

SUSTAINABILITY REPORT 2008-2010



Serving Society Through Science

TATA CHEMICALS LIMITED



About This Report:

At Tata Chemicals we believe that Sustainability & stakeholder engagement is the very core of our organization. At the heart of our leadership system is the concept of proactively understanding and responding to the needs and expectations of our stakeholders. This we believe drives the organization towards sustainable business practices.

Sustainability report, for internal reflections and continual improvement of sustainability approaches and programs, had been prepared since several years, the first report to be put in the public domain was the report for the year 2006-2008. This report for the period-2008-2010 is the second report in the public domain and is limited to India operations. It does not include details of the global operations and the subsidiaries / Joint ventures.

It has been prepared using the Global Reporting Initiatives 2006 guidelines (GRI-G3) as per application level A. We have engaged Ernst & Young Pvt. Ltd for providing independent assurance. We continue to report every two years. In future, in a phased manner, we will include information from global operations and subsidiaries/ Joint ventures.

Additional information is available on our official website: www.tatachemicals.com.

Information on earnings and financial data is based on the Consolidated Financial Statements of the Company as published in our Financial Report.

All Information is derived from official Tata Chemicals Limited documents

For general enquiries, write to Mr. S. G. Choudhary, Chief Technology and Sustainability officer.

<u>sustainability@tatachemicals.com</u>

Contents

About the Report	00
CEO Statement	01
About Tata Chemicals	03
Sustainability @ Tata Chemicals	07
Disclosure of Management Approach	15
Governance	17
Our Care for the Environment	21
Responding to Climate Change Concerns	25
Employee Investments	27
Safety & Health	35
Community Support	39
Product Responsibility: Supply chain concerns	43
Our Economic Performance	47
Indicators	50
Annexure/Policies	56
Assurance Statement	68



CEO Statement

In Tata Chemicals, Sustainability has been at the core. We endeavor to extend the philosophy well beyond compliance and have incorporated some benchmark practices that have now been adopted by others within and outside the Tata Group.

It is with great pleasure that I present the TCL Sustainability Report for the year 2008-10. We have progressed significantly on our Sustainability journey and this report attempts to capture a snapshot of several of our ongoing efforts to date in the creation of a sustainable enterprise strategy that is in line with the our Mission viz. "Serving Society through Science".

The Corporate Sustainability Policy at TCL encompasses Environmental Stewardship, Adding Economic Value, Promoting Human Rights and Building Social Capital, all of which are in keeping with a 'Triple Bottom-line Approach'. Our Sustainability goals cover systems, people and programs in a manner that combine the four essential dimensions of 'human', 'social', 'environmental' and 'financial' benefit.

Furthermore, a Sustainable Enterprise Strategy has been developed for the Company that focuses on ensuring a greater proportion of its portfolio of offerings is produced from Green / Sustainable technologies & Clean Development Mechanism projects. In fact, at the Company's Innovation Centre, started about 5 years ago, all new product ideas have to pass through a "green" screen. The Company's entry into Bio-fuels and a water purifier (Tata Swach) that does not require electricity or running water is an example of this attempt to green our business offerings. Several of the new offerings that come out of the Innovation Center in future years will also be "green" and will thereby add to the sustainability of the enterprise.

In order to embed the Corporate Sustainability (CS) Policy, CS Values & Goals into all

processes and operations, and to have a clear framework for decision-making, we have created a formal CS structure within the organization that is lead by senior members of the leadership team.

In order to further understand the needs and expectations of our stakeholders we are in the process of establishing a more structured and refined stakeholder engagement process to help us further enhance the linkage with our long term sustainability strategy.

One of the greatest global sustainability challenges today is the challenge of Climate Change. We along with the Tata Group have embarked on a pan-company initiative on Climate Change. As reported earlier, a Climate Change Task force was formed with significant representation from Tata Chemicals

to address two distinct sets of activities:

- a) Measuring the Carbon Footprint of all major companies in the Group and thereafter setting aggressive targets for reduction / containment, as appropriate.
- b) Creating an abatement strategy for the Group and looking at Climate Change not just as a problem but also as an opportunity.

Tata Chemicals has assessed the carbon footprint of all its operations and is developing plans for reduction of carbon intensity of its products by 20% by 2020. We are also looking into carbon opportunity to create new businesses with offsets (e.g., Renewable Energy, biofuels, nano coatings, water, and agriculture practices) Besides these the Company's other major achievements include being awarded at different fora for Business Excellence, Responsible Care, Safety Management Systems, Environmental Sustainability, Corporate Social Responsibility and Corporate Communications.

Our plant operations are certified with ISO 9001, ISO 14001, OHSAS 18001, SA8000 and rated 5 star as per the British Safety council norms. We have implemented Hazard Analysis Critical Control Points (HACCP) systems for the Bi-carb plant in Mithapur and all the table Salt packing centres across the country. The company is a signatory to Responsible Care, a voluntary global initiative of the Chemical industry that demonstrates assurance of Safety, health and environmental management on the product stewardship approach. We are conferred with the use of Responsible Care logo by Indian Chemicals Council and recognized as Most Responsible Committed Company in India.

We have made significant progress in SHE over the previous years, with zero fatalities in 2008-09. However, in 2009-10 there was one fatality in our Mithapur Plant. Safety continues to be our number one concern and, we feel the need to raise the bar on safety continuously. Besides issuing Safety Guidelines and conducting safety training for non-plant locations, we have also instituted a

process for identification and development of 'safety stewards' from among the contract employees. We have also introduced new monitoring measures based on the Global benchmarked Safety system at all three sites of our operations in India. We emphasize on Target zero" Injury" with Cardinal Rules, Golden rules of safety etc.

We strongly believe that people are central to company's transformation agenda and a crucial enabler in its journey of becoming a truly responsible global citizen. With this objective in mind, we have launched a program "Healthy, Wealthy Wise" that aims an holistic employee wellbeing covering physical, emotional, financial, spiritual and intellectual wellness.

In Tata Chemicals, Corporate Social Responsibility programs extend well beyond compliance and incorporate some benchmark practices, now adopted by others within and outside the Group. The establishment of the Tata Chemicals Society for Rural Development (TCSRD) emphasizes the company's commitment in this regard. From a humble beginning 26 years ago, TCSRD has successfully created an impressive network spread over Gujarat, Uttar Pradesh and West Bengal, constantly endeavouring to further the TATA philosophy of good corporate responsibility. With the spread of our operations now extending beyond India, we have commenced several Social Responsibility programs in our overseas locations

Despite the year being full of new business challenges, we have retained a strong focus on sustainability and we feel we have been able to meet stakeholder expectations across several areas

We are committed to serve our customers with better & newer offerings. We operate in three critical areas – Living, Industrial & Farm Essentials (LIFE) with focus on sustainability & carbon conscious growth aligned to our mission of 'Serving Society through Science". While most of the Company's existing products are in the maturity phase, a conscious attempt is continuously made to

promote a culture of innovation & democratize it across the organization, so as to be able to maintain a healthy pipeline of new offerings. The Innovations Center (IC) is one example of how this has been institutionalized. Another is the business model innovation currently taking place in the Crop Nutrition Business. Attention is being turned from merely selling fertilizers to improving soil health, educating farmers about better farming practices and assisting the farmers with better market access and price-discovery, so that the company also makes a contribution to the Country's need for "inclusive growth" and helps to improve rural prosperity.

We constantly endeavor to raise our standards on Sustainability in a structured manner while continuing our focus on our core value system. This we believe will help us achieve our mission of "Serving Society through Science"

R Mukundan MD- Tata Chemicals Limited



About Tata Chemicals





Tata Chemicals Limited is a part of the US \$ 70.8 billion Tata Group. Established in 1939, TCL is currently the second largest producer of soda ash in the world with manufacturing facilities in India, UK, Kenya and USA. It is India's leading Crop Nutrients Player with its own manufacturing of urea and phosphatic fertilisers & a leading player in crop protection business through its subsidiary Rallis India Ltd. TCL is the pioneer and India's market leader in the branded, iodised salt segment & Tata Salt has been recognised as India's No.1 Food Brand for more than five years reaching to over 60 million households in India...

TCL has undertaken several key steps recently to leverage its expertise in sciences to develop high-tech and more sustainable products. It has set up the TCL Innovation Centre in Pune to develop world-class R&D capability in the emerging areas of nanotechnology and biotechnology. TCL has also invested in a Centre for Agriculture & Technology (CAT) at Aligarh to provide advice on farming practices in general and crop nutrition practices & solutions in particular. The business is currently focused on working with sustainably grown feedstock for first generation bioethanol and biodiesel. For biodiesel, the company is currently focused on identifying, developing & cultivating superior varieties of jatropha as feedstock. TCL has also recently acquired an equity stake in JOil (Singapore), a jatropha seedling company founded by Temasek Life Sciences Laboratory that will set up tissue culture labs in India and other locations to develop jatropha seedlings using micropropagation techniques. Tata Chemicals will also have exclusive marketing rights for JOil's jatropha seedlings in India and East Africa.

Apart from this, the company is actively involved in biofuels research. TCL's Innovation Centre is working on advanced technologies including second generation biofuels, technology for better processing of feedstock & on by-products. TCL is a part of ICRISAT's Sweet Sorghum Ethanol Research Consortium (SSERC).

The scope of this report is however limited to the India operations only. This does not include subsidiaries and Jv's.

Businesses

Tata Chemicals operates broadly in three sectors – Living Essentials, Industry Essentials and Farm Essentials. It is structured in order to address all major segments of consumers in society namely **Household** (Living Essentials), **Industry** (Industry Essentials) and the **Farmer** (Farm Essentials).

Living Essentials

The pillar of Living essentials covers products that are basic/essential to daily living e.g. salt, sodium bicarbonate or baking soda products, fresh produce and now water related products.

The Consumer Products Business (CPB) comprises predominantly of Tata Salt, a branded iodized edible salt, and Sodium Bicarbonate and water purifiers among other offerings. The company has launched a new refined salt, I-Shakti. The special Tata Salt Lite caters to the niche market of low sodium salt

users with 15% less sodium than ordinary salts. Topp Salt is a brand of edible salt created for export. I-Shakti, a cooking soda, is targeted to help the leavening of the consumers.



To leverage its reach with farmers and housewives TCL started Khet-Se, a 50:50 joint venture in 2007 with Total Produce, Irelandone of the largest fruits and vegetable distribution company in the world and Europe's largest and most accomplished fresh produce provider, to set up a fruits and vegetables distribution business in India.

To meet the challenge of providing safe drinking water to India's population, TCL, launched 'Tata Swach' in December 2009 a unique and innovative water purifier that combines low-cost ingredients such as rice husk ash with nano–technology. The product combines technology, performance, convenience and above all, affordability to serve a basic human right of millions of consumers.

Industry Essentials

The second pillar, Industry essentials, consists of products that are essential raw materials required for key industries such as glass, detergents, mining and chemical processing. TCL's journey as a soda ash manufacturer

began in Mithapur, on the western coast of Gujarat. For many years, the synthetic soda ash plant at Mithapur represented the sum total of TCL's soda ash manufacturing activities. In 2006, TCL's soda ash capacity took a significant leap when it acquired the UK-based Brunner Mond Group,

(Tata Chemicals Europe Limited) one of the world's leading manufacturer of soda ash and sodium bicarbonate. Through this acquisition, manufacturing facilities in Northwich and Winnington, UK and Lake Magadi, Kenya joined the TCL fold. In early 2008, TCL successfully completed the acquisition of US-based General Chemical (now Tata Chemicals North America) Industrial Products (GCIP), thereby gaining access to some of the world's largest recoverable trona ore deposits which can be very economically converted to soda ash at GCIP's plant in Green River, Wyoming. The acquisition of GCIP increased TCL's soda ash capacity to around 5 million tonnes per annum. Moreover, about 60% of this capacity is based on natural soda ash units at Wyoming and Lake Magadi. TCL's customer base now encompasses some of the world's leading and recognizable companies such as Procter & Gamble, Unilever, Church & Dwight, Saint Gobain, Pilkington, Asahi, Owens Illinois, Guardian, PPG, Vale and Xstrata.

Farm Essentials

Inputs needed to improve productivity of the

farm as a whole e.g. fertilizers, pesticides, specialty nutrients, seeds, agri-services and crop protection constitute the third pillar of TCL. The Crop Nutrition and Agri-Business has its presence across all the three key agro-



nutrients; viz. nitrogen (N), phosphorus (P) and potassium (K). While the nitrogenous fertilizer, urea, is manufactured at Babrala in the northern state of Uttar Pradesh at one of the industry's most efficient plants, phosphatic fertilizers DAP and complexes are manufactured at Haldia in West Bengal in eastern India and MOP is imported. To secure the raw material supply of phosphatic rock for its Haldia plant, in 2005 TCL acquired an equal partnership in the Moroccan company Indo Maroc Phosphore S.A. (IMACID), along with Chambal Fertilisers and the global phosphate major, OCP of Morocco.

The company also helps small farmers

enhance the yield from their land by providing end-to-end solutions through its network of

Tata Kisan Sansars (Tata Farmer Centres) in the northern states of Uttar Pradesh, Punjab, Haryana, Uttarakhand and West Bengal, Bihar and Jharkhand. The centers are one-stop resource centers; they stock seeds, pesticides

and fertilizers; lease out farm equipment and implements to farmers who cannot afford to buy expensive modern machinery; provide

agronomy services like soil testing and mapping and fertilizer testing; facilitate credit finance, arrange crop insurance and even provide buyback facilities.

Through Rallis, its subsidiary, TCL will look to enhancing value creation as well as accessing business synergies in the agri-inputs sector — crop nutrition and crop protection. Currently, TCL is a dominant player in the crop nutrition segment. Rallis has a leadership position in the Indian Crop Protection industry and with this; TCL will strengthen its presence in the entire agri-input space.

Tata Chemicals organisation structure

SEGMENT	LIVING ESSENTIALS (B2C)	INDUSTRY ESSENTIALS (B2B)			FARM ESSI (B2F		S
BUSINESS	CONSUMER PRODUCTS	BULK CHEMICALS	SPECIALTY CHEMICALS	CROP PROTECTION	CROP NUTRITION	SEEDS	OTHER AGRI-INPUTS & SERVICES
Key Products/ Services (examples)	Salt, Cooking Soda, Water, Fresh Produce, Staples	Soda Ash, Bicarb, Others		Pesticides	Bulk & Specialty Fertilizer, PGN	Seeds	Farm Equipment, Services



Nature & Ownership:

TATA CHEMICALS LIMITED, a company registered under Indian Companies Act, 1913, is a widely held Company. The shareholding pattern is depicted in the Fig. Ab-01& 02: We have 3210 employees in India and 1446 employees oversees totaling to 4656 employees as of 31st March 2010.

Our consolidated shareholder funds for the reporting period as on 31st March 2009 and 31st March 2010 were Rs.4770 Crs and Rs. 4716 Crs, while shareholder funds for standalone Indian operations were Rs. 3859 Crs & Rs. 4283 respectively.

Total consolidated sources of funds amounted to Rs.11,326 Crs As on 31st March 2009 and Rs.10,255 Crs as on 31st March 2010, while sources of funds for India operations were Rs. 7638 Crs and Rs.7420 Crs Rrespectively.

Category	Percentage
Tata Companies & Trusts	28.16
Resident Individuals	22.98
Foreign Holdings	13.40
Public Financial Institutions	22.32
Government / Government Companies	00.03
Other Companies, Mutual Funds	12.95
Nationalized Banks	00.16
Total	100.00

Category No: of Shares	Percentage Shares	Percentage Shareholders
1-500	8.87	89.21
501–1000	3.71	5.83
1001-2000	3.47	2.83
2001-3000	1.87	0.88
3001-4000	1.10	0.37
4001-5000	0.91	0.23
5001-10000	2.33	0.389
Greater than 10000	77.74	0.26
Total	100.00	100.00

Fig. Ab-01 Fig. Ab-02

Our Global Presence



We are also committed to following national and global voluntary commitments:

- GRI-G3 Corporate Sustainability Reporting (www.gri.org)
- TERI-CoRE-BCSD (www.teri.in.org)
- World Safety Declaration (www.worldsafetydeclaration.com
- IFA Safety Commitment
- Global Roundtable on Climate Change The Earth Institute, Columbia University
- UN Global Compact Joined 23/09/2002
- UN Millennium Development Goal
- Responsible Care (www.responsiblecare.org)
- CII Mission for Sustainable Growth
- AMAI-World Chlorine Council Safety Commitment.
- AIChE-Center for Chemical Process Safety
- We are participating in the Tata Groups initiative on Climate Change guided by TQMS. Our aim is to strengthen sustainability network within the organization ensuring awareness, knowledge, action and internalization

CHEMICALS

Soda Ash

- Light
 Dense
 Medium Dense

Sodium Tri Polyphosphate (STPP) Sodium Bicarbonate • Technical • Refined

- Pharma
 Animal Feed: Alkakarb

- Others

 Caustic Soda
 Liquid Chlorine
 Hydrochloric Acid
 Vacuum Evaporated Salt
 Pure Salt Dried (PSD, VSD)
 Liquid Bromine
 Marine Gypsum
 Phospho Gypsum
 Sodium Floro Silicate (SFS)
 Sulphuric Acid
 Phosphoric Acid

PRODUCTS

Agri & Crop Nutrition

- Nitrogenous Fertilisers (Urea "PARAS")
 Phosphatic Fertilisers (DAP PARAS)

- Potassic Fertilisers Complex Fertilisers (NPK)

Phosphatic Fertilisers

- Paras SSPTata PARAS DAP (Imported)
- Value Added Fertilisers
- Tata PARAS Calcium Nitrate
 Tata PARAS Zinc Sulphate
- Tata PARAS Micro Booster

SERVICES

- Tata Kisan Sansar (TKS)

CONSUMER PRODUCTS

- Tata Salt
 Tata Salt
 i-Shakti Powder Salt
 i-Shakti Crystal Salt
 Tata Salt Lite

Cooking Soda



Sustainability @ Tata Chemicals



Our Mission "Serving Society through Science", our vision for a greener tomorrow and our values all together helps us integrate sustainability as a core of our business strategy.

As a multi-product and multi-location enterprise, involved in the manufacture of commodity chemicals with a supply chain extending to consumer product space and several economic activities, our activities have

the potential to impact significantly on environmental, economic and social systems. We have identified our key stakeholders based on the analysis of impacts across the Value Chain.

	ECONOMIC	SOCIAL	ENVIRONMENTAL
INBOUND LOGISTICS	Freight / Transport Cost Raw Material Price & Quality Raw material Securitisation	Safety & Health Issues for Employees / Vendors/ Transporters Safety and Health Issues for surrounding community Scarcity issues for communities using the same resources	due to leakage / improper handling
MANUFACTURING	Impact on Cost & Quality of the product Impact on opportunities for livelihood of the surrounding communities	Employee Satisfaction Safety & Health of employees & local community Employee issues due to level of automation	Issues related to emissions Disposal of hazardous waste Usage levels / Depletion of resources like water
OUTBOUND LOGISTICS	Freight / Transport Cost	Safety & Health Issues for Labour/ Transporters Working standards of 3 rd party employees	Pollution risk due to leakage / improper handling of goods
MARKETING AND SALES	Impact on Customer Demand & Market Position Impact on Brand Value / Positioning	Impact on Customer due to quality & service Safety & Health of Employees	Impact on proper / Improper handling of Goods (Responsible care principles) Issues due to dust emissions

Fig. Ss-01

Stakeholder engagement, Issue Assessment

Our Strategic Planning Process besides having inputs related to changes in technology and market place, changes in competitors' actions and regulations, also takes into consideration sustainability inputs including risk assessment and feedback from stakeholder engagement. The engagement process ensures that we have established two

way communications with our stakeholders to ensure that appropriate inputs are included both during the business strategy formulation and during implementation. (Fig:Ss-02)

	Stakehol der	Fora	Frequency	Agenda	Methodology	Two- way Comm.	Communication records and outcome
Share Holders		Annual General Meetings (AGM), Quarterly reports to Shareholders Analyst meets, Annual report	Annually Quarterly	Financial performance, broad future strategies, information sharing, feedback	Presentation, teleconference, road show, Audio- visuals, reports	Yes	Transcript of teleconference, minutes of AGM questions, Shareholder Satisfaction Index
	Customer	Distributor Meets, KAM Workshops, senior management customer contact meet, customer's visit to TCL facilities	As per calendar, Annually' Monthly	MW, TCoC, Direction setting, customer feedback/ satisfaction, Improvement Opportunities.	Presentations, brainstorming, informal discussions, CFT meetings, plant visit	Yes	Minutes of meetings and action plans
	Suppliers Partners	Plant Visit, Suppliers meets	As per calendar	MW, TCoC, Direction setting, customer feedback / satis., Imp. Opportunities	Presentations, brainstorming, informal discussins, CFT meetings, plant visit ,SRM Portal	Yes	Minutes of meetings and action plans
	Govt.	Advocacy Meeting with Government and Ministries	As required	Appraising govt. on constraints faced by the Industry & suggesting the way ahead	One-to-one meeting	Yes	
	Employee	Senior leaders' communication, Functional Head Communication meets, Exit Interview / Communication cascades, Goal setting & performance Appraisal meetings, Theatre Workshops (Oorja), Town hall meets, Awaaz workshops, senior leader talks,	As per calendar, As required.	Immediate communication / announcements / Create awareness and promote participation, Issues and actions for addressal Performance Improvement, communication of MVV, Feedback from employees on their well-being and	Discussions and communications-formal & informal, Audio and video conference, One-to-one meetings, Skits.	Yes	Feedback, Collecting articles/ other news from employees, Minutes of meeting, Action plans, Awareness and participation, Record of Exit Interviewse-PMS, Polls, Recorded talks
		Email updates, Poster Campaigns, Intranet, House Magazines, Circulars		satisfaction, Knowledge sharing on critical issues	Mail from Corp. Com, Creative posters Circulars, Printed magazine	No	
	Community Society	TCSRD Village visits Location head's meet	Daily/Req Quarterly	Community Developement Initiatives communication and capturing societal concerns.	Discussion forum, personal visit		Minutes of meetings and action plans

Stakeholder engagement process

Our strategic planning process besides having inputs related to changes in technology and market place, changes in competitors' actions, regulations etc. also takes into considerations the material issues thus identified.

