

TATA STEEL LIMITED

INDIA OPERATIONS



CREATING VALUE FOR THE COMMUNITY

Corporate Sustainability Report 2009-10



About this publication

Tata Steel's commitment to Creating Value for the Community is the central theme of this report.

It covers the operations of Tata Steel India. The report highlights Tata Steel India's long-term view on growth and sustainability and the commitments made during the year to create value for the community. Tata Steel's strength lies in its ability to innovate, effect process improvements through use of technology and most importantly its commitment to the community. This report provides an overview of the Company's capabilities in these areas.

Reporting and Assurance

A centrally formed core committee with representatives from different departments within Tata Steel worked together on Sustainability Reporting. This is the tenth consecutive Corporate Sustainability Report of the Company. It has been prepared according to the Global Reporting Initiatives (GRI) G3 Guidelines and has been compiled according to GRI Application level 'A+'. The report is for the period April 1, 2009 to March 31, 2010.

MANAGING DIRECTOR'S STATEMENT

Dear Stakeholder,

Tata Steel was founded by Jamsetji Tata on the tenet, "In a free enterprise, the community is not just another stakeholder in business, but is, in fact, the very purpose of its existence." His vision for this enterprise guided it for over a century and continues to be an integral part of its future endeavours and business actions. During the course of the last century, this ethos has become the most striking feature of Tata Steel's identity and has remained an enduring priority even as our business strategy has evolved from decade to decade.

The immediate concern for Tata Steel in 2009-10, after the economic downturn, was to safeguard its value streams. All business units of the Company were requested to direct their initiatives towards

five critical areas of concern, in addition to the longer term objective of meeting its goals for Vision 2012. Tata Steel first focused on three profitability determinants: despatch cost at a level of 2006-07, market share at each customer/ market segment at higher than actual of 2008-09 and lastly product price premium to be higher than in 2008-09. In addition, the Company set itself goals for 25% improvement in Loss Time Injury Frequency Rate (LTIFR) with zero fatality and 15% improvement in Environmental performance, against those achieved in 2008-09.

The global recession had constrained India's growth rate to 6.7% in 2008-09. Tata Steel's operations demonstrated immense resilience even though the demand for steel and steel based

goods showed a sharp decline. Subsequently during 2009-10 the Indian economy recovered much faster than other developed economies to register a growth of 7.4%. Thus as pressures eased by the end of the year, steel demand in India registered a healthy growth of 8%, driven by the demand from the automobile and construction sectors, where Tata Steel is a dominant player.

The economic meltdown alerted Tata Steel as it did other organisations to the need for redefining paths, realigning attitudes and restructuring systems that determine the way enterprises are managed today. During 2009-10 Tata Steel set itself the task to review all processes for managerial oversight, its goals and related performance indicators. It resulted in the Company being rated the most profitable steel company and also formed part of the DJSI World (Dow Jones Sustainability World Index). To address the fast changing business environment, customer needs and sustainability challenges, a business planning framework was created in 2009-10. This will be further developed into an Integrated Business Planning Framework by early 2010-11.

Due to its focused initiatives Tata Steel achieved a 39% increase in EBITDA against a target of 31%. During the same period, the Company achieved a LTIFR of 0.56 against a target of 0.6 and brought CO₂ emissions down to 2.42 t/tcs. Safety Management practices have significantly improved performance. Safety continues to remain a matter of enormous concern as four fatalities occurred in the Tata Steel India operations, which encompasses the Steel Works, raw materials and profit centres.

When I look back at Tata Steel's TQM journey, I realise that the adoption of TQM practices in all aspects of management was the single reason that enabled the Company to tackle the global financial crises. It resulted in Tata Steel becoming the only Steel Company outside Japan to receive the Deming Application Prize. With demand for and competition in the high-end segment of the steel market likely to increase in the long term, the Indian steel market is all set to grow 10-11% in the next few years. The risk all steel



manufacturers face is that new steel capacities may be delayed. In light of these factors, the opportunity before Tata Steel is to complete its brownfield expansion on time to achieve 10 mtpa by 2012 and meet the requirements of its customers.

The total steel capacity in India is today around 70 mtpa, which is projected to grow to 180 mtpa by 2019-20. Tata Steel intends to be a significant player in the domestic market and remain among the lowest cost producers of steel in the world. Beyond 2012, the Company aspires to continue to grow its steelmaking capacity to align with the projected growth in steel consumption in India.

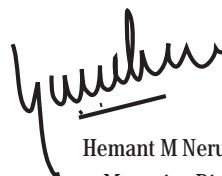
Its broad based objectives as a corporate citizen are to eliminate fatalities and provide a zero harm workplace environment, attract and retain the best talent, including the high end technical talent, improve its environmental performance and pursue its ethos of creating a more inclusive world. Since the Company's philosophy of inclusive growth has always been rooted in the belief that value creation must benefit the community in which the Company operates, Tata Steel cannot limit its activities within the boundaries of the Company alone. It has therefore, over the years reached out with a veritable array of micro level activities to alleviate the plight of the underprivileged. Each of the Company's interventions was directed at improving the quality of life of the beneficiaries by understanding and enabling them to meet their diverse wants.

In 2009-10, Tata Steel sought to readdress this area as well and developed a new social agenda to create a wider and deeper impact. Instead of being content to just to 'touch' a million lives, it has determined that it shall IMPACT a million lives from now on. Towards the end of 2009-10 experts engaged in social change have been asked to identify, develop and adopt indicators to track the impact. Among its main focus areas for the future, in addition to the rural and urban services it provides, the Company has taken on the education and employability of the indigenous tribal communities. The Company has also engaged employees in

developing Personal Actions Plans on Safety, Health and Environment issues.

Tata Steel, a founder member of the United Nations Global Compact, was invited by the then Secretary General to share on a global platform the philosophy which motivates the Company to strive towards creating a more inclusive society. The Company has always believed in the interconnectivity of the enterprise, the environment and the community. The principles of the UNGC have therefore been the very values which have for over a century defined Tata Steel's DNA. The Company believes that "no success or achievement in material terms is worthwhile unless it serves the needs or interests of the country and its people and is achieved by fair and honest means." The theme of this year's Corporate Sustainability Report is therefore: "Creating Value for the Community."

The Tata Group, of which Tata Steel is a part, has been likened to a mighty river with the desire and power to bring happiness and prosperity to those on its banks. This imagery of the Tata Group as Nature's most prolific provider only serves to deepen the sense of responsibility Tata Steel has towards its communities, the nation and the world.



Hemant M Nerurkar
Managing Director
Tata Steel Limited

VISION

“We aspire to be a global steel industry benchmark for value creation and corporate citizenship.”

The Tata Steel Group gave itself the Vision of becoming a world benchmark in Value Creation and Corporate Citizenship in early 2008. To achieve this Vision, which will further fuel its sustainability, it is essential for Tata Steel India to enhance value for its customers, by improving quality, delivery and offering new products & services. The Company must also enhance and strengthen its manufacturing base to improve its market position in a rapidly growing domestic steel market. To create the ability to achieve growth the Company must ensure robust cash generation through a focus on EDIBTA. The Company has also identified people as its key asset, who will enable it to achieve these objectives. Hence Tata Steel must be viewed as a strong, attractive and caring company by its potential and current employees as well as the community. In order to build and safeguard this reputation, Tata Steel must achieve high levels of Safety, demonstrate concern for the environment and continue to be admired for its commitment to the community.

Key Impacts, Risks and Opportunities

The Steel Works at night

Challenges and Opportunities

Global Financial Crisis

In response to the global financial crisis the Company is redesigning processes to work with lower working capital for both Tata Steel and its customers. It will also focus on continuously improving operating parameters.

Expansion Programme

In 2009-10 Tata Steel India gave top priority to the 2.9 million tonne expansion programme in Jamshedpur. The project will enhance the capacity of Tata Steel India's operations to 10 mtpa as discussed in the Annual Report 2009-10 (page 20-21). Tata Steel also continued to pursue its plans for Greenfield expansion to narrow the supply deficit in India and transpose this growth in steel consumption into greater prosperity for the community.

Enhancing Competitiveness

The operating performance in India was very good, with its maintaining its lead as one of the most competitive operations in the global steel industry. Despite the challenging market conditions in 2009-10, Tata Steel Limited closed the year having produced and sold 20% more than it did in 2008-09. Deliveries to its customers were 18% more in 2009-10 than in 2008-09.

The accelerated TQM initiative, "Kar Vijay Har Shikhar" (conquer every peak), was launched at the end of the reporting period. It motivates Tata Steel India to deliver on its promise of reaching quantified benchmarks in growth, value creation, safety, health and environment. 17 Performance Improvement Teams were constituted and are working across the Tata Steel Group to enhance its competitiveness.

Focus on Value Added Products and Services

The Company continued to invest in its downstream businesses to add value and to enhance its product portfolio. These prominent downstream businesses include Tata Steel Processing & Distribution Limited, Tata BlueScope and The Tinplate Company of India Limited.

Management of Raw Materials

Tata Steel has a century long record of sustainable mining practices and judicious use of natural resources through sustained efforts invested in the development and adoption of technology. The focus of the Company's efforts remains on reducing the consumption of natural resources per tonne of steel. Tata Steel also continued to pursue the long-term strategy of securing ownership of assets that will lead to greater raw material security for its global operations and share of value added products.

Safety

Tata Steel has systems and processes in place to meet the challenge of achieving the Vision target of 0.4 LTIFR by 2012. The ongoing expansion programme however poses significant challenges. Apart from a large number of construction workers interacting closely with heavy equipments, this brownfield site has the added challenge of space constraints. Tata Steel India aspires to reduce fatality to Zero through continuous improvement in behavioural safety, process safety and road safety.

Environment

Tata Steel recognizes that Steel is a significant contributor to man-made greenhouse gas emissions as the manufacture of steel unavoidably produces Carbon Dioxide. Tata Steel is committed to minimizing the environmental impact of its operations by increasing its spend on technology and hardware to address environmental concerns.

Corporate Citizenship

In pursuance of its commitment, as a global citizen the Company continues to uphold and propagate the goals of the United Nations Global Compact, Global Business Coalition on HIV/AIDS as well as conform to international standards and principles such as SA8000, ISO 14001, the Universal Declaration of Human Rights and International Labour Organisation Convention. It is a member of the World Steel Association and several local, national and

international industry associations. All Tata Steel products comply with norms set by the Bureau of Indian Standards (BIS).

Tata Steel's operations reach out to the communities it operates. The strategy for ensuring inclusive growth, its interventions and methods used to track the impact on a million lives is discussed in detail under the Social Indicators.



The Company constituted a core team to frame the Corporate Strategy and Objectives for 2009-10 with the purpose of "identification of key focus areas which qualify to be a part of Corporate Objectives/ Strategies for 2009-10."

Prioritising Opportunities

Given the challenges faced in 2008-09, Tata Steel India sought to reorganize its business planning process especially with respect to deployment of the business plans as well as institutionalization of the Strategy Planning process. Tata Steel also sought to revalidate its road map for achieving Vision 2012 as well as its mid-term Corporate Plan.

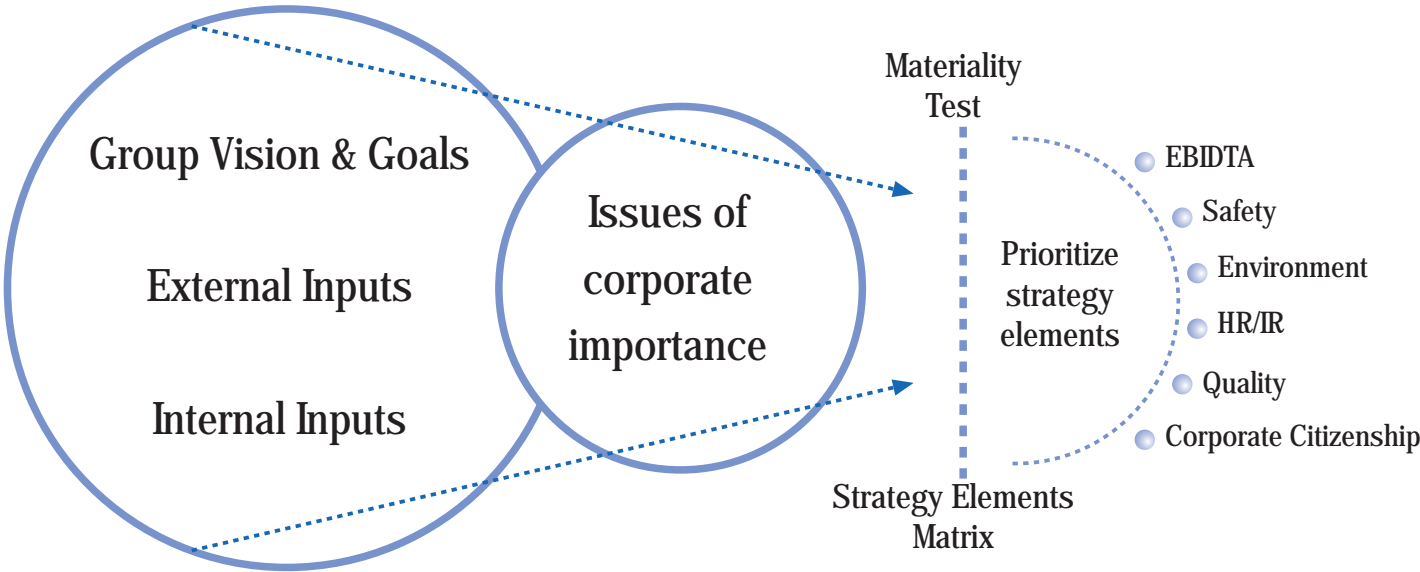
The Management of Risk at the corporate level is undertaken by the Corporate Assurance and Risk Management team under Group Chief Finance Officer. The Company's Corporate

Planning & Industrial Research team facilitates risk management associated with Annual Business Plan. Its brief is to identify risks, including external threats, assess their potential impact and integrate these challenges within the annual business plans of the Company's divisions, in addition to proposing opportunities for the mitigation of these risks. Each Division of the Company is responsible for implementation of risk management in individual units.

The Company constituted a core team to frame the Corporate Strategy and Objectives for 2009-10 with the purpose

of "identification of key focus areas which qualify to be a part of Corporate Objectives/ Strategies for 2009-10." Tata Steel has a Risk Management framework for its Annual Business Plan, to categorize risks for the entire business and for individual business segments.

The framework matrix developed by the Company to identify and adopt business objectives and strategies is given below:



The core team identified 24 Divisions including 17 Corporate Functions for inputs. The inputs against each strategy element were then mapped against 13 strategy elements. Impact on Vision elements using the Strategy Elements Matrix was

considered to arrive at prioritized strategy elements based on the linkage to the Company's mid-term plan. The prioritized strategy elements are: (1) EBIDTA (2) Safety (3) Environment (4) HR/IR (5) Quality (6) Corporate Citizenship. The strategies were populated

against the areas of priority to determine new and existing strategies which should constitute the Company's objectives in 2009-10. Key Performance Indicators against each were also revisited.

The Company's goals, strategies, indicators and targets for 2009-10 and the mid-term targets (2012) are as follows:

Vision Elements	Objectives	KPI		Midterm Goal 2008-12	Target FY10	Actual FY10
World benchmark in Value Creation	Creating Value through enhanced offerings to Customers To increase availability of products to customers in chosen segments	EBIDTA % EBIDTA Rs. Million		*	*	39% Rs.98058 Million
World benchmark in Corporate Citizenship	Achieve benchmark levels in Safety Performance	LTIFR		0.4	0.6	0.56
		Fatality		0	0	4
	Developing proficient & engaged employees	Employee Productivity		-	449	446
	To become the Indian Steel Industry benchmark on CO ₂ and Dust emission	CO ₂ emission (t/tcs)		1.5	2.37	2.42
	Impacting a million lives: Improving the quality of life of communities around us	Rural Initiatives	Sustainable Livelihoods	A common index is being developed to assess impact		
			Health			
			Education			
		Urban Initiatives	Water (Percentage of Population)	91%	86%	85.4%
			Road Infrastructure (% roads with PCU density <1)	63%	45%	47%

* Information has been withheld for reasons of confidentiality

Main challenges for the immediate and mid term

- 1
- Tata Steel is focussing on expanding in India. Successful implementation of the Brownfield and Greenfield expansions in India is a key to Tata Steel's growth story in India.
- 1
- Growing competition in India is a concern, with competitors vying for a share of mineral resources the cost advantage that the Indian operations currently have will be facing pressure in the future.

Strategic priorities for the long term

	Background		Action for Risk Mitigation
Global Recession	Steel industry is subject to industry cyclicity and the global financial crisis can impact the Company's profitability severely	1	Redesign processes to work with lower working capital for both Tata Steel & customers. And also continuously improving operating parameters.
Expansion Plans	To ensure integration of expansion plan in Jamshedpur with existing facilities.	1	Close monitoring of the project status and achieving the milestones as per plan.
Competitor Risks	Escalation in the competitive environment in the steel industry could have an adverse effect on the Company's competitive position.	1	Focus on being the lowest cost producer in the world
Government Regulations	If the Indian Government implements the Mines and Minerals (Development and Regulation) Bill 2010 (MMDR Bill), the financial conditions and results of operations of the Company may be adversely affected.	1	Compliance has been ensured to existing regulations in all operations
Health, Safety & Environmental Risks	The Company's businesses are subject to numerous laws, regulations and contractual commitments relating to Health, Safety & Environment.	1	Specific goals to be achieved by 2012 in the areas of CO ₂ emissions (1.5 tonnes per tonne of liquid steel) and LTIF (below 0.4).
		1	"Process Safety & Risk Management" (PSRM) programme has been started for the high hazard operations and processes
Financing Risk	The Company has incurred a substantial amount of indebtedness, which may adversely affect its cash flow and its ability to operate business	1	Renegotiation of specific terms relating to debt repayments and financial covenant measurements
Technology Risks	To be equipped with up to date technologies that can give it cost competitiveness and R & D leadership	1	Capital investments to enhance and deploy R & D capabilities
Forex, Credit, Liquidity and Counterparty Risk	Change in currency trends can affect not only the Group's short-term trading positions but the long-term economic competitive position vis-à-vis imports	1	A hedging policy is in place to protect its trading and manufacturing margins against rapid and significant movements in its major trading currencies

FINANCIAL IMPACTS INFLUENCING SUSTAINABILITY PRIORITIES

In the midst of the Company's capacity expansion programme, the global steel industry was adversely affected. Tata Steel's Financing Initiatives, key milestone and events are detailed in the Company's Annual Report 2009-10 (Page 23).

RISK MANAGEMENT

Tata Steel's financial performance and risk management assurance is provided by an in-house Internal Audit function, reporting to the Managing Director and the Audit Committee of the Board.

The Risk Management Team

A team has been formed headed by Group Head, Corporate Assurance and Risk Management (CARM) supported by Tata Steel's Synergy Group to work along with PriceWaterhouseCoopers for Enterprise Risk Management. The group, with the help of the Company's top management has identified corporate level socio- economic, environmental and political risks that could impact the Company in the long term.

TATA STEEL LIMITED

INDIA OPERATIONS

₹ 276,116

Million was earned in gross revenue in 2009-10 by Tata Steel India

A public limited company,

29.13 %

of the shares of the Tata Steel India are held by Tata Sons, the single largest shareholder. The Company has

8,01,932

individual shareholders.

The Tata Steel Group is the world's second most geographically diversified steel producer with a crude steel production capacity of about 24 million tonnes per annum; presence in over 50 markets and manufacturing operations in 26 countries. It comprises Tata Steel India, Tata Steel Europe, NatSteel Holdings and Tata Steel Thailand. It has an employee strength of over 81,000 people across five continents and has a shareholder base of over 800,000 people. Its products serve customers in 11 distinct segments. The Tata Steel Group recorded a turnover of Rs 1,054,157 Million.

A public limited company headquartered at Mumbai, Tata Steel India has a crude steel capacity of 6.8 million tonnes per annum (mtpa). During the year, the Company produced 6.56 mtpa of crude steel and sold 6.17 mtpa of steel products, recording a turnover of Rs 276,116 Million. It is the second largest steel producer in India, the largest supplier to the domestic automobile industry with 48% market share and the second largest re-bar supplier accounting for 11% of the market share. It is in the process of adding another 2.9 mtpa to its steel making capacity by 2011-12. Details with respect to the Company's shareholding pattern are provided in the Company's Annual Report 2009-10 (Page 111-112).

Tata Steel has consistently strived to develop new products to meet the growing needs of the Indian market and world class manufacturers who have set up base in India. It has established unique processes and customized approaches in seeking out new routes to markets and connecting with customers for mutual value creation. Its processes undergo improvement through specific approaches such as Customer Value Management, Retail Value Management, Solution for Sales and the like. Tata Steel products are categorised into two broad verticals - Flat Products and Long Products - with the former accounting for 56% of its offering in 2009-10 and the latter 44%.

The blast furnaces at the Steel Works create an imposing impact on the skyline of the Steel Works

Tata Steel's products

Table 2.1

Flat Products	Long Products
CRCA	High Carbon Wire Rods
Galvanised	Low Carbon Wire Rods
Hot Rolled Coils	Reinforcement Bars

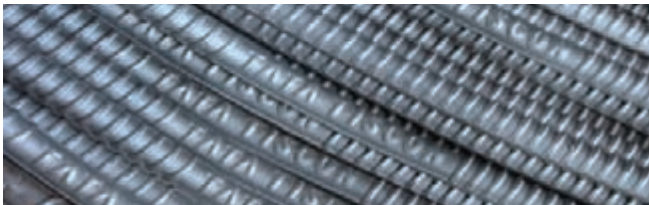


Table 2.2

Business	Market Segment	Product	Customers	Brands	Market Position	
Flat Products	Automotive	HR	Tata Motors, Ashok Leyland and wheel makers (Wheels India, SSWL etc)	N.A.	51%	# 1 in India
	Automotive	CR	Maruti Suzuki, Honda, Toyota, Ford, Hyundai, Tata Motors	N.A.	36%	# 1 in India
	Automotive	Galvanized	Bajaj Auto, Honda, Hyundai	N.A.	35%	# 1 in India
	Steel Roofing	Galvanized	Retail Consumers	Tata Shaktee	Branded Products of Flat Products	
	Gen Engineering	CR	SME Consumers	Tata Steelium		
	Gen Engineering	Galvanized	Samsung, Voltas, Bluestar, LG, Tata Sky	Galvano*		
Long Products	Distribution	Reinforcement Bars	Pan India Presence- Individual House Builders	Tata Tiscon	11%	# 1 in India
	Infrastructure/ Industrial Construction		Afcons, Gammon, L&T, HCC, Soma, Shapoorji Pallonji		19%	# 2 in India
	Automotive & Construction	High Carbon Wire Rods	Bansal, Bajrang, Prestress, Kataria, RIC, UIC	Tiscon CRS Tiscon 500	39%	#1 in India
	Automotive, Construction & General Engineering	Low Carbon Wire Rods	ESAB, Ador, Lincoln, GEE, Maruti	Tata Tiscon 500 D	33%	

* New brand launched in FY10



Operations

Tata Steel produces steel at its integrated Steel Works in Jamshedpur, India, using raw materials such as Iron Ore, Coal, Coke, Limestone & Dolomite, Ferro Manganese, Zinc and Zinc Alloys, etc to produce hot metal. The hot metal is converted into steel through a steelmaking process. The liquid steel follows two routes, namely the Flat Product route and the Long Product route to produce value added finished goods. It is one of few steel companies in the world to have backward linkages to its captive mines and collieries, owned and operated by the Company across the states of Jharkhand and Orissa in India.



Major Operating Divisions

Table 2.3

UNIT	LOCATION	DIVISION	PRODUCT
Divisions			
Jamshedpur Steel Works	Jamshedpur, Jharkhand	Steel Business Unit	Iron, Steel and Value Added Products
West Bokaro Division	Noamundi, Jharkhand & Joda Orissa	Raw Materials Division	Coal
Ore Mines & Quarries	Jamshedpur, Jharkhand	Raw Materials Division	Iron Ore
Jharia Division	Jamadoba & Sijua, Jharkhand	Raw Materials Division	Coal
Profit Centres			
Tata Growth Shop, Jamshedpur	Jamshedpur, Jharkhand	Engineering & Capital Projects	Plants & Heavy Engineering Equipment
Tubes Division, Jamshedpur	Jamshedpur, Jharkhand	Flat Products	Conveyance, Precision Tubes and Steel Hollow Sections
Agrico Division, Jamshedpur	Jamshedpur, Jharkhand	Shared Services	Agricultural Implements
Wire Division	Maharashtra	Long Products	Steel Wires
CRC West	Tarapur, Maharashtra	Flat Products	CRCA Sheets/Coils, HRPO Coils, HRSPO Coils
Ferro Alloys & Mineral Division	Joda, Sukinda and Bamnibal, Orissa	Raw Materials Division	Chrome Alloys / Manganese Alloys
Hooghly MetCoke	Haldia, West Bengal	Raw Materials Division	Coke
Bearings Division	Kharagpur, West Bengal	Steel Bearings	Bearings
Subsidiaries	Reference Annual Report Page 200		
Joint Ventures	Reference Annual Report Page 207		
Greenfield Project Sites	Kalinganagar, Orissa; Jagdalpur, Chattisgarh; Gopalpur, Orissa; and Seraikela, Jharkhand (Annual Report 2009-10 Page 61)		

Markets Served

While the domestic steel market is the focus of attention for the Company, Tata Steel has a presence in markets of strategic importance that is Middle East, South Africa, South East Asia and neighbouring countries. Flat Products serve customers in a wide range of industries such as automotive, appliance, high construction, furniture and projects while Long Products serve customers mostly with Wire Drawing and Rebar Manufacturing facilities (Refer Annual Report 2009-10 Page 72).

Flat Products:

Tata Steel is the largest flat product company in India with a 48% market share. Tata Steel's focus in this segment is on the value added Automotive sector, where it recorded the highest ever sales in 2009-10. Its branded galvanised corrugated sheets sold under the brand name Tata Shaktee and the world's first branded Cold

Rolled Steel, Tata Steelium, achieved the highest ever premium, with Tata Shaktee touching its best ever sales. 25 new Steeliumzone stores were opened in 2009-10. In addition, a rapid response offer for Steelium retailers was launched in 2009-10 called "Steelium Express". The Replenishment Offer was extended to the second leg of Tata Shaktee retailers accounting for 275 dealers.

The Company also launched "Galvano" a branded galvanised zero spangle product in 2009-10.

Long Products:

Total Sales of branded products increased by 12% in 2009-10, while sales of re-bars increased by 29%. Tata Tiscon became the first rebar brand in India to launch Fe-500 D grade rebars in India, which complies with the latest amendment made by BIS for

lowering impurities of Sulphur and Phosphorous. In order to provide greater safety in construction and ensure convenience for customers, Tata Steel launched a readymade stirrup brand "Superlinks" in 2009-10.

Marketing and Distribution Network:

Finished products are despatched via rail and road to stockyards across the country, which serve as hubs to distribute products to customers. Tata Steel's attention to Due Date Delivery performance has made it a preferred partner for leading steel buyers in India. It has a nationwide network of Marketing and Sales offices, apart from its international offices and a marketing presence in almost 50 nations.

Scale of the Reporting Organisation

The total employee strength of the Company as on March 31, 2010 was 34,440. Details with respect to the employees are provided under on page 42. The Financial Performance of the Company is provided on page 25.

Quantity of Products & Services provided

Tata Steel Limited primarily serves the rapidly growing Indian steel market, which comprises two principle verticals, Flat Products and Long Products. The business verticals, market segments, customers served by Tata Steel, its products and market position are provided in Table 2.2.

Changes during the reporting year (2009-10)

Investments in Growth

Despite the impact of the recession, Tata Steel continued to invest in its expansion projects with near-term economic indicators suggesting strong growth in core industries. These included major facilities under the 2.9 mtpa project, balancing facilities under its 1.8 MTPA expansion project, capital investment at its Wire Division and new equipment at select facilities to upgrade these units.

Maintaining Liquidity

The clear priority for the Company was to maintain liquidity not only to finance the existing business but also to continue funding its growth projects in India and investment in raw material projects overseas (Reference Annual Report Page 20-21;23).

Mergers

The Company merged its wholly owned subsidiary Hooghly MetCoke and Power Company Limited with itself as part of a business restructuring exercise. The merger will allow it to achieve greater cost competitive given the volatility in prices of imported coking coal.



Corporate Awards

Best Business Practices

- 1 The Best Establishment Award presented by the President of India, Mrs. Pratibha Devi Singh Patil
- 1 The Superbrand Award for Tata Tiscon
- 1 Rated among "Most Admired Companies" by FORTUNE Magazine and the Hay Group in the Industry-Metal category
- 1 The Economic Times Company of the Year Award

Awards from Customers

- 1 Special Support Award from Maruti Suzuki for achieving 99.6% delivery compliance
- 1 Best Localisation through new technology introduction from Toyota for CRCA material

Awards for Safety

- 1 World Steel Association for construction safety
- 1 World Steel Association's "Safety and Health Excellence Recognition Award 2010" for safety practices in confined spaces.

Quality of Management Systems

- 1 The Most Admired Knowledge Enterprise (MAKE) Asia Award 2009 for the sixth time.
- 1 The Fifth BML Munjal Award for Excellence in Learning & Development.

Awards for Excellence in Corporate Social Responsibility

- 1 Rashtriya Khel Protsahan Puruskar (Community Sports-Identification & Nurturing of Budding Talent in 2009-10)
- 1 The Significant Achievement in Sustainability Certification from CII-ITC.
- 1 The TERI CSR Award.
- 1 The UKTI India Business Award.
- 1 The Times of India CSR Award.
- 1 The Ispat Paryavaran Puraskar Special Award.



REPORT PARAMETERS

Report Profile, Scope and Boundary

Tata Steel reports in line with the Global Reporting Initiative (GRI) G3 guidelines. This is the tenth consecutive annual report; the last report was published in 2008-09. The report focusses on the operations, economic, environmental and social impacts of Tata Steel India for the period April 1, 2009 to March 31, 2010. All the financial data is only for Tata Steel standalone but for the Group turnover mentioned in the organisational profile. The environment

and social performance covers the Steel Works, mines and collieries and Profit Centres.

