



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

COMMUNICATION ON PROGRESS (COP)

Period covered

From: April 2021

To: March 2022



1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER (OWNER OR PRESIDENT IN THE CASE OF SMALL BUSINESSES) –

1. Message from our MD:

Dear Reader,

Tata NYK Shipping Pte Ltd., established in Dec 2006 (started operation in Year 2007), is a 50:50 JV between Tata Steel and Nippon Yusen Kabushiki Kaisha (NYK) Line - a member of the Mitsubishi Keiretsu. We joined the UN Global Compact on Ocean Business Sustainability working Platform in October 2018 and committed ourselves to participate and diligently abide by the ten Sustainability principles laid down by the United Nations, mitigate climate change and help preserve the Oceans and the environment. Herein, we showcase our governing commitments on key environmental and social issues with measurable actions that we have undertaken.

Shipping has been the safest and most energy efficient mode of transportation for raw commodities and manufactured products on suitable ships across the seas; having access to and from any landmark on the globe while supporting international trade and development or as coastal sea support to transport goods along territorial waters.

Predominantly the aspects in our shipping business as Ship owners and Operators includes health and safety of all associated in our ocean business, the choice of fuels, energy efficiency and limiting greenhouse gas emissions, controlling discharges to land and sea, keeping an anti-corruption vigil, all while collaborating with various stake holders. Performance management systems have been integrated with Enterprise Risk Management, Environment and Quality Assurance. We advocate fuel saving initiatives, meeting regulatory norms, exploring usage of alternate fuels, weather enabled route selection and with optimum running machinery onboard. We provide Shipping services at high safety and ethical standards, keeping a zero tolerance for accidents, pollution, and corrupt practices. Transparent collaborations with our customers and stakeholders help serve our mutual business interests in a sustainable manner to preserve ocean health and ensure productivity. GHG reduction targets are planned, aiming to reduce our CO2 emissions (in gram/ton-mile) in line with IMO requirements and meet our ambitious goal of becoming Net Zero GHG emitter by year 2050.

On the Social front, TATA NYK's policies on Employee engagements, Ethics, Code of conduct, health and safety is non-discriminative, encourages employees to contribute to local communities' welfare and indulge in environmental preservation activities. We, as a company, strive to be amongst the best Ocean friendly business service provider with a culture to deliver services exceeding compliances and social expectations.

We confirm and endorse the Principles of the Sustainable Ocean Business Action Platform, reaffirm our cooperation and support to the UN Global Compact Activities and are positive of the outcomes from this sustainability drive for cleaner, healthier, and productive Oceans which would benefit the world community.

Regards,
Amitabh Panda,
Managing Director.

TATA NYK SHIPPING PTE. LTD.

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Co. Reg. No.: 200704492D GST Reg. No.: 200704492D

An ISO 9001 and ISO 14001 Certified Company

2. DESCRIPTION OF ACTIONS

Human Rights

Human Rights		<p><u>Principle 1:</u> <u>Businesses should support and respect the protection of internationally proclaimed human rights; and</u></p> <p><u>Principle 2:</u> <u>make sure that they are not complicit in human rights abuses</u></p>
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I. Summary statement

The company respects human rights, complies with laws and ordinances, adheres to international rules and their underlying spirit in its business activities on both the domestic and international fronts.

II. Detailed approach to the Issue divided into topics below:

Topic 1: Employee safety and wellbeing:

Information on Policies and Governance –

The company has in place a Code of Conduct which emphasizes the need for ensuring a safe and healthy working environment in line with laws and regulations. Within this code, the company mentions it is an equal employment opportunity employer and is committed to creating a healthy and safe & secure working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The company believes that all stakeholders, irrespective of their gender, have the right to be treated equally and with dignity. Safe operation being an integrated process of the organization, the allocation of resources such as time and money is dependent on the compliance requirements of existing and new regulations, emerging situations, special requirements of customers and stakeholders, inputs from the Safety committee and improvement initiatives based on industry best practices.

Actions

- Year 2020 till date has seen impacts and disruptions caused by the COVID pandemic outbreak. Employee Safety and well-being took center-stage. Each employee has been provided safe working facilities with directives towards business continuity while working from home. Vaccinations were made available to themselves and family. The company signed the “Neptune declaration for seafarers”, safeguarding the well-being of our sailing staff and ensuring each ship’s crew had a safe and healthy working environment on board the vessel (SOPs enforced on BMPs to secure employee health). Ship’s crew repatriation has been arranged in timely manner from Convenient ports including taking commercial diversions from trade routes.
- Tata NYK Leadership aims at Zero harm to people, property and environment and has set essential policies based on felt leadership and formed a high-level Safety committee to execute such policies. These policies are further spearheaded with relevant best practices from its parent organizations and the industry leaders.
- As per policy, responsibility of corrective actions for different class of safety events are segregated. Top Management is responsible for Human injuries leading to



permanent disabilities/Fatalities, Collision, Groundings, Major Fire damaging vessel or Cargo etc., Pollution; Sr. GM of Operations, Marine and Technical is responsible for Human Injuries involving Lost Time Injuries, Minor Fire, non-fatal accidents, Employee Injuries ashore, Minor Pollution incidents and Cargo damage claims; head of Marine and Technical is responsible for Near Misses, First Aid cases etc., Safety issues on Ship and Shore.

- PDCA methodology is used to integrate Safety and Health requirement into the Enterprise Risk Management and Strategic Planning Process. All the health and Safety risks affecting people both onshore and offshore are identified in two separate platforms. While risk related to vessels and the cargo carried is identified by the guidelines stipulated by Safety Management System of the ISM Code and Companies established Enterprise Risk Management, the health and safety risk to personnel is identified and mitigated using various guidelines and best practices.
- A compliance management system incorporates the governance, directives, and control mechanisms for ensuring compliance with local and international statutes, both for shore offices and Ships at Sea. In Addition to Statutory inspections by Authorities, compliance checks are also carried out by Tata NYK in a weekly review meeting with vessels and ship manager's, SEP audits and Ship Managers QHSE Audits.
- Apart from Basic training requirements as per STCW convention, on job training, value addition and skill enhancement training are provided to seafarers. Safety Officer's training, Security Officer's training, Ship and Engine Simulator training, Equipment Specific training (ECDIS), Risk Assessment training etc. Each of the above trainings are classroom based supplemented by practical demonstration as required. Every candidate is assessed at the end of the mentioned trainings post which a certification is issued validating the training.
- Tata NYK proactively develops staff's emergency response capability through Crew quality management, Ship staff safety training, certification on skill sets, optimum disposition based on qualifications and Ship specific familiarization of Life saving Equipment's. Guidance and motivation by pushing education. Tata NYK also regularly train shore employees for fire safety response, Training on Emergency first Aid, Training of use of AED and other consequential emergency response training.
- Apart from the institutionalized training, a continuous endeavor is made to induce behavioral safety as an inherent trait of a seafarer on-board Tata NYK's vessels. Behavior patterns are practiced by skill, rule and knowledge and vary based on stress, fatigue, volume of information and personality of the individual. Defined work is always within the physical and psychological capabilities of an employee.
- Safety campaigns are undertaken periodically which encourages the Ship's crew to take a specific approach to safety and come up with ideas like making Safety Movies such as "Importance of reporting Near misses". Crew are motivated by rewards and recognition in successful completion of their SafeR+ activities. Winners of competition are given token awards and appreciations. Masters of vessels with exemplary contribution to overall Vessel's Safety process are also rewarded.
- All indirect employees are encouraged to Stop work when safety is breached and are empowered to report unsafe acts to the management ashore.
- TATA NYK Safety Protocol and reporting's are monitored at board level and information shared with both Promoters, TATA Steel and NYK Line

