



**United Nations Global Compact  
Communication on Progress Report 2012-13**

**Statement of Support and Commitment  
to  
United Nations Global Compact  
8<sup>th</sup> Communication on Progress- 2013**

Tata Power submits its 8th “Communication on Progress” under the United Nations Global Compact Initiative. The Company is an inseparable entity of the Tata Group, which is well known for its business values, employee welfare, customer centricity, Sustainability practices and its engagement with Community. Tata Power has been operating for almost a century and is India’s largest integrated power utility with business presence across the entire value chain with a mission of becoming an admired and responsible power Company delivery sustainable value to stakeholders.

Tata Power has been guided by the vision that our founder Shri Jamshetji Tata outlined in terms of clean and affordable power for the country. The urgency in meeting the power requirement and its crucial role in ensuring the energy security for India has led us to catapult our growth. We have a strategic intent to grow to 26 GW by 2020 with significant presence in renewable. However, we would like to grow in a manner that is sustainable, by addressing the triple bottom line of sustainability i.e. Economic, Environment and Social to inculcate the motto of ‘Leadership with CARE’ in all the activities that we undertake for our stakeholders. Care for the environment, society, customer, suppliers, and our own people etc. is our definition of sustainable growth.

Tata Power has many firsts to its credit, be it the first hydro project in India, our entry into Geothermal space, installed the 1st UMPP of the country, and the No 1 distribution company in Mumbai. We are also proud to be India’s leading wind energy player and having significant presence in solar energy. We have set-up the largest synchronized photo-voltaic power generation system in the state of Maharashtra. In 2013, the first Ultra Mega Power Project (UMPP) of the country with the capacity of 4000 MW became fully operational. The technology and choice of unit size helps in ensuring reduced green houses gas emissions than conventional coal fired power stations. The choice of imported coal has resulted in lowering the fly ash generation. Tata Power is a leader in wind energy in India and is the oldest player in the country for its efficiency & reliability hydro plants.

Tata Power is committed to conduct its business by adhering to the ten principles of the Global Compact not only in intent but in spirit as well. As we say Lighting up lives.....Sustainably!!!!

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## Company Profile: Tata Power

Tata Power is India's largest integrated power company with a significant international presence. The Company has an installed generation capacity of 8521 MW in India and a presence across the value chain i.e. Generation (thermal, hydro, solar and wind), Transmission, Distribution and Trading. It is one of the largest renewable energy players in India and commissioned country's first 4150 MW Ultra Mega Power Project at Mundra (Gujarat) based on super-critical technology.

As an organization, Tata Power has taken significant strides, crossed many milestones - the most remarkable achievement of the year was appreciation received for demonstrating excellent performance in the area of Sustainable Development by way of CII ITC Sustainability Award, 2012 for commitment on Sustainability. Tata Power has been reporting on Sustainability for a decade now and follows the GRI G3.1 framework. The current report of Tata Power for FY 12-13 is externally assured as per ISAE 3000 & AA 1000 standards and received A+ Application Level Check from GRI, The Netherlands. This is available on [www.tatapower.com](http://www.tatapower.com)

### Major accomplishments

The Company's major achievements in the reporting year include:

- Tata Power commissioned:
  - Ultra Mega Power Project (UMPP) of Coastal Gujarat Power Limited (CGPL) at Mundra that reinforced its position as the largest integrated power Company in India. The UMPP Mundra will provide power to consumers in Maharashtra, Gujarat, Haryana, and Punjab. By signing the coal supply agreement with PT Antang Gunung Meratus, Indonesia the Company has taken proactive steps to ensure imported coal supply for the upcoming power projects in the next five years.
  - 1,050 MW Maithon Power Limited (MPL) in Dhanbad, Jharkhand, a Joint Venture between Tata Power and Damodar Valley Corporation (DVC)
  - 25 MW solar Photovoltaic (PV) project in Mithapur, Gujarat. The Mithapur solar plant crossed 11,000 MWh of generation, which is a key milestone that demonstrates the efficiency of the plant and the state-of-the-art technology adopted by Tata Power

