

SERVING SOCIETY THROUGH SCIENCE

SUSTAINABILITY REPORT 2013-14

75
YEARS
SERVING SOCIETY
THROUGH SCIENCE

ABOUT THE REPORT

This is the fifth sustainability report in the public domain by Tata Chemicals (TCL). This report covers the period 2013-14. TCL has for the first time attempted to produce a consolidated global report which attempts to cover enterprise level information regarding its global sites in North America (TCNA) and Magadi (TCM). Information not covered in this report will be brought out either in a separate report or be included in next year's report. TCL has been bringing out the reports annually and as the process matures we look forward to preparing a comprehensive report in a phased manner.

This report has been prepared using the Global Reporting Initiative (GRI G4) guidelines with

'in accordance' – Core option. We have engaged KPMG for providing independent assurance.

Additional information on our products, processes, philosophy and approach is available on our company website: www.tatachemicals.com

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

All information is derived from official Tata Chemicals documents.

The information regarding EC 5, EC 8, EC 9, EN 4, EN 6, EN 7, EN 13, EN 19, EN 28, EN 30, LA 13, LA 16,

PR 8, SO 11, HR 1, HR 4, HR 5, HR 6, HR 7 indicators is not included in this report. It will be included going forward in future reporting cycles.

TCL's significant locations of operation for this report are as given below:

1. Mithapur, India
2. Babrala, India
3. Haldia, India
4. Tata Chemicals North America (TCNA)
5. Tata Chemicals Magadi (TCM)



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MESSAGE FROM MD & CEO

SUSTAINABILITY AS A PRACTICE IS
AT THE CORE OF ALL TATA CHEMICALS'
ACTIVITIES, INCLUDING ITS CORPORATE
SOCIAL RESPONSIBILITY INITIATIVES,
AND IS INTRICATELY WOVEN INTO
ALL ITS BUSINESS FUNCTIONS.



Sustainability as a practice is at the core of all Tata Chemicals' activities, including its corporate social responsibility initiatives, and is intricately woven into all its business functions. Our vision clearly states that we would strive to be a leader in corporate Sustainability focussing on all the three elements of people, planet and profit, which are embedded into our operations to help build deeper relationships with all our stakeholders. Over the years we have been initiating and taking up activities and programmes that are helping us move forward to achieve our vision.

Tata Chemicals' Sustainability report highlights our performance on these aspects and provides our stakeholders with information on the progress that we have made on this front. Our Sustainability report for the year 2013-14 is the fifth report in the public domain and is the first report that has tried to integrate reporting of Sustainability actions from across geographies, specifically covering India, Kenya and the U.S. operations. Our endeavour is to produce one report across all the geographies in a phased manner and this is the first step in that direction.

To help us achieve our vision of becoming a socially responsible corporate body, Tata Chemicals

has identified some key challenges that, if worked upon, will help us build a more inclusive society. The programmes we undertake, both long-term and short-term, directly tackle the issue from its roots with a strategic, holistic approach that ensures the desired results. We have identified climate change and energy management, water and natural resource management, environment conservation along with improving livelihoods and building a more inclusive society as our key areas of work.

Our CSR programmes continue to engage with and support our key communities both directly and indirectly through the various organisations that we support. Key among them is Tata Chemicals Society for Rural Development, Uday Foundation, Okhai- centre for empowerment, Tata Chemicals Golden Jubilee foundation and Magadi Soda Foundation. We have a special focus on the socially and economically backward communities, women empowerment and the farming communities. TCNA joined hands with United Way wherein US\$ 100,000 funds were raised through employee generosity. Helping Hands is a United Way activity where volunteers help senior and disabled persons in the community with projects such as major home repairs that the individuals are unable

to do, and is too costly for them to contract to companies. We also participate in "First Books" where our employees donate time reading to elementary school children. We also support the local food bank.

Water was recognised as one of the key challenges, especially in the rural communities. To address this issue we have taken up the Integrated Watershed development and drinking water projects. Under this, till date we have created 252 medium and 2,229 small water harvesting structures in 36 villages, leading to the harvest of approximately 270.75 million cubic feet of water. In Kenya, our water supply programmes to rural communities including institutions such as health facilities and schools in a predominantly semi-arid area benefits over 20,000 people. Our current focus is on optimising the

We have identified climate change and energy management, water and natural resource management, environment conservation along with improving livelihoods and building a more inclusive society as our key areas of work.

[G4 1]



use of water by promoting water saving technologies like drip irrigation and sprinklers, and laser land levelling under the "Mission Jal" programme, which is currently being rolled out in India.

In some of the geographies we operate, education has been identified as the key to empowering the youth and significantly improving livelihoods. In Kenya alone we supported over 1,500 children access primary and secondary education in the year through various forms of school support and bursaries. We also helped about 30,000 members of rural communities' access health services.

Under our rural energy programme, we have launched several pilot projects. Other initiatives include interventions such as animal husbandry, pond management, fisheries and agriculture growth programmes. Our employees, too, participate in these community development programmes by volunteering their skills, expertise and time towards achievement of difficult social goals, under the banner "HOPE". We have progressed well on environment and biodiversity conservation programmes. The coral reef conservation and restoration project, eco clubs and

biodiversity plantation have all helped in continuous sensitisation of our employees, and the community at large.

TCL has embarked on its journey to become a more consumer facing company with more and more products that are B to C. We have identified our growth vectors as wellness foods, agricultural and chemistry solutions. Each strategic business unit is reworking its strategy to ensure sensitised employees and partners to take this journey forward.

Our Innovation Centre at Pune is aligned and supports our three growth vectors along with providing technology support to other Tata Group companies. This centre also acts as an institutional mechanism to live our Mission of "Serving Society through Science". All research streams at the Innovation Centre have Sustainability embedded in their core as it remains a priority for us in everything we do; a recent example is the "Sustainable Plant Protection Formulation" programme to promote ecological agriculture in tea production in India being undertaken for group company, Tata Global Beverages.

