

Ethics and Governance

Tata Steel has been conducting its business based on ethical principles and is sensitive to the communities it serves.

The Management of Business Ethics (MBE) is deployed across the organisation based on the MBE framework. This framework is founded on the core values that serve as a moral compass and is supported by the four pillars:

- Leadership
- Compliance Structure
- Communication and Training
- Measurement

The Chief Executive Officer and Managing Director of TSL is the Chief Ethics Officer.

The Ethics Champions have been introduced as the first touchpoint for frontline employees to spread awareness and dilemma clarifications.

There are 13 Internal Committees (IC) in TSL located in various zones.



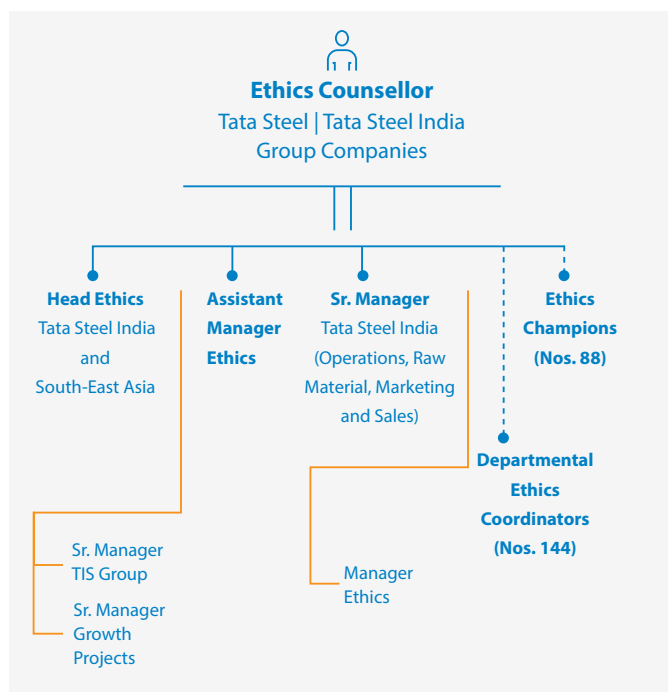
Ethics Month 2017: Spreading awareness on ethics



Annual ethics co-ordinators' meet

Deploying MBE across the Organisation

The Chief Executive Officer and Managing Director of TSL holds the position of Chief Ethics Officer. The Chief Ethics Officer, in turn, appoints a full-time Ethics Counsellor who heads the Corporate Ethics Department and has the overall responsibility for the deployment of MBE in the organisation. For this, the Ethics Counsellor is supported by Departmental Ethics Coordinators (DECs). Ethics Champions have also been introduced. Working in close association with the DECs, the Ethics Champions act as the first touchpoint for frontline employees in order to spread awareness and clarify dilemmas.



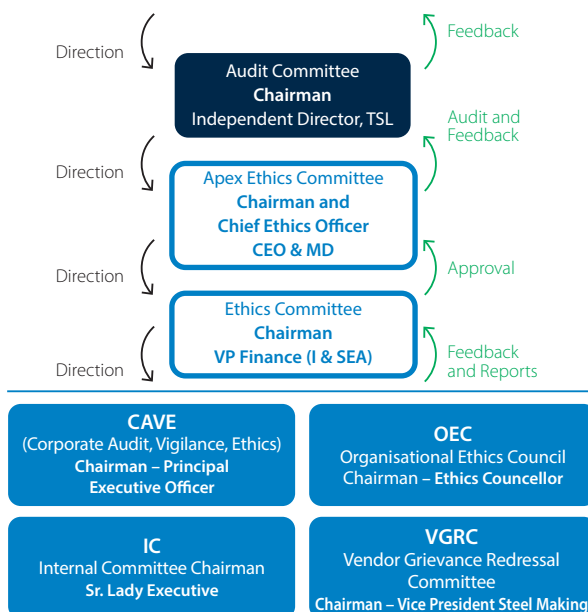
Establishing a Robust System for Governance

TSL has a robust Corporate Governance model in place with roles established at the Board and Management-level committees. The Ethics Counsellor regularly attends Audit Committee meetings to share updates on the status of the vigilance mechanism. On its part, the Apex Ethics Committee meets on a quarterly basis to decide upon policies and guidelines as well as review sexual harassment concerns and statistics of concerns. There are also 13 Internal Committees (IC) instituted across the organisation.