Report Boundary

Compared to the previous year, the reporting boundary had been expanded to include the environmental performance of the Company's Mines & Collieries as well as its Profit Centres.

Contact Person:

Mr Prabhat Sharma

Corporate Affairs and Communications,

Tata Steel Limited

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Materiality

The initiatives included as part of this Report are based on a materiality assessment of issues important to the stakeholders of Tata Steel India. Any omission does not imply that a concern is not being addressed.

Tata Steel undertook a detailed exercise to map its Corporate Strategy and Objectives prior to the preparation of this report. Critical issues were mapped on the basis of:

- 1 Significance of Economic, Environmental and Social impacts
- 1 Stakeholder Assessment and Decision
- 1 Stakeholders for whom the Company has a written policy
- 1 Stakeholders concerns being addressed as part of a long term relationship

The key indicators covered in the report were shortlisted on the basis of the following factors by the core team: Tata Steel Group Vision, Mission, Values and Policies with regard to EBIDTA, safety, environment, employer of choice and corporate citizenship; goals given by the

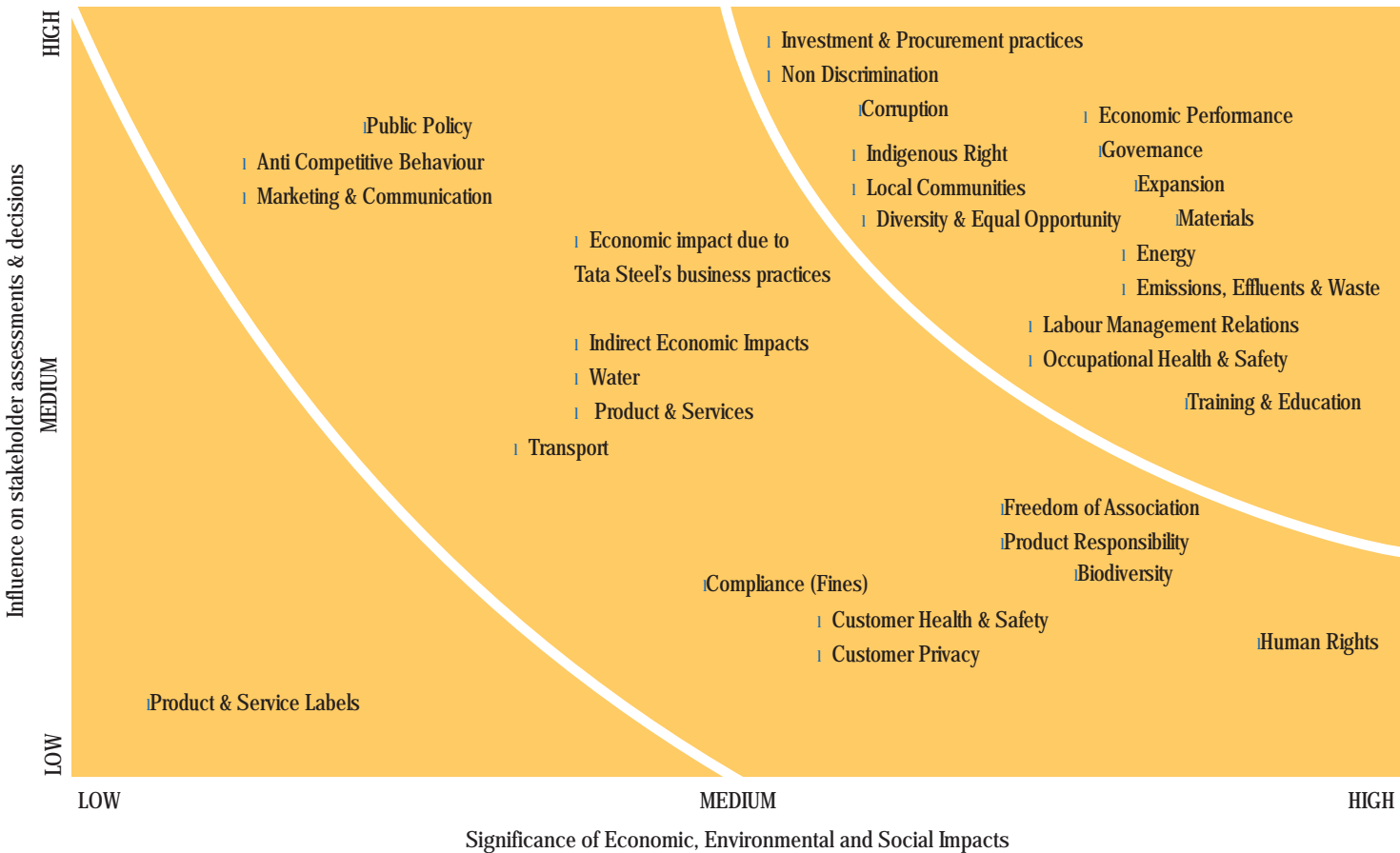
Managing Director as a consequence of the economic downturn; key learnings & remaining problems from 2008-09; inputs from stakeholder engagements through surveys, feedbacks, relationships meets, etc; analysis of internal & external factors; and senior management views. The process of identification of issues/strategies and prioritization has been explained in the Strategy & Analysis section of this Report and illustrated in Figure 1.1.

Tata Steel's stakeholders include its customers, suppliers, employees, shareholders and the society where Tata Steel operates. In 2009-10 Tata Steel conducted a materiality analysis by pooling all the concerns raised by its stakeholders. Concerns raised by international forums such as the United Nations Global Compact were also taken into consideration. Issues considered of greatest risk to multiple stakeholders and those considered by Tata Steel as being of high priority were identified. The analysis was conducted based on the assumption that the environment was free of existing controls.

The report focusses on the operations, economic, environmental and social impacts of Tata Steel India for the period April 1, 2009 to March 31, 2010

Materiality Matrix

Figure 3.1



Vision and Goals 2012

All elements of the Company's Vision and Goals 2012 have been addressed through specific Corporate Objectives and Corporate Strategies and are tracked through Key Performance Measures used to report sustainability trends.

Integration and alignment of performance improvement initiatives, policy management, customer centricity and acceleration of the rate of performance improvement is addressed through Tata Steel's Quality Promotion Activities.

Specific areas for performance improvement such as EBIDTA are being driven through the accelerated TQM initiative, "Kar Vijay Har Shikhar" launched in February 2010.

Independent Assurance

Tata Steel continues to seek independent assurance for its Corporate Sustainability Report. Accordingly since 2008, Tata Steel appointed Det Norske Veritas AS (DNV), as the independent assurance provider. DNV has conducted a moderate level of assurance against their VeriSustain protocol. Their independent assurance statement has been included at the end of this report.

GRI Index

The GRI Index is included on pages 86 to 92.

GOVERNANCE, COMMITMENTS AND ENGAGEMENTS

GOVERNANCE

The Tata Steel Board, led by the Chairman, Mr Ratan Tata, is a trustee of the value created by the Company. It has oversight over operations and activities of the Tata Steel Group, including Tata Steel India through the Managing Director who reports periodically on all sustainability issues to the Board and its committees. The Board ensures that Tata Steel India conducts its business in accordance to the highest ethical standards and the Tata values of trusteeship, integrity, respect for individual, credibility and excellence. The Chairman of the Board holds a non-executive position.

The Company has robust systems in place to enable the Chairman and the Board to discharge their responsibility of safeguarding the value created by the Company. It monitors all major risks to the Company's business, including environmental and social impacts. The Board is also responsible for ensuring full transparency and accountability in order to protect the interest of the stakeholders.

It ensures that the Company's business conduct conform to and are guided by the Tata Code of Conduct, in which the values and principles followed by the Tata Group for over a century are enshrined. All executive directors, senior management personnel, non executive directors, employees and suppliers of the Company are signatories to the Tata Code of Conduct. The Tata Code of Conduct is available on the Corporate website: www.tatasteel.com.

The twelve member board includes six independent members who do not have any material, pecuniary or transactional relationship with the Company. They comprise 50% of the total member of Directors, in compliance with law. The Managing Director of Tata Steel is the only executive member on the Board of the Company.

COMMITTEES OF THE BOARD

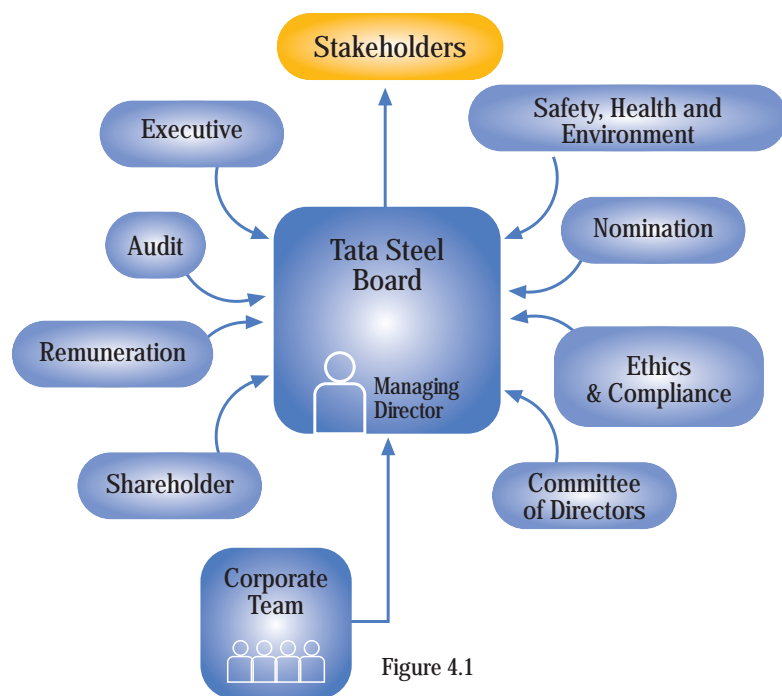


Figure 4.1

Disclosures with respect to the Committees, relevant risks, and opportunities, compliance to internationally agreed standards, remuneration, codes of conduct and principles are covered in detail in the Company's Annual Report for 2009-10 (Page 95-116). The Company is certified to have complied with conditions of Corporate Governance under Clause 49 of the Listing Agreement of the Company with stock exchanges.

The Financial & Economic data are reported as per guidelines provided in the Company Law of India and Indian GAAP standards, US \$ (US dollar) conversion rates are as at noon 31st March 2010.

In order to take a holistic approach to safety, health and environmental matters in decision making and providing direction to Tata Steel Group, in 2009-10 the Tata Steel Board decided to constitute a Committee of the Board to assist it in carrying out its Safety, Health and Environment function including the provision of leadership and direction to the Tata Steel Group. The Committee is authorised by the Board to obtain, at the Company's expense, any outside professional advice that it deems necessary and reliable. The Committee shall also have full authority to commission, at the Company's expense, any reports or surveys that it deems necessary to help it fulfill its obligations. The respective heads responsible for Safety, Health and Environment in the group companies will be the principal sources of information and advice for the Committee.

Names of Members of the SH&E Committee	Category
Mr. Jacobus Schraven, Chairman	Independent, Non-Executive
Mr. Sam Palla, Member	Independent, Non-Executive
Mr. B. Muthuraman	Not Independent, Non-Executive
Mr. H.M.Nerurkar	Not Independent, Executive



Strategy and Organisational oversight

At the Corporate level Tata Steel's Corporate Team, comprising the Managing Director, Chief Operating Officer and Vice Presidents were charged with Strategy Planning and Policy Management in

2009-10. In addition a Task Force constituting cross functional experts assisted the Corporate Team in framing the Corporate Objectives & Strategies, and monitoring as well as assessing all

Key Performance Measures. Within the Task Force sub-teams were created to conduct detailed assessment of performance in various areas.

TQM Governance Structure

Over the years Total Quality Management (TQM) at Tata Steel has helped create the foundation for growth and allowed it to achieve its business objectives through systematic processes for improvements in all functional areas. In 2009-10, the Company created a framework to integrate policy management with business plan formulation. Tata Steel's Governance Structure for Total Quality Management is unique as it involves both the management and the Union, with active engagement of both in policy management and policy deployment.

This Governance structure covers all division, corporate departments, TQM department, Management Committees and Joint Committees of Management and Union, allowing the Company to drive growth and change in accordance with its business objectives, the business

environment and stakeholder feedback. The TQM Governance Structure ensures that all issues material to the Company are addressed through clear strategies and are tracked through Key Performance Measures reported to the top management. The Company constituted a Quality Board in 2009-10 to strengthen top management oversight.

Opinions of the Shareholders

Shareholders have a variety of mechanisms through which they can place their concerns before the Board of the Company. These include letters, emails, personal interactions at the Head Office, the Annual General Meeting and investor meets held in five cities

across India. These mechanisms can be used by minority shareholders to express opinions to the highest governance body. The Annual General meeting, open meetings where shareholders can express their views to Board members present in person, are conducted at Mumbai. The number of shareholders present at the AGM held in July 2009 was 4063. In addition, opinion of shareholders on Special Resolutions was sought through postal ballot on four occasions during the year. In the case of three such resolutions over 50% of the shareholders submitted their ballots.

Employees are consulted and their suggestions sought through formal representation bodies such as organisation level 'work councils' and representation of employees in the highest governance body.

Remuneration, Conflicts of Interest and Qualifications & Expertise

The performance of the Managing Director and whole time directors is reviewed by the Remuneration Committee of the Board. Annual variable pay of senior managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against specific Key Result Areas, which are aligned to the Company's objectives. Details with respect to the appointment of Mr Hemant N Nerurkar as Managing Director of the Company w.e.f. October 1, 2009 are provided in the Annual

Report (Pages 52-53).

The Remuneration Policy of the Company, details of remuneration in 2009-10, resolution of conflicts, Whistle Blower Policy are available in the Annual Report for the year (Page 100-105). Each employee of the Company has assured access to the Ethics Counsellor/ Chairman of the Audit Committee. The functional health, safety and environmental team provide coordinated and effective

specialist advisory support to the Board. Conflicts of interest are avoided through the declaration of interests by Directors and by ensuring that none of the Directors have any significant shareholding in their personal capacity.

The Nomination Committee of the Board identifies Independent Directors to be inducted to the Board and to take steps to refresh the constitution of the Board from time to time.

Internally Developed Systems

- Vision, Mission, Values, Policies and Management of Business Ethics

Tata Steel has clearly articulated its Vision, Mission Value, Tata Code of Conduct, Tata Code for Prevention of Insider Trading and Company Policies, which are available on the Corporate website. The Tata Code of Conduct is applicable across all group companies. The Tata Code for Prevention of Insider Trading meets all international standards. The Tata Code of Conduct was developed in 1997 and subsequently reviewed in 2008.

The Tata Code of Conduct is implemented at Tata Steel Limited through a formal process known as "Management of Business Ethics". It comprises four key elements:

(1) Leadership: The Managing Director is the Chief Ethics Officer, responsible for ethical business and the implementation of the Code of Conduct.

(2) Systems and Process: There is a structure in place at the Board level to address ethics. The Chief Ethics Officer reports annually to the Chairman of the Board on ethical issues and compliance with the Code.

(3) Training and Awareness: This is an ongoing process at Tata Steel covering all relevant stakeholders, particularly employees and suppliers.

(4) Measurement: Concerns are monitored, reported and acted on. Perceptions Surveys are conducted to assess perceptions of employees.

The Executive Committee of the Board, Ethics and Compliance Committee and the Safety, Health & Environment Committee (SH&E) are responsible for overseeing the organisation's identification and management of economic, social and economic performance. The terms of reference of the Executive Committee of the Board (ECOB) are to approve capital expenditure schemes and donations within the stipulated limits and to recommend to the Board, capital budgets and other major capital schemes, to consider new businesses, acquisitions, divestments, changes in organizational structure and also to periodically review the Company's business plans and future strategies.

The Safety, Health and Environment Committee of the Board was constituted on 25th June, 2009 to oversee the policies and their implementation across Tata Steel Group. The main remit of the Committee is to:

- 1 Review operational performance, anticipate potential issues and provide support in setting direction for improvements;
- 1 Reduce carbon emissions per tonne of steel produced; and
- 1 Seek coordinated and effective specialist advisory support from the functional health, safety and environmental team

The Board had adopted the Safety Charter of the SH&E Committee at its meeting held on 27th October 2009.

The Tata Steel Group Board is reviewing processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.



COMMITMENTS TO EXTERNAL INITIATIVES

Tata Steel is a founder member of the United Nations Global Compact (UNGC). It has promoted and propagated the principles of the UNGC through its actions since 1999, including the precautionary approach. The Company also abides by the Tata Corporate Sustainability (Group) Policy agreed on 29th July 2009. It follows principles, policies and processes requested by international management systems adopted by it, namely ISO 14001, ISO 9001, OHSAS 18001, SA 8000 and Total Quality Management. The Company regularly reviews its systems to ensure compliance as

well as undergoes voluntary audits to obtain recertification.

For over a century Tata Steel has voluntarily followed the precautionary principle, by adhering to ethical social and environmental practices. The Tata Code of Conduct (Clause 8) ensures that all Tata Companies, including Tata Steel must accord primacy to Health, Safety & Environment concerns. In addition the Company's policies on Environment and Social Accountability reflect the integration of the precautionary principle in its business

planning process. As a member of the World Steel Association the Company follows all internationally accepted guidelines and standards for steel manufacturers. It monitors eleven sustainability indicators listed by World Steel Association. All its products are certified to national standards for product quality and properties. Tata Steel is also represented at all relevant international and national trade bodies and industry associations.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is critical to the achievement of Tata Steel's Vision of Value Creation and Corporate Citizenship. Stakeholder engagement or two-way communication at Tata Steel is a continuous process and happens regularly at various levels and functions. Communication is undertaken through both formal and informal modes.

Tata Steel's stakeholders are those who are affected by the Company's action or whose actions affect the Company and who have an interest in the continued sustainability of the Company. The Company derives the level of engagement it should undertake with each stakeholder category through a power-interest grid based on the following factors: their strategic interest to the Company, their role as enablers of business and their importance to the Company's reputation and brand.



Formal Two Way Communication Mechanisms for Stakeholder Engagement

Table 4.1

Stakeholders	Stakeholder Sub-Categories	Current Mechanisms for Engagement	Frequency
Employees	w Officers w Non officers	Scheduled unscheduled meetings with union representatives of Tata Workers' Union & others	
		Dialogues	Not less than 56 a year
		MD Online	Monthly
		Quality Circles	Monthly as per norms
		Suggestion Management	On-going/ Annual Awards
		Knowledge Management	On-Line/ Monthly Manthan
		Joint Departmental Councils	Daily Management
		Joint Works Councils	Daily Management
		Corporate Intranet	Daily Management
		Awards Functions	Annual Apex Level
		Personal Action Plans on Safety, Health & Environment	Daily Management
Customers	w OEM w Retail	Customer Value Management	Continuous process
		Retail Value Management	Continuous process
		Product Groups	Continuous process
		Technology Group	Continuous process
		Customer Meets	Periodic
		Customer Visits	Periodic
		Customer Service Team	Periodic
		Retail Loyalty Program	Continuous process
		Retailer / Dealer Meets	Periodic
		Steelium Links	Continuous process
Shareholders	w Institutional w Individual	Investor Meets at Bengaluru, Baroda, Kolkata and Mumbai	Annual
		Analyst Meet/ Press Meet/ Earnings Call	Post consolidated financial results announcement
		Letters and Emails	Continuous
		Personal Interactions	1-0-1 meetings on a periodic basis
		Annual General Meeting	Annual
		Investor Relation Section and Equity Analyst Coverage Module on the Corporate website	On-line

Formal Two Way Communication Mechanisms for Stakeholder Engagement

Stakeholders	Stakeholder Sub-Categories	Current Mechanisms for Engagement	Frequency
Suppliers	w Vendors	Supplier Value Management	Key Suppliers
	w Contractors	Vendor Meets	Periodic
		Awareness Meetings on Safety & Labour Practices	Weekly/ Monthly
		SA 8000 Audits	Annual
		Communication from Contractors' Cell	On-going/on-line
Socio-Political	w Rural Community	Rural initiatives / projects	On-going
	w Urban Community	Self Help Groups	On-going
	w National Interests	Citizens' Advisory Forum	Quarterly
	w Global Corporate Citizen	Customer Management Services (JUSCO)	24x7
		Annual Report	Annual
		Sustainability Report as per GRI G3 Guidelines	Annual
		Annual Reports of Societies / Trusts promoted by Tata Steel	Annual
		Social Audit	Decadal
		Project Assessments by partners	Monthly/ Annual
Government / Regulatory Bodies / Society	w Government	Industry Forums / Government Forums	On-going
	w Media	Press Conference and Communiques	Need-based
	w Influence Groups	Compliances	On-going
	w Opinion makers	Corporate Website	Need-based
	w Policy makers	Stakeholder Issue Grid	On-going
	w Civil Society		

Stakeholder Feedback

Feedback obtained from stakeholders is used to realign the Company's actions through the Company's Business Planning and Total Quality Management initiatives each year. For instance, Tata Steel's New Product Development Process and subsequent improvements in it are a result of the global auto manufacturers seeking local development of high end products in India.

Table 4.2

Stakeholder	Stakeholder Philosophy	Feedback Mechanisms
Employees	Respect for people	Surveys, Annual Appraisals and Joint Consultations
Customers	Building long term relationships	Customer Satisfaction Survey is undertaken once a year for OE Customers and channel partners
Shareholders	A century of trust	Surveys
Suppliers	Mutual value creation	Surveys, Supply Value Management, Negotiations
Community	Purpose of our existence	Public Hearings, Media Analysis, Surveys
Society	A global citizen	UNGC, Sustainability Reporting

Employees

Tata Steel is a pioneer in the development of Joint Consultations and Collective Bargaining. It continues to pursue this process to arrive at agreements related to labour and industrial relations. All agreements are periodically reviewed in consultation with Tata Workers' Union. All non-officers of the Company are members of its trade unions. Scheduled dialogues with Union Committee Members and monthly departmental/sectional communication

meetings have contributed to employee engagement and ownership of the Company's goals.

The Managing Director conducts a monthly dialogue MD Online, via webcast, with all officers of the Company. Quarterly dialogues with the senior management and a general dialogue with middle level management are formal platforms instituted for two-way

communication with officers. The Company also makes extensive use of mechanisms such as Suggestions Box, Rewards & Recognitions, Internal Communication programmes, strategy sessions and workplace interactions to continually listen to its employees. 100% of Tata Steel workers are part of improvement activities and initiatives through Small Group Activities and Knowledge Management.

Customers

Given that Tata Steel's approach to Value Creation is based on Customer Centricity, the Company has multiple vehicles to capture customer aspirations and feedback. These are listed in Table 4.1. The Company also has three Technology Groups, who were reorganized in 2009-10 to create and deploy knowledge for process improvements and new product development. They analyse customer complaints and claims via the Computerised Customer

Complaint Handling system for process Quality assurance.

"Learning Interaction Networking Knowledge Sharing" (LINKS), is a Customer Relationship Management Programme to link its brand Tata Steelium with key customers. Over 8400 people were covered through the programme in 2009-10 as explained under the thematic section on Product Responsibility on page 85.

A formal Customer Satisfaction Survey is undertaken once a year for OE customers and channel partners. The results of this survey form the basis for divisional business planning, TQM and Marketing & Sales initiatives, as well as capturing and translating stated and unstated customers needs into action. The customers' faith in Tata Steel's integrity and capabilities has prompted many of them to engage with it at the drawing board stage.

Shareholders

Tata Steel's shareholders care programme has matured with management support. Tata Steel is the first company in the metal space to introduce Domestic CIO Meets since 2008. It is also the first Indian Company to introduce Annual Domestic Shareholders' meets in cities across India. This initiative has received an overwhelming response from shareholders.

The Company reorganised its Investor Relation Section on its Corporate website in 2009-10 and added the Equity Analyst Coverage Module to offer ease of navigation and clarity.



Suppliers

While key raw materials are provided by the Company's captive mines and collieries, Tata Steel's expansion programme and outsourcing of services brings a great number of workers into its facilities every day. The focus of Tata Steel's Supplier Relationship

Management process is on ensuring the Safety & Health of their workers, conformity to best practices in Human Rights through deployment of SA 8000, skill enhancement, fair wages and an assured flow of value to those engaged by its partners. New vendors

are registered only if compliance with accepted norms especially SA 8000 is evidenced. Existing vendors are also monitored and processes reviewed to drive best practices.

Community

In 2009-10 Tata Steel has chosen to define its communities as those who reside in the rural and tribal villages in the vicinity of its operations and urban agglomerations such as Jamshedpur, as explained under Social Indicators. Its agencies for Rural Services conduct need-based surveys, which drive Tata Steel's community initiatives. Feedback on its programmes is obtained through surveys

and assessments by project partners. Tracking and measurement of quality of life indicators for urban services in Jamshedpur in managed by its wholly owned subsidiary Jamshedpur Utilities & Service Company Limited (JUSCO).

A bi-annual Quality of Life survey, Citizens Advisory Council,

Spouses Dialogue and the Customer Management System of the Jamshedpur Utilities & Service Company all provide inputs on the services and infrastructure supplied by the Company. The Company publishes its Corporate Sustainability Report as well as the annual reports of all societies to share information on its community based initiatives. These reports are available on the Corporate website.

Society

Tata Steel is represented at all relevant international and national trade bodies and industry associations. It is a founder member of the United Nations Global Compact and a GRI reporter. As a responsible global citizen Tata Steel conducts Environmental Impact Assessments prior to commissioning new projects.

Table 4.3

Stakeholder	Proactive Measures to address Stakeholder Concerns
Employees	Infrastructure for environment, health and safety, OHSAS-18001 implementation, DuPont Safety initiative, open communication channel with top management as explained above.
Customer	Customer need survey, Customer Interaction, R&D for product and process design.
Shareholders	Investment decision for higher ROI, diversification to improve EVA
Suppliers & Contractors	Strategic Sourcing, Vendor Evaluation, Integration of Supply Chain. SA 8000 Implementation
Community & Society	Development and maintenance of infrastructure to take care of civic amenities, healthcare, education, family initiatives, etc.
Environment	Carrying Capacity Study, LCA, ISO-14001
Media/ Global Community	GRI Reporter for Sustainability Performance Reporting

ECONOMIC VALUE CREATION

PAT
₹ 50468 million

EPS ₹ 60

EBITDA
₹ 98058 million

Community Investment of ₹ 1019 million

Tata Steel India is recognised as the leading domestic steel supplier in the Automotive & Construction segments in India. It is considered to be one of the global steel industry benchmarks on EBITDA margins and has been ranked as the No. 1 steel company in the world by World Steel Dynamics in the past. The Company also features in the Forbes top 350 companies in the world across all industries in value creation. The Company is an acknowledged leader in Corporate Citizenship because it has shared the wealth it generates with the community and returns a significant proportion of this wealth back to the society. It is the only steel company to be ranked amongst the top four companies in India for the past four years on Corporate Social Responsibility. Tata Steel is a founder member of the United Nations Global Compact.

The Company's Vision is to be a world benchmark in Value Creation and Corporate Citizenship. It has therefore focused on building a customer-centric organization driven by a culture of continuous improvement so as to consistently deliver value to all its stakeholders. It has fomented a culture of mutual value creation with its customers and suppliers through unique approaches such as, Customer Value Management, Retail Value Management and Solutions for Sales offers, Supplier Value Management and new product offerings. Even as the Company's approach to economic value creation shifted from being "EVA positive" in FY'02-FY'05 to "Globalization & Growth" in FY'05-FY'09 and EBITDA for FY'10-FY'12 due to the changing business environment, customer centricity has always remained the central theme for Value Creation. As a result Tata Steel's customers willingly pay a premium for its products through its offers in the form of new products, due date performance, reduction in rejections, etc.

Tata Structura was used to construct Mumbai airport

Tata Steel was able to retain profitability levels in India throughout the downturn and recover faster than most of its competitors, reflecting the strategic advantages of the Indian operations, and the attention given by it to value creating relationships. Revenue

accretive actions further safeguarded its profitability.

The revenue of Tata Steel touched Rs 276,116 million against Rs. 271,520 million. Its performance was aided by the initiatives

taken by it, which brought operating cost down to Rs. 132,189 million in 2009-10 against Rs.133,760 million in the previous year despite the volatility in raw material costs. The Company recorded a profit after tax of Rs.50,468 million for the financial year.