Our Sustainability programmes are driven at the board level through

Safety, Health, Environment and Sustainability (SHES) Committee, which is chaired by a non-executive director. They provide strategic direction and a formal Corporate Sustainability (CS) Policy helps embed the CS Values & Goals into all processes and operations. The SHES committee has been reconstituted as the Corporate Social responsibility and Sustainability (CSS) committee and its charter is being reworked to include requirements of the new Company's Act 2013.

We continue to be committed to UN-Global Compact, Responsible Care and follow the precautionary principles as defined in Principle-15 of the Rio-Declaration. In the year 2010-11, we had included 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. We are in the process of initiating Materiality Mapping of all business across all geographies so as to be more aligned to current sustainability concerns. This Mapping will be completed by end of 2014.

The Company has also reduced specific emission by 1.67% and absolute emission by 2.01% from that of the previous year.



We have developed abatement levers to mitigate climate change risks, which is an integral part of business strategy. Our Sustainability Strategy focusses on 20% reduction in carbon intensity of all products by 2020. We aim to reduce in-plant CO₂ emission and grow existing businesses in a carbon conscious manner. While we have improved on our performance, especially in the India operations, we still have a long way to go. TCNA has introduced new processes to recover and process waste streams. Approximately 84% of the water previously used to transport tailings to evaporation ponds is now recovered, in addition to the soda ash dissolved in the water. We have introduced a process to reclaim the soda ash deposited over the past 40 years in our evaporation ponds. We are investigating innovative production processes to further reduce carbon intensity and process emissions.

We have created an internal environment that fosters safety culture, by setting the direction, establishing clear and transparent policies like SHE Policy, Cardinal Rules of Safety, TataChem Golden Rules of Safety, etc. Voluntary standards like OHSAS 18001, Responsible Care, British Safety Council guidelines, AIChE-CCPS

guidelines help us to ensure continual improvement in SHE performance.

Safety of our workers remains one of our prime focus areas, and we have broadened our Zero injury approach to "Target Zero Harm" – Zero harm to People, Asset and Environment" with renewed focus on high risk activities and initiation of process safety management, which helped us improve our safety performance.

The Company's other major achievements include being recognised at different forums for business excellence, responsible care, safety management systems, environmental, corporate social responsibility and corporate communications.

Our Sales & Marketing teams continuously work on the management of Product Responsibility. Communication on health and safety impacts of products, its use, and service are a part of the processes deployed. The marketing and promotion, labelling and advertising follow guidelines like Advertising Standards Council of India (ASCI) and Competition Commission of India (CCI). We conduct customer satisfaction surveys periodically and continuously engage with our customers in order to take

feedback from them, and help us improve both our products and services.

We are continuously engaging with our large customers; a recent example is our partnership with Unilever on responsible mining. We are working in close partnership to improve overall Sustainability performance in our supply chain. We have initiated mapping of our suppliers through the supply chain Sustainability guidelines that were established last year.

Our employees are our strength and we are working to build a more inclusive, and diverse workforce that provides us with the required competencies for our future growth and are putting in place a slew of initiatives to drive this across the enterprise.

It is our quest to create an organisation that is responsible, transparent and responsive to its stakeholder's needs, we believe that the commitment to Sustainability and the triple bottom line will ensure our global competitiveness and promote inclusive sustainable growth.

– R Mukundan
MD & CEO



ABOUT TATA CHEMICALS

TATA CHEMICALS LIMITED (TCL) IS A GLOBAL COMPANY WITH INTERESTS IN BUSINESSES THAT FOCUS ON LIFE — LIVING, INDUSTRY AND FARM ESSENTIALS.



Tata Chemicals Limited (TCL), a part of the over US\$ 100 billion Tata Group, is a global company with interests in businesses that focus on LIFE — Living, Industry and Farm Essentials. In consonance with its mission, 'Serving Society through Science', the Company is applying its expertise in sciences, to develop sustainable products.



Living Essentials

Tata Chemicals is the pioneer and market leader in India's branded iodised salt segment. With the introduction of an innovative, low-cost, nanotechnology based water purifier; TCL is providing affordable, safe drinking water to the masses. TCL unveiled India's first national brand of pulses in 2010, extending its portfolio from salt to other food essentials.



[G4-3] [G4-4] [G4-5] [G4-6] [G4-7] [G4-8] [G4-9]



Industry Essentials

The Company provides key ingredients to some of the world's largest manufacturers of glass, detergents and other industrial products. Tata Chemicals is the world's second largest producer of soda ash with operations in Asia, Europe, Africa and North America.



Farm Essentials

The Company has carved a niche in India as a crop nutrients provider. It is a leading manufacturer of Urea and phosphatic fertilisers and through its subsidiaries Rallis India and Metahelix Life Sciences it has built a strong position in the crop protection and seeds business respectively. TCL is also a pioneer in the customised

fertiliser segment and a leading supplier of farm services and specialty products.

The Tata Chemicals Innovation Centre is home to world-class R&D capabilities in the emerging areas of nanotechnology and biotechnology. The Company's Centre for Agri-Solutions and Technology provides advice

on farming solutions and crop nutrition practices. The Company's joint venture with Temasek Life Sciences Laboratory Ltd. Singapore (JOiL) is to develop jatropha seedlings to enable bio diesel capability.

Nature & Ownership

Tata Chemicals Limited is registered under the Indian Companies Act, 1913. The shareholding pattern is depicted in the following charts.

TCNA & TCM are wholly owned subsidiaries of TCL, India.

Our consolidated shareholder funds for the reporting period as on 31st March, 2013 and 31st March, 2014 were ₹ 6,413.56 crs.



