

COMMUNICATION ON PROGRESS- 2009



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



Message from the Managing Director

Tata Sponge Iron Ltd. (TSIL) believes that the primary purpose of a business is to improve the quality of life of people and that a Corporate entity exists to serve society from where it sources its inputs. The company has been constantly learning from Tata group initiatives and improving its processes and policies so as to serve the society better.



The Corporate Sustainability activities have been aligned with Employee Volunteering Programmes (EVP) in order to deliver a unique brand experience to the employees. During the year nearly 131 volunteers devoted approximately 1406 voluntary man hours for the communities. They worked with Health, Education & creating capacity for sustainable livelihood, have been the focus areas of company's CS activities.

The company has adopted Affirmative Action Policy towards building an inclusive society based on positive discrimination for SC & ST communities. Considerable efforts have been put-in addressing the three major drivers of social equilibrium among SC/ST viz. Education, Employment & Entrepreneurship development.

Tata Sponge is sensitive towards environmental and ecological concerns arising out of its operations. Towards this end the company has an Environmental Management System in place and is certified to ISO9001, ISO14001 and ISO18001.

In this compendium, an effort has been made to document the principles that govern our approach towards deployment of CS in the company. However learning and scope of improvement continues.

Tata Sponge Iron Ltd. is committed to adherence of the principles of Global Compact.

Suresh Thawani
Managing Director



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 is consistently striving 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.

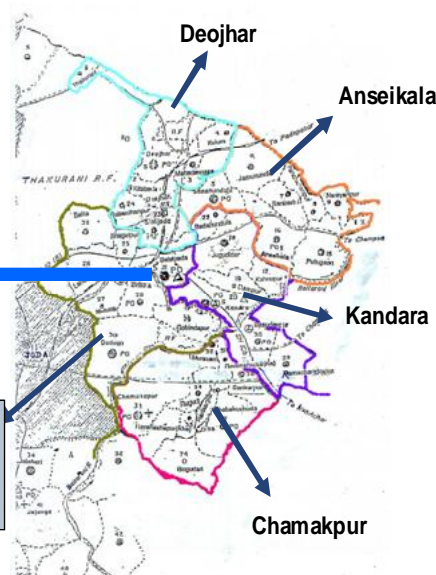
We at TATA Sponge, in line with Groups philosophy firmly believes that “What comes from society goes back to them, many times over...” Hence for a sustained developmental impact, real contribution comes when communities are enabled in a manner of inclusive growth. Over the years we at Tata Sponge have relentlessly endeavored to improve the quality of life in its immediate 38 villages, reaching out to approximately 28,000 beneficiaries, through a well structured process.

During the current year we have attempted to empower people through entrepreneurship & employability drive, provide educational support, access to Medicare, install safe drinking water source and above all enthuse a feeling of self-respect specially for the marginalized section of society (ST/SC community) through our Affirmative Actions.

Area covered by
TATASPONGE
for periphery development



AREACOVERAGE - 143.23 Sq. Km
NO. OF VILLAGES - 38
TOTAL POPULATION - 28140
NO. OF GRAMPANCHAYATS - 05



An overview of various developmental initiatives undertaken during the year 2009 in the following areas:

EDUCATION:

Infrastructure:

- Construction of Primary School buildings, boundary walls & repair of school building.
- Construction of kitchen-cum-dining unit at Primary school.
- Supply of dual desks & benches to schools.
- Started a Non-formal Primary Education school where 66 ST students have been enrolled.
- Running a Night School for tuition of children.

Sponsorship:

- Supporting 12 ST students in company aided Nursery School.
- Providing financial assistance to one ST student pursuing four year Engineering course at NIT, Patna.
- Sponsorship to 1 ST student pursuing 4 year degree course at Orissa School of Mining Engineering, Keonjhar.
- Sponsorship of 3 ST students for professional course.
- Sponsoring one female student for three years Computer Science Diploma course.
- Provides financial support to a coaching centre for SC/ST students.
- Scholarship to 1 ST student through Foundation of Academic Excellence & Access (FAEA).
- Sponsorship to 14 students at ITI.