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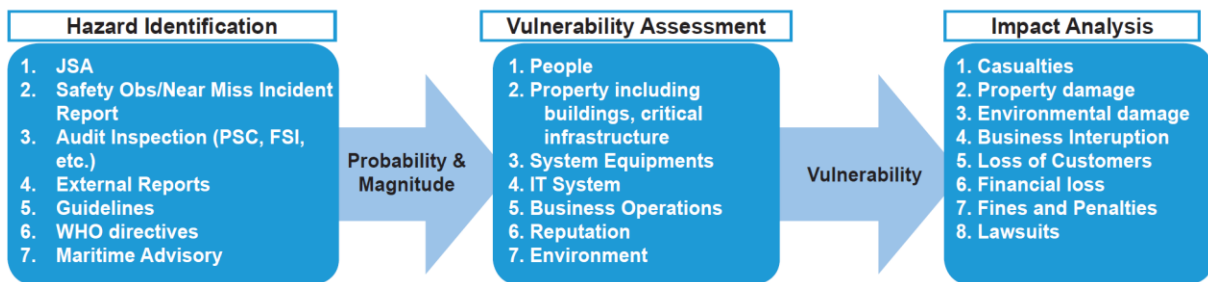
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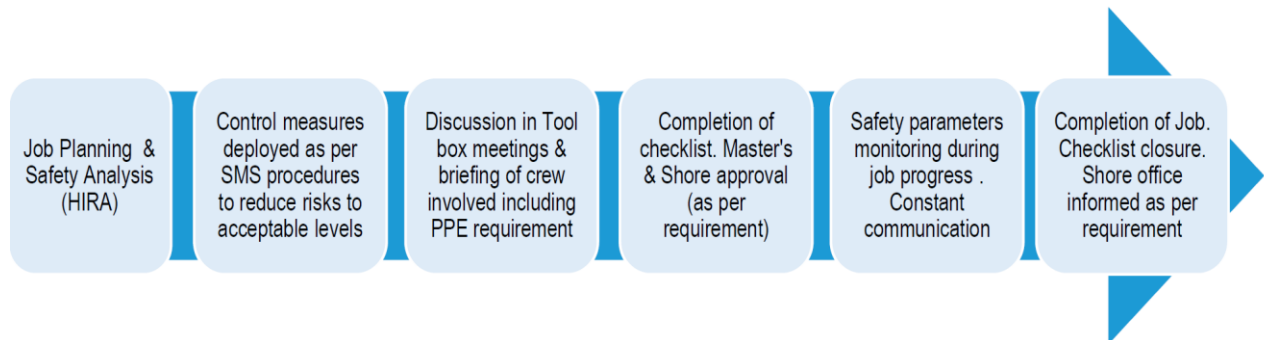
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- All Tata NYK indirect employee endorse the drug and alcohol policy for strict compliance.
- On shore employee engagement surveys are conducted by external HR consultants to address the difficulties and rectify employee discontent.
- The indirect employees serving on ships at sea are governed by Maritime Labor convention (under purview of ILO) and Seafarers unions under collective bargaining agreements, protecting their human rights on working conditions and remunerations for serving onboard ships. All ship staff have access to online complaints register with Ship manager and are also empowered to approach Owners if there is any violation of human rights.

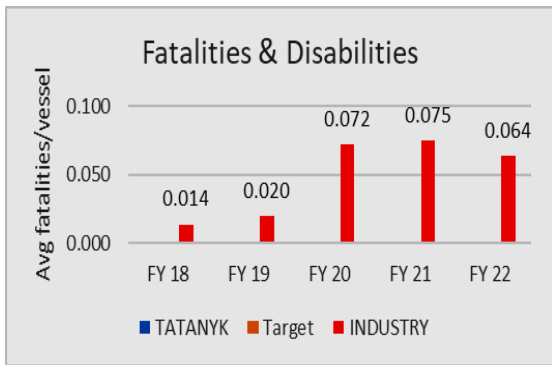


Safety at workplace

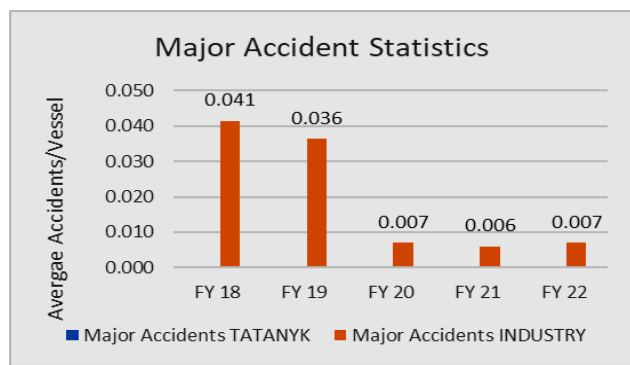


Metrics & performance

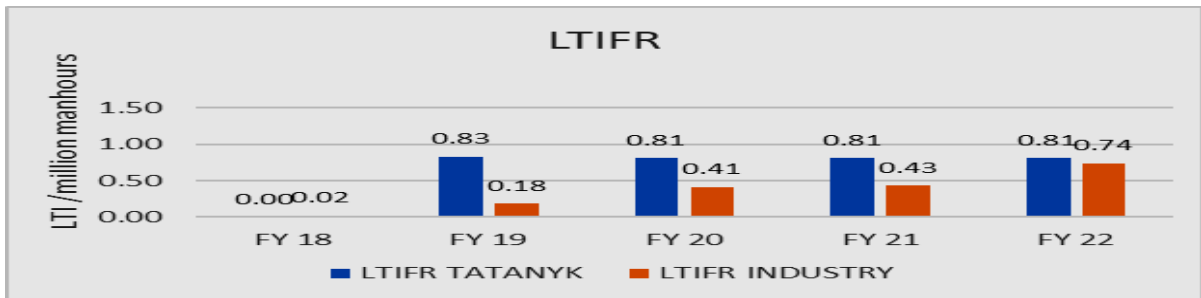
The company tracks various metrics to keep track of employee safety and well-being and has witnessed best-in class performance on safety with zero fatalities. It's lost time Injury frequency rate - LTIFR has been improving over the years from 0.85 LTI/per million to 0.81 LTI/Million, and the company intends to bring it down further. Tata NYK has kept a clean record of Nil Fatalities, Nil Pollutions and Nil major accidents. Tata NYK measures average deficiency per PSC inspection and has consistently reduced it from 1.92 deficiency per vessel on FY 18 to 0.35 in FY 20. Tata NYK proactively accounts for all near misses and incidents to effect corrective actions, it has increased to an average inspection per vessel of 6.9 inspection. Process KPIs are set and measured for efficiency and effectiveness.



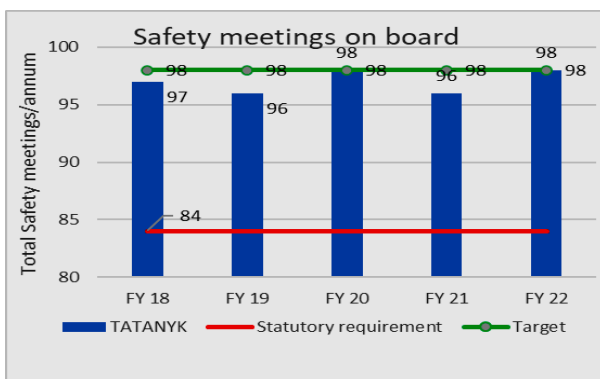
TATA NYK kept achieving the target of zero Fatalities Permanent Partial or Permanent total disabilities.



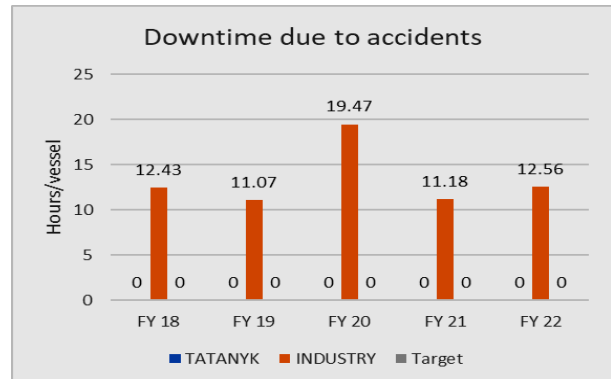
Safety culture, focused campaigns, and deployment of learnings from past accidents in industry and TATA NYK helped to achieve the target of zero major accidents for 2 consecutive years.



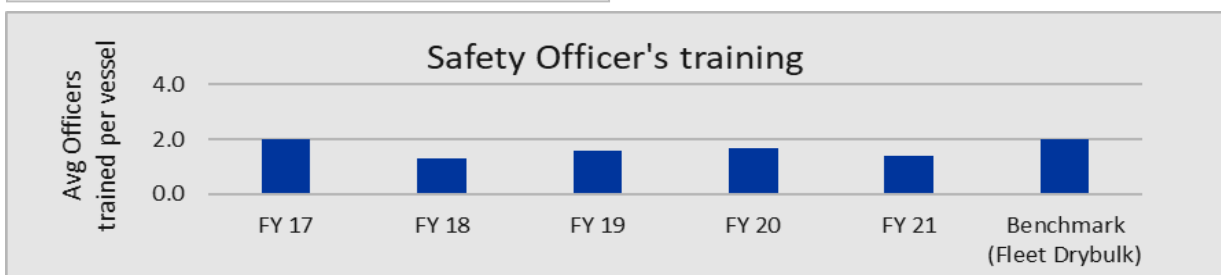
Focused campaigns on TATA NYK vessels managed to lower work related injuries over the years



Safety meeting & Talks are carried out monthly by vessel's Masters and when Superintendents and Owners rep visits vessels



TATA NYK's fleet is reliable due to low accident statistics



TATA NYK encourages senior officers to undergo Safety and Security Officer's training prior joining vessels

Topic 2: Prevention of sexual harassment:

Information on Policies and Governance

The company has a Prevention of Sexual Harassment policy that creates a robust governance mechanism to prohibit and redress sexual harassment should it occur. Employees are encouraged & empowered to report untoward incidents.

An Internal Complaints Committee (ICC)—also known as the POSH Committee reviews and updates the POSH policy at regular intervals. The policy considers the definition of Right to life, means right to life with dignity and the fundamental right to carry on any occupation, trade, or profession, which depends on the availability of a "safe" working environment where employees feel secure and truly believe that their dignity is maintained.