### Driving Forces for Tata Power

More than a century ago, its founder, Jamsetji N Tata laid the foundation for good governance and made it an integral part of the business culture. Corporate Governance is concerned with holding the balance between economic and social goals and between individual and communal goals. As a Tata Company, Corporate Governance is about the way we do business, encompassing every day business activities. Tata Power is focused on enhancement of long term value creation for all stakeholders without compromising on integrity, social obligations, environment and regulatory compliances. This philosophy has been sought to be strengthened through the Tata Code of Conduct (TCoC), the Tata Business Excellence Model (TBEM) and the Tata Code for Prevention of Insider Trading and Code of Corporate Disclosure Practices, which form guidelines for "Leadership with Trust". Tata Power is committed to focus its energies and resources in creating and positively leveraging shareholders' wealth, and at the same time, safeguard the interests of all stakeholders.

### Vision

To be the most admired and responsible Integrated Power Company with International footprint, delivering sustainable value to stakeholders

## Mission

Tata Power aims at becoming the most admired and responsible power Company delivery sustainable value by

- Operating assets at benchmark levels
- Executing projects safely, with predictable benchmark quality, cost and time
- Growing the Tata Power businesses, be it across the value chain or across geographies, and also in allied or new businesses
- Driving Organizational Transformation that will make the Company have the conviction and capabilities to deliver on the strategic intent
- Achieving the Company's Sustainability intent of 'Leadership with Care', by having leading and best in class practices on Care for Environment, Community, Customers, Shareholders and People

## Values

The values today are '**SACRED**' to the Company

- **Safety:** Safety is a core value over which no business objective can have a higher priority
- **Agility:** Speed, responsiveness and being proactive, achieved through collaboration and empowering employees
- **Care:** Care for our environment, care for our customers and shareholders – both existing and potential. Care for our community and care for our people (our employees and partners)
- **Respect:** Treat all stakeholders with respect and dignity
- **Ethics:** Achieve the most admired standards of Ethics through Integrity and mutual Trust
- **Diligence:** Do everything (set direction, deploy actions, analyze, review, plan and mitigate risks etc.) with a thoroughness that delivery, quality and excellence in all areas, and especially in operations, execution and growth

## Strategic Intent

Tata Power has evolved its strategic elements reflecting the intent and long term aspirations. 'By 2020, to be a company with 26000 MW Power Generation, 4000 MW of Retail Distribution Business and with 50 MTPA of Energy Resources'

## Corporate Governance Policies

The Corporate Governance policies are comprehensive and forward-looking. These policies cover areas ranging from Media Policy to Human Rights to Green Supply Chain Policy. All the policies are reviewed on an annual basis. List of major policies are enumerated below and others are covered under definite chapters in the report:

- Tata Code of Conduct for Prevention of Insider Trading and Corporate Disclosure Practices
- Tata Code of Conduct
- Business Dealings
- Whistle Blower
- Info Security
- IT Policy
- Gift Policy
- Human Rights
- Community Relations
- Environment
- Sustainability
- Customer Service
- Safety & Health

## Ethics & Compliance

Tata Group chalked out the Tata values of integrity, understanding, excellence, unity and responsibility in the form of Tata Code of Conduct (TCoC). Group articulated and deployed TCoC in 1998 with the manual that acts as guidance for all the group companies. The TCoC is a comprehensive document that forms an ethical road map for Tata employees and companies, and provides guidelines by which the Group conducts its businesses. TCoC enables Tata Power to embark on a path of ethical Corporate and personal conduct and ensures the company's activities are aligned with the requirements of this manual. The manual aims at the following:

- Guide in addressing current and future challenges
- Provide approaches to prevention, detection, correction and assurance
- Establish the relevance of the codes in day to day work undertaken by employees
- Suggest roles and responsibilities of the Board of directors, senior leadership, Ethics counsellors and employees

TCoC is also applicable to Tata Power subsidiaries, its executive directors, employees, contract employees and also to all the third parties representing /dealing with Tata Power, thus covering 100% of its operations.