Year	2008	2009
New School building	02	03
Repair of existing building	01	01
Kitchen-cum-dining unit	01	01
Dual bench desk	50	100
Boundary wall	03	01
Almirah / Book selves	02	01

(Fig- 02)

Health & Sanitation:

As a part of its health awareness initiative weekly mobile health check-up camps are held where men, women & specially children avail free check-ups and treatment of their ailments. Like the previous year the following camps were held as shown in the fig.-3:

Fig.-3



The company dispensary which has been declared as a TB Detection centre under RNTCP provides free anti TB

Medicare	2008	2009
Free Health check-up camps	43	41 camps
No. of patients treated	2137	2346 nos.
Specialised referral cases	02	10 nos.
Conducted AIDS awareness programme	02	03 camps
Conducted mother & child care	05	07 camps
Conducted Malaria eradication programme	03	03 camps
Distribution of Mosquito nets	8410 family	2934 family
Puls Polio Immunization Programme of the Govt. of India.	-	1892 children



medicines and during the year 9 patients are undergoing treatment while periodic sputum examination & clinical assessment is being conducted for the village community.

Apart from the above for the annual festival 'Shravana Purnima' where thousands of pilgrims who travel

barefoot from all part of the State and converge in a place known as Murga Temple to pay their homage to Lord Shiva, a two day medical camp is organized in the temple premises for treatment. The devotees & general public are given free medical consultancy / first aid along with free medicines during the occasion.



Drinking Water:

At Tata Sponge social enterprise is about taking a holistic approach, as safe drinking water resources for the villagers remains one of the primary constraint for their development, the company has added additional water projects to mitigate the water scarcity as shown in Fig-4.

Drinking water project	Upto 2008	2009
Tube well	59	08
Bore well	12	-
Ring well	31	-
Installation of overhead tank with pipe line connectivity	-	02
Repair / maintenance of existing tube wells	-	30

The above drinking water points have been installed in different villages, school campus & public health centres, for the benefits of around 30,000 people.

Maintenance of all existing water resources remains one of the primary objectives of community service at Tata Sponge. The pressure of population per water source is substantial in the surrounding area and the situation during summer becomes extremely vulnerable. To meet this challenge preventive maintenance is carried out to ensure secured supply of drinking water through out the year.



Employability & building Entrepreneurs:

The company in its approach to alleviate the burden of poverty in this region & meliorate the livelihood of the socially & economically underprivileged segment of society, Tata Sponge under the Affirmative Action umbrella has initiated additional projects in the area of *employability & entrepreneurship developments*. For creation of more employment opportunities various skill upgradation training programme have been undertaken as follows.

Employability	Beneficiaries Upto 2008	Beneficiaries 2009
6 months short skill up gradation training at Industrial Technical Institute.	4 ST students	-
Driving Training	307 Local Youths	-
Sponsorship for attending 2 years Boiler attendance Diploma course at SDEAS-Central boiler maintenance & resource institute Rourkela.	10 SC/ST candidates	-
In house Technical on the job training for fitter, welder, mechanic, wiremen.	12 SC/ST candidates with stipend.	12+8 SC/ST candidates
Skill development i.e. tailoring, stitching, embroidery, coal briquette making, mushroom cultivation, bee keeping, poultry farming, vegetable growing training etc.	125 farmers including ladies	72 farmers & 60 ladies
Computer Literacy Training for local youth	-	16 youths
Entrepreneurship	Beneficiaries Upto 2008	Beneficiaries 2009
Created entrepreneurs by awarding job contracts for miscellaneous/unskilled jobs.	02 from ST/SC communities.	1 group in the process.
Extending technical/financial support to Self Help Groups(SHG's)	10 Groups (8 ladies & 2 gents groups-each group 12 members)	14 SHGs
Soap Making Training programme	-	110 villagers
Create SHG Groups from the ST/SC community & assist in providing Power Tiller for agriculture development.	1 Group.	2 Groups





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.

(Suresh Thawani)
Managing Director

1st April 2007

AFFIRMATIVE ACTION POLICY

Tata Sponge Iron Limited believes in social equity.

The company adheres to the principle of equal opportunity, irrespective of caste, whether in recruitment or career advancement within the organization.

The company is also committed to directly conducting or supporting initiatives to ensure an equal footing for socially and economically disadvantaged sections in the country at large, and specifically the scheduled caste and scheduled tribe communities.