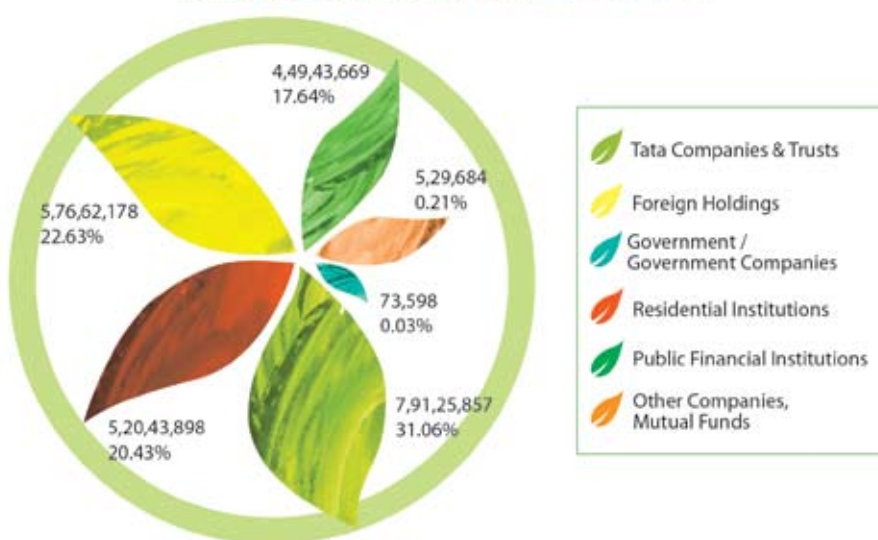
[G4 2] [G4 3] [G4 4] [G4 5] [G4 6] [G4 7] [G4 8] [G4 9]



and ₹ 5,565.51 crs. respectively, while shareholder funds for standalone Indian operations were ₹ 5,307.32 crs. and ₹ 5,701.23 crs. respectively.

As on 31st March, 2014 the total number of employees in TCL India was 3,113, TCNA had 571 and were 549 in TCM. Collective bargaining agreements have been covered to 58.56% of TCL India employees. TCL has four manufacturing sites and two research centres in India, one manufacturing site in North America, three in Europe and one in Kenya.

Category of Shareholding as on 31st March, 2014



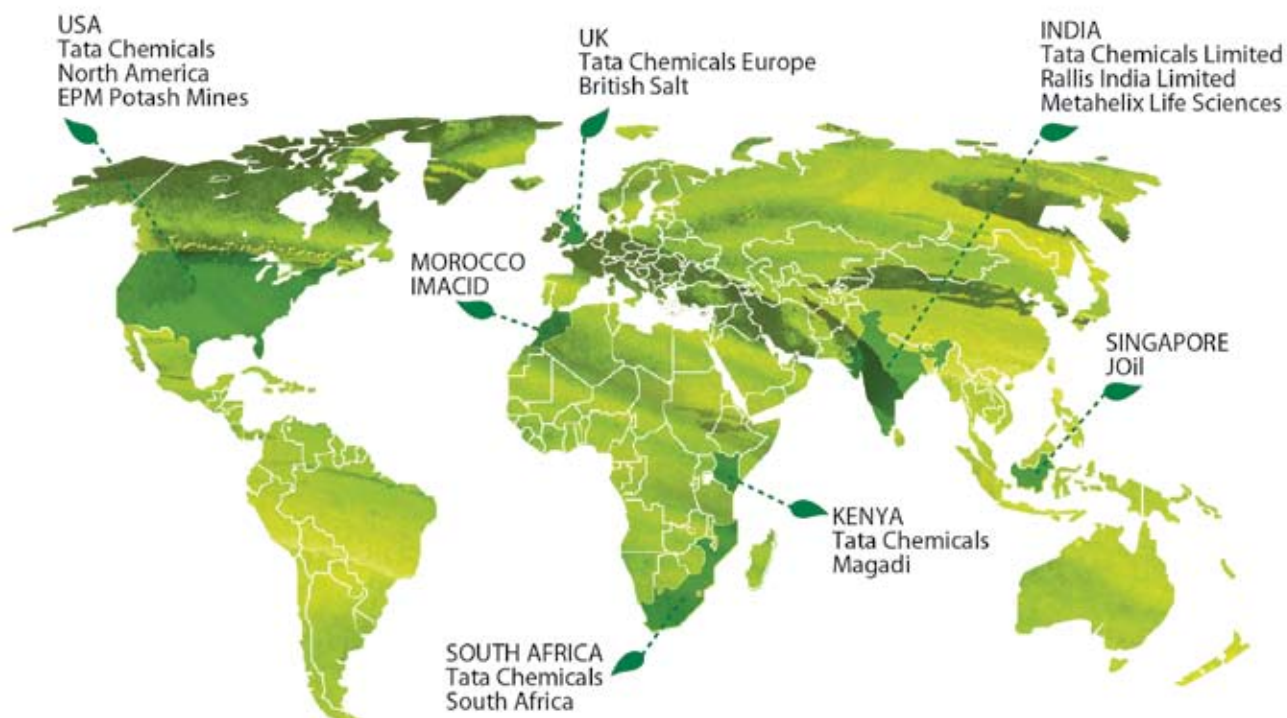
Distribution of Shareholding as on 31st March, 2014

Sr. No.	Range of Holding	No. of Shares	Amount (₹)	% to Capital	No. of Shareholders	% to Shareholders
1	1 to 500	1,97,10,836	19,71,08,360	7.74	1,75,882	89.47
2	501 to 1,000	82,81,578	8,28,15,780	3.25	11,080	5.64
3	1,001 to 2,000	78,27,149	7,82,71,490	3.07	5,457	2.78
4	2,001 to 3,000	42,03,135	4,20,31,350	1.65	1,696	0.86
5	3,001 to 4,000	26,35,030	2,63,50,300	1.03	745	0.38
6	4,001 to 5,000	21,12,463	2,11,24,630	0.83	461	0.23
7	5,001 to 10,000	54,46,937	5,44,69,370	2.14	774	0.39
8	Above 10,000	20,45,39,150	2,04,53,91,500	80.29	490	0.25
TOTAL		25,47,56,278	2,54,75,62,780	100.00	1,96,585	100.00

[G4 3] [G4 4] [G4 5] [G4 6] [G4 7] [G4 8] [G4 9] [G4 11] [EC1 1] [EC 2] [EC 3] [EC 4] [LA 1] [LA 2] [LA 3]



Tata Chemicals Group At A Glance



TCL's net revenue from operations increased to ₹ 15,895.43 in FY 2013-14 compared to ₹ 14,711.02 in the previous year.

