

Communication on Progress Year: 2011-2012

Tata Teleservices Limited is one of India's leading private telecom service providers, having a pan-India presence across all of India's 22 telecom Circles. The company offers integrated telecom solutions to its customers and operates its wireless networks on both the CDMA and GSM technology platforms. Tata Teleservices Limited, along with Tata Teleservices (Maharashtra) Limited, operates in more than 450,000 towns and villages across the country, serving nearly 90 million subscribers. After its collaboration with Japan's NTT DOCOMO in November 2008, Tata Teleservices has launched 2G GSM services under the Tata DOCOMO brand name in all the 18 telecom Circles where it received spectrum from the Government of India. Tata Teleservices Limited also became the first Indian private operator to launch 3G services in India under the brand Tata DOCOMO in November last year, with its launch in all the nine telecom Circles where it won the 3G license. In association with its partner NTT DOCOMO, the Company finds itself suitably positioned to leverage this first-mover advantage. The company has also launched a new brand on the GSM platform—T24—in partnership with Indian retail giant Future Group. TTSL's bouquet of telephony services includes mobile services, wireless desktop phones, public booth telephony and wireline services.

Commitment Statement by MD

We, at Tata Teleservices Limited are completely committed to the Principles of UN's Global Compact. Being a Tata Group Company, widely known for its value system and corporate citizenship, we have our own very clear mandate on ethical conduct and responsibility to the society and communities around us. Every employee, vendor or partner who is associated with us adheres to the tenets of the Tata Code of Conduct; which are all encompassing even from the UN Global Compact view point.

We are happy to be associated with Global Compact and commit ourselves to propagate and create awareness about it within our circle of influence.

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Principle 1 : Businesses should support and respect the protection of internationally proclaimed human rights

Commitment & Policies

Tata Teleservices Limited (TTL) is committed to promote and protect the human rights of all its employees and all other stakeholders.

TTL abides by Tata Code of Conduct which is robust document governing the conduct of Tata Group Companies and their employees. The code in its Clause 4 discusses being an equal opportunity employer while also addressing issues like Diversity, Equality and right to privacy.

Tata Code of Conduct is available on the website www.tata.com as a part of 'About Us' section.

Other Policies at TTL that support this:

- Employee Well being and Safety policy
- Affirmative Action & Code of Conduct on Affirmative Action
- Sexual Harassment Policy
- Environment Policy

The Code of Conduct also applies to our suppliers and channel partners. The Policy on Affirmative Action *elucidates equal employment opportunities for the underprivileged sections of society* which includes persons belonging to SC/ST and persons with disabilities.

The organization has undertaken a number of initiatives which are geared towards Education, Health, Vocational Training and Income generation as part of Affirmative Action.

The policy of **Employee Well Being** promotes and ensures the safety of employees and their overall development. The organization has an Employee Volunteering programme which encourages employees to volunteer for social causes under the guidance of the CS Department.

Actions Taken

On Affirmative Action:

Education:

- Scholarships for education are provided to deserving SC/ST students and physically handicapped students to pursue their education.
- Books, stationery and school uniforms are sponsored for students belonging to underprivileged classes.

Health:

- Health Check up camps are organized for underprivileged communities across all Circles on a regular basis.

Employability:

- Prosthetics and appliances are also distributed to the physically challenged persons.

Employment:

- 5% of the total deployed workforce belongs to underprivileged sections of the society, with no compromise on merit.

Vocational Training:

- Opportunities for summer internship are given to the students belonging to the underprivileged sections.

Impact of CS projects undertaken on communities:

The CS strategy of TTL identifies Education Geared towards Employability and Environment as the two important pillars for undertaking corporate sustainability initiatives. Hence all projects undertaken as a part of Education geared towards Employability have leverage TTL's core competence in ICT, back office, data entry and outsourcing to the fullest thereby impacting lives of communities in a sustainable manner. Few of these projects are shared below:

Project Drishti: As a part of this project TTL runs three outbound call centers, where persons with visual impairment work as call center agents, making outbound calls to TTL's customers and educating them on various schemes, offers, promotions, services etc. TTL IT team developed specialized IVR software for this project which enables the visually impaired to make calls to the customers, records their feedback as well as monitors the entire process. This is also capable of identifying errors and omission made by the agents, number of calls closed by each agent etc. Team TTL trains them on IVR, voice modulation, products as well as on customer interaction. Simultaneously the candidates also undergo soft skills, communication and personality development sessions.