Financial Performance

Table 5.1

Item	2007-08 (Rupees Million)	2008-09 (Rupees Million)	2009-10 (Rupees Million)
Gross revenue	224,324	271,520	276,116
Profit Before Taxes	70,664	73,156	72,143
Profit After Taxes	46,870	52,017	50,468
Net Sales	196,910	243,158	250,220
Total Assets	470,755	587,418	642,328
Capital employed	469,204	581,650	642,328
Net worth	271,456	295,995	371,688
Borrowings	180,217	269,462	252,392
	Ratio 2007-08	Ratio 2008-09	Ratio 2009-10
Net debt : Equity	0.81	0.78	0.61

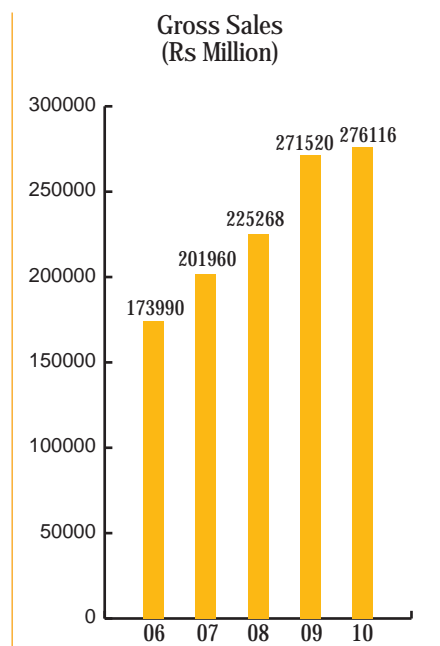


Figure 5.1

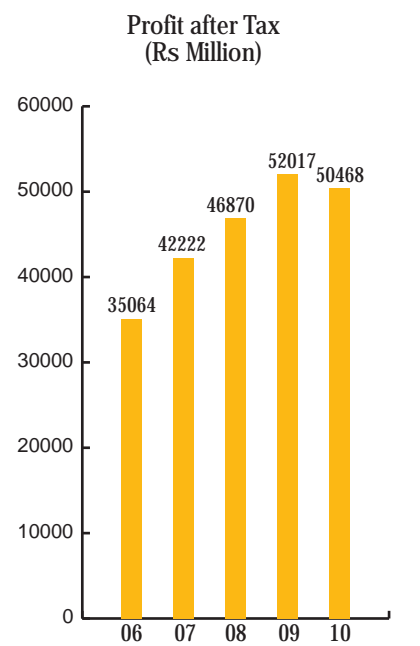


Figure 5.2

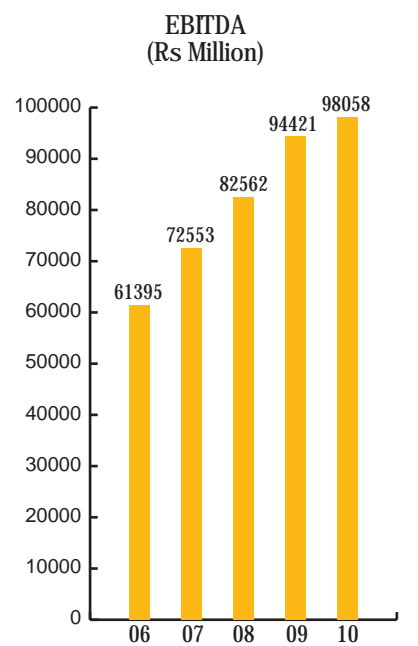


Figure 5.3

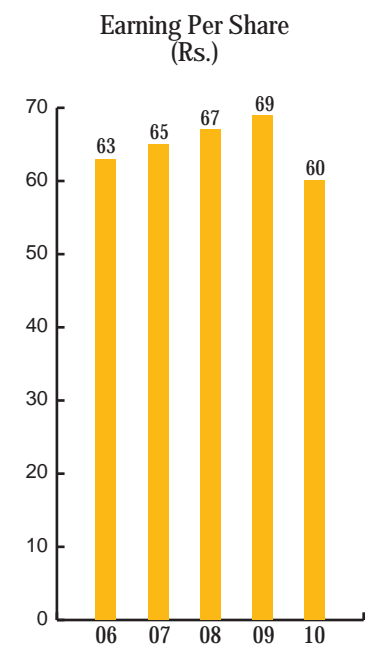


Figure 5.4

Economic value generated and distributed

Table 5.1

Summary	Rs Million		
	2007-08	2008-09	2009-10
Revenues	224,324	271,520	276,116
Operating Costs	98,074	133,760	132,189
Employee Wages and Benefit	18,160	23,058	23,615
Payment to Providers of Capital	19,776	24,311	22,641
Payment to Government	55,246	64,660	52,469
Community Investments	960	770	933
Economic Value Retained	32,935	37,092	41,684

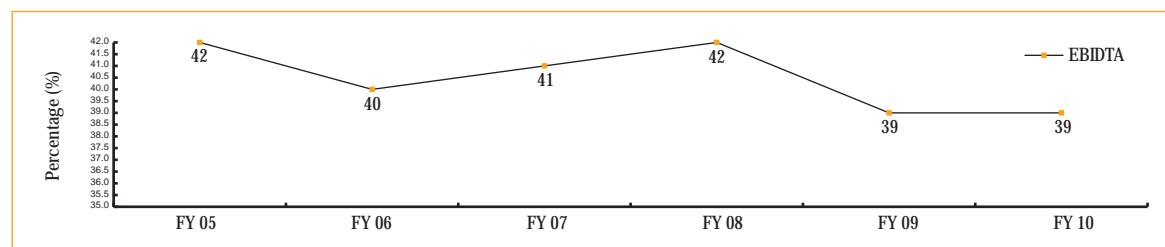
Dividend

The Board of Directors of the Company recommended a dividend @ 80% (Rs. 8 per share) for the year ended 31st March 2010. The dividend cash-outgo (including tax on dividend) was Rs. 8,784 Millions. The dividend payout as a percent of Net Profit is 17%.

EBIDTA Performance

EBIDTA is a key performance indicator that the Company has started monitoring since 2009-10. Tata Steel had the best EBIDTA performance in the steel industry during the reporting year.

Table 5.5



At the end of March 2010, Tata Steel Limited employed 34,440 people as permanent employees. It also provided indirect economic benefits to many thousands through its suppliers and partners.

The Company's staff cost increased over 2008-09, primarily on account of payment of wage arrears and the normal rise due to annual increments, dearness allowance and a consequential increase in provisions for gratuity and leave salaries.

Table 5.3

Payments to Employees (Rs Million)	2007-08	2008-09	2009-10	Change	Change %
Payments to and provisions for employees	15898	20835	21440	605	2.9
Employee Separation Scheme (ESS) compensation	2262	2223	2175	(48)	(2.2)

Donations to community, civil society and other groups

During 2009-10 Tata Steel distributed a total of Rs 1019 million in payments for municipal, community and medical services, grants for rural activities and other grants as against Rs. 1165 million in 2008-09. Community donations and grants were made to the value of Rs 75 million, higher by Rs.39 million over previous year. Spend on Municipal Services was higher by around Rs.107 million. Details of activities in the community have been provided under the Social Indicators.

Risk and opportunities from Climate Change

A key challenge for Tata Steel is to match the global industry benchmark for environmental performance. Therefore the Company has drawn up action plans to improve its environment performance, especially for CO₂ emission, dust emission and waste utilization.

It is selecting more efficient emission management equipment and technologies as part of its ongoing expansion programme. Particulars under the Companies Rules are provided in the Annual Report (Page 67).

Tata Steel has been continuously reducing energy consumption per tonne of steel produced both to address Climate Change and to derisk itself from the impact of increasing energy costs.

Defined benefit plan obligations

The Company's benefit plans are as given in Table 5.4. The Gratuity Scheme is fully funded while the other benefit plans are not. Employees contribute towards Provident Fund and TISCO Employees' Pension Scheme as per statute/ scheme.

Table 5.4

Defined Benefit Plans		Other benefits to employees through defined contribution plans	
1	Post retirement gratuity	1	Provident fund
1	Post retirement medical benefits	1	Superannuation fund for non unionized employees
1	Pensions to directors	1	Employees pension scheme/Coal mines pension scheme
1	Farewell Gifts	1	TISCO Employees Pension Scheme
1	Packing and transportation costs on retirement		

Level of participation

All employees are members of PF & Retiring Gratuity Schemes. Employees are also members of the other plans as provided under the respective plan.

Financial Assistance Received from Government

No significant financial assistance was received from the Government for Operational or Community Development initiatives.

Taxes paid to the Government

The total amount of taxes including sales tax, excise duty, wealth tax, etc. paid during 2009-10 was Rs. 52,469 million, against Rs. 64,660 million during 2008-09.

Compliance

Tata Steel ensures that all units comply with statutory requirements and obligations. The Company was not subject to any penalties from the Government due to non compliance to economic, environmental or product responsibility related regulations during the reporting period.

FOSTERING WIDER ECONOMIC SECURITY

Ratio of entry level wages compared to Minimum Wages

The entry level wages paid by the Company to its non officers are among the best in industry.

The Company pays fair wages and those at entry level positions receive wages which are amongst the best in steel industry. This is confirmed by a benchmarking exercise conducted annually. Through the implementation of SA 8000 for all its contractors the Company ensures that its suppliers / partners pay living wages as per SA 8000 to their workers, which is above the minimum wages norm specified by government legislations. Thereby the Company benefits a wider cross section of the workforce than directly employed by it. Tata Steel also insists that wages are electronically transferred to the personal bank accounts of contractors' employees to ensure that the monies as promised are received by the workers.

Table 5.5

Category	Ratio to Minimum Wages
Unskilled	4.25:1
Skilled (Electrician/ Welder etc)	3.84:1
Highly Skilled (Diploma Holder)	3.97:1

Supplier Value Management and Local Procurement

Tata Steel Group is a globally diversified steel producer. Tata Steel Limited is part of the Global Procurement Structure of the Tata Steel Group and its local procurement processes are aligned to this structure. Even though it operates in a geography plagued by poor infrastructure and minimally developed suppliers, Tata Steel Limited is a knowledge based and value creating buying organization with procurement playing a critical role in its profitability. In view of changed business environment and the new challenges in 2009-10, the Company has, among other strategies, decided to develop and implement a policy to include green buy and a greater role for socially responsible procurement. The Company is also developing an index to access the economic impact of its activities. Tata Steel has a unique Supplier Value Management process which follows the Define-Measure-Analyse-Improve-Control process. The Company has developed a collaborative model to create value for its suppliers and itself by leveraging the system knowledge and greater understanding of the combined value chain of both. It works to build capacities and knowledge of executives to undertake initiatives to reduce costs. In 2009-10, Tata Steel continued to follow this approach for mutual value creation by adding six new suppliers to SVM in addition to 12 who are already a part of it. Express SVM was also initiated to combat the impact of the downturn and to hasten project cycle time. The Company has initiated training on Theory of Constraint (TOC) for suppliers who form part of the inbound supply chain.

Tata Steel's e procurement platform allows suppliers from all over the India to register and respond to procurement enquiries. During the year the Company's added three new initiatives to its e procurement platform. These cover a provision for displaying current stock so that the suppliers and managers can make plans for maintaining requisite stock; an improvement in the online quoting process to filter applicable tax codes; as well as electronic payment (direct credit to the bank account of supplier/service provider).

Procurement (Supply and Service) from local vendors is as follows:
Table 5.6

Location (Order Value in Rs. Crore)	2007-08	2008-09	2009-10
Procurement, Jamshedpur	1254	1247	1314
Project Procurement, Jamshedpur	508	1038	1591
SP&OS (Spares Planning), Jamshedpur	72	69	70
OMQ (Noamundi)	72	122	126
Jharia	36	77	63
West Bokaro	168	246	238
Sukinda, Joda, Bamnipal, Gomardih	0	14	11

All operational units of Tata Steel encourage small and micro enterprises to fulfill requirements for store items such as stationary & printing supplies, gift items, etc, while ensuring that they match

the quality standards required by the Company. Raw materials are also provided to social welfare organizations. These are then converted into finished goods by them and a consideration paid

for it by Tata Steel. This is undertaken to reduce the working capital burden on the social welfare organizations and at the same time create value for those dependent on the not for profit bodies.

Talent Acquisition and Local Hiring

Tata Steel's ethos of value creation for the community has always been a driver in its strategy for talent acquisition. Its policy for local hiring is guided by the Tata Code of Conduct and the Affirmative Action Policy. A significant number of its employees are from the regions where it operates. Tata Steel is the largest industrial organization in the region where it operates. Therefore the Company

has made the creation of Sustainable Livelihoods a part of its Social strategy, since opportunities for direct employment are constricted. The Company has extensive engagements in the community through its development programmes as explained under Social Indicators.

The Company has, where necessary, resorted to Affirmative Action

to include members of indigenous communities as part of its workforce. Over 15% of the Company's employees belong to scheduled castes or scheduled tribes. Under its Rehabilitation Policy for its Greenfield projects, the Company offers employment to members of all project-displaced families. Youth from Orissa and Chattisgarh have already received pre-employment technical training.

INDIRECT ECONOMIC IMPACTS

The presence of the Company and its operations has created the economic hub of Jamshedpur, the largest industrial town in the region. The city has among the highest per capita incomes (Economic Times Survey) in the country and is among the top ten cities in India for per capita expenditure. Tata Steel has also endeavoured to take the benefits

of its prosperity deep into the rural areas around its operations

Tata Steel has a century long ethos of returning a share of the value it creates to the community, based on the belief that the role of an enterprise is to foster economic progress, growth and prosperity

in the community. It reviewed its engagement in the community in 2009-10 and it in the process of developing indicators and mechanisms to ensure greater value creation and impact.

Tata Steel engagements in the community include the following:

- 1 Urban Services, development and management of utilities as well as road infrastructure
- 1 Rural Services, including the creation of sustainable livelihoods
- 1 Sports and Youth Welfare
- 1 Education & Employability Training
- 1 Health Care Facilities and Services
- 1 Conservation and promotion of traditional Culture & Heritage
- 1 Environment Conservation and Preservation of Biodiversity
- 1 Employability Training
- 1 Disaster Management
- 1 Support to non profit organisations

The Company's engagement in the community, the review of its Social strategy and the indirect economic impact of these activities is explained in greater detail in the thematic section on Society.

VALUING THE ENVIRONMENT

Tata Steel's principle environmental priorities are to reduce its CO₂ and dust emissions. It has given itself the Vision of becoming the Indian steel industry benchmark for CO₂ emissions by 2012 through investments in equipment, technologies and facilities (Annual Report Page 106). In addition, the environmental issues being addressed by Tata Steel are zero discharge of treated effluent from the Jamshedpur Works and maximization of solid waste utilization. At its mines and collieries facilities such as the Washeries are already zero discharge units.

The Company has always been a responsible corporate citizen in its approach to the management of the environment having continuously adopted environment friendly technologies in its operations. While increasing its steel making capacity from 6.8 to 10 mtpa over 2005-12, it is aware that the load on environment will increase. The Company has therefore significantly enhanced its spend on technology and hardware to address environment requirements and to realise its Vision. In 2009-10 a Tata Steel Group Safety, Health & Environment Committee was established to carry out detailed reviews globally.

During the current period there was a visible shift in the environment landscape in India. Environmental standards have become more stringent, legislation on environment is evolving and enforcement of restrictions is growing, with enforcement mechanisms emerging. Tata Steel's proactive initiatives as part of its Vision 2012 have ensured that the standards it sets for itself to improve environmental performance are well beyond norms and statutory duties.

Tata Steel's approach to environmental management is guided by the Tata Code of Conduct (Clause 8: Health, Safety & Environment), the UN Global Compact Principles and the Tata Steel Environmental Policy, which was revisited in 2009-10. The policies, which guide the Company's approach to Environment Management, are available on the Corporate website.

Butterfly Park at the Tata Steel Zoological Park, Jamshedpur

MATERIALS

Raw Material

The raw materials used by Tata Steel India in the manufacture of steel and other related products are Iron Ore, Coal, Coke, Limestone & Dolomite, Ferro Manganese, Zinc and Zinc Alloys, Spelter, Sulphur, and other materials. To produce one tonne of crude steel Tata Steel India uses 1.60 tonnes of iron ore, 0.85 tonnes of coal and 0.40 tonnes of limestone are required.

The major materials consumed by the Indian operations are indicated in Table 6.1

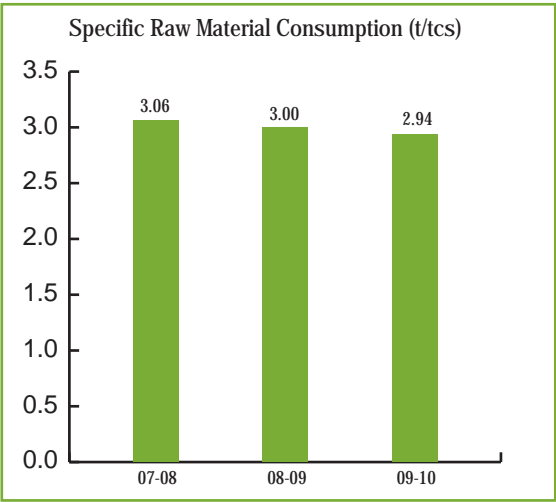
Raw materials costs play a vital role in the competitiveness and future sustainability of steel manufacturers as they constitute 60% of the steel making cost. All raw materials used for steel making such as minerals and fuels are non-renewable in nature. Therefore, Tata Steel's operations and research seek to enhance yield and maximise use of every tonne of raw material from mining to the end product. These efforts have included new technology to produce low ash clean coal, beneficiation of low grade iron ore and plant rejects to produce concentrates along with a new coal agglomeration technology to increase the use of low cost non-coking coal for coke production.

Raw Material consumption per tonne of steel produced continued to show a decline in 2009-10 at 2.94 t/tcs compared to 3.00 t/tcs in 2008-09 as indicated in Figure 6.1.

Table 6.1
Major Input Materials across India operations (tonnes)

Materials consumed	2007-08	2008-09	2009-10
Iron Ore	8681492	9545665	11181574
Coal (used to manufacture coke)	706076	751972	1119944
Coke	3088582	3315206	3422334
Limestone & Dolomite	1865223	1949523	2212529
Ferro Manganese	16165	18895	21799
Zinc and Zinc Alloys	17903	22137	22842
Spelter, sulphur, and other materials	1161517	1200105	1185336

Figure 6.1

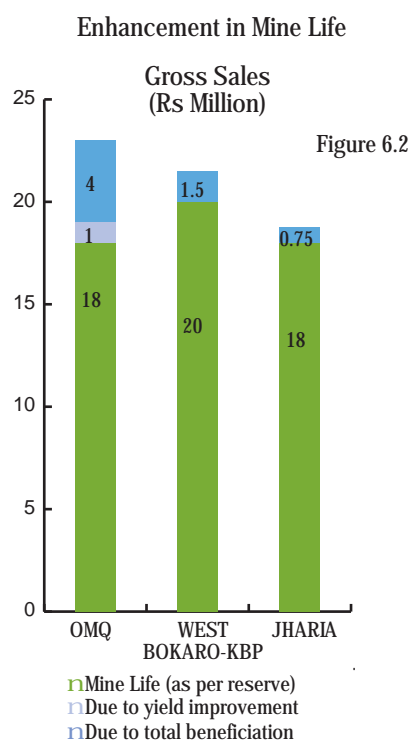


Increasing Mine Life and improving raw material security

For Tata Steel to achieve its EBIDTA objectives at 10MTPA levels as well as have assured access to scarce and exhaustible raw materials, the Company works continuously to enhance the life of its mines and its capabilities to process inferior grades of ore

and coal. It has secured the sustainability of its captive mines and collieries by following sustainable mining practices for over a century. The Company follows an optimised mine plan and maximal extraction of ore and processing of all types of ore at minimal

yield loss. It believes that the key enabler to increasing the life of its existing mineral reserve is to improve process capability.



In addition, efforts to reduce the gap between the theoretical yield and actual yield in both Company owned collieries have led to significant improvements in separation efficiency.

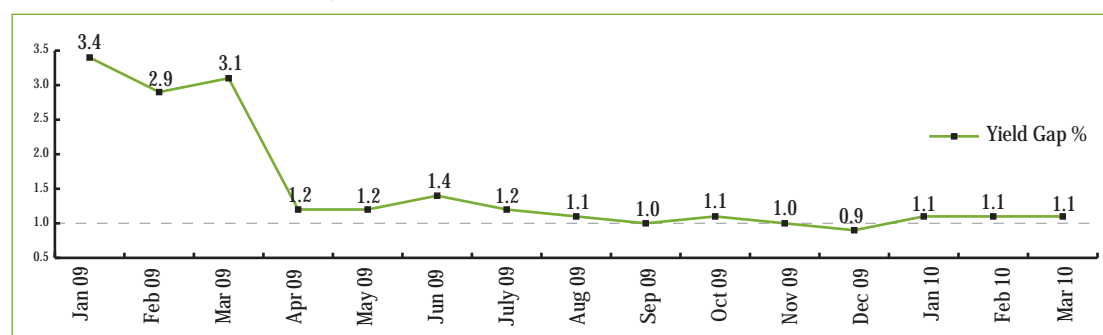


Figure 6.3

Recycled inputs

As a mineral based industry Tata Steel uses virgin material. However the Company continually endeavours to improve scrap utilization as well as improve the yield from every tonne of virgin material used.

ENERGY

Energy consumption data for Tata Steel operation across India is provided in the table below.

Energy consumption at Tata Steel, India						
Particulars	2007-08		2008-09		2009-10	
Power and Fuel Consumption	Quantity	Joules (10 ¹⁵)	Quantity	Joules (10 ¹⁵)	Quantity	Joules (10 ¹⁵)
1 Electricity (M KWH)						
a) Purchased Units	2031	7.312	2195	7.902	2439	8.78
b) Own Generation	1011	3.64	1082	3.90	1011	3.63
2 Coal						
a) Coking Coal (Million tonnes)	3.37	96.41	4.75	135.89	4.91	142
b) Injection Coal (Million tonnes)	0.39	11.43	0.52	15.24	0.84	24.62
c) Middling coal (Million tonnes) *	0.2	3.73	0.14	2.61	0.13	2.34
3 Furnace oil (Kilo litres)	12701.73	0.497	12520.19	0.490	14046	0.54
4 Others						
LDO (Kilo litres)	7920.11	0.287	6221.55	0.225	4916	0.18
LPG (Tonnes)	4292.69	0.553	3837.75	0.494	4619	0.595
NG (Tonnes)	2217.4	0.084	2204.84	0.840	782	0.298

* Middling coal is predominantly used for power generation at Steel Works

Energy Consumption

Energy consumption is the principle cause of CO₂ emission for the steel industry and accounts for a third of the production cost. Both factors therefore have significant sustainability impacts. Tata Steel has implemented the technologically efficient "H" and "T" blast furnaces instead of less capital intensive options to address the need to bring down the Coke rate and CO₂ emission intensity. The Company has also planned significant investments in green technologies to enhance energy efficiencies.

Tata Steel continued to record a steady decline in energy consumption per tonne of steel. Specific energy consumption dropped in 2009-10 to touch 6.125 G cal/tcs.

There has been a reduction in energy consumption due to coal fired boilers and substitution through by-product gases in 2009-10

Figure 6.4

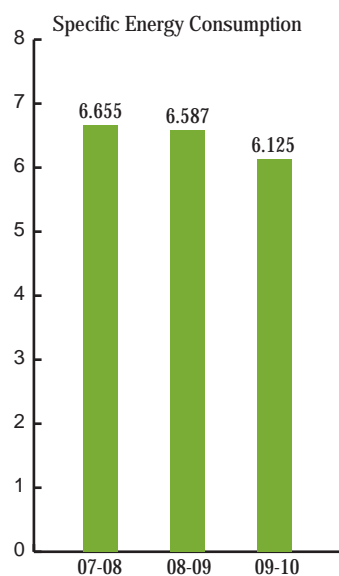


Figure 6.5

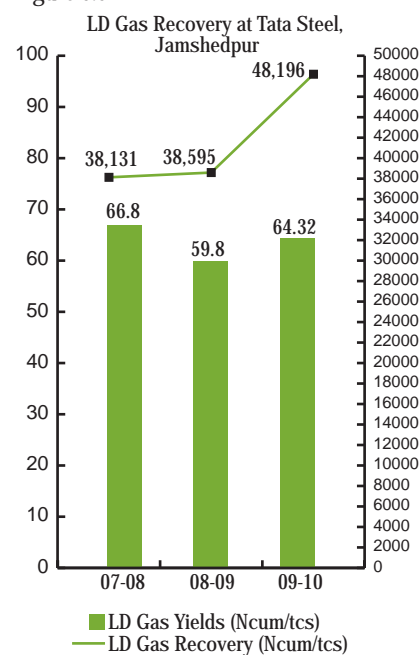


Figure 6.6

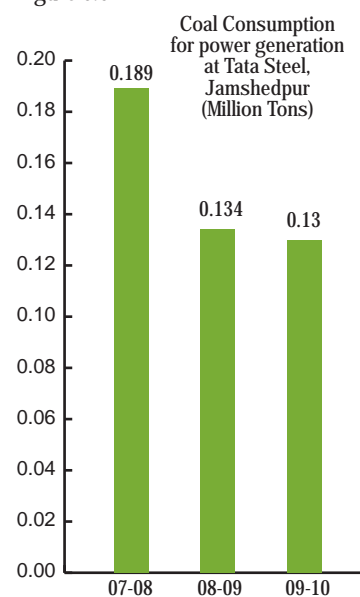


Table 6.2

Energy Consumption at Raw Materials & Profit Centres (Gcal)

	2007-08	2008-09	2009-10
Bamnipal	1967.4	1703.6	1853.1
Jamadoba	490.65	556.87	460.5
Sukinda	306.87	230.60	295.52
Joda	18.28	19.02	25.39
West Bokaro	985.66	986.70	970.12
ISWP	62767	85226	87923
CRC West	1.49	1.33	1.41
TGS	771.63	772.4	990.36

Conservation of energy

Energy conservation is accorded top priority at Tata Steel. This is related to conservation of natural resources as well as reduction in CO₂ emission.

Important initiatives in the area of energy conservation over the reporting period include:

- 1 Commissioning of 2nd Gas holder and augmentation of L.D. Gas export system to enhance Gas Recovery
- 1 New Power House 6 for utilization of by-product gases
- 1 Installation of Top Recovery Turbine at H Blast Furnace
- 1 Waste Heat Recovery from Stoves in H Blast Furnace
- 1 Use of mixed gas firing in Lime Kiln 7
- 1 Conversion of Coal fired boiler nos. 5 & 6 at Power House 3 to Byproduct Gas firing.
- 1 Variable Frequency Drives in Sinter Plant 1, Power House No.3
- 1 Phasing out of Open Top Ladles with Torpedo Ladles

In addition technologies such as CDQ at Coke Oven Batteries 5-7, Top Recovery Turbine at "G" Blast Furnace, RHF-3 at the Hot Strip Mill have been implemented to ensure environment friendly growth.

Energy conservation in Jamshedpur and Seraikela Kharsawan

Tata Steel's subsidiary, JUSCO is the licensee for power distribution in Jamshedpur and the district of Seraikela Kharsawan. It is among the most efficient power utilities in the country having achieved benchmark levels of Aggregate Technical and Commercial (ATC) loss at both its distribution sites. In 2009-10, JUSCO conducted several seminars, workshops and awareness programmes to promote the habit of energy conservation among industrial and domestic consumers in association with experts from Petroleum Conservation Research Association. The Company also conducted Power audits at the facilities of its industrial consumers to enable them to bring down their energy consumption levels.

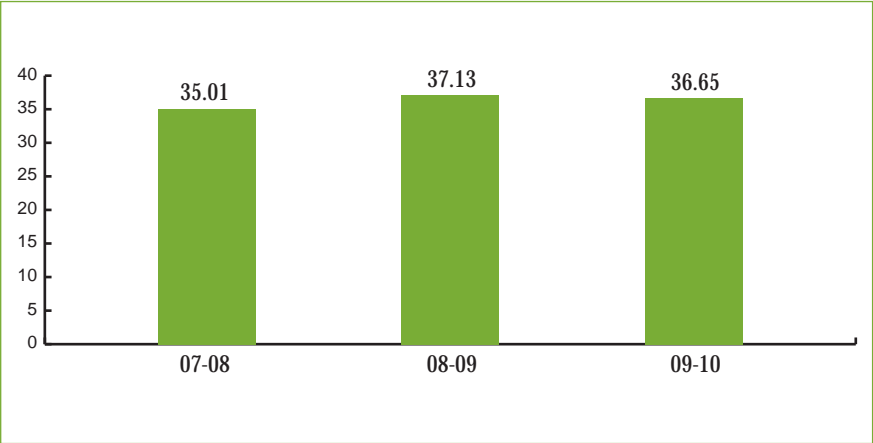
Indirect Energy Consumption

As an integrated steel manufacturer, which produces a base metal, the Indirect Energy Consumption of the Company as specified has not been considered a material topic. The Company sources its raw materials through backward linkages to its captive mines and collieries.

WATER

Water is drawn only from surface water sources, namely the Subamarekha River in Jamshedpur and rivers, streams and mines drainage in all other locations. The total water abstracted for the Steel Works was 36.65 million m³ in 2009-10 compared to 37.13 million m³ in 2008-09. The Company commissioned the Sunsungarika drain wastewater recovery system in 2009-10. Wastewater is now recovered and put back into the service water system of the Steel Works. The total water withdrawal includes water used for expansion activities. No ground water sources are tapped by the Company.

Figure 6.7



Water Consumption by Steel Works including power generation (million m³/yr)

Water Consumption for Raw Materials Division and Profit Centres

Table 6.3

Water Consumption (million m ³)			
	2007-08	2008-09	2009-10
Bamnipal	1.49	0.99	1.34
Jamadoba	NA*	NA*	NA*
Sukinda	2.35	2.36	2.47
Joda	1.09	1.01	1.18
West Bokaro	4.76	2.13	2.31
Noamundi	NA*	NA*	NA*
ISWP	0.8	0.85	0.9
CRC West	1.08	1.03	0.79
TGS	0.26	0.26	0.26

*NA: These units have closed water cycles

BIODIVERSITY

Reclamation of mined out land and afforestation is a significant priority for Tata Steel. The township of Jamshedpur has a green cover of 32%, perhaps the highest among urban centres in India. This is due to the continuous investment in tree plantation along avenues, open areas and encroached areas. The Company's Mines & Collieries have regenerated 2000 hectares of forests and reclaimed hundreds of hectares of mined out land.

The Company's Tata Steel Zoological Park, Sir Dorabji Tata Parks and Butterfly Parks have been created to preserve the biodiversity

of various regions. The Tata Steel Zoological Park is also used as a shelter for wounded or distressed wild animals by the Forest Department. In 2009-10 two baby elephants were nursed back to health and released into the wild.

A Butterfly Park was created by the Company at Jamshedpur to protect the number of butterfly species from dwindling as it was observed that the prevalence of butterflies was less evident. The lake at the Tata Steel Zoological Park and the cooling pond within the Steel Works have been winter homes for Siberian cranes for

many years.

There are no World Heritage sites, sensitive areas or Biosphere Reserves within the operational areas of the Company. However, the mine leases areas and Dalma forest situated close to Jamshedpur Steel Works (at about 10 Kms) are areas rich in biodiversity. In 2009-10, Tata Steel commissioned an Environmental Impact Assessment Study for its 2.9 mtpa expansion project, which indicated no significant impact due to this activity.