## Anti-corruption Policies

The corruption and bribery are prohibited as per the Tata Code of Conduct and against the ethical values which Tata Power cherishes. It is deemed any act of Corruption to be non-negotiable and strict action is taken against anyone found indulging in such unethical acts. Corporate Governance & Business Ethics are mandatory part of employee's induction process. Articles on Anti-corruption are made on a quarterly basis and shared across the company through our intranet site 'Sangam'. No incidents of corruption were found during the reporting period and 100% business units were analysed for risks related to corruption.

## Communication on Progress: UNGC Principles

The below table showcases the assimilation and integration of the ten principles of UNGC i.e. on Human Rights; Labor Standards; Environment and Anti corruption:

UN Global Compact Principles	Tata Power Policies & Measures
<b>Human Rights</b>	
<b>Principle 1-</b> Businesses should support and respect the protection of internationally proclaimed human rights	<p>Tata Power has a Human Rights policy to ensure conformance to fundamental labor principles, freedom of association and right to Collective bargaining and protection from discrimination. The Human Rights policy reads "Tata Power would ensure conformance to fundamental labor principles including the prohibition of child labor, prohibition of forced labour in all its forms, freedom of association and right to collective bargaining and protection from discrimination in all its operations by imparting relevant training and aligning the conduct of its employees".</p> <p>The suitable practices and policies are adopted to ensure conformance also with the ILO fundamental conventions. Priority stakeholders like</p>

	employees, security staff and suppliers/contractors are encouraged to follow the principles. Over and above all third party employees, contractors/ supplier are encouraged to duly sign the Tata Code of Conduct (TCoC). Tata Power also affirms commitment to Universal Declaration of Human Rights.
<b>Principle 2-</b> Make sure that they are not complicit in human rights abuses.	At Tata Power human rights are indivisible and non-negotiable. Dignity of the Individual is one of our 5 core values. Discrimination, forced & compulsory labour & child labour are strictly prohibited across Tata Power. The Company also denounce bribery or corruption in any form and our processes ensure that such negative practices are strictly discouraged. Tata Power plans to address grievance related to Human Rights with internal and external stakeholders in future. Tata Power is committed to developing a culture which inculcates respect and support for Human Rights and seeks to avoid connivance in Human Rights abuses.
<b>Labour Standards</b>	
<b>Principle 3-</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	<p>Labour Management relations in Tata Power focus on a collaborative relationship between the management and the workers. Tata Powers Labour Management relations include aspects of industrial life such as, trades unionism, collective bargaining, discipline and grievance handling, industrial disputes, employee participation in management.</p> <p>The Company respects the right of employees to form associations in accordance with applicable Trade Union laws. None of Company's operations pose any threat or risk to the freedom of association and collective bargaining. The Trade Union is permitted to conduct its elections and appropriate time off is granted to employees to participate in the Unions election process. The elected Union Office Bearers are recognized by the Management as the representative body of the employees. Tata Power has 2 types of workforce i.e. Management and Non Management cadre. Tata Power's 32 % of the permanent workforce is from Non Management cadre and are members of the Union, which is an internal Union with no political or external affiliations.</p>
<b>Principle 4-</b> Elimination of all forms of forced and compulsory labour	Tata Power has major operations in India and the engaging forced labour in any form in the company or in supply chain is strictly prohibited. However, a check is administered while supplier selection process as they are requested to abide by the Tata Code of Conduct clauses. Tata Power's Human Rights policy also helps keep a check on all the parameters pertaining to Child labour, forced labour, freedom of association & collective bargaining, and discrimination.
<b>Principle 5-</b> Effective abolition of child labour	No operation or supplier of Tata Power is identified of having a risk for or incidents of child labour, forced or compulsory labour. Tata Power engages with its suppliers on various forums like supplier meets and promotes open communication. During the reporting year no cases of Human Rights violations (incidents of child labour, forced or compulsory labour, overtime without pay etc) were recorded. However, TCoC clauses are incorporated in all the supplier / contractor audit check lists and investor agreements. Human Rights Policy was rolled out during this reporting year and Human Rights clauses as well as the screening