As issues are interconnected, changes in one part impact others across the value chain.

Our effort is to systematically understand sustainability aspects of the various stages of our value chain and increase stakeholder engagement to identify opportunities that meet 'essential needs' relating to economic, environmental & social aspects. In the process the following aspects are taken care of:

- The technologies used for production of needed goods are not harmful to the environment or to human health
- Renewable resources (such as biomass, solar energy & wind etc) are used rather than those, like fossil fuels, that will eventually run out
- Materials that are not biodegradable are recycled at the end of their use.
 Manufacturing processes are either designed so as not to produce waste products or to recycle them or they are biodegradable.

The analysis of all these inputs helps us in revisiting and if need be, redefining our Mission, Vision and Values. This leads to the SWOT analysis, which helps us to identify our strategic challenges and advantages including those that pertain to sustainability concerns. The current challenges faced by us are:

- Dependence on commodities/low differentiated products
- Global demand destruction and overcapacity in China
- Climate change/sustainability expectations
- High energy cost ,low delivered cost of competition
- Development of skill sets required for new business
- Funding for growth

Risks and Opportunities

Enterprise Risk Management at TCL is a key tool used to ensure that major business risks & opportunities are given due importance in the overall organizational governance. It helps to drive the sustainability strategy and actions and considers all aspects including

leadership, people-numbers and skill-sets, facilities, plant & machinery which material to achieving business objectives - which include the sustainability objectives as per the enterprise BSC. Enterprise Risk Management framework at TCL covers all the business units, subsidiary operations and new businesses including the Innovation Centre activities. It includes the following activities-Risk Identification: A periodic assessment across the Company and the subsidiaries together with a trigger based assessment is undertaken to identify and thereafter prioritize significant risks. This assessment is based on an online risk perception survey, environment scanning and inputs from key stakeholders. Risk Measurement and control: Owners are identified for all identified risks and they go on to develop and deploy mitigation strategies. Measurement indices are used to evaluate effectiveness of the mitigation plans.

Risk Reporting and Review: Besides detailed review by the Executive Committee, Enterprise Risks are reviewed quarterly by the Audit Committee of the Board. Risk owners present status updates on their mitigation plans. Some of the major risks and concerns identified are:

Continued Recessionary Pressure

(Linked to the sustainability challenge regarding global demand destruction & overcapacity in China): Though markets & economies have begun to recover from the unprecedented turmoil witnessed in the previous year, reduced consumer wealth and consequent demand continues to be a concern. Additionally, the withdrawal of fiscal stimulus packages across the globe further accentuates the situation. While the breadth of TCL's portfolio and our geographic spread has helped mitigate the crisis to an extent, we will continue to protect our profits through a new wave of enterprise wide initiatives on cost compression under our ongoing program called ADAPT.

Financial Risks (Linked to protecting the financials of the company from fluctuations in currency rates): TCLs breadth in international operations, our foreign currency borrowings and our dependency on imports for the phosphatic fertilizers, continue to subject us to risks from changes in the relative value of currencies. Our elaborate Treasury policy

ensures that foreign exchange exposures are within prescribed limits and the use of foreign exchange forward contracts is resorted to judiciously. We have a separate Risk Management Committee which monitors and helps mitigate our currency & interest rate risks.

Input costs and securitization of raw materials/energy sources (Linked to the sustainability challenge of securitization of raw materials/energy at right costs): The prices of raw materials for phosphatic fertilizers are subject to economic conditions and global demand-supply balances. With the change in policy to Nutrient Based Subsidy, it's imperative that the imports are competitive. While TCL has entered into long term supply contracts for its key raw materials & energy sources, the pricing of these are normally formula based. TCL actively monitors the environment for opportunities and maintains good supplier relationships to ensure minimal impact from commodity price fluctuations. People and Talent (Linked to the sustainability challenge of availability of right skillsets for the operations and growth plans): Attracting and retaining talented employees is core to our success. TCL has over the years embarked on several "people initiatives" to enhance the environment and help employees achieve their personal and professional goals. Work life balance is consciously pursued. TCLs performance appraisal systems are well integrated to our business objectives and help bring out the best in individuals. Investment in employees through training are constantly made to ensure we equip our employees for challenges in their roles.

(Linked to the rising expectations from key stakeholders regarding safe and environment-friendly operations): TCL is conscious of its strong corporate reputation and the positive role it can play by focusing on social and environmental issues. Towards this, the Company has set very exacting standards in workplace safety, health and environmental management. The Company continue to recognize the importance of safety &

environmental issues in the operations and

lagging indicators to track performance in

these areas. TCL values the safety of our

have established comprehensive leading and

Safety and Environment related risks

employees and associates to constantly raise the bar in ensuring a safe work place.

Our Global Customer Base, Community Equity / Trust, Tata Brand Equity, commitment to Responsible Care, preferential access to raw materials and a committed workforce are our key strategic advantages that helps us to effectively address the challenges. As we look into the future, we find new ways of responding to the continually changing & emerging needs of our stakeholders.

Innovation is therefore an important Value to seed the future growth.

We have established an Innovation Centre in Pune, India in 2004. The Centre was set up with the objective of developing world class R&D capabilities in new knowledge-based products, cutting edge technologies and emerging areas of nanotechnology and biotechnology.

The Centre would thus help develop a wider range of value added products and build new business lines for the future. With Sustainability and wellness as the mantra & nanotechnology & Biotechnology as the focus, the foundation is strong for Innovation center to deep dive and soar high. The efforts have not just been in innovations catering to TCL and Tata Group companies but also for and in collaboration with other industries, academic institutions and research organizations. One of the key innovation from the innovation centre is the

"Tata Swach" water purifier.

We have recruited scientists with high levels of capabilities in their field of specializations. The Centre has built a state-of-the-art infrastructure with latest equipment for development work. Our efforts around Agri-Business, Fresh Produce, Bio-fuels (the 3 major new initiatives) are significant drivers to sustainable agriculture & our aim is to achieve premier positions in the respective fields in a short time.

As we integrate with our new national and international entities, we learn from each other, creating synergies that help us multiply our strengths and increase our global competitiveness.

Drivers of Sustainability

During the previous years, we had identified the six pillars of sustainability, which are:

- 1. Climate Change: GHG Emissions
- Green Manufacturing Index (Energy consumption, solid waste reuse, Green cover, Afforestation, Renewable energy)
- 3. Workforce- Safety, Health & engagement
- 4. Community: CS protocol
- 5. Product Stewardship
- 6. Sustainability Focused Investments
 We have made considerable progress on each
 of these and the status of our performance
 against commitments Vs achievement is
 shown in the table Fig. Ss-03. There have been

setbacks on some of the targets, which have led to internal review and analysis and necessary corrections, preventives and enablers have been identified and implemented. We would continue to strive for these goals in the future and work to overcome these gaps.

Aspect	Indicator	Unit	Targets	2008-09	2009-10	Remarks
Socia-I Workforce Safety & Health	Fatalities	No.	0	0	1	The unfortunate fatality due to electrocution at Mithapur plant led to introspection and resolve to engage with contractors on zero tolerance on safe behavior and practices
пеаш	TRIR (Total Recordable – LWC including fatality, MTC, RWC – Injury Rate)	No. of TRI per million man-hrs worked	<1	1.35	1.42	We feel happy that the injury rate is matching the global best in the chemical industry encouraging us to drive the Zero Injury program
	LTIR [Lost Work Time cases including fatality— Injury Rate]	No. of LWC per million man-hrs worked	<0.5	0.57	0.89	We will focus on eliminating the high severity injuries to achieve the goal of less than 0.5 LTIR
	OHI [Occupational Health Index]	%	>95%	>90%	>95%	We would increase the sample size of contract workers in the Occupational Health Checks to increase the coverage
Social- Community	CSPI	No.	850 by 2015	687	714	There would be increased emphasize on quantification of impacts and skill building in Community Project Management
Climate Change	GHG Emission	MT of CO₂e/MT of products sold	<0.6 by 2020	0.69	0.65	Participation in CDP – Carbon Disclosure Project has helped us in benchmarking and find that our product intensity is on the lower end amongst large chemical corporate across the world.
Sustainable Manufacturing	Green Manufacturing Index	%	5% Improve YOY	0.38%	2.34%	The performance on this key parameter lagged behind the targets due to low reuse of fly ash and soda as solid waste in cement production. Necessary actions have been taken including installation of additional filters to maintain improvement in the index
Product Stewardship	LCA for all Major products on website by 2015	Website Reporting Year	All major products Urea, DAP, Soda Ash & Salt LCA on website by 2015	Work started on LCA for Urea & DAP	Completed the manufacturing LCA for Urea & DAP. Soda Ash and Salt	We would be getting the Life Cycle Assessment methodology for all products and extend it for carbon and water foot-printing.
Sustainability Focused Investments		% of Total Investment	>20% of total investments by 2020 in carbon offsets & innovation green chemistry	Swach water purifier jOiL JV	Solar Power at Mithapur; Mozambique bio-fuels; Customized Fertilizers	There are significant initiatives in this direction which will yield positive results in increasing share of investments in sustainable businesses

Going forward we have taken the process of materiality determination to the next level. We improved our engagement process to include structured engagement by a third party (SustainAbility, an NGO from UK) on sustainability concerns and assessment of these leading to establishment of the materiality map. The process followed is as Fig. Ss-04

Structured interviews and focus group discussions were held with both internal & external stakeholders. Approx. 20 external stakeholders were a part of this process. Tata Chemicals identified both the business drivers & sustainability concerns. 8 issues & 30 sub issues were identified which are listed in (Fig. Ss-05) below. These reinforced the six drivers

of sustainability which we identified & engaged with in the past. Fig. Ss-06 details the business case matrix linking the sustainability and business drivers.

The business case matrix is the basis for TCL's materiality map that clearly identifies the key material themes. (Fig. Ss-07)

Phases	Pr	ocess Steps	1	Deliverables
Phase I: Understand the state of play	Conduct sustainability audit	Survey of internal stakeholders	Survey external stakeholders and best practice	Sustainability issues
Phase II: Materiality assessment	Conduct business case study	Develop materiality map		Business case matrix Materiality Map
Phase III: Strategy development	Develop ambitions framework	Develop sustainability strategy		Ambitions Framework Strategy and roadmap

Issue	Sub Issue
Corporate Governance	Ethics, fair competition
Employment Practices	Training
Employment Fractices	safety
	Energy efficiency
Resource Usage	Water usages/mgmt
	Renewables/fossil fuels
	Accidents/spill
Waste and Emissions	Emissions/discharge - solids, liquids,
	gases
Supply Chain	Sustainability performance
Customer Service	Product performance, safety
Community Development	Benefits

Fig. Ss-04 Fig. Ss-05

							_
Business success drivers	License to operate	Brand value and reputation	Quality of human resources	Resource efficiency	Market access and revenue growth	Access to capital	Legal action
Sustainability drivers					Ū		
Bussiness ethics							
Training							
Safety							
Accidental spills							
Energy efficiency							
Water consumption							
Renewable energy							
Environmental performance of suppliers							
Waste and emissions (solid / liquid / gaseous)							
Product performance, safety							
Community engagement							
High Impact		Medium Impact =	Low I	mpact ===	Very Ic	w or no Impa	act

Fig. Ss-06

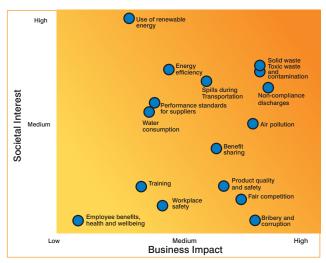


Fig. Ss-07

Drivers of Sustainability

The seven material sustainability Issues identified are as follows:(Fig. Ss-08)

	Sub-issues	Achieved through
Waste (solid/liquid)	Solid waste, toxic waste, contamination, discharges, spills	Measurement Life Cycle assessments Sustainable investments
Climate change and GHG emissions	Air discharges Use of renewables	Measurement Life Cycle assessments Sustainable investments
Water and energy consumption	Energy consumption water consumption	Measurement Life Cycle assessments Sustainable investments
Employee investments	Safety and health	Training
Supply chain performance	Safety and health Other conditions of work Environment	Training Technical/financial support Life Cycle Assessment
Community development	Benefit sharing Social investments	Infrastructure Livelihoods

Fig. Ss-08

The findings take forward our current approach with more granularity, linking them to business and making them more strategic.(Fig. Ss-09)

	Key Performance Indicators	Findings of the Study
Employee Safety &	Workforce Safety & Health	Employee investments
Health and Community	Community	Community development
Development	Affirmative Actions	
Climate Change	Mt. CO2/mt of total products	Climate Change and GHG emissions
Sustainable Manufacturing	Green Manufacturing Index	Waste Energy and water consumption
Product Stewardship	Life Cycle Assessment	Supply chain performance
Sustainable Investments	Renewable raw materials and energy, biofuels, low carbon products, water, agribusiness, Green Chemistry Innovations	Waste Climate Change and GHG emissions Energy and water consumption
Sustainability Reporting & Communications	UNGC-GRI Reporting, Carbon Disclosure Project- UK	Transparency, Materiality, Share Concerns

Fig. Ss-09



Tata Chemicals reviews the strategic objectives and the performance against targets and revisits the same every year as part of strategic planning process. Long-term goals for sustainability are included in the long- term strategy planning process of the organization to cover the various materiality aspects outlined above. All issues related to the economic, environmental & social aspects are reviewed across the organization. At the locations, the review forums include the environment steering committee, safety steering committee, HR council review, Apex quality council review, SBU council review & at the corporate level these are reviewed at the EXCOM, CSSGM and TCSRD board meetings. Sustainability goals linked to material concerns as identified by the process mentioned above are:

Waste

- Reduce solid and effluent waste discharge to lower than global benchmarks and eliminate accumulation of solid wastes over the years.
- All packaging material will either be recyclable or reusable; where not possible, arrangements made for their collection and safe disposal.

Climate change, GHG emissions

- Reduce CO2e intensity to meet the national and global commitments.
- Maximise usage of energy from renewable sources.
- Carbon emission reduction would be a key selection criteria while upgrading technologies and selecting new technologies.

Energy & water

 Reduce specific energy and water consumption to levels comparable to

- global benchmarks and be in the top decile of global best performers.
- Attain overall water neutrality and reduce/ eliminate ground water usage especially from shallow aquifers which can affect the ground water table in the surrounding area. Conduct Water Resource Management Studies at all locations involving water intensive operations.
- Reduce water and energy consumption in usage of products though product design and promotion of better usage practices.

Employee investments

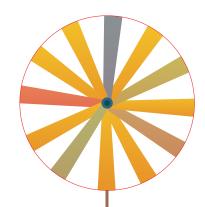
 Create an environment that fosters employee well-being, achievement, innovation, learning, teamwork and ensures safety & health and minimises attrition rates

Supply chain performance

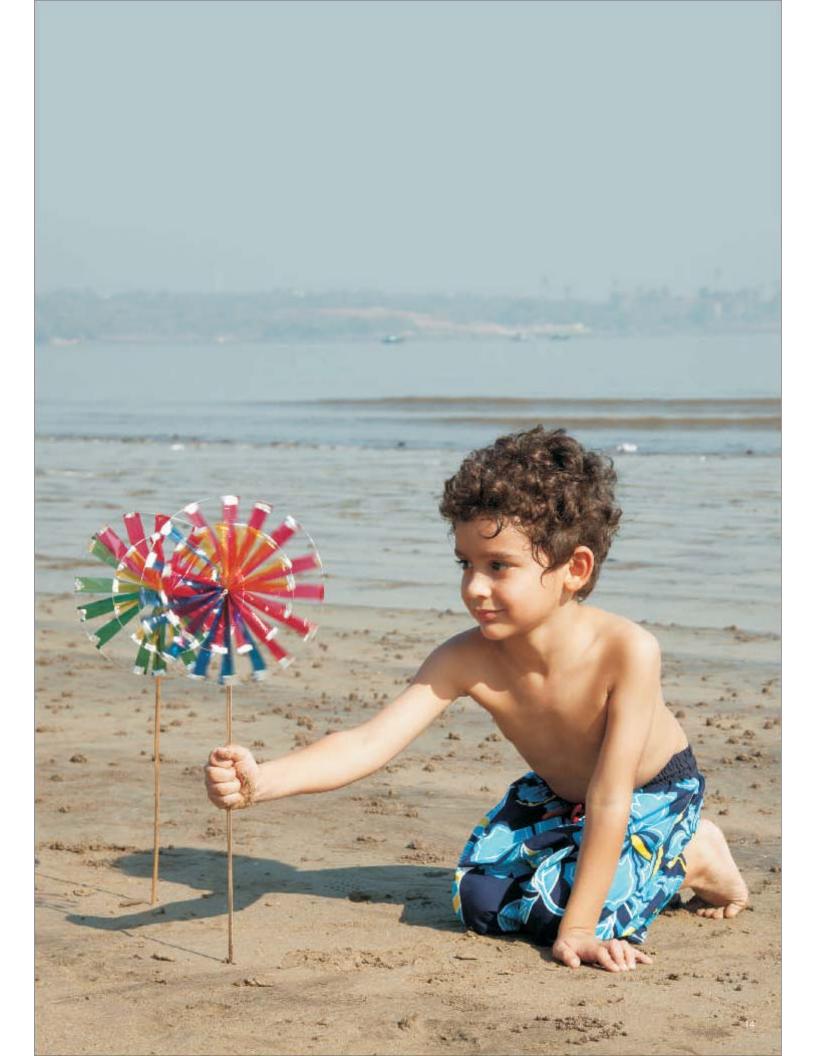
- Establish social & environment standards (covering safety, working conditions, skill, well-being, GHG and other emissions, water/energy consumption) for supply chain (workers, material, transportation etc.).
- Cooperate and collaborate to ensure compliance improvements in sustainable performance of these amongst key suppliers and customers and partners.

Society/ community

- Investments will be made in sustainable & "marketable" livelihoods impacting all communities in the area of influence and reach.
- Be recognised as the leader in community development amongst Indian companies in terms of spread and impact.









Economic Indicators

Various committees of board of directors such as the Audit Committee headed by an independent Non Executive Director, Shareholder Grievance Committee. Remuneration Committee & Committee of Directors monitor & effectively supervise the financial reporting, risk management, shortterm & long-term business planning & sustainability. Our integrated financial accounting system has in-built controls with both internal & external audits, which ensures a reliable & effective financial reporting. Our audit mechanism periodically reviews control & compliance of legal & regulatory requirements. The Management of Business Ethics (MBE) process ensures raising of concerns by all stakeholders to control frauds & negligence. We run & sponsor capacity, capability & skill building programs for communities around our areas of manufacturing facilities so that they improve their livelihood options & improve the quality of life. Programs such as Rural Enterprise Development & our efforts through the Apprentice Training School & Rural BPO services are some of the examples of our efforts.

Environmental Indicators

At Tata Chemicals, Safety Health & Environment (SHE) are driven by SHE policies that are both at the Corporate & site level. The approaches are driven by our commitment to guidelines of Responsible Care. World Safety Declaration and various global & national industry forums. We have adopted some of world-class practices such as "DuPont Safety Way" & the British Safety Council Five Star Audit for Safety & Environment Sustainability. All our sites are ISO 14001 (Environment Management Systems) & OHSAS 18001 certified & some of the sites are going through ISRS rating on safety. 'SHE' is reviewed at all levels within the organization starting at the Board level & includes the EXCOM, Business Councils, Apex Quality Council (AQC) & Departments. Also Risks Management Programs' compliance are monitored at all levels. As a part of our continuous improvement cycle, the manufacturing divisions establish goals & objectives, under

Environment Management Programs (EMPs), to improve their environmental performance. These EMPs are reviewed regularly at the Plant, Business & Corporate Reviews & are integrated in Enterprise Balance Score Card, Environment committees & Safety Committee meetings that are presided over by Site Heads with representation at all levels.

