



**Message from Managing Director,
Tata Steel Processing And Distribution Limited**

Tata Steel Processing And Distribution Limited (TSPDL) has signed the UN Global Compact in 2005, which requires our business to adhere to the ten principles laid out by the Compact, related to human rights, labour standards, anti-corruption and environment.

The Company has built business sustainability into all its processes with keen focus on all the three bottom lines, viz., **economic, social and environmental**. We have adopted the Tata Code of Conduct (TCOC), which is the guiding principle for us to conduct our business ethically and we follow the Code in letter and spirit. All the ten UNGC guiding principles have been incorporated in the Code; as such adherence to the Code automatically ensures that the global compact principles are never violated.

On the economic front, the Company has had consistent upwardly mobile statistics. The Company has registered turnover growth from Rs.20 million to around Rs.19,000 million in a span of 15 years. The Company is acutely conscious of its social responsibilities for which it has evolved sustainability programmes, both at the corporate and unit levels with a view to sharing its economic success with communities.

The Company arranges its Strategy Conferences every year during which its long term Corporate Sustainability Strategy is evolved. Plans and action areas are detailed that primarily focus on community welfare sustenance and environment initiatives, including a greater importance on Affirmative Action.

The undersigned also attended the Global Compact Leaders' Summit held at New York in June 2010 where he had the privilege of interacting with eminent leaders from diverse disciplines and garnered invaluable inputs on Corporate Sustainability.

The company takes direct cognizance of all its stakeholders in formulating its vision, mission and core values. This is an exercise, which is undertaken at appropriate intervals, when inputs are sought from its stakeholders and after extensive deliberations, directions on all the three attributes are arrived at. The company also conducts various methods of stakeholder engagements, through other means, like - Customer/Supplier/Vendor Meets (Direct Stakeholders), dialogues & employee satisfaction/engagement (Employees), Direct Contacts with key target communities, as identified by TSPDL (Corporate Sustainability Initiatives).

Ensuring balance between Strategic Objectives & Key Stakeholders has been achieved by the adoption of the Balanced Scorecard Approach. The annual Communication of Progress (COP) is also shared via our newsletter "*Sparsh*"; relevant financial and social performances are published in the Annual Report, apart from significant announcements made from specific communication platforms.

The industry accolades we have received further vouch for the robustness of actions towards sustainability in all the three bottom lines. To cite a few examples:

- We won the prestigious Rajiv Gandhi National Quality Award 2007 in large scale Services Industry Sector for our Jamshedpur unit
- The Company was declared Winner of "Award for TPM Excellence - Category A" by Japan Institute of Plant Maintenance (JIPM) in Jan, 2010
- Our processing units possess high ISO, TS and QS certifications.

TSPDL firmly believes that the aim of wealth generation inextricably extends to sharing it with the community it serves. It looks towards long-term corporate sustainability through pursuit of continuous improvement in the environment in which it operates, towards which, Environment Assessments are conducted at its processing locations, as also, carbon footprints identified for redressal steps, if any.

**SANDIPAN CHAKRAVORTTY
MANAGING DIRECTOR
TATA STEEL PROCESSING AND DISTRIBUTION LIMITED**

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The Adherence to the Ten Guiding Principles