23rd July 2007

(Suresh Thawani)
Managing Director



HUMAN RIGHTS

Principle – 1

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

(HR 1,2,3,4)

Company's Policy

We review our HR policies periodically to ensure that human rights are not violated.

Key Results & Measurement

- ü We ensure that contractors do not employ child labourers in our premises.
- ü Factories Act & Rules, Contractor Labour (R&A) Act & Rules are strictly adhered in terms of working hours and welfare amenities meant for Associates & Contractor labourers.
- ü Copies of TATA Code of Conduct has been given to each of the employee and to create awareness, classes are being taken on regular basis to reinforce its clauses.
- ü As a review mechanism, human rights issues are deliberated in co-ordination meeting and HR Committee.
- ü We ensure that all contract labourers deployed by the contractor should get minimum wages.

Principle – 2

Make sure they are not complacent to human rights abuses

(HR 2,3)

Company's Policy

We emphasize on bipartite / collaborative / consultative decision making to address HR issues proactively to avoid conflict with the union and Associates.

Key Results & Measurement

- ü Company ensure that our business relations with different agencies who practice relevant standards and ethical practices including compliance to all statutory regulations.
- ü Various bipartite forras representing Management & Associates meets periodically and resolves various issues and conflicts.
- ü Statutory Committees like Safety, Canteen & Health resolves various grievances pertaining to statutory in nature.
- ü Due diligence on human rights like safe working condition and on the job safety to all our employees are adhered too by the management.



LABOUR STANDARDS

Principle – 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.



Company's Policy

All statutory labour laws are implemented and we have a process to review the statutory compliance by a core committee constituted by the Management.



Key Results & Measurement

- ü Focus is given to settle common issues of Associates through collective bargaining forum being represented by equal representative from Management & Associates. Several bipartite agreements are arrived at through this kind of forum.
- ü In the process of participative management council equal participation of Management & Trade union representatives are ensured by the management.

Principle – 4

The elimination of all forms of forced and compulsory labour

(HR 5, 7LA 3, 4)



Company's Policy

No forced & compulsory / under aged labour are deployed. This is being ensured through various check post like Security/Safety/HR.



Key Results & Measurement

- ü Engagement of contract labourer / indirect employment are in line with contract labour regulation & abolition Act. There is no violation nor any forced / compulsory entry of labour force inside the factory premises.
- ü Inter state migrant (CL) are given equal opportunity on human rights including remuneration.

Principle – 5

The effective abolition of child labour

(HR 6)



Company's Policy

All contractors / suppliers are informed not to deploy child labour / under aged personnel
Our standing order also restrict engagement of child labour / under aged labour.



Key Results & Measurement

- ü Our hiring policy reflects transparency and focus on equal opportunity by Employer.
- ü Company ensures engagement of labour over 18 years of age including in its township.
- ü In process of abolition of child labour in plant and township, we ensure school drop out for readmission in the school through CS activity.

**Principle – 6**

Eliminate discrimination in respect of employment and occupation.

(HR 4, LA 10,11)

**Company's Policy**

We honestly follow TATA Code of Conduct, also practice role of equal opportunity employer.