Labour Practices & Decent Work Indicators

We consider employees as a key stakeholder. Our focus is to not only improve the current skills but also to build skills for future requirement. Training plays a vital role in enhancing efficiency, productivity & performance of our employees. Programs such as Management Development Program, Supervisory Development Program, Operators Certification Program, Employee Growth Scheme & Achievement Orientation are some of the initiatives deployed across the organization that provide customized training to achieve higher skills & build capacity for future leadership & succession planning. In the organization all the employees whether directly employed by company or through contract are considered as workforce with no differentiation in the workplace practices related to safety, health and environment. Our manufacturing sites are OHSAS 18001- Occupational Health & Safety Management certified. As a part of our continuous improvement cycle, the manufacturing sites establish goals & objectives, under Occupational Health & Safety Management & departments have specific goals to improve safety performance. The Safety Committee that is presided by Site heads & Head of Departments review Safety & Occupational Health. This is also reviewed periodically by the EXCOM. Ergonomic study & health checks are regularly conducted.

Human Rights Indicators

Tata Chemicals has consistently worked towards strengthening the governance & legal compliance systems with regular reviews to identify gaps & improvement. We have an open work environment with clearly articulated policies for ensuring transparency & Non-discrimination. Systems ensuring equal opportunity & capturing concerns are in place,

which have a direct line of sight at the group level through the Tata Code of Conduct. An anti sexual harassment policy along with its redressal mechanism that is chaired by a woman employee is also in place to ensure a safe work environment & gender equity. We have implemented SA8000 systems in our three manufacturing sites. We support "fundamental human rights" in all our operational activities & comply with the law of the land

Society Indicators

Tata Chemicals has always stood by the community around. Aligned with the goals & vision of the management, our social initiatives programs are guided by a "Community Development Policy". The key focus is on integrated community development through a participatory approach with emphasis on sustainability & capacity building of the community. The process of engagement with the community starts with the identification of key community, their needs & prioritizing interventions. The prioritized needs are translated into appropriate development/ support interventions to meet the requirements of the community. Programs include key areas of Natural Resource Management, Livelihood, Health, Education & Infrastructure. We share our resources with the neighbouring communities, providing them subsidized Medical & Health Care, building infrastructure such as roads, schools, health care centers & cattle sheds to name a few. We have established the Tata Chemicals Society for Rural Development (TCSRD) for implementing Community Development interventions.

Product Responsibility Indicators

We have adopted the "Responsible Care"
Principles & have integrated them into our
processes. The Product Stewardship Code
under Responsible Care drives our effort to
minimize health safety & environmental impact
of our products across the supply chain.
Furthermore, our Innovation Center is focused
on developing greener & safer products &
alternatives. We adhere to all Indian laws
related to marketing communications, including
advertising, promotion & sponsorship.



Governance



We relentlessly pursue Good Corporate
Governance by ensuring regulatory
compliance, transparency in our disclosures,
Efficient Operational Practices, Strong Internal
Controls, Risk Management Systems,
Management of Business Ethics (MBE) and by
engaging, operating with fairness and integrity
with all our stakeholders namely shareholders,
customers, employees, suppliers, regulatory
authorities and general public.

Organization Structure:

At the Apex is the Board of Directors headed by a non-executive director. The Board provides guidance & support to management in terms of broad strategy, direction, long-term growth guidelines, governance, compliance and ethics.

The Company's Board of Directors has six standing committees of which the first three are statutory —

- Audit Committee
- Remuneration Committee
- Shareholders' / investors grievance
 Committee
- Executive Committee of the Board (investments & growth proposals)
- Nomination Committee
 (Recommendations to the board regarding composition of the board)
- Ethics & Compliance committee (insider code, status of compliance & penal action for violation)

(Refer Figure on page 56)

They monitor and provide direction to the senior leadership team. This ensures greater focus on specific aspects of Corporate Governance and expeditious resolution of issues of governance, as and when they arise. These Committees have clearly defined areas of operation and they operate as empowered agents of the Board. A Chairperson who is nominated by the Board heads each of the Committees.

In order to ensure overall compliance and adherence to the ethics guidelines and Tata Code of Conduct (TCoC) our Chief Ethics counselor reports to the Group Ethics Counselor.

The Company has various committees to

monitor and review Organizational performance at Strategic, Tactical and Operational levels such as Apex Policy committee, the ExCom, OSC, SBU Council, Apex Quality Council, and CIMC etc. Within the Company, at the highest level of the governance structure, there is a Executive Committee (EXCOM). Supplementing the EXCOM at the corporate level is an Apex Policy Committee (APC), which focuses primarily on policy, particularly HR and HR Policies and a Corporate Governance Committee, whose functions are described subsequently. At the operating level, since the Company is organised in SBUs, there are SBU Councils responsible for monitoring and controlling day-to-day operations. Corporate Governance is reviewed periodically in the EXCOM with relevant members participating in this review. The review covers the legal compliance framework, including immediate concerns if any, status of risk assessment & mitigation of identified risks and also the Code of Conduct issues raised during the quarter. A Corporate Sustainability Steering committee oversees the implementation of sustainability initiatives and actions within the organization.

Regulatory Environment

We comply with all central, state and local laws that are applicable to our diverse lines of business, and strive to go beyond compliance. Our voluntary assessment through Corporate Sustainability Protocol Index, Responsible Care, GRI, etc. are indicative of this direction. Our fertilizer business operates in a regulated environment. The Govt. of India fixes the sale price to farmers. Company's price is determined by GOI under its Group Pricing Scheme. The difference between Company's Group Price and farmers' sale price is paid to us as subsidy. We engage with FICC and DoF with respect to our fertilizer business on regulatory aspects.

TCL continuously strives to go beyond environmental compliance. The Mithapur plant is located along the Gulf of Kuchh and discharges the treated effluent as per Gujarat Pollution Control Board guidelines applicable since 1980. In 1982 government issued notification and declared certain forest areas

on the coast where our waste water channels join the sea as Marine Sanctuary, which subsequently were declared as forest areas in 1999. The sensitivity of the location demands excellent Environment Management and Pollution Control.

The company has innovated and pioneered special filtration techniques to separate the solids for use in cement production.

To achieve excellence in safety, we follow the guidelines of the world-class British Safety

Audit and Risk Management

As an intrinsic part of the overall Governance process, the Company has in place a well established Internal Audit & Risk Management framework which covers all aspects of financial and operational controls. The head of the Internal Audit Department reports directly to the Chairman of the Audit Committee of the Board of Directors, thereby ensuring total independence.

Internal Audits are performed by an inhouse team of multi-disciplinary professionals. Reviews are conducted on an ongoing basis, based on a risk- based audit plan, which is approved by the Audit Committee at the beginning of the year. Audit findings & recommendations are presented by the Head-Audit to the Audit Committee on a quarterly basis. Emphasis is laid on closure of agreed actions and root cause analysis of issues, ensuring that issues are addressed in a comprehensive manner.

We believe that every employee has a role to play in fostering an environment in which controls, assurance, accountability & ethical behaviour are given high importance. To supplement the reviews carried out by the internal audit teams, we follow an elaborate system of Control Self Assurance (self- audit), which is carried out through the year. Besides coverage of all critical departments in the organization, this exercise has also been extended to our CFA's & Salt Packing Centers.

Ethics

We promote legal and ethical behavior in the organization by showing high-level commitment to legal compliance, exceeding

the standards required by law, Corporate Social Responsibility, Responsible Care and high levels of ethical conduct. Commitment to ethical behavior in all stakeholder transactions and interactions is included in the Vision. Mission & Values and the Tata Code of Conduct. All our employees are signatories to TCoC and we implement, improve the process through participation and involvement. Promotion of ethical behaviour is through the company Level MBE philosophy. Senior leaders review the legal and ethical behaviour through EWRM, Quality systems, CGRM and MBE. All legal requirements for plant operations are drawn in our ISO 14001 as departmental objectives and proactively set targets beyond compliance levels.

We seek and welcome constructive criticism. We use face-to-face and written communication and formal grievance procedures within our workplaces. We also have an additional independent and confidential means of communication and feedback for ideas or concerns about any aspect of our company or about the behaviour of individuals, without fear of recrimination, through the Concern Raising mechanism. The MBE assurance survey, and the number of concerns raised, are measures we use for the monitoring and improvement of our Ethics effectiveness.

and standards.

Ethics councilors at all locations report directly to the principal Ethics councilor, the Principal Ethics Officer and the Tata Group central ethics committee. The EXCOM reviews ethical conduct and identifies action plans for improvement.

We have established an Anti-Sexual
Harassment policy and associated redressal
mechanism. Proactively, gender sensitivity
workshops and communication meetings are
conducted

Documented, fair and transparent processes are in place for selection of suppliers, partners, employees and community development beneficiaries. During distributor, supplier and community meets, senior leaders emphasize on the importance of ethical behaviour. Our commitment to ethical business conduct is communicated regularly in the various fora like customer meets, supplier meets and community contact meets. Information about TCoC is also given through a signed letter to franchisees/dealers and channel partners and through printed clauses in the MOU/Agreements/POs.

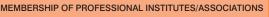
The effective deployment of TCoC is evident from the trends in the steady number of

concerns that are being raised every year. The number of concerns from anonymous sources showing an overall decreasing trend from 48 % in 2004-05 to 27 % in 2009-10. The trend, of late shows a slight increase due to increasing use of dummy email ids.

The number of concerns from outsiders also remains in the region of 40% -50% demonstrating the trust reposed by outsiders in our implementation of the MBE process.

We have adopted a legal compliance process, wherein the legal department continually monitors events that might potentially affect the Company. The comprehensive legal compliance manual covering all applicable laws for our manufacturing sites is considered as a best practice. There have been no fines or penalty levied for non compliance. Monthly compliance report of legal & regulatory processes is prepared and the MD submits a duly signed copy of the Compliance Report to the board.

Ethics training is a part of new employee orientation and periodic ethics refresher communication is made to all employees. Communication through theatre and quizzes helps to understand the ethical requirements



The Associated Chambers of Commerce

Association of Business Communicators of India

Bombay Chamber of Commerce & Industry

Maharashtra Economics Development Council

All India Management Association

British Business Promotion Association

Confederation of Indian Industry

The Conference Board

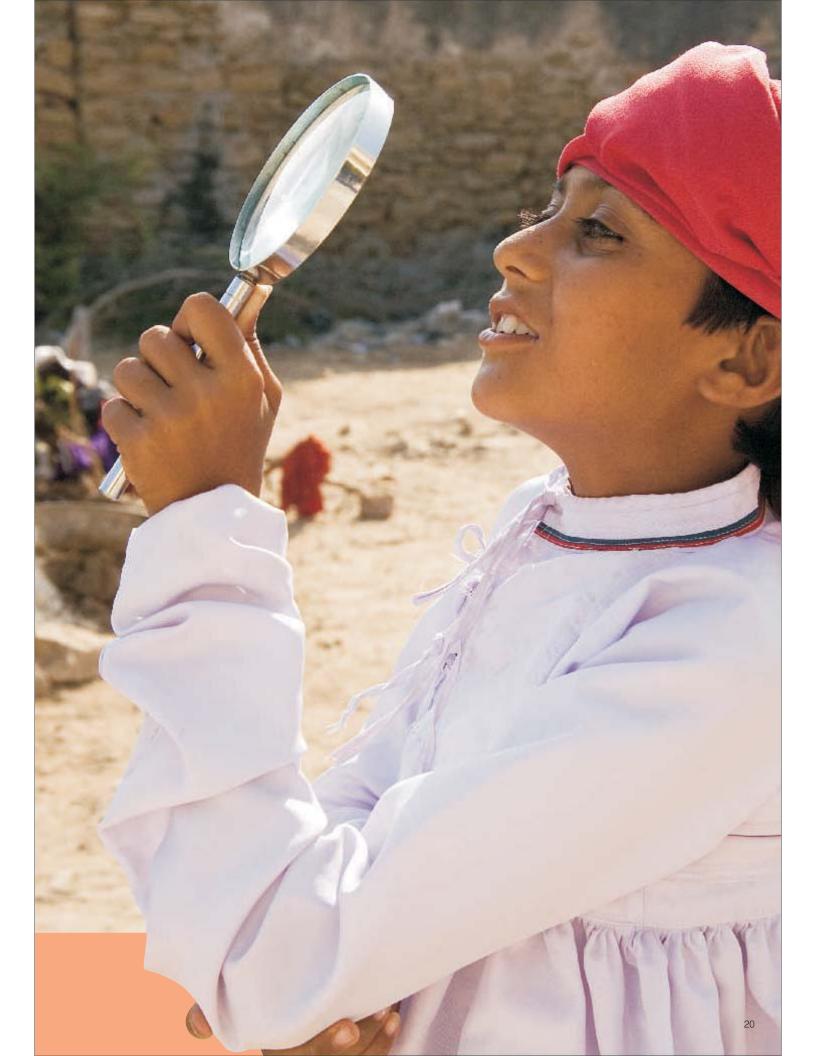
The Council of EU India Chambers of Commerce in India

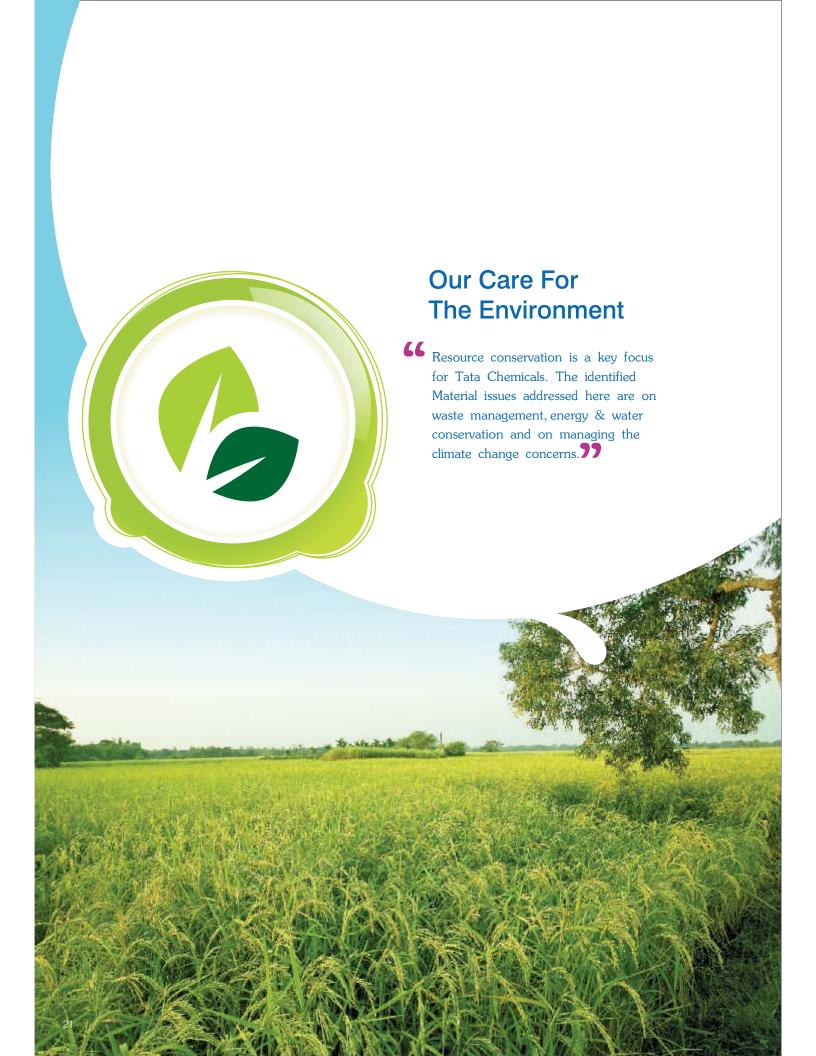
The Employers Federation of India

Indian Institute of Management-Ahmedabad

Indian Chemical Council

Indo-Arab Chamber of Commerce and Industries





Integrating environmental sustainability principles in overall operations and planning is the philosophy followed by us. We try and ensure that all employees and associates understand their responsibilities towards protection of environment and sustainable business with appropriate training and support. Our corporate strategy has considered Climate Change as one of the major environmental challenge and has established a corporate strategy cell on climate change to respond to the challenge and to develop action for a low carbon economy.

We are signatory to "Responsible Care" and have adopted environment sustainability standards of British Safety Council in our journey towards environmental excellence and sustainability. ISO 14001: 2004 Environment Management System framework supports us towards this. Our Babrala facility has been certified to Responsible Care Management System RC14001 by American Chemical Council. Tata Chemicals has been conferred the use of Responsible Care logo by Indian Chemicals Council based on the assessment of practices adopted.

RESOURCE CONSERVATION

With the growing industrialization across the world, demand of industrial resources is also growing and an increase in extraction of materials and other natural resources leading to a demand supply gap. In all plant operations feed and fuel flexibility has been incorporated over the years for resource utilization and effective management. The focus on raw material intensity reduction,

energy efficiency and recycle and reuse continues. The Halida and Mithapur plant have successfully developed reuse/recycle of solid wastes from its operations. With use of innovative seawater desalination technologies at Mithapur the use of ground water has been completely stopped. The Babrala plant has achieved benchmark levels in specific water consumption in the industry

This results in the need to improve efficiencies in operations even more necessary. At Tata Chemicals, resource conservation and efficiency improvements is the philosophy in operations and strategy to optimize the consumption and minimize the losses of raw materials and other resources.

We are one of the major manufacturers of inorganic chemicals like soda ash, food additives like edible salts, soda bi-carb, nitrogenous fertilizers like urea, Phosphatic fertilizers & chemicals like DAP, various grades of NPK, SSP & STPP in India. The main raw materials used are Limestone, Natural gas, Naphtha, Ammonia, Phosphoric acid, Potassium chloride, Soda ash, Rock phosphate and Sulphur for the manufacture of our wide product range. In addition, packaging materials like HDPE bags and various lubricating oils are also being used.

All manufacturing processes operate with the basic philosophy of resource optimization, use of alternative sources and maximization of "recycle and reuse" by using innovative techniques.

All manufacturing processes are part of highly integrated inorganic chemical complexes, which facilitates conservation as a main

environment management tool. In this context, we have initiated various programs that include periodical technical audits (operational efficiency, Energy, Water); initiatives like 'Manthan', 'Udaan', Benchmarking, Six Sigma, and Suggestion schemes etc, which focus on enhancing technical efficiencies, resource optimization and operational improvements.

This has resulted in the maximizing recycling of materials such as limestone, ESF cake, NFC, etc.

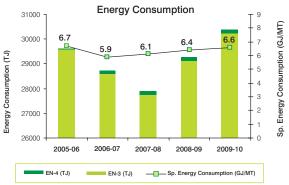
Along with material conservation, energy and water conservation are also of prime importance for future sustainability.

Energy

Energy sources for various manufacturing processes include pet coke, coal, natural gas, naphtha, furnace oil, diesel, coking coal and grid power.

The total energy saving of 748 TJ has been achieved in the last five years by conservation, process modifications; retrofitting of equipments, waste heat recovery (Fig. En-02). Even though the production has been hampered since 2007-08 due to various factors like heavy rainfall in Gujarat and raw material unavailability at Haldia, global economic downturn, the consumption in specific energy has reduced by about 1% in the last five years from 2005-06 to 2009-10. (Fig. En-01)

Manufacturing of Chemicals & Fertilizers are energy intensive processes and primarily depend on the non-renewable energy sources.





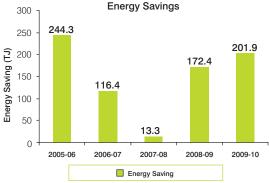


Fig. En-02

But we have initialized use of renewable by utilizing solar energy & wind power at Mithapur, solar heaters for domestic water heating at Babrala & biomass based gassifier at Haldia resulted in sourcing of 11.5 TJ of energy from renewable sources in last 3-years.

Our fertilizer plant at Babrala is one of the most energy efficient urea plants. We have used alternative materials in order to conserve energy inclusive of maximization of use of pet coke in the boilers and anthracite coal in soda ash lime kiln at Mithapur. In the last five years, Haldia site has achieved 45.0% of reductions in the specific energy consumptions by implementing Energy Conservation initiatives like installations of VFDs, energy efficient plant illumination & utilization of waste heat steam in plant processes & in turbo generator for electricity.

Water

Water conservation, reuse & recycling has been the key to Tata Chemicals survival over the years. Manufacturing processes depend on Arabian Sea Water, ground water (wells), surface water (rain fed lakes) and PHE supply water (Fig. En-03). All manufacturing processes are part of highly integrated inorganic chemical complexes, which facilitates conservation as a main environment management tool. (Fig. En-04)

Mithapur has achieved 95% reduction in dependence on ground water in the last 5 years by adopting various in-house water conservation measures as well as management of the rain-fed lake. Though urea-manufacturing process wholly depends on groundwater, specific water consumption

here is a benchmark amongst the Nitrogenous Fertilizers' manufacturers. Periodic water level and quality measurements are the part of Quality Assurance System of Babrala.

Babrala and Haldia Fertilizer sections are zero discharge plants and mainly depend on recycled water, while chemical plants are major consumers of raw water.