Drishti impacts the lives of 46 people who are working in three call centers directly and indirectly impacts the families of these people. The biggest impact is that most of these people who are considered as non contributors are now the sole bread earners for their families.

Project Swayam: Under this project we are creating employment opportunities for the economic empowerment of the intellectually challenged. Through a unique methodology the intellectually challenged youngsters are trained to carry out low skill data entry work. The partners of TTL have outsourced a fixed percentage of their data entry work to these people.

There are 48 youngsters presently who are carrying out data entry work for TTL. What is more important is that their confidence has increased as they are able to earn money through their own hard work and not being dependent on others. Most of them have been able to supplement their family income with the money they are earning by doing data entry work.

Apart from this all the 22 Circles of TTL under the guidance of CS team undertake projects as per the needs of the communities where we operate thereby impacting different sections of the society.

For Employees:

Portals like Gyan Tarang provide employees with a training calendar and opportunities to register themselves for training.

TTL recently established the Academy for Sales & Retail Management (ASRM) that facilitates the training needs of employees.

Women Employees are provided mentoring and training to grow into leadership roles. The Women's Support Group is a forum that mentors younger women employees.

Employee Engagement activities are undertaken on a regular basis.

Measurement of Outcomes

- Darpan, an Employee Engagement Index, is an annual survey conducted to gauge Employee Engagement that also details the number of people hired/ benefited under Affirmative Action.
- The organization has received a number of awards for being an Employee Friendly Organization
- Employee Well Being Index, measures the well being of employees
- Internal Communication Effectiveness Index and Internal Comm Surveys, measure the efficacy of communication initiatives across all 22 Circles and Business Lines and Functions
- CS Index rates the sustainability impact of the Corporate Sustainability initiatives being pursued by the Company across 22 Circles.
- Beneficiary feedback to assess the impact of these projects in the community.

Principle 2: and make sure that they are not complicit in human rights abuses:

Commitment & Policies:

The Tata Code of conduct is followed by all Tata Group companies and is a comprehensive document which addresses issues related to Human Rights and Discrimination at the workplace. The Tata Code of Conduct talks about the protection of Human rights in Clause 17 titled 'Ethical Conduct'.

To address the issues affecting communities, we have Safety Policy, Quality Policy & Environment Policy well in place.

Actions Taken

1. The Standard Terms and Conditions signed by all vendors/ suppliers has definite clauses that forbid them to indulge in any Human Rights violations
2. The Tata Code of Conduct governs all our operations
3. All the employees are sign the Tata Code of Conduct when they join the organization
4. Violations under any clause are reported to the Ethics Officer and stringent action is taken against the offender.

Outcomes

1. Quarterly Ethics reporting to monitor ethics cases
2. Management of Business Ethics, an annual survey conducted by the central body, Tata Quality Management Services (TQMS) to assess how Group Companies are faring on Ethical Conduct and Management of Business Practices in the right manner.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Commitment & Policies

The organization follows the Tata Code of Conduct. Clause 4 discusses TTL being an equal opportunity employer, complying with Local Labour laws and adopting international best practices.

Additionally, we ensure that all of our channel partners also abide by the Code of Conduct.

Actions Taken

1. Our SCM department ensures that no Purchase Order is issued unless 3 party quotes are received.
2. All vendors and partners are bound by the Tata Code of Conduct

Outcomes

Reporting of Ethics cases to Ethics Officer/ Chief Ethics Officer.

Principle 4: the elimination of all forms of forced and compulsory labour

Commitment & Policies

Clause 4 & Clause 17 of the Tata Code of Conduct discusses following labour laws and protecting the human rights of individuals.

TTL abides by the law, eliminating all forms for forced or compulsory labour and expects its partners to do the same.

Actions Taken

Audits are carried out regularly within the organization. Vendors and Suppliers are expected to check this.