Table 6.4

Land owned, leased or managed			
Units	Lease area (hectare)	Forest area in lease (hectare)	Non-forest area in lease (hectare)
Jamshedpur	5094	Nil	5094
West Bokaro	1740	910	830
Jharia	2230	Nil	2230
Noamundi	1160	762	398
Joda East	671	522	149
Gomardih	373	Nil	373
Khondbond	978	837	141
Katamati	403	199	204
Sukinda	331	74	257
CRC West	10	2	4
WIRE Div	32	Nil	32

Land Reclamation

In 2009-10, Tata Steel's Ore, Mines and Quarries Division reclaimed 126 hectares of mined-out land.

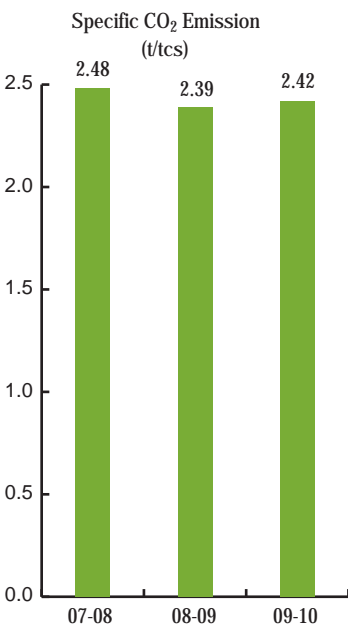


EMISSIONS AND CLIMATE CHANGE

Climate Change is one of the most important issues facing the world today. Tata Steel recognises that the steel industry is a significant contributor to man-made greenhouse gas emissions as the manufacture of steel unavoidably produces carbon (CO₂). Tata Steel's Response to Climate Change therefore focuses on reduction of CO₂ emissions per tonne of steel produced. Tata Steel has adopted the methodology developed by World Steel Association (WSA) for Carbon accounting. It is also a partner in international initiatives to assess Climate Change undertaken by WSA and the Asia Pacific Partnership on Clean Development and Climate (APPCDC). Calculations for CO₂ are as per the norms specified by World Steel Association.

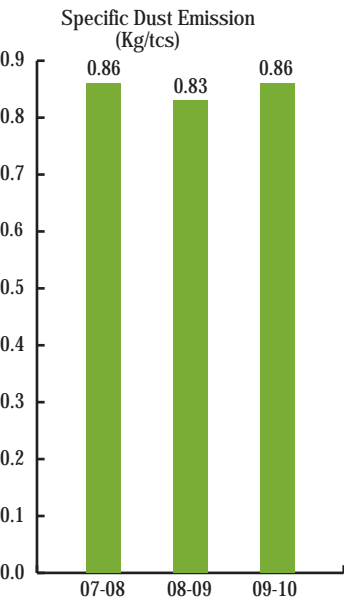
The key challenges facing the Company are identification of techno-economically feasible solutions and fitting existing plants with them for reduction of CO₂ emissions and timely upgradation of existing pollution control equipments.

While CO₂ emissions at the Steel Works have dropped by 36% in the last 12 years and by 21 % since 2005, the Company continues to pursue its policy of process improvements and technological innovations to reduce use of coal and coke, the principle contributor to CO₂ emission. Improvements in by-product fuel recovery and usage, along with waste heat recovery have resulted in a reducing trend in energy consumption and reduced CO₂ emission. In 2009-10, CO₂ emissions (direct + electricity) was 2.42 t/tcs compared to 2.39 t/tcs in the previous financial year.



Absolute quantity of emissions from Steel Works Table 6.5

Total Emission load from Steel Works at Jamshedpur (Tonnes)			
Parameter ()	2007-08	2008-09	2009-10
Particulate Matter*	4318	4703	5623
Sulphur dioxide	4669	5333	6836
Oxides of Nitrogen	5994	5603	7557



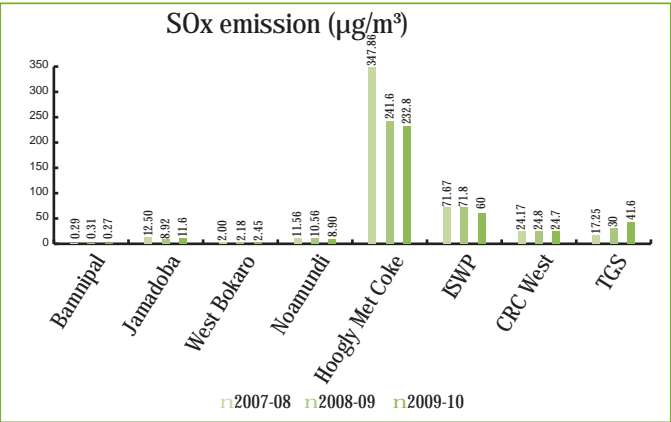
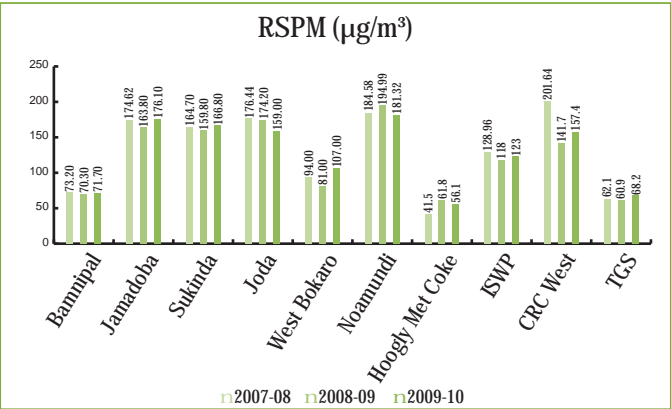
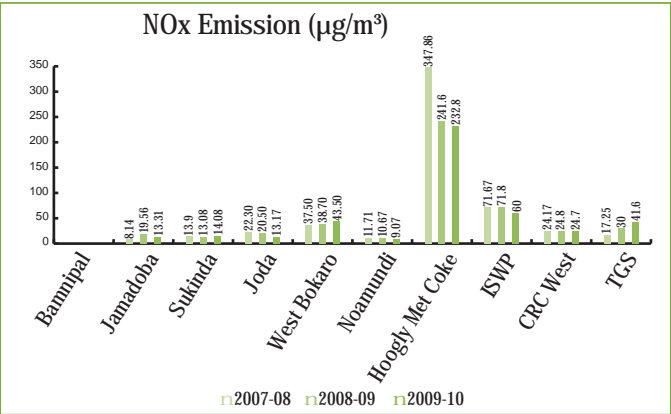
Dust emission

Substantial expenditure has been earmarked as part of the Company's 2.9 mtpa expansion project to reduce dust emission levels as a key objective for Tata Steel is to bring dust emissions down by 30% by 2012. In addition, by improving its online monitoring systems for its stacks and increasing the number of stacks monitored, the Company is now also monitoring various locations across the city and the Works. It has also increased the frequency at which samples are collected. It has made investments in pollution control equipment a priority in its expansion plans and has stepped up pollution control standards to make them far more stringent than those required by law. While Indian norms for stack emissions are 150mg/Nm³ all new air pollution control units are being designed at 30mg/Nm³ for ESPs and 10 mg/Nm³ for bag filters.



Ambient Air quality

As per regualtory requirements Tata Steel monitors SOx and NOx and ensures compliance to the standards



Effluent Water Quality



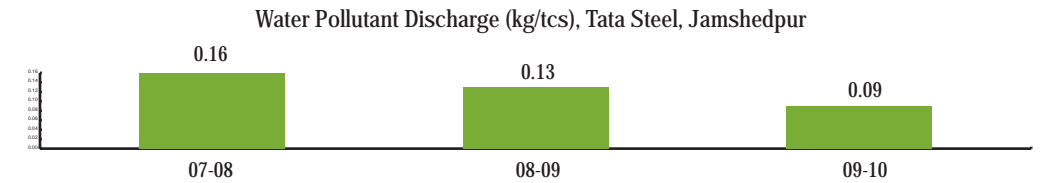
Tata Steel discharges only treated effluents from the Steel Works and treated domestic sewage from the township of Jamshedpur to the rivers Subamarekha and Kharkai. Two Sewage Treatment Plants provided in the township of Jamshedpur have adequate capacity to treat the entire sewage of the town. EIA Studies carried out for 9.7 mtpa expansion plan at Jamshedpur found no significant impact on the aquatic eco-system.

Noamundi, Joda and Sukinda Mines and West Bokaro and Jharia Collieries have achieved zero discharge. The domestic effluent is discharged through the septic tank - soaking pit route at the mines and collieries.

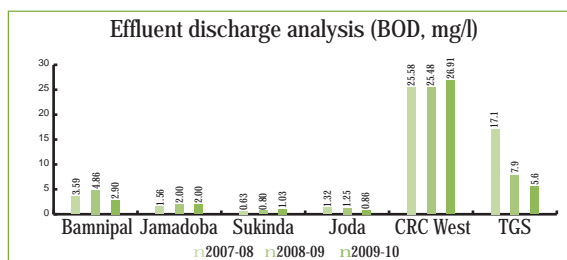
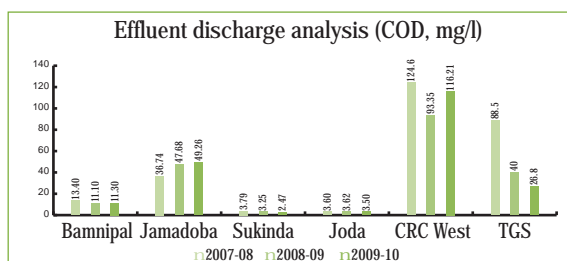
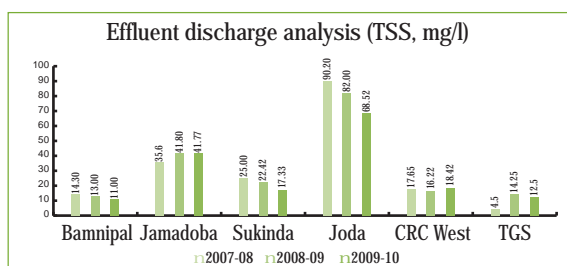
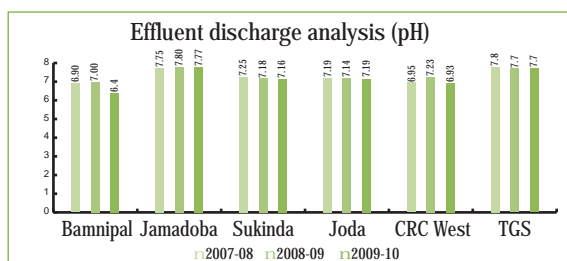
All the units in Steel Works are provided with wastewater treatment plants. Wastewater from various processes are treated with the best available physio-chemical methods and recycled in the process. Wastewater from the coke plant is treated biologically where organic pollutants are oxidised and decomposed by micro-organisms.

The absolute effluent quantities and pollution loads from the Steel Works are as follows: Table 6.6

Parameter	Unit	2007-08	2008-09	2009-10
Effluent Quantity	Million m3	14.38	14.87	13.80
TSS	Tonnes	709.18	611.21	459.49
Oil & Grease	Tonnes	18.91	22.10	22.16
Ammonia	Tonnes	70.53	88.23	94.09
Cyanide	Tonnes	1.25	1.35	1.33
Phenol	Tonnes	1.00	1.27	1.80



Effluent Quality Waste Utilisation



NA: West Bokaro, Naomunid and ISWP are zero water discharge units.

The principle waste produced at the Steel Works is Blast Furnace and LD Slag. Other wastes account for only 16-18% of the total solid waste generated. Therefore, the Company continuously drives improvements in utilisation of Blast Furnace and LD Slag. In 2009-10, Tata Steel utilized 100% of the Blast Furnace slag, a significant amount of LD Slag along with other solid wastes leading to 91.09% of the waste generated being utilized within the Steel Works.

Several initiatives are in place to improve utilisation of LD Slag both within the plant as well as for alternate applications. Online cast house BF slag granulation facilities have been provided in C, D, F, G & H Blast Furnaces, which were mostly in operation during the year 2009-10. Granulated BF slag is mainly provided to cement plants for use in cement making.



The details of solid waste utilization are provided in the table below:

Table 6.7

Item	Usage Details	2007-08		2008-09		2009-10	
		Tonnes Utilisation	% of generation	Tonnes Utilisation	% of generation	Tonnes Utilisation	% of generation
B F Slag	Cement making	1453921	94.27	1716925	96.38	2022745	100
L D Slag	Sinter making	912587	74.13	923015	78.49	1036372	74.06
B F Sludge	Domestic fuel	47240	84.32	51903	71.95	80778	100
L D Sludge	Sinter making	107737	69.09	151965	82.90	164609	85.98
Mill Scale	Sinter making	67743	92.38	70619	109	83762	100
Flue Dust	Sinter & dom. fuel	75883	83.46	84747	87-85	92693	93.65
Lime Fines	Sinter making	125800	100	150768	102	166897	100
Dolo Dust	Sinter making	4301	100	18388	100	16834	100
Ref. Waste	Sale	4348	100	21710	100	5118	100
Tar Sludge	Coke making	4633	100	2995	100	3140	100
BOD Sludge	Coke making	-	-	148	100	44.53	100
U/S Lime Stone	Sinter making	10392	100	5117	100	Nil	Nil
Mill Sludge	Sinter making	9329	96.34	9160	100	9784	100
TOTAL		2823914	85.35	3207460	89.61	3682777	91.09

Spills, Hazardous Wastes

No significant spill has been reported during handling or storage of the hazardous waste. Hazardous waste is collected, stored, transported within the Steel Works and disposed as per guidelines of the State Pollution Control Board. No significant pecuniary fine was imposed on Tata Steel during the reporting year.

ODS Consumption (Kg) Table 6.8

	2007-08	2008-09	2009-10
R-12	-	0	207
R-22	4697	2745	488

The details of Hazardous Waste generated: Table 6.9

	2007-08	2008-09	2009-10
Type of hazardous waste	Quantity of Hazardous Waste generated (tonnes)		
Oil containing residue & sludge	69.78	72.95	
Use oil I spent oil	206.47	235.72	117.42
Wastes I residues containing oil	2414.61	1376.69	1250
Waste grease	79	33	
Acid residue	0.434	0.07	
Chrome Sludge	14.5	1695	10.3
Process dust (Blast furnace)	8126	85045	82232
Process dust (LD Shop)	4830	7643	
Process dust (CRM)	6689.99	6535	
Decanter task tar sludge	3421.56	3114	
Cyanide, nitrate or nitrite containing sludge (ring plant)	–	–	46.25
Wastes &- residues (Vamish)	–	–	
Discharged containers	5293	9433	96
Blast Furnace (GCP)	56106	75265	
LD 1 &2 (GCP)	155876	193384	
Ion-exchange residue	–	–	
Chemical sludge from WWTP (BOD)	171.61	453.1	
Slumming residue from ET P & Mills	–	–	
Zinc Dross (CRM)	1506.8	1599	1891
Semi Solid (Loa Sludge)			55.43

Table 6.10

Details of Water Sources		
Name of location	Water source	Purpose
Steel Works Jamshedpur	Subamarekha river/ Dimna	Industrial & Domestic
Noamundi	Baitami River	Industrial
	Jojo Nalla*	Domestic
Joda	Kundra Nalla*	Industrial & Domestic
Gomardih	Nakati Nalla*	Domestic
	Mine Drainage	Industrial
Jharia	Damodar River	Industrial & Domestic
Sukinda	Mines Drainage	Industrial & Domestic
West Bokaro	Mines drainage + Raw River	Industrial & Domestic

*Nalla is a small stream which is not perennial in nature.

PRODUCTS & SERVICES

Steel is 100% recyclable. Steel scrap generated at the Steel Works is recycled within the premises. Steel products required minimal or no packaging. Only a small quantity of gunny bags, wooden blocks and steel straps are utilized if required by the customer. These materials end their life-cycle as per their nature.

The Company is part of a global effort undertaken by World Steel Association on the Life Assessment of Steel.

TRANSPORT & LOGISTICS

While GHG emission from transportation has not been calculated Tata Steel has fixed the maximum age of vehicles operating within the plant at 15 years or less. With the Company augmenting capacity and vehicular traffic increasing within the Steel Works and Jamshedpur, Tata Steel has introduced integrated logistics planning in 2009-10 to formulate a road map and plan holistically for the future. One of the strategies immediately adopted was to "improve the efficiency of the rail operations by reducing wagon turnaround time." Subsequently there have been many initiatives to improve out-bound logistics including the substitution of low capacity vehicles with those which can carry higher tonnages. Shipments to local customers have since August 2009 been sent by rail to a public siding from where they are redistributed by road. This has brought the number of vehicles down within the Steel Works as about 30,000 tonnes per month is transported by rail.



PEOPLE: THE PURPOSE OF ENTERPRISE



LABOUR PRACTICES & DECENT WORK

Tata Steel has always held the view that people are its greatest asset. It has therefore voluntarily adopted the best international standards for employees welfare, strongly promoting workers rights to a decent workplace. It also ensures that these standards are reflected across its entire value chain. Tata Steel has many 'firsts' in the area of employee welfare. Several welfare initiatives of Tata Steel were institutionalized even before it was formalized worldwide as a convention of the ILO. The Steel Works is the only steel manufacturing unit and the largest of its kind in the world, to adopt and enforce SA 8000 as a tool to improve workplace standards. The Company has a loyal and committed employee base of 34440 of which 30130 are non officers.

With time there have been continuous technological upgradation but the change in workforce profile in terms of qualification has not taken place at the same pace. However, focussed training efforts have resulted in improving the skill levels of employees with low education levels.

With the growth in the Steel industry and simultaneous expansion programmes & technological upgradations at Tata Steel, there is an increased requirement of highly skilled and qualified persons. Tata Steel will have to compete for the right talent pool. As a management approach Tata Steel has identified the following strategies to meet this challenge: (i) maximize utilization of available employees through right skilling and (ii) recruitment of technically qualified persons. These strategies would help to increase the skill level of the non-officers to ~92% by 2015 from the current ~86%. Tata Steel's officers are highly skilled, technically proficient professionals. To address the diverse needs of its officers and nonofficers the Company has separate divisions for Human

Resources and Industrial Relations. In line with the Company's Vision of being the "Employer of Choice" the HR and IR Divisions develop and implement policies for attracting, developing and retaining right talent at all levels.

Tata Steel encourages a holistic approach to Learning and development through its well established in house training facilities and approaches. Whereas, the Tata Steel Management Development Centre (TMDC) endeavors to provide primarily managerial training and also functional training to all officers of Tata Steel, the Shavak Nanavati Technical Institute (SNTI) provides the essential technical and functional training to all officers and non-officers of the Company. Officers training & development needs are processed within the framework of 70:20:10 concept, whereas the Four Quadrant training system is adopted for non-officers (detailed separately). An average of 50 and 89 hours of training per person per year have been spent in 2009-10 on development of officers and non-officers, respectively.

Apart from the ongoing training interventions, in 2009-10 Tata Steel geared up to meet the challenge of growth by instituting programmes to develop managerial competencies, leadership behavior consistent with Tata values & practices and right skilling the employees for improving the skill mix to match those required to operate the upcoming units.

Tata Steel today enjoys over 80 years of industrial harmony with no strike since 1928. The foundation of this achievement lies in the strong philosophy laid down by the founder and earlier leaders of this Company that still continues to reflect in the way the leaders of today conduct themselves.

Tata Steel has a unique participative management system called 'Joint Consultation'. Collaborative relationships and strong employee engagement have been integrated into Tata Steel's culture.

Yet another unique practice at Tata Steel is that of providing one year extension of service to employees beyond their normal age of superannuation (i.e. 60 years) on being declared medically fit to work by the Company's doctor.

The Company is an equal opportunity employer. It does not discriminate on the basis of race, caste creed, religion, gender, nationality. It is a value-driven organization where decisions are merit-based. Its diverse workforce includes ~ 5% women and members of the local indigenous communities (Scheduled Castes and Scheduled Tribes) ~16%.

The Company does not differentiate between male and female employees in terms of remuneration; for the same work or work of similar nature, male and female employees are paid equally. Remuneration is linked to responsibility levels and performance. The Company thus encourages its female employees to advance their careers with dedicated initiatives both to promote the personal development and career advancement of female employees and to facilitate the combination of career with family. A dedicated women empowerment cell named SWATI (Steel Women Aspirational Team Initiatives) is in place to raise the potential of women working in organizations by addressing the personal and professional requirements as per the organizational challenges.

EMPLOYMENT

Workforce

The total workforce of Tata Steel (India Operations) on 31st March 2010 was 34,440 employees (comprising of 4,310 Officers and 30,130 Non-Officers) as compared to 34,917 employees as on 31st March 2009. The trend of manpower over the last three years is as given.

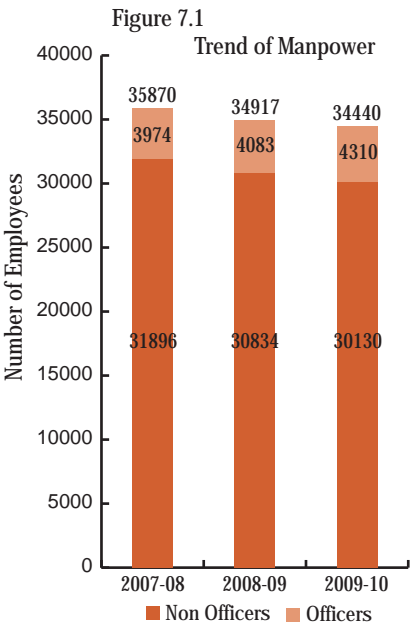
All these employees are engaged as full time employees on the permanent roll of the Company.

Tata Steel has the main operating plants situated at Jamshedpur, Collieries at Jamadoba (Jharia) & West Bokaro, Iron ore mines at Noamundi, and Ferro Alloys units at Sukinda & Bamnipal. Hence, majority of the Company's workforce in India is located in the states of Jharkhand and Orissa. The region wise breakup of the workforce is given below

Table 7.1
Tata Steel India Workforce (31st March 2010)

Location	Officers	Non-Officers	Total
Jamshedpur (including Tubes)	2927	15419	18346
Noamundi (Iron Mines)	175	1610	1785
Jamadoba (Collieries)	186	6119	6305
West Bokaro (Collieries)	153	3325	3478
Kolkata (Marketing & Sales)	134	470	604
Mumbai (Head Office)	47	17	64
Wire Division & CRC West	190	963	1153
Adityapur (Growth Shop)	132	444	576
Kharagpur (Bearings)	49	477	526
FAMD	144	980	1124
Haldia (HMC) #	46	293	339
CRE Offices-Delhi, Bhubaneswar, Ranchi & Raipur	11	12	23
Greenfield Projects	116	1	117
TOTAL	4310	30130	34440

Hooghly MetCoke Ltd. at Haldia has been merged with Tata Steel Ltd. w.e.f. 23.03.2010



EMPLOYEE TURNOVER

Tata Steel has always been one of the most respected companies to work for and has a loyal and committed employee base of 34400. As the Indian economy grows there will be a great demand for talent and the steel industry will have to compete with other industries for the right talent pool. With competition becoming more agile and upgradation in technology, Tata Steel would also have to continuously upgrade its employee skill mix. Hence Tata Steel

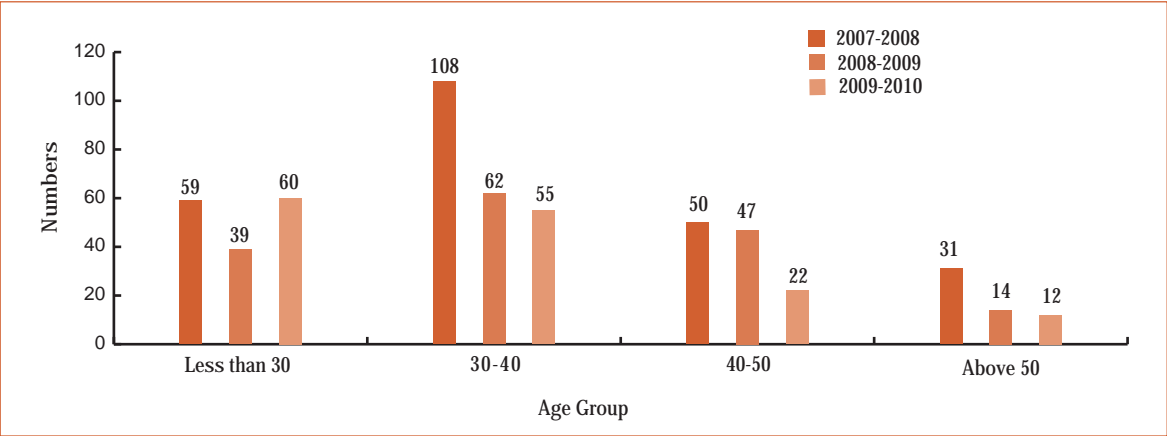
would need to attract the right talent for its growth projects as well as focus on development and up-skilling of its existing workforce. While there has been an addition of 1116 employees to the workforce during 2009-10, 1593 employees have separated during the same period. A break up of the total separations from the workforce under various categories is given in the table below:

Table 7.2

TOTAL SEPARATION DURING THE FINANCIAL YEAR 2010 (i.e. April'09 to March'10)									
Category	Age Group						Total		Grand Total
	<30		30 to 50		>50				
	Male	Female	Male	Female	Male	Female	Male	Female	
Retirement at age of 60 years					872	39	872	39	911
Voluntary Separations (ESS/VRS)	4	1	114	4	166	0	284	5	289
Death	0	0	31	2	40	1	71	3	74
Resignation	67	9	79	10	11	0	157	19	176
Discharge/Dismissal	3	0	8	1	3	0	14	1	15
Transfers	2	0	99	1	5	0	106	1	107
Others	0	0	8	0	13	0	21	0	21
Total	76	10	339	18	1110	40	1525	68	1593
Grand Total	86		357		1150		1593		

Out of the total resignations a significant number has been from among the Officers category - 159 officers resigned during FY'10 (3.69% of the total Officers), whereas only 17 Non-officers resigned during FY'10 (i.e. 0.05% of the total Non-Officers).

Figure 7.2



Over recent years, employee turnover has slowly decreased and the rate of turnover is less than 10% and is therefore not of significant concern. Resignations are higher among officers and although that is on a decreasing trend, Tata Steel continues with its efforts to manage attrition and retain its valued workforce. The attrition rate for the non-officer category is monitored regularly and is found to be insignificant.

Tata Steel continuously monitors the factors for employee happiness and engagement through periodic dip stick surveys conducted by external agencies and consciously takes concrete actions on the areas for improvement. It believes that the factors which help it to retain talent include good job content, development opportunities, comparable compensation and benefits, a decent work environment and, as described previously, the Company has initiatives in place to make sure that it offers these to its employees. In addition it is important to have effective channels of communication. These are well established at Tata Steel. Employees can voice their opinion through facilities such as hotmail, personal interviews with superiors, dialogue sessions with the top Management and use of the Tata Steel blog. It also conducts exit interviews, both in cases of resignation and superannuation, to discover any issues which the Company can address to improve its practices.

Tata Steel has pioneered many firsts in the Indian industry and is proud of many employee related policies and practices laid down much before they got adopted through a convention of the ILO or became a law in the country.

Table 7.3

Welfare at Tata Steel		Adopted by ILO		Enforced by Indian Law	
Initiative	Year	Year	Convention Name	Year	Legal Measures
Eight hour working day	1912	1919	Hours of Work (Industry)	1948	Factories Act
Free Medical Aid	1915	1927	Sickness Insurance (Industry)	1948	Employee State Insurance Act
Leave with Pay	1920	1936	Holidays with Pay	1948	Factories Act
Workmen's Accident Compensation Scheme	1920	1925	Workmen's Compensation (Accidents)	1923	Workmen's Compensation Act
Maternity Benefits	1928	1919	Maternity Protection	1946	Maternity Benefit Act

Continuing the same spirit, Tata Steel today provides many special benefits to its employees to ensure that they and their families are well looked after. Some of the key benefits provided are listed below:

Table 7.4

Medical Facilities	Free medical facilities for the employees and their family, which continues for employee and spouse after retirement. Retiring employees have the option of Mediclaim in lieu of this facility.
Housing Facilities	Subsidized electricity, water and housing facility to all employees. There is also the option of Company leased houses, self leasing, HRA in cities other than Jamshedpur.
Higher Studies	Monetary incentives to employees acquiring higher technical qualifications in a related field. The Company also provides Study leaves, Scholarships for meritorious wards of employees etc. It has introduced a Directed Learning Policy for Officers which includes Company sponsored programmes and programmes as a result of self initiative.
Family Benefit Scheme	In the tragic case of a fatality in the Works, a monthly pension equal to the amount of the last drawn salary of the deceased is given to the legal heir until the time the deceased would have attained the age of 60.
Tisco Employees' Pension Scheme (TEPS)	This contributory pension scheme is over and above the statutory pension scheme. The employee contributes 2% of his salary to the fund with an equal contribution by the Company. It provides an extra monthly earning to the employees post retirement.
Facility for Sabbaticals	Designed to provide mid career breaks for Officers to achieve personal / work life balance, as well as to take care of exigencies. The duration of the sabbatical is maximum one year which if required can be taken in two installments during one's career.
Maternity Leave	Maternity leave with pay is provided to female employees for a total period of 12 weeks. In case the female employee takes longer time for recovery, this leave is extendable for a period of another one month on being certified by the Company's doctors.
Holiday Homes	15 days of additional leave is given to women executives, with children of less than 5 years of age, to take care of their children in case of sickness. Tata Steel has five Holiday homes for the benefits of workers, supervisors and their families. These holiday homes are located in Puri, Haridwar, Gangtok, Goa and Jamshedpur.
Tata Steel Executive Holiday Plan (TEHP)	All officers of Tata Steel are eligible for TEHP. This provides holiday facilities in selected Taj Hotels, ITDC Hotels, Sterling Resorts and other branded hotels across the country.
Early Separation Scheme (ESS)	This is unique voluntary separation scheme for all non-officers of the Company. Employees rendered surplus have an option to separate from the Company by availing this scheme. A monthly pension of 1 to 1.2 times (depending on age) of the employees last drawn salary is paid as monthly pension till the notional superannuation age (i.e. 60 years) of the employee. Medical facilities for the family are continued at Company's hospitals.