Actions

- As per policy, company will not accept, support, or tolerate retaliation in any form against any employee who, acting in good faith, reports suspected misconduct, asks questions or raises concerns.
- This policy takes complete cognizance of the latest legislation, such as by the Government of India "The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act 2013 and its rules notification published on 9th December 2013.
- The company hosts a third-party administered anonymous online whistle-blowing platform, Deloitte Halo, whereby any violation of the company's code of conduct, issues concerning Ethics & Integrity at the workplace dealings & conduct, financial fraud etc. can be reported. Whistle blown can be accessed through Deloitte Halo platform and actioned/investigated by the designated Ethics Committee chaired by the Executive Leadership Team, the Chief Ethics Counsellor, the Lady Ethics Counsellor, and further escalated as needed to the company's Audit Committee.
- Outside of sexual harassment, the policy also considers Implied or explicit preferential treatment in the employment or detrimental treatment in the employment or threat about the present or future employment status. It also specifies actions for interference with the work or creating an intimidating or offensive or hostile work environment even Humiliating treatment likely to affect health or safety.
- Periodic awareness sessions & workshops have been conducted in the past by Ethic counselors from Promoters offices on POSH & related Ethical misconduct, reporting and resolution intervention guidelines

Metrics & performance

- There have been no POSH complaints received so far in the history of the company's business operations.
- Timelines Targeted on handling Ethical complains is 45 hours as per below table

Number of Key Initiatives on Awareness and Conduct.	FY 18	FY 19	FY 20	FY 21	FY 22
Awareness and refresher workshops on whistle blower, POSH and Ethics	12	4	6	1	1
Feedback	5	0	0	1	1
Voice Survey	1	1	1	1	1
Circulation of Code of Conduct	1	4	4	4	4



Timeline for handling Ethical complains	FY 15	FY16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
Target, Hrs	NA	45	45	45	45	45	45	45
Actual resolving time , Hrs	NA	90	90	30	21	15	15	10

Topic 3: ILLICIT TRAFFIC, SMUGGLING AND TRANSPORT BY SEA

Information on Policies and Governance

Prevention of Trafficking policy governs all activities that Tata NYK Shipping operate during international transportation of goods across the seas. Human Trafficking is the recruitment, transportation, transfer, harboring or receipt of people through force, fraud, or deception, with the aim of exploiting them for profit. Drug trafficking is a global illicit trade involving the cultivation, manufacture, distribution, and sale of substances which are subject to drug prohibition laws.

The company also involves with stakeholder that have strong policy to prevent, suppress and punish trafficking of Humans, Drugs or Animals through any operation involving Tata NYK Shipping.

Operators and masters of vessels trading to and from high-risk areas are also recommended to familiarize themselves with, and ensure their onboard procedures refer to, the IMO Revised “*IMO Revised Guidelines for the Prevention and Suppression of the Smuggling of Drugs, Psychotropic Substances and Precursor Chemicals on Ships Engaged in International Maritime Traffic*” (Resolution MSC.228(82) and Resolution FAL.9(34)).

Actions

- **Smuggling of humans, drugs and/ or animals and Prevention of Stowaways**
 - While trading ships internationally we continuously take precautionary measures to avoid trafficking of humans and or animals, illicit smuggling of drugs /contraband and the onboarding /carriage of stowaways at sea. Taking cognizance of trade routes, vessel considers the severity of the threat posed at the specific port of call, in consultation with local agents and shore offices of Owners and Ship management company. A comprehensive port update is obtained from the local port agent and Insurance correspondent prior to the ship’s arrival.
 - While in ports, in susceptible regions for drugs and / or Stowaways, the ships security level is heightened, additional local security personnel deployed to check any suspicious activity by shore personnel nearabout or when working on the ship. All restricted entry areas on the ship are closed and secured. A thorough search of the ship is carried out before departure, at times including a canine search.
 - Awareness against the use and possession of drugs on board ships is necessary among crewmembers. Crew should be briefed in advance of a port call that any such co-operation with the drug traffickers/smugglers may not only violate company policy but also result in severe consequences by local authorities.
 - Ships trading to and from high-risk areas are recommended to refer to the *IMO Revised Guidelines for the Prevention and Suppression of the Smuggling of Drugs, Psychotropic Substances and Precursor Chemicals on Ships Engaged in International Maritime Traffic (Resolution MSC.228(82) and Resolution FAL.9(34))*. Similarly, the International Chamber of Shipping (ICS) has published guidelines on recognition and

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detection of drug trafficking and abuse. Also Ship Sea carrier manual is to be consulted and updated when calling US waters.

- When stowaways are found, the vessel's agent in the next port of call is informed to have the local immigration attend vessel for handing over the stowaway for scrutiny and onward repatriation to country of origin.
- Stowaways are treated humanely and watched over until they can be repatriated.

- **Guidelines for Rescue at Sea of Refugees**

When distressed seamen or refugees are found at Sea, our ships will inform the nearest maritime rescue center and divert to provide rescue assistance and considering ship and crew safety.

- Appointed Ship-Managers act as despondent owners who are liable to follow the set guideline governed by Maritime Law and Tata NYK Shipping.
- Regular awareness campaign is conducted by the company through the ship managers to all seafarers managing the vessel, sensitized on reporting and rescue operations

- **Metrics & performance**

- By adopting best safe and secure practices there have been no instances of Smuggling of drugs and /or animals and no Stowaway has been on-carried by any of our vessels.

III. Details on participation in international fora or coalitions

Coalition 1: Neptune Declaration on Seafarer Wellbeing and Crew Change Protocol

Tata NYK is a signatory to **the Neptune Declaration on Seafarer Wellbeing and Crew Change Protocol**. The protocol has the following 4 principles which address the well-being of crew.

- Recognize seafarers as key workers and give them priority access to Covid-19 vaccines
- Establish and implement gold standard health protocols based on existing best practice
- Increase collaboration between ship operators and charterers to facilitate crew changes
- Ensure air connectivity between key maritime hubs for seafarers

- **Actions taken as a participant**

- Strict compliance to Crew Change enforced and Vessels also deviated from route, as and when necessary, for the purpose to effect crew change in ports having connectivity by Land and Air.
- Relevant Clauses incorporated in Charter party agreements when assigning ship and crew for trade.
- All personal Protection afforded to crew, free of cost and strict enforcement of hygiene and sanitation maintained. Personal temperature checks maintained on daily basis. All sickness cases promptly referred to shore medical attention.
- Ship's crew provided with free access to Internet facilities on board to be in direct contact with family, friends and be socially aware of surroundings. Additional bonus paid to overstayed Crew while effecting repatriation and when quarantined in transit.

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- Arrangements made for Vaccinations prior joining ships at home town and where possible to vaccinate crew in suitable ports while engaged on ships.


Coalition 2: UN Global Compact.

As a corporate member of UNGC Action Platform, TATA NYK has committed to support the 10 principles of United Nations Global Compact and acknowledges the importance of the 17 global Sustainable Development Goals (SDGs) and mapped efforts to the SDGs. Efforts on these TEN Principles are based on categories:

- Human Right – Code of Conduct, Procurement and Supply Chain management Policies and practices.
- Labour – Multi Cultural workforce, Occupational Health and Safety, certified with compliance to Labour conventions
- Environment – Compliance to regulations on lowering Energy usage and choice of fuel, sea discharges, preserving biodiversity and zero policy on accidents and oil spills.
- Anti-Corruption – Ethics covered under Code of Conduct and transparency, open line reporting and whistle blower policy.

Furthermore, as an active member in the Action Platform on Sustainable Ocean Business, TATA NYK has contributed towards the development and implementation of the 9 principles of the Sustainable Ocean Business and the subsequent guidance notes for the shipping sector towards adopting these principles.

Labour

<u>Labour</u>		<p><u>Principle 3:</u> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p><u>Principle 4:</u> the elimination of all forms of forced and compulsory labour;</p> <p><u>Principle 5:</u> the effective abolition of child labour; and</p> <p><u>Principle 6:</u> the elimination of discrimination in respect of employment and occupation</p>
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I. Summary statement:

- As per principle of Sustainable Ocean business we freely associate with all employees, Shore based or on ships at sea, respecting their rights, assuring and ensuring adherence to respective national legislatures and / or union / labor collective bargaining agreements.
- Safety, Health and Wellness is top priority while providing Fair Wages to all.
- Elimination of all forms of forced and compulsory labour and strictly abide with International rules and conventions on work and rest hours. Effective abolition of Child labour
- Eliminate all forms of discrimination as to Race, colour, nationality, and Gender for employment.

Detailed approach to the Issue divided into topics below:

Topic 1: Shore staff and hiring and retention of labour (Skilled, certified indirect employees manning our



ships).
No Child Labor, No forced or involuntary work engagements,
Fair Wages culture and working with Labour Union requirements

Information on Policies and Governance –

To safely man our ships, under strict observance of the ILO Maritime Labor Convention 2006 (encompassing about 60 International Labour conventions, upholding human rights and labour policies) and amendments thereof, the contracted and qualified Ship Managers engage Seafarers under collective bargaining agreements with Seafarers Unions ensuring Seafarers rights and remedies.

- Land-based personnel in Singapore and India offices are engaged with an employment Manual and engagement policies aligned to companies Code of Conduct and Ministry of Manpower / labour requirement. For the seafarers all company policies including Code of Conduct is incorporated into Ship managers directives and policies. Reviewed by TATA NYK on weekly basis on ABCDI virtual meetings with ships at sea and reviewed internally by top management.
- All indirect workforce empowered to stop work if work engagement is unsafe.
- Grievance procedure includes a Whistle blower procedure empowering employee to report any improper work conduct or unethical practices.

