from less steel consumption by weight.
- **New CRS:** The customer benefits by the increased corrosion resistance of the rebars.
- **Fe 600 rebars:** Designed for higher strength in high rises where column space is a constraint, the customer benefits from ease in design and the overall decrease in steel consumption by 40%. The overall decrease in the project cost works out to about 30%.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.**

Tata Steel Group's Responsible Procurement Policy embeds Green Sourcing in the Annual Business Plan. Approximately 67% of the inputs (based on spend) are sourced sustainably. Tata Steel Europe has an implementation plan to draw up procedures out of the new Sustainability policy.

**4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, 18-20% of total procurement spends including goods and services are from local SMEs, traders, service providers, Affirmative Action vendors and NGOs. Procurement Division has multiple supplier engagement programmes for improving the capacity and capability of strategic suppliers including local.

Tata Steel shares technical cum operational knowledge for improvements in the vendor value chain and safety standards. Opportunities are available during trials at the pilot scale to Plant level. Year on year targets for business to be given to local and small vendors are enhanced.

**5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.**

About 6% scrap is utilised during steel making in addition to slag generated, which contains 15-20% of steel. Tata Steel's Metal Recovery Plant separates and segregates its metallic components into various sizes. Metallic fines are used in the Sinter plants. Steel (below 300 mm size fraction) is re-melted for in-house steel making, while part of the 20-80 mm steel slag is used in the Blast Furnaces as a substitute for sinter. Remaining slag is used by the cement industry to manufacture clinker as a substitute for lime.

**Principle 3 - Businesses should promote the wellbeing of all employees**

**1. Total number of employees:** 35905

**2. Total number of employees hired on temporary/contractual/casual basis:** 213

**3. Number of permanent women employees:** 2018

**4. Number of permanent employees with disabilities:** 70

**5. Do you have an employee association that is recognised by management?**

Yes. Tata Steel recognises 26 trade unions at various locations.

**6. What percentage of your permanent employees is members of this recognised employee association?**

85.08% of TSL's employees in India are members of recognised employee associations

**7. Please indicate the number of complaints relating to:**

**(i) Child labour, forced labour, involuntary labour; (ii) Sexual harassment; (iii) Discriminatory employment in the last financial year and pending, as on the end of the financial year;**

Apart from eight (8) cases of sexual harassment, no complaints were received in the other categories. However, none were pending to be resolved at the end of the financial year.

**8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?**

Over half or 50.29% of the Permanent Employees, 30.98% of Permanent Women Employees and 31.43% of Employees with Disabilities received training in Financial Year 2013 on safety and skill up-gradation. The temporary/contractual/casual employees at Tata Steel comprise experts in various fields/and/or consultants and advisors.

**Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

**1. Has the Company mapped its internal and external stakeholders?**

Yes

**2. Out of the above, has the Company identified the disadvantages, vulnerable and marginalised stakeholders?**

Yes

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.**

The Company's mines, collieries and its Steel works are located in areas that are dominated by disadvantaged, vulnerable and marginalised communities with poor socio-economic indicators. Tata Steel's structured and planned Affirmative Action initiatives mainstream tribal children and youth through education initiatives, employability training programmes and entrepreneurship development opportunities.

**Principle 5 - Businesses should respect and promote human rights**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Clauses of the Tata Code of Conduct and SA 8000 standards extend to all suppliers/contractors while their provisions also being applicable to other business partners.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved?**

No stakeholder complaints were received in Financial Year 2013.

**Principle 6 - Business should respect, protect and make efforts to restore the environment**

- 1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The Policy covers the Company's operations. Tata Steel Group's Responsible Procurement Policy embeds Green Sourcing in the Annual Business Plan.

- 2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes. Link: <http://www.tatasteelindia.com/sustainability/2012/emission-abatement.asp>)

- 3. Does the Company identify and assess potential environmental risks?**

Yes - through ISO 14001 certified Environment Management Systems and through process of peer review during formulation of Annual Business plans.

- 4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, is any environmental compliance report filed?**

Yes. Tata Steel has one large scale Clean Development Mechanism Project (UNFCCC Project No.1648) titled "Top Gas Pressure Recovery based Power Generation from 'G' Blast Furnace" with estimated emission reduction potential of 60,811 tCO<sub>2</sub>/year. Project link: <http://cdm.unfccc.int/Projects/DB/DNV-CUK1204542486.08>

Two verification reports have been submitted to UNFCCC seeking issuance of CERs against which 34,363 CERs have been issued as on 31st March, 2013 for the project performance between 24th December, 2009 and 30th April, 2011.