LABOUR MANAGEMENT RELATIONS

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Tata Steel respects the employees' right to exercise freedom of association and collective bargaining and provides appropriate support for this. There is an established system of joint working and collective bargaining, which ensures that every employee is able to exercise this right without any fear.

The Company believes that a healthy Union is an asset for it. Trade Unions are therefore present and encouraged at all locations. All

non-officers (~87% of the total workforce) are represented by independent Trade Unions.

Collective bargaining issues are discussed with the recognized unions at the various locations on a regular basis. The issues for collective bargaining with the Union are clearly identified and many other welfare measures are identified, discussed and implemented at joint working committees. Worker representatives are respected

and involved in discussions and consultations on various issues concerning production, productivity and welfare.

Collaborative relationships and strong employee engagement have been integrated into Tata Steel's culture and the performance culture specifically encourages independent expression and fearless debate. During 2009-10 industrial relations remained normal at all locations.

Table 7.5

As on	Number of Unionized Employees	*No. of Unions
31.3.10	30130 (~87% of total workforce)	26 Unions

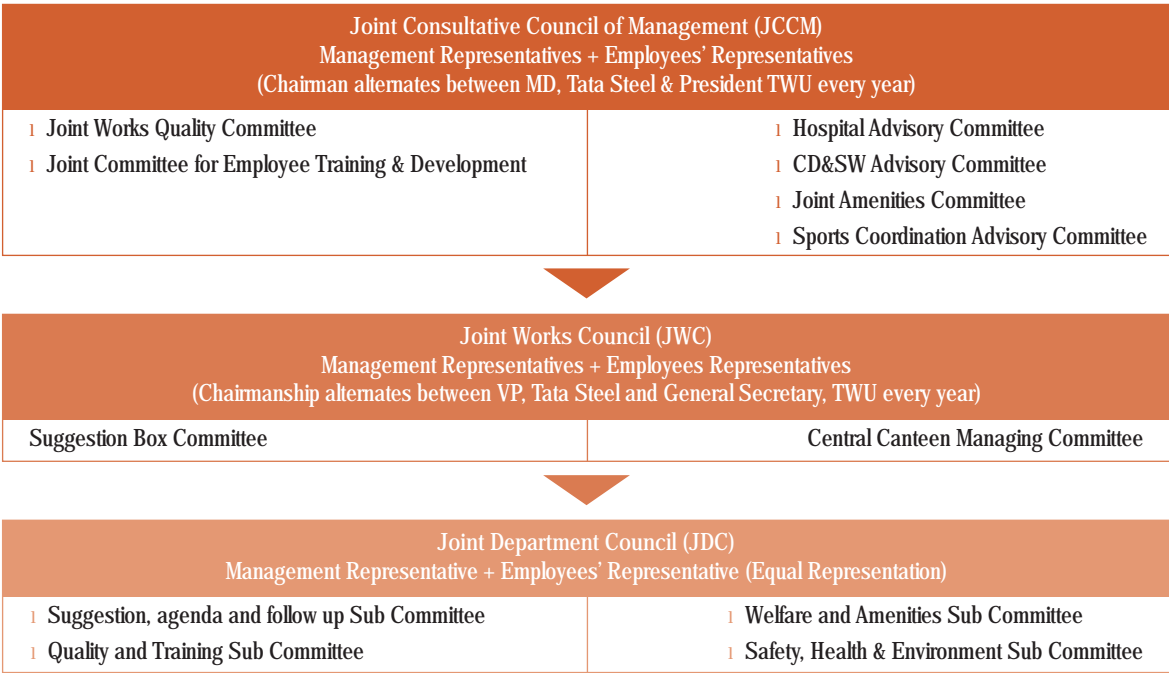
*The Unions cover all operational units

JOINT CONSULTATIONS

A system of Joint Consultation has been in place in Tata Steel for more than 50 years. This is a unique system in which both management and employee representatives consult each other at all levels on matters relating to the progress and prosperity of the organization. It is a three-tier system, which fulfills the need for self-expression of the Company's employees. Through this system employees discuss various issues related to production, productivity, quality, safety, welfare, training etc. (excluding issues of collective bargaining and individual grievances). The three-tier system is made up of the Joint Consultative Council of Management, Joint Works Council and Joint Departmental Councils, supported by various sub-committees as shown in the figure.

The Joint Consultation system has matured over the years to align with the current business imperatives. It has graduated from a consultative mode to a partnership mode where participants collectively strive to achieve the desired business results.

Figure 7.3



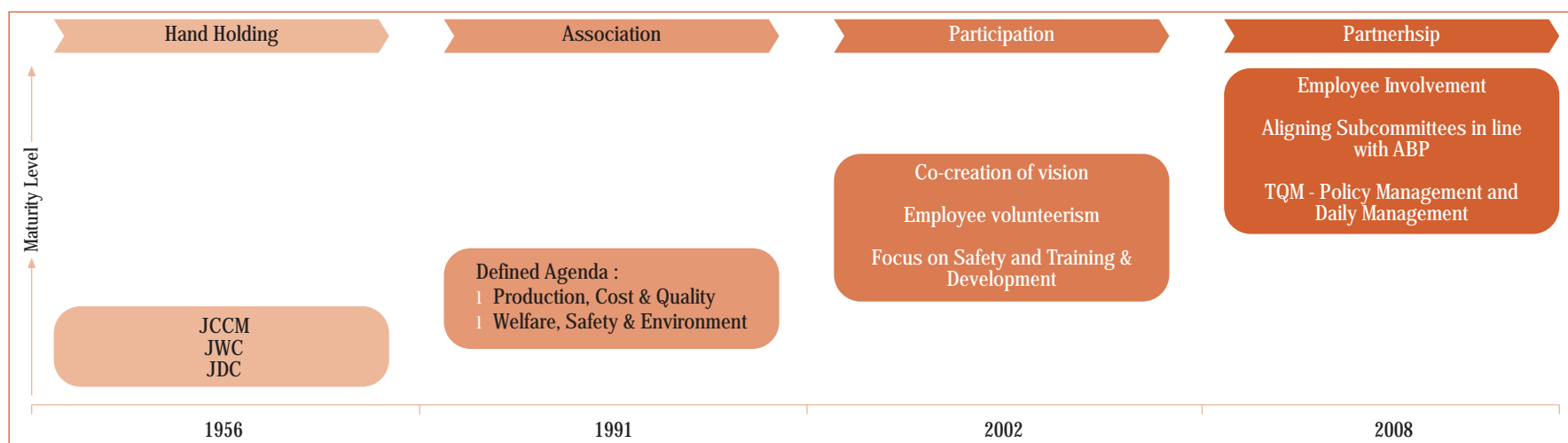


Figure 7.4
Evolution and Maturity Level of the Joint Consultation Process at Tata Steel

MINIMUM NOTICE PERIOD REGARDING OPERATIONAL CHANGES

The organizational changes are in line with the policies of the Company, agreements with the various Unions and Works Standing Orders. In all cases, minimum notice periods are provided as specified. The manpower declared surplus due to technological and work-practice changes are retrained and redeployed in other suitable jobs in the expansion units of the Company. Due to such the change in status of an employee, no reduction in the benefits or incentives is done at any point of time. All such changes in the status are suitable communicated / notified to the employees either directly or through the Union within the specified time.

OCCUPATIONAL HEALTH & SAFETY

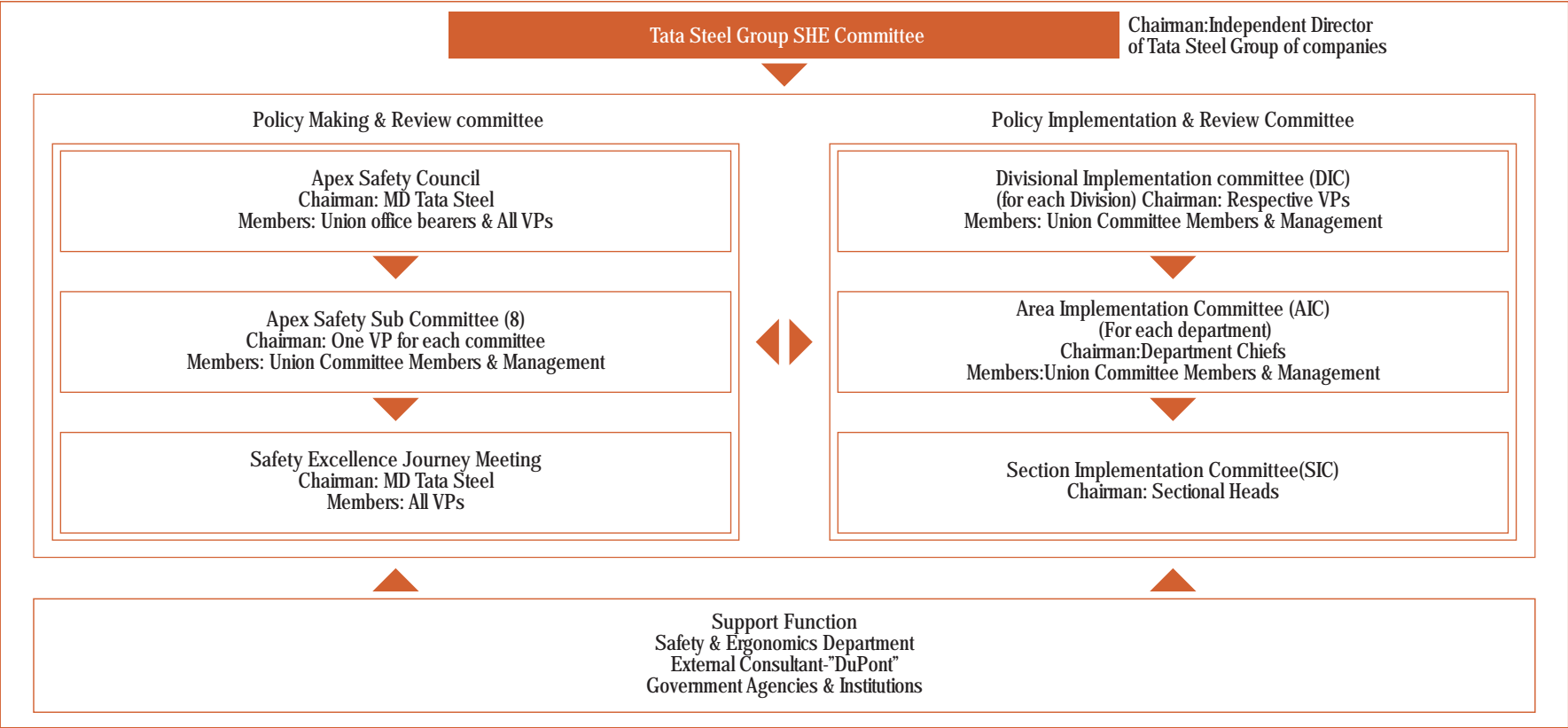
Occupational Health & Safety form a part of the Corporate Vision of the Company. It has set itself the target of 0.4 LTIFR with Zero fatality by 2012. Tata Steel's Safety Principles and Occupational Health Policy guide it in ensuring zero harm to the people it works with and society at large. Occupational Health & Safety is an integral part of Tata Steel's business processes as reflected by the Safety governance structure. Occupational Health Safety is driven at Tata Steel through the combined involvement and commitment of Management and Union representatives.

Safety Governance Structure

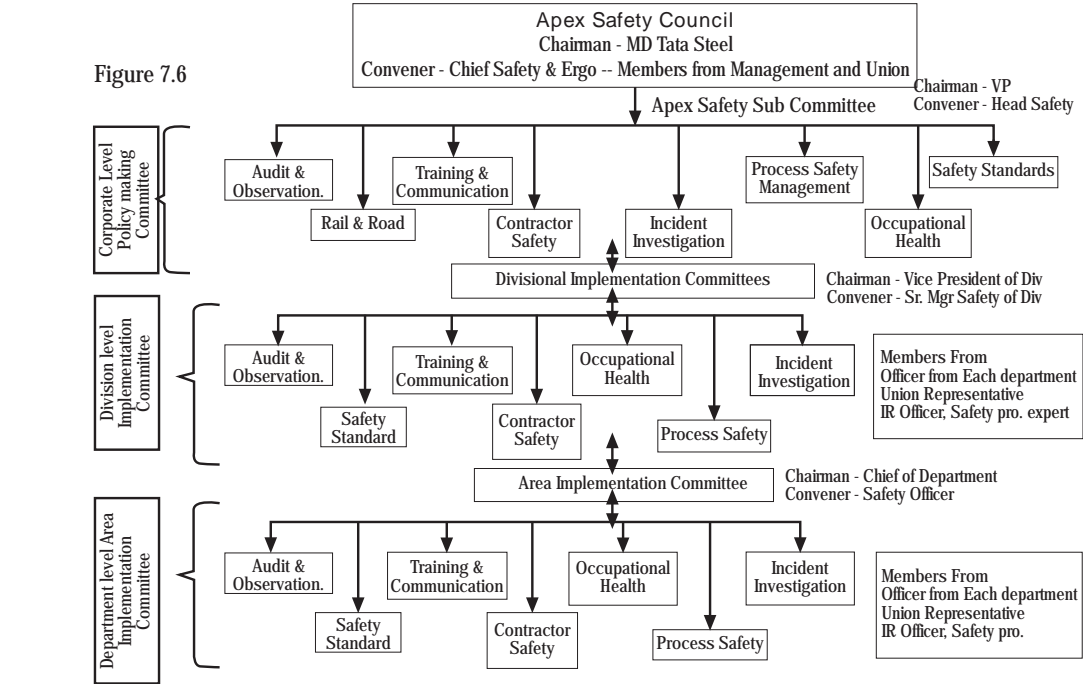
Both Tata Steel and Tata Workers' Union are committed to creating a safe and healthy work environment for all employees and reducing the severity as well as the frequency of accidents. This is addressed by the Company's Safety Management System. Tata Steel's workforce is represented in the Apex Safety Council. The Managing Director of the Company is the Chairman of the Council and its members include management representatives and five representatives from Tata Workers' Union.

Safety Function deployment

Figure 7.5



#- Need Based-(Formed only for geographically distributed areas)



One of four committees under the Joint Departmental Council is responsible for Safety, Health & Environment. Every initiative at Tata Steel must meet cost and quality considerations integrate the best safety practices as part of the process. Each of these Committees, which represent areas of priority for the Company, is headed by a member of its top management. 90% of Tata Steels workforce is represented through these committees. In addition, contract owners are members of the Apex Contract Management Committee. Tata Steel has dedicated Safety & Health Committee run by contractors where Tata Steel officers serve as members on the committee.



Table 7.7

Type of committee	Number of Committees	Union representatives	Management representatives	Remarks
*Policy making committees on Safety & Health	Eight	Four union representative per committee	Seven officers per committee (One from each division)	Each committee also has members who are experts *Policy making committees on Safety & health: Contractor Safety Management Incident Investigation & Analysis Occupational Health & Safety Process Safety & Risk Management Road & Rail Safety Safety Audit and observation Safety Standard Safety Training & Communication
Divisional Implementation Committees on Safety & Health at the Division level	Seven (Flat Product, Long Product, Shared Services, Coke Sinter & Iron, Engineering project, Raw material & Corporate Services)	Seven union representative per committee	Four to six officers per committee (One from each department)	A Safety Mascot was launched in 2009-10 to strengthen messaging and encourage employees to adopt safe practices
Area Implementation Committees (AIC) on Safety & Health at departmental level	There are 40 (forty) departments and each department has a Safety & Health committee	Four to five union representative members in each AIC	Four to six officers per committee	

Region Wise Safety performance

Table 7.8

Region		2007-08	2008-09	2009-10
Manufacturing plant at Jamshedpur Works	Fatality	5	5	1
	LTIFR	1.03	0.90	0.75
	First aid cases	305	191	158
Raw Materials Division	Fatality	2	1	3
	LTIFR	3.15	0.51	0.36
	First aid case	226	152	90
Other locations & Profit Centres in India	Fatality	1	0	0
	LTIFR	2.62	0.54	0.29
	First aid cases	54	51	71
Tata Steel India	Fatality	8	6	4
	LTIFR	1.7	0.80	0.56
	First aid case	585	394	319

Lost Time Injury: If a person meet with an injury and was unable to join his next scheduled shift is considered to be a lost time injury.

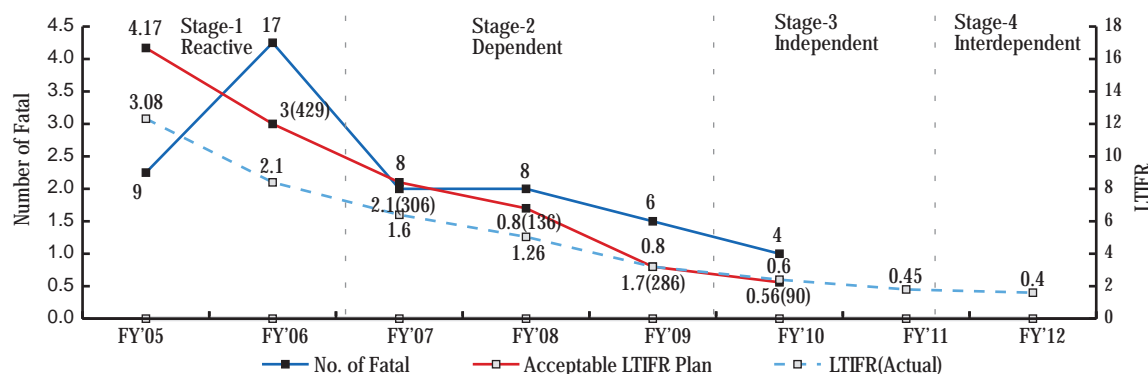
Lost Time Injury Frequency Rate: Number of lost time injury per million man-hours of worked



Safety Performance - Fatality and LTIFR

Figure 7.8

Figure in() indicates no. of Lost Time Injury



During the financial year 2009-10 the Indian operations recorded a Lost Time Injury Frequency Rate (LTIFR) of 0.56, a reduction of 31% from 0.80 registered in 2008-09. Tata Steel's Injury Free Steel campaign aims at achieving the goals set for Safety by 2012.

Safety Training Interventions in 2009-10

Incident Investigation & Communication: An IT based system (Safety Excellence Management System - SEMS) has been developed to log/record all the safety related proactive (Observation, Audits, Near miss, FRCP) and reactive data (Incident Investigation, PIR, etc). The system helps in analysis and identifying root causes.

Field Implementation Guide on Safety Standards: A handy FIG(Field Implementation Guide) was developed to improve the compliance of safety standards. All 90 safety standards developed by Tata Steel including those covering its mines have been listed. These safety standards help line managers to set uniform safety standard across the organisation.

Contractor Safety Management: Tata Steel follows the six step contract management process and safety is part of the Company's contractor selection process itself. Before awarding a contract, safety expectations are made clear to them. During orientation and training, all workers who are to enter the Steel Works undergo a three days generic safety training capsule on various hazards within a steel unit as well as are exposed to hazards such as road safety at the Labour Training Centre. These robust practices have helped Tata Steel to erect and commissioning its H Blast furnace with Zero incidents. The Company was recognized for this effort by World Steel Association in 2009-10.

Contractors' employees are also given training on Working at Heights through practical demonstrations. A Site Safety Supervisor training programme enabled Tata Steel to deploy Safety Supervisors at various construction and maintenance activity. The Company has trained 120 employees from the community and placed them with leading contractors as site safety supervisors.

Free Bus Service within the Steel Works:

Systematic improvements were brought out in road safety with the introduction of a free bus service. Every day over 2500 contractors' employees use this bus service facility.

to employees. So far this Center has assisted 2667 visitors as well as trained 1876 employees on CPR and use of rescue equipment such as SCBA set during gas exposure to save life.

Joint Mass Communication Programme:

Safety Awareness Mass Meeting is jointly chaired by Vice President, Safety and President Tata Workers' Union. It focusses on potential hazards such as road safety, Injury Free Steel and employee health. 21 such programmes were conducted in 2009-10 in different departments of the Company.

Skill development programme: To enhance the skills of its contractors' employees a Skill development programme is offered at the Company's Employee Training Centre, covering trades such as Mechanical Fitter, Electrical Fitter, Welder, Rigger, etc.

Centenary Safety Park:

it was developed with the purpose of imparting Safety induction training and supply PPE's (on returnable basis) to visitors. The Safety Standard Park, an integral part of Centenary Safety Park, imparts practical training on safety standards

Fatality Risk Control Programme:

To eliminate the fatality situations a comprehensive Fatality Risk Control Programme was launched in 2008 to eliminate fatalities in Tata Steel. This is a process to identify unsafe conditions of fatality potential and eliminate them through engineering solutions. Under this programme the Company has corrected over 3500 unsafe conditions.

Health Education, Training, Counseling, Prevention and Risk Control Programmes

The focus of Tata Steel's Occupational Health strategy is to : first, improve the environment within the Works through change in technology and process; second, ensure use of Personal Protection Equipment at all times improve their health status through awareness and training programmes; third, continuously monitor the health of its employees to prevent possible health issues from arising.

Preventive health surveillance of employees and contract employees Table 7.9

Item	2007-08	2008-09	2009-10
Health check up of employees	13032	12273	12,107
Health check up of contract employees	28066	32104	36,702
Audiometric Examination of employees.	3221	3876	4034
Eye Examination of mobile equipment operators	2445	2541	2820
Cardiac risk assessment by cardio profiler of employees	1091	1360	1302
Physical Fitness test of Crane Operators*	-	-	172*
Special Medical Examination of persons working at height	432	4477	4052

* New initiative

The general health status of the workforce is a key priority for the top management of the Company. Annual health Checkups have been introduced for all employees. In 2009-10 the Company urged all employees to adopt a Personal Action Plans on Safety, Health & Environment. During every possible communication meeting emphasis is placed on encouraging employees to follow a healthier lifestyle. A total of 256 training and awareness programmes were conducted in 2009-10 through which 10, 221 employees were covered. The two principle areas of training were CPR & First Aid and Health & Healthy Lifestyle.

New interventions in 2009-10

- 1 Proactive cardiac risk assessment by Cardio Profilor
- 1 Promoting & maintaining health status of working women through a Special Awareness Programme & health surveillance
- 1 Maintaining highest degree of physical and mental wellbeing
- 1 Control of life style related diseases
- 1 Promoting Workplace Health & Wellness through division wise physical fitness program.
- 1 Strengthening of Hearing Conservation Programme

Impact of the Safety Programme

Outcome Measures: The performance on the KPMs related to outcome measures is provided in the table for Region Wise Safety performance.

Pro-active Measures: Pro-active measures that is, near miss reporting, safety observation and contractors safety audit, have helped in achieving improved safety performance. The trends of these measures are shown below:

Safety performance- pro-active measures

Key Performance Measures	Unit	2007-08 Actual	2008-09 Actual	2009-10 Actual
Near Miss reported	Number	61810	91496	11324
Safety Observation	Number	419647	607858	756657
Contractors Safety Audit	Number	13207	13066	14794



HEALTH AND SAFETY TOPICS COVERED IN FORMAL AGREEMENTS WITH THE TRADE UNIONS

Occupational Health & Safety are covered in formal agreements with all the Trade Unions. Both the Company and the Union are committed to creating a healthy and safe working environment for all employees and jointly promoting effective functioning of bipartite forums and statutory committees. They have agreed to constantly strive to achieve Zero fatality and reduce Lost Time Injury Frequency (LTIF) to 0.4. The duties of Management, employees and the Union with regard to the clauses in the MoU are also detailed in the agreement.

Tata Steel has committed itself to making Safety its primary priority. It therefore, voluntarily adopted the following Safety Principles:

- a) Safety is a line management responsibility
- b) All injuries can be prevented
- c) Felt concern and care for the employee on '24 hours Safety' shall be demonstrated by leaders
- d) Employees shall be trained to work safely
- e) Working safely shall be the condition of employment
- f) Every job shall be assessed for the risk involved and shall be carried out as per authorized procedures/ checklist/ necessary work permit and using the necessary work permit and using necessary personal protective equipment.

Duties of Management

The Company will continue to provide the necessary environment for the health and safety of all the employees at their work place and agrees to:-

- i. Provide and maintain a safe plant and healthy working atmosphere and to take appropriate measures to improve quality of work and work-life of all employees;
- ii. train and supervise employees with respect to safe working procedures and health care;
- iii. provide all information to employees and the Union regarding hazards to health and safety at work;
- iv. provide health assessment and surveillance of all employees on a continuing basis;
- v. provide safe systems of work;
- vi. provide safe place of work;
- vii. provide required safety appliances; and
- viii. ensure implementation and compliance of the statutory provisions on safety, health and environment and the ILO Health and Safety recommendations.



Occupational Health

The Company and the Union agree to improve upon the existing occupational health facility for the well being of the employees.

Health and Safety at Work

Both the Company and the Union are committed to creating a healthy and safe working environment for all employees and jointly promoting effective functioning of bipartite forums and statutory committees. Both the parties would constantly strive to achieve Zero fatality and reduce Lost Time Injury Frequency (LTIF) to 0.4

TRAINING & DEVELOPMENT

Tata Steel's people are a major asset and the Company is committed to their development, both in order to benefit the individual and to benefit the Company through increased knowledge and skills. The Company is aware that it must leverage the maximum potential of its human resource in order to achieve its business objectives. Tata Steel also recognizes that developing its people will help it to retain a motivated workforce in a competitive environment.

Training Needs for officers are primarily processed within the framework of 70:20:10 concept, which encourage a holistic approach to Learning and Development.

- u 70% of Learning & Development takes place from real life and on-the job experiences, tasks and problem solving. This may comprise interventions like - Self study of manuals related to process/ equipment, cross functional assignments, task force work, improvement projects, role enhancement/ enrichment, special assignments, taking classes (on technical as well as behavioral topics).
- u 20% of Learning & Development takes place through coaching, mentoring, discussions, guidance by superiors/experts. Both the parties need to invest quality time on this. It is recommended that the superior and the subordinate spend time together in a planned manner seeking clarification, sharing observations and having deeper technical discussions.
- u 10% of the learning comes from formal Class Room Training. Formal class-room interventions are prescribed for needs where in theoretical appreciation of the concepts is required before such can be practiced on the job. Going through relevant e-learning programmes also belongs to this category of learning.

While identifying the training needs of individuals following inputs/factors are considered:-

- 1 Officer's pride items - things that one would love to do
- 1 Competency gap identified for present job (managerial)
- 1 Departmental Annual Business Plan
- 1 Departmental performance analysis and need for training intervention
- 1 Planned change of responsibility
- 1 Developmental needs identified through PMS
- 1 Future plans of the Department/organization - e.g. new upcoming facilities
- 1 New Organizational initiatives - e.g. Daily management, TQM
- 1 Past history of the officer - qualification, job experience; training programs attended etc.
- 1 Departmental Thrust Area

Training needs for non-officers are captured through the concept of the 'Four Quadrant Method' across the organization. In this process, the critical skills required to perform a job are identified and the employees are mapped against those skills by the Positional Training Facilitators, mentors or immediate supervisors. Based on the gap between the desired skill level and the existing skill level of employees, training needs are identified and training is imparted accordingly. The process also provides a managerial tool for reviewing training effectiveness.

Tata Steel has in-house training facilities both for technical and managerial training, through the Technical Training Institute (SNTI) and Tata Management Development Centre (TMDC), respectively. Advanced level training requirements, both technical and managerial, are met through external programmes.



The table below provides data on average hours of employee training in Tata Steel in the last two years:

Table 7.12

Average hours of training		2008-09	2009-10
Officers	Managerial	12.61	16.1
		24.36	34.13
Supervisors	Technical	11.93	63.15
Workers		23.19	25.35

The expansion plans of Tata Steel at Jamshedpur envisaged an addition of another 2.9MTPA to its production by 2012. There was a need for a highly skilled workforce to support quick ramp up of the new technology plants. One of the key challenges, therefore, was to build the capability of its existing workforce to meet the higher level skill requirements.

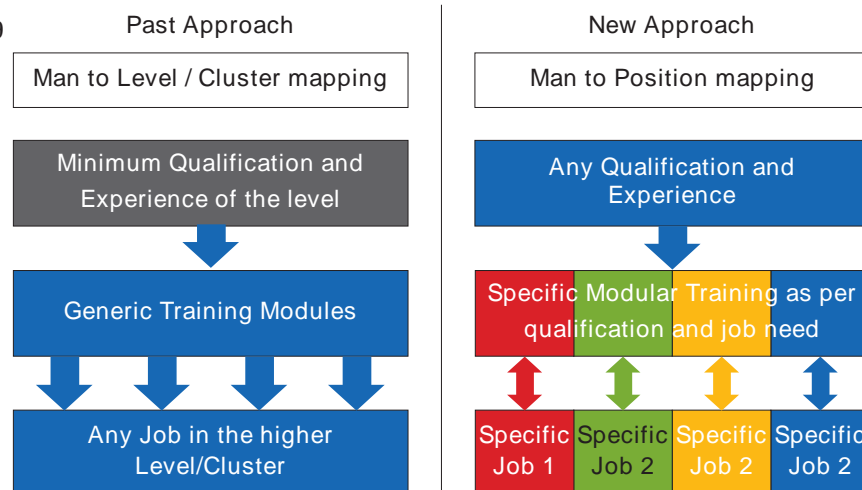
Apart from the ongoing training interventions, in 2009-10 Tata Steel geared up to meet the challenge of growth by maximizing utilization of the existing employees through instituting programmes to right skill them and improve the overall skill mix of employees. A focussed training & development approach was adopted to achieve this task.

Approach for Utilization through Training & Development:

In the past we had "man to level / cluster mapping" approach for identifying the developmental needs and designing the training. Based on the requirements specified by our internal customers (i.e. the departmental Chiefs & Heads) and the existing skill gaps, a new approach of "man to position mapping" has been introduced.

The old and the new approaches on training have been shown in figure below. For each position, the skill requirement has been detailed and a specific training programme for imparting these position specific skills has been developed.