**Key Results & Measurement**

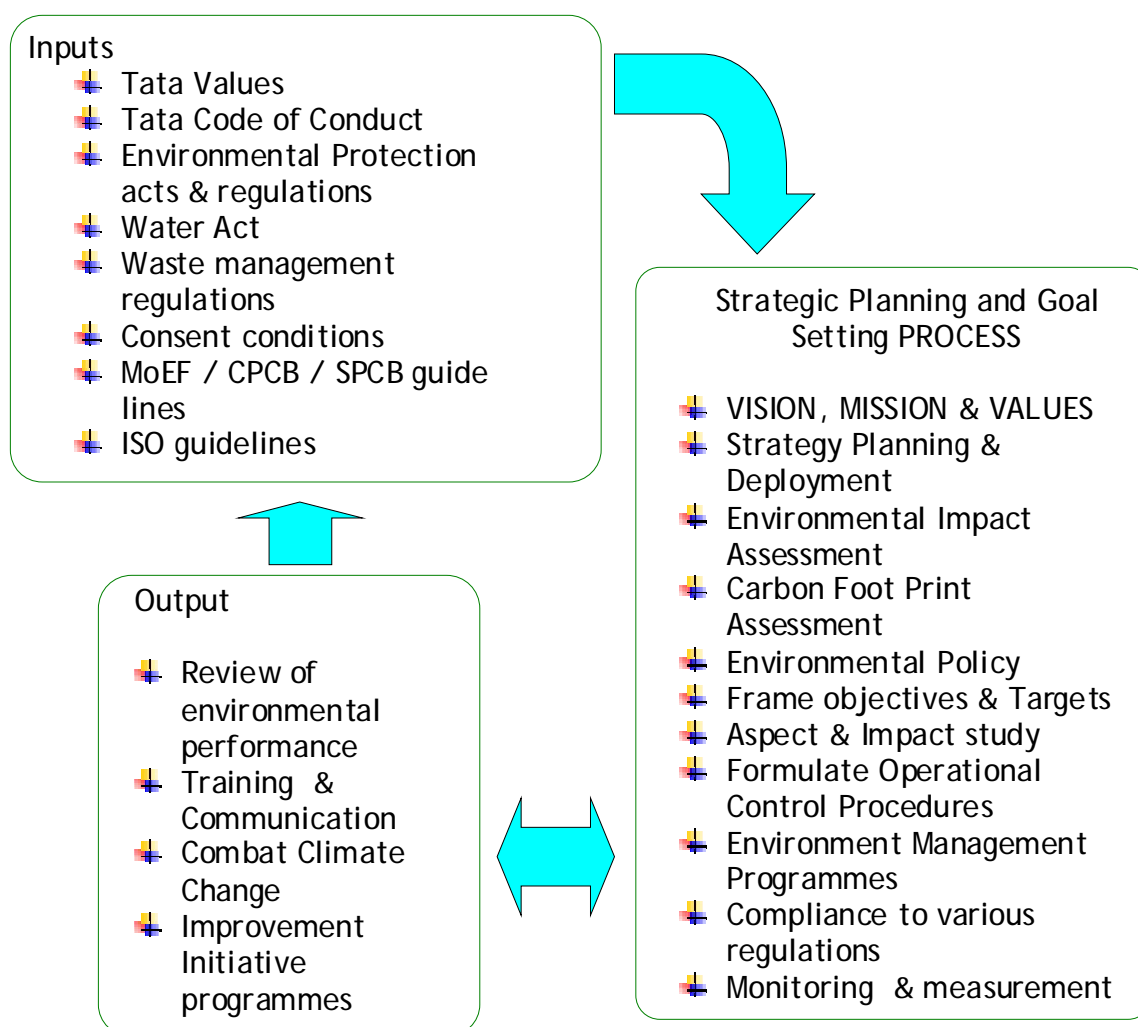
- ü Company's hiring process evidences that no discrimination prevails on account of age, sex, locality, caste, creed, religion.
- ü Company doesn't discourage for employment of physically challenged people.

Principle - 7, 8 & 9 **Environment**

1. Business should support a precautionary approach to environmental challenges

Environmental policy and Environmental Management System at Tata Sponge Iron Ltd. address 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 TataSponge is given below.





Tata Sponge Iron Limited is the first sponge iron manufacturing company in the country to have been awarded ISO-14001:1996 certificate. Certification to ISO-14001 with 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 despatch 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

11/11/08

All the planning stage for expansion and during the operations, the best industry practices for environment protections are deployed. Tata Sponge Iron is fully compliant 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'

Power generation from waste heat :

Tata Sponge is in the process of generating 26 MW power by 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.). After meeting the Company's internal power requirement of about 7.0 MW, the balance quantity of power (19 MW) is sold to GRIDCO, the State Electric



Utility Company.

Year	Total power generation (KWH)
2005-06	4,02,10,700
2006-07	5,77,54,100
2007-08	165,505,300
2008-09	181,011,400

Power generation from waste heat during last 4 years is show below:

TSIL is coming-up with an FBC power plant to generate power of about 25 MW by utilization of its waste 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.



Specific power consumption per ton of sponge iron production for last 4 years is shown below:

2005-06	2006-07	2007-08	2008-09
119.10	106.96	102.39	100.68

Carbon consumption per ton of sponge iron is also reduced in last four 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.

