

**COMMUNICATION ON PROGRESS- 2011**

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**TATA SPONGE IRON LIMITED**  
Bileipada, At/P.O.- Joda, Keonjhar, Orissa- 758034

**Message from the Managing Director**

One more year has gone by. Year 2011 witnessed a series of tumultuous events; both industrial and social in India as well as across the world. Many would like to forget the year and move on.



The iniquitous balance between the rich & the poor has further impacted the already vulnerable and fragile social order, putting the wellbeing of future generations at enormous risk. In the race for faster and higher growth, there is tendency on part of some of us to pay scant respect to the environment and other aspects of life for sustainability. Immense pressure on natural resources has already sounded warning signals of imminent threat to the world's ecosystem. All of us across the globe need to be watchful of this growing strain.

In our endeavour to promote adaptation of sustainable business practices and uphold the values of universally declared ten governing principles, Tata Sponge has adopted environment – friendly technologies in all its operation. During the year under review, a new on line continuous Ambient Air Quality monitoring system has been installed. The Company has taken to various initiatives to contain the carbon emission from our operations. Today, Tata Sponge is benchmark in energy consumption in the sponge iron industry. The Company has also undertaken large- scale forestation, rain water harvesting and energy efficiency drive. These small but sure steps will have impact on climate change and global warming.

In the back drop of having been a certified ISO 14001 and 18001 company, I am sure Tata Sponge will continue to play a leadership role in climate change advocacy and strive to reduce its carbon foot print and be the bench mark in its own segment of industry.

In India where the development challenges are multi faceted with more than 40% people live in multi-dimensional poverty, the challenge before us therefore is not only to be a sustained profitable enterprises as growth engines for the economy , but be an active and meaningful contributor in building social equilibrium. In this direction, I am happy to report, that Tata Sponge Iron over the years has been able to make notable contribution in creation of sustainable livelihoods in the community where it operates.

Tata Sponge Iron Limited (TSIL), being a part of Tata Group adheres to the Tata Code of conduct and its Corporate Governance framework ensures the highest standards of ethical and responsible conduct of business to create enduring value for all stakeholders. It is my belief and conviction that Tata Sponge relentless pursuit for excellence will continue to inspire proactive action from all its employees, community and other stake holders towards building a sustainable future.

I have great pleasure in submitting the 4th Communication of Progress to the UNGC.

Suresh Thawani  
Managing Director

Principles

Principle – 1

Business should support and respect the protection of internationally proclaimed human rights

SEWA  
(Organisation Culture)

- ❖ Safety above all
- ❖ Environment friendly operations
- ❖ Welfare of employees & surrounding community; &
- ❖ Adaptability to changing scenario

Company’s Policy

- The Company’s various policies in this direction address all the issues pertaining to protection of the human rights of its direct and indirect employees as well as for the people of its surrounding community.
- The Company’s Organization Culture (SEWA) forms the core values & support in complying the requisite mandate.
- Periodical review of our HR practices at various forum to ensure that human rights are not violated.
- Strict adherence to the all statutory requirement as per the law of the land regarding working hours and welfare amenities
- Adherence to the clauses defined in the Company’s Standing Orders
- Implementation of requirements of TATA Code of Conduct in letter and spirit.
- Strict implementation of payment of prescribed wages following the principles of non-discrimination.

Key Results & Measurement

- ✓ HR Committee consisting senior management team and headed by the Managing Director reviews all HR policies of the company quarterly.
- ✓ Regular interaction with representatives of Union to discuss various key HR/IR issues.
- ✓ Working hours of both permanent employees and contractors’ labour is strictly adhered to as per Factories Act & Rules
- ✓ Plant is operated in three shift basis, each shift runs for eight hours.
- ✓ Subsidized canteen facility has been provided to company employees as well as to contract workers. Rest Rooms, wash rooms and Crèche have been provided.
- ✓ We have certified works standing orders wherein no person below the age of 18 years is allowed to work in plant and non-works area.
- ✓ Tata Code of Conduct has been communicated to each employee of the company. To create awareness training classes are conducted regularly to reinforce its clauses.
- ✓ Two training modules - one for permanent employees titled “JAGRUTI” for and another for contractors’ workforce titled “ADHAR” have been designed to create awareness. Clauses of TCoC are discussed in departmental meeting every month as well as in the Divisional and Apex Council of Excellence meetings in every quarter.
- ✓ Review of any Human Right issues is done in HR committee and Sexual Harassment committee. Policies and guidelines are formulated for avoidance of any violation.
- ✓ All payments regarding wages and allowances to contractors’ labour are done in the presence of authorizes representative of the company.
- ✓ It is ensured that equal wage (for same nature of job) is paid to the workmen irrespective of race, caste, creed and gender.