In the area of waste water recycling and reuse, we have pioneered recycling of waters by integrating various manufacturing operations; recycle of condensate as boiler feed water at Mithapur, using treated effluent containing nutrients for horticulture at Babrala and the use of regeneration streams in scrubbers at Haldia. About 48% of water is recycled back into the system.

Water withdrawal by Source (Million KL) and Sp. Water Consumption (KL/MT of production)

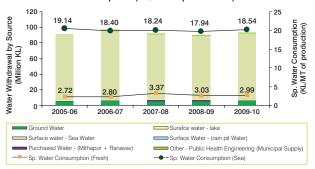
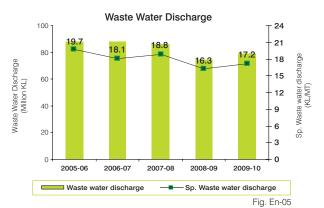


Fig. En-03



% Water requirement

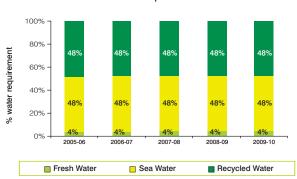
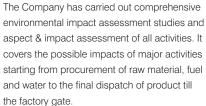


Fig. En-04

Waste management

Waste management has become the part of plant operation and disposal of various types of wastes have been done as per the guidelines documented in ISO system and as per prevailing waste management rules. We manage our hazardous wastes by proper collection, handling, storage and disposal to authorized TSDF (Treatment, Storage & Disposal Facility) or registered recyclers to ensure they are disposed off safely.



Adequate financial resources were provided for treatment and disposal of wastes, treatment for emissions, emission certificates and insurance costs etc. A cumulative amount of Rs. 275.1 million and Rs. 418.9 million during the year 2008-09 and 2009-10 respectively, across the three locations was spent towards environmental protection.

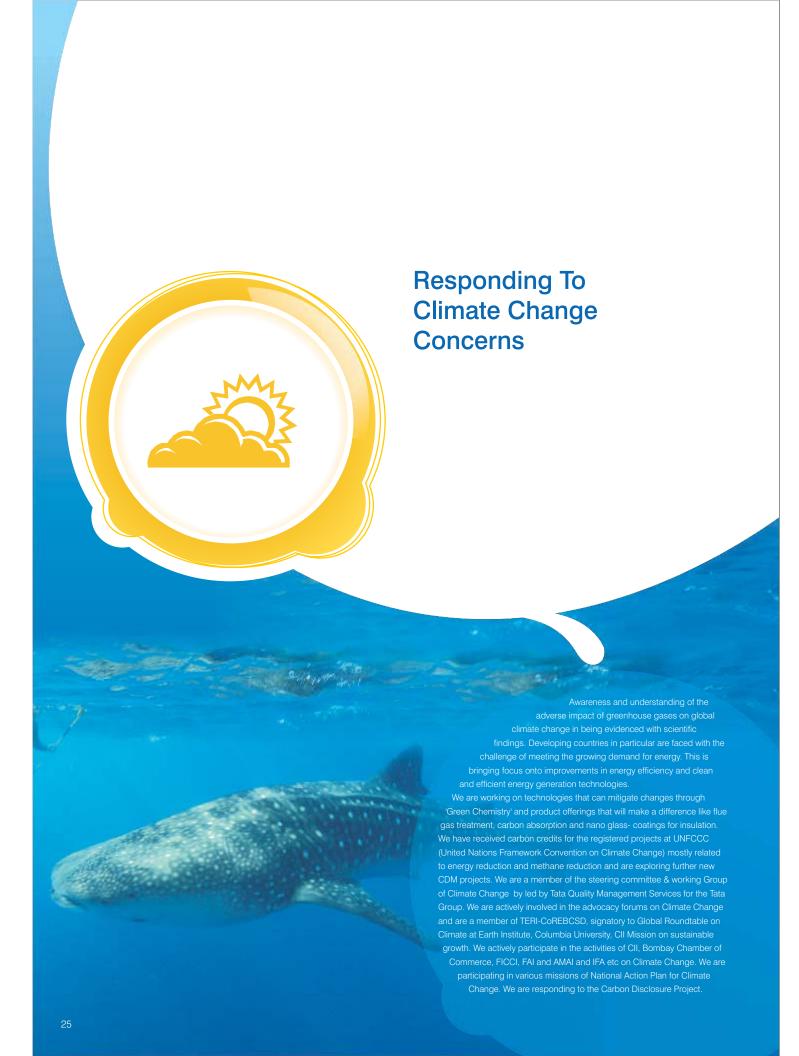
(EN – 30 of Table ENV 1)

Conservation of Biodiversity

Tata Chemicals owns about 318 sq. km area and out of which 0.39 sq. km area at Mithapur has been categorized under Marine National Park (MNP) and forests. In Mithapur plant, brine is transferred through pipeline, which passes through MNP, and treated effluent is discharged into sea through an open channel. Industry has been conducting EIA studies to assess the impacts of its operation on nearby biodiversity and surrounding environment. The findings of study illustrates that no significant impact has been observed on the native flora and fauna.

While operating in harsh ecological conditions/semi-arid conditions at Mithapur site, highly alkaline soil conditions at





We are leveraging the strength of engagement of our people in the plants, facilities and laboratories to achieve technological breakthroughs that will help address climate change, energy efficiency, conservation and security of supply.

We are continuing our effort that started way back in 1940, through exploiting solar energy in our salt pans to produce salt for our soda ash plant, to investing in natural soda ash in Kenya and USA for the reduction in our energy intensity profile. The fertilizer plant at Babrala is benchmarked as one of the lowest in the world in specific energy consumption. We have utilized our knowledge of chemistry and agriculture to build capacities in bio-fuels by using alternative and environment friendly feed stocks like Sweet Sorghum and working on Jatropha seeds development for bio-fuels feedstock management.

Moreover, with the establishment of Innovation Center in Pune, we plan to work on the cutting-edge processes in Bio and Nano field for Green Chemistry and Alternate Energy and the Center for Agritechnology at Aligarh is engaged in improving agri-productivity and technologies for sustainable food security.

Tata Chemicals' pollution prevention programs include periodic measurement of various emissions and inventorisation of GHG's,

maintaining the process emissions well below the statutory requirements, reduction in solid wastes generation, efforts towards zero water discharges, restoring ecological balance in the surrounding habitats and continuous engagement of stakeholders.

Towards our concern for global warming, we initiated efforts for inventories and measurement of the GHG emissions at all manufacturing sites, taken leadership by looking into CDM opportunities among our class of industries. We have achieved reduction of 44164 MT of GHG emission through various initiatives for GHG reduction. Our ongoing efforts on reduction of GHG emission and energy conservation has in-turn resulted in reduction of 4.01% our GHG emissions per ton of production from 2005-06 to 2009-10.

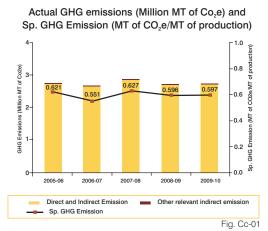
We have started monitoring our GHG emissions to implement various initiatives for managing climate change. Our corporate strategy has considered Climate Change as one of the major environmental challenge and has established a corporate strategy cell on climate change to respond to the challenge and to develop action for a low carbon economy.

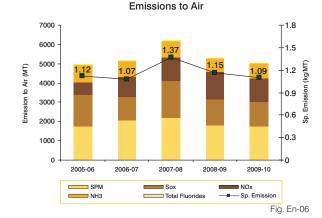
The Cell has successfully developed CDM

projects and has registered four projects. In April 2008, we undertook internal assessment of the CO₂ emissions across its operations and year. Tata Chemicals has assessed the carbon footprint of all its operations and is developing plans for reduction of carbon intensity of its products by 20% by 2020 through abatement by operational efficiency improvements, carbon conscious growth and product portfolio changes to reduce carbon intensity and create offsets through renewable energy like biofuels, solar & wind energy etc.

Mithapur site has, as a commitment to Montreal Protocol 1987, stopped producing Methyl & Ethyl bromides - that are identified Ozone Depleting Substances. The site has also achieved zero consumption of CTC & Freon-12. All sites for the last five years have achieved legal compliance in all the environmental norms. Periodic monitoring and installation of on-line analyzers has ensured the quality of flue gas emissions as per the statutory requirements laid down by SPCB.

Treated effluent quality in final discharge has been maintained well below the statutory norms at all manufacturing sites. Specific effluent generation at all sites has been reduced from 19.7 to 17.2 KL per ton of production since 2005-06 to 2009-10.



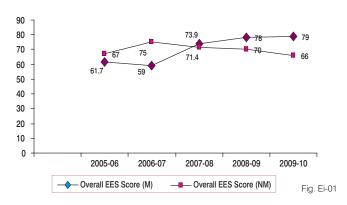


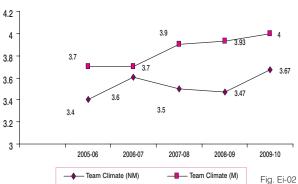


At Tata Chemicals, we strongly believe that People are central to the Company's transformation agenda and a crucial enabler in its journey of becoming a global organisation. At TCL, we have always tried to align HR Strategies around workforce attraction, retention and workforce development with the company's overall strategy. In line with this, we

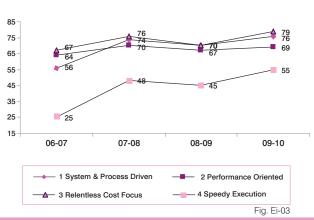
have launched various activities and initiatives across TCL as a part of "Wellness Initiatives". These initiatives have been very well-received and have created a considerable impact in the minds of employees. The employee engagement scores (Fig. Ei-01) have shown significant positive trends in overall measures, team climate, leadership & culture amongst

others (Fig. Ei-02, 03). There has been a marginal dip in the NM scores predominantly because of an on going LTS which was due in that year, however the Team Climate scores have improved over previous years for NM. The committed workforce at TCL is the strategic advantage we build our present and future business on. (Fig. Ei-04)





Culture of Organisation



:	2008-09	2009-10
I see a bright future for Tata Chemicals	82	84
I have confidence in the ability of the leadership to successfully manage the emerging challenges	83	87
I believe that the top management has been effective in setting a direction for Tata Chemicals	83	87
I believe that the top management communicates effectively	75	82
I believe that the top management actively invites feedback from other managers	70	75
I believe that the top management has created a competent next rung of leadership at Tata Chemicals	68	72
I believe that the top management has been successful in creating a positive frame of mind among employees	68	73

Our People:

TCL had 3210 employees in India & 1446 employees overseas totaling to 4656 employees as on 31st March 2010. The company had 1341 nos. of other Directly Supervised Employees (ODSCE) as on 31st March 2010. The company is structured around four Strategic Business Units (SBU) 1) Chemicals 2) Consumer Products 3) Crop Nutrition 4) Agribusiness. New business opportunities have been identified in the Biofuels on a global scale. The TCL Innovation Centre was created in 2004 to develop a worldclass R&D capability in new knowledge-based products, cutting-edge technologies and emerging areas of nanotechnology & biotechnology. Our employee segments are shown in (Fig. Ei-05)

Employees Tata Chemicals

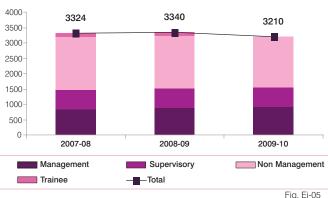


Fig. Ei-04

and segment wise requirements and expectations of the workforce have been identified and prioritized using the QFD technique. We have recognized unions of workmen at Mithapur and Haldia. The employees at Babrala are not of the category that is covered by ID act to qualify for bargainable category. We have established transparent policies programs and facilities

that are common across segments. We have established other avenues where employee concern are addressed locally. The "awaz" program is one such innovative initiative that facilitates redressal of concerns. We have a history of excellent industrial relations, assisted by innovative employee welfare schemes. A matter of fact is that TCL won the coveted FGIAE (Federation of Gujarat Industries Award

for Excellence) award 2008 for the Mithapur Site having the best industrial relation. We place high emphasis on health and safety of our employees, their families and the larger surrounding community, guided by a well-articulated Safety, Health and Environment policy. (Fig. Ei-06)

Facilities, Policies & Services	Segments	Trigger for E&I	Recent Changes Housing Infrastructure Development Project		
Housing Facilities	M, O, W (at Townships)	QFD, Awaaz, Communication Meets			
Annual Medical check-ups	All	Year of People, QFD	Health Index - all Sites. Tie-up with Major Hospitals for Non-Sites		
Emergency Support - Infrastructure Support, Hospital	All	Communication Meet	Changes in Policy		
Educational - Primary and Higher Secondary School, Library	M, O, W (at Townships)	Awaaz, QFD, Communication Meet	Udaan Wave for Mithapur School		
Recreation Facilities - Clubs, Gyms, Sports & cultural events	M, O, W (at Townships)	Awaaz, QFD, Communication Meet			
Canteen Services	All	Awaaz, QFD, Communication Meet			
Ergonomic Surveys	All		Survey Findings completed		
Transport - Bus / Car Services / Travel Reimbursements	M, O, W (at Townships)	Communication Meet, Process Review	Changes in Travel Policies		
Counselling for employees opting for ESS, Outplacement services	All Employee Segments				
Perks / Business - Housing, Car, Mobile, Laptop, AC	All Employee Segments	Awaaz, QFD, Communication Meet	Changes in Car, Mobile, Laptop and Data Cards Policy		
Retirement Benefits - Gratuity greater than statutory requirement	All Employee Segments	Co. Policy	Superannuation Encashme and other Options		
Health Insurance	All Employee Segments	Awaaz, QFD, Communication Meet	Amendments in Medical Schemes		
Leave Fare Assistance	M, Sc, O, FS				
Uniform	M, O, W (at Townships)	Awaaz	Changes in Uniform Policy		
Loans - Finances at discounted rates	All Employee Segments	Awaaz	Changes in Uniform Policy		
Children Education - Scholarship & grants for +2 students	M, O, W (at Townships)				
Ethics - CoC Guidelines, Anti-Sexual Harassment, AIDS Policy	All				
Location & Profession based allowances	All Employee Segments	Awaaz, Communication Meet, LTS	Changes in Allowances		
Safety, Health and Environment	All		New Practices under SHE		

Hiring and Career Progression:

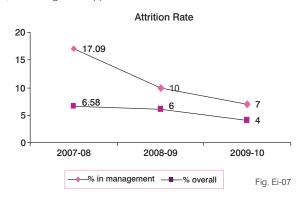
Based on inputs from its LTSP, BSC, SDM, and Annual Business Plans and from process like succession planning, the SBUs and SS functions draw up the manpower requirements for planned projects/expansions and turnovers. TCL has in place a sourcing strategy for each of its employee segments and is an equal opportunities employer. Due to change in sourcing strategy, the attrition rates have come down. Change in strategy of recruiting from N-E Region, Tier II and Tier III colleges, and ex-servicemen from the Defence Forces has ensured better retention in the overheated job market. The management attrition has come down from 17.09% in 07-08 to 7% in 09-10.(Fig. Ei-07)

We ensure diversity in our workforce by hiring through national search (for management cadre) and regional search (for nonmanagement cadre). In addition, we leverage

the socio-regional diversity to our advantage. For example, the workforce employed in the salt works near Mithapur is from a traditional seafaring community.

Succession planning is a robust process at TCL and this is done for all key positions. We have deployed processes like Talent Review, EGS, & Competency

Mapping which helps us identify high potential employees. Fig. Ei-08 below gives us details about the segment wise career progression approaches.



Employee profile	Performance Evaluation System	Supporting High Performance	Supporting Workforce Engagement	Career Progression & Method		
Management	e-PMS	Stretch Goals, Offline discussions & Feedback, PLVP Compensation corrections	Alignment of individual goals to BSC, Achievement Goals, Joint goal setting, Rating System, Training & Dev.	Succession Planning, Talent Review, Competency mapping, EGS, Promotions, Job Rotations, Deputations		
Scientists	e-PMS	Do	Do	Talent Review, Support to develop IP & patents, Cress Specially Projects, major project milestones		
Officers	Group Performance based on yearly targets	Group Based PLVP, Increments, Promotions	Team Goals Setting, Targets R & R for safety, Productivity	Promotions, Skill Enhancement, Sup-EGS Fast Track, SPUR SDP		
Field Staff	Annual Performance Appraisal	PLVP, Increments, Promotions	Sales Targets R & R for targets	Job Rotations		
Workmen	Based on productivity increase mobility, Absenteeism,	Increments, team incentives based on cost, quality, safety and attendance, Long- term settlement	Provision of resources to achieve Targets on Cost, Quality, Safety and attendance, R & R for safety, Productivity	Multi-skilling, OCP, Trade Tests leading to promotion based on performance & Organisational Needs		
Trainees (GET/MT)	Project Based assessment	Confirmation based on review, Learning Incentives	Challenging assignments & Projects	Confirmation to management cadre. Opportunity to work with Functional heads		
ODSCE	Performance Evaluation based on Quality, Safety, House keeping, Time targets.	Piece-rated payouts	Performance Dialog Output Targets, R & R for safety, Productivity	Continuity of employment; Confirmation based on Performance & Organisation Needs		

Fig. Ei-08

Child Labour, Forced & Compulsory Labour

TCL does not employ child labour in any of its operations across all geographies. We maintain all necessary documentation regarding age and conduct medical tests, as part of the recruitment process. In case of

indirect employment, TCL has controls built into its contracts with third parties on non-employment of child labour as part of the terms and conditions.

We have mechanisms to take care of any

violations, like the Grievance Redressal Committee and Ethics Counselors. TCL supports the fundamental human rights in all its operational activities and complies with the law of the land. Although TCL does not have any specific policy/procedure to evaluate and address human rights performance, however we ensure that our suppliers, contractors abide by the terms and conditions laid in Purchase Order. The Purchase Order also mentions about TCoC, which needs to be signed by the supplier or contractor agreeing to abide with it. Our employees are given adequate training in case of any technical changes in our business operations. TCL does not discriminate employees based on compensation & workforce payment details are adequately documented. In 2008-09, we have been accorded with first level of SA 8000 certification for our manufacturing sites.

Building a High Performance Organisation:

We have a robust PMS to foster a high performance culture across the organisation. During the cascade of BSC to individual goals, stretch goals are factored in to stimulate high performance. The SDM projects and team targets at Company and Business level, supported with SLA/SPL, CFTs, COP facilitateco-operation within and across sites. Over the years, TCL's workforce across all segments have moved towards increased performance orientation. This is evident from the increase in PMS effectiveness (perception) from 75% in 2007-08 to 80% in 2009-10. The Value Added per Employee (VAPE) has improved from 0.25 in 2006-07 to 0.28 in 2009-10. The coverage of employees under Performance Linked Variable Pay (PLVP) has increased from 31% in 2004-05 to 53.1% in 2007-08. and the percentage has reduced a bit in 08-09 to 49% (due to increase in number of employees). This has remained fairly constant in 09-10 at 49.5 % In all the cases, the annual performance appraisal, forms one of the inputs for identifying training needs of the employee jointly with his/her appraiser and these then get compiled and translated into an annual training plan which gets implemented over the year. Lean Six Sigma, SAP, Hyperion,

DCS, Project Management, IFRS MBE, BE are being rolled out across goographies to reinforce new knowledge and skills on the job. The LTS for workmen is also productivity linked. "Performance Dialogue", under Udaan initiative, is a system of daily morning review and planning by groups of workmen/ ODSCE & their supervisors to resolve performance related issue and ensuring co-operation at the shop-floor level which builds a sense of belongingness & inspires them to perform better.

Developing Capabilities:

Over the years, the Company has worked extensively on developing the functional skills of employees, while preparing the organisation to develop a global mindset, which is a high priority for the top team. Our Management Development Program (MDP), Supervisory Development Program (SDP), Operator Certification Program (OCP) and Leadership Development Programs have been evolved to develop future capabilities amongst employees.

The Talent Management process identifies key talent based on potential and performance. Job rotation, Deputations, International assignments, EGS, Sup EGS, SPUR, Multiskilling, and Promotions are used to develop capabilities of our employees. We offer wide range of Learning & Development initiatives that address requirements of each workforce, category besides the usual compilation of training needs from the PMS, LTSP, BSC, ABP and organizational initiatives, equal empasis is laid on providing learning opportunities thorough job rotations. Special assignments, deputations, CFTs like Unnati, SEDAC etc. In order to focus on our core competency of operational excellence, we launched a Six Sigma programme at all our units in 2010. it helped building employee capability to improve process efficiencies, reduce costs and defects.

Securing Skills for the Future:

TCL uses a combination of top down and bottom up approach to identify training needs. The organisation competency gaps emerge from the LTSP and BSC processes. These are then collated along with individual needs emerging from the PMS process and Competency Mapping.

To take ahead the transformation agenda, we had specific interventions like Achievement Motivation, DISHA, PIPE, Finance for Non Finance, SAP Training, SHE, Michigan and Harvard Programs rolled out. Platforms like the B School, IGNOU, and tie-up with BITS Pilani have been developed to promote continuous education for our employees. Sabbatical and Professional Education Assistance policies provide the necessary aid and helps build motivation. Fig. Ei-08 shows the result of focused attention on functional training, resulting in improved perception scores. To promote skill development in the nearby community, TCL has MOUs with local ITI's. To provide training to employee's children, we have our Apprentice Training School at Mithapur which places students to the best companies. TCL supports them by roping in Group Companies like Voltas, who come for campus selection.