Actions

- Ship-board audits for MLC compliance and statutory certificate renewals
- All safety and vessel specific familiarization is completed prior joining vessel and continued with on job training with rewards and recognition
- Staff recruitment is with Owners selection process with set criteria for employment.
- SOPs constantly upgraded as per International Safety Management code and Ship Security guidelines monitored.
- Safety KPIs are reviewed monthly and Safety campaigns executed to improve safety awareness and correctness of work functions
- Hazard Identification and mitigation
- Risk assessment and Quality assurance team Audits Functional process and procedures
- Internet facility provided to Ship staff for social connectivity. Protection from Cyber threats with control measures adopted.
- Timely repatriation of seafarers, back to home, ensured.

Metrics & performance

- Diverse culture work force engagement on shore offices and on ships at Sea
- Wages and emoluments for the Ship's crew are better than the minimum wages defined in collective Bargaining agreements with national labor unions of crew contracting countries
- Protection and Indemnity cover provided to all onboard staff and personal Insurance cover provided when proceeding on leave.
- Safety related Lead and Lag measures reviewed by top management. All Incidents, accidents analyzed, and corrective actions implemented.

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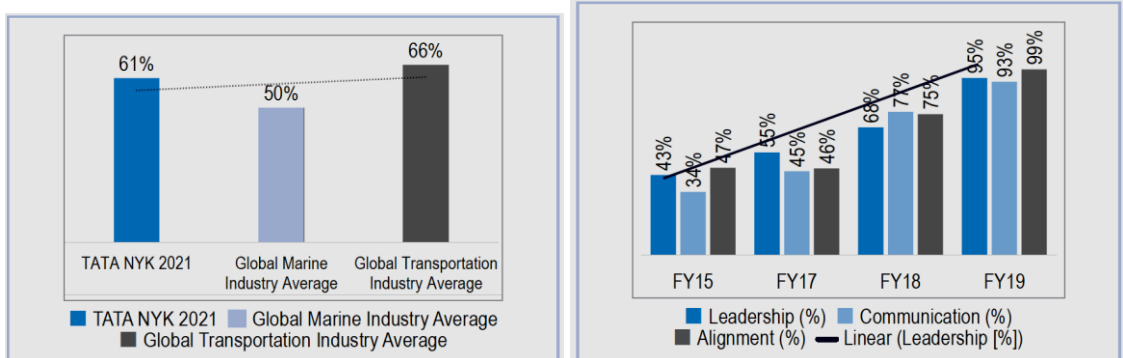
Nationality	Gender		Management Level	At SG	At IND	Avg Age SG	Avg Age IND		
Indian	34	Male	37	Senior Management (GM and above)	E1, E2	5	1	53	48
Singaporean	9	Female	13	Middle Management (Sr Manager to DGM)	E3, E4	6	9	41	39
Japanese	3	TG	0	Junior Management (Executive Manager and below)	E5, E6	4	12	34	33
Others (Malaysian, British, Chinese)	4	LGBT	0						

Total 50 Multi Cultural Direct work force in Shore offices

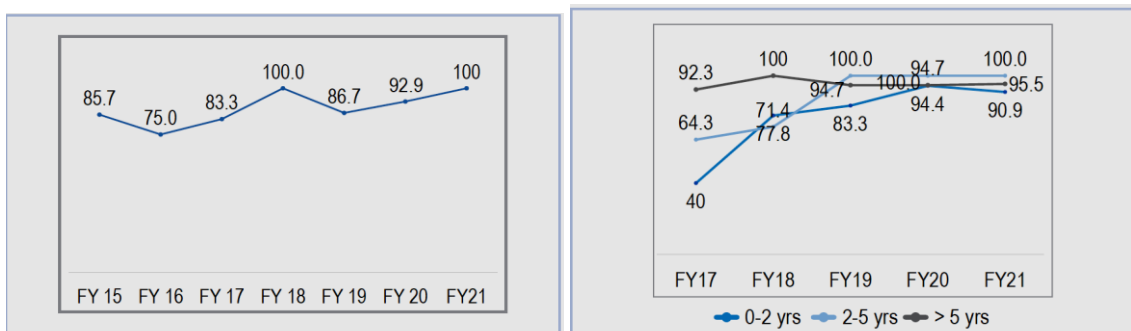
Master -7					
Deck Dept	Chief Officer	7	Eng Dept	Chief Engineer	7
	Second Officer	7		Second Engineer	7
	Third Officer	7		Third Engineer	7
	Deck Cadet	1		Fourth Engineer	2
	Deck ratings , Bosun	8		ETO	7
	Able-bodied seamen	25		Engine cadet / Junior Engg	5
	Ordinary seamen	7		Oilers	16
	Cook	7		Wipers	1
	Messman	7		Fitter (RPFW)	7

Total abt 135 Multi Cultural (Primarily Indians and Phillipino) workforce engagement on owned Ships at sea.

- Evaluation & Improvement: For FY21, the Company engaged external independent consultant Kicentric (part of Spencer Stuart Company) to conduct an anonymous survey. The results show that TNYK's overall employee engagement is higher than Global marine industry average and almost on par with Global transportation industry average.



Employee Engagement Survey



Tata NYK is an equal opportunity employer with a high diversity ratio. Higher retention shows higher engagement among women employees.

Retention of women employees

The graph shows an improving trend on the retention for all the categories.

Retention%, tenure-employee stickiness/ employee longevity index

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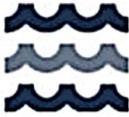
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Environment

<p><u>Environment</u></p>		<p><u>Principle 7: Businesses are asked to support a precautionary approach to environmental challenges;</u></p> <p><u>Principle 8: undertake initiatives to promote greater environmental responsibility; and</u></p> <p><u>Principle 9: encourage the development and diffusion of environmentally friendly technologies</u></p>
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I. Summary statement

At TATANYK,

- Respecting and safeguarding the environment is a fundamental principle.
- Set policies (Environment, Quality, Safety, Security and Sustainability), Code of Conduct while volunteering for SDG-14-Life below water under Sustainable Ocean Business.
- Our shipping operations have implemented environmental management systems, certified by ISO 14001:2015 standards.
- We publish environmental performance in our Integrated Report, climate disclosure and statutory reports periodically.

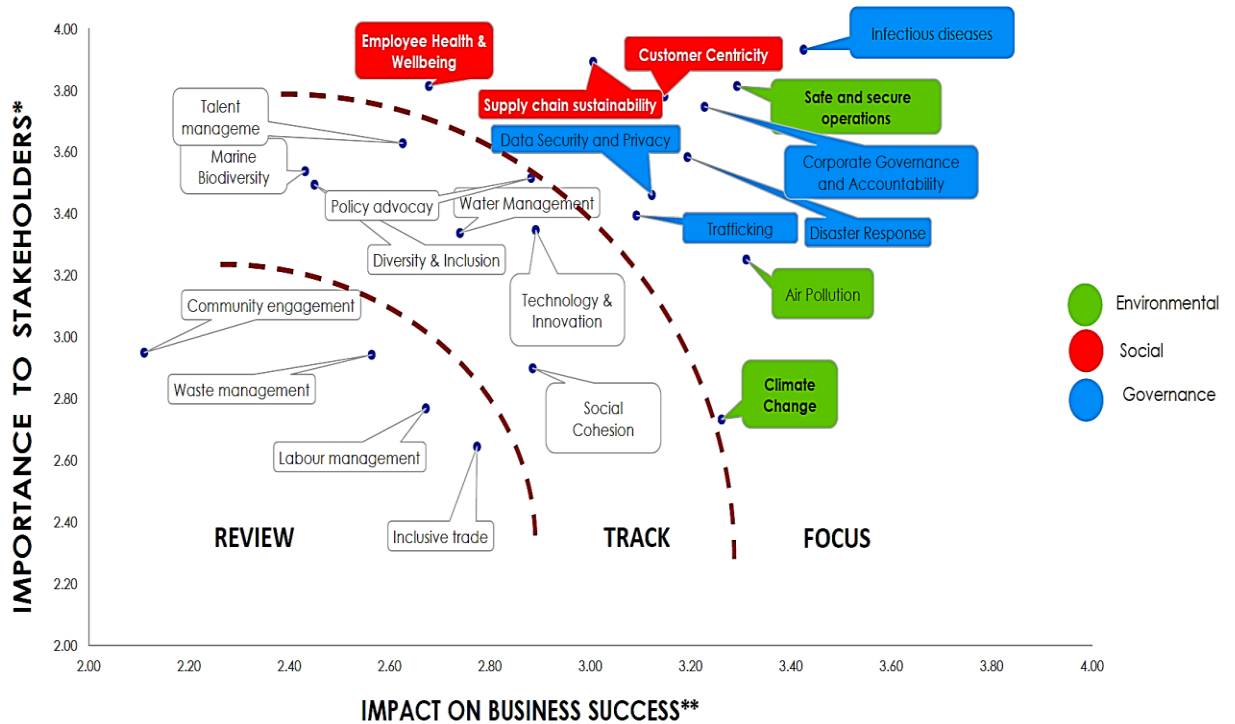
Topic 1: Addressing Climate change (Emission reduction and Climate Risk management)

Information on Policies and Governance –

TATA Steel and NYK lines are both large corporates with robust mechanisms to address climate change and have developed guidelines for compliance, reporting at international level and undertaking various research and development programs.