VALUES	Behaviour it reflects	Virtues that we live
Trust	Delegation of authority	Empowerment
	Keeping commitments	Account-ability
Respect	Give due importance	Courteousness, politeness, acknowledgement
Social equality	Equal opportunity employer	No discrimination in wage / employment / benefits
Integrity	Ethical transaction	Transparency / TCoC
Loyalty	Dedication	Organisation well being above self

**Principle – 2**  
Make sure they are not complicit to human rights abuses

CSR POLICY

Tata Sponge recognizes the fact that the long-term future of the company is best served by addressing the interests of all its stakeholders in a balanced manner.

As a responsible corporate citizen, Tata Sponge will consistently strive for opportunities to meet the expectations of its stakeholders by pursuing the concept of sustainable development, with particular emphasis on environment care & periphery development and in the course, promote national interest.

1<sup>st</sup> April, 2007  
(SureshThawani)

- The Company being a Tata Group member has institutionalized Tata Code of Conduct.
  - The Company’s Corporate Social responsibility wing affirms our commitment to observe the fundamental tenets of human rights.
  - Periodical review of decisions taken in bipartite / consultative council meetings to avoid any deviation.
  - Compliance to statutory requirements
- ✓ Quarterly meeting with Union representatives and Management is conducted to address HR and IR issues.
  - ✓ Before engaging any agencies in our business we thoroughly verify their ethical practices.
  - ✓ We have various bipartite committees representing management and associates to resolve various issues. We have committees viz JCCM, JDCs, Welfare committee, safety committee, canteen management committee. Town development committee, grievance committee, house allotment committee, medical committee and provident fund committee.
  - ✓ For inclusive growth of the surrounding community the company has undertaken various initiatives i.e. education, health, drinking water & creation of sustainable livelihood with special focus on development of ST/SC population under its Affirmative Action programme
  - ✓ We have statutory committees like safety, canteen and health that review and resolves various grievances related to statutory.
  - ✓ To ensure safe working condition, we have processes to identify hazards on regular basis and assuring corrective and preventive actions to the identified hazards. Imparting regular safety training to the work force. Periodical inspection of workplace is followed by line Management.

“JAGRUTI” Session



“ADHAR” Session

<b>Principle – 3</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<ul style="list-style-type: none"><li>• All workmen are treated with respect &amp; dignity and is committed to provide equal opportunity &amp; freedom from discrimination for all our employees &amp; contractors.</li><li>• The company has recognized Union &amp; any employee can become a member of the same.</li></ul>	<ul style="list-style-type: none"><li>✓ Focus is given to settle common issues of Associates through collective bargaining forum being represented by equal representative from Management &amp; Associates. Several bipartite agreements are arrived at through this kind of forum.</li><li>✓ In the process of participative management council equal participation of Management &amp; Trade union representatives are ensured by the management.</li><li>✓ Grievances of all individuals are recorded and redressed within a time frame.</li><li>✓ All statutory labour laws are implemented and we have a process to review the statutory compliance by a core committee constituted by the Management.</li><li>✓ There has been no industrial unrest in the company for the past 25 years due to mutual co-operation coordination and understanding between the Management &amp; the Union.</li></ul>
<b>Principle – 4</b> The elimination of all forms of forced and compulsory labour	<ul style="list-style-type: none"><li>• There is no forced or compulsory engagement of labour in Tata Sponge. The Grievance redressal committee &amp; Ethics counselor monitor violation laid down policies.</li></ul>	<ul style="list-style-type: none"><li>✓ Engagement of contract labourer / indirect employment is in line with contract labour regulation &amp; abolition Act. There is no violation or any forced / compulsory entry of labour force inside the factory premises.</li><li>✓ The Company’s SHEQ (Safety, Health, Environment, Quality) Management system are integrated with ISO-9001,ISO-14001 and OHSAS-18001 ensures that the requirements are met.</li><li>✓ The security personal deployed are also trained on human rights issues pertaining to security procedures i.e. Right of search, right of detention, weapon handling, fire fighting &amp; rescue operation etc.</li></ul>

OCCUPATIONAL HEALTH & SAFETY POLICY

Tata Sponge Iron Limited is committed to provide a safe workplace to all persons working under its control by taking steps to prevent injury and reduce risk of occupational ill health.

The Company shall continually strive to improve its Occupational Health & Safety performance by setting & pursuing relevant objectives and meeting all legal & other requirements in the area of production and marketing of sponge iron & power.

The Company shall achieve these through awareness, training and effective communication among all interested parties.

The Company shall review this policy at periodic intervals.

