


PRINCIPLE

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Ethics, Transparency and Accountability

Businesses should conduct and govern themselves with ethics, transparency and accountability.

Ever since its formation in 1868, the Tata Group has always followed the vision of its Founder, Jamsetji Tata by ensuring that the wealth it creates is returned to society. Driven by the Tata values of integrity, trusteeship, respect for individuals, credibility and excellence, Tata Steel has earned a reputation of being a value-driven and ethical business entity.

The Tata Code of Conduct (TCOC) is an integral part of the Company's value system. With globalisation of operations, the Tata Code of Conduct was revised in 2008 and amendments, based on engagements with diverse global partners, were made in specific clauses to incorporate global business issues. The revised TCOC was adopted by Tata Steel on 1st October, 2008.

The document is made available to all stakeholders of the Company through its website as well as in print. It is shared extensively and repeatedly with employees, vendors, suppliers, contractors and their workmen through workshops, programmes and event-based communication. Versions of the document are available in French, Thai and three Indian languages to facilitate widespread access.

Tata Steel has adopted a formal organisational structure to deploy the Code. The process of its implementation in the Company has been designated as the Management of Business Ethics (MBE). It stands on the four pillar-concept of **Leadership, Communication and awareness; Compliance structure;** and **Evaluation of effectiveness.**

Leadership

The Managing Director is also Tata Steel's Chief Ethics Officer and is responsible for the deployment of the Code of Conduct. A designated Ethics Counsellor reports directly to the Managing Director and assists in managing the MBE process. The Counsellor also has access to the Board of Directors of the Company. The Ethics Counsellor is, in turn, supported by Departmental Ethics Coordinators.

Through all communication, the Managing Director exhorts all stakeholders to comply with the TCOC.

Communication and Awareness

Compliance to TCOC is a condition of service for all employees at Tata Steel. All officers must supply declarations and compliance undertakings, at the time of joining and through SAP HR. Ethics and TCOC training is a part of all officer induction programmes and refresher programmes for existing officers.

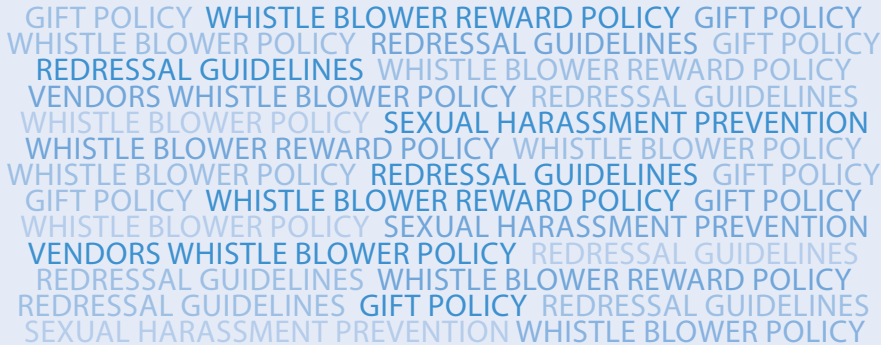
It is a prerequisite for entry and continuation as a vendor/supplier to the Company and vendors are required to make an electronic undertaking of compliance.

Employee unions at various locations have signed a joint MoU with the Company, on behalf of the workers, to comply with the Code.

Compliance structure

Various systems and processes have been developed and implemented in Tata Steel to ensure the implementation

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The Tata Code of Conduct is followed across all facilities of Tata Steel. (Far right) A poster of the Speak Up Whistle Blower service at Tata Steel.

of the Code. These include Gift Policy, Whistle Blower Policy, Whistle Blower Reward Policy, Vendors Whistle Blower Policy, Sexual Harassment Prevention and Redressal Guidelines.

Tata Steel has a zero tolerance policy towards corruption and unethical behaviour and has, therefore, taken specific action to implement anti-corruption measures articulated in Clauses 2, 5, 6, 13, 17, 20 and 25 of the TCOC. All officers have to submit a Conflict of Interest (COI) declaration on the intranet and update it as and when a new COI situation emerges in their employment period.

Any employee can directly raise concerns with the Ethics Counsellor/Head of Vigilance/Chairman of the Audit Committee. The constitution and role of the Audit Committee is elaborated in the Corporate Governance Report, which forms a part of this Annual Report. To encourage employee activism against malpractices, and to protect the identity of the Whistle Blower, a third party-operated Whistle Blowing Line was established in 2011-12.

Annual TCOC Compliance Declaration

The Managing Director submits an annual declaration in the Annual Report regarding compliance by Board Members and Senior Management Personnel with the TCOC.

The Managing Director also submits an annual TCOC

Compliance declaration to the Chairman, incorporating the steps taken in the Company during the year to promote and institutionalise an ethical culture in the organisation.

Information related to compliance with all country specific statutory guidelines, the Tata Code of Conduct and standards for global businesses, such as the principles of the United Nations Global Compact (UNGC), is published annually and placed in the public domain in the Company’s annual Corporate Sustainability Report, which is subject to an independent third party assessment.

Action for Non-Compliance to the Code

Concerns raised regarding the involvement of its employees and business partners in any act of bribery or corruption are thoroughly investigated and punitive as well as preventive action is taken. Non-compliance by vendors leads to severe consequences, including blacklisting. Similarly for employees, punitive action is taken, including termination of employment.

Evaluation of Effectiveness

The MBE Programme evaluation is conducted once in every two years. This is done through Employee and Vendor perception surveys, conducted by TQMS through an independent third party. The results are analysed for self-evaluation and gaps identified are used for new initiatives under the MBE Annual Business Plan.