- 5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.**

**Clean Technology:**

<http://www.tatasteelindia.com/sustainability/2012/emission-abatement.asp>

**Energy Efficiency initiatives:**

<http://www.tatasteelindia.com/sustainability/2012/energy-efficiency.asp>

**Renewable energy as part of Corporate Social Responsibility:**

<http://www.tatasteelindia.com/sustainability/2012/improving-physical-infrastructure.asp>

- 6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes

- 7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

To the best of our knowledge there is no show cause /legal notice pending resolution by CPCB/SPCB.

**Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

- 1. Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:**

Yes. TSL is a part of:

- World Steel Association (WSA)
- Confederation of Indian Industry (CII)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Federation of Indian Mineral Industries (FIMI)

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes specify the broad areas.**

Yes. The broad areas were:

- Governance and Administration
- Economic Reforms
- Inclusive Development Policies
- Energy security
- Water
- Sustainable Business Principles

**Principle 8 - Businesses should support inclusive growth and equitable development**

**1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Tata Steel focuses on responsible business practices with community-centric interventions. The thrust areas for Tata Steel are sustainable livelihood - especially skill development and employability training, education and health care, all of which constitute the Human Development Index - a quality of life indicator.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?**

Tata Steel partners with NGOs, Governments and funding agencies to implement its CSR interventions in the thematic areas of health, education, livelihoods and ethnicity. Through employee volunteerism it also utilises in-house resource persons.

The CSR activities are implemented through the following delivery arms:

1. Corporate Sustainability Services comprising:
  - i. Tata Steel Rural Development Society (TSRDS)
  - ii. Tribal Cultural Society (TCS)
  - iii. Tata Steel Family Initiatives Foundation (TSFIF)
  - iv. Tata Steel Skill Development Society (TSSDS)
  - v. Urban Services
  - vi. Education
2. Medical Services
3. Sports Department
4. Tata Steel Adventure Foundation
5. Jamshedpur Utilities & Services Company Limited
6. Other societies such as Ardeshir Dalal Memorial Hospital, Blood Banks, Kanti Lal Gandhi Memorial Hospital, etc.
7. Tata Relief Committee

**3. Have you done any impact assessment of your initiative?**

Yes. The impact assessment is done through:

**Social Audit:** As a socially responsible corporate citizen, Tata Steel commissions social audits through independent professionals to get an authentic and comprehensive review of its social activities. The Social Audit is conducted once in ten years.

**Aspiration Surveys:** Conducted among communities residing in operational areas of Tata Steel in Odisha.

**Village-level study of Human Development Index (HDI):** Conducted by a team of researchers from Xavier Labour Research Institute (XLRI), Jamshedpur.

**XISS JRD Tata Chair:** The 'JRD Tata Chair' has been instituted at Xavier Institute of Social Service, Ranchi with the objective of conducting a study on 'Contributions of Tata Steel towards Sustainable Development'.

**4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

Tata Steel's direct contribution to community development is ₹ 170.76 crores which is 3.37% of the Company's PAT. This is not inclusive of the expenditure on environment, which is more than ₹ 300 crores.

This amount was spent under the broad categories of a) Infrastructure development to improve the quality of life of the community, b) Community Development; c) Health and Medical support; and d) Support to Charities, NGOs and Government for social causes.

**5. Have you taken steps to ensure that the community successfully adopts this community development initiative? Please explain in 50 words, or so.**

Yes. For instance under the solar streetlight project Tata Steel installs solar streetlights in villages. To ensure the upkeep of installed lights and their sustained use by the village community, discussions were held with community resulting in the constitution of committees called 'Urja Samitee'. Select members from the village community are enlisted onto the Urja Samitees (energy committees) and are responsible for the maintenance of the solar panels.

**Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

A total of 750 complaints were logged against Flat Products and 147 against Long Products in Financial Year 2013. Of these 53 or 7% of the customer complaints for Flat Products and 13 or 8% for Long Products were pending at the end of the financial year. Of the 13 cases pending against Long Products at the end of Financial Year 2013, one was logged in February all other 12 were logged in March of the year.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

Tata Steel has established unique brand identities for source authentication. Detailed Test Certificates are provided to customers as per the terms of the contracts with them. Information goes beyond the needs specified by statutory standards. The embossing on the rebar not only provides the brand name but its Yield Strength and other characteristics as Corrosion Resistance as CRS and Earthquake Resistance as Super Ductile (SD). Tata Steel is the only steel company to codify the diameter of the rebar embossed on the surface. This is for easy traceability at the construction site to reduce inadvertent misuse of rebar by bar-benders.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

Tata Steel has not been found liable for any offence in the last five years relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

**4. Did your Company carry out any consumer survey/consumer satisfaction trends?**

Yes. Tata Steel conducts Customer Satisfaction surveys annually or as per the needs of the business to ascertain and fulfill customer needs and ensure satisfaction.