26<sup>th</sup> Nov, 2008

(Suresh Thawani)  
Managing Director

<b>Principle – 5</b> The effective abolition of child labour	<ul style="list-style-type: none"><li>• All contractors / suppliers are sensitized for non deployment of child labour / under aged workmen.</li><li>• Strict monitoring at all entry points to the works and non-works premises.</li></ul>	<ul style="list-style-type: none"><li>✓ Our hiring policy reflects transparency and ensures that no child labour is hired and all laboureres over 18 years of age are only permitted to work.</li><li>✓ Verification of age of all Contractors’ workmen is done prior to issue of work permit entry and to ensure non-entry of any person below permissible age. Security personnel check at the gate on daily basis to ensure that no authorized person enters into the work premises.</li><li>✓ Eradication of child labour is ensured by the process of restriction in hiring as well as readmitting school dropouts through CS activity.</li></ul>
<b>Principle – 6</b> Eliminate discrimination in respect of employment and occupation.	<ul style="list-style-type: none"><li>• In line with TCoC clause-4, the company has a clear &amp; transparent policy &amp; does not discriminate on the basis of race, caste, religion, colour, ancestry, marital status, sex &amp; nationality.</li></ul>	<ul style="list-style-type: none"><li>✓ Company’s hiring process evidences that no discrimination prevails on account of age, sex, locality, caste, creed, religion.</li><li>✓ Company doesn’t discourage for employment of physically challenged people.</li></ul>

HUMAN RESOURCE POLICY

Tata Sponge recognises that its human capital is its most important asset. It will pursue innovative HR processes for attracting, developing and retaining talent for business competitiveness.

Tata Sponge commits itself to develop a culture of driving performance, motivation and continuous learning for employee engagement. It will adopt necessary processes fostering a climate of team work, transparency, fairness & equity in all its dealings with its employees.

Tata Sponge affirms in positive discrimination for employment from the marginal section of society. Keeping the eligibility criteria equal, preference is given to SC/ST candidates.

Date : 1st April, 2011

(Suresh Thawani)  
Managing Director



Principle - 7  
Business at Tata Sponge - supporting a precautionary approach to environmental challenges :

TATA Sponge is committed to support a pro-active approach to environmental challenges. The company carefully and proactively addresses its environmental aspects within the company's sphere of influence. Tata Sponge is committed to sound environmental management systems for its complete manufacturing facilities that correspond to the ISO 14001 international norm. It periodically undertakes initiatives to promote awareness to meet the environmental challenges.

Environmental Policy and the Environmental Management System at Tata Sponge addresses the twin objectives of environmental protection and maintaining ecological balance. As a part of organization's Environmental Management System, the company conducts EIA (Environmental Impact Assessment) studies by expert external agencies. Based on the EIA observations and outcome of senior management reviews, appropriate strategy is formulated and deployed. Necessary review mechanisms are established to support the precautionary approach to environmental challenges.

Process of EMS at Tata Sponge is as given below.

Process Identification No.(PIN)	Environment Management		Process Owner
Process Name	To provide clean & green environment		Head (ENV)
Process Objective :	Head (Environment)		

Supplier	Input	Process Steps	Output	Customer
Government agencies	Env. acts & rules, consent conditions, ISO guide lines etc.	<div>Env. Impact Assessment</div> <div>Environment Policy</div> <div>Formulation of EMP</div> <div>Implement / Execute</div> <div>Monitor &amp; Measure</div> <div>REVIEW</div>	Clean work atmosphere	<ul style="list-style-type: none"><li>• Employees</li><li>• surrounding community</li><li>• Government</li><li>• End users</li><li>• Suppliers</li></ul>
Tata group	Tata values, Group policies		Compliance to environmental regulations	
Works & Support Departments	Pollution caused and Waste generation, Identification of significant aspects		Control of air, water & noise pollution	
			Compliance to certification stipulations	

In-Process Measures (Efficiency measures)		Target	Review frequency	End Process Measures (Effectiveness Measure)	Target	Review frequency	References
PM concentration	PM <sub>10</sub>	< Norm	Weekly	Sustained AAQ quality, violation of norms reported	< Norm	Monthly	<ul style="list-style-type: none"><li>• EP Act</li><li>• Air &amp; water acts</li></ul>

	PM <sub>2.5</sub>	< Norm	Weekly	Length of pollution free period	< Norm	Monthly	• Consent conditions
Noise levels	dB	< Norm	Fortnightly	Number of complaints registered	< Norm	Monthly	• ISO guidelines
Regulatory Compliances	Regular reporting	As per stipulations	Quarterly	Non-Compliance	Zero	Yearly	• Best practices

Tata Sponge Iron Limited was the first sponge iron manufacturing company in the country to have been awarded ISO-14001:1996 certificate. Certification to ISO-14001with 2004 version was given in May, 2006.

**Environmental Policy of Tata Sponge iron Limited is as produced below:**

**ENVIRONMENTAL POLICY**

Tata Sponge Iron Limited is committed to continual improvement in its Environmental performance, activities pertaining to the handling of raw materials, production and dispatch of sponge iron; and generation and evacuation of power, so as to maintain a pollution free, clean and safe environment.