Principles (GRI indicators correlated with)	Company's Policy & Direction (Approach/ Process/ Deployment)	Specific actions taken (Outcomes with Key results and measurements)
Human Rights		
Principle 1		
Businesses should support and respect the protection of internationally proclaimed human rights	We follow the International Declaration of Human Rights. Our HR policies and procedures have been modelled accordingly.	<p>1. Tata Code of Conduct (TCOC), which embodies our values, was adopted and is explained (in languages besides English, also in Hindi). At the entry point, all employees in the organization including new entrants sign the TCOC. Regular trainings are conducted. A film on TCOC has also been prepared internally for wide circulation and reinforcement of ethical code amongst all employees & other stakeholders.</p> <p>2. At entry point of their engagement, all employees are provided with a Service Rule book, which lay down various rules for the officers, like working hours of all employees, facilities provided by the company, including leave entitlement, etc.</p> <p>3. Regular dialogues/feedbacks are conducted across the organization with/from all employees during various Communication Meets.</p>
Principle 2		
Make sure they are not complicit in human rights abuses	<p>TCoC expressly commits to treat all employees with dignity and to conduct its business fairly without making any discriminations.</p> <p>Also, our HR/IR processes are derived through a consultative process, i.e. joint discussion of the management with the Union.</p>	<p>1. The Company ensures that it engages in business with suppliers, vendors, etc. who are compatible with the practices of the Company as laid down in the TCOC.</p> <p>2. Any issue of conflict is addressed and peacefully resolved by the top management in discussion with the Union.</p> <p>3. There is also a Safety Council, Welfare Committee, Whistle-Blower Protection Committee, Sexual Harassment Committee, Grievance Cell to address the various issues raised by the employees.</p>
Labour Standards		
Principle 3		
Businesses Should uphold the freedom of association and the effective recognition of the right to collective bargaining	TSPDL engages in a process of 'collective bargaining' through employee Union and periodic negotiations take place (every 3 years, a Wage Negotiated settlement is arrived at) as per our Company policy.	The management interacts with labour Unions for fixation of salaries, labour welfare measures, productivity bonus and all such decisions are arrived at with mutual consent, considering the performance parameters of the Company.
Principle 4		
The elimination of all forms of forced and compulsory labour	As per the Govt of India policies, forced and compulsory labour is banned. The Company policies support this Principle.	There is no forced and/or compulsory labour in Tata Steel Processing And Distribution Limited.
Principle 5		
The effective abolition of child labour	<p>The Company's Recruitment & Selection Policy ensures that only adults over 18 years of age are employed by the Company.</p> <p>All suppliers/ Dealers/ Vendors are also informed on this issue for strict compliance.</p>	<p>1. The Company engages employees over 18 years of age only and deals with suppliers and vendors who comply with this requirement.</p> <p>2. There is a continuous review & monitoring policy in place to ensure this.</p>
Principle 6		
Eliminate discrimination in respect of employment and occupation	We abide by our CoC and do NOT discriminate our recruitment & selection process on the basis of caste/creed/sex/religion etc.	Our HR policies on recruitment and selection are strictly non-discriminatory. Right to employment in the organization is protected & practised regardless of religion, caste, creed or sex. This is also laid down in TCOC.

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Environmental Protection

Principle 7

Businesses should support a precautionary approach to environmental challenges	The company is pro-environmental in its approach & practices and specific policies and guidelines exist to set direction that address these Principles and beyond.	<ol style="list-style-type: none"> 1. Certain units of the Company are certified to ISO 14000 Environment System Standards. 2. Environmental Assessment Impact studies & Carbon Footprint exercises are conducted at regular intervals for different business units and recommendations followed up. 3. Operates ETPs to neutralize effluents. 4. TSPDL products do not have any immediate adverse impact on the society, as the process of sizing the steel through slitting, cutting-to-length, roll forming and rebar are all "green". 5. Rainwater harvesting is carried out. 6. All e-wastes are disposed off in an environment-friendly manner. 5. Maintains norms for air & water emissions, noise pollution and Forest Act.
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Principle 8

Undertake initiatives to promote greater environmental responsibility	Awareness amongst employees of upkeep and protection of safe & healthy environment as an inclusive work practice requirement is continuously imparted.	<ol style="list-style-type: none"> 1. Reducing usage of LDPE, HDPE by using single VCI stretch film in our Cold-Rolled Processing. 2. Replacing wood with steel pallets.
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Principle 9

Encourage the development and diffusion of environmentally friendly technologies		<ol style="list-style-type: none"> 1. Impact of products/operations on society is considered at the project feasibility stage itself so that correct technology can be chosen and used. 2. Emphasis is on the use of re-generated acid for pickling operations, or even replacing pickling operations entirely with EPS technology. 3. Effluent water is treated to eliminate harmful elements and used for other purposes.
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Anti-Corruption & Prevention of Bribery

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery	<p>As a Tata Group Company, there is an elaborate system and processes on the 'Management of Business Ethics' (MBE) and all employees sign our TCOC.</p> <p>The TCOC spells out in clear terms the norms on gifts & donations and the ethical ways for conducting the company's business affairs such that corruption in workplace is prevented/eliminated.</p> <p>All Management and supervisory staff sign the Tata Code of Conduct (TCOC).</p> <p>At the vendor / Suppliers meets, our TCOC is explained.</p>	<ol style="list-style-type: none"> 1. A copy of Tata Code of Conduct (TCOC) is given at the time of employment offer to all, read and signed by every employee. 2. The company has a Chief Ethics Counsellor and locational Ethics Coordinators across the major locations of the Company. The name and contact number of the Company's Chief Ethics Counsellor is displayed on all Purchase Orders of the Company to report any untoward ethical breach. A lady Ethics Counsellor has also been nominated to address ethical concerns of female employees. 3. A "Whistle-Blower Policy" has been in place since the year 2005. It has been re-visited again in the year 2008 and appropriate changes made. 4. Breaches on ethics, after thorough probe with full transparency, are addressed through exemplary punishment including dismissal, suspension & warnings, with feedback to the top management. This is an ongoing process.
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