For the ODSCE workforce, we continued with our plan to upgrade their skills. Key programs which were undertaken under this plan were on safety and safe work culture, and functional training as per the requirement. As envisaged, it helped in increase in the company's operational efficiency.

Diversity and Human Rights:

A training program focused on behavioural aspects, human rights was organised for Security team in the year 2007-08. The program covered 25% of company employed security personnel & 37% outsourced security personnel. Subsequently, in 2009 another program on Human rights was conducted at

Mithapur that included 50 security personnel including members of Advance security Force, National Security Services, CISS, Vigilance and Asst. Manager security.

We have conducted gender sensitivity workshops across our sites to improve awareness amongst employees.

As part of the TATA Group guidelines on Affirmative Actions, we have decided to sponsor FAEA scholarships for three students of the SC/ST community in the year 2008.

TCL initiated programs on skill development at all its locations.

TCL presently does not include human rights clauses in its investment agreements, however we plan to do so in the coming years.

Diversity among the composition of our Board of Directors, EXCOM, Promotion Board,
Remuneration Committee, Apex team, Audit Committee promotes the culture of innovation in our Company. To promote an Enterprise with a diverse workforce, employment at management levels depends on national/regional search while for jobs at non management level the search does not generally go beyond local areas.

MBE process which details processes to raise incidents / concerns on violations of Code of Conduct is widely communicated among employees and ODSCE.

Engaging the Workforce:

Feedback from various forums and a formal Employee Engagement process helps assess the overall engagement levels. Pre-discovery exercise and QFD tools are used to identify and prioritise workforce needs. AAWAZ is the benchmarked process to identify action plans to make TCL a 'Great Place to Work.' The closure of AAWAZ action plans is tracked and reviewed at the SBUC and EXCOM to provide high focus and priority. Team Climate scores are communicated to the HODs and action plans are charted. Increase in levels of participation in initiatives like Unnati, Udaan, Oorja reflects increasing engagement levels of employees. The % absenteeism has dropped significantly from 1.2% in 07-08 to 0.84% in 09-10.

Employee Policies, Benefits & Support Practices:

All facilities at TCL have been certified under ISO 9001:2000, ISO 14001:2004 and OHSAS 18001. In our journey towards rendering world class SHE excellence, we derive approaches and measures from Du-Pont and British Safety Council 5 Star Models. We undertake ergonomic surveys to take care of safe working postures / workplace lighting. The safety training man days per workforce has risen from 3.20 in 08-09 to 6.04 and the employee perception on safety from 79% to 82%, due to increased thrust on behavioural safety training, resulting in improved TRIFR. We have several customised policies in place for all segments of our workforces. The table Ei.06 shows the overall approach.

Incidents of Discrimination:



Elements	Example of Objective		Target segment							Effectiveness
of L & D		Objective	М	S C	0	F S	W	T r	ODS E	Measures
Induction	Disha	Integration	~					~		Induction Feedback
System Documentation	EPM, DeMMI	Performance Improvement(CC)	~	1	~					EPM process ratings
	Udaan Academy	Performance Improvement(CC)	1	1	1	1	~	1		Meeting specific program objectives
Functional Training, Competency Mapping	Competency Mapping		~	~	~	~	~	~		
	SAP, MS Office, M S Projects, Advanced Process Controller, Plant Visits	Handling Technological Changes(CC)	~	~	~	~				Efficiency improvement Results
	SHE Training	Enhancing SHE (CC)	~	~	~	~	1	~	~	Improvements in TRIR
	MDP, AMT, PIPE, IF, TITE, TOT, TCoC	Managerial & Leadership Dev	~	~				~		TLP improvement
Managerial/ Behavioral/ Leadership Trg dev	SDP, SPANDAN	Shop floor leadership capability	•		~	~				Better orientation to handle new initiatives
	Six sigma, ERHWON, TRIZ	Innovation	~	~						New Product Development
	Apex offsite Org. Dev, W/S, Michigan, Stanford, Harvard Programs, TGSLS, ICP	Sr. Leadership Development	~	•	•	•	•	•		Succession Planning
Certification Prog. Follow up projects	Six Sigma, BELP, SEDAC, DEMMI	Reinforce Learning, Performance improvement(CC)	~	~	~	~	~	•	•	No. of Certifications
Education	B-Schools, IGNOU, BITS, Sabbaticals, Financial assistance	Enhance knowledge, Improve Performance	~	•	~	~	~	•		Educational. Qualifications acquired on Job
On-the-Job Exposure, Special Assignment, Exposure	Guidance provided during initial few months, Completion of Projects after 1st Module	Performance Improvement(CC)	~	~	~	~	~	~	~	Incumbent taking new Role
	Sr. Leaders driving People Initiatives	Sr. Leadership Development	~	•						Succession Planning
Employee Growth Scheme,CFT, Overseas Projects, Secondments.	Project-Victoria, SAP Reimplemen- tation, Shadow Business Council	Functional & Leadership Dev. At Middle Mgmt. Level	~	•	٠	•	•	•	•	No. Of CFTs
Spl Assignments (Fig-7.4-8)	Rural Stint	Project Execution, Sensitisation to Community around facilities	•	•	•	•	•	~	•	New measures in CD after rural projects

Elements	Example of			Target segment						Effectiveness
of L & D	interventions	Objective	М	S C	0	F S	w	T r	ODS E	Measures
Performance Dialogue/ Morning meetings	Daily Dept/Group meetings	Learning through work instructions and KSS(CC)	~	~	~	~	~	~	~	
Coaching/ Mentoring	GET/MT projects	Learning by doing under guidance/ Observation / Association	•	•	•	•	~	•	•	
	Feedback on TLPs	Managerial Dev	✓ · · · · · ·		TIP					
Feedback	Multi-Rater Feed back	Sr. Leadership Development	1	•	•	•		•	•	improvements
Career progression schemes	EGS, Spur	Learn & Grow	~	•	~	~	•	•	•	Fast track Career progression for successful employees
Faculty Development	Using Internal faculty	Reinforce & Retain knowledge	~	~	~	~			•	
Knowledge Data Base	Titli - Sr. Retd employees as Udaan faculty	Capture knowledge of departing employees	~	~	~	~	~	•	•	No. of Titli Stories
KM Systems	Plan visits, Meets, Seminars, Training, Gangotri, TKC	Learning form experience/ knowledge of others	~	~	~	~	~	~		





At Tata Chemicals "SAFETY" is a part of our Value system, emphasizing on creating culture of safety and it is on the top of the leadership agenda with relentless focus in all reviews. As laid out in SHE policy, employees and management participate in various SHE initiatives. The formal and informal committees operate at different levels in the organization. The Apex Committee known as EXCOM (Executive Committee) meets monthly to review the safety performance for each site. The committee balances the diverse needs, with organizational & Group imperatives and guidelines to design and finalize various safety programs.

The Works Safety Committee

The works safety committee formed at facility (site) level is a joint forum of Management and Non-management employees with inclusion of contract workmen to better understand the safety issues facilitate the implementation of Best Practices and to adopt the Culture of Safety. The committee meets monthly.

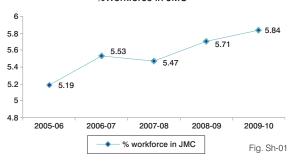
Meetings headed by chairman-site head, consists of safety and health inspection reports to help correct safety hazards, evaluate the accident investigations to determine the cause of the unsafe situation and its corrective-preventive measures. Discussions related to best practices, action plan for implementation of best practices, innovative ideas for improvement of safety are conducted. The minutes of meeting are prepared and circulated to track the improvements and effectiveness.

The graph indicates increase in percentage of the total workforce represented in formal joint management-worker health

& safety committees with respect to 2005-06 for all the 3 locations of Tata Chemicals. The percentage of the total workforce represented in formal joint management-worker health and safety committees is up by 12.5% over the last 5 years. (Fig. Sh-01)

Apart from these informal Plant Safety
Committee meetings conducted on monthly
basis headed by Plant Manager in the
presence of Safety representative to review &
resolve the plant related safety, health &
environment issues. There departmental SHE
representatives have been nominated to act as
facilitators to comply with various SHE
initiatives. The Safety head from all the three
facilities meet time to time in CoP meets
through video conference for learning sharing
across the sites.

%Workforce in JMC



TATACHEM Golden Rules of Safety

Permit to Work (PTW)
Working at Height (WAH)
Ground Disturbance (GD)
Management of Change (MOC)
Storage of Hazardous Materials (SHM)

Confined Space Entry (CSE) Lifting Operations (LO) Energy Isolation (EI) Driving Safety (DS)



Rates of injury, occupational diseases

The safety requirements implemented at site are in line with Chemical and Fertiliser industry standards, driven by the well-articulated Safety, Health & Environment policy. The Senior Leaders have over the years given additional thrust on Safety and occupational health by formulating robust policies, cascading implementation plans using the Balance Score Card and Strategy Deployment Matrix framework. Ensuring safe, secure and healthy work environment is one of the top priority agenda of the organization. To this effect, we have taken the help of Du-Pont and British Safety Council models and approaches, which we have learnt and deployed in our organization. The fatality at our Mithapur plant in the year 2009-10 has been a

setback & led to introspection & renewed emphasis on "Target Zero Injury with rigorous implementation of Cardinal Rules, Golden rules of Safety (benchmark practice from British Petroleum), weekly con-call by MD with process owner (Individual Plant Head) for review of all injuries.

The Chief Technology & Sustainability Officer also has a unique reporting relationship whereby he can report concerns directly to the Chairman of the Audit Committee.

Safety requirements are determined at the design stage itself during selection of technology, design and detailed engineering when equipment sizing, specifications, layout of the plants are frozen. Tools such as HAZOP,

Hazard Identification and Risk Assessment (HIRA) help to address safety needs. Process safety and workplace safety management has been implemented to strengthen the safety systems, under SHE management. Safety process has been made robust by adapting British Safety Council (BSC) in Babrala, DuPont Safety system in Mithapur and DuPont Behavioural audit (Haldia, Mithapur and Babrala). Manufacturing plant at Babrala is the lone receiver of Sword of Honour (Highest award in safety across globe) in Fertilizer Industry thrice in a row, while Mithapur has achieved BSC 5 star rating in safety. Benchmarking studies are carried out with the

help of PSI (USA), FAI, IFA for Facilities Management and SHE Management. Various support processes are improved by RCA, ISO /SHE audits.

The yearly safety audits, HAZOP studies, risk assessment exercises and disaster management drills are practiced regularly. Employees participate in near miss reporting, any incident / accident / near miss is Investigated and communicated to all employees by e-mail. To monitor the safety performance, the safety statistics – no. of injury, injury frequency rate, severity rate, &

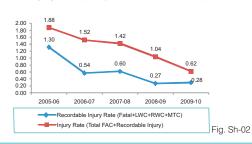
incidence rate etc. are captured. The reports, records, & notification of workplace accidents, are in line with the prevailing national laws (The Factories' Act & Rules), which are in line with the ILO Code of practice.

The total workforce is categorized as permanent (Management & Non-management) and contract employees of all the three locations viz. Mithapur, Babrala & Haldia. The SHE guidelines are developed considering the equal importance for permanent & contract workmen. The safety statistics shown below (Fig. Sh-02, Sh-03) are the compiled results of all

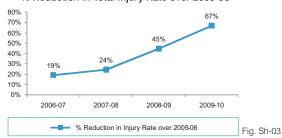
the 3 locations. While reporting the no. of injuries minor first aid level injuries are also included along with Medical treatment, restricted work, lost work time cases including fatalities. The actual no. of fatalities is 1 in 2005-06 (Mithapur), 3 in 2006-07 (Mithapur), and 2 in 2007-08 (Mithapur & Haldia) & 1 in 2009-10 (Mithapur). There are no recorded occupational diseases in reported years & occupational diseases rate is 0 for all the 3 sites

With respect to 2005-06 the no. of injury has been reduced by about 70% & Injury rate by about 67% in 2009-10.

Injury Rate (No. per 2.0 Lakh Man-hrs)



% Reduction in Total Injury Rate over 2005-06



Education and training Programs:

Regular health check-ups tailored as per work area hazards are carried out to monitor all aspects of health including occupational parameters. Employees working in hazardous areas undergo health check ups twice a year while others under go the same once a year. Eye tests for the drivers and VDU users, audiometry tests for working in high noise area and PF test for employees working in dusty areas, are done. Ergonomic surveys are conducted from time to time for ergonomic

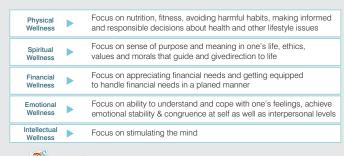
issues like work place lighting and safe working postures. Actions plans are finalized based on the survey finding and are tracked & reviewed for effective closure. Training & workshops on "Positive Health Options", yoga classes, stress management, first-aid etc. are conducted to make employees aware of better approaches to good health & well-being.

Tata Chemicals' Mithapur & Babrala sites have own hospitals within the premises while at

Haldia Occupational Health Centre appointed full time Medical Officer is available. Haldia site have tie up with other hospitals for medical facilities. The employees and their families are reimbursed for medical health treatments. No worker involved in occupational activity is found with HIV/AIDS at any locations.

Since 2009-10 Wellness Initiative has been launched for employee & employee families as well as community.







As part of year of People initiatives and in line with our credo of "Human Touch of Chemistry", the employee Wellness Initiative - Healthy Wealthy Wise at TCL, aims to make every employee aware of and make healthy choices to create a more successful and balanced lifestyle

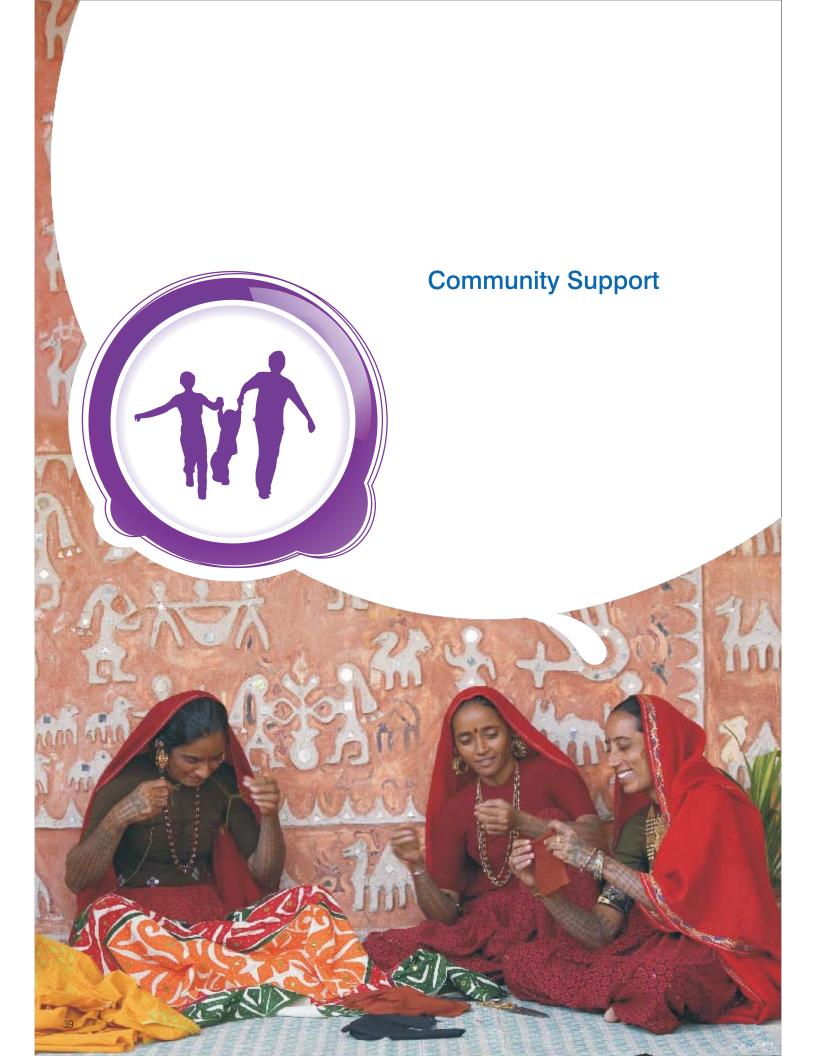
HWW will provide employees with resources, information and guidance to promote their holistic well being together with their family



There is formal agreement between management and trade unions at Mithapur & Haldia locations, while informal agreement at Babrala (as no formal union at Babrala), it covers safety & health topics on local and global level. It includes the topics like Personal protective equipment, Joint management-employee health and safety committees, Participation of worker representatives in health & safety inspections, audits, & accident investigations, Training & education,

Complaints mechanism, Right to refuse unsafe work; & Periodic inspections. The agreement also includes topics such as which are usually addressed at the global level Compliance with The Factories' Act & Rules which is in line with the ILO guidelines, arrangements or structures for resolving problems, & Commitments regarding target performance standards or level of practice to apply.





Tata Chemicals' corporate philosophy is deeply rooted in principles of sustainability. It recognizes that sustainability encompasses environmental stewardship, adding economic value, promoting human rights and building social capital.

The community development is central to the core values we adhere to in the Tata group. Our entire community development program aims at building trust and improving the quality of life of the people. TCL honors its legacy through establishment of society and trust. In 1980, the Tata Chemicals Society for Rural Development (TCSRD) was set up to protect and nurture rural populations and to help achieve self-sufficiency in natural resource management, livelihood development and enhancement of health and education and infrastructure development etc.

TCSRD today has established itself as a leading corporate NGO working at its three plant site i.e. Mithapur, Babrala and Haldia regions. We started our sustainability journey with a focus on ensuring compliance and improving our social, safety & health and environmental performance, with emphasis on establishing robust management systems. The process deployed helps us in enhancing focus and gives direction to drive our sustainability agenda. Our community engagement has grown as the mainstay of our business. The guiding principles for community engagement are articulated in the community development policy. These principles are: sustainability, participatory approach, transparency, partnering, networking & being a resource

centre and volunteering.

We work with partners who respect and agree to our organizations' core CSR values. TCSRD has always worked in partnership with government agencies, voluntary bodies and local authorities in implementing CSR initiatives which brought an expanded dimension towards achieving the project goals. Thus competency sharing through partnership has lead to successful capacity building of communities. TCL has partnered with various government and non government organization such as PFI, SRTT, SDTT, WASMO, NABARD and GRIMCO. We have a defined process for identifying key communities, their need and prioritizing interventions. Our key community consists of areas in and around our plant sites. Criteria for selection of key community are based on our Mission, Vision and Values (MVV), neighbourhood of the area where we operate. impact on society and benefit to underprivileged people. The needs are identified through various listening and learning methods and prioritized based on

parameters that help balance both the needs of the community and our long term strategic growth.

Impact of the activities is measured on a regular basis by doing impact assessment, social audit by third party and by adhering to Tata protocol index. (Fig. Cs-01) All this helps us to improve its interventions and processes. Our commitment to manage these impacts has been articulated in Tata Code of Conduct, Quality Policy, EHS Policy, HR Policy and Social Responsibility Policy.

Our company has not only been proactive on compliance to regulatory requirement but have had far sighted vision in ensuring sustainability in business, processes, restoration of biodiversity and conserving wildlife. Internal assessment process of TBEM further institutionalizes social responsibility. To keep employee and public at large informed about the company's work on social responsibility, the company publishes newsletters, in house magazines, provides regular updates on its website and annual report. Company encourages employees to actively participate in the various volunteering programs organized by the company in partnership with various **NGOs**

CS Protoccol Index

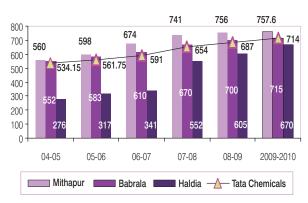


Fig. Cs-01

Program

We follow an integrated approach; however within this approach key thrust areas are defined based on:

- Business imperatives and competencies at the location
- The needs of the community
- To create even greater focus the program has been divided under the following sub groups
- Natural resource management programs
- Livelihood development programs
- Health, Education and infrastructure development projects
- Environment Conservation programs

The programs under these thrust areas vary across locations and are dependent on local contexts and needs. The implementation of these programs also varies across locations

and are supported and managed by community, society and with the active involvement of the CSR teams. Key areas/needs are identified by interacting with local community, civic authorities, community leaders/panchayat members and also in consultation with the operational heads of the company. Targets for various aspects are set at the beginning of the year and tracked on monthly basis.

Natural Resource Management programs

The projects include watershed development program to address the unavailability of water for irrigation and agriculture. Land reclamation project and salinity ingress project to address salinity ingress because of proximity of sea. Agriculture project, integrated animal husbandry program and pond management.

Livelihood development programs

TCL helps the local people to utilize the available resources to the maximum, develop them and also their skills towards sustainable livelihood development.

The projects include SHG formation, rural entrepreneurship program, Vocational training and handicraft promotion.