To achieve this, the company shall:

- comply with applicable legal and other requirements relating to its environmental aspects,
- identify the impact of its activities upon the environment,
- prepare and implement an annual environmental improvement plan with targets to meet the objectives and to carry out periodical reviews of its performance, and
- communicate the policy to all persons working for or on behalf of the organization and make it available to public on request

(Suresh Thawani)  
Managing Director

11/11/2008

At the planning stage for expansion and during the operations, best practices in the industry on environment protections are incorporated. Tata Sponge Iron fully complies with all the regulatory norms and conditions . Actual emission data over the years are far below the norms stipulated by MoEF, CPCB and SPCB etc. Safety, Health & Environment (SHE) is identified as a Key Business Process at TSIL and is formally documented in SHEQ apex manual. With defined ‘Roles & Objectives’ and ‘Operational Control Procedures’, entire process is mapped. The same is reviewed through Key Performance Measures for effectiveness and efficiency of the process.



Highlights of Environmental Performance as a support to Business by ‘Going Green’

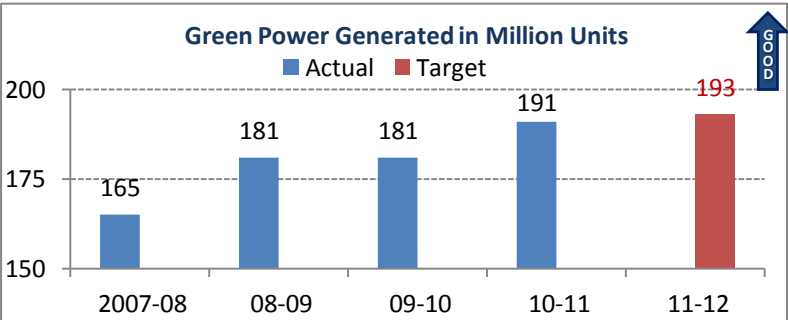
Green Power from Waste Heat Recovery :

Tata Sponge in its manufacturing process generates 26 MW power through utilization of waste heat of sponge iron production. This power generation replaces fossil



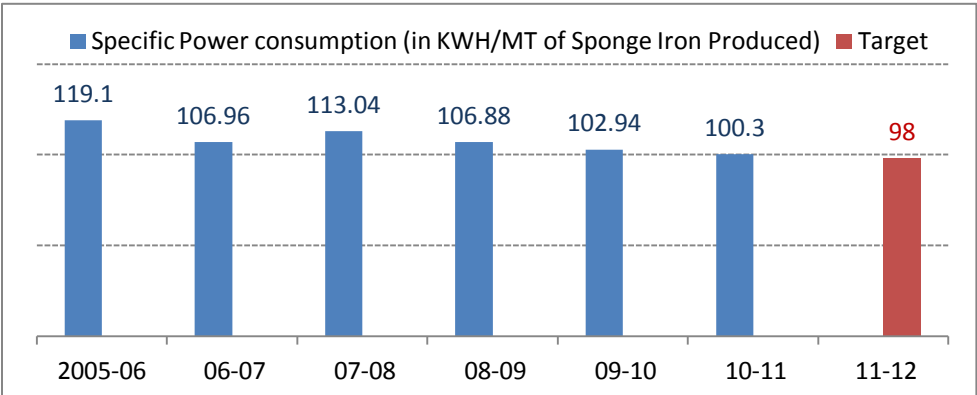
fuel based power generation and thereby reducing the emission of GHG, SOx, NOx etc.). While meeting the Company’s internal power requirement of about 7.0 MW, the balance quantity of power (19 MW) is exported to GRIDCO, the State Electric Utility Company. Power generation from waste heat during last 4 years is as shown below:

TSIL is also coming-up with an FBC power plant of 25 MW capacity by utilizing its waste material such as char and coal fines.



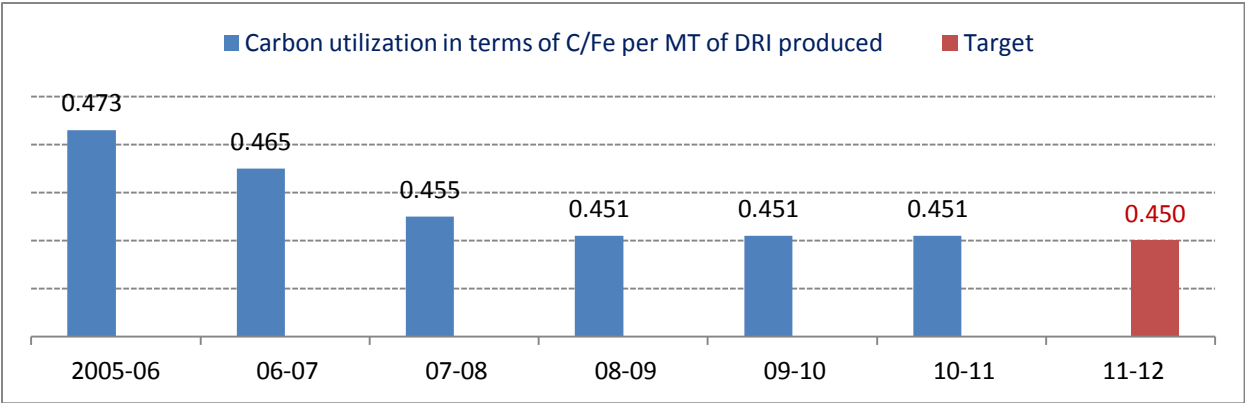
Reduction in Energy Consumption :