Figure 7.9



New Approach on Training & Development to support growth:

- 1 Internal Customer inputs: Discussion with the departmental Chiefs & Heads to understand and detail the skill requirements for specific jobs in their areas where they face a shortage of skilled manpower.
- 1 Analysis of available resources: A detailed analysis of the employee profile in terms of their qualification, experience, age and skill is done. These profiles are then matched with the job requirements as specified by our customers. The specific focus is to productively utilize the unskilled employees (who would otherwise become surplus in due course) by right skilling them through specific training.
- 1 Design of training: Based on the gaps in the skill requirements determined through the above mapping and the availability of training resources, the training methodology is decided. Customized training programmes / modules are developed in consultation with the internal customers.
- 1 Training delivery: Classroom training followed by on-the-job training in the respective departments is imparted to the identified groups of people on the customized modules. The focus is to provide more on the job training. For some programmes tie-ups with nationally recognized engineering institutes is established to conduct customised courses.
- 1 Training effectiveness: After providing the training, the right-skilled employees are placed on the job and feedback on performance is taken from the internal customers.

As a result of the above focussed approach, there has been a significant increase in the percentage of skilled employees. These efforts would continue during the coming years to achieve the desired skill mix by the end of 2012 when the new units under the 2.9MTPA expansion would become operational.

Tata Steel India is also benchmarking itself with the Jimudien plant at TSL Europe (TSE) for lean manning and skill requirement of manpower to ensure high productivity levels in the new units being commissioned under 2.9MTPA expansion project.

Training is also imparted to retiring employees, especially to provide inputs on financial planning so as to effectively manage their finances post retirement.

Life long learning takes place through the "Life Positive" programme during which the spouse is also invited to attend. It deals with leading a balance life with domestic happiness, understanding

oneself and taking care of work, home and the days to come in a positive way.

Further, programmes such as 'Life Style Management', 'Stress

Management' equip employees to take care of themselves for now and always. A programme on 'Counselling' teaches the techniques of taking care of oneself and the society, should a need to do so arise.

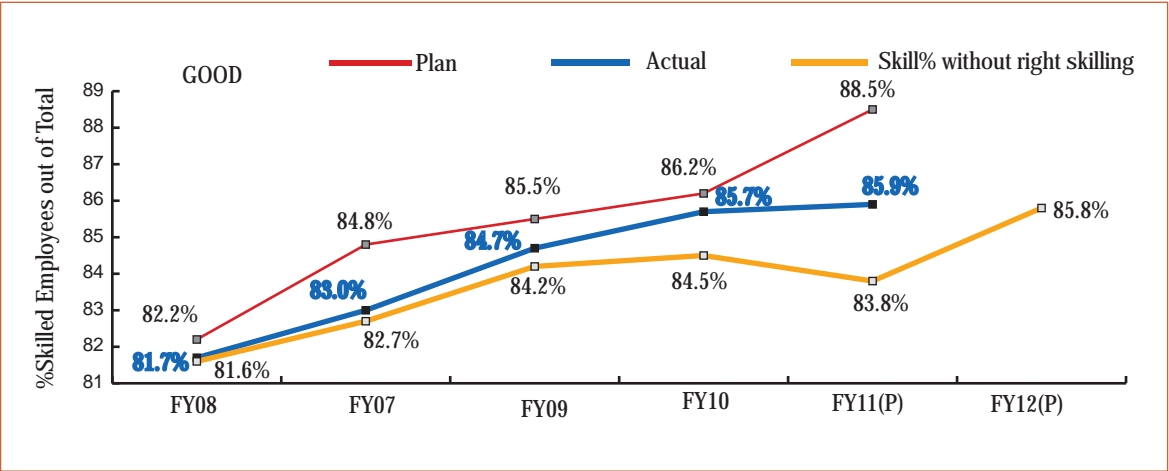


Figure 7.10

PERFORMANCE MANAGEMENT

Tata Steel's Performance Management System is deployed throughout the organization with the following aims:

- 1 Align the activities and behaviour of the workforce with Company values and objectives
- 1 Assess the performance of individuals comprehensively and fairly
- 1 Develop the capabilities of employees to enhance performance
- 1 Develop corporate culture
- 1 Enhance line management relationships

The system comprises an annual cycle of performance management, commencing with the development of Personal Key Result Areas and specific targets linked to business planning, safety and quality initiatives. Each officer has a mid-year review and annual evaluation which provides feedback on his or her performance.

MEETING THE CAREER ASPIRATIONS OF NON-OFFICERS

The qualified talent in the non-officer category sought further growth opportunities in line with the industry growth. The Company is concerned that, whilst attrition is currently negligible at this level, with more industries being set up in the region, it might start to lose this talent if proactive measures were not initiated. To address this issue Tata Steel decided to create a new Officer's level (IL-6) to which its employees could progress. This new level handles transactional jobs where the majority of the responsibility is routine in nature and so can be performed by Diploma Holders who have some experience in the organization.

In order to strengthen the managerial capability of selected candidates, each of them undergoes a two-week training programme at TMDC before being placed in respective departments.

DIVERSITY & EQUAL OPPORTUNITY

EQUAL OPPORTUNITY

Tata Steel is an equal opportunity employer and does not discriminate on the basis of race, caste, religion, colour, ancestry, marital status, sex, age or nationality. The Company has an Affirmative Action Policy which promotes equal access to employment and supply

opportunities. The Company's policy and practices are administered in an equal and fair manner and its decisions are merit based. Tata Steel aims to have a discrimination-free workplace so that the Company's employees can thrive and therefore, it has established

measures to address workplace harassment. Respect for equal opportunities as set out in the Tata Code of Conduct, the Company's HR Policy and Affirmative Action Policy

WORKFORCE DIVERSITY

We believe that employees from different backgrounds and of different genders, ages etc, bring unique sets of capabilities for improved performance of the team and encourage the formation of a diverse and cosmopolitan workforce.

Table 7.13

As on 31.03.2010	Numbers	% of Total Workforce
Female Employees	1588	4.6%
SC / ST Employees	5411	15.7%
Disabled Employees	56	0.16%

Average age of the employees at Tata Steel India is 46 years. The age and gender breakup of the workforce is given below:

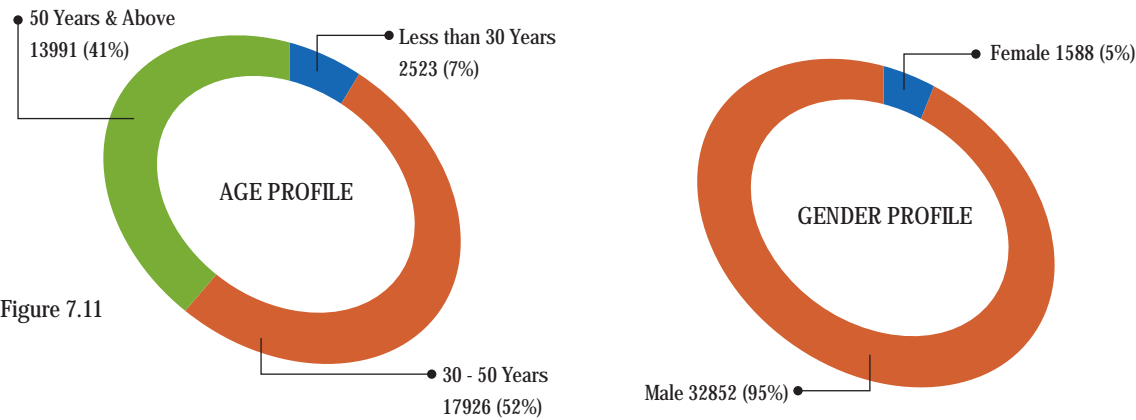


Figure 7.11

Age and Gender break-up:

		Less than 30	30 - 50	Above 50	Grand Total
Officers	Female	77	214	45	336
	Male	546	2537	892	3974
Sub Total		623	2750	937	4310
Non-Officers	Female	55	677	520	1252
	Male	1049	15710	12118	28878
Sub Total		1105	16387	12638	30130
Total	Female	132	891	565	1588
	Male	1595	18247	13010	32852
Grand Total		1727	19137	13575	34440

Table 7.14



The gender wise distribution of the Officers at various levels in the governance structure of the management is shown in the pyramid below:

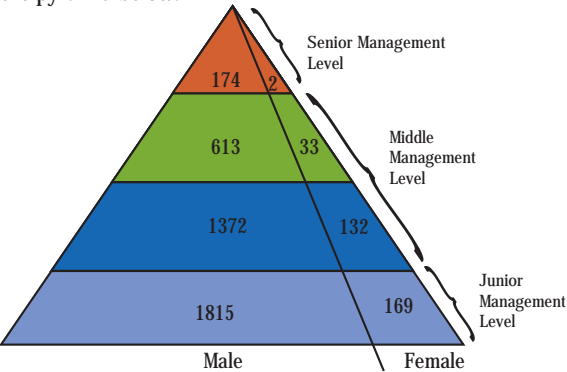


Figure 7.12



INITIATIVES TO EMPOWER FEMALE EMPLOYEES:

SWATI (Steel Women Aspirational Team Initiatives): It aims at raising the potential of women working in organisation by addressing the personal and professional requirements as per the organisational challenges. The Committee has 18 Core Members which include Lady Officers / non-officers, members of Union and Male members as well. The Core Committee is supported by Sub Committees at different locations.

The initiatives of SWATI include: Constitution of a Sexual Harassment Committee, outdoor development programmes in the Himalayas, Legal Awareness Programmes, Health Education programmes, Personality Development Programmes, Computer Education Programme, Life Style Management Programme, Domestic Management Programme, Programme on Safe Healthy Life 24x7, Work place etiquettes and initiation of a Day Care Center (for the age group from 6 months to 12 yrs) for working couples

1 Tata Steel has women executives in all spheres of its business - Operations, Maintenance, Projects, HR&IR, Media handling, Information Technology, Social services, Aviation, Marketing, Research, Legal to name a few. The Company two lady executives in the senior management team and a lady executive as its Ethic Counsellor who deals with all Ethics related issues in the Company has.

1 From 2000 onwards, Tata Steel introduced the Trade Apprenticeship programme for women - again a first in the steel manufacturing sector. They are engaged in Mechanical, Electrical, Maintenance, Instrumentation and Electronics jobs and placed in departments like Coke Plant, HSM, Blast Furnaces, Sinter Plants, and Equipment Maintenance.

1 Ms Bachendri Pal, the globally recognized Everester and the first Indian woman to conquer Everest, is a part of Tata Steel family, spearheading the Tata Steel Adventure Foundation.

A first of its kind initiative in Tata Steel 'Tejaswini' is aimed at empowering the female employees in the worker category, and providing growth opportunities to them. Women employees who were earlier employed as cleaning staff, tea ladies etc. have been trained to undertake mobile equipment operation and maintenance, welding and gas cutting, fitting and rigging and other maintenance related jobs. To bring about a behavioral change they are sent for adventures programmes. Continuous support and guidance from executives and the Union has gradually injected faith in their own capabilities.

Today these women are sub shoulders with their male counterparts in areas of maintenance and mobile equipment operations e.g. locomotive driven by a lady operators, women operator managing one of the heaviest bulldozer to push the huge pile of raw materials of the steel plant etc. This initiative has taken them from the grassroot levels of the organization to the core working group.

Tejaswini has provided these ladies with avenues for growth in the industry to reach levels commensurate with their capability and competence. Five Tejaswinis have been recognized by the Government of India which has conferred on them the Prime Minister's "Shram Veerangana" and "Shram Devi" awards.



RATIO OF BASIC SALARY OF MEN TO WOMEN

Tata Steel's compensation philosophy does not differentiate between male and female employees. The remuneration is linked to responsibility levels and performance. For the same work or work of similar nature male and female employees are paid equal remuneration.

Empowering People



The purpose of enterprise at Tata Steel is the community, its socio-economic progress through socially responsible business practices. The first company to be incorporated in India, Tata Steel founded on the belief that it must deliver economic freedom and show the way forward for its people to obtain civil liberties, equity and human dignity. Over its century long history it adopted employee welfare measure and practices, which went on to become part of the statutes in India. Several of these practices were ahead of those followed globally, including an eight-hour working day, maternity benefits and the Joint Consultation process. The latter introduced the concept of freedom of association and collective bargaining to Indian industry.

Tata Steel has, therefore, promoted Human Rights as part of its core business philosophy. It has adhered to the Universal Declaration of Human Rights (1948); the International Covenant on Civil and Political Rights; and the International Covenant on Economic, Social and Cultural Rights. It has more recently recent times voluntarily adopted and implemented the principles of the United Nations Global Compact and has implemented SA 8000 since 2004. As the Company has globalised, in line with internationally

accepted conventions and standards and the revised Tata Code of Conduct, it has ensured all policies, principles and clauses with respect to Human Rights are followed with uniformly across nations, without exception to any. Tata Steel has given itself an Affirmative Action Policy to promote equal employment opportunities for the socially disadvantaged. The Company has thus taken empowerment activities into the community to facilitate education, employability training, and entrepreneurship. It has made education and employability training of the socially disadvantaged a part of its social agenda. The Company's Corporate Social Responsibility & Accountability Policy and Affirmative Action Policies uphold human dignity as a fundamental value. They are available on the Corporate website and were last reviewed in 2009.

No employees in Tata Steel are less than 18 years of age. Documentary evidence of proof of age (e.g. Birth Certificate, School Certificate, Doctor Certificate or any other Legal Document) is verified at the time of recruitment. (Ref Order No. 8 of Works Standing Orders). When required, these are also verified from relevant external authorities/referral doctors. Tata Steel has a "Works Standing Order" for unionized employees and "Service

Rules for Officers" which are based on Industrial Employment (Standing Orders) Act, 1946 and Factories Act 1948. This policy is also in accordance with Child Labour (Prohibition & Regulation) Act, 1986 & Children (Pledging of Labour) Act, 1933. This policy is accordingly mentioned in Procedure for Recruitment (Refer Order No. 7, p. 3 of the Works Standing Orders, Rule No. 7, and p. 2 of Service Rules for Officers and Prescribed Application Form for Employment. This policy is also communicated to all its contractors and suppliers so that partners across the entire value chain adhere to Tata Steel's policies. The age for the labour engaged by the contractor is indicated in the Register of Workmen and verified before issuing gate pass employing them.

A large number of contractor employees are deployed at the Steel Works for the 2.9 mtpa expansion programme and other capital investment activities. Tata Steel ensures that all contractors comply with the Human Rights standards expected by Company. Regular audits under SA 8000 are conducted to ensure compliance with not only human rights standards but also labour practices. New suppliers/ contractors must show evidence of compliance with these standards before being registered by the Company. Tata Steel was last recertified for compliance to SA 8000 in 2009.

Investment and Procurement Practices

Table 8.1

Investment and Procurement Practices
Tata Steel's suppliers and contractors are expected to comply with the Tata Code of Conduct and various clauses of SA8000
Discrimination
Tata Steel's Affirmative Action Policy and Tata Code of Conduct enjoin the Company to proactively assist disadvantaged communities. Analysis of incidents of violations of the Tata Code of Conduct do not indicate any acts of discrimination against them.
Training
All employees including the security personnel of the Company undergo training under the Tata Code of Conduct. Training on the Code of Conduct is undertaken periodically by the Ethics Department of the Company

All of Tata Steel's operations have been assessed and the risk levels for infringements on the right to exercise Freedom of Association or Collective Bargaining is low, nor are any of them at significant risk for incidents of child labour or forced or compulsory labour. No violations with respect to rights of indigenous people were reported or grievances related to human rights filed against the Company, nor was Tata Steel subject to human rights reviews and/or impact assessments in 2009-10.



Human Rights Stewardship

Contractors' employees are an integral part of the business process at Tata Steel and hence a stakeholder group that it endeavours to impact positively. The Company has implemented the SA8000 workplace standard as a systematic tool to improve policies and procedures for contracted workers and the vendor companies. SA 8000 is an auditable international voluntary standard developed by Social Accountability International (SAI), based on the principles of the eleven Conventions of the International Labour Organization (ILO), the United Nations Conventions and the Universal Declaration of Human Rights.

SA8000 concepts are incorporated in the Company's everyday decisions from supply chain management to workplace issues.

The Company believes that ensuring adequate workplace conditions, practices, and policies to protect contract workers makes good business sense. India's Contract Labour [Regulation and Abolition] Act of 1970 applies to the Company but has limited impact on issues such as manner of paying wages or working conditions for contractors' employees. As the number of permanent employees on roll at Tata Steel is much lower than a decade ago, the Company decided to undertake voluntary action to manage and ensure proper workplace conditions for its suppliers and contractors through the implementation of the SA8000 standard and SA8000 certification. The Company's processes related to procurement, contractor management, training, and health and safety have been revisited and strengthened to ensure complete compliance by those who

from part of its value chain. The key departments instrumental for the implementation of these standards are the Procurement Division and the Contractor Cell. In the event of violations Tata Steel may take as stringent an action as blacklisting the concerned contractor, including for Safety violations.

Tata Steel also supports the rights of all people to civil liberties as well as the basic amenities of life including safe water, health care, a healthy environment, education and collective bargaining. It has therefore gone beyond implementation of policies across its operations and value chain to undertake interventions within the community which foster the best labour practices and promote human rights.

SA 8000 Standard: a means to ensuring human rights

Tata Group has been a pioneer in introducing a number of initiatives in labour welfare over nine decades and is committed to serving the interest of all its stakeholders. The metaphor for SA8000 management system implementation in Tata Steel Works is similar to creating a ripple with enlightened partners, employees, vendors, suppliers, and non-governmental organizations, among others, to generate a wider social impact through stewardship.

Table 8.2

Clause No.	Title	Policies Propagated
1.	Child Labour	No Child labour
2.	Forced labour	No forced labour
3	Health and Safety	Adequate trainings, medical centers, ISO 14000 & OSHAS 18000 certified facilities.
4	Freedom of Association and Collective Bargaining	Management strives to create a seamless organisation that incubates and promotes innovation, excellence and Tata Core Values.
5	Discrimination	Written and documented policies which are followed and monitored thoroughly
6	Disciplinary practices	Governed by Model Standing Orders and in line with Principles of Natural Justice
7	Working hours	Legal norms followed and monitored
8	Remuneration	Laws adhered to as per the legal laws
9	Management systems	Followed in principle and spirit

Incubating Human Rights in the Community

The Company believes in fostering the learning habit, mainstreaming school dropouts and assisting schools for disadvantaged children deliver better quality of education to prevent children from entering the labour force.

Tata Steel's community - based initiatives include empowerment activities such as the creation of Self Help Groups and awareness on basic rights and duties. It also shares with them information on government sponsored welfare schemes, allowing them to leverage

this knowledge to enjoy basic human rights.

The Company conducts regular vocational and training programmes but does not make it mandatory for the trainees to join the Company's workforce. They are free to select the best opportunity available to them.

Income generation and sustainable livelihood activities prevent the poor and disadvantaged from falling into debt traps or forced labour.

Micro credit schemes and Self Help Groups further strengthen economic independence. In 2009-10 the Company supported 684 Self Help Groups who had a cumulative savings of Rs. 450 million.

In addition, scholarships were given to 646 children from scheduled caste and scheduled tribes (SC/ ST) to prevent them from dropping out of school due to lack of resources.

Indigenous Rights

Tata Steel endeavours to take into consideration the rights and aspirations of indigenous people in all actions. Its Affirmative Action Policy guides it to encourage the economic and social progress of indigenous people. No acts of violation of indigenous rights were reported in 2009-10.



A trustee of value

Tata Steel's Vision is to be a global benchmark in Value Creation and Corporate Citizenship. The Company believes that the journey of Value Creation can never be complete unless its activities lead to the continued prosperity of the community, the very purpose for which the Company was created. This is was the mandate given to it by the Founder of the Tata Group Jamsetji Nusserwanji Tata in 1907.

Today, a century later, ethics, transparency and sustainability are principles Tata Steel continues to translate into practice every day. Tata Steel's interventions in the communities where it operates are a commitment the Company makes to them and, therefore, are not linked to its profits. This ensures consistency in delivery of services year on year.

In 2009-10 along with the assessment of all economic and environmental targets and goals, the Company also revisited all its social indicators. To take its Vision 2012 forward and to ensure inclusive growth for all stakeholders, the Company has been chosen

to adopt a two-pronged approach, which focusses on:

- (1) Urban Services for Jamshedpur
- (2) Rural Services in the hinterland around Jamshedpur, its Mines, Collieries and Greenfield Projects.

In 2004, Tata Steel successfully restructured the delivery of its services in Jamshedpur through the incorporation of a wholly owned subsidiary, Jamshedpur Utilities & Services Company Limited, India's only comprehensive civic infrastructure provider. It is rated among the best civic utilities in India. To achieve sustainable growth in Jamshedpur the Company has identified road infrastructure and water services as key areas of priority. It intends to ensure that 80% of the roads have a PCU density of < 1 by 2013 and that 94% of the population with water services.

The responsibility for pursuing sustainable development and interventions for inclusive growth, in the rural areas and within

Jamshedpur, lies with Tata Steel Corporate Sustainability Services (CSS). It undertakes all interventions through its four units: Tata Steel Rural Development Society (TSRDS); Tribal Cultural Society (TCS); Tata Steel Family Initiatives Foundation (TSFIF) and Urban Services.

Tata Steel reaches out to more than 800 villages neighbouring its operations in Jamshedpur as well as its Mines and Collieries. Urban Services engages with the bustee communities in Jamshedpur and seeks to address their needs. The Company constituted the AIDS Core Group, which has since the 1990s focussed on combating the spread of HIV/AIDS.

Tata Steel's Policies for CSR, HIV/AIDS, Corporate Social Responsibility & Accountability and Affirmative Action guide its sustainability strategies across all geographies. It honours internationally accepted goals such as those articulated under the Human Development Index, Millennium Development Goals and the principles of the United Nations Global Compact.

Community

Tata Steel's approach to fostering socio-economic change has evolved over the years from the Company being a 'provider' for society in the early years, when it supported the community in meeting its overall needs both for sustenance and development, to now an 'enabler' where the focus is to build community capacity through the following drivers:

- 1 Training programmes
- 1 Engaging the Community as partners in project implementation
- 1 Building the capacity of the community to implement programmes
- 1 Helping it establish linkages with different agencies for development programmes to be implemented at the village level
- 1 Focusing on providing technical support rather than providing aid

Based on a critical internal evaluation of its activities, customer feedback, individual surveys and interaction with the stakeholders, in 2009-10 Tata Steel found that its community interventions were thinly spread due to its earlier role of a 'provider'. There was no visible impact on rural household incomes across locations and its resources were not being optimised.

Tata Steel sought to address this gap by developing a new CSR agenda to serve the local communities. It has reorganised its various activities so as to achieve a wider and deeper impact on a million lives as well as improve the satisfaction levels of communities in the rural and urban areas in and around its areas of operations.

The Company also re-strategised to bring about a sharper focus for different Units under Corporate Sustainability Services. Details on the scope of operations and activities of the Societies are available on the Corporate website. With the focus of each delivery arms changed, the Company also re-strategised its priorities and identified key interventions.

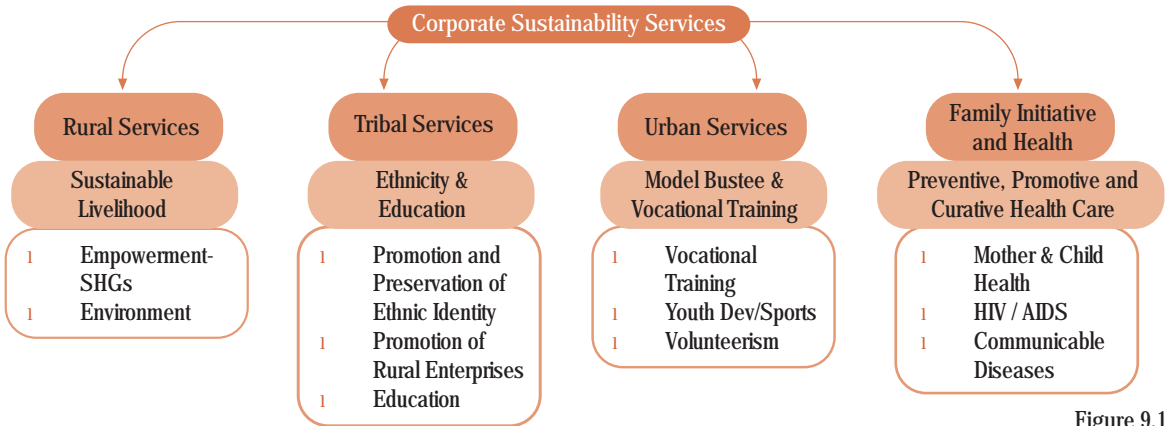


Figure 9.1

To ensure greater impact through the above interventions the Company decided to concentrate the operational area of these Societies to about 400 villages in a concentric circle of 30 kilometre radius around its operational units.



Table 9.1

Areas of Impact	Key Interventions
Sustainable Livelihood	Focused approach in agriculture interventions
Empowerment	Vocational training for employability
Health	Focused approach on Maternal & Infant Survival Projects and HIV/AIDS interventions by engaging the communities
Education	Providing scholarships to underprivileged children for higher education and assuring 100% literacy in focused villages
Preservation and Promotion of Tribal Culture	Empowering diminishing tribes by promoting Rural Enterprise and Promotion of tribal dance and sports
Environment	Addressing environmental concerns through renewable energy and plantation
Promotion of sports in the community	Linkages through village and bustee sports, feeder centres and academies



Developing a new Social Index

Recognising the need to have a quantitative tool to measure the sustainability impact of these interventions, the Company also identified metrics to track the impact their progress, mainly, in the areas of Sustainable Livelihood, Education and Health.

In the year 2009-2010, for the first time, a base line survey was undertaken across 23 focus villages in the Seraikela-Kharsawan district of Jharkhand, covering a sample size of 25% of the household in these 23 villages. The baseline information for three major indicators, Household; income, Health and Education was obtained. These were however found to be insufficient to understand the holistic impact of the Company's interventions.

Therefore, to measure the impact of the major interventions in the areas of Sustainable Livelihood, Education and Health Tata Steel felt the need to develop a measure, a globally comparable index, to assess the impact of such interventions in the rural areas. Work on developing the measure began in 2009-10 and will continue into the next reporting period.

Rural Services

With economic growth demand for unskilled and semi-skilled labour will decline. Even where agriculture is the mainstay of the economy, globalisation will imperil livelihoods of subsistence farmers leading to social problems arising from demographic migration to urban areas.

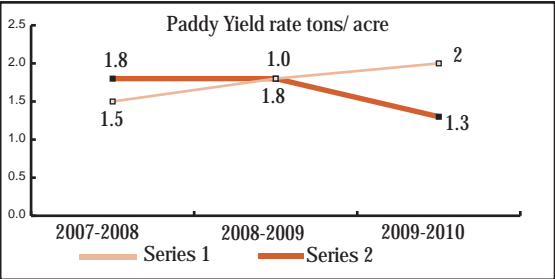
To address these problems Tata Steel is working with local people, especially in rural areas to harness resources and skills that are available to develop opportunities for sustainable livelihoods within the local economy.

SUSTAINABLE LIVELIHOODS

To ensure equitable access to assured livelihoods and to strengthen the capability of the agricultural sector to support the rural population Tata Steel has since 2009-10 focused on:

- 1 Increasing productivity of agriculture crop, mainly paddy
- 1 Increasing cropping intensity by increasing areas under second and third crops
- 1 Bringing Wasteland under Horticulture crops
- 1 Partnering with reputed professional bodies to enhance skill development provide employability training to youth
- 1 Enabling women Self Help Groups to reach the ladder of maturity and women empowerment

Figure 9.2



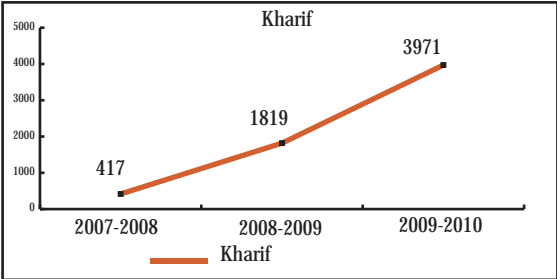
(a) Increasing productivity of agriculture crop

To improve agriculture productivity, particularly that of paddy, in the operational villages, Tata Steel ensures that good quality seeds and fertilizers are available to farmers. Technical knowhow is extended in collaboration with expert organisations. The target is to reach 2.5 tons/ acre by 2014. These efforts have also motivated farmers in mining locations to adopt agriculture as a source of sustainable livelihood and brought about a gradual increase in the area under paddy crops.

(b) Increasing in Cropping intensity through second crops:

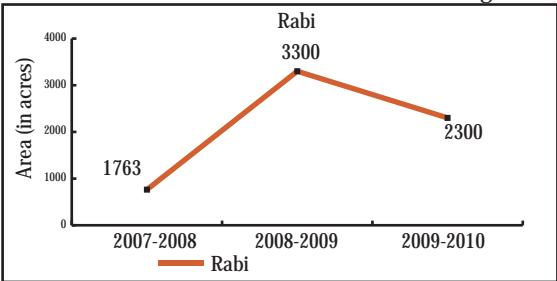
Irrigation is a critical component in agriculture development, especially for second crops. Given the erratic rainfall seen in the past two years Tata Steel placed great emphasis on enhancing it by developing new water bodies and also renovating non-functional irrigation systems.