The product quantities of TCL's manufacturing sites are: Mithapur – 22,73,949 MT, Babrala – 11,50,595 MT, Haldia – 10,32,128 MT, TCNA – 23,08,310 MT and TCM – 4,88,056 MT.

A substantial portion of the organisation's work is not performed by workers who are legally recognised as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. There is no significant variation in employment numbers.

TCL's key suppliers are for its major raw materials (Refer Annexure EN 1) like natural gas, limestone, raw brine, solar salt, coal, bittern, phosphoric acid, potassium chloride, rock

phosphate, ammonia, sulphur, MoP, DAP and packing material (HDPE bags) for the manufacture of our wide product range. There are also suppliers who provide manufacturing equipment/ machines/apparatus (mechanical, electrical, civil, instrumentation, laboratories, etc.) to TCL. Wherever required, TCL also takes up annual maintenance contracts with such suppliers. The respective state electricity boards supply electricity at locations wherever required. The other key suppliers for TCL include, transport and logistics (rail and road) providers for transportation of its raw materials and finished products.

From a total of around 3,000 suppliers in TCL's supply chain, around 380 key suppliers have been engaged on activities of sustainability. These suppliers are spread across geographies where TCL has its operations. The type of suppliers at TCL comprise

of contractors, distributors, independent contractors, manufacturers, primary producers, sub-contractors, wholesalers, brokers and consultants.

In continuation with our agenda to ensure sustainability of all our operations, TCM has proposed mothballing of its Premium Ash (PAM) plant operations to help reduce its energy cost in order to continue manufacturing in Magadi.

There was no change in the share capital structure and other capital formation, maintenance, and alteration operations for the reporting year.

Also there was no change in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination.

TCL doesn't have any operations, products, services in its supply

chain where there may be any requirements of approach based on Principle 15 of 'The Rio Declaration on Environment and Development', 1992. TCL subscribes to externally developed charters like UN Global Compact (UNGC), Responsible Care, Carbon Disclosure Leadership Index (CDLI).

TCL has a stewardship role in the chemical and fertiliser industries. It is represented in CII, ICC, FAI, EUCCI, BCCI, ASSOCHAM, AIMA, etc., and

also member of IFA, AIChE-CCPS, etc.

List of entities included in the consolidated financial statement of the organisation are given in Page-126, Annual Report 2013-14 'Summary of Financial Information of Subsidiary Companies under Section 212'.

The list of entities which are covered in this report are given in About the Report of this report.

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Head Sustainability &
Corporate Communications
sustainability@tatachemicals.com
corporate_communications@tatachemicals.com

Manufacturing Sites



Mithapur, India



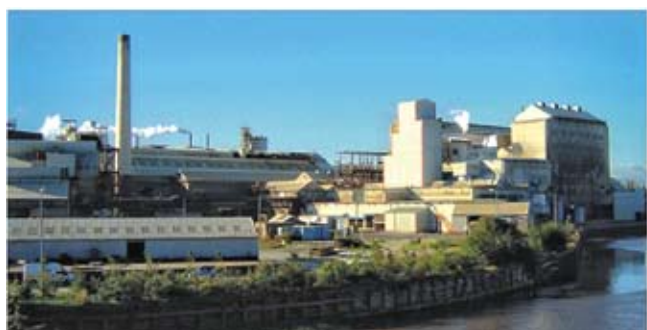
Babrala, India



Haldia, India



Wyoming, USA



Cheshire, UK



Magadi, Kenya

[G4 3] [G4 4] [G4 5] [G4 6] [G4 7] [G4 8] [G4 9] [G4 14] [G4 15] [G4 16] [G4 17] [EC1 1] [EC 2] [EC 3] [EC 4]

SUSTAINABILITY @ TATA CHEMICALS

WE ARE COMMITTED TO THE TATA GROUP
PHILOSOPHY OF GIVING BACK TO SOCIETY
WHAT WE EARN; THERE IS A CONSCIOUS EFFORT
TO ENSURE THE MEANS OF SUSTAINING OUR
LEADERSHIP IN ALL ASPECTS OF BUSINESS.



We are committed to the Tata Group philosophy of giving back to society what we earn; there is a conscious effort to ensure the means of sustaining our leadership in all aspects of business, in an innovative way, to return better value to the stakeholders and thus Sustainability remains at the core of our business strategies. For us Sustainability encompasses stakeholder engagement to meet their expectations, environmental stewardship, creating economic value, promoting human rights and building social capital.

As Sustainability is an integral part of business strategy, all efforts have been made to deploy the strategy innovatively and this has resulted in improved revenues and profits. Right from the Company's growth strategies, mergers and acquisitions, to various operational excellence initiatives at the site level and safety, health, human resource development at the individual level are contributing to the revenue and profit growth. Cement production from solid waste and fly ash utilisation at Mithapur, sale of phosphor-gypsum at Haldia, introduction of customised fertilisers are some of the examples which are adding to the revenues. This has been further strengthened by our Innovation Centre products like Tata Swach



Water Purifier. Nutritional Solutions business has set up a manufacturing plant at Chennai for Fructo-Oligo-Sachharide (FOS) production aimed at improving gut health.

The first step of TCL's strategy planning process includes analysing political, economic, social, technological, legal and environmental changes that may

impact TCL business and this includes summarising inputs from various stakeholder interactions and engagement. This is an input to the TCL strategy, ensuring that Sustainability is the basic foundation of TCL's business strategy.