Rural entrepreneurship development program have been promoted as a way to create sustainable development. This approach provides alternative source of economic stability and opens new employment avenues for rural youth and women. TCL has also encouraged rural enterprise development through self help group formation. This not only improves economic status but also contributes towards capacity building and empowerment of the women group. Regular training is organized to develop necessary skills like develop marketing skills among the people.

At least 420 have received skill development

training and a large number are running their own business. Vocational training is regularly conducted for variety of trades which include mobile repairing, computer course, Sewing and stitching typing course etc.

Health

Healthcare is one of the thrust areas and improvement in health continues to be an important part in the overall strategy for socioeconomic development. The special focus given is to the awareness on health & hygiene. Company provides preventive and curative health care services to the local community. This initiative has been successful in reaching many people. The projects include reproductive and child health program under the name of "Swastha aagan", vision 2020,

aids awareness program, eye camp. Other initiative has also been done to improve sanitation and hygiene for the local people.

Education

Education is an important indicator of social development. It is increasingly becoming the primary determinant of overall development in the emerging knowledge economy. Primary education is one of the millennium development goals. TCSRD desires to build on a long-term perspective for improving the quality of basic education TCSRD has initiated several programs to give a boost to the education situation. The projects include Book Bank, Adult education, Bal Utsav, Support to schools and Scholarship program.

Key Projects

NRM	Livelihood Development	Environment conservation	Health education & Infrastructure Development
Water and Salinity Ingress Management Agriculture Growth Land reclamation Pond Management	Rural Enterprise Development Skill Building Okhai – Handicrafts Uday – Rural BPO Self-Help groups	Mangrove Plantation Bio-diversity Reserve Eco Clubs Whale Shark Campaign Coral Reef Regeneration	 Swasthangan Divya Drishti AIDs Awareness Medical Camps Bal Utsav Book Bank Vision 20-20 Brick Paved tracks

Some projects deserves special mention like:

Water management- Multifold approach to address water management through availability, water recharging, adopting methods to stop ingress of salinity, roof rain water harvesting, etc.

Uday foundation Rural BPO providing training and employment to the rural youth at Babrala & Haldia

Okhai: aimed at empowering women through production, marketing and branding of rural products. Total sale of handicraft of Rs. 33.13 Lacs from Mithapur & Rs.1.35 Lacs from Karzobi at Babrala & women involved numbered more than 450.

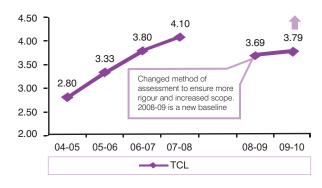
For further information on projects and achievement please visit www.tcsrd.org & www.okhai.org

CSR is a continuous process of building long-

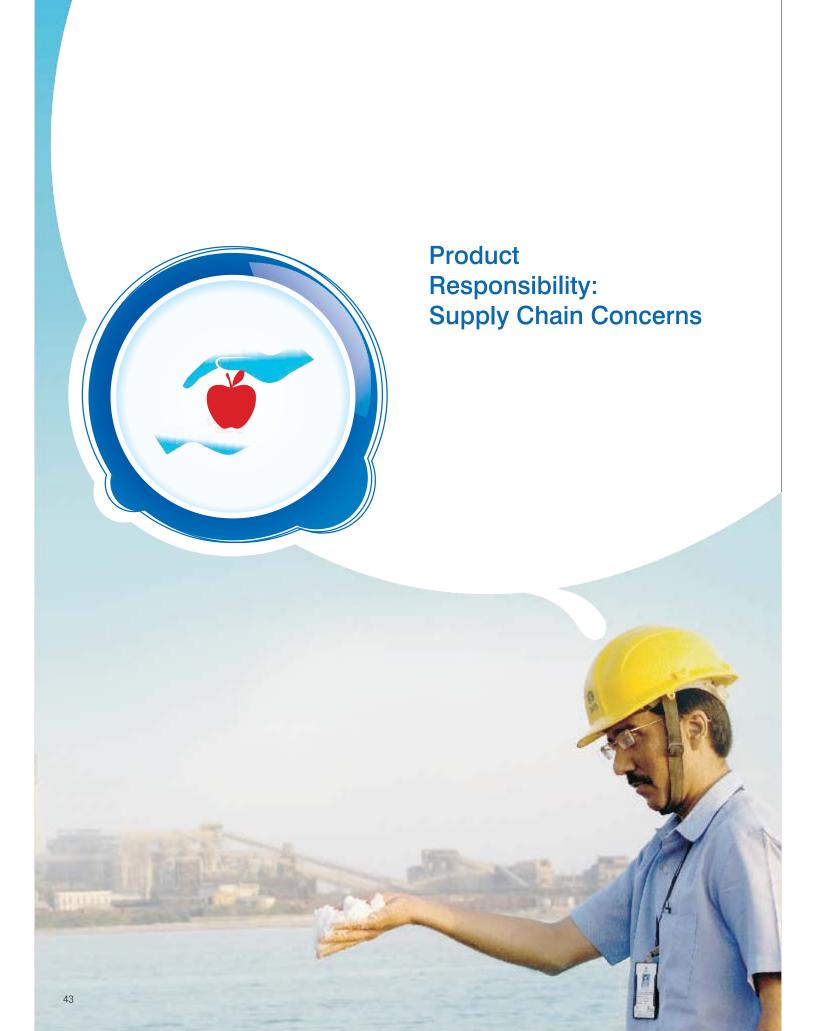
term value. It ensures to comply with regulatory requirements. It has helped to generate good relation with local community and stronger customer loyalty.

All the programs have contributed to increased community satisfaction.

The company has enjoyed success by acting collectively to address challenges & develop action to face the future.







The flagship offerings of Tata Chemicals are Tata Soda Ash, Tata Salt and Tata Paras (Urea, DAP, NPK). Product information about the physical dimensions and / or chemical compositions,/nutritional information/ nutrient content is provided through our product labels and / or catalogues. Round the clock information of our products is available on company's website and at the call centre. All packages retail / bulk contain product information including product manager's address/ CRM contact number to enable consumers to correspond. All of our information is voluntary with various branding elements, with no comment on competitors or regional bias statements. Where ever applicable specific certification requirements of regulatory authorities and some markets like PFA, Halal etc. are provided on the product labels and / or catalogues.

TCL believes in advertising its products and improving market image on its own merits without encroaching on others by any unethical means. We engage only reputed advertising agencies that are members of ASCI and hence all our advertising is as per codes prescribed by ASCI. Procedure to be followed and adherence to applicable standards codes is under the control of Ethics counselor. There have been no cases of non-adherence of regulations.

We have adopted the Product Stewardship Code with the purpose to make health, safety and environmental protection an integral part of designing, manufacturing, distributing, using, recycling and disposing of products. Product safety encompasses selection of safe raw material, use of safe process and adopting practices for handling product. In other words, product stewardship is driven by entire life cycle of product. Implementing the code is affecting nearly every segment of the company, including manufacturing, distribution, sales and marketing. The Code mandates the sharing of health, safety, and environmental information about the use, storage, and disposal of products with customers, suppliers, distributors, and contractors.

All Packing centres of Tata salt are HACCP

(Hazard Analysis at critical Control Point) certified. Tata Salt is singular salt brand in the country to be HACCP certified till last leg of distribution. This makes Tata salt the most hygienic salt available in India.

As a sustainability initiative Reusable primary outer bags have been introduced by the salt team wherein finished product is packed in the used primary bag, thus reducing overall usage of HDPE(polymer) and making the outer packaging more environment friendly thru' reusability.

Product safety starts from selection of raw material. These are handled, stored and used in accordance with SHE guidelines. Selection of material suppliers comprise following critical criteria.

- · Registered & reputed organization;
- · Complying all applicable statutes;
- Following best SHE management practices at site; & Certified for ISO-9001 / ISO-14001 / OHSAS-18001 system

After selection, suppliers' SHE management practices are re-evaluated by site visit and interaction at shop floor to ascertain whether they are practicing and following SHE practices as stated in Supply Chain Questionnaires (SCQ). This enables in gap identification and further improving their management system. Our expertise and experience are also shared with them for dealing with SHE issues related to their operation and practices. For final product safety, SHE training and awareness are the key tools for supply chain members involved in handling, storage, transportation and distribution. Each supply chain member is trained for communicating the right and safe information on handling and storage.

Transportation is the critical aspect of distribution safety, which depends on selection of right transport and route. Knowledge and awareness of transporter on product safety & their role in case of emergency plays a vital role in accident management. Regular checks, training programs ensure the safe distribution of product. All suppliers and vendors are advised to provide MSDS along with all materials and chemicals for complete information and use of right PPE while

handling unwanted emergency. MSDS boards for bulk fertilizers have also been provided to dealers & Star retailers so as to create & promote safe handling, storage & use of fertilizers

Incidents related to product spills, transport accident, bad product & packaging quality are tracked and assessed by supply chain and field staff. Suppliers & Distributors Meet platform is used to express the company's expectation from distributors and transporters. This forum is used for providing all relevant information & training on handling, storage, transportation and distribution of product.

Customer requirement and company's image is determined primarily through Customer Satisfaction Surveys for each customer group. customer contact programs, e-customer Care, Customer feedback captured by our Call Centre, Senior Leaderships visit, Annual Distributors Conference and COO's Club. Kano model helps us in identifying parameters, which dissatisfy, satisfy and delights the customers. Their feedbacks and complains gives an opportunity for improvement. Avalon Consulting and IMRS (Integrated Marketing & Research Services) conducts customer satisfaction studies, on quarterly/half yearly basis submitting 2 halfyear reports, for TCL covering all Indian territories and international markets where it exports. We also track Brand Equity index to measure satisfaction levels of Salt consumers.

A written undertaking is given to all customers about non-disclosure of their responses received for CSI surveys. 100% primary data with respect to customers is on ERP (SAP in form of master data), which is fully secured and no unauthorized access is available to anyone. Changing/creating options are given only to key authorized individuals. We do not share or sell this information until unless required under any regulations but after the consent from the concerned person. As such there is no standard procedure to monitor the compliance with legal statutes but for voluntary codes our approach is to maintain brand equity index, monitoring GRP at the time of campaigns. Market studies like monthly

retail audit by ARC Neilson or by IMRP Consumer panel.

We have implemented Customer Engagement System. Inputs from CRDP and segmentation process form the basis for identifying and deploying relevant engagement approaches which are cascaded across value chain through Customer Engagement System.

Customer Engagement is an outcome of customer Loyalty and Positive Advocacy.

Customer Life Cycle Customized engagement building approaches are built on the basis of CRDP. Engagement initiatives for the customers in various stages of the customer life cycle.

Customer feedback/suggestion/perception is gathered from various sources like regular Customer visit of Sales team, Feel the Pulse(Customer visits of Non-marketing team), Communication meetings, QFD, CSI, Customer Circles etc. .These VOC are integrated on regular basis & serve as input for action planning on current & future products, services & customer support.

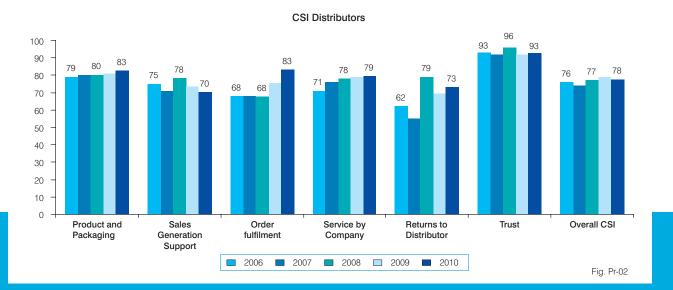
A web enabled Customer Care system (CCS) has been deployed to effectively manage all customer complaints. Consumers are also provided the contact numbers / e-mail id / address of the customer care cell on the

packs/bags and also contact details are included in invoices. This web enablement of the system helps to reduce the complaint handling time and ensures expeditious closure of complaints. The customer can also view the detailed resolution and can give the feedback on the system. If the resolution is not in line with customer satisfaction, the complaint is rebooked for further action, creating customer involvement and enhancing engagement levels CNAB and its stakeholders have been benefited with the deployment of various modes of engagements as shown in (Fig.Pr-01).

#	Stakeholder [by priority]		Engagement		Benefits* to		
#	Stakeholder [by phonty]	Method	Mode	Frequency	Business	Stakeholder	
1		Soil Testing	Soil Sample collection	Twice a year	Launch of new products	Improved Yield & Quality of produce	
2	Farmer	Education	Information Packs/			Safe & optimum use of product	
3			Training	As per promotional plan	Loyalty of farmers	Safe & optimum use of product, Higher yield	
1		Safe use of products	Training	Twice a year	Ensuring sustainable & safe use	Safety	
2	Dealers & Retailers	Safe use of products	Display Board at POS	Once a year	Ensuring sustainable & safe use	Safety	
3		Education	Information Packs				

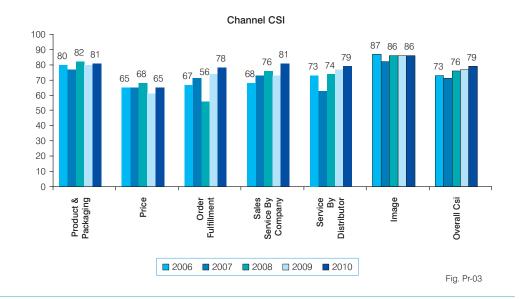
* Note: Includes financial / non-financial and tangible / non-tangible

Fig. Pr-01



The satisfaction index for distributors has been consistently improving over years. Our score is at par with the score of 'Other Principal' that our distributors represent.

The satisfaction index for our channel partners has been consistently improving over years. We have consistently scored over the competition in CSI.(Fig. Pr-02)







Our Economic Performance

Being one of the biggest private sector organisations its economic sustainability is surely going to impact the national economy and also that of its operating areas. In the reporting period, extensive capital exchange took place in the form of various payments, dividends, taxes, donations / grants etc. (Annexure AN-02).

Finance and Value-Based Management:

In the year 2008-09 total income increased by Rs. 3872.67 Crores (and income from operations by Rs. 4326.39 crores). The year 2009-10 was a very challenging year for the company, in view of the overall economic downturn during the year. Total income decreased by Rs. (2880.04) Crores (and income from operations by Rs. (2950.44) crores). The Project ADAPT (Action for Downturn Alleviation for Profit in Turbulent Times) initiated by the company with objectives of conserving cash, EBITDA improvement and meeting debt covenants was highly successful and delivered its objective.

Sales in 2008-09 rose by 107 percent compared with the previous year to Rs. 8,362.70 crores and during 2009-10 due to the economic downturn fell by (35.3) percent compared with the previous year to Rs. 5,412.26 crores. (1crore = 10 million)

Income before taxes:

Compared with the previous year, income before taxes fell by Rs. (496.83) crores to Rs. 660.27 crores in 2008-09 and fell again by Rs. (72.14) crores to Rs. 588.13 crores in 2009-10. Beside this, the return on capital employed as a percentage of profit before tax (plus interest) was 11.1% (2008-09) and 10.7% (2009-10) compared with 18.9% in the previous year

Earnings per share:

Earnings per share (basic) in 2008-09 were Rs. 19.25 and in 2009-10 were Rs. 18.38 compared with Rs. 42.82 in the previous year(2007-08).

Appropriation of profit:

In the year 2008-09 we achieved a net profit after tax of Rs. 452.05 crores (lesser by 52.37% as compared to PY). Including profit carried forward from 2007-08 of Rs. 1,574.1 crores, profit retained was Rs. 2,026.15 crores. At the 70th Annual Meeting on July 30, 2009 the shareholders approved a dividend payment of Rs. 9 per qualifying share. The total dividend payable (including dividend tax) on qualifying shares, as of March 31, 2009 for the financial year 2008-09 was Rs. 247.62 crores

In the year 2009-10 we achieved a net profit after tax of Rs. 434.78 crores (lesser by 3.8% as compared to PY). Including profit carried forward from 2008-09 of Rs. 1,733.32 crores, profit retained was Rs. 2,168.1 crores. At the 71th Annual Meeting on August 09, 2010 the shareholders approved a dividend payment of Rs. 9 per qualifying share. The total dividend payable (including dividend tax) on qualifying shares, as of March 31, 2010 for the financial year 2009-10 was Rs. 255.29 crores.

Balance sheet structure:

In the year 2008-09 our total assets increased by Rs. 1443.23 crores due to increase in investments and current assets as compared to PY. Inventories increased by Rs. 312.16 crores to Rs. 969.8 crores as a result of the expansion of business. Trade accounts receivable was Rs. 1001.73 crores (as compared to PY of Rs. 639.50 crores). On liability side, share capital is increased by Rs.1.17 Crores due to conversion of FCCB

loan into ordinary shares. Loan liabilities also increased by Rs. 1330.82 crores to Rs. 3676.1 crores. The increase in financial indebtedness is a result of External Commercial Borrowing.

However, in the year 2009-10 Our total assets decreased by Rs. (218.73) crores due to decrease current assets as compared to PY. Inventories decreased by Rs. 358.61 crores to Rs. 611.19 crores . Trade accounts receivable was Rs. 581.6crores (as compared to PY of Rs. 1001.73 crores). On liability side, share capital increased by Rs.8.09 Crores due to conversion of FCCB loan into ordinary shares. Loan liabilities also decreased by Rs. (729.59) crores to Rs. 2946.51 crores.

Net cash from operating activities at Rs 584.22 crores has increased in 2008-09 significantly as a result of the expansion of business and again increased in 2009-10 at Rs 843.07 crores because of decrease in inventory level and trade receivable.

Statement of cash flows:

In 2008-09, net cash used in financing activities was Rs. 487.91 crores compared with Rs. 1499.29 crores in 2007-08, decrease is on account of External Commercial Borrowing and increase in repayment of borrowings. Further decrease in investing activities is due to investments in subsidiary and acquisition of fixed assets.

In 2009-10, net cash used in financing activities was Rs. (706.42), which decreased on account of External Commercial Borrowing and increase in repayment of borrowings.

Employment Benefits:

An employee relies on future benefits such as the pension plans of the organization in which they work. 100% of our employees are covered through a well-planned pension plans that includes provident fund, pension schemes, gratuity; superannuation etc. For the reporting period, total expenditure towards employees' pension plans was 10.29 crores for year 2008-09 and was 14.36 crores for year 2009-10. Other benefits provided to employees are detailed in "Our People" section.

Wages to be offered to an employee are

mentioned in respective State Factory Rules. We have fixed minimum entry-level wage as the full time wage offered to an employee in the lowest permanent employee category. During the year 2008-09 Rs.199.02 Crores were incurred over payment and provision for employees (17% higher as compared to PY) and year 2009-10 Rs.204.66 Crores were incurred over payment and provision for employees (3% higher as compared to PY).

Local Supplier and employment:

Being an equal opportunity provider, organisation has a diverse workforce in the management cadre and there is no specific practice of preferring local residents for the management cadre in specific locations of operations. Same principle of equal opportunity is applicable to selection of suppliers too irrespective of local or not. Here local supplier is the one where there is no trans-national payment involved. All suppliers of material or services are selected based on selection criteria defined in the Vendor Qualification Form. Key selection criteria are confirmation of regulatory, legal compliance, availability, cost and quality of materials supplied, OEM Suppliers, and ISO Certifications etc. However in both the cases preference is given to the local candidate, all other criteria being equal.

Government Subsidy:

In the year 08-09 & 09-10, total sum of 4683.58 crores & 2059.69 Crores respectively received from the government in the form of subsidies for our fertiliser business.

Indirect Impact:

Besides direct employment generation in our areas of operations, we also indirectly impact opportunities for income generation. Ancillary activities such as: civil and other contract workmen, transporters, goods and services that service these people etc. provide livelihoods to thousands of people.

We are also equally concerned with the overall upliftment of the nearby community especially the underprivileged. The same has been detailed in the community section.