TSIL’s drive to reduce energy consumption thro’ various initiatives such as introduction of VVVF drives, improvement in power factor, replacing high capacity drives by low



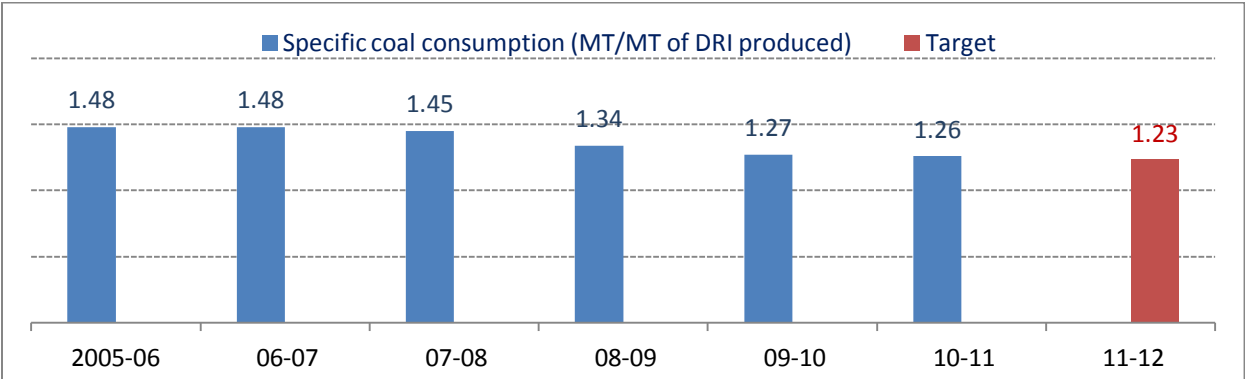
capacity ones, replacing higher watt incandescent electric bulbs with low watt energy efficient CFL bulbs, bringing awareness among users to consume less power and the overall focus on conserving power has resulted in a decreasing trend in specific consumption of power in DRI produced.

Carbon consumption per ton of sponge iron is also reduced in last six years. Carbon consumption (C/Fe) is calculated on the basis of feeding of carbon with respect to feeding of iron ore for production of sponge iron.



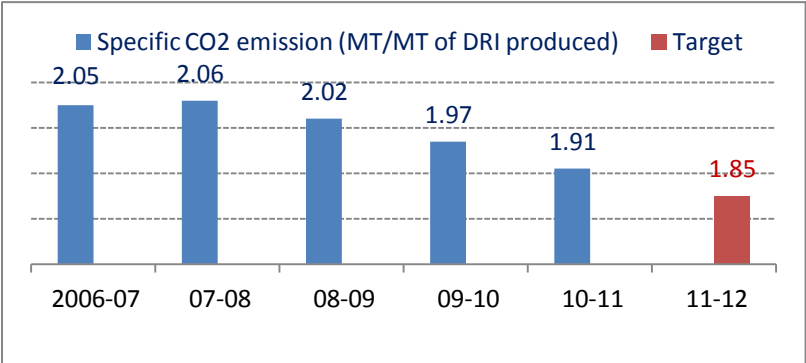
Usage of high carbon content imported coal :

Besides power generation from waste heat, TSIL has optimized its coal consumption by using imported low ash coal from countries like Indonesia & South Africa, resulting in reduction of Green House Gas emission. Specific coal consumption in metric ton per metric ton of sponge iron production for last 6 years is shown below.



Assessment of Carbon Foot Print:

In pursuit of Tata Group’s initiative for Carbon Foot Print assessment, Tata Sponge is the first ever coal based DRI manufacturer in the country having assessed its carbon footprint. Initially, during 2008, it got its carbon footprint assessed by



signing an agreement with Ernst & Young, an expert agency dealing with climate change. Later an independent study was conducted by Tata Quality Management Services (TQMS) and a separate report was submitted. Based on both the reports, Tata Sponge has devised a structured system of assessing carbon foot print to estimate GHG emission of its different DRI manufacturing units and the associated WHRB power plants. Tata Sponge, through various proactive approaches like periodical energy audit, conservation of natural resources such as; coal and water etc. has identified several abatement levers and taken steps to reduce its energy consumption in view of the climate change strategy adopted by the TATA GROUP. The

company management has also urged its officers to assess their Personal Carbon foot print for abatement of their individual GHG emission. Besides, our focus is to reduce the resources we use to mitigate the environmental impact of our services too.