	<p>will be implemented in future.</p> <p>There was no complaint on Child labour, forced labour or involuntary labour in FY 12-13. The Company has also incorporated the following ILO core labour conventions into policies:</p> <ul style="list-style-type: none"> <li>• Freedom of association and the right to collective bargaining</li> <li>• Right to organize and collective bargaining convention</li> <li>• Forced labour convention</li> <li>• Abolition of forced labour convention</li> <li>• Minimum age convention</li> <li>• Worst forms of child labour convention</li> <li>• Equal remuneration convention</li> <li>• Discrimination</li> </ul>
<b>Principle 6-</b> Elimination of discrimination in respect of employment and occupation	<p>Tata Power is an equal opportunity employer and has fair and just employment practices. Tata Power ensures protection from discrimination in any form including employment decisions based on personal beliefs, race, gender, national origin/ ancestry, religion, age, marital status, indigenous status, differently abled, sexual orientation, HIV/AIDS and political affiliation in all its operations. Tata Power recognises that diversity in the workplace positively impacts business and the company ensure equal employment opportunities. There is a policy in place for Prevention of Sexual Harassment and also for Affirmative Action.</p>
<b>Environment Protection</b>	
<b>Principle 7-</b> Businesses should support a precautionary approach to environmental challenges	<p>The environmental management is anchored by an environmental policy. The environmental policy ensures commitment to a clean, safe and healthy environment. Tata Power has a robust environmental management system at all divisions, which are in conformance with State and Central Government rule and regulations. Tata Power's major plants are ISO 14001 and OHSAS certified. Environment &amp; Sustainability Policies ensures the Environmental Sustainability. An internally developed systems like Compliance Monitoring Systems and DISHA for central tracking of Environmental parameters; and other tools named Green Manufacturing Index that keeps a check on statutory and non statutory parameters across all the divisions. Tata Power has a dedicated Environment division that submits an annual report on Environmental performance (environmental statements) to respective State Pollution Control Boards (SPCBs) and to Ministry of Environment &amp; Forest (MoEF) for the projects which obtain environmental clearance from Central government. Tata Power is also cognizant of the Biodiversity in the nearby areas of operation and has several proactive measures pertaining to Biodiversity Conservation. The Company has also formulated policies for E-waste Management, Energy Conservation and Safety &amp; Health to ensure conformance to environment management. Tata Power also submits report on GHG emissions to CDP- UK.</p>
<b>Principle 8-</b> Undertake initiatives to promote greater environmental responsibility	<p>Environmental Management is a part of core strategy and is constantly on the radar of Top management for long term business viability and continued success. Environment is not just conformance to compliance, but to go beyond compliance and create value for stakeholders. The</p>

commitment has always been to go “Beyond Compliance” and ensure that the company stay ahead of environment statutory requirements. It aims to set new benchmarks by successfully translating environmental issues into actionable and measurable goals which help enhance economic bottom-line, operational efficiencies and compliance across all generating stations.

Some major environment related activities undertaken are:

**Energy Savings-** Tata Power endeavours to achieve significant energy saving by use of Solar Energy at its various units in line with its continuous efforts to provide environment friendly solutions. One such initiative is from Tata Power’s Haldia Plant, this plant initiated the use of Solar panels for the street lights and Switch yard areas. Around 10 conventional street lights have been replaced by Solar Street lights to save the auxiliary power of the plant. Earlier the plant was using 220 V, 150 W HPSV lamps for the street at site which have now been replaced by solar lights thus saving around 7300 KWH of power on a yearly basis. Similar lights have also been installed in the switch yard areas so that illumination will be available during blackout or emergencies. At the Corporate level, initiatives for promoting energy conservation, paper conservation were taken up by distribution of leaflets, labels etc to all employees to contribute to the cause.

**Mahaseer- King of Game fish Conservation-** Mahseer were reported to be declining in size and numbers and were feared to be in danger of extinction in some parts of the country. To overcome this extinction threat, we are conserving these mighty Mahseer fishes since 1970. Simple breeding and hatchery technology is developed for production of fry and fingerlings of Mahseer fish. It is the only breeding centre till date which breeds and supplies fingerlings to various states in India Maharashtra, Karnataka, Punjab, Rajasthan, Andhra Pradesh, Haryana, Assam. More than 10 million Mahseer fries have been produced, put back into the lake as well as distributed to other States for breeding by Tata Power.