For further information please refer the Annual report and the website .www.tcsrd.org



Standard Disclosure Part I							
No.	Parameter	Page No.					
	Strategy & Analysis						
1.1,	Statement of CEO	01					
1.2	Description of impacts risks & opportunities	08 - 09					
	Organization Profile						
2.1-2.9	Name, Brands, products, Operational structure, nature of ownership, legal form, Markets served, scale of the organization	04 - 06					
2.1	Awards	67					
	Reporting Parameters						
3.1- 3.4	3.1- 3.4 Reporting Period, Date of previous report, Reporting Cycle, contact person						
3.5-3.7	Inside Cover						
3.12	49						
3.13 Policy for seeking external assurance -							
	Governance, Commitments & Engagement						
4.1-4.7	Governance structure, Composition of Board, Mechanism for recommendations to the board, ensuring the avoidance of conflict of interest, nomination to the board,	18 - 19 & 56					
4.8-4.9	Polices, principles & guidelines ; identification & management of economic, environmental & social performance,	08 - 09					
4.11-4.13	Precautionary approach/principle, charters or principles subscribed by the organization, Membership in bodies	06 & 58 - 66					
4.14- 4.17	Stakeholders & stakeholder engagement	08 - 12					
	Standard Disclosure Part II						
No.	Parameter	Page No.					
	Disclosure of management approach						
DMA- AII	Disclosure of Management approach , EC, EN, LA, HR,SO,PR parameters	16					

Indicators

Economic								
	Pei	ors		Page No	o: 47 - 48			
No.	Parameter			2006-07	2007-08	2008-09	2009-10	
	Direct Economic Value generated							
	a) Revenues	Net sales		3945.64	4036.31	8,362.09	5,412.26	
		Revenues fro investments	om financial	162.15	640.53	131.62	257.21	
		Sales of fixed	d assets	1.23	0.27	0.69	0.07	
	DEV generated	1		4109.02	4677.11	8,494.40	5,669.54	
	Economic Value Distributed	Da	4	0570.70	0044.47	0.057.40	0.407.70	
	b) Operating Costs		to suppliers	2572.70	2611.17	6,357.46	3,427.78	
		·	ic investments	251.87	252.97	496.77	552.99	
		Royalties Depreciation		1.67	4.16	3.04	0.95	
				150.35 305.58	148.76 309.66	131.19 360.67	187.19 390.62	
EC1	c) Employee wages & benefits		Facillitation Payments Employee salaries		169.73	199.02	204.66	
	c) Employee wages & benefits	Dividends to	all	148.98 172.08	211.25	211.65	218.93	
	d) Payments to providers of Capital	shareholders Borrowing Co Exchange los	ost & Foreign	12.80	8.24	283.55	314.06	
		Interest on debts & borowings		29.93	12.94			
		1	ny Taxes	218.88	243.82	293.27	217.71	
	e) Payment to the government		ty(if any)		0	-	-	
	f) Community Investments		y donations	1.3	2.38	2.43	3.16	
	EV Distributed			3866.141876	3975.08	8,339.05	5,518.05	
	Economic Value retained	DEV generat Distributed	ted-EV	242.88	702.03	155.35	151.49	
EC2	Financial implications & other risks & op climate change	purtunities f	or TCL's activi	ties due to		Page No: 25, 26		
	Nature of payments :Pension, super	INR Crores	Sources	2006-07	2007-08	2008-09	2009-10	
	Company's Contr to Providend Fund - Singapore	THE CHOICE	Div. B/s	0.01	0.03	0.01	-	
	Company's Contribution to Providend Fund		Div. B/s	4.13	4.37	4.49	4.95	
EC 3	Company's Contr. to Employees Pension Scheme-1995		Div. B/s	2.19	2.15	2.22	2.17	
	Company's Contribution to Superannuation Fund		Div. B/s	4.20	4.09	3.40	3.01	
	Company's Contribution to Pension Fund		Div. B/s	0.31	0.05	0.01	0.01	
	Company's Contribution to Gratuity Fund		Div. B/s	6.87	2.61	0.17	4.22	
	Sum Total			17.71	13.29	10.30	14.36	
	Financial Assistance obtained from Gove	ernment		2006-07	2007-08	2008-09	2009-10	
EC 4	Subsidy Income			1079.35	1240.89	4683.6	2059.7	
	Government/Government Companies hold March 31,2010	l shareholding) i	n Tata Chemi	cals Ltd as o	n			
EC5	Range of ratios of standard entry level was significant locations of opeartions	age compare	ed to local mini	mum wage at		Page No	o: 47, 48	
EC6	Policy,practices, and proportion of spend significant locations of opeartions	ling on local	ly-based suppl	iers at		Page No	o: 47, 48	

EC7	Procedures for local hiring & proportion of senior management hired from local community at significant locations of operation	Page No: 47, 48
EC8	Development & impact of infrastructue investments & services provided primarily for public benefit through commercial,in-kind,or pro bono engagement	Page No: 47, 48
EC9	Understanding & describing significant indirect economic impacts,including the extent of impacts	Page No: 47, 48

Environment										
	Performance Indicators Page No: 21 - 26									
No.	Parameter	Unit	2005-06	2006-07	2007-08	2008-09	2009-10			
	Materials used by weight or volume									
	Ammonia	MT	118771	125478	105322	87572	91799			
	Natural Gas	SM3	379299696	388302719	383569807	367515192	489634280			
	Naptha	MT	424	2465	22541	20977	342			
	Phos acid (purchased only)	MT	240118	251578	215850	182139	192615			
	Potassium Chloride (MOP)	MT	143619	168380	146753	169912	170558			
EN-1	Rock Phosphate	MT	213808	200485	161460	151656	88679			
	Sea salt as NaCl	MT	1451124	1476887	1367114	1881956	1979503			
	Total Lime stone	MT	1781293	1915654	1744371	1738191	1678523			
	Soda Ash / CRS	MT	41731	36213	48709	31867	13900			
	Sulphur	MT	80717	80743	72940	59817	45403			
	Packaging Material	No.	73610189	71469382	57934600	65213888	70223352			
	Lubricating Oil	KL	275	241	185	241	220			
	Percentage of materials used that are recycled input materials									
EN 2	% Lime stone replaced in cement production	%	62.24	53.10	46.30	63.30	67.56			
	Sulphur Sludge	<u>%</u> %	N.A	N.A	58.46	31.36	20.50			
	Neutral Filter Cake % 2.26 1.29 1.64 1.61 0.62 Direct energy consumption by primary energy source									
EN 3		TJ	20602	20602	27710	29102	30241			
	Total Energy (Direct)		29603	28603	27719	29102	30241			
EN 4	Indirect energy consumption by primary sour		7	400	470	400	455			
	Total Energy (In-Direct)	TJ		109	173	169	155			
EN 5	Energy saved due to conservation and efficiency improvements									
	En-Con	TJ	244.3	116.4	13.3	172.4	201.9			
EN 6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives									
	Use of Biomass in Hot air generator	TJ	0	0	0.9	4.2	6.4			
	Total water withdrawal by source		•		•	•	•			
	Ground Water	KL	5552136	5573304	5817455	5689938	6265645			
	Surafce water - lake	KL	311674	1370300	2005752	1664383	580838			
	Surface water - Sea Water	KL	85023100	89410363	83441045	82250889	85378825			
EN 8	Surface Water - (rain pit Water)	KL	0	0	0	0	3203			
	Purchased Water - (Mithapur + Ranavav)	KL	0	0	0	17286	13737			
	Other - Public Health Engineering (Municipal Supply)	KL	444963	346958	531424	642677	729843			
	Total Water withdrawal	KL	91331873	96700925	91795676	90265173	92972091.2			
	Percentage and total volume of water recycle	d and reused	•			•	•			
EN 10	Total Water recycled	KL	84955319	89539374	83808359	82141101	85056812			
	% water recycled	%	48%	48%	48%	48%	48%			

	I								
	Location and size of land owned, leased, ma	T .	jacent to, protec						
EN 11	Land owned Land leased (Mithapur + Ranavav)	sq.km sq km	-	95.29 66.17	95.34 66.17	95.48 66.17	95.48 75.41		
	Land managed in protected areas	sqkm	0.12	0.39	0.39	0.39	0.39		
	Description of significant impacts of activitie								
EN 12	Page No: 24								
EN 13	Habitats protected or restored								
LIV 10						Pa	age No: 24		
EN 14	Strategies, current actions, and future plans	for managing i	mpacts on biodi	versity			- No. O.		
	Number of ILICAI Bod List appaiss and nation	al aanaamiatia	n liet enecies wit	th habitata in a	raca offeeted b		age No: 24		
EN 15	Number of IUCN Red List species and nation	ai conservatio	n list species wi	in nabitats in ar	eas affected b		age No: 24		
	Total direct and indirect green-house gas em	issions by wei	aht				<u>.go .to</u>		
EN 16		МТ	2760232	2674547	2867496	2731728	2746924		
	Total Direct & Indirect Emission	!		2674547	2007490	2/31/20	2740924		
EN 17	Other relevant indirect green-house gas emis								
	Total other relevant indirect emission	MT	471	1093	986	647	434		
	Initiatives to reduce greenhouse gas emission	ns and reducti	ons achieved						
EN 18	En-Con, Biomass used and SAM use in place of	MT	14998	6795	823	9927	11621		
	CRS		1 11111						
EN 19	Emissions of ozone-depleting substances by Total ODS used	MT	1 1	1	2	2	2		
	Total OD potential	MT	0.17	0.04	0.10	0.11	0.13		
	NOx, SOx, and other significant air emission								
	SPM	MT	1781	2067	2179	1753	1758.48		
	SOx (including acid mist from hal)	MT	1615	1204	1935	1317.27	1236.90		
EN 20		-							
	NOx	MT	632	1037	1219	1422.93	1188.29		
	NH ₃	MT	920	861	889	716	808		
	Total Fluorides	MT	49	48	43	45.44	49.39		
	Total water discharge by quality and destination								
EN 21	Quantity	KL	87683960	88201749	85970899	74783864	79085221		
	Ammonical Nitrogen / NH ₃	MT	222	284	290	268	287		
	TKN	MT	16.10	21.70	34.30	28.02	34.69		
	TSS	MT	11685	11919	12459	13599	16292		
	Phosphate	MT	1.99	1.08	0.96	0.95	1.26		
	Fluoride	MT	0.53	0.56	0.44	0.30	0.35		
	Total weight of waste by type and disposal m	ethod							
	Total Waste	MT	1358410	706110	2811757	661611	598997		
	Non hazardous Waste	MT	1358313	705988	2811114	661224	598767		
EN 22	Hazardous Waste	MT	88	113	636	378	222		
		-				<u> </u>			
	Biomedical Waste	MT	5	4	4	6	6		
	Other Waste	MT	4	5	2.84	3	2		
EN 23	Total number and volume of significant spills								
	None Reportable Weight of transported, imported, exported, o	r treated waste	deemed hazard	loue under the f	terms of the B	asal Conventi	on Anney I II		
	III, and VIII, and percentage of transported w			ous under the t	cims of the Be	ager conventi	JII AIIIICX I, II		
EN 24	Not applicable		,						
	Identity, size, protected status, and biodivers	ity value of wa	ter bodies and r	elated habitats	significantly a	ffected by the	reporting		
EN 25	organization's discharges of water and runof Not applicable								
EN 26	Initiatives to mitigate environmental impacts	of products ar	nd services, and	extent of impac	ct mitigation				
EN 26	Aspect-Impact as per ISO 14001 and Responsi transportation of hazardous chemicals	ble Care for imp	oact mitigation. Er	nergency prepar	edness plan in	case of any mi	shap during		
E M 5=	Percentage of products sold and their packa	ging materials	that are reclaim	ed by category					
EN 27	Not applicable								
EN 20	Monetary value of significant fines and total	number of non	-monetary sanct	tions for non-co	mpliance with	environment	al laws and		
EN 28	Not applicable								
	N 29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operation Responsible Care for impact mitigation. Emergency preparedness plan in case of any mishap during transportation of hazardous chemical products.								
EN 29		ncy preparedno	ee nlan in caec o	f any michan dur	ing transportat	ion of hazardo	us chemicale		
EN 29	Responsible Care for impact mitigation. Emerge			f any mishap dur	ring transportat	tion of hazardo	us chemicals		
EN 29 EN 30				f any mishap dur 9705	ring transportat	tion of hazardo	us chemicals 4189		

	Social									
	Perfo	rman	ce Indicat	ors		Page No: 2	8 - 38			
No.	Parameter				2007-08	2008-09	2009-10			
	Total workforce by employement type,employement contract & region									
	Management					892	912			
LA1	Supervisory				613	620	617			
LAT	Non Management					1710	1661			
	Trainee				113	118	20			
	Total				3324	3340	3210			
	Total number & rate of employee turnover :	Attrition	Rate			_				
LA2	% in management				18.3	10	7			
	% overall				7.6	6	4			
LA3	Benefits provided to full-time employees th employess, by major operations	at are no	ot provided to t	temporary or p	eart-time					
	Percentage of employees covered by collect	tive har	naining agreen	nents		Page No	o: 29			
LA4	Unions cover workmen of Haldia & Mithapur	otivo bai	gammig agreen							
LA5	Minimum notice period(s) regarding significant operational changes,including									
	·						28 - 29			
No.	Parameter	Unit	2005-06	2006-07	2007-08	2008-09	2009-10			
LA6	Percentage of total workforce represented in formal joint management-worker Page No: health & safety comittees that help monitor & advise on occupational health & safety programs 36-38									
	Workforce in JMC	%	5.19	5.53	5.47	5.71	5.84			
	Rates of injury, occupational diseases, lost days ,and absenteeism,& total number of work related fatalities by region									
	Injury Rate (No. of injuries per 2.0 Lakhs man-hr)		1.88	1.52	1.42	1.04	0.62			
LA7	Occupational Disease Rate (No. cases per 2.0 Lakhs man-hr)		0	0	0	0	0			
	Lost Day Rate* (No. of lost days per 2.0 Lakhs man-hr)		71	219	136	7	71			
	Absentee Rate** (No. of absent days per 2.0 Lakhs man-hr)		206	259	157	154	143			
	Fatalities		1 (mithapur)	3 (mithapur)	2 (Mithapur & haldia)		1(Mithapur)			
	Education, training, counseling, prevention, & risk their members ,their families, or community members	ers, their	rograms in place families, or com	e to assist work munitymembers	orce member regarding se	s, erious diseases	Page No: 36- 38			
	No. of high risk workers	1	0	0	0	0	0			
	Assistance programs	Progra	nm Recipients	Education	Counseling	Prevention	Treatment			
	Location	10/		/Training		/Risk Control	V			
	MITHADUD	Worke	rs' Family	Yes Yes	Yes Yes	Yes Yes	Yes Yes			
1.40	MITHAPUR		unity Members	Yes	Yes	Yes	No			
LA8		Worke		Yes	Yes	Yes	Yes			
	BABRALA		rs' Family nunity Members	Yes Yes	Yes Yes	Yes Yes	Yes Yes			
		Worke	rs	Yes	Yes	Yes	Yes***			
	HALDIA		rs' Family	Yes	Yes	Yes	Yes***			
		Comm	unity Members	Yes	Yes	Yes	Yes			

LA9	Health & safety topics covered in formal agreements with trade unions.									
	As per the Factories' Act and Rules which is	in line with th	e ILO guideline	es						
Notes LA7/ LA8	*For lost time accidents the lost days counting starts the day after the accident and days are counted as per calendar days **only for Haldia Non Management category of worker other sites data not recorded *** Facility is not in the company premises reimbursement is provided after submission of bills									
No.	Parameter	Unit	2005-06	2006-07	2007-08	2008-09	2009-10			
	Average hours of training per year per er	nployee by e	mployee categ	gory						
LA10	Training Days/ employee		5.90	6.20	5.67	5.2	5.1			
	Training Hours /employee		47.2	49.6	45.6	41.7	40.5			
LA11	Program for skills management & lifelong learning that support the continued employability of employees & assist them in managing career endings									
	Skills training					Page No:	19 - 31			
LA12	Percentage of employees receiving regular performance & career development reviews									
_,	Employees covered under Performance management system	%	Write up on hir progression	ring & carear	53	49	49.5			
	Composition of governance bodies & breaccording to gender,age group,minority				diversity					
LA13	Female employees (TCL)	%	3.71	3.8	4.09	4.09	4.29			
	Management (female employees)	%		5.36	6.53	6.97	6.59			
	Non- Management (female employees)	%		3.25	3.16	3.35	3.39			
LA14	Ratio of basic salary of men to women by	y employee c	ategory							
LAIT	No discrimination									
No.	Parameter	Unit	2005-06	2006-07	2007-08	2008-09	2009-10			
	Nature,scope,& effectivenessof any programs & practices that assess & manage the impacts of operations on communities including entering,operating & exiting									
SO1	Community Satisfaction / enagement index	Index 1-5	3.33	3.8	4.1	3.69	3.79			
	CS Protocol Index	1-1000	582	591	654	687	714			
SO2	Percentage & total number of business under the substitution of business under the sub				al expert agen	CV				
SO3	Percentage of employees trained in TCL'				ar expert agen	Page No:	18 - 19			
000	Employees trained	%		100%	100%	100%	100%			
	Incidents on corruption			.0070	.0070	10070	.0070			
	No of incidents reported on corruption	Nos.		2	3	0	1			
SO4	Actions taken in response to incidents of	Dismisal		1	1	0	1			
	corruption	Contract not renewed			1	0	0			
SO5	Public policy positions & participation in	public polic	y developmen	t & lobbying						
	Table on membership in organization					Page No:	19			
SO6	Total value of financial & in-kind contribu	itions to poli	tical parties, p	oliticians, & re	lated institut	ions by cou	ntry			
	Contribution of political parties & related institutions	Rs.		0	0	0	0			
S07	Total number of legal actions for anti-cor		navior, anti tru	ust & monopol	y practices &	their outco	mes			
	No. of legal actions	No.		0	0	0	0			
	Monetary value of significant fines & total number of non-monetary sanctions for									
SO8	Monetary value of significant fines & tota non-compliance with laws & regulations Fines & sanctions	Rs.	non-monetary	sanctions for	0	0	0			

No.	Parameter	Unit	2005-06	2006-07	2007-08	2008-09	2009-10			
HR1	Percentage & total number of significant investment agreements that include human right clauses or that have undergone human right screening									
	forced & compulsary labour Page No: 30 - 31									
HR2	Percentage of significant suppliers & cor on human rights & actions taken	ntractors that	have undergo	ne screening						
	suppliers Page No: 30 - 31									
HR3	Total hours of employee training on policies & procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained									
11113	Human rights training					Page No:	30 - 31			
HR4	Total number of incidents of discrimation	actions ta	ken							
	No. of incidents	no			None	None	None			
HR5	Operations identified in which the right to collective bargaining may be at significant				ghts					
	None									
HR6	Operations identified as having significal measures taken to contribute to the elimitation. Child labour			l labor &						
						Page No:	30 - 31			
HR7	Operation identified as having significant compulsory labor,& measures taken to compulsory									
	Forced & compulsary labour					Page No:	30 - 31			
HR8	Percentage of security personel trained i concerning aspects of human rights that			ures						
	Human rights					Page No:	30 - 31			
HR9	Total number of incidents of violations in people & actions taken	volvinhg hur	nan rights of i	ndigenous						
	Incidents on Human rights abuse reported			Nil	Nil	Nil	Nil			
No.	Parameter	Unit	2005-06	2006-07	2007-08	2008-09	2009-10			
PR2	Total number of incidents of non-complia concerning health & safety impacts of pr									
	No. of incidences	Nos.		None	None	None	None			
	Total number of incidents of non-complia concerning product & service information	_		-						
PR4	No. of incidents	Nos.		None	None	None	None			
PR6	Programs for adherence to laws, standar marketing communications, including ad		-							
	Product responsibility					Page No:	14 - 46			
	Total number of incidents of non-complia concerning to marketing communication	_		-	sponsorship					
PR7	No. of incidents	Nos.		None	None	None	None			
	Total number of substantiated complaints	s regarding b	reaches of cu	stomer privacy	/ & losses of	customer da	ata			
PR8	No. of complaints	Nos.		None	None	None	None			
	Monetary value of significant fines for no concerning the provision & use of productions.			egulations						
	Value of Significant fines			None	None	None	None			
PR9	The Company complies with the applicable of the thickness are no convictions against the compa		n to use of prod							

Annexure / Policies: Board of Directors ★ Mr. R. Gopalakrishnan (Vice Chairman) ★ Mr. Prasad R. Menon Mr. Nusli N. Wadia Mr. Nasser Munjee Mr. R. Mukundan (Managing Director) Dr. Yoginder K. Alagh Mr. Kapil Mehan (Executive Director) Dr. M. S. Anath Dr. E. A. Kshirsagar Mr. P. K. Ghose Audit committee Shareholders' / Investors' **Grievance Committee** Mr. Nasser Munjee (Chairman) **Executive Committee of Board** Dr. Yoginder K. Alagh Mr. R. Gopalakrishnan Dr. Yoginder K. Alagh Mr. Eknath A. Kshirsagar (Earlier Committe of Directors) Mr. R. Mukundan Mr. Ratan N. Tata (Chairman) Mr. R. Gopalakrishnan Mr. Nusli N. Wadia Mr. Prasad R. Menon Mr. R. Mukundan Mr. Kapil Mehan Mr. P. K. Ghose Ethics & Compliance **Remuneration Committee** Committee Mr. Nusli N. Wadia Dr. Yoginder K. Alagh (Chairman) (Chairman) Mr. Ratan N. Tata Mr. R. Gopalakrishnan **Nomination Committee** Mr. R. Mukundan Dr. Yoginder K. Alagh (Chairman) Mr. Ratan N. Tata Mr. R. Gopalakrishnan Legend: 🖈 Promoter Non-Executive 🖈 Executive 🖈 Non - Independent Non - Executive 🖈 Independent Non - Executive

Applicable Regulations & Act

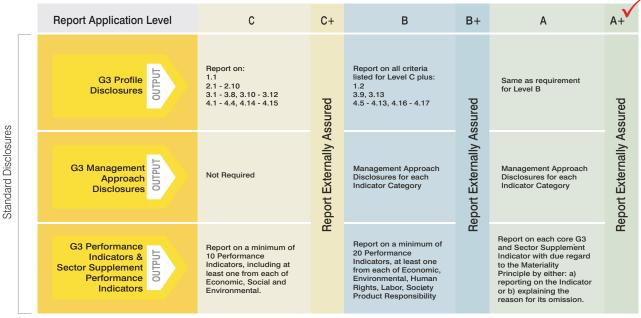
Business Area	Area of Focus	Regulatory Agency's	Applicable act's	Beyond Compliance
Corporate	Accounting process	Registrar of Companies	Companies Act '56	Corporate Governance, COC, ISO 9001 -2000, Benchmarking, Enterprise Risk Management, Apex Policy
(Shared Services)	Information Technology, Intellectual Property	SEBI, Registrar of Copy rights	IT ACT 2000, Copy rights Act 1957, Patients Act 1970, Trade Market Act	Data Security management, Legal Audits by 3rd party, ISO 9001-2000, Risk management, User declaration on pirated s/w
Fertilizers Business	Fertilizer Registration Certificate (selling license), Product Quality	Department of Agriculture, Department of Fertilizers.	The Essential Commodities Act - 1955 / 1986 and the Fertilizer (Movement Control) Order - 1973 / 1995 & The Fertilzer (Control)	ISO 9001-2000, Internal Legal Audits, Risk management, Award Application assessments, Benchmarking, SPC, Six Sigma.
Food Additives Business	Product Quality	Food & Health Authority Product Licensing Authority	Prevention of Food Adulteration Act 1954	BIS, HACCP certification, ISO 9001-2000. ISO 14001-2001 and OHAS 18001
	Labour Laws	Chief Labour Commissioner Central Board for EPF	Chief Labour Act 1970, EPF Act 1884 / 83, Factories Act 1948 / 1963, Gas Cylinder Rules - 1981 / 2004	ISO 9001-2000, ISO 14001-2004, OHAS 18001, BSC 5 Star, Dupont Safety management, Risk mgmt, Contract Grievance Cell
Chemicals, Fertilizers and Food Additives Businesses	Industrial Laws	Industries Commissioner Chief Controller of Explosives, Chief Inspector of Factories	Industrial Act 1951, Explosive Act 1884, 83, Factories Act 1948, 1963, Gas Cylinder Rules - 1981/2004. Indian Boiler Act 1923	ISO 9001-2000, ISO 14001-224, OHAS 18001, BSC 5 Star, Dupont Safety mgmt, Risk mgmt, Safety audits, Structural Audits, Ergonomics Audit
	Environment Laws	Ministry of Environment & Forest, Central Pollution Control Board and State Pollution Control Boards, International Standard Organisation (ISO)	Water Act-1975 and Rules-1975, Wales Cess Act 1977 and Rules 1978, Air Act 1981 and Rules 1982, EPA 1986, MSIHC Rules 2000, Hazardous Waste Management Rules-2003, Bio-Medical Rules-1998	ISO 14001-2004, Responsible Care, GRI BSC - EMS 5 Star, Dupont Safety mgmt, OHSAS 18001, ISO 14031 (EPE), Benchmarking, Life Cycle assesment, Awareness to Community on SHE, Biodiversity and Conservation of Natural resources, Support to Green causes, Community Development

GRI Application Levels

To indicate that a report is GRI-based, report makers declare the level to which they have applied the GRI Reporting Framework via the "Application Levels" system.