Outcomes

No Violations

Principle 5: Business should support the effective abolition of child labor

Commitment & Policies:

Clause 4 & Clause 17 of the Tata Code of Conduct discusses following of labour laws and protection of individual human rights. The organization abides by labour laws. Tata Code of Conduct and other relevant labour laws are also applicable to local contractors, service providers, suppliers and channel partners.

Action Taken

- Recruitment Policy of the organization
- The general condition of purchase contract and agreement stipulates the strict adherence to the compliance of all labor laws including non engagement of child labor. All supply chain contracts include this clause.

Outcomes

No Violations have been reported.

Principle 6: and the elimination of discrimination in respect of employment and occupation.

Commitment & Policies

Tata Teleservices Limited is an equal opportunity employer and is committed to ensuring equal opportunities for people from different walks of life. This is reflected in Clause 4 of the Tata Code of Conduct. This also covers information on employment on merit as well as employee's right to privacy.

Policies: Affirmative Action, Prevention of Sexual Harassment.

Action Taken

1. As per the Tata Code of Conduct, TTL ensures that there is no discrimination on the basis of gender, race, caste, religion, social status or physical disability. Preference is given for a certain percentage of employees belonging to backward classes and persons with disabilities; provided they meet all qualifications and experience/skills criterion. All recruitment is done on a merit basis to encourage equal employment opportunity.
2. Employees are sensitized about various issues on a regular basis.
3. A sexual harassment committee is present in all Circles to address any issues.
4. An Ethics Officer resides at each Circle to address any concerns, with a Chief Ethics Officer sitting at the Corporate Office. An ethics report is submitted every quarter to the Chief Ethics Officer.

Outcomes

1. Number of people employed under affirmative action
2. Number of cases reported/ found to be genuine/ acted upon.

Principle 7: Businesses should support a precautionary approach to environmental challenges

Commitment & Policies

Tata Group's Policy on climate change urges all group companies to play a leadership role in climate change. Being knowledgeable, responsive and trustworthy and adopting environment-friendly technologies, business practices and innovation is encouraged, all while pursuing company growth aspirations to enhance shareholder value. As a Tata Group company, TTL endeavours to minimize the environmental impact of its business activities by driving initiatives to reduce its carbon footprint and adverse ecological impact.

Tata Code of Conduct in 'Clause 8' lists the following responsibilities:

To prevent the wasteful use of natural resources, companies should be Committed to improve the environment, particularly with regard to the emission of greenhouse gases, and shall endeavor to offset the effect of climate change in all spheres of its activities.

TTL has an Environment and Electronic Waste Management Policy and abides by other Statutory Compliances related to Environment like Environment (Protection) Act, 1986 & Noise Pollution (Regulation & Control) Rules, 2000 & Hazardous Waste (Management & Handling) Rules, Air (Prevention & Control of Pollution) Act, 1981 & Air (Prevention & Control of Pollution) Rules, 1982.

Action Taken

1. Carbon Footprint Mapping Study has been conducted by TQMS for Tata Teleservices Limited and Project C2 has been undertaken to mitigate the same.
2. New buildings/offices coming up are designed in an eco friendly manner; existing buildings are implementing CFL bulbs, bio blocks etc
3. 80% of paper used is recycled
4. Formation of Pakriti Eco-Club to generate awareness and sensitization among TTL employees on issues related to environment
5. Print Manager creates sensitivity among employees to reduce consumption of paper usages

Principle 8: Business should undertake initiatives to promote greater environmental responsibility

Commitment & Policies

As a Tata Group company, TTL endeavours to minimize its environmental impact by driving initiatives to reduce negative ecological impact and carbon footprint. As mentioned above, clause 8 of Tata Code of Conduct also discusses this. Environment is one of the two pillars that constitute TTL's CS strategy. All initiatives are undertaken with the objective of reducing harmful impact on the environment while encouraging environment friendly practices.

