



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 ten principles, 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 philosophy for us to conduct our business. All the ten UNGC guiding principles have been incorporated in the TCOC; adherence to the TCOC automatically ensures that the global compact principles are never violated.

On the economic front, the Company has continued on its growth path. The Company has registered phenomenal turnover growth in a span of 16 years, with its current turnover at more than Rs 2000 Crores (year ended 31st March 2015).

The Company is acutely conscious of its social responsibilities for which it has evolved appropriate Corporate Social Responsibility (CSR) programs, both at the corporate and business unit levels with a view to sharing its economic success with communities. The CSR plans and action areas primarily focus on community welfare sustenance and environment initiatives. The company is also committed to directly conducting or supporting initiatives to ensure an equal footing for socially and economically disadvantaged sections in the country at large, and specifically the Scheduled Caste and Scheduled Tribe communities (as per the Company's Affirmative Action Policy). With the declaration of the new Rules & Regulations of the Companies Act, 2013 (applicable for Indian Companies), Tata Steel Processing And Distribution Limited has identified six areas (under Schedule VII of the Companies Act, 2013) which form the focus for the Company's CSR activities, including its Affirmative Action Initiatives for 2014-15. The areas are:

- Addressing the issue of Malnutrition, providing preventive health care & sanitation and safe drinking water
- Promoting education, infrastructural support to schools, providing scholarships
- Promoting employment-enhancing vocation skills, employability initiatives
- Empowering women
- Ensuring environmental sustainability
- Training to promote rural/ nationally recognised/ Olympic/ para-Olympic sports

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Tata Centre 43 Jawaharlal Nehru Road Kolkata 700 071 India
Tel 91 33 6613 0600 Fax 91 33 2288 1247 e-mail corporate@tspd.com

CIN : U27109WB1997PLC084005



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 company website ([http://www.tspd.com/#/corporate sustainability](http://www.tspd.com/#/corporate_sustainability)); relevant financial and social performances are published in the Annual Report, apart from significant announcements made from specific communication platforms.

The accolades we have received further vouch for the robustness of actions towards sustainability in all the triple bottom-line perspectives. To cite a few examples:

- TSPDL was the proud recipient of the JRD Quality Value Award during 2014 in the area of Business Excellence amongst the Tata Group companies.
- Our processing units are certified to ISO, TS, QS and OHSAS (Safety) standards
- TSPDL won the Jury Award for Best Practices for its Affirmative Action initiatives in the category of 'Employability' in 2014, accorded under the Tata Affirmative Action Program (TAAP) of the Tata Group
- TSPDL received the coveted "NIPM National Award for HR Best Practices-2013"

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 redressing steps, if any.

A handwritten signature in black ink, appearing to read 'Abraham G Stephanos', written over a horizontal line.

ABRAHAM G STEPHANOS
MANAGING DIRECTOR
TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

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

<p>Businesses should support and respect the protection of internationally proclaimed human rights</p>	<p>We follow the International Declaration of Human Rights. Our HR policies and procedures have been modelled accordingly. The Company's policies on Management of Business Ethics (MBE) also are strong testimonies of this practice.</p>	<ol style="list-style-type: none"> 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. Prevention of Sexual Harassment (POSH) Policy has also been adopted to address any form of sexual harassment faced by the employees. The Lady Ethics Counsellor also functions as the Chief Ethics Counsellor of the Company. She is also the President of the Internal Complaints Committee (ICC) to address any breach against the Prevention of Sexual Harassment (POSH). 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. 3. "Whistle-Blower Policy" for Employees & Directors as well as a separate one for Vendors are in place. 4. Regular dialogues/feedbacks are conducted across the organization with/from all employees during various Communication Meets. The Employee Engagement & Satisfaction Surveys also serve as a means to collect feedback from the employees. 5. A separate access to the Audit Committee Chairman as well as a Toll Free Number has also been provided to all employees to report any breach of action.
---	--	--

Principle 2

<p>Make sure they are not complicit in human rights abuses</p>	<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>	<ol style="list-style-type: none"> 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. 2. Any issue of conflict is addressed and peacefully resolved by the top management in discussion with the Union. 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.
---	---	---

Principles (GRI indicators correlated with)	Company's Policy & Direction (Approach/ Process/ Deployment)	Specific Actions Taken (Outcomes with Key results and measurements)
--	---	--

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 Negotiated Wage 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. A detailed Vendor registration process is also in place.</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 TCOC 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. However, TSPDL, as per its Affirmative Action Policy, is committed to assist members from the Scheduled Caste and Scheduled Tribe communities for employment opportunities and as business associates, provided everything else (merit for employment; cost and quality for business associates) is equal.
---	--	--

Principles (GRI indicators correlated with)	Company's Policy & Direction (Approach/ Process/ Deployment)	Specific actions taken (Outcomes with Key results and measurements)
---	--	---

Environmental Protection

Principle 7

<p>Businesses should support a precautionary approach to environmental challenges</p>	<p>The company is pro-environmental in its approach & practices and specific policies and guidelines exist to set direction that address these Principles and beyond.</p>	<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, etc. are all "green". 5. Rainwater harvesting is carried out. 6. All e-wastes are disposed off in an environment-friendly 5. Maintains norms for air & water emissions, noise pollution and Forest Act.
--	---	--

Principle 8

<p>Undertake initiatives to promote greater environmental responsibility</p>	<p>Awareness amongst employees for maintenance and protection of safe & healthy environment as an inclusive work practice requirement is continuously imparted.</p>	<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. 3. Carbon Footprint exercise was also done. 4. Regular office/pantry use items like paper cups, etc are discouraged. Employees also are encouraged to practice environment-friendly habits, like switching off lights when not using, keep the AC in an acceptable temperature, etc. Awareness sessions are regularly held.
---	---	--

Principle 9

<p>Encourage the development and diffusion of environmentally friendly technologies</p>		<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. 4. Power saving initiatives have been undertaken like switching from DC to AC drives, using power-efficient lighting, etc.
--	--	--

Principles (GRI indicators correlated with)	Company's Policy & Direction (Approach/ Process/ Deployment)	Specific actions taken (Outcomes with Key results and measurements)
---	--	---

Anti-Corruption & Prevention of Bribery

Principle 10

<p>Businesses should work against corruption in all its forms, including extortion and bribery</p>	<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 local Ethics Counsellors 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 separate access to the Audit Committee Chairman as well as a Toll Free Number has also been provided to all employees to report any breach of action. 3. A "Whistle-Blower Policy" has been in place since the year 2005. It has been re-visited in the years 2008 and then in 2014 and appropriate changes made. A "Gift Policy" is also in place for some years now. In 2015, however, based on the policies of the parent company (Tata Steel Limited), new and revised Gift and Whistle-Blower Policies were adopted. A "Anti-Corruption & Bribery Policy" is also on the way. The TCOC is also undergoing revision at the Tata Group level. 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. The Company also has a separate "Whistle-Blower Policy" for Vendors.
---	--	---