#### Online Ambient Air quality (AAQ) & Stack monitoring stations:

As per the latest National Ambient Air quality standard, Tata Sponge is the first organization among sponge iron manufacturing sector to install three numbers of continuous online Ambient Air Quality (AAQ) monitoring stations within its premises for monitoring the Quality of Air. These instruments continuously measure various parameters of air which include dust concentration (PM-10 & PM-2.5), Sulphur Dioxide, Nitrogen oxides, carbon monoxide etc. The information of online air quality is displayed at company's main gate through a giant digital display board. All the measuring equipment are USEPA compliant. For continuous monitoring & measuring of the dust emission from ESP stacks, three numbers of online stack monitoring systems have also been installed. The information of dust load of exit gas from stacks is also displayed at the main gate for public. In addition to the above facilities, a weather monitoring station has also been installed and all the weather parameters i.e., temperature, humidity, rainfall, wind speed, wind direction, solar radiation etc. are recorded and monitored online.



#### Water Conservation:

At Tata Sponge, one important environmental measure is the efficient use of fresh water. We have limited our fresh water drawl by improving the existing water utilization and reducing wastage.

Water conservation activities comprise of the following broad areas such as;

- ✚ Water management system
- ✚ Regular maintenance of water distribution network
- ✚ Ascertaining quality of water regularly
- ✚ Optimization and leakage surveys
- ✚ Water re-circulation system
- ✚ Clean production process
- ✚ Rain Water Harvesting (surface run-off as well as roof-top)

As a policy, TSIL does not discharge any water / effluent to outside premises and maintained as **A ZERO effluent discharge company**. Process & cooling water are completely recycled in the system. Ultimate waste water thus generated is used for the purpose of road cleaning, coal yard dust suppression, maintaining lawns and gardens etc. after primary treatment.

The water consumption in (KL/MT of DRI produced) is as below.)

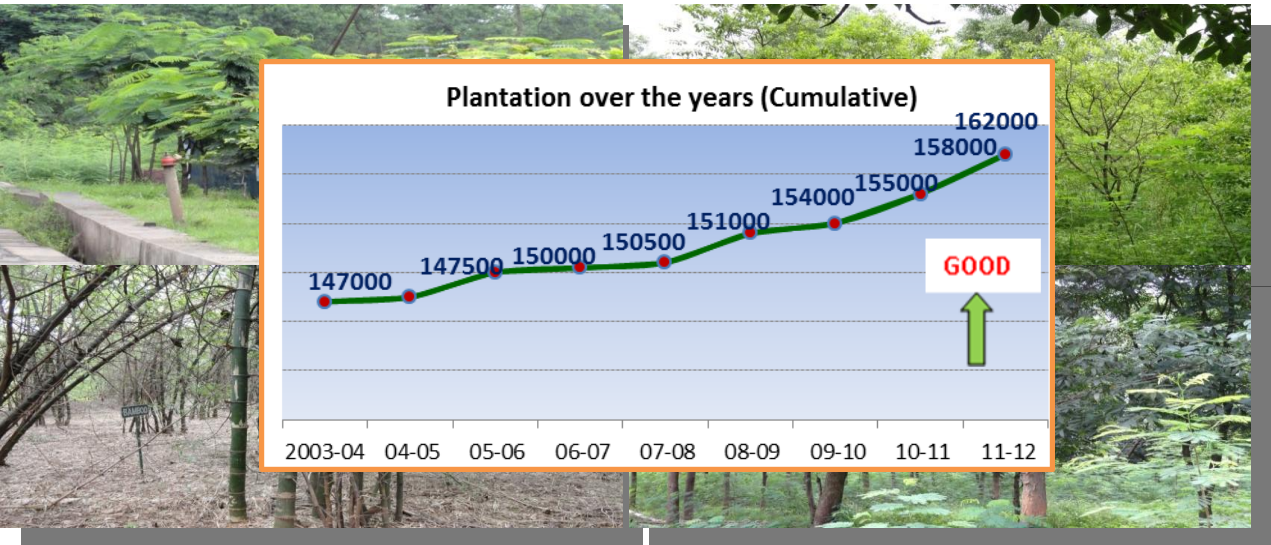
2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
6.47	5.64	4.85	5.31	5.09	4.64

During 2010-11 Company has taken one new roof water harvesting project inside plant premises was taken up. It would add an additional 50 m3/hour water to the main plant thus reducing the fresh water drawl.

Initiatives undertaken to promote greater environmental responsibility

Afforestation / Tree Plantation :

Tata Sponge has planted around 1,58,000 trees (cumulative number) with survival rate of about 94 %.



Today there is hardly any vacant space left for further plantation of trees. The plant, once situated on a barren stretch of land is now transformed unto a green belt. Besides adding to greenery and beautification of the area, the forest so developed owing to massive plantation drive, serves as pollution reduction facility. Plantation of various species include Sandalwood, Mahagony, Australian teak, White teak, Bamboo, Acacia, Debdaroo etc. has been done. Some rare tree plantation has also been done in the premises. These include Rudraksha, Olive, Silver oak, Tejpatra, Dalchini etc. Given below is the cumulative number of trees planted over the years.

Waste Utilization :

**Use of Waste Heat :** TSIL presently generates 26 MW power from kiln waste heat, of which about 7 MW power is used internally and rest is sold to the State Grid.