The Ethics Committee provides uniform decision making following the consequence management framework in case of ethical breaches, while also providing protection to the whistleblower. The MBE is promoted and enforced by the senior leadership through an appropriate reward and recognition policy to encourage whistleblowing. TSL also has a scheme for 'reputation champion' where stakeholders who demonstrate ethical behaviour are recognised and their actions publicised through the organisation.



Integration of the Group's Comprehensive Strengths





Tata Network Forum India East - Ethics conclave 2017: Enriching ethical culture through sharing of best practices

Multiple Channels to Establish an Ethical Culture

Apart from TCoC, there are policies and guidelines in multiple languages to support the MBE deployment. TSL has leveraged digitalisation to promote a one-stop solution by providing an ethics compliance register called 'Darpan', which is accessible through the Company's intranet and mobile app. All the latest policies and guidelines are communicated through this portal, apart from the resource centre at intranet. The various ethics-related declarations and approvals are made in Darpan. The link to Web-based training modules (TCoC, POSH and Conflict of Interest), compliances to MBE activities and reports are available there. Among various reporting channels provided by TSL, an independent UK-based third-party helpline 'Intouch', popularly known as 'Speak Up', is provided to all stakeholders to enable whistle blowing. 'Speak Up' is communicated through posters, visiting cards, Company websites and IT - portal accessible to vendors. 'Ethics Line Walk' is a new initiative where DEC's and Ethics Champions interact at the workplace and help in building awareness and confidence.

Instituting Programmes to Ensure Awareness

Communication and training programmes have been instituted to raise awareness of Tata values, TCoC and ethical practices. The communication plans also reach out to external stakeholders. Several communication programmes such as quarterly theme-based campaigns, town hall events, departmental events and other MBE-related information are communicated through internal channels and various forums.

TSL also observes the Ethics Month in July every year. The theme for FY 2017-18 was 'Respectful Workplace' and multiple events were organised around the theme. A short movie based on the whistle blowing facility was released during Ethics Month FY 2017-18 and publicised widely. The Annual Organisational Ethics Council Meet in FY 2017-18, in which all DEC's participated, was an immersive experience with various creative workshops, deliberations and interactive sessions with the Chief Ethics Officer.

Policies

- Whistle Blower Policy for Directors and Employees
- Whistle Blower Policy for Business Associates
- Gift and Hospitality Policy
- Prevention of Sexual Harassment Policy at Workplace & Guidelines
- Conflict of Interest Policy
- Reward and Recognition Policy

Ensuring Compliance to Ethical Principles

All newly-appointed employees at TSL undergo a training programme on ethics, with mandatory Web-based trainings on POSH, Col and TCoC acceptance. Even contractor employees are given training before gate passes are issued to them.

TSL has also instituted a supplier code of conduct and takes a formal acceptance from them for abiding by the TCoC during the vendor registration process. The Ethics Counsellor interacts with business associates in various forums such as vendor meets, dialogues for business associates (suppliers / vendors, distributors, channel partners and customers), etc.

The MBE perception survey is conducted internally as well as by an external agency in alternate years. The feedback is shared with the Senior Management and the way forward is incorporated in the Annual Business Plan (ABP). One of the actions emanating from this consist of an integrated information system for recording and monitoring MBE activities.

TSL has conducted several benchmarking exercises within Tata Group Companies and other reputed companies, apart from various international forums such as Ethics & Compliance Initiative (ECI) Best Practice Forum and Ethisphere Summit.

Awards

Tata Steel has consistently been rated as having the 'advanced maturity level' for process deployment and implementation by the Tata Group Ethics Office. Tata Steel has also been recognised as the World's Most Ethical Company by Ethisphere Institute for the sixth time and has the distinction of being the only Indian company to win the Award in the Metals, Minerals & Mining sector.

6 times

recognised as the World's Most Ethical Companies by Ethisphere

Score of Tata Steel in 2018: 78 out of 100

(World's Most Ethical Companies average score was 74 out of 100)

Key Performance Indicators

MBE Perception Survey	UoM (Index out of 100)
Officers	85
Non-officers	90
Vendors	91

Concerns	UoM (Nos.)
Closed	332
Open	64
Total	396

Sexual harassment cases*	UoM (Nos.)
Closed	16
Open	8
Total	24

* This data is included in number of concerns

Training	UoM (Nos. of people trained)
Officers	1,564
Non-officers	5,725
Contract Employees	> 30,000

Concerns Severity	UoM (% of concerns addressed in target investigation cycle time)
High	84
Medium	79
Low	89

Target investigation cycle time:

High (within 90 days), Medium (within 60 days), Low (within 30 days)