For us Sustainability encompasses stakeholder engagement to meet their expectations, environmental stewardship, creating economic value, promoting human rights and building social capital.

[G4 18]



TCL is a diverse organisation and its business lines are organised around LIFE i.e., Living Industry and Farm Essentials. We make a constant effort to 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 and social aspects.

Strategic Challenges

The strategic challenges faced by TCL are as follows:

- Ageing technology/equipment and infrastructure
- Talent management – attraction, retention, ageing workforce
- Leveraged balance sheet
- High proportion of bulk commodity business
- Increased regulatory environment and dependence on government policy
- Energy/raw material security and cost (likelihood of rise in NG prices)
- Increased expectations from stakeholders and community

Operational excellence, access to low cost raw materials in bulk chemicals business, our strong corporate brand and

ability to build strong product brands (TKS, Paras), robust customer engagement process and relationship and market leadership in key markets and products are our key strategic advantages that help us effectively address our challenges.

TCL's innovation centre in Pune focusses on emerging areas of nanotechnology and biotechnology to enable us to become a green organisation.



Enterprise Risk Management

The Company has robust systems for internal audit, risk assessment and mitigation, and has an independent Internal Audit Department with well-established internal control and Risk Management processes both at the business and corporate levels. The Head of Audit & Risk Management reports directly

to the Chairman of the Audit Committee of the Board of Directors, thereby ensuring independence.

The Corporate Audit function plays a key role in providing both the operating management and the Audit Committee of the Board an objective view and reassurance of overall control systems and effectiveness of the Risk Management process across the Company and its subsidiaries. Corporate Audit also assesses opportunities for improvement in business processes, systems and controls and provides recommendations designed to add value to the operations.

The scope and authority of Corporate Audit department is derived from the Audit Charter approved by the Audit Committee. Internal Audits are performed by an in-house team of multi-disciplinary professionals comprising chartered accountants and engineers. Reviews are conducted on an ongoing basis, based on a comprehensive risk-based audit plan, which is approved by the Audit Committee at the beginning of the year. The internal audit department which operates on a decentralised basis continuously monitors the adequacy and effectiveness of the internal control environment

[G4 18]



across the company and the status of compliance with operating systems, internal policies and regulatory requirements.

The Audit Committee meets on a quarterly basis to review and discuss the reports submitted by the Head of Audit & Risk Management and also review closure of all agreed actions. The Audit Committee also meets the Statutory Auditors separately to ascertain their views on the adequacy and efficiency of internal control systems. A peer review of the Internal Audit function is done once in four years to assess quality effectiveness of internal audits with reference to standards and best practices.

With a view to share, facilitate collaborative discussion and align Best Practices, Initiatives and Challenges faced in the field of Internal Audit and Risk Management, the Company organised the Tata Internal Audit summit which was attended by the Chief of Internal Audit of some of the key Tata Group companies. In order to ensure further alignment of Internal Audit and Risk Management with best practices, benchmarking is done with some of the key Tata Group companies.

The Company believes that every employee has a role to play in

fostering an environment in which, controls, assurance, accountability and ethical behaviour are given high importance. To supplement the reviews carried out by the internal audit teams, the Company follows an elaborate system of Control Self Assurance (CSA) (self-audit) which is carried out during the year. The CSA coverage includes all critical departments in the organisation.

The IT enabled CSA process provides a good bottom-up approach and build up for the CEO/CFO certification as required by clause 49 of the listing agreement, besides helping in awareness creation of controls across a wide segment of the Company employees. This complements the internal audits in ensuring total coverage in a year.

Risk Management and Internal Audit functions complement each other. Over the years, the Enterprise Risk Management (ERM) process has evolved into a robust exercise entailing a balanced bottom up and top down approach covering all units, functions and departments of the Company and its subsidiaries. The basic framework followed is the international standard AS/NZS 4360:1999. The Risk Management process is also benchmarked periodically against available

standards such as ISO 31000. TCL is recertified as ISO 27001:2005 (i.e. Information Security Management System standards).

The Company's risk identification and assessment process is dynamic and hence the Company has been able to identify, monitor and mitigate the most relevant strategic and operational risks both during periods of accelerated growth and recessionary pressures.

Materiality

Sustainability involves a triple bottom line approach and Sustainability focus areas include Environment & Climate Change, Operation & Waste Reduction, Technology & Innovation, Safety, Community Development aspects.

Based on the materiality assessment done in the year 2010 and the internal assessment (CSPI – Corporate Sustainability Protocol Index) of stakeholder needs, we continue to drive Sustainability.

The organisation is further strengthening its materiality assessment by carrying out an assessment by a third party in the present financial year, the outcomes of which will be used for the action planning of the next year.



Materiality Matrix

Topics	Materiality Issue for TCL	Corresponding GRI G4 Material Aspect	Aspect Boundary within TCL	Aspect Boundary outside TCL
Human Capital	Workforce Health & Safety	Occupational Health and Safety	TCL, India, TCM, TCNA	Not material
	Employee Engagement	Training and Education, Labour/ Management relations, Equal remuneration for women and men, Labour practices grievance mechanisms, Non-discrimination, Freedom of Association and Collective bargaining, Human rights grievance mechanisms, Anti-corruption	TCL, India, TCM, TCNA	Not material
Social Capital	Community Development Benefit sharing Social Investment Affirmative Action	Employment, Diversity and Equal Opportunity, Investment, Local Communities, Public Policy, Compliance, Grievance mechanisms for impacts on Society, Indigenous rights, Assessment	TCL, India, TCM, TCNA	Communities in which we operate
Natural Capital & Environment	Resource Consumption	Materials, Biodiversity, Products and Services	TCL, India, TCM, TCNA	Not material
	Water Consumption, Energy Consumption	Water, Energy	TCL, India, TCM, TCNA	Not material
	Solid waste, Hazardous waste, Spills & contamination, Liquid Discharges, Air emissions	Effluents and Waste, Environment grievance mechanisms	TCL, India, TCM, TCNA	Communities in which we operate
	Climate Change and GHG emissions	Emissions, Transport	TCL, India, TCM, TCNA	Communities in which we operate, Our transport service providers
	Product Stewardship	Customer Health and Safety, Product and Service labelling, Marketing communications, Customer Privacy, Compliance, Anti-competitive behaviour	TCL, India, TCM, TCNA	Our customers
Supply Chain	Health, Safety and working Environment	Supplier Environment Assessment	TCL, India, TCM, TCNA	Communities in which we operate
	Supply Chain Sustainability	Supplier assessment for labour practices, Child labour, Forced or compulsory labour, Supplier human rights assessment, Supplier assessment for impacts on Society	TCL, India, TCM, TCNA	Our service providers, suppliers

