



Abraham G Stephanos
Managing Director

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 of Rs. 193,761 Lakhs (approximately 290 million USD) as on year ended 31st March 2016.

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 share 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 initiatives for ensuring an equal footing for socially and economically disadvantaged sections in the country at large, with a special focus on 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 2015-16. 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
- Provide Sports Training to promote sports persons from underprivileged sections of society

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Tata Centre 43 Jawaharlal Nehru Road Kolkata 700 071 India
Tel 91 33 2288 2800 (D) 6613 0600 (O) Fax 91 33 2288 2713 e-mail abraham@tspd.com
CIN : U27109WB1997PLC084005



The company takes cognizance of the needs of all its stakeholders while formulating its Vision, Mission and Core Values. This exercise during which inputs are sought from its stakeholders and extensively deliberated upon is undertaken every few years to keep it relevant. The company also conducts various methods of stakeholder engagement, through other means like Customer/Supplier/Vendor Meets (Direct Stakeholders), dialogues & employee satisfaction/engagement surveys (Employees) and Direct Contact with key target communities 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); 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 vouch for the robustness of actions towards sustainability in all the triple bottom-line perspectives. To cite a few examples:

- TSPDL retained its position as “Emerging Industry Leader “ in the TBEM assessment 2015
- Towards community initiative, TSPDL received two recognitions from Tata Affirmative Action Program (TAAP) for significant adoption of “Overall Affirmative Action Initiatives” and “Employability Practices”.
- Our processing units are certified to ISO, TS, QS and OHSAS (Safety) standards
- Faridabad unit won the northern regional innovation award of Tata Innovista 2015 and similarly other units at Jamshedpur and Chennai were also awarded for innovation
- Pantnagar unit was rewarded by Tata Motors under Energy Champion Awards 2015-16 and was also awarded by National Suggestion Scheme Association for idea generation for innovation and improvement

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 carbon foot-printing and Environment Impact Assessments are conducted at its processing locations and steps taken to ensure a better future.

A handwritten signature in blue ink, appearing to read 'Abraham G Stephanos', written over a blue 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> <p>Adoption of CII Code of Conduct and CII Fair Workplace Guidelines</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). 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 third party ethics helpline 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	The Company's Recruitment & Selection Policy ensures that only adults over 18 years of age are employed by the Company. All suppliers/ Dealers/ Vendors are also informed on this issue for strict compliance.	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. 2. There is a continuous review & monitoring policy in place to ensure this.
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. The Company has adopted Energy Policy and Water Policy in the year 2016 to create awareness amongst the employees towards conservation and efficient usage of energy and water. 2. Certain units of the Company are certified to ISO 14000 Environment System Standards. 3. Environmental Assessment Impact studies & Carbon Footprint exercises are conducted at regular intervals for different business units and recommendations followed up. 4. One of the unit in company is undergoing GreenCo Rating by CII, a "first-of-its-Kind in the world" framework that provides guidance and leadership to organisations to tread the green path. 5. Operates ETPs to neutralize effluents. 6. 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". 7. Rainwater harvesting is carried out. 8. All e-wastes are disposed off in an environment-friendly manner. 9. Maintains norms for air & water emissions, noise pollution and Forest Act. 10. Usage of natural day lighting by using transparent roof sheets.
---	---	--

Principles (GRI indicators correlated with)	Company's Policy & Direction (Approach/ Process/ Deployment)	Specific actions taken (Outcomes with Key results and measurements)
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. Energy audit has been started carrying out in certain units 5. 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. 6. A "Wellness at Workplace" program was organised all across the locations of the company in order to promote health, fitness and quality of life of workforce.
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. Installation of water meter and line wise energy meter in certain units. 5. Installation of Briquette firing system for boiler of pickling line. 6. Installation of LED high-way lights. 7. Installation of Variable Frequency Drives based air compressors. 8. Power saving initiatives have been undertaken like switching from DC to AC drives, automatic switching of electrical load, when not in use, 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>Adoption of Anti Bribery & Anti Corruption Policy and Anti Money Laundering Policy</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>	<p>1.A copy of Tata Code of Conduct (TCOC) is given at the time of employment to all the employees for the purpose of reading and understanding which is afterwards required to be signed by every employee.</p> <p>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 third party ethics helpline number has also been provided to all employees to report any breach of action.</p> <p>3.TCOC has undergone for revision at Tata Group Level and based on the global best practices and regulatory changes in the key markets in which the group operates the new code was adopted in the year 2015. 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. An "Anti-Bribery & Anti-Corruption Policy" (ABAC Policy) & "Anti-Money Laundering Policy" (AML Policy) was also adopted by the company in 2016.</p> <p>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.</p>