Figure 9.3



Coverage of Area under Second (Rabi) Crops

Figure 9.4



The drop in area under rabi crops in 2009-10 is due to deficit rainfall



(c) Wasteland Development:

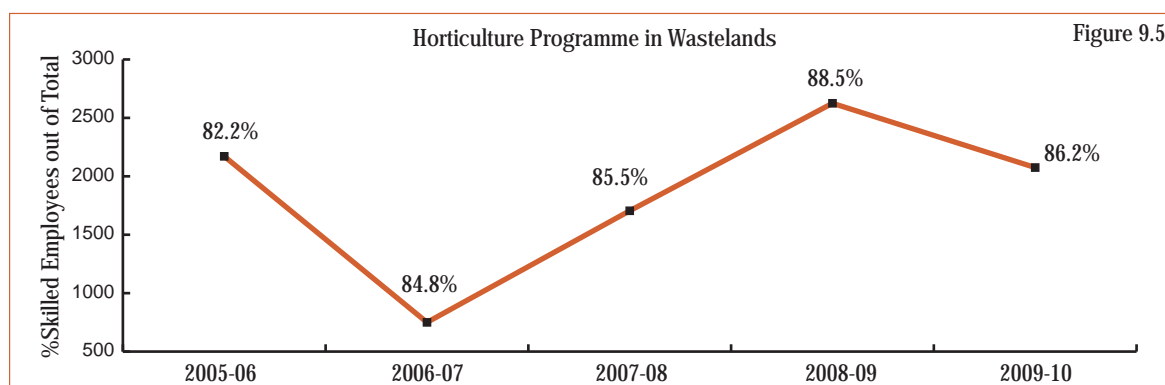
A large proportion of land in India is wasteland. These lands remain barren because even if cultivated they do not offer adequate return on the input cost. To convert Wasteland into productive land and bring more areas under horticulture crops, Tata Steel has been a project partner under the National Horticulture Mission since 2005.

Till 2009-2010, around 9000 acres of land were brought under cashew and mango plantation, benefitting around 3700 households from 129 villages of East Singhbhum district, Jharkhand

In order to encourage skill development and resource building, community based organizations, such as watershed committees, village development committees and users groups have been formed to build a sense of ownership among the village community. These institutions also facilitate implementation of intervention Watershed Development, Renewable Energy, and Irrigation Projects.

(d) Women Self Help Groups

Rural enterprise development through the formation of Self Help Groups (SHGs) has been promoted by Tata Steel for over three decades. Most of the SHGs comprise women from poor families. This contributes to capacity building and empowerment among rural and urban women and sustainable development of the households. At the same time it provides an alternate source of household income by creating new employment avenues for the rural and urban women. The SHG groups get financial assistance from Government departments, banks and from Tata Steel to start their enterprises. Tata Steel also facilitates technical support in collaboration with professional organisations to assist these groups in starting small business units.



Trend of Wasteland Development since 2007-08 to 2009-2010.



Total savings & loans of SHGs			
	2007-2008	2008-2009	2009-2010
Total number of SHGs	526	933	708
Total number of members	6410	10,270	9,270
Total savings & loans	Rs 2.4 crores	Rs 3.74 crores	Rs 4.50 crores

(e) Employability training

This initiative aims at developing marketable skills among the community youth, women and other groups, such as local artisans to increase their ability to compete in the job market. Job-Oriented training is regularly conducted for youth in various vocational trades like Computer, Motor Driving, Security, AC Refrigeration etc, by networking with professional bodies of repute to ensure that the youth are subsequently employed. In 2009-10 an inventory of trades in demand was created to impart training to the youths either through in-house or professional bodies.

Tata Steel and its contractors hired the unemployed youth trained

Vocational Training	2007-08	2008-09	2009-10
Number of persons trained	706	573	582
Number of persons employed	507	312	237

as Site Safety Supervisor by its CSS Division in partnership with Company's Safety & Ergonomics Department and Shavak Nanavati Technical Institute. Four batches have been successfully trained and 100% of the trainees are employed. The Company's wholly owned subsidiary JUSCO and other construction companies recruited masons and plumbers trained by the Division. Vacancies for positions of nurses and midwives in government and private hospitals were filled by youth from the community through a training programme for nursing and community health providers at the Tata Main Hospital and Tinplate Hospital.



HEALTH SERVICES

The measure for Health services is the coverage of people through preventive, promotive and curative health care services.

		2007-2008	2008-2009	2009-2010
Interventions	KPM	Impact	Impact	Impact
Primary Health Care	No. of general cases treated	31088	154186	174348
Couples Protected	No. of LTT/NSV operations conducted	5529	6115**	6380
Immunisation	No. of children immunized with DPT (3rd dose)	4858	5049	8444
ANC	No. of pregnant women undergone three ANC check ups	8947	6847	9121
Malaria Control	No. of villages covered	34	29	82
HIV/AIDS	No of awareness programmes conducted		1518**	1170**
Eye Care Services	No. of operations	1336	1543	1669
Adolescent Health	No. of adolescents covered			53596
Tuberculosis Control	No. of cases cured	465	486	631
Reconstructive surgery	No. of cleft lip/palate cases operated	500	284**	209
Life Line Express	No of surgeries	753	340	910
Blood Donation	No. of units of blood collected	2212	1438**	2370

Maternal and Infant Survival

Inspired by the success of the Maternal and Infant Survival Project in Gamharia block and Rajnagar Block of Saraikela Kharsawan, district over the past decade Tata Steel felt the need to further this initiative. The primary target population of these projects is pregnant and lactating women and mothers of children under two years of age.

Project MANSI (Maternal & Child Survival Project) has thus

introduced in 174 villages of Saraikela Block of Saraikela Kharsawan District of Jharkhand for the period December, 2009 to November, 2013, to reduce maternal and child mortality and morbidity. The project is supported by American India Foundation, the Hans Foundation and Ministry of Health and Family Welfare Government of Jharkhand. Technical support is being provided by SEARCH (Society for Education Action and Research)



Disability Management

Life Line Express

Lifeline Express (LLE), the world's first hospital, with a fully equipped modern operation theatre on rails, takes modern medical interventions as well as speciality medical services to inaccessible rural areas where even basic medical services are not available. It offers on-the-spot diagnostic, medical and advanced surgical treatment through preventive and curative interventions to persons

with orthopaedic, ENT and eye ailments. Tata Steel partnered Impact India Foundation by hosting the Lifeline Express since the first year of its launch in 1991. The Company has over the course of two decades reached out to over 60,000 people in remote rural areas in the state of Bihar, Jharkhand, Orissa, Chhattisgarh, West Bengal and Tamil Nadu.

Table 9.4

Life Line Express	2007-08	2008-09	2009-10
No. of cases registered	2477	2460	4129
No. of surgeries conducted	753	340	910



Disability Camp

A Single Window Camp for the specially abled persons is held every month at Jamshedpur in partnership with the local government. In addition to treatment, specially-abled persons are given Disability Certificates along with other special amenities assured by the Governments, such as railway concessions, ID cards etc. This programme has generated an excellent response from the community with large numbers of people travelling great distances to attend the camp. It has also enabled the Company to strengthen its ties within the community and NGOs working in this field.

Table 9.5

Disability Management	2007-08	2008-09	2009-10
Total beneficiaries	NI*	1737	2781
Certificate/Appliances Distributed	NI*	1426	1208

* New Initiative

Access to Safe Drinking Water

Access to safe drinking water is an important service provided by Tata Steel. Apart from fulfilling a basic necessity, it prevents the outbreak of water borne diseases in semi urban and rural areas. Every year the Company creates sources for potable drinking water in the community through tubewells, deep borewells and open wells. During 2009-10, 150 new tubewells were installed, 100 hand pumps were repaired and a drinking water project, with overhead tanks in 20 locations around the bustee and rural areas within a 10 km radius of Jamshedpur, was implemented. Over 400 rural families benefited as a result of Tata Steel's efforts in 2009-10





EDUCATION INITIATIVES

- 1 Students benefitted through Scholarships, Coaching and Training
- 1 Adult literacy programmes successfully made adults functional literate

The problem that plagues the success of Education programmes in rural areas is illiteracy and drop out of students during the course of study. Tata Steel provides extensive financial assistance to rural schools to improve their infrastructure and thereby the learning environment for the children. This includes repair and building of classrooms, toilets, boundary walls as well as furniture and educational equipment such as blackboards. In 2009-10, Tata Steel took the decision to construct a new school for tribal children in 2007-08 under its Affirmative Action programme. The school is expected to be launched in 2011-12.

To assist underprivileged children continue with their education the Company offers scholarships to meritorious students through the Moodie and Jyoti Scholarship programmes. Merit tests are held before the scholarships are granted. Students continue to receive the scholarships till the completion of their course but this is subject to successful advancement to the next grade/standard.

In accordance with the Affirmative Action Policy all Education and Scholarship initiatives benefit the ST/SC community. In 2009-10, a total of 646 students were supported. The Company has

set itself a target of supporting 700 students annually by 2012 and will allocate a sum of Rs 4.7 million for these scholarships.

Tata Steel also conducts coaching classes for underprivileged students who wish to appear for competitive examinations conducted by the Government, public sectors banks, premier educational institutions, etc

Scholarships to assist economically challenged student

Jyoti Fellowship

Table 9.6

Level	2007-08		2008-09		2009-10		TOTAL	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
School level	240	246	240	246	240	246	720	738
College level	332	296	333	304	325	289	990	889
Students who have completed professional courses		40		44		54		138

Moodie Fellowship

Table 9.7

YEAR	TARGET	ACHIEVED	Total for 3 years	
2007-08	50	79	Target	264
2008-09	107	110	Actual	3000
2009-10	107	111		

Coaching Classes for Competitive Examinations

Coaching classes improve the possibility of the students qualifying for a professional course two to three years after the coaching commences because of the time required to bridge the gap in learning.

Table 9.8

	2007-08		2008-09		2009-10		TOTAL	
Courses	Trained	Placed	Trained	Placed	Trained	Placed	Trained	Placed
Coaching for Competitive Exams for Govt. Services (Bank, Railways, etc.)	19	7	23	8	29	8	71	23
Remarks:	Residential coaching of six months for graduates. Coaching is provided by hired professionals							
Achievements:	Out of 21 placed, 12 secured Govt. jobs, 11 are in private/Govt. contractual jobs							
Coaching for Professional courses (Trade Apprentice, Polytechnic, etc.)	21	7	26	12	21	10	68	29
Remarks:	Residential coaching of 6 months for Matriculates. Coaching is provided by hired professionals							
Achievements:	Out of 29 placed, 11 got in the Tata Steel Trade Apprentice programme institute and others in Polytechnic/ Engineering							
Coaching for Nursing School entrances	Not Initiated	--	11	10	13	12	24	22
Remarks:	Three months' coaching provided at Xavier Institute of Tribal Education, Gamharia							
Achievements:	Qualified for different Nursing institutes, e.g- TMH, Jeevan Jyoti, Apollo Hospital, etc							
TOTAL	40	14	60	30	63	30	163	74

Camp School

The Camp School was initiated with the aim of accelerating the educational interests of the girls residing in core tribal areas, who have dropped out of school. A residential school programme, it streamline their educational standards leading to easy linkage with formal schools through a residential school programmes.

Table 9.9

Year	2007-08	2008-09	2009-10
Total students	100 (Only Noamundi)	200	200

Training Programmes

Table 9.10

	2007-08		2008-09		2009-10		TOTAL	
Programmes	Trained	Placed	Trained	Placed	Trained	Placed	Trained	Placed
Community Health Providers	64	21	64	20	59	22	187	63
Remarks:	One year training held for women at TMH and Tinplate Hospital							
Achievements:	Trainees get employment in private nursing homes/ hospitals							
IT Based training	56	17	71	19	28	0	155	36
Remarks:	Six months to one year training held at different institutes (R.K.Mission, Tally Academy & HCL)							
Achievements:	Trainees of '09-10 passed from R.K. Mission which provides basic computer learning & hence does not give direct employment							
Security Guard training	Not Initiated	--	Not Initiated	--	24	24	24	24
Remarks:	Two month training held under Turret Industrial Security Pvt.Ltd.							
Achievements:	This training has shown 100% success with all trainees being placed by Turret							
TOTAL	120	38	135	39	111	46	366	123

* Only those vocational training programmes have been reported in which the number of trainees exceed 10 per year.

Adult Literacy

Table 9.11

YEAR	TARGET	ACHIEVED	% ACHIEVEMENT
2007-08	7750	4495	58%
2008-09	4800	3682	77%
2009-10	2600	2295	88%

SUCCESS STORIES

A study was conducted in 2010 to assess the employment status of the awardees in 07-08 and 08-09 (09-10 students were continuing to study) in Professional/P.G courses. Of the 84 students who completed their courses, 35 were available for response. 14 are employed; seven are self employed (especially LLB students); four have opted for further studies; while 10 were preparing for competitive exams or job aspirants.



Tata Steel Education Excellence Programme

Launched in 2003, the Tata Steel Education Excellence Programme has in the past seven years promoted Excellence in Education in the schools of Jamshedpur and a select few in the vicinity of Tata Steel's out locations.

The programme was conceived of as a tool to enable schools to improve the quality of education so that they may offer greater value to the students and create a culture of excellence to nurture the "citizens of tomorrow." A formal committee instituted by the Company governs the programme. All resources required for it are

disbursed by the Company as part of its corporate social responsibility.

Almost all 40 schools regularly participate in this private endeavour, which touches 2500 teachers and 100,000 students.



Outcomes in 2009-10:

- 1 26 schools out of 33 have shown three year steady improvement in their academic performance (Both Average & Peak)
- 1 30 schools are using the feedback mechanism with parents, teachers and students on a continuous basis to improve their performance
- 1 27 schools have reported 44 Education Quality Improvement Projects
- 1 Academic results of Jamshedpur's schools are better than the National Average

Urban Services

Jamshedpur was envisioned as a modern, planned city by Jamsetji Tata when he dreamt of the Steel Works. He believed that the welfare of the employee must be the first priority of the employer.

In 1911, Tata Steel established the Town Division, which was in 2004 transformed into India's first and only comprehensive urban infrastructure service provider in the private sector, Jamshedpur Utilities & Services Company Limited (JUSCO), a wholly owned subsidiary. JUSCO's services cover all civic infrastructure amenities: water and wastewater, power distribution, infrastructure planning, development and maintenance, along with municipal solid waste & public health management. Today the city serves a population of 700,000 across the Company leasehold area of 64 square

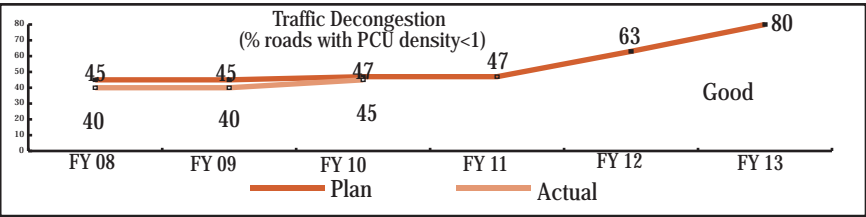
kilometres.

Jamshedpur is the only city in India among select cities across the world to form part of the United Nations Global Compact Cities Pilot Programme (UNGCCP). Tata Steel also provides civic amenities to those beyond its leasehold area under a public private partnership model as part of its commitment to the UNGCCP programme.

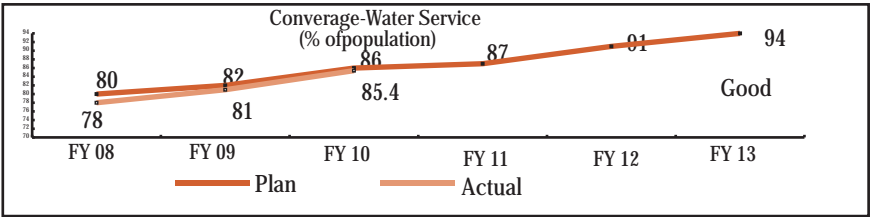
Tata Steel's expansion programme in Jamshedpur is causing yet another wave of population growth through migration to the city. In addition, vehicular traffic has seen a surge over the last two decades. Key to the continued growth and development of Jamshedpur is augmentation of road infrastructure and water

services. An assessment of the water sustainability of Jamshedpur conducted by Tata Steel in its non-leasehold areas revealed that ground water levels had reduced. In a far-sighted move, it mooted a community consultative process to extended piped water to these areas and prevent ground water abstraction.

During 2009-10, Tata Steel set a target of maintaining an eQ Index in the band of 80-85 for its Urban Services in Jamshedpur. It also accelerated its initiative to enhance and improve the water services in the city and contain abstraction of ground water. At the same time to decongest the city it is augmenting road infrastructure as a percentage of the population.



Percentage of Population covered by water services



Traffic decongestion in Jamshedpur

Targeting - HIV / AIDS

Tata Steel continued to remain committed to the cause of HIV/AIDS prevention, voluntarily taken on by it over 15 years ago. Apart from its operational locations, this initiative covers the city of Jamshedpur, all out locations and three districts, namely East and West Singhbhum as well as Seraikela Kharsawan in the state of Jharkhand.

Key features of Tata Steel's AIDS strategy

- 1 Reduce the incidence of new cases; as well as provide treatment and care to HIV + patients through a single window health delivery concept and Nodal Centre, Sneh Kendra
- 1 Preventing Parent to Child Transmission (PPTLT)
- 1 Sensitisation & Empowerment (BASE) of disadvantaged communities in bustees (unplanned settlements)
- 1 Halting incidence of HIV/AIDS caused through blood transfusions by collecting and testing of safe blood
- 1 Using disposable syringes and their destruction after use
- 1 Instituting and using a Health Information Management System (HIMS) to register and track incidence

HIV/ AIDS Awareness

Tata Steel's involvement in combatting HIV/AIDS dates back to early the 1990s when Tata Steel realised that the disease had acquired epidemic proportions and its control was not the sole responsibility of the government. This was much before the epidemic received any governmental or non-governmental attention in India. All operations units of Tata Steel have a high floating population due to the continuous flow of materials and services required. The Company responded to the risk posed to its employees and community by developing a strategy and mechanisms to prevent the spread of the disease. It has built special infrastructure and established the Nodal Centre - AIDS. Data on incidence for the last three years shows a decline. In the past five years, Health Seeking Behaviour of People Living with HIV/AIDS has improved.

Tata Steel has expanded its interventions across all locations in partnership with Tata Steel's Health Services, local medical institutions, Government Health agencies and Jharkhand State AIDS Control Society (JSACS). The Company's policy on HIV/AIDS, which is revised periodically with inputs from HIV+ people and other stakeholders, was updated in 2009. AIDS Awareness Programmes are a part of the activities undertaken by the JDCs of various departments of Tata Steel and health-related projects undertaken in the East & West Singhbhum and Saraikela - Kharsawan districts of the state as well in Mines & Collieries.

A "Single window" health delivery concept, Sneh Kendra, started in July 2005, cared for and supported over 200 People Living with HIV/AIDS (PLWHA) in 2009-10.

Key features of Tata Steel's AIDS strategy for the Community

- 1 Single window health delivery concept and Nodal Centre, Sneh Kendra to reduce the incidence of new cases; as well as provide treatment and care to HIV + patients.
- 1 Preventing Parent to Child Transmission (PPTCT)
- 1 Bustee AIDS Awareness Sensitisation & Empowerment (BASE Project)
- 1 Halt incidence of HIV/AIDS through blood transfusion by collecting and testing of safe blood.
- 1 Use of disposable syringes and their destruction after use.
- 1 Institution and use of a Health Information Management System (HIMS) to register and track incidence.
- 1 Encouraging voluntary donation of blood.

Activities in 2009-10

Awareness Programmes	Population covered	ICTC	STI/ RTI Treatment	Condoms
1150	> 175,000	1561 referrals	228 counselled and treated	4,092 clients
Immune Compromised	Counselling	Treatment of Opportunistic Infection	ART (Anti Retroviral Therapy)	PPTCT
54 new HIV+ cases registered	2,209 sessions	816 prescription refills	70 registered	2 Cases registered for delivery



Due to the intervention of Tata Steel the spread of HIV/AIDS has been controlled. Data on incidence for the last three years shows a decline. In the past five years, Health Seeking Behaviour of People Living with HIV/AIDS has improved. The Company AIDS Policy was updated in 2009. It determines Tata Steel's course of action for all HIV/AIDS interventions.

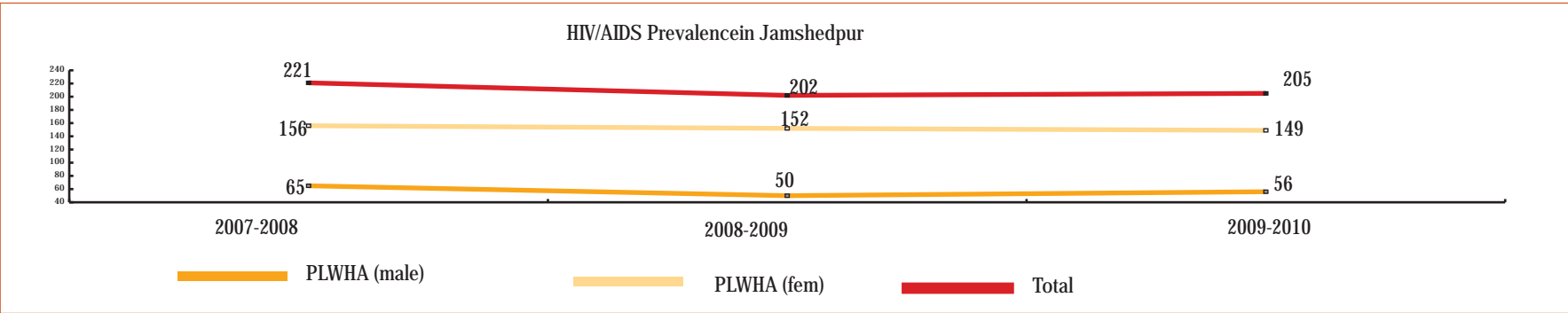


Figure 9.7

Statistics on HIV/AIDS are compiled from major health care institutions of Jamshedpur by Tata Steel's Nodal Centre for AIDS. This is logged on the Health Information Management System (HIMS) and submitted to the Civil Surgeon (East Singhbhum). The trend is seen in the graph above.

Development of Sports

Tata Steel's commitment to fast tracking excellence in sports led it to establish a professionally managed department for sports over 30 years ago. The Sports Department undertakes the responsibility of building and managing sports infrastructure, operating three residential academies, 15 training centres as well as supervising four feeder centres in Tata Steel's out locations. The Company follows a three-tier approach to talent development: (1) engagement through feeder centres and excellence centres (2) empowerment through training centres (3) excellence through academies.

The Company's commitment to the promotion of Sport and sports as a way of life is driven by two principle objectives: (1) the understanding that it offers the youth of our country with an alternate avenue to achieve success and self reliance (2) that a healthy society will be a productive society. Tata Steel has built impressive infrastructure of international standards in Jamshedpur, multi-event sports stadiums at all its six out-locations, three residential academies, four feeder centres and 15 training centres for various disciplines to allow talented youth to realize their potential. Through community based programmes it engages with the local youth, school students and the general population.



In 2009-10 the Sports Department aimed at improving the quality of life of the Company's employees and the Community it serves. Health & Fitness of the Company's employees and their families was therefore its principle focus. Special attention was also given to engaging the youth in sporting activities which not only nurtured young talent but also channelised their energies from social

evils arising out of idleness. The Training Centres, which build talent in various sporting disciplines, have served a key note in this initiative.

Cadets of Archery Academy have performed well at the International level and have already made a mark in the world of archery.

Athletics Academy is still in its nascent stage but the Company is hopeful of showing results in not too distant a future.

Knowledge up-gradation also received priority. Coaching seminars and Football Coaches Seminars are some of the knowledge sharing sessions which received accolades from the recipients.

Sports facilities:

J R D Tata Sports Complex - spread over 30 acres - it has separate grounds for football, hockey and archery, courts for handball, tennis, volleyball and basketball, an eight lane polyurethane synthetic track, a sports hostel, a residential wing and an administrative block.

Residential Academies :

- 1 Tata Football Academy
- 1 Tata Archery Academy
- 1 Tata Athletics Academy

Feeder Centres

Tata Steel has four sports feeder centres in Jharia, Noamundi, Jajpur and West Bokaro, which serve as catchments areas for its talent pool.

In addition the Company maintains and manages the following infrastructure:

- 1 Keenan Stadium
- 1 Gopal Maidan
- 1 Armoury Ground
- 1 Beldih
- 1 CNR
- 1 Sakchi AC
- 1 Tata Steel Adventure Foundation
- 1 Beldih Golf Course

The Company also offers the following amenities to talented youngsters in the community:

- Athletics Training Centre
- Basketball Training Centre
- Boxing Training Centre
- Chess Training Centre
- Cricket Training Centre
- Lawn Tennis Training Centre
- Handball Training Centre
- Volleyball Training Centre
- Table Tennis Training Centre
- Skating Tennis training Centre
- Golf Training Centre
- Special Children Training Centre
- Archery Training Centre
- Swimming Training Centre
- Health Management Progs.

Table 9.12

Achievements	2007-08	2008-09	2009-10
International Medals	37	21	15
National Medals	91	95	74*
International Participation	28	23	32
Trainees at Feeder Centres	50	50	65
Total cadets trained at TFA	36	36	36
Total cadets trained at Tata Archery Academy	23	22	22
Total cadets trained at Tata Athletics Academy	10	9	15
Community Sports	Inter Bustee Events	5	6
	Inter Village Events	2	4

*Less no. of national events

Making Sports Inclusive

By its very nature Sports is inclusive. Tata Steel has always held the view that sports plays an integral role in fostering a healthier and happier society. The Company therefore uses sports activities as a simple but effective tool to improve the health status of the community, bring about social integration, open new avenues for employment as well as precipitate socio-economic progress. The mechanisms it uses are:

- 1 Village and Rural Sports
- 1 Support for traditional games of indigenous tribes
- 1 Sports activities for employees
- 1 Lifestyle Management for the community
- 1 Special sports for special children



TATA CODE OF CONDUCT

Values are the cornerstone of sustainability at Tata Steel. These principles stem from the core belief that value-driven, sound and ethical practices create trust, inspiring stakeholders to continue to fuel sustainability.

These values, bequeathed by the Founder Jamsetji Tata to the entire Tata Group, determine the way Tata Steel conducts business.

Tata Values:

- 1 Integrity
- 1 Understanding
- 1 Excellence
- 1 Unity
- 1 Responsibility

All business units have been analysed for risks relating to corruption. The Tata Code of Conduct is applicable to all business units and its employees. Specific clauses are present in the TCOC which put a total embargo on indulging in any act of bribery and corruption by Tata organisations as well as by their employees.

Clause 2 - Financial Reporting and Records "No employee shall make, authorise, abet or collude in an improper payment, unlawful commission or bribing."

Clause 5 also addresses the issue of corruption and bribery through gifts and donations. This clause prohibits employees from making or receiving directly or indirectly any illegal payment, remuneration, gift, donation and comparable benefit that are intended to, or perceived to obtain uncompetitive favour for the conduct of ethical business. The clause goes on to say: "The company shall cooperate with the government authorities in effort to eliminate all forms of bribery, fraud and corruption." In pursuance of the above clause the Gift Policy has also been developed and implemented for its employees in Tata Steel.

Further, the Tata Code of Conduct also makes it obligatory on all third parties that their business conduct and ethics should be consistent with the Tata Code of Conduct.

The third parties, vendors, contractors are also required to provide an undertaking for compliance to TCOC. By all the above provisions the risks related to corruption has been addressed appropriately at Tata Steel.

As contended above, TCOC is applicable to all the employees of the Company. The Code addresses the issues of bribery and corruption through the clauses indicated above. The organisation has zero tolerance towards bribery and corruption. All officers, numbering about 5000, have signed the compliance undertaking in the SAP HR portal which forms part of their Service Record. This makes it obligatory on their part to comply with the provisions of the Code interalia anti-corruption and anti-bribery. All officers who join the Company are mandatorily given TCOC training with a special emphasis on provisions related to corruption and bribery. Further, the Code compliance is a condition of service for all the officers. Therefore, through the combination of above steps all employees in the officers' category have been given formal or informal training on the Tata Code of Conduct.

Steps have also been taken to make the Code's provision mandatory for employees in the non-officers' category as well. The recognised Unions and the Management have signed a MoU to make the Code applicable to all the employees of the organisation.

Training of employees covered by the MoU is conducted through shop floor meetings, Joint Departmental Council meetings, organisation of Ethics Month and administering the Ethics Pledge during the month etc. Further, an e-Learning module on TCOC has also been uploaded on the Company Intranet which is accessible to the employees across the organisation. The module through practical examples explains various provisions of the Code including anti-bribery and anti-corruption measures.

For vendors, the relevant section of the Code has been placed on the e-procurement site and all vendors are required to submit an electronic undertaking of compliance with this Code. All vendor meets contain a session on Business Ethics wherein the vendors are reminded that the Company expects their behaviour to be consistent with the Code. They have been informed that the revised Code 2008 makes it obligatory for vendors to comply with the Code's provision as enunciated in Clause 13 of the Code. Vendors of Tata Steel are aware that non-compliance will lead to severe consequences, including blacklisting. Tata Group companies have all developed communication programmes in 2009-10 to raise awareness and train relevant stakeholders on the Code. The Code has been translated into many national and local languages, including Bengali and Oriya, as well as Thai, Chinese and French.

Compliance to the Tata Code of Conduct

Company employees must sign up to adopt the Tata Code of Conduct when they join the Company and vendors adopt the Code at the time of registration with Tata Steel. All officers were asked to sign up again to the revised Code of Conduct in January 2009. The Company's Ethics Counsellor is responsible for managing compliance to the Code.