**Use of ESP dust :** The ESP waste generated from the DRI plants is used for manufacturing bricks through FAL-G technology. No heat is required for manufacturing of these bricks, thus conserving natural resources such as coal and soil. TSIL is planning to convert 100 % of its fly ash generation into useful bricks by enhancing its brick manufacturing capacity.

**Use of Char :** The non-magnetic char generated as a solid waste from the DRI plants at Tata Sponge is being stored for power generation by putting up FBC power plants. As mentioned earlier, the company is in the process of installing a 25 MW FBC power plant to utilize its char generation.

**Used Oil & Batteries:**

No hazardous waste is generated at Tata Sponge except used oil and batteries. All the used oil are collected from different points in the plant are sold to authorized dealers (by Central Pollution Control Board-CPCB) for further processing at their end. The same process is followed for used batteries too.

Tata Sponge has also commissioned a Sewage Treatment Plant (STP) and the remains are used as manure.

**Development and diffusion of environmentally friendly technology - Use of cleaner & greener processes:**

Tata Sponge Iron Limited being in the business of Sponge iron, an industry, infamous for causing pollution, has kept pollution parameters under check by employing environment friendly technologies such as: Electrostatic precipitators (ESPs) [in place of age old Gas Cleaning Plants (GCP)], modern Dust

Extraction systems & Chemical dust suppression systems for its raw material processing, product handling circuits, telescopic unloading spouts, vacuum road cleaning machines, Road water sprinklers etc.

Parameters	Kiln-I with GCP (Before)	Kiln-I with WHRB & ESP (After)
Air emission level from stack	100-110 mg/NM <sup>3</sup>	40 mg/NM <sup>3</sup>
Volume of gas emission	1,54,000 NM <sup>3</sup> /hr	77,000 NM <sup>3</sup> /hr
Generation of waste water	500 KL/ day	Nil
Generation of fly ash	50 MT/day	40 MT/day (Useful brick making)
Generation of power	Nil	7.5 MW

In addition, TSIL has undertaken the following **development activities** over the years.

- **Reduction in CO<sub>2</sub> gas** by use of imported (low ash and high fixed carbon coal) from 2.06 to 1.91 MT per MT of sponge iron produced.
- **Use of alternate energy** : TSIL has provided rural electrification in the nearby villages by installing **solar powered panels**.

TSIL has a policy in place to **check vehicles emission** at fixed intervals for vehicles entering the plant premises.

- **Rain Water Harvesting** : Tata Sponge has developed a water reservoir (lake) to collect rainwater in its residential township The contour of the township has been made in such a way that all the rainwater gets collected in the reservoir that looks like natural lake.



TSIL has developed a park and has planted trees around the reservoir for improved aesthetic look and has beautified the area with greenery in & around. This area serves as a place for amusement and



recreation not only for the township residents but also people from neighborhood.

- **Telescopic unloading spouts** have been provided at the discharge point of bunkers to **control fugitive dust** in the air. This arrests land contamination during unloading of dust generating material.

For cleaning of roads, the **road vacuum-cleaning machine** is used.

The machine sucks the road dust and controls air

pollution. Besides, the machine is also used for vacuum cleaning of the deposited dust from the floors of raw material circuits and finished product circuits using flexible pipe assembly.

- **Chemical dust suppression system for dust suppression:**

The dust suppression system is used to reduce the dust emission in running conveyors carrying coal and iron ore.

Viscous chemical is sprayed over the running belt to entrap the flying dust and bring it back on the belt. A significant reduction in the fugitive dust is achieved by this process.



The **total expenditure** incurred in million Rupees on account of installation and maintenance of pollution control equipment over six three years is as shown below.

2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
41.6	44.95	46.1	55.54	56.22	61.51

**Awards & Accolades received over the years :**

Following Environmental Awards are received by Tata Sponge Iron Limited

Assessing Organization/Institution	Type of Award	Rank	Year
TERI	Corporate Environmental Award	1 <sup>st</sup> Prize	2002-2003
Greentech Foundation	Environment Excellence Award	GOLD Award	2002-2003
Greentech Foundation	Environment Excellence Award	GOLD Award	2003-2004
Confederation of Indian Industries (CII)	SHE award	1 <sup>st</sup> Prize	2004-2005
Greentech Foundation	Environment Excellence Award	Platinum Awad	2004-2005
World Environment Fndn	Golden Peacock Award	1 <sup>st</sup> Prize	2005
Directorate of Factories & Boilers	Best Environmental award	1 <sup>st</sup> Prize	2005
Greentech Foundation	Environment Excellence Award	GOLD Award	2006
Srishti Publications	G-Cube Award	Winner Award	2007