2005-06	2006-07	2007-08	2008-09
0.473	0.455	0.451	0.451

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. TSIL is **registered with UNFCCC** for its **CDM** project for combating climate change and has achieved an accumulated **carbon credit** benefit of 104334 CERs for its 7.5 MW Waste heat recovery Power Plant. TSIL has also taken initiatives to register with UNFCCC its newly constructed waste heat recovery based power plant of 18.5 MW capacities as a **clean development mechanism (CDM)** project. This is estimated to **save** the generation of **1,21,6030 ton of GHG / annum**. TSIL hopes to reduce 4,10,390 ton and 1216030 ton of carbon dioxide emissions through 7.5 MW and 18.5 MW power plants respectively over a 10-year crediting period.

Assessment of Carbon Foot Print :

In pursuit of Tata Group's initiative for Carbon Foot print exercise, Tata Sponge signed an agreement in December, 2008 with Ernst & Young, an expert agency dealing with climate change in order to ascertain its Carbon foot print. Later an independent study was conducted by Tata Quality Management Services (TQMS) and a separate report was submitted.

The above study was aimed at estimating the GHG emission from different DRI units of TSIL and the associated WHRB power plants. Besides, the objective was to develop a structured monitoring system and also to identify GHG abatement levers so as to enable TSIL to develop



an effective climate change strategy considering upcoming Governmental regulations and policies.

In line with the requirement of the study, an internal support team was formed by the management to collate necessary data and coordinate the external agency. The internal support team was consisting of an Executive programme sponsor, a chief coordinator and few

members drawn from different operational units of TSIL. The team was given a basic exposure on the Climate Change initiatives of the Tata group and the need of GHG assessment at TSIL. A kick-off meeting was held in December, 2008 and the study was continued with both the teams, i.e., E&Y and TQMS.

The standard followed was the GHG protocol Initiative convened by the World Resource Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Under the standard frame work of the GHG monitoring system the study was conducted for the years 2006-07 and 2007-08 by E & Y whereas TQMS did it for the years 2007-08 and 2008-09.

The following areas / units were considered as the organizational boundary for the GHG study at TSIL. They are; Raw Material Handling system (RMHS), DRI Kiln # 1, # 2 & # 3, Captive Power Plants and other Utilities.

As per the requirement necessary data on various operational parameters for the years 2006-07, 2007-08 and 2008-09 were collated by the members of the internal team and sent to the external agencies. The key GHG performance indicating parameters were reviewed and assessed by the external teams and were archived in a consolidated manner. Site visits and random inspections by the external teams were carried out in order to assess and improve the reliability as well as the consistency of the data. Periodical reviews of the data submitted were carried out by the external teams over tele-conference. After which the external teams presented their key observations and subsequently interactive sessions were held with the senior management team of TSIL.

TSIL is examining various abatement levers as an outcome of the above assessment carried out for reduction of CO₂ emission.



Water Conservation:

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

As a policy, TSIL does not discharge any water / effluent to out side premises and maintained as **A ZERO effluent discharge company**. Process & cooling water is completely re-circulated in the system. Wastewater thus generated is used for the purpose of road cleaning, coal yard dust suppression, gardening and watering of plants etc. after primary treatment.

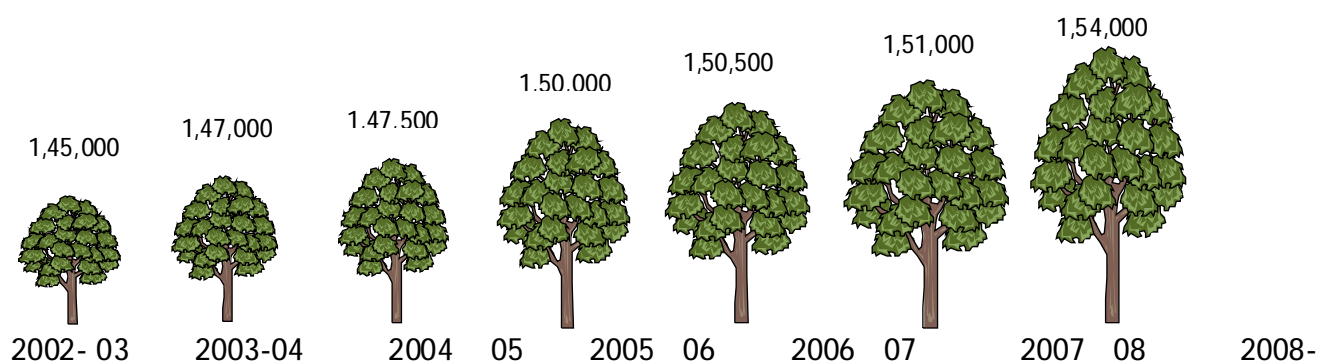
The water consumption (in KL/MT of DRI produced) is as below.