To meet the needs of beginners, those somewhere in between, and advanced reporters, there are three levels in the system. They are titled C, B, and A. The reporting

criteria at each level reflect a measure of the extent of application or coverage of the GRI Reporting Framework.



Sector supplement in final version





Mission

Serving Society through Science

Vision

We shall be amongst premier chemical companies by:

- Leveraging Science to deliver new and innovative offerings
 - Enhancing value to our customers
 - Delivering Superior Returns to our shareholders
 - Leading in corporate sustainability
- Nurturing innovation, learning through diversity and team work amongst employees

Values

Integrity, Safety, Excellence, Care & Innovation

TATA CHEMICALS LIMITED

Date: 15th January 2010





Corporate Sustainability Policy

Tata Chemicals Limited will consistently strive to enrich the quality of life of people, positively impact the communities that we operate in and care for the environment, while generating economic benefit.

We respect the needs of both the current and future generations and are committed to Sustainable Development as a core business practice.

As a member of the Global Business Community, we shall conduct our activities with integrity and fairness, to the highest standards of Corporate Social Responsibility, while engaging with, understanding and respecting the interests of all stakeholders.

Specifically, the principles we follow are:

- Upholding the highest standards of Business Ethics and Corporate Governance.
- Respecting the universal declaration of human rights and the International Labour Organization's fundamental conventions on core labour standards
- Conducting all our operations in a manner that is protective of the environment, health and safety
 of our workforce, customers and the community.
 - Striving to develop new products and improve existing ones to consistently enhance the value proposition to our customers while taking care of the environment, throughout their life cycle.
- Advocating with, encouraging, and supporting our partners and others to embrace similar ethical and social responsibility standards.
- Encouraging diversity of culture, experience and expertise while creating an environment that fosters achievement, innovation, learning and teamwork in our workforce.
- Setting targets, measuring and reporting our performance across Human, Social, Environmental and Financial dimensions

TATA CHEMICALS LIMITED

Managing Director

Date: 21st May 2009





Quality Policy

Tata Chemicals Limited commits itself to become the company of choice by providing products and services at competitive costs. We will continually enhance product quality, process performance and skills of our employees leading to customer delight.

Quality Objectives

- Develop Employee skills to meet internal and external customer requirements.
 - Improve systems and processes in line with changing customer needs.
 - Upgrade product quality by process improvement.
- Adhere to specified requirements (internal and external) on quality and deliveries.
 - Strengthen the Supplier / Partner relationship.
 - Meet cost targets.
 - Improve satisfaction index of Channel Partners (Dealers, Distributors, C&F agents, etc) through support and development.
 - Improve Customer Satisfaction Index and reduce customer complaints and dissatisfaction.

TATA CHEMICALS LIMITED

Date: 21st May 2009





Safety, Health and Environment Policy

Tata Chemicals shall uphold its position as a leader in the chemical industry by conducting all its operations in a manner that is protective of the environment and health and safety of employees, customers and the community.

In fulfillment of this commitment, we shall maintain a continuing effort to:

- Comply with all applicable safety, health and environment laws and regulations.
- Enhance Safety, Health and Environment (SHE) awareness among employees and associated stakeholders through effective communication and training.
- Investigate all workplace incidents and illnesses in order to promptly correct any unsafe conditions or practices.
- Integrate SHE considerations into business planning and decision making.
- Champion SHE responsibility among our employees in their practices, and promote and value their involvement in achieving the goals of this policy.
 - Increase shareholder value through SHE excellence.

TATA CHEMICALS LIMITED

Date: 21st May 2009





SOCIAL ACCOUNTABILITY POLICY

It is our policy to conduct our business in a socially responsible manner by complying with all the requirements of SA 8000 standard.

To that end we are committed to:

- Comply with applicable state, national and international legislations, ILO and UN conventions on ethical business.
- Continual improvement in our performance through management reviews, open communications and providing a favourable employment environment.
- Actively promote and encourage the pursuit of ethical excellence not only within the company but also amongst our suppliers and customers.

TATA CHEMICALS LIMITED

Dated: 22nd January, 2009

Place: Mumbai





Community Development Policy

Tata Chemicals pledges itself to care for and serve the community by:

- Designing, evolving and implementing sustainable, replicable and scaleable development models, that leads to measurable socio-economic development of the community and ecological development in its area of influence.
 - Involving the community in all stages of the process, in the true spirit of participatory development.
 - Having focused and transparent processes, that provides for equal opportunity, while improving the quality of life.
- Partnering and networking with government, development agencies, corporate bodies and NGOs to implement appropriate community development programs.
- Creating knowledge resource centers to transfer and share information and help build capacities of partners and the community.
 - Involving the employees in volunteering for community Development programs.

TATA CHEMICALS LIMITED

Date: 21st May 2009 Managing Director









Climate change policy for Tata companies

Tata companies will play a leadership role in climate change by being arrawledgedwe, responsive and trustworthy, and by adopting emmonment friendly technologies, business practices and unrevation, while personny from own growth aspirations and the enhancement of stareholder splae.

This companies will measure their carbon footprint and will strive to:

- . Be the benchmark in their segment of industry on the carbon footprint, for their plants and operations
- Engage actively to elimate change advacacy and the shaping of regulations in diffice at business sectors.

 • Incorporate 'green' perspection in all key organisational processes.

TATA CHEMICALS LIMITED

Date: 11th January, 2010 Revision No. - 0

We have adopted above "Climate Change Policy for Tata Companies" for implementation





Food Safety Policy

Tata Chemicals Limited commits itself to become global company of choice by providing safe food additives to its consumers.

We will Endeavour to achieve this by protecting the food products from hazards and contamination by producing, storing, handling and distributing them under safe and hygienic conditions.

We will continually improve the food product quality enhancing process performance, skills and capabilities of our workforce and partners.

Food Safety Objectives

- Provide food additives, which are safe and suitable for consumption
 - Improve consumer satisfaction index and reduce consumer complaints and dissatisfaction
 - Upgrade product food safety by improvement of processes and work place hygiene
- Perform better than specified regulatory requirements on food safety
 - Improve systems and processes in line with changing consumer needs
 - Develop workforce and partner's skills and capabilities to meet consumer requirements

TATA CHEMICALS LIMITED

15 May, 2009 Mithapur





CARDINAL RULES OF SAFETY

The following acts are violation/s of Cardinal Rules of Safety and would result in disciplinary actions.

- 1. Noncompliance and/or wilful disregard/violation of Safety Rules, Standard Operating Procedures and related policies.
- 2. Carrying, consuming and storing of alcohol, non-prescribed drugs and other intoxicants in the offices and workplaces.
- 3.Smoking in the plant areas and other restricted places.
- 4. Horse Play such as practical jokes, wrestling, fighting, or other physical or violent acts.
- 5. Any verbal threat or physically threatening act will be considered the same as if it were carried out.
- 6. Carrying of weapons, arms and acts of sabotage in the work areas.

The above list of Cardinal Rules of Safety is not intended to be exhaustive of the events or circumstances that may result in termination of employment or any other disciplinary action.

TATA CHEMICALS LIMITED

Dated: 21st May 2009

AWARDS - TATA CHEMICALS

2008-09

Quality

- Best Supplier Award by HUL
 Energy and Water Management
- CII National Award for Excellence-Water Management 08

Corporate Sustainability and SHE

- Reader's Digest Pegasus CSR Award 2008 – Gold
- NSCI Suraksha Puraskar– National Safety Awards
- · Nakheel Sustainability Award

Communication

- 11 National Awards for Communications at the Association of Business Communicators of India 2008
- PRCI 3 National Awards on internal / external communication

Finance

- The Asset Triple A Best Deal India Award
- CNBC TV 18 CFO award for Best Deal in M & A category

Product

 TCL Awarded the Business Superbrands Status

Leadership

 Business Leader of the Year - Chemicals CHEMTECH Award - 2009 for Mr. R Mukundan

2009-10

Quality

- RC 14001 2005 Certification for TCL UREA division
- SA 2008 certification for Tata Chemicals
- TBEM Highest Delta Award

Energy and Water Management

- Bombay Chamber Civic Award 2008-09 in Sustainable Environmental Initiatives Category for 'Water management in a drought-prone area'
- Excellent Energy Efficient Unit Award 2009

Corporate Sustainability and SHE

- · CII-ITC Sustainability Award
- Gujarat Safety Council Award for TCL, Mithapur
- Bombay Chamber 'Good Corporate Citizen Award 2008-09'
- 'Best-in-class Green Manufacturing Award by an international body' from the Stars of the Industry Group

Communications

- Indy Award for the Best Corporate Film
- Best Website Debut Award in the Gold Category at the Indian Digital Media Awards
- ABCI Awards: Gold for Newsletter Design & Best Tabloid; Silver for Best English Language Feature; Silver for Environmental Communications; Silver for Wallpaper
- PRCI Awards: Gold for Vernacular Section of In-house Magazine, Tabloid, Corporate Film and Corporate Website

Finance

 CNBC-TV18 CFO Awards for the Best Deal in the M&A Category

Product

- Tata Salt- Most Trusted Food Brand by Brand Equity Survey 2009, conducted by Nielsen
- Tata Salt Superbrand Award

Leadership

- Vikas Gadre, CIO, Tata Chemicals, featured in Top 50 Global CIO List
- Top Fertiliser Company from Dun
 & Bradstreet Rolta Corporate Awards 2009

Innovation

 ICIS Innovation Award 2009 for 'Best Innovation in Corporate and Social Responsibility' for greening of alkali and saline sediments

Plant

- FAI Awards for Overall Performance of an Operating Fertiliser Unit for SSP and Environmental Protection Award in the SSP fertiliser plants category
- Babrala Platinum Award in the 'Process' category in ET's IMEA 2009

Assurance Statement



Ernet & Young Perl. Ltd. 22 Carrat Storet 3rd Floor, Store C washate 700 Ott., India 7et +91 33 6615 3600 Fax +91 33 2281 7750

To,
The Board of Directors and Management.
Tata Chemicals Limited
Mumbal, India

Independent Assurance Statement

Tata Chemicals Limited (the Company) has requested Error & Young Pvt. Ltd. (EY) to provide an independent assurance on its Corporate Sustainability Report which covers its sustainability performance from 1 April 2008 to 31 March 2010. The Company's management is responsible for the content of the report, identification of the key issues, engagement with stakeholders and its presentation. EY's responsibility is to provide "Imited assurance" in accordance with international Standard on Assurance Engagements (ISAS 3000) on the report content as described in the scope of assurance. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope bars. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assurance any responsibility for any other purpose or to any other person or organization.

Scope of Assurance

The scope of the assurance covers sites and indicators considered relevant to the Company and include

- Data and information related to the Company's sustainability performance for the period 1 April 2008 to 31 March 2015.
- The sustainability specific data and information related to community initiatives, talent management, product life cycle assessment, water, waste, and inorgy.
- The Company's internal protocols, processes, and controls related to the collection and collation of sustainability performance data.

Exclusions

The assurance scope excludes:

- Aspects of the Report other than those mentioned above.
- Data and information outside the defined reporting period (1 April 2008 to 31 March 2010) and other than the indicators mentioned above.
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company.
- Issues related to Intellectual Property Rights and other competitive Issues.
- Data and information on economic and financial performance of the Company.

Methodology

The assurance engagement was based on interaction with key personnel of the Company to identify the processes in place, capture sustainability performance data as per GRI GS guidelines; followed by reviews of the processes for collecting, complaing, and reporting these indicators at the corporate and operating unit levels.

We conducted our review in accordance with International Standard on Assurance Engagements (ISAE 3000), "Assurance engagements other than audits of review of historical information" issued by International Audit and Assurance Standards board.

EY's mutidisciplinary team of professionals visited the Company's manufacturing locations and corporate office to gain confidence on the data and information presented in the report. The team interacted with a select set of internal and external stakeholders, inviewed the Company's internal protocols, processes, and controls related to the collection and collation of susfainability performance data to arrive at the conclusions.

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Site visits to the Company's locations at Babrala. Haldia and Mithapur:

Site visits to manufacturing locations (Batriata, Haldar and Mithapur) were carried out to review the sustainability performance data. Sample data were tested for their auditability and accuracy. Assumptions made for arriving at final numbers against the sustainability performance indicators were understood and necessary clarifications were obtained. Stakeholder engagement process was reviewed through interviews with concerned personnel.

Appropriate evidences to support the conclusions in this issurance report were obtained. Most of the information and duto reviewed were supported with documentary evidence; wherever such documentary evidence could not be collected on account of confidentiality of information, our team reviewed the original documents at site.

Observations

Our observations on the Report are as follows:

- The Company has demonstrated effort to prepare the Report on the basis of the G3 guidelines of the Global Reporting Initiative.
- There is a well-established process for engagement with the communities at Babrala, Haldra and Mitrapur;
- The Company has conducted a limited life-cycle assessment for one of its products, urea. It may further extend the acope
 of this study to other products to understand their environmental impacts across the life-cycle;
- The Company may consider expanding its reporting scope to include international units as well.

Conclusions

On the basis of our engagement, nothing has come to our attention that would cause us not to believe that

- The Company has established a reasonable process to determine key sustainability issues that are material to the Company;
- . The Report represents the relevant parameters of the Company's sustainability performance covering the units:

for Ernst & Young Private Limited

Sudipta Das, Partner 20 May 2011 Kolkata

Abbreviations

ADAPT	Action for Downturn Alleviation of Profit in Turbulent Times	CSI	Community / Customer Satisfaction Index
AGM	Annual General Body Meeting	CSPI	Corporate Sustainability Protocol Index
AIChE	The American Institute of Chemical Engineers	CSSGM	Corporate Sustainability Steering Group Meeting
AMAI	Alkali Manufacturers' Association of India	DAP	Di-Ammonium Phosphate
AMT	Achievement Motivation Training	EGA	Employee Growth Scheme
APC	Apex Policy Committee	EIA	Environmental Impact Assessment
AQC	Apex Quality Council	EPM	Enterprise Process model
BCSD	Business Council for Sustainable Development	EMP	Environment Management Programme
BELP	Business Excellence Leaders Program	ESF	Effluent Solid Filterate
ВРО	Business Process Outsourcing	EXCOM	Executive Committee
BSC	Balance Score Card	FAC	First Aid Case
BSC	British Safety Council	FAI	Fertilizer Association of India
CAT	Centre for Agriculture & Technology	FICCI	Federation of Indian Chambers of Commerce and Industry
ccs	Customer Care System	GET	Graduate Engineer Trainee
CDM	Clean Development Mechanism	GHG	Greenhouse Gas
CDP	Carbon Disclosure Project	GRI	Global Reporting Initiative
CFA	Carry Forward Agency	GRIMCO	Gujarat Rural Industries Marketing Cooperative
CFT	Cross Functional Team	HACCP	Hazard Analysis Critical Control Points
CII	Confederation of Indian Industry	HAZOP	Hazard and Operability Study
CO²e	Carbon Dioxide Equivalent	HDPE	High Density Poly Ethylene
CoP	Community of Practices	HIRA	Hazard Identification and Risk Analysis
CoRE	Corporate Roundtable on Development of	IC	Innovation Centre
	Strategies for the Environment and Sustainable Development	ICRISAT	International Crop Research Institute for Semi Arid Tropics
СРВ	Consumer Products Business	IFA	International Fertilizer Industry Association
CRDP	Customer Relationship Development Program	IGNOU	Indira Gandhi National Open University
CRS	Crushed Refined Soda	ILO	International Labor Organization
СТС	Carbon Tetra Chloride	ISO	International Organization for Standardization
cs	Corporate Sustainability	JMC	Joint Management-Worker Health & Safety Committee

KAM	Key Account Management	SDM	Strategy Deployment Mechanism
KSS	Knowledge Sharing Sessions	SDP	Supervisor Development Program
LCA	Life Cycle Assessment	SDTT	Sir Dorabji Tata Trust
LTIR	Lost Time Injury (Frequency) Rate	SHE	Safety, Health and Environment
LTS	Long Term Settlement	Sp.	Specific
LTSP	Long Term Strategic Plan	SPCB	State Pollution Control Board
LWC	Lost Work Day Case	SPL	Standard Performance Level
MBE	Management of Business Ethics	SPM	Suspended Particulate Matter
MDP	Management Development Program	SRM	Supply chain relationship Management
MNP	Marine National Park	SRTT	Sir Ratan Tata Trust
MT	Metric Tonne	SS	Support Services
MT	Management Trainee	SSP	Single Super Phosphate
MTC	Medical Treatment Case	SSERC	Sweet Sorghum Ethanol Research Consortium
NABARD	National Bank for Agriculture & Rural Development	STPP	Sodium Tri-Poly Phosphate
NFC	Neutral Filter Cake	TBEM	Tata Business Excellence Model
NGO	Non Government Organization	TCOC	Tata Code of Conduct
OD	Ozone Depletion	TCSRD	Tata Chemicals Society for Rural Development
ODS	Ozone Depleting Substances	TERI	The Energy Research Institute
ODSE	Other Directly Supervised Employees	TJ	Terra Joule
ОНІ	Occupational Health Index	TKN	Total K-jeldhal Nitrogen
OHSAS	Occupational Health and Safety Advisory Services	TLP	Tata Leadership Practices
PIPE	Personal and Inter Personal Effectiveness	TQMS	Tata Quality Management Services
PF	Pulmonary Function	TRIR	Total Recordable Injury (Frequency) Rate
PFI	Population Foundation of India	TSDF	Treatment, Storage & Disposal Facility
PHE	Public Health Engineering	UN	United Nations
PSI	Professional Service Industries Inc	UNFCCC	United Nations Framework Convention on Climate Change
QFD	Quality Function Deployment	UNGC	United Nations Global Compact
RC	Responsible Care	VDU	Visual Display Unit
RCA	Root Cause Analysis	VFD	Variable Frequency Drive
RWC	Restricted Work Case	VOC	Voice of Customer
SAM	Soda Ash, Magadi	WASMO	Water and Sanitation Management Organization
SBU	Strategic Business Unit	YOY	Year on Year