- TATA NYK has a governing Environment policy and is ISO 14001 certified.
- Governance framework is with directives from Board members and top management for monthly reporting of set targets and environmental objectives.
- Sustainability Policy further enhances requirements towards environment.
- Addressing Climate change and emission reduction is foreseen as most crucial for business continuity.
- Maintain Hazardous material inventory for life cycle management of owned vessel.
- All employees are responsible for exhibiting safety attitudes and for working in an environment friendly manner.
- Materiality mapping conducted involving internal and external stake holders

Materiality Map of Tata NYK



*Responses received: Employees – 78%, Customers – 28%, Regulators – Proxy by Head, Legal, Investors – 50%, Suppliers – 23%, Community – Proxy by Head, CSR
 **MD's response on the impact of climate change on business success has been updated to indicate the emphasis of the topic

Actions:

Impacts	Initiatives	Current Status & Goal
Climate Change	<ol style="list-style-type: none"> Sulphur mitigations Carbon mitigation 	<ul style="list-style-type: none"> Low Sulphur fuel was enforced in 2020 in the shipping industry. Compliant fuel intake will be monitored. Future regulations, to be effective in 2030, will mandate significant reductions in carbon emissions. Vessel operations are monitored for carbon output and planned reductions to meet regulations. Preventive maintenance of the vessel and equipment ensure that emissions are safe

- All ships are designed, built under own supervision to highest class standards, manned with skilled manpower and traded worldwide.
- Business and Chartering team requisitions the right fit vessel for the voyage after detailed risk assessment, duly vetted by third parties on safety and emission standards.
- Operational excellence is aptly demonstrated by own core operations team taking adequate measures in each voyage to ensure optimum performance of all vessels while at sea and in port.
- Operational processes encompass slow steaming benefits, ocean routing by factoring weather conditions enroute and maximize cargo carriage for attaining the best mileage and carbon footprint on each voyage.
- KPIs are tracked for each voyage on efficiency and effectiveness of actions.
- Digital Ship Performance tools are being adopted on ships for energy efficiency management.
- Improvement initiatives are undertaken in every drydock such as evaporation tank, garbage compactors, freshwater dispensers to eradicate plastic bottles etc;

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- On board staff undergo refresher trainings on ship modules provided online by Ship managers, Shore staff undergo periodic ISO 14001 awareness and internal auditors training, demonstrations of effective use of bunkers and vendor/ supplies such as fuel additives etc. Bunker suppliers
- All vessels monthly provide their list of consumables and the wastes generated and how disposed.
- Strict MARPOL regulations followed on Air emission and overboard sea discharges, and measures adopted to prevent inadvertent discharges of pollutants.
- Quality and correct grade fuel utilized as per geographical usage under Marpol regulations. Fuel consumption for each vessel is tracked each voyage and any fuel savings captured for reduction in Air emissions.
- Maintenance, upkeep of Main propulsion engines, ancillary machinery and Power Auxiliaries given high priority for optimum performance of fuel usage and minimized emissions.
- Optimize usage of Waste treatment system on board.
- Regular maintenance of hull by adopting safe cleaning methods and propeller polishing to keep vessel hull condition clean and improve fuel efficiency
- Weekly drills on ships ensure emergency readiness and crew familiarity with Lifesaving and Fire-fighting equipment. A ship shore drill is also exercised to have a mock assessment of each ship towards communication and procedures adopted to deal with any eventuality or an accident.

Metrics & performance

- **Digital technologies:** To ensure safe and energy–conserving shipping operations, TATA NYK is
- ✓ Collaborating with NYK / MTI on using ships big data, of operational voyages and equipment performance, for providing Sea Margins and Spas Analyzer/ Viewer .
- ✓ Adopt Energy Efficiency operations management Systems platform to provide accurate speeds and consumptions.
- ✓ Mobile tracking of vessels and emission counters.
- ✓ Subscribe to Rightship for Customer centricity and enhanced GHG ratings
- ✓ Ship monitoring and record keeping of events with onboard cameras.

Metrics being tracked currently are,

- Fuel consumptions,
- Fuel sludge generation
- Garbage including Galley/ Food waste
- Fresh water generation and consumption
- Sewage Treatment and disposal
- Drills and Emergency preparedness

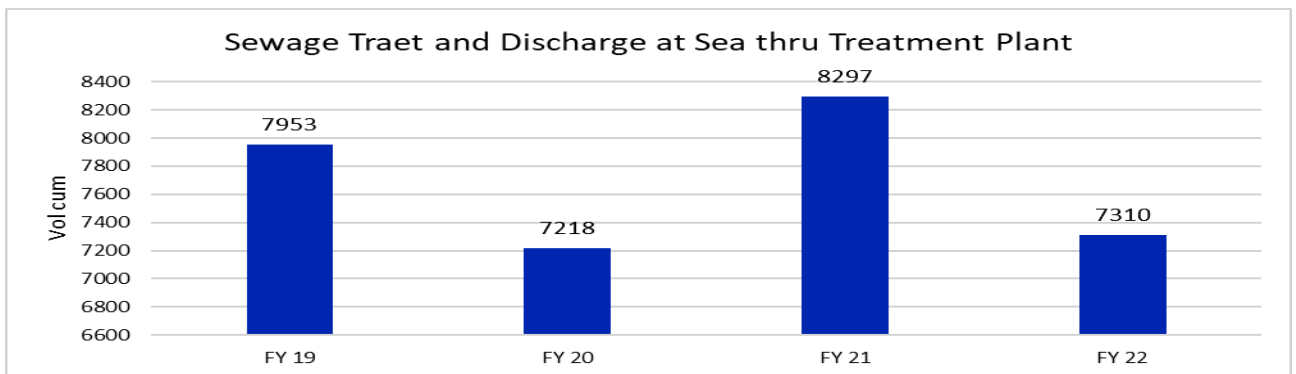
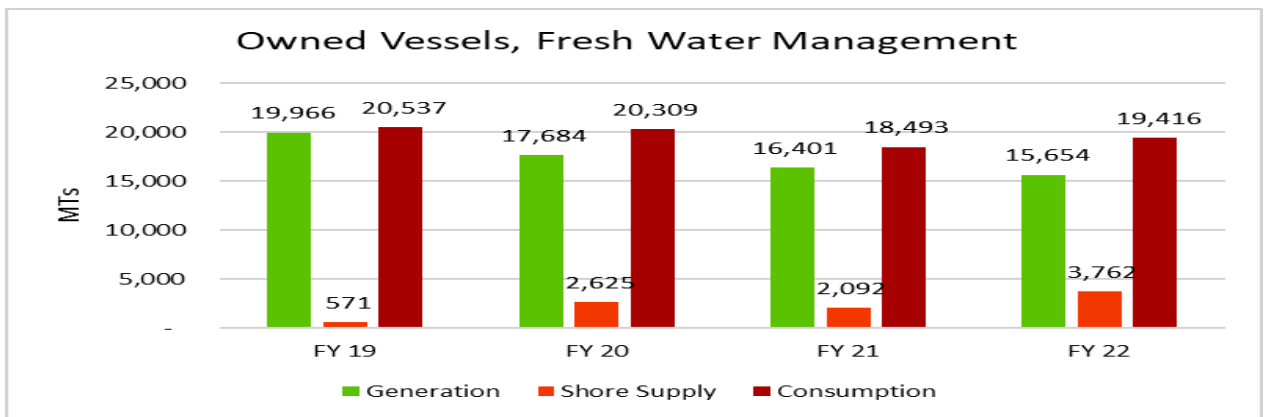
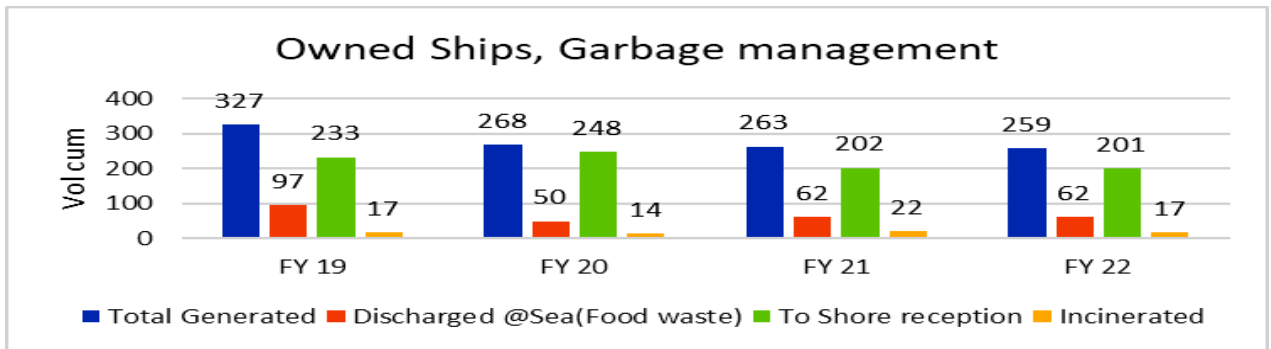
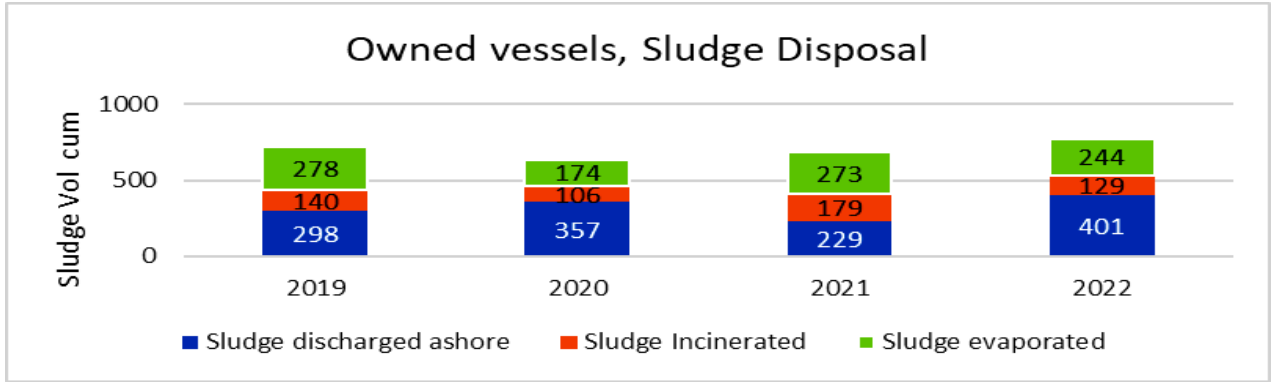
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Topic 2: Air Pollution