[G4 19] [G4 20] [G4 21]

Key Risks	Opportunities & risk mitigation actions
Safety and Environment related risks (Linked to the changes in climatic conditions (erratic rainfall) effecting operations, rising expectations from key stakeholders and tightening regulatory norms regarding safe and environment-friendly operations)	TCL is conscious of its strong corporate reputation and the positive role it can play by focussing on social and environmental issues. TCL has set very exacting standards in safety, ethics and environmental management. To track performance in these areas for its operations, TCL has established comprehensive indicators. TCL values the safety of its employees and constantly raises the bar in ensuring a safe work place. It has taken up projects to map its energy and water footprint and create Sustainability action plans. Its Dharti Ko Arpan programme specifically targets environment conservation. Introduction of Lupa bulkers is a pioneering step in Indian soda ash industry towards green supply chain to reduce plastic packaging and carbon footprint.
People, Talent and Mindset (Linked to the Sustainability challenge of attracting and retaining of right skill sets for the operations and growth plans and changing the mindset from a commodity business to a consumer facing business): Attracting and retaining talented employees is the key to core to our success	TCL has over the years embarked on several “people initiatives” to help employees achieve their personal and professional goals. Work life balance is consciously perused. TCL’s performance appraisal systems are well integrated to our business objectives and help bring out the best in individuals. Constant investments on training are made to equip our employees for challenges in their roles and also understand customer behaviour. Strengthening township infrastructure and amenities are also steps in making the sites more attractive for people.
Continued economic pressures and increasingly volatile macroeconomic environment (Linked to the Sustainability challenge regarding slowing of global demand and rising burden of liabilities and disbursement of subsidy). Though markets and economies have begun to recover from unprecedented turmoil witnessed in previous years, financial constraints in USA and Europe coupled with low demand for agri inputs in India has aggravated the situation.	TCL has initiated actions through Lean Six Sigma projects to counter these risks and work towards making the operations more competitive. TCL also is focussing to build on consumer facing business and non-subsidised agri business over the long-term as part of its strategy, which may position the company better to withstand the cyclical headwinds in commodity businesses and subsidy recovery.
Energy/Raw Material Security and Cost: (Linked to the sustainability challenge of securitisation of raw materials/energy at right costs)	TCL has undertaken salt expansion, SSP debottlenecking, US expansion, EPM stake buy to ensure continuously preferential access to low cost raw material
Community expectations (Linked to challenge of provision of livelihood option independent of TCL’s areas of operation). As TCL is becoming a leaner organisation, its capacity to provide new employment opportunities has reduced, leading to a mismatch with community expectations.	Tata Chemicals has taken up key projects on livelihood generation in its area of operations by skill building, entrepreneurship development, supporting in sales and marketing through Okhai.

Stakeholder Engagement

Stakeholders	Communication/Engagement Methods 2 way communication methods are shown in Bold Font
Shareholders/ Investors	Annual General Meeting (AGM) , Report to shareholders, investor/analysts meets annual report, quarterly results, media releases, company website, report to stock exchange
Customer	Distributor/retailer/direct customer meets, Sr. leaders customer meets/ visits, customer plant visits, COO club, achievers meet, KAM workshops, focus group discussion membership in trade organisation/associations, complaints management, helpdesk, conferences, joint business development plans information on packaging, customer surveys
Suppliers/Partners	Supplier prequalification/vetting, suppliers meets, supplier plant visits(to/from) partnership meetings, MOU agreements trade association meets/seminars, professional networks, Bhagidhari Sabha, contract management/Review, product workshops/on site presentations, framework agreements
Government	Advocacy meetings with local/state/national Govt. and ministries, seminars, conferences, membership in local enterprise partnership, membership industry bodies such as ICC, BCCI, CII, etc. Government communications, media releases
Employee	Senior leaders' communication/talk, senior leadership forum, town hall briefing, goal setting and performance appraisal meetings/performance review, exit interviews, arbitration/union meetings, Employee Engagement Survey, review fora Email updates, intranet, flat screens, websites, poster campaigns, house magazines, confluence, circulars, quarterly publication, theatre workshops (Oorja), newsletters
Community/ Society	Community meetings/visits, local authority and town council meetings, location head's meet, SWOT, committee meetings, community projects, partnership working with local charities, volunteerism, seminars/conferences

[G4 24] [G4 25] [G4 26] [G4 27]

Performance

Based on the focus areas we have identified key performance indicators that incorporate elements of the key material issues. Based on these a number of initiatives and actions have been taken up. This is detailed in the following table. We periodically review strategic objectives and performance on Sustainability measures against targets at various levels, and revisit the same every year as a part of the strategic planning process.