2005-06	2006-07	2007-08	2008-09
6.47	5.64	4.85	5.31

2. Undertake initiatives to promote greater environmental responsibility

Afforestation / Tree Plantation :

Tata Sponge has planted around 1,54,000 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 Sandal, Mahogany, 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.



09





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 balance sold to 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 installing high capacity brick manufacturing facility at its premises for which necessary study and DPR preparation is over.

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

Used Oil & Batteries : TSIL does not produce any hazardous waste except used oil and batteries. All the used oil is collected from different user points and sold to authorized dealers (by Central Pollution Control Board-CPCB) for further processing at their end. The same process is followed for used batteries.

3. Encourage the 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 ³	40 mg/NM ³
Volume of gas emission	1,54,000 NM ³ /hr	77,000 NM ³ /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 CO₂ gas** by use of imported (low ash and high fixed carbon coal) from 2.0 to 1.9 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 a 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** is used to reduce the dust in running circuits. 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 on account of installation and maintenance of pollution control equipments over last few years is as shown below.

Year	Expenditure *
2002-03	180.41 Lacs
2003-04	207.17 Lacs
2004-05	243.49 Lacs
2005-06	216.04 Lacs
2006-07	249.48 Lacs
2007-08	260.78 Lacs
2008-09	291.53 Lacs

(* Expenditure of power for operation of Pollution control equipments is approximately 200 lacs per annum apart from above expenditure)

Awards & Accolades :

Following Environmental Awards are received by Tata Sponge Iron Limited

Assessors	Awards	Rank	Year
TERI	CORPORATE ENVIRONMENTAL AWARD	1 st 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 st Prize	2004-2005
Greentech Foundation	Environment Excellence Award	Platinum Award	2004-2005
World Environment Foundation	Golden Peacock Award	1 st Prize	2005
Directorate of Factories & Boilers	Best Environmental award	1 st 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

Assessors	Awards	Rank	Year
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 category Award	2009
Frost & Sullivan	Green India Award	Green Challengers' Award	2009



Policies addressing TSIL environment :

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

- ✚ Environmental 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 **an Organisation culture (WHEAT)**

- W-**Welfare of employees in surrounding communities.
- H-** Honesty in dealing.
- E-** Environment friendly operations.
- A-** Adaptability to changing scenario
- T-** Trust in all its transaction.

The clause no 5 of the Code of conduct (on gift & donation) states that the company and its employees shall neither receive nor offer or make directly or indirectly, any illegal payments, remuneration, gifts, donation or comparable benefits that are intended or perceived to obtain uncompetitive favours for the conduct of its business. Further, the company shall co-operate with government authorities in efforts to eliminate all forms of bribery, fraud and corruption.



- ü 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 principle of transparency, disclosure, fairness, independent supervision, healthy competition, equal opportunity in employment and compliance to all relevant laws, rules & regulation.
- ü All employees of Tata Sponge have signed the '**Tata Code of Conduct**' (TCoC). 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 disclosures reported are addressed in the manner and within the time frames prescribed in the policy. The ethics counselor personally addresses employees, local contractors, suppliers & customers to support them in upholding ethical transactions.
- ü During the year, a Gift Policy has been issued by the company guiding all employees about the nature of gift which can be accepted or given.

- ü During the year 2009 total no. of concerns received 7, out of which 6 have been resolved & 1 is pending as On 31st Dec. 2009.
- ü Awareness session was held by the Ethics Counselor on TCOC/WBP with the following stake holders:
 - Service providers (July 2009) - 01
 - Suppliers / Vendors (Aug. 2009) - 01
 - Customers (Nov. 2009) - 01
 - Employees covering 125 employees in - 05
- ü Awareness session held by Managing Director covering all associates - 01

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.



TATA SPONGE