Information on Policies and Governance –

- Environment Policy, Sustainability and Objectives are detailed in ISO 14001 standards.
- Under Company Environment policy and IMO Regulatory policies, requirements and limits of Air emissions is well defined and strictly enforced.
- Deploying Efficient engines, Fuel reduction technologies at new building stage,
- Vessel voyages are fully compliant and certified as per IMO Marpol Regulations and any local statute on choice of fuel in different emission regions. Prescribed fuel for voyage is defined in the Charter party.
- Ozone depleting substances and chemical aerosol are not used.

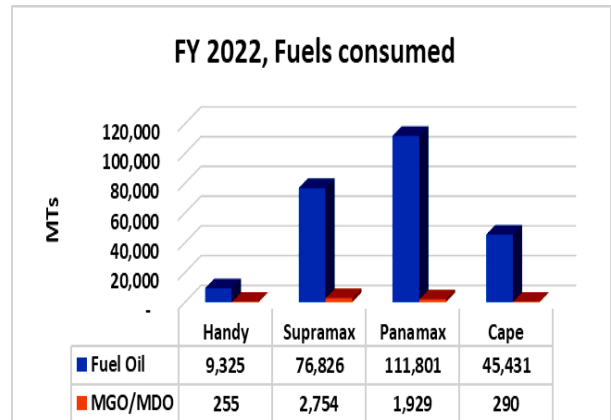
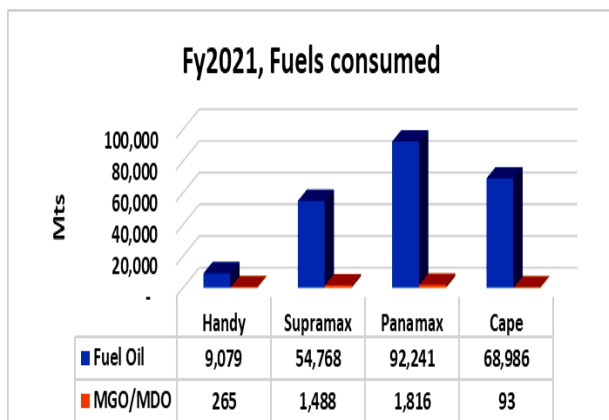
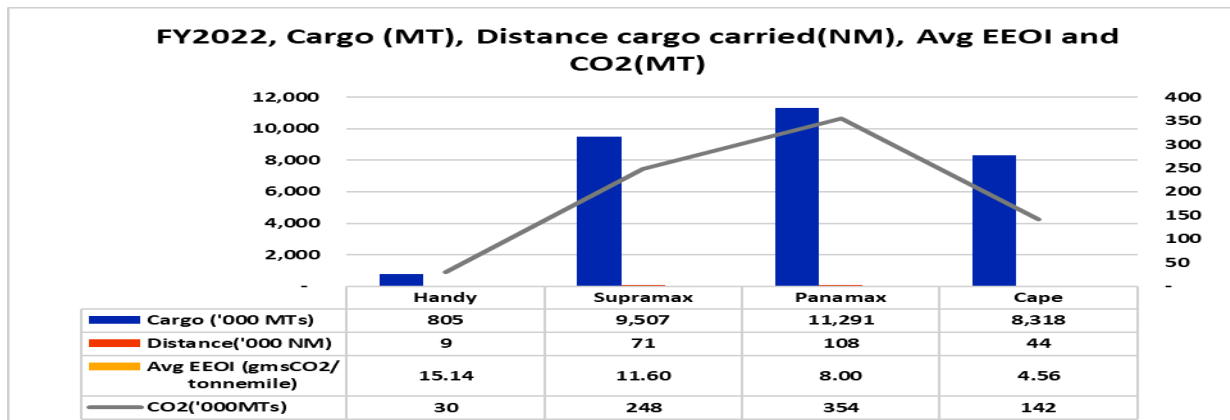
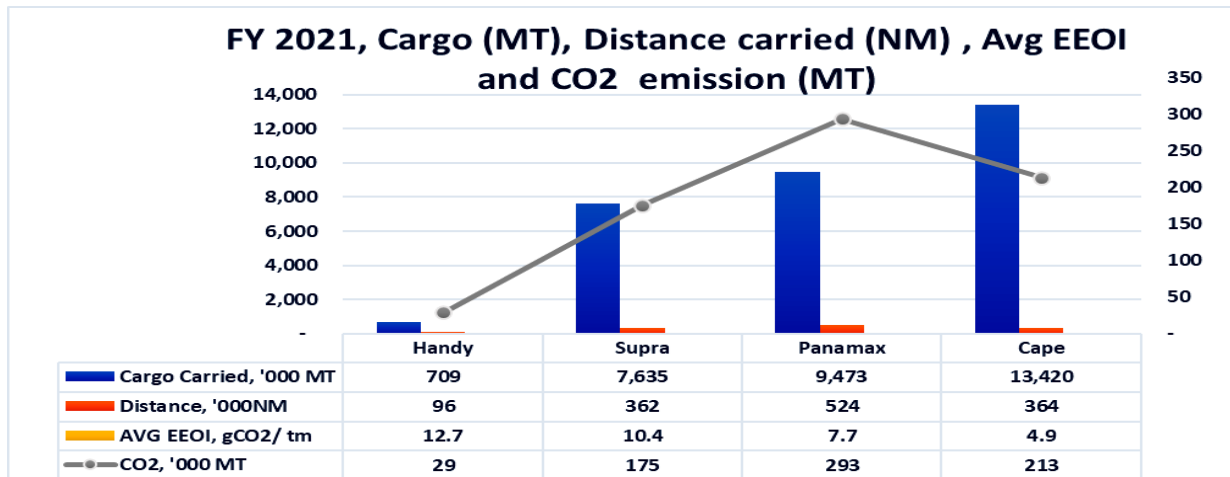
Actions

- Environment Policy and Objectives are detailed in ISO 14001 standards
- During Ship operations, opportunities are sought to run vessel on Slow speeds in meeting with charterers obligations to arrive destination. It is stressed on Charterer that a 10 % drop in speed can effectively reduce fuel consumption by 20% per unit of distance with a corresponding drop in CO2 emissions. Moreover, emissions of air pollutants, such as SO2 and PM, will also come down.
- Value capture by Ship Operators is reviewed in weekly and monthly performance and individual KPIs help reinforce the drive to lower fuel consumption and Air emissions.
- Energy efficiency Management tools are installed whereby Mass flow meters accurately measure fuel flow and energy performance is measured.
- TATA NYK attends regular seminars and online webinars dealing with Air emissions and engages regular with fuel suppliers for quality improvement.
- As per New EEXI and CII regulations requirements of IMO, Class NK has been engaged to calculate the required / attained EEXI for all owned ships and the Technical / operational suggestions sought for from Class NK/ Engine makers, Shipyard.

Metrics & performance

- Ship Main Engines are tuned to required NOx emission levels and is measured and monitored with makers help every month.
- SOX emissions are subject to strict monitoring of fuel carriage and usage as per IMO regional requirements and local statutes
- CO2, SOX, NOX is tracked monthly for all operated and Owned ships, reports submitted for regulatory compliance.
- TATA NYK sets a yearly target of 8% CO2 reduction by slow steaming.

Ship Fuel utilization and CO2 Emission and Fuel Efficiency



Topic 3: Addressing biodiversity (Ballast water management, overboard discharges and avoiding spills)

Bio-diversity - Greater species diversity ensures natural sustainability for all life forms underwater	Ballast Water treatment	The purpose of the Ballast Water Management System is to minimise the transfer of non-indigenous harmful aquatic organisms and pathogens from one area to another) through the ship's ballast water system. Ballast Water Treatment was first introduced in Tata NYK's Sagar Samrat three years before regulations came in for all vessels to have Ballast Water Treatment. All Tata NYK vessels are to be equipped with Ballast Water Treatment.
	Waste Management	Waste is disposed as per regulations to prevent pollution
Managing Waste, Noise and pollutants	Noise Pollution	Seismic activities are reduced to eliminate noise pollution in seawater. This will continue going forward.
	Choice of anti-fouling paint and environment accepted lubricants	All vessels are painted with anti-fouling paint to ensure no harmful and toxic elements are being introduced into the seawater that will hamper the natural habitat of under water life forms. All vessels will continue to be painted by it.