Focus area & Key measures	KPI	Target	Achievement 2013-14	Key actions taken 2013-14
Human Capital	Create an environment that fosters employee well-being, achievement, innovation, learning, teamwork and ensures safety and health and minimises attrition rates			
Employee Health & Safety, Process & Workplace Safety	TRIFR (No. per million man-hrs) (TCL, India/TCM/TCNA)	0/0/0	1.10/4.53/11.35	Launch of Target Zero Harm initiative, Campaign on 9 Golden Rules of Safety, MD's Suraksha Puraskar, PLVP/ incentives linked to safety performance, Long-term asset management plan
	LTIR (No. per million man-hrs) (TCL, India/TCM/TCNA)	0/0/0	0.43/1.87/4.37	
	Fatality (No.) (TCL, India/TCM/TCNA)	0/0/0	0/0/0	
	Occupational Diseases (No.) (TCL, India/TCM/TCNA)	0/0/0	0/0/0	
Employee Engagement	Employee Engagement Score	New	69%	
	Employee Turnover Rate (TCL, India/TCM/TCNA)		8.32/15.48/5.38	
Training & Communication	Avg. Training hrs (per year, per employee)		28.16	Introduced e-learning platforms, Strengthened training need identification
Social Capital	Investments in sustainable and "marketable" livelihoods impacting all communities in the core command area. Be recognised as the leader in community development amongst Indian companies in terms of coverage and impact.			
Sustainable Development practices	Tata Corporate Sustainability Protocol Index (CSPI)	850	606	Additional focus on rural energy, Enhanced engagement process and impact assessment of programmes
	Community Satisfaction Index	> 4	4.14	Action on community concerns and other feedback
Enabling and empowering communities	Affirmative action Score	> 60	In the band of 50-60	Affirmative action to create a more inclusive society. TCL is considering a more comprehensive Diversity council both at the apex and at the sites.

Focus area & Key measures	KPI	Target	Achievement 2013-14	Key actions taken 2013-14
Product Stewardship	To understand and work for minimising the impact of products over its life cycle			
Product Stewardship	Life Cycle Assessment (LCA)	Major products by 2015	Completed LCA cradle-to-Gate of Urea, DAP/ NPK, SSP, Salt, Soda Ash, Cement	Using Ga-Bi Agrian model completed LCA for fertilisers and also completed LCA of most of chemicals.
Climate Change	Reduction in carbon intensity in terms of MT of GHG emission per MT of total products by operational abatement, carbon conscious growth and offsets			
	Emission Intensity (MT of GHG per MT of products) - reduction by 2020 over the baseline of 2008	20% by 2020	0.664	Wind power is used for Mithapur township supply. Supported Tata Power for installing and commissioning of 25 MW Solar PV Power plant at Mithapur. We have Hot Air Gas (HAG) generator at Haldia which uses Biomass bricks as a fuel.
Sustainable Manufacturing	(1) Reduce specific energy/water consumption to below comparable global benchmarks and best achieved in the past (2) Reduce water and energy consumption in usage of products through product design and promotion of better usage practices (3) Attain overall sustainable watersheds at the operating locations and reduce dependence on other fresh water resources (4) Reduce solid waste, effluent discharge and air emissions to levels achievable (5) Use packaging material either recyclable or reusable; where not possible arrangements to be made for collection and safe disposal			
	Green Manufacturing Index (%)	5	(-0.44)	
	1) Urea production – benchmark amongst Indian fertiliser industries for specific energy and water consumption. Continued zero dependency on ground water at Mithapur and use of RO and thermal desalination to further reduce dependence on fresh water. Action plan are chalked out at Babrala and Mithapur to meet the PAT targets. 2) Achieved reach of 3,000 rural households for Tata Swach which does not require electricity or running water for its operations. 3) Water footprint and Sustainability assessment for use of shared water resources. Rain water harvesting projects at all 3 sites. Continued watershed development and management programmes at Mithapur. 4) Salt pans at Mithapur, limestone mining at Ranavav, Urea plant at Babrala, DAP/ NPK fertilisers at Haldia are zero process solid waste facility. Valid permissions for reutilising hazardous waste are granted by CPCB. Mithapur Soda Ash effluent solids consumption in cement has reached the level of 73.39%. Lowest SO ₂ emission from sulphuric acid plants. 5) The company has taken green packaging initiatives and have saved 7,902 MT CO ₂ e under this initiatives in FY 13-14. Introduction of German designed Lupa Bulklers for transportation of soda ash.			

Focus area & Key measures	KPI	Target	Achievement 2013-14	Key actions taken 2013-14
Supply Chain Sustainability	Establish social and environment standards (covering safety, working conditions, skill, wellbeing, GHG and other emissions, water/energy consumption) for supply chain (material and services etc.) Ensure compliance amongst key suppliers			
Supply chain Sustainability	Development of Supplier Sustainability Self Assessment Tool for suppliers. 40% of key suppliers were asked to fill this tool and self assess themselves on Sustainability. Sustainability focussing Joint Business Development Plan with customer. SHE reviews of CFAs. RC 14001 certification for Babrala.			
Sustainability Investment	Investment in renewable material, energy, low carbon products, water, agribusiness and green chemistry, safety, health, environment, employee welfare initiatives			
Sustainability Investments	The total community investments done were ₹ 14.358 Crs.			
Reporting on Sustainability	Transparent communication of performance to internal/external stakeholders			
Governance: Reporting on Sustainability	External – Annual Report, TCSR Report, Annual Sustainability Report, COP on UNGC Principle, Investor CDP, Water CDP, Business Responsibility Report			
	Internal – Confluence, Marine Insight, Safety Almanac, Management of Business Ethics Report, We care			

GOVERNANCE

THE BOARD HAS A COMBINATION OF EXECUTIVE AND NON-EXECUTIVE DIRECTORS AND IS IN CONFORMITY WITH CLAUSE 49 OF THE LISTING AGREEMENT ENTERED INTO WITH THE STOCK EXCHANGES IN WHICH THE COMPANY'S SHARES ARE LISTED.