**Jan Jagruti Abhiyan-** Tata Power has undertaken several initiatives to promote and ensure safety as part of its Jan Jagruti Abhiyaan initiative. This initiative is focused on electrical safety education for people in the vicinity of high voltage transmission (HT) lines in Mumbai through a number of street plays on ‘safe’ living in these areas. The objective is to spread this message amongst as many citizens as possible to reduce the electrical accidents that can be caused while living in areas which are close to high voltage transmission lines. Tata Power is not only concerned about the employees’ safety but also understands that a lot of people live dangerously close to transmission lines and might be prone to such accidents. Jan Jagruti Abhiyaan is aimed at increasing awareness amongst citizens on the hazards of carrying out unauthorized activity under/in vicinity of H T Lines. These sessions include a presentation and a short film on the hazards of unauthorized construction of structures, flying kites, TV cable stringing, drying clothes etc under/in vicinity of H T lines and Do’s and Don’ts.











	<p><b>Club Enerji Conservation club-</b> Tata Power also strives to reduce the indirect energy consumption through spreading awareness on energy conservation through Club Enerji. In line with its philosophy to curb wastage of energy and spread awareness about energy conservation, Club Enerji, Tata Power's nationwide energy and resource conservation movement spearheaded by school children, has gained momentum across the nation. In the year 2012-13, Tata Power Club Enerji sensitised around 12, 48,664 citizens and saved more than 14, 56,850 units of energy in the city of Mumbai alone, which can light up 682 houses. The units saved by the Club are equivalent to saving around 1457 tonnes of CO<sub>2</sub> emissions.</p> <p><b>Turtle studies-</b> Sea turtle monitoring started as an extension of the 'Biodiversity Monitoring Protocol Studies. Gujarat Coast is supposed to harbour Olive Ridley and Green Sea Turtles. But there is no long term data available for nesting pattern and nesting habitat. This exercise was intended to assess the status of marine turtle nesting in the vicinity of outfall channel at CGPL. There is a need for such data collection so that the conservation of these species can be planned and implemented.</p>
<p><b>Principle 9-</b> encourage the development and diffusion of environmentally friendly technologies</p>	<p>The opportunity of increasing energy efficiency and renewable portfolio will help reduce carbon emissions. So, Tata Power is exploring various technology options of renewable energy generation by solar, wind, geothermal and enhanced geothermal. The CO<sub>2</sub> Capture and Reuse (CCR) and various other technologies are also being explored on a pilot scale and develop a solution to mitigate climate change.</p> <p>Tata Power has actively forayed in the Non Carbon Emitting Sources (NCES) of energy generation like hydro, solar and wind etc., since its inception. In the year 12-13, the Company's portfolio in NCES is 13 % of total generating capacity, which is in line with the strategic intent of the Company and matches with the initiative to provide renewable energy based product. This has resulted in a decrease in CO<sub>2</sub> emissions. Further, 2 generating units of Tata Power i.e. PH #6 and Haldia are based on waste gas &amp; waste heat recovery respectively from the blast furnace of steel plants. The total capacity of these generating plants is 240 MW. This not only helps in mitigating Climate Change but also helps to reduce energy requirement from fossil fuels. These initiatives have provided renewable energy based products generation to the Company.</p> <p>The Mundra UMPP is part of the government's strategic plan for catering to the country's energy needs and is using supercritical technology. This technology and the choice of unit sizes will help the project produce lower greenhouse gas emissions and offer higher efficiency as compared to normal coal-fired power stations. In addition, the use of eco-coal significantly reduces sulphur emissions. Greenhouse gas emissions will be about 750 grams of carbon dioxide per kWh as compared to the National average of 1,259 grams of carbon dioxide per kWh for other coal-based power plants. The plant will release 23.4 million tonnes (mt) of carbon dioxide per year as compared to 27 mt for other conventional power plants. Tata Power also strives to reduce the</p>