Information on Policies and Governance –

- Strict enforcement of MARPOL and Oil pollution prevention procedures on Board ships and precautions taken for inadvertent discharges.
- ISO 14001 on Environmental policy and Objectives details obligation of Owners and supply network towards clean shipping activities.
- Treating all ships garbage / waste including plastics by discharge to shore reception facility.
- Monthly updates review by top management and the Board members on any Pollution incident.
- Green Pledge with MPA singapore

Actions

- Regular checks of Ships Antifouling Paint protection, prompt removal of sea growth from Hull and Appurtenances; Usage of Environmental acceptable lubricants.
- Contracting with Oil spill containment agencies for emergency readiness Details of relevant function's roles in implementing the policies
- Operational matters dealing with Cargo waste disposals, hold wash water etc. planned as per Marpol Specific area guidelines.
- Ballast water treatment systems installed as per regulatory requirements and discharges monitored and recorded.
- All sewage and overboard grey water treated and monitored and recorded prior discharge
- Sludge generated / Waste oil is either incinerated or discharged ashore to reception facility
- Engine room bilges monitored for oily water and adopted evaporator tanks to minimize such effluents building up.

Metrics & performance

- Metrics being tracked are the Marpol required ship registers such as BWMP and oil record book.
- Targets are NIL pollution and till date we have had no incident.

II. Details on participation on international fora or coalitions

1: Participant and Information sharing with BIMCO, Shipping KPI

- BIMCO represents shipping interests and with its data collation of likewise ships provides benchmarking opportunity related to safety, workforce engagement and environment standards.

Actions taken as a participant

- Measuring and reporting all forms of Safety (lead/ Lag measures) air emissions and discharges to sea.

2: Subscribing to Rightships Vetting.

- Rightship is a third-party vetting organization which provides ships a safety and environmental score which is used by Customers while engaging ships and in general identifies the poorly managed ships.

Actions taken as a participant

- TATA NYK uses this information to selectively employ only ships which are highly rated on Safety and environmental management standards
- Obtaining Safety Score and GHG ratings as shown below and sharing with interested stake holders in Ocean business.

Rightship Rating (FY 23)			
	Safety Score	gmCO2/tm	GHG Rating
Sagar Samrat	4	3.67	C
Sagar Ratan	5	4.05	D
Sagar Kanta	5	4.36	D+
Sagar Shakti	5	4.4	C
Sagar Kanya	4	4.5	D+
Sagar Moti	4	4.81	D+
Sagarjeet	5	4.41	C

Topic 4: Carriage of hazardous materials

Information on Policies and Governance –

- All Cargo carriage as per International Maritime Dangerous goods code and as per Bulk carrier codes.
- Hazardous materials other than maintenance chemicals are not permitted for use.

Actions


- Life cycle management, all vessels to undergo Hazardous Material inventory and record keeping.
- Precautions enforced for safe handling of Hazardous Materials.

Metrics & performance

- All vessels undergoing Certification for maintaining Inventory of Hazardous materials under Classification Society Rules for ships.

Ships will be periodically inspected, and certificate renewed.

Anti-Corruption

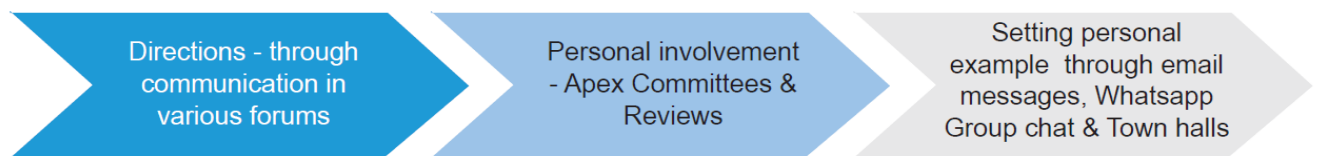
Anti-Corruption		<p>Principle 10: <u>Businesses should work against corruption in all its forms, including extortion and bribery</u></p>
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Summary statement

The foundations for structuring a strong corporate code are set by the Board of Directors, brand building setting of Vision, mission, and values through the Senior Management. Based on the Company's organization chart and detailed job descriptions, specific roles are established for each employee. The Senior Management is involved in the daily operation of the company and committed to the implementation of the code and policies from all company staff.

The BoD is additionally supported by several committees which are assigned specific responsibilities.

Senior leaders promote ethical behavior, regulatory compliance, safety, quality and concern for the environment to foster a commitment to meeting legal, regulatory and ethical requirements, demonstrating their personal commitment through:



- Robust Risk Management and governance structure reduces the exposure to corrupt practices and Assurance comes from Tata NYK code of conduct, ethics pledge, open reporting for both shore and ships staff.

Detailed approach to the Issue divided into topics below:

Topic 1: Anti-corruption/Anti-bribery

Information on Policies and Governance –

- Tata NYK has adopted the Tata Code of Conduct (TCoC) to ensure that all business transactions follow legal and ethical practices. All employees are signatory to the TATA NYK Code of Conduct.
- The Company has a comprehensive governance process for Legal and Ethical compliance. Discussions on ethics and ethical dilemmas are conducted periodically, where possible scenarios involving ethical dilemmas are shared through skits, videos, and snippets. To strengthen ethical conduct across the organization, Tata NYK has articulated the Gift Policy, Whistle Blower Policy and Policy on Sexual Harassment. Suppliers, vendors and the workforce (direct and indirect) are encouraged to be part of this legal and ethical commitment as part of the organization's drive to adhere to an ethical framework. Recognition is conferred where exemplary commitment to ethical decision-making is demonstrated. In addition, Tata NYK also has policies on Health & Safety, Environment and Sustainability, which are benchmarked against the Company's promoters, fleet managers and the Industry Average.

Actions

- The organization has developed an Ethics/ Complaints Committee, comprising the MD, ED, the CFO and two designated members from the Audit Committee of the Company. The Ethics Sub Committee includes the Chief Ethics Counsellor and Lady Ethics Counsellor to pursue due investigation into ethics violations, fraud or POSH related complaints received or reported to the Company's Ethics/ Complaints Committee. The Company also has an independent third party (Deloitte) administered Whistle Blower platform that allows any employee to report ethical concerns, acts of misconduct, fraud or forgery either via online access, email, telephonic media or even a letter. All complaints are forwarded verbatim to the Ethics Committee, including the Ethics Counsellors for administrative actions. The Committee duly investigates complaints and the action-taken is shared with the complainant.

TATA NYK takes cognizance of all dealings with third parties by availing information from

- Interpol and maritime intelligence agency reports,
- local agent's reports in worldwide ports,
- PNI club reports,
- Whistle blowing extended to ships at sea

Stakeholders	Information Sharing Platforms
Suppliers	Meetings, website, market information
Promoters	Board meeting, promoters meeting, audit committee, MIS reports
Employees	Shipnet, BI, IMOS, ZOHO, review meetings, committees, Whatsapp groups, emails, knowledge portal
Customer	Meetings, CSS survey, business quotations, email messages
Bank/Financers	Audited financials, website, meetings

Metrics & performance

Open communication and transparency through the organization eliminates corrupt practices

Accounting Metric	Unit of Measure	Targets Achieved
Number of Whistleblowing incidents	Number	0
EY Compliance tool to monitor and manage compliance	Percentage - %	100
Non-compliance with laws and regulations	Number	0
Number of Bribery and Fraud incidents	Number	0
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0

Topic 2: Anti-trust/anti-competition

Information on Policies and Governance –

- Encompassed into TATA NYK code of Conduct.
- An Audit Committee is instituted and responsible for
 - ✓ reviewing the Company's controls over transactions, business procedures, financial reporting
 - ✓ making recommendations to the Board of Directors with respect to the engagement of the Company's external auditor
 - ✓ advising the Board of Directors about corporate governance practices

Actions



- The Company is engaged with EY compliance tool to keep tracking the changing regulatory requirements and ensure compliance to all statutory requirements.
- Companies Act
- KPIs on Finance activities
- Engage in online bidding process for cargo to be shipped

Metrics & performance

Anti-Trust / Anti Competition Performance Metrics	Targets achieved
Instances of Dominant position in sea borne trade	nil
Complaints as to predatory behavior, bid rigging or collusive tendering	nil
Conclusion of contracts subject to acceptance by the other party of supplementary obligations which have no connection with the subject of the contracts.	nil

Topic 3: Tax compliance

Information on Policies and Governance –

Business, Financial controls and Procedures are aligned to

- Companies Act
- Income Tax & GST Act
- Employment Act
- FRS accounting standard
- International trade Statistics
- Worldwide General Anti Avoidance Rules