Board of Directors

The Board has a combination of Executive and Non-Executive Directors and is in conformity with Clause 49 of the Listing Agreement with the stock exchanges in which the Company's shares are listed. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49(I) (C) (ii)) across all the companies in which the individual is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies. The composition of the Board and various statutory and non statutory committees of the Board and its terms of reference as on 31st March, 2014 are shown in the annexure. Currently all the Board Members are male and the Company does not have any female director or minority director.

The Board structure as on 31st March, 2014 was as under:

Category of Directors	Number of Directors	Percentage to the Board
Executive (including Managing Director)	1. R. Mukundan 2. P.K. Ghose	20%
Independent, Non-Executive	1. Nusli Wadia 2. Naseer Munjee 3. Eknath A. Kshirsagar 4. Dr.Y.S. P. Thorat 5. Dr.Vijay Kelkar	50%
Non-Independent, Non-Executive (Including Chairman)	1. Cyrus P. Mistry 2. R. Gopalakrishnan 3. Prasad R. Menon	30%

Note: Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges which deals with Corporate Governance, the definition of Independent is given in the Annexure.

[G4 34] [LA 12]

Board Committees:

There are statutory and non-statutory Committees of the Board, each having a clear mandate laid out in the Terms of Reference (Refer Annual report 2013-14). The various committees of the Board are as follows –

- 1) **Audit Committee:** The Managing Director, Executive Director & CFO, External Auditors, Head - Internal Audit & Risk Management and Vice President & Group Corporate Controller attend and participate in all meetings of the Committee. The Committee from time to time also invites various executives, as it considers appropriate, to be present at the meetings.

TCL has adopted a Whistle Blower policy to provide a formal mechanism to the employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Conduct or Ethics policy.



2) **Nomination Committee and Remuneration Committee:**

The Company had two separate Committees i.e. Nomination Committee and Remuneration Committee. Pursuant to Section 178 of the Companies Act, 2013, the Nomination Committee and Remuneration Committee were merged and renamed as "Nomination and Remuneration Committee" with effect from 15th February, 2014.

For detailed information on the Nomination and Remuneration Committee refer page 75 of the Annual Report of 2013-14.

3) **Stakeholders Relationship**

Committee: In terms of Section 178(5) of the Companies Act, 2013, the Shareholders'/ Investors Grievance Committee was renamed as Stakeholders Relationship Committee on 15th February, 2013.

The Stakeholders Relationship Committee specifically ensures redressing of investor's/security holders complaints and requests.

For detailed information on the Stakeholders Relationship Committee refer page 77 of the Annual Report of 2013-14.

4) **Executive Committee of the Board (ECOB):**

The Executive Committee of the Board (Non-Statutory reviews) review business strategy, long-term financial projections and cash flow, capital and revenue expenditure, acquisition/ divestments and business restructuring proposals, senior management succession planning.

For detailed information on ECOB refer page 77 of the Annual Report of 2013-14.

5) **Ethics and Compliance**

Committee: The Ethics and Compliance Committee

(Non-Statutory) set forth policies relating to oversee the implementation of the Insider Code and decide penal action for violation of the Regulations/ the Code if any.

For detailed information on the Ethics and Compliance Committee refer page 78 of the Annual Report of 2013-14.

6) **CSR, Safety and Sustainability**

Committee: In terms of Section 135 of the Companies Act, 2013, the scope of the Safety, Health, Environment and Sustainability (SHES) Committee was enlarged to include Corporate Social Responsibility (CSR) and accordingly, the SHES Committee was renamed as 'CSR, Safety and Sustainability Committee' with effect from March 24th, 2014.

The Safety, Health, Environment and Sustainability (SHES) Committee of the Board was constituted on 27th March, 2012 to oversee the policies and their implementation across Tata Chemicals Group. The Committee meets at frequent intervals to review the sustainability, environmental, safety and health policies and activities of the Tata Chemicals Group on behalf of the Board of Directors.

For detailed information on this Committee refer page 78 of the Annual Report of 2013-14.

Management of Business Ethics

TCL has adopted a Whistle Blower policy to provide a formal mechanism to the employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Conduct or Ethics policy. The policy provides for adequate safeguards against

victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The Companies Act, 2013 specifically mentions about the type of resolutions passed by the shareholders. The resolutions to be passed by the shareholders are (1) Ordinary Resolutions which are required to be passed by a simple majority and (2) Special Resolutions which are required to be passed by a 3/4th majority. The said resolutions are generally passed at the General meetings of the Companies. Some of the resolutions can also be passed by Postal Ballot. Annual General Meetings/ Extraordinary General Meetings are held from time to time where the minority shareholders can express opinions to the Chairman of the Company and other directors.

Remuneration Policy

The Nomination and Remuneration Committee reviews remuneration packages applicable to the Managing Director, Executive Director and Non-Executive Director.

Managing Director and Executive Directors:

While deciding on the remuneration of the Managing/ Executive Directors the performance of the Company, the current trends in the industry, their experience, past performance and other relevant factors are taken into consideration by the Board/Remuneration Committee ("Committee"). The Board/ Committee regularly keeps track of the market trends in terms of compensation levels and

practices in relevant industries. This information is used to review remuneration policies.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components) to its Managing/ Executive Directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective from April 1 every year.

Non-Executive Directors:

- a. Non-Executive Directors are paid sitting fees of ₹ 20,000 for every Meeting of the Board or the Committee attended (except for Stakeholders Relationship Committee, Ethics and Compliance Committee where the sitting fee is ₹ 5,000 per meeting).
- b. The remuneration by way of commission to the Non-Executive Directors is decided by the Board of Directors and distributed to them based on their participation and contribution at the Board/ Committee meetings and the time spent on matters other than at meetings. In terms of the approval of the members at the 74th Annual General Meeting of the Company held on August 26th, 2013, commission is paid at a rate not exceeding one per cent of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956.

For details refer page 75 of the Annual Report.

Avoiding conflict of interest

The corporate governance philosophy of the Company has

been