Actions Taken

1. Use of Recycled Paper and reduction of Paper Consumption:

a. TTL's IT department has developed an application called "Print Manager" to reduce its paper consumption. The application prompts the user to think twice before giving a print command, by popping up a descriptive screen detailing the amount of carbon, water and percentage of tree being used for a particular print. The organization has managed to reduce paper consumption across all Circles with this application.

b. Replacing balance paper with recycled paper has further reduced TTL's adverse impact on the environment. Recycled paper is used for printing purposes across the organization: from day-to-day office prints to visiting cards and customers billing envelopes.

2. Responsible Disposal of E-Waste: The organization generates indirect and direct e-wastes as a result of TTL's operations. They have been categorized in the following categories:

- Direct: BTS, Switches & Computers,
- Indirect: Mobile Phones, Batteries, affluent due to back-up power for Telecom Towers owned by WTTIL - a subsidiary. For this TTL has tied up with government approved E-Waste recycler for the same. Drop boxes are kept at all TTL offices and selected retail outlets where employees and customers can drop their e waste like-mobiles, chargers, batteries etc in the drop box.
- Non working computers are collected from various circle locations and are sent to the recycler.
- 'Prakriti'-TTL's Eco Club: This employee volunteer club has been formed with the aim of creating awareness and environmentally conscious workforce who in turn influences those around them to care for the planet. The club undertakes various initiatives like tree plantation drive, promoting eco friendly bags, cleanliness drives, and awareness sessions in communities etc.

Principle 8: Business should undertake initiatives to promote greater environmental responsibility contd.....

3. Green Towers:

- Replacing Diesel gensets at towers with greener alternatives is a major project at TTL dedicated to the environment. Initiatives like alternative fuel use for generators, rationalizing temperature and using innovative ways to minimize heating are some of the initiatives undertaken in this area.

Outcomes:

1. By adopting the Print Manager Application the organization has managed to reduce average daily printing across all circles by 50%, which amounts to around 45,716 sheets of paper saved per day against 10,000 number of employees.
2. Using recycled paper has managed to save paper and has reduced the cost of procuring paper by 10%. TTSL has shared this initiative as a best practice across Tata Group, where it has subsequently been replicated by various Tata Group organizations.
3. Responsible Disposal of E-Waste: The organization has managed to collect and dispose 28 tonnes of e waste upto 31st March 2011.
4. Prakriti'-TTL's Eco Club: There are about 540 employees across india who are Prakriti Eco Club members

Principle 9: and encourage the development and diffusion of environmentally friendly technologies.

Commitment & Policies

The Tata Code of Conduct encourages working towards the development of environment friendly technologies for business operations.

Action Taken

1. The organization is working on using alternate fuels for generators used as backup power in tower sites.
2. The temperature of ACs in tower sites has been increased one degree, reducing power consumption.

Outcome

Reduction in diesel consumption

Principle 10: Business should work against corruption in all its forms, including extortion and bribery

Commitment & Policies

The Tata Code of conduct adopted by TTL has three clauses exclusively dedicated to Ethical Behaviour, Reporting Concerns & Accepting Gifts/Donations.

Clause 5 covers 'Gifts & Donations'; Clause 17 covers 'Ethical Conduct' & Clause 25 covers 'Reporting Concerns' (including the role of a whistle blower).

- TCOC is also a part of all our agreements with vendors, suppliers, and partners. Additionally, it governs all of our business transactions.
- The organization has a Whistle Blower Policy and a Business Ethics policy. Guidelines on Gifts/donations have been put up on the organization's Intranet portal so employees also have access.

Action Taken

- It is mandatory for all employees, channel partners, distributors, suppliers to abide by the Tata Code of Conduct. A copy of the Tata Code of Conduct is a part of the joining docket of every new employee to the organization.
- There is a Chief Ethics Offices which takes care of Ethics in the organization. There is also an Ethical Counselor in every circle that addresses ethical issues and violations.
- There is an internal portal called 'Ethical Dilemma' where employees can share their dilemmas and seek solutions. Regular mails are also sent out to all employees creating awareness about Ethical issues. A quiz on ethics is held on a regular basis.
- Awareness sessions on TCOC are conducted for channel partners and suppliers on a regular basis.

Outcomes

All Ethical Violations reported are taken very seriously by the organization and appropriate action as per the procedures is taken.