Actions

- Promoters Audits
- Internal Finance Audits
- ISO Audits, internal and external
- Processes embedded in operations especially when converting from foreign run to Coastal business
- Staff awareness/ training sessions conducted by way of IDPs
- Company-wide discourses, programs on Awareness, all employees sign the Code of Conduct

Metrics & performance

Altering the incidence of any tax which is payable by or which would otherwise have been payable by any person	Nil
Relieving any person from any liability to pay tax or to make a return	Nil
Reducing or avoiding any liability imposed or which would otherwise have been imposed on any person	Nil

I. Details on participation on international fora or coalitions

- **Coalition 1:** MPA’s MSI-AIS award
- TATA NYK is proud to have received the MSI-ASI (Maritime Sector Incentive – Approved International Shipping Enterprise) Award. Granted by the Maritime and Port Authority of Singapore (MPA) to international shipping companies with a demonstrable commitment to expanding their operations in Singapore

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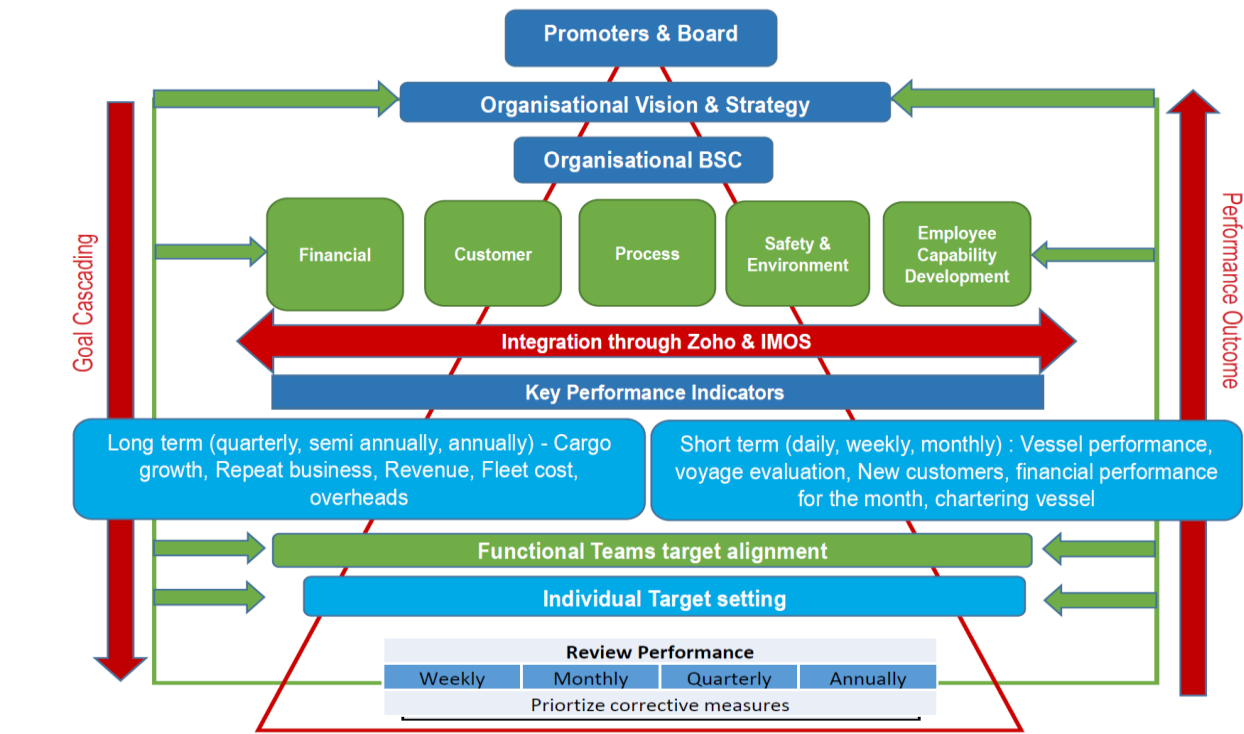
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Actions taken as a participant

- To obtain this award, TATA NYK had to successfully demonstrate the company's commitment to expanding its shipping operations in Singapore, including its economic contributions and the size of its team, as well as the overall strategic and commercial decision-making functions that will be delivered within Singapore. As TATA NYK Shipping continues to grow, the company looks forward to continued expansion in Singapore and to increase its modern efficient fleet vessels to the next level.

3. MEASUREMENT OF OUTCOMES

Performance Management











Planning & tracking key workforce ratios with a focus on future Resource Allocation Strategy as below

Turnover (in millions)/ Total Headcount Ratio	=> 7 to 8.3 in	In next 5 years
Operational Profit/ Total Headcount	=> 0.21 to 0.44	in next 5 years
Increase revenue per employee	by USD 1.27 Mn	in next 5 years
Operating Profit per employee	by USD 0.23 million	in next 5 years

Society	Preventive Measures	Response
Carbon Footprint/Sox, Nox, CO₂ Vessel Related incident e.g. Oil Spill	<ul style="list-style-type: none"> To minimise the environmental through shipping operations. Tata NYK complies with all MARPOL norms for vessel discharges SOX, NOX, CO2 monitoring and reduction (Fig 7.4.a.4.5) Advanced Technology, maintenance and equipment Fuel Management Fig 7.4.a.4.6, Training & Awareness, 	Insurance Cover to ensure Emergency Clean up and Mitigating Costs
Fisherman Possible destruction of fishing nets which affects their livelihood	Proper lookout from the vessel	Insurance Cover to compensate the losses of the fishermen
Safety & Wellbeing of crew onboard the vessel a. Safety Outcomes (See Safety Chapter) These includes:	<ul style="list-style-type: none"> Counselling of the crew who need assistance and Captain onboard is trained to spot a distressed crew Internet connection is provided onboard so that crew members stay in touch with their families and not feel isolated Adoption of Safety & Environment Protection Manual (SEP 9000) from NYK Reporting of near-miss incidents by Ship managers and C&PA Anti-piracy measures Periodic review of vessel trade route to take into account geopolitical development around the world, e.g. the war in Syria 	In the event there is an incident where the crew is injured be it accidental or not, they will be given first-hand medical treatment and counselling and can be airlifted in case no medical facility is near. All these costs considerations are there.
Safety and wellbeing of office employees in or out of office Contribution to Environment	<ul style="list-style-type: none"> Safety briefing cover (a) safety walks, (b) safety on road (c) CPR training (d) Fire Fighting training Adoption of environmentally friendly practices at the work place, re-use of paper, printing on both sides, switching off lights, power saving modes on PCs Tata NYK has adopted a Sustainability Pledge Awareness on environment and plastic pollution via regular mailers, visual display, presentations in town halls, etc 	In the event of an emergency where the employee is hurt appropriate medical insurance cover is provided.

Alignment of Tata NYK ESG issues to SDGs and relevant SDG targets












1) ENVIRONMENT

Safe and Secure Operations	  	<ul style="list-style-type: none"> Target 8.5.8.7 and 8.8: Safe working environment Target 14.1, 14.2 and 14.3 : Prevent and significantly reduce marine pollution, ... Target 3.5: Prevent and treat substance abuse,...
Climate Change	  	<ul style="list-style-type: none"> Target 7.1, 7.2 and 7.3: Energy efficiency and RE Target 8.2 and 8.4 : Resource Efficiency ... Target 13.1 and 13.2: Strengthen resilience and adaptive capacity to climate related risks ...
Air Pollution	 	<ul style="list-style-type: none"> Target 7.1, 7.2 and 7.3: Energy efficiency and RE Target 14.1, 14.2 and 14.3 : Prevent and significantly reduce marine pollution, sustainable manage and protect marine and coastal ecosystems...

2) SOCIETY

Customer Centricity	 	<ul style="list-style-type: none"> Target 17.1 and 17.7: Promote the development, transfer, disseminate and diffusion of environmentally sound technologies to developing countries ...
Employee Health and Wellbeing	 	<ul style="list-style-type: none"> Target 3.5: Prevent and treat substance abuse ... Target 3.9: Substantially reduce the number of deaths and illnesses from hazardous chemicals, air, water and soil pollution and
Supply Chain Sustainability	 	<ul style="list-style-type: none"> Target 17.1 and 17.7: Promote the development, transfer, disseminate and diffusion of environmentally sound technologies to developing countries ...

3) GOVERNANCE

<p>Corporate Governance and Responsibility</p>	 	<ul style="list-style-type: none"> Target 16.5: Reduce corruption and bribery Target 16.6: Develop effective, accountable and transparent institution at all levels Target 12.6: Adopt sustainable practices and reporting
<p>Data Security and Privacy</p>	 	<ul style="list-style-type: none"> Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure ...
<p>Infectious Disease</p>	 	<ul style="list-style-type: none"> SDG 3 Target 8.5, 8.7 and 8.8 : Full and effective employment and decent work, eradicate forced labour, modern slavery, human trafficking.....
<p>Trafficking</p>		<ul style="list-style-type: none"> Target 8.5, 8.7 and 8.8 : Full and effective employment and decent work, eradicate forced labour, modern slavery, human trafficking.....
<p>Disaster Response</p>	   	<ul style="list-style-type: none"> Target 1.5 Build the resilience of the poor and those in vulnerable situations..... Target 2.4 Ensure sustainable food production systems and implement resilient agricultural practices..... Target 11.5, 11.6 Substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards.....