Greentech Foundation	Environment Excellence Award	GOLD Award	2007
TERI	Corporate Environmental Award	Appreciation	2007
World Environment Foundation	Golden Peacock Award for combating Climate change	Finalist Certificate	2008
Times of India Group & JSW	Earth Care award on GHG Mitigation	Runner Up Award	2008
Srishti Foundations, New Delhi	G-Cube Award (Good Green Governance)	Winner Award	2008
Greentech Foundations	Environment Excellence Award	Gold Award	2009
Frost & Sullivan	Green India Award	Green Challengers' Award	2009
State Pollution Control Board, Odisha	Excellence in Pollution Control	Appreciation Award	2010

Policies addressing TSIL environment :

TSIL has following policies in place as a part of its commitment to the environment:

- ✚ Environmental policy
- ✚ Occupational Health and Safety Policy
- ✚ CSR policy
- ✚ TPM policy ( addressing environment) and
- ✚ Mission of the company

**ANTI-CORRUPTION*****Principle – 10*****Business should work against corruption in all its forms, including extortion and bribery**

Consistent with Tata Group purpose & in line with Tata Code of Conduct, the company has a set of defined Values (TSIL)

T – Trust & respect

S – Social equity

I – Integrity

L – Loyalty

and a revised Organisational culture (SEWA)

S - Safety

E – Environment friendly operations

W – Welfare of employees & surrounding community

A – Adaptability to changing scenario

In order to enhance shareholders' value and promote national interest, the company is committed to good corporate governance and to achieve the objectives of this, the company follows the principles of transparency, disclosure, fairness, independent supervision, healthy competition, equal opportunity in employment and compliance to all relevant laws, rules and regulation.

Keeping in view the Values (TSIL), Organisational Culture (SEWA) and requirements of good corporate governance, the company has laid down a code which is called Tata Code of Conduct (TCoC). It is mandatory for the company and all employees to follow the TCoC which has 25 clauses.

All employees of Tata Sponge have signed the "Tata Code of Conduct". This has also been extended to suppliers and customers along with the contract for compliance in respect of relevant clauses. To re-enforce company's firm resolve towards fostering an ethical environment, employees are encouraged to raise ethical issues through Whistle Blower Policy, a formal mechanism for all employees to make protective disclosures about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct. The Ethics Counsellor personally addresses employees, local contractors, suppliers & customers to support them in upholding ethical transactions.

Clause 2 (regarding financial Reporting and records) of the Tata Code of Conduct states that the company shall prepare and maintain its accounts fairly and accurately and in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the company conducts its business affairs.

Internal accounting and audit procedures shall reflect, fairly and accurately, all of the company's business transactions and disposition of assets, and shall have internal controls to provide assurance to the company's board and shareholders that the transactions are accurate and legitimate. All required information shall be accessible to company auditors and other authorised parties and government agencies. There shall be no willful omissions of any company transactions from the books and records, no advance-income recognition and no hidden bank account and funds.

Any willful, material misrepresentation of and / or misinformation on the financial accounts and reports shall be regarded as a violation of the Code, apart from inviting appropriate civil or criminal action under the relevant laws. No employee shall make, authorise, abet or collude in an improper payment, unlawful commission or bribing.

The company has laid down a Gift Policy clarifying its rules and regulations on gifts and entertainments.

The clause -5 of the Code of Conduct (regarding gift & donation) states that the company and its employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits that are intended, or perceived, to obtain uncompetitive favours for the conduct of its business. Further, the company shall cooperate with governmental authorities in efforts to eliminate all forms of bribery, fraud and corruption.

Clause 6 of the Code of Conduct (regarding dealing with Government Agencies) makes it obligatory for the company and its employees, unless mandated under applicable law, not to offer or give any company funds or property as donation to any government agency or its representative, directly or through intermediaries, in order to obtain any favourable performance of official duties. The company shall comply with government procurement regulations and shall be transparent in all its dealings with government agencies.

Clause 7 of the Code of Conduct (regarding political non-alignment) requires the company to be committed to and support the constitution and governance systems of the country in which it operates. The company shall not support any specific political party or candidate for political office. The company’s conduct shall preclude any activity that could be interpreted as mutual dependence / favour with any political body or person, and shall not offer or give any company funds or property as donations to any political party, candidate or campaign.

As per Clause 17 (Ethical Conduct), failure to adhere to the Code could attract severe consequences, including termination of employment.

During the year 2011, total of 5 concerns were received and resolved. One concern which was pending as on 31<sup>st</sup> Dec 2010 was also resolved.

Awareness session was held by the Ethics Counsellor on TCoC / WBP with the following stakeholders :

- Employees - 8 sessions (covering over 215 employees)
- Service Providers - 1 session (covering 40 service providers)
- Contract labour - 9 sessions (covering over 185 contract labourers)

A female Ethics Coordinator was appointed during the year 2010. The company also has a Committee for dealing with the cases of sexual harassment at workplace

The Whistle Blower Policy gives freedom to all the employees to raise concerns regarding actual / potential violation of Code of Conduct at the same time ensuring full protection to Whistle blowers against any form of victimization or harassment/reprimand. A high level Whistle Blower Protection Committee is in place.