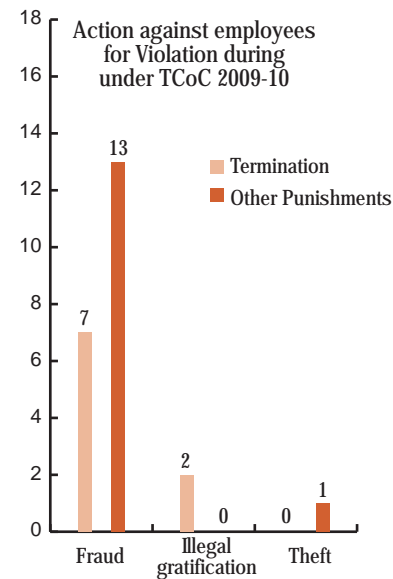
The total no. of concerns on corruption received during 09-10	72
The total no. of valid concerns	42
The total no. of invalid concerns	30
The breakup of the valid concerns [a] employees / [b] vendors	23/19
The breakup of the invalid concerns [a] employees / [b] vendors	20/9

Action taken: against the employees and vendors on valid concerns

Tata Steel takes a very serious view of any involvement of its employees and associates in bribery, fraud and corruption. Concerns raised are thoroughly investigated and punitive action is taken in cases of any misdemeanour. The Company's Vigilance Group investigates and handles bribery and corruption issues. In 2009-10 strict actions were taken against 19 vendors and 23 employees for various acts of misconduct and violation of the Code. The details of the actions are given below:

Action against employees for violation of the Tata Code of Conduct:

Action	Offence			Total
	Fraud	Illegal gratification	Theft	
Termination	7	2	-	9
Other punishments *	13	-	1	14
TOTAL	20	2	1	23



* The punishment for the misconduct depends on the gravity of the misconduct committed. Employees, who have been found after appropriate investigation, to have committed serious fraud or indulged in acts of bribery and corruption, have had their services terminated. But where the degree of misconduct is lesser, following punishment have been awarded: [a] reduction in basic pay [b] withholding of increments / performance bonus [c] suspension from work for specific period.

Action against vendors for Code's violation:

	Fraud	Theft	TOTAL
Blacklisting	6	2	8
Other punishments	11 *	-	11

PUBLIC POLICY, ANTI COMPETITIVE BEHAVIOUR, COMPLIANCE

Tata Steel believes that the growth of the steel industry and competitive open markets in India is imperative for the development of the Country. The Company therefore fully supports the development of open markets and competitive business environment.

Guided by its core values Tata Steel precludes any activity which could be interpreted as natural dependence or favour with any political party. It is committed to transparency on issues related to political non-alignment. However, in the larger interest of benefiting the community and Indian industry, Tata Steel joins senior business leaders and industry associations across the Country in advocating issues related to policy on mining and metals industries so to educate policy makers on long-term issues related to sustainability. No instance of non compliance was reported against the Company in 2009-10.

Product Responsibility

Management Approach

Tata Steel is a customer centric organization, with the professed objective of producing green or environmentally friendly steel. Its performance since the 1990s, when it began pursuing the key objective of becoming the preferred supplier in chosen market segments, has made it a market leader in India because of its adherence to best practices in manufacturing and transparency in sharing product properties. Backed by its strong Research & Development capabilities, Tata Steel has always strived to develop products which are safe and best in class products. Those it serves, automotive, construction and infrastructure segments demand global standards for quality, safety and environment, therefore, Tata Steel's New Product Development process is geared towards capturing customer needs and converting them into best in class products. It is continuously focuses on adopting new technologies and making innovative use of constrained resources to differentiate its products.

The Company was also the first to brand its products to differentiate them in the market place on the basis of properties and characteristics. This has also provided customers with clarity on the brand promise and created further value for them. Tata Steel has built a pan India network to deliver a superior buying experience to the retail customer. Product Teams work alongside OE customers to ensure that its products match the global standards, quality and delivery requirements expected of a global supplier. Tata Steel adheres to the Tata Code of Conduct, its Quality Policy, Research & Development Policy and its Social Accountability Policy while ensuring that all safety and health impacts of its products are addressed.



HOW WE ARE MAKING STEEL MORE SUSTAINABLE THROUGH INNOVATION TECHNOLOGY?

In Tata Steel, technology development has a strong focus on saving raw materials and energy, resulting in improved sustainability through a reduction of CO₂ and other emissions. Tata Steel focuses on:

- 1 Process R&D, both on continuous incremental improvements in its operations and on breakthrough innovation through the creation of new processes of iron and steel production
- 1 Product research to develop and introduce new products with improved properties, durability and sustainability

Through Process R&D the Company is developing new processes for coal beneficiation with higher yield and quality, new processes for iron ore beneficiation to reduce the generation of mine tailings (slimes), a new ferro chrome production process with higher energy efficiency, new cooling systems using nano-materials to improve efficiency and effectiveness, etc.

Tata Steel's Product Research has a strong focus on the Automotive sector. Tata Steel supplies to major international and national car

manufacturers and competes directly with other major international steel companies. Automobile fuel efficiency and passenger safety are amongst the key focus areas for Automotive OEMs. Tata Steel is addressing these customer requirements by developing new advanced high strength steels that will make cars lighter (more fuel efficient) and safer (more crash resistant). It is also developing new coatings to create steel that is more durable (corrosion-resistant). Further, Tata Steel is investing in new facilities and new technologies to produce value-added high quality products to meet the demand of the auto customers today and tomorrow.

R&D initiatives during 2009-2010

During 2009-2010 R&D made major progress in all abovementioned areas and commissioned several new pilot plants to commercialize these new processes and products. For example, during this period Tata 600 was commercialized, a superior strong steel strip product

enabling lighter steel application, in particular for wheels. Further, it progressed in the commercialization of Tata 800; the strongest steel strip produced through the Hot Strip Mill in Jamshedpur. It has unique properties of high strength, high ductility and high hole

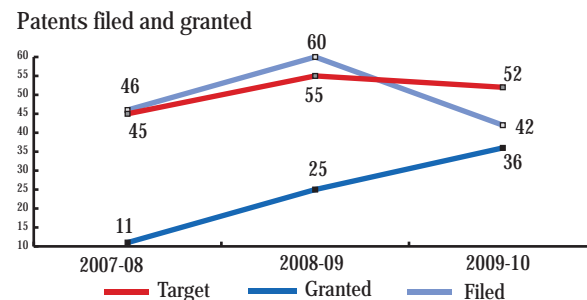
expansion ratio, making it the best suitable material for further weight reduction in long members of heavy duty trucks and in wheel applications.

Life Cycle Health & Safety

R&D in Tata Steel continues to create a competitive edge for the Company by progressing in the development of advanced high strength steel products (AHSS). These products have superior sustainability and life-cycle impact. For example, AHSS will enable Automotive customers to create cars that are lighter and more fuel efficient, while at the same time creating cars bodies that are stronger, more crash resistant and safer.

These developments include, for example, a ultra high strength bainitic steel strip with >1400 MPa strength and > 20% elongation and a Tata 1000 grade with 1000 MPa minimum strength. Both highly advanced products have completed the prototype development stage and patents have been applied for where appropriate.

The effects of Tata Steel's focus on R&D is evident from the number of patents filed and granted



The challenges ahead are:

(a) Concentrate on "high end" products and process -the thrust area on "Next Generation Advanced High Strength Steels for Automobiles" is designed to create products that are unique to the world. The focus will be on developing multiphase steels and high end functional coatings. This will give Tata Steel an International leadership in the automobile segment products.

(b) Energy Management - to concentrate on processes and technologies that decrease CO₂ emissions in the Steel Works.

CUSTOMER HEALTH & SAFETY

Steel is 100% recyclable and a safe product. It is used as a packaging medium for foods and beverages by both the consumer and industrial segments. The Company is guided on product and service management by Clause 8 of the Tata Code of Conduct on Health, Safety & Environment, its Environment Policy and the principles of the UN Global Compact.

Tata Steel believes in complying with relevant customer health and safety regulations as prescribed by law. It strives to improve product

and service performance beyond prescribed norms and statutes.

The Company has undertaken research, in association with experts, to develop products such as Super-Ductile Rebars for better earthquake protection, AHSS for greater fuel efficiency and passenger safety and lead-free coatings for products such as Galvano.

Tata Steel's product development and process improvements focus

on enhancing product yield and on maximizing the use of raw materials. Four research groups are actively engaged across the Tata Steel Group to develop new products and processes for all business segments and improving all aspects of its products, including reducing their environmental impact.

The Company has not faced any incidents concerning the health and safety of its products during the reporting period.

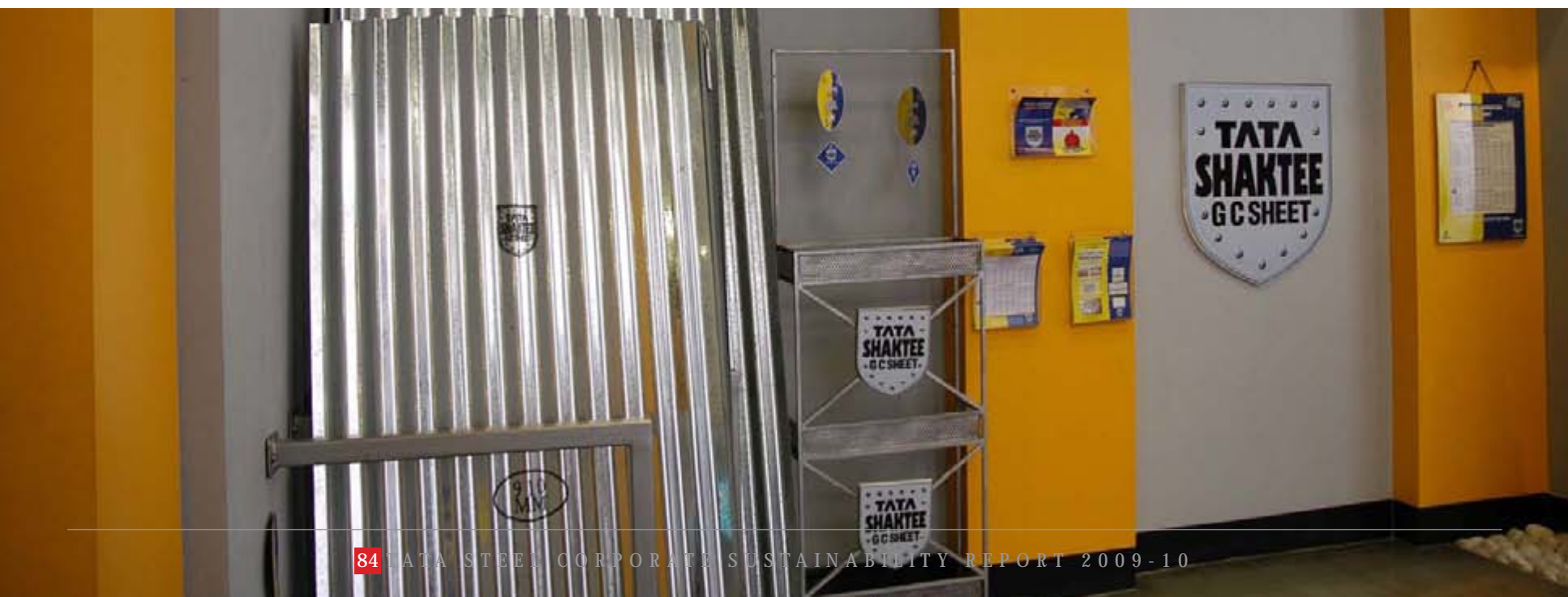
PRODUCT AND SERVICE LABELLING

All prime products, which account for 98% of the sales of the Company, are labeled for identification. Tata Steel's brands therefore have a strong market presence. All its products are delivered with Test Certificates. Retail brands such as Tata Tiscon, Tata Tubes, Tata Agrico, Tata Bearings, Tata Shaktee not only bear their names but are also embossed so as to differentiate them from other products in the market place. Tata Steel's products conform to and

exceed the codes set by the Bureau of Indian Standards. Information with respect to safe applications of the product are shared with all relevant customers through customized workshops, such as those conducted for architects.

The Customer Satisfaction Index (CSI) is a good indicator of the effort invested by an organisation in improving its customer

orientation, product quality and service. Tata Steel has set itself a CSI target of 1.06. In 2009-10, the Long Products Division recorded an overall CSI of 1.18 as against 1.07 in 2008-09 and 1.04 in 2007-08. The Company's CSI based on product quality and cost value as per OE customers was > 1.2. A CSI of greater than 1.00 implies that customers rate the Company's products better than they do that of its competitors.



MARKETING COMMUNICATION

Trust is integral to the purchase of a steel product whether it is to build a home or to form a car. Therefore Tata Steel ensures that the brand promise communicated by it is representative of the true properties of the product. A significant part of Tata Steel's products are sold through long term contracts to OEM customers. In order to ensure that the customer makes an informed choice Tata Steel devotes considerable efforts to share knowledge with them on the exact properties and attributes of its products. It does so through regular customer meets, customer visits, its Customer Service Teams, retailer and dealers meets and a "Learning Interaction Networking Knowledge Sharing" (Steelium LINKS) programme.

L	Learning	<ul style="list-style-type: none">• Enhance Technical & Managerial Competency of the Customers• Customer meets, Technical workshops
I	Interaction	<ul style="list-style-type: none">• Recognition of Customer employees• Celebrating Achievements and Milestones
N	Networking	<ul style="list-style-type: none">• To develop personalized relationships at different levels among key Customers• Plant Visits, Interaction with Sr. Management
KS	Knowledge Sharing	<ul style="list-style-type: none">• To participate in a platform where sector specific issues are debated by knowledgeable industry leaders –Seminar on auto /panel segment, Panel discussions

The Company conducts joint seminars for engineers and architects on Construction best practices and use of materials.

Tata Steel's Retail Value Management programme and Recommended Consumer Price initiative for the retail segment has brought about considerable transparency in the pricing system.

CUSTOMER PRIVACY

Tata Steel's customers trust the organization as is evident from the number of projects for which the Company is engaged at the drawing board stage. Customers also share details of their process with Tata Steel so as to leverage its competence in improving their products. Therefore customer privacy and safeguarding customer data is given high priority by Tata Steel.





INDEPENDENT ASSURANCE STATEMENT

Introduction

Det Norske Veritas AS ('DNV') has been commissioned by the management of Tata Steel Limited ('Tata Steel' or 'the Company') to carry out an assurance engagement on the Company's 2009 - 10 Sustainability Report ('the Report') in its printed format against DNV Protocol for Verification of Sustainability Reporting (VeriSustain)* including verification of application level and adherence to principles of the Global Reporting Initiative 2006 Sustainability Reporting Guidelines 2006 (GRI G3).

Tata Steel is responsible for the collection, analysis, aggregation and presentation of information within the Report. Our responsibility in performing this work is to the management of Tata Steel only and in accordance with terms of reference agreed with the Company. The assurance engagement is based on the assumption that the data and information provided to us is complete and true.

Scope of Assurance

The scope of work agreed upon with Tata Steel included the verification of the content, focus and quality of the information presented in the Report, against the requirements in VeriSustain, relating to the period of April 2009 to March 2010. In particular, this assurance engagement included:

- 1 Review of the processes for defining the focus and content of the Report;
- 1 Review of the policies, initiatives, practices and performance described in the Report, as well as references made in the Report to the Annual Report and corporate website;
- 1 Review of the Report against the reporting principles, content guidelines and application level requirements established in GRI G3;
- 1 Verification of the quality of information and performance data presented in the Report;
- 1 Site visits to the Tata Steel Jamshedpur Steel Works and West Bokaro Colliery.

Verification Methodology

This engagement was carried out between March and May 2011 by a multidisciplinary team of qualified and experienced DNV sustainability report assurance professionals. The Report has been evaluated against the principles of Materiality, Stakeholder Inclusiveness, Completeness, Responsiveness, Reliability and Neutrality, as set out in VeriSustain.

During the assurance engagement, DNV has taken a risk-based approach, meaning that we concentrated our verification efforts on the issues of high material relevance to Tata Steels' business and stakeholders. As part of the engagement we have challenged the sustainability-related statements and claims made in the Report and assessed the robustness of the underlying data management system, information flow and controls. This Included :

- 1 Examination and review of documents, data and other information made available to DNV by Tata Steel;
- 1 Visit to the manufacturing facility at Jamshedpur Steel Works and West Bokaro Colliery, for the purpose of verification of qualitative and quantitative information presented in this report;
- 1 Conduct In-person and On-line interviews with Senior Management at Tata Steel Jamshedpur Works and West Bokaro Colliery, including data owners and decision-makers from different divisions and functions of the Company;
- 1 Perform sample-based reviews of the mechanisms for implementing the Company's own sustainability-related policies, as described in the Report, and for determining material issues to be included in the Report;
- 1 Perform sample-based checks of the processes for collecting, aggregating, analysing and communicating quantitative and qualitative data included in the Report;
- 1 Review the process of acquiring and using financial data from the 2009-10 certified consolidated balance sheet.

* www.dnv.com/services/assessment/corporate_responsibility/services_solutions/sustainabilityreporting/order/



Opportunities for Improvement and Conclusions

In DNV's opinion, the Report represents the Company's sustainability-related strategies, management systems and performance. The Report meets the general content and quality requirements of the GRI G3, and DNV confirms that the GRI requirements for Application Level 'A' have been met. We have evaluated the Report's adherence to reporting principles on a scale of 'Good', 'Acceptable' and 'Needs Improvement':

Materiality: Acceptable. The process of identification of material issues developed internally has not missed out any significant, known material issues, but the process is still to be formalized to bring more consistency and calibrated results.

Completeness: Acceptable. The Report covers performance against the GRI G3 core and additional indicators that are material within the Company's reporting boundary. Compared to previous year report, there is a progressive increase in the boundary of the report covering the mines and profit centres. The Company showed a commitment to further improve the scope and boundary of the report.

Neutrality: Good. The Company has reported sustainability related issues in a balanced manner, in terms of content and tone.

Reliability: Acceptable. No significant or material errors have been detected for data and information in the Report. However data accuracy and monitoring system reliability need to be improved for additional data and information incorporated into the Report this year (as a result of extending the reporting boundary). Implementation of systematic internal review and auditing of internal data management system will help further improve the reporting process and increase the reliability of reported data.

Stakeholder Inclusiveness: Acceptable. The Company demonstrates an active commitment towards stakeholders and have also demonstrated the engagement through various channels. The engagement process may be further strengthened by formally documenting the expectations on sustainability expressed by stakeholders through different engagement channels.

Responsiveness: Needs Improvement. The Company has sought to respond to stakeholder concerns through its policies and management systems, and this is reflected in the Report. However, the process to capture the key topics and concerns that have been raised through stakeholder engagement into the materiality determination needs to be strengthened. Moreover, the Report should to be published in regular schedules and is available in time for stakeholders to make informed decisions.

Independence

DNV states its independence and impartiality with regards to this engagement. DNV confirms that, throughout the reporting period there were no services provided which could impair our independence and objectivity in this assurance engagement. DNV also maintained complete impartiality towards people interviewed during the assignment.

For Det Norske Veritas AS,

Santhosh Jayaram
Lead Verifier
Head, Sustainability and Business Excellence (South Asia)
Det Norske Veritas AS, India

Antonio Ribeiro
Global Head, Sustainability Services
DNV Business Assurance
Oslo, Norway
18 May 2011, Bangalore, India

GRI INDEX and UNGC Principles

Standard Disclosures on GRI (G3) Index and UNGC Principles		Status	Page	UNGC CoP
1. Strategy and Analysis		1	1	
1.1	Statement from the most senior decision-maker of the organization.	1	1	
1.2	Description of key impacts, risks, and opportunities.	1	3-7	
2. Organizational Profile				
2.1	Name of the organization.	1	8	
2.2	Primary brands, products, and/or services.	1	9	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	1	10	
2.4	Location of organization's headquarters.	1	Back Cover	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	1	11	
2.6	Nature of ownership and legal form.	1	8	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	1	9	
2.8	Scale of the reporting organization.	1	8-11	
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	1	11	
2.10	Awards received in the reporting period.	1	12	
3. Report Parameters				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	1	13	
3.2	Date of most recent previous report (if any).	1	13	
3.3	Reporting cycle (annual, biennial, etc.)	1	13	
3.4	Contact point for questions regarding the report or its contents.	1	13	
3.5	Process for defining report content.	1	14/20-23	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance. State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	1	11&13	
3.7	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	1	11&13	
3.8	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	1	11	
3.9	Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	1	*1	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	1	*2	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	1	11	
3.12	Table identifying the location of the Standard Disclosures in the report.	1	86	
3.13	Policy and current practice with regard to seeking external assurance for the report.	1	14	

*1 Against respective indicators

*2 No restatements made

GRI INDEX and UNGC Principles

Standard Disclosures on GRI (G3) Index and UNGC Principles		Status	Page	UNGC CoP
4. Governance, Commitments, and Engagement				1-10
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	1	16	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	1	15	
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	1	15	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	1	17	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	1	17	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	1	17	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	1	17	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	1	17-18	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	1	18	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	1	18	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	1	19	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	1	19	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	1	19	
4.14	List of stakeholder groups engaged by the organization.	1	20-23	
4.15	Basis for identification and selection of stakeholders with whom to engage.	1	20-23	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	1	20-23	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	1	20-23	

GRI INDEX and UNGC Principles

Standard Disclosures on GRI (G3) Index and UNGC Principles		Status	Page	UNGC CoP
ECONOMIC				
Disclosure on Management approach EC		1	24	1 4 6 7
Economic performance				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	1	26	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	1	27	7
EC3	Coverage of the organization's defined benefit plan obligations.	1	27	
EC4	Significant financial assistance received from government.	1	27	
Market presence				
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	1	28	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	1	28	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	1	29	6
Indirect economic impacts				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	1	29	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	1	29	
ENVIRONMENTAL				
Disclosure on Management approach EN			30	7 8 9
Materials				
EN1	Materials used by weight or volume.	1	31-32	8
EN2	Percentage of materials used that are recycled input materials.	1	31-32	8 9
Energy				
EN3	Direct energy consumption by primary energy source.	1	32-33	8
EN4	Indirect energy consumption by primary source.	1	32-33	8
EN5	Energy saved due to conservation and efficiency improvements.	1	33	8 9
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.			
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	NM	33	8 9
Water				
EN8	Total water withdrawal by source.	1	34	8
EN9	Water sources significantly affected by withdrawal of water.	1	-	8
EN10	Percentage and total volume of water recycled and reused.	1	-	8 9

GRI INDEX and UNGC Principles

Standard Disclosures on GRI (G3) Index and UNGC Principles		Status	Page	UNGC CoP
ENVIRONMENTAL				
Biodiversity				
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	1	35	8
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	1	35	8
EN13	Habitats protected or restored.	1	35	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	1	35	8
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	1	35	8
Emissions, effluents and waste				
EN16	Total direct and indirect greenhouse gas emissions by weight.	1	36	8
EN17	Other relevant indirect greenhouse gas emissions by weight.	1	36	7 8 9
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	1	36	8
EN19	Emissions of ozone-depleting substances by weight.	1	36	8
EN20	NOx, SOx, and other significant air emissions by type and weight.	1	36-37	8
EN21	Total water discharge by quality and destination.	1	37-38	8
EN22	Total weight of waste by type and disposal method.	1	38	8
EN23	Total number and volume of significant spills.	1	39	8
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	1	39	8
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	1	39	8
Products and services				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	1	39/83	7 8 9
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	NM	-	
Compliance				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	1	39	8
Transport				
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	1	39	8
Overall				
EN30	Total environmental protection expenditures and investments by type.	1	27	7 8 9

GRI INDEX and UNGC Principles

Standard Disclosures on GRI (G3) Index and UNGC Principles		Status	Page	UNGC CoP
SOCIAL: LABOR PRACTICES AND DECENT WORK				
Disclosure on Management approach LA		1	41	1 3 6
Employment				
LA1	Total workforce by employment type, employment contract, and region.	1	42	
LA2	Total number and rate of employee turnover by age group, gender, and region.	1	43	6
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	1	44	
Labor/management relations				
LA4	Percentage of employees covered by collective bargaining agreements.	1	45	1 3
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	1	46	3
Occupational health and safety				
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	1	46-47	1
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	1	49	1
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	1	51	1
LA9	Health and safety topics covered in formal agreements with trade unions.	1	52	1
Training and education				
LA10	Average hours of training per year per employee by employee category.	1	54	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	1	55	
LA12	Percentage of employees receiving regular performance and career development reviews.	1	55	
Diversity and equal opportunity				
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	1	56-57	1 6
LA14	Ratio of basic salary of men to women by employee category.	1	58	1 6
SOCIAL: HUMAN RIGHTS				
Disclosure on Management approach HR		1	59	1-6
Investment and procurement practices				
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	1	60	1-6
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	1	60	1-6
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	1	60	1-6
Non-discrimination				
HR4	Total number of incidents of discrimination and actions taken.	1	60	1 2 6

GRI INDEX and UNGC Principles

Standard Disclosures on GRI (G3) Index and UNGC Principles		Status	Page	UNGC CoP
SOCIAL: HUMAN RIGHTS				
Freedom of association and collective bargaining				
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	1	60	1-3
Child labor				
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	1	60	1-2-5
Forced and compulsory labor				
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	1	60	1-2-4
Security practices				
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	1	60	1-2
Indigenous rights				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	1	61	1-2
SOCIAL: SOCIETY				
Disclosure on Management approach SO		1	62	10
Community				
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	1	63-79	
Corruption				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	1	80	10
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	1	80	10
SO4	Actions taken in response to incidents of corruption.	1	81	10
Public policy				
SO5	Public policy positions and participation in public policy development and lobbying.	1	81	1-10
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	1	81	10
Anti-competitive behavior				
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	1	81	
Compliance				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	1	81	

GRI INDEX and UNGC Principles

Standard Disclosures on GRI (G3) Index and UNGC Principles		Status	Page	UNGC CoP
SOCIAL: PRODUCT RESPONSIBILITY				
Disclosure on Management approach PR		●	82	q i
Customer health and safety				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	1	83	q
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	1	83	
Product and service labelling				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.		NM	i
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	1	84	i
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	1	84	
Marketing communications				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.		NM	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	1	85	
Customer privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	1	85	q
Compliance				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	1	85	
Independent Assurance Statement			86-87	

GLOSSARY

ABP	Annual Business Plan
AHSS	Advance High Strength Steels
Ash	Impurities consisting of silica, iron, alumina, and other incombustible matter that are contained in coal. Ash increases the weight of coal, adds to the cost of handling. Ash content is measured as a percent by weight of coal on an "as received" or as "dry" (moisture-free) basis.
Behaviour Related	It involves the unsafe act of the people resulting into injury.
BM	Benchmark in India
BO&S	Business Objectives & Strategies
Brown-field	Expansion Capacity expansion within existing manufacturing plant area.
Co.	Company
Coke	A hard lumpy form of coal after heating at very high temperature to release moisture and volatile matter.
Coking Coal	A type of coal used for making Coke.
CP&IR	Corporate Planning & Industrial Research
CSI	Customer Satisfaction Index
CSR	Corporate Social Responsibility
CSS	Corporate Sustainability Services
CST	Customer Service Team
CVM	Customer Value Management
DAP	Deming Application Prize
DDP	Due Date Performance
DM	Daily Management
Du Pont	A Name of a company who were appointed as external consultant to improve Tata Steel safety performance
EBIDTA	Earnings Before Interest, Taxes, Depreciation and Amortization
EIA	Environmental Impact Assessment
eQ Index	Measurement index - Trademark of AC Nielsen (independent survey agency)
EVA	Economic Value Addition
FAMD	Ferro Alloys and Manganese Division
Fe	Iron.
FP	Flat Products
FRCP	Fatality Risk Control Program - A method to identify unsafe condition having fatality potential and eliminate the hazard through engineering
FY or fy	Financial Year

Gcal	Giga calorie
H BF	H Blast Furnace
HR	Human Resources
HSS	High Strength Steel
I BF	I Blast Furnace
Injury Free steel	A campaign to improve the safety performance and to achieve the goal of safety by 2012
IR	Industrial Relations
Jsr	Jamshedpur
JV	Joint Venture
JWQC	Joint Works Quality Council
KPI	Key Performance Indicator. KPI and KPM are used in the same context.
KPM	Key Performance Measure, KPM and KPI are used in the same context
	KT 1000 Tonne
KVHS	"Kar Vijay Har Shikhar" one hindi word and its meaning is conquering all peaks
LP	Long Products
LTi	Loss Time Injury- person met with an injury while working inside the factory and unable to join in next schedule shift
LTIFR	Loss Time Injury Frequency Rate. Any injury at work site that makes a person remain away from duty for more than 48 hours is counted as loss time case.
M&S	Marketing and Sales
MAKE	Most Admired Knowledge Enterprise
Man to Level/Cluster mapping	Mapping of skills of employees to generic jobs in level or cluster of jobs
Man to position mapping	Mapping of employees skills to specific job requirements of a position
MASS	"Manthan ab Shop Floor Se" a copyright process in Knowledge Management to horizontally deploy the organisational knowledge through involvement of shop floor employees.
MD	Managing Director
MIS	Management Information System
MoEF	Ministry of Environment and Forest
MOU	Memorandum of Understanding
MT, mt	Million Tons
mtpa	Million tonnes per annum
mtpa or MTPA	Metric Ton Per Annum

Mtpa or MTPA or mtpa	Million ton per annum
No.	Number
NPD	New Product Development
OMQ	Ore Mines and Quarries, a group of captive iron ore mines of Tata Steel.
Process related injury	Any activity that involves hazardous material, including any use, storage, manufacturing or handling/transportation of these materials
PSRM	Process Safety & Risk management- A systematic approach to address the hazard having potential to create multiple fatality and sever
R&D	Research & Development
RM or RMD	Raw Materials, a division of Tata Steel which supplies coal and iron ore to Jamshedpur Works for steel making.
RVM	Retail Value Management
Safety Excellence	This represents the safety improvement initiatives under the banner of Safety
Journey	Excellence Journey
SFS	Solution for Sales
SGA	Small Group Activity
SHE	Safety, Health & Environment
SS	Shared Services
SVM	Supplier Value Management

TBEM	Tata Business Excellence Model
Tcs, tcs	Tons Crude Steel
TG	Technology Group
TMDC	Tata Management Development Center
TOC	Theory of Constraints
TQM	Total Quality Management
TRT	Top Gas Recovery Turbine
TSL	Tata Steel Limited
tss	tonnes of saleable steel
VP	Vice President
WHR	Waste Heat Recovery
WSA	Waste Steel Association
WSD	World Steel Dynamics
Yield	Output of process divided by Input to the process.
Yr	Year
Yrs	Years
4Q	4 Quandrant
9.7 or 10 mtpa expansion project	Brown-field expansion project at Jamshedpur. Works for increasing capacity by 2.9 mtpa (from 6.8 to 9.7 mtpa). Also known as 3 mt expansion project

TATA STEEL INDIA

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