	indirect energy consumption through spreading awareness on energy conservation through Club Enerji.
<b>Anti Corruption and Prevention on Bribery</b>	
<b>Principle 10-</b> Businesses should work against corruption in all its forms, including extortion and bribery.	<p>Anti corruption and Bribery are the topics which affect us as citizens of India in our day to day personal as well as professional lives. The corruption and bribery are prohibited as per the Tata Code of Conduct (TCoC) and against the ethical values which Tata Power cherishes. It is deemed any act of Corruption to be non-negotiable and strict action is taken against anyone found indulging in such unethical acts. Corporate Governance &amp; Business Ethics are mandatory part of employee's induction process. Articles on Anti-corruption are made on a quarterly basis and shared across the company through our intranet site 'Sangam'. No incidents of corruption were found during the reporting period and 100% business units were analysed for risks related to corruption. The Company as well as all the employees strictly follows the TCoC which incorporates clauses pertaining to corruption, bribery etc and employees are trained on these clauses from time to time.</p> <p>Tata Power also has a Whistle Blower policy that discourages bribery or corruption in any form and the processes ensure that such negative practices are strictly discouraged. There is a formal grievances redressal mechanism though a dedicated Grievance Policy pertaining corruption, bribery and human rights. All grievances are addressed, and resolved through email communication or one to one interaction. As an equal opportunity employer, Tata Power ensures that there is no difference in the average basic salaries of men and women. Tata Power has always been in the forefront of Responsible business and makes sure that the interests of indigenous people are well taken care off. All the significant investment agreements do include TCoC and there have been no incidents of violations involving rights of indigenous people.</p>

## Commitment to Millennium Development Goals of United Nations

The Company follows several charters, principles and other initiatives related to Sustainability. It also aligns its social initiatives to the Millennium Development Goals (MDGs) of the United Nations. These details are given below;

Millennium Development Goals (MDGs)	
Goals	Tata Power's initiatives
<b>Goal 1: Eradicate Extreme Hunger and Poverty</b> 	Livelihood Generation programs – Boat Lighting System, Building Gaushala, Employability training, sustainable agriculture initiatives, Water Security
<b>Goal 2: Achieve Universal Primary Education and Corporate Giving</b> 	Special Education programs, Computer aided learning centres, teachers' training, development and renovation of primary education infrastructure

<b>Goal 3: Promote Gender Equality and Empower Women</b> 	Self Help Groups (SHGs) formed for Women Empowerment; linking SHGs to banks for livelihood generation
<b>Goal 4: Reduce Child Mortality</b> 	Mobile Medical Units, Healthcare camps
<b>Goal 5: Improve Maternal Health</b> 	Mobile Medical Vans, Special appointment of Gynaecologist in Health Camps, using SHGs to promote awareness on maternal health
<b>Goal 6: Combat HIV AIDS, Malaria &amp; other Diseases</b> 	HIV/AIDS awareness programs, training, counselling & treatment for community and employees' families, Water Initiative- Supplying clean drinking water
<b>Goal 7: Ensure Environment Sustainability</b> 	Mahaseer- King of Game fish Conservation, Flamingos Study & Preservation, Jan Jagruti Abhiyan, Club Enerji –Conservation club, Greenolution, an in-house initiative –Promise of a greener tomorrow, Turtle studies; promotion of renewable energy
<b>Goal 8: Develop a Global Partnership for Development</b> 	Signatory of UNGC, Sustainability Report based on GRI G3.1 guidelines and discloses on the GHG emissions to CDP,UK

## Community Relations at Tata Power

Tata Power's glorious presence for a century is evident from the mutual coexistence among its communities in harmony with nature. Tata Power envisioned the prosperity of the nearby communities and has been responsive to the needs of the neighbourhood. The Corporate Social Responsibility (CSR), popularly known as Community Relations at Tata Power, is an integral part of business strategy. The Community Relations Policy and the Community Engagement Principles delineates the basic structure for driving the social initiatives across the locations. The social initiatives have been nurtured under the 5 thrust areas:

- **Augmenting Rural Primary Education System**
- **Building and Strengthening Healthcare Facilities**
- **Enhancing Programs on Livelihood & Employability**
- **Building Social Capital and Infrastructure**
- **Nurturing Sustainability for Inclusive Growth**

The 5 thrust areas are aligned to the following frameworks CSR Activities as suggested in Companies Bill 2012 of Ministry of Corporate Affairs, Govt of India and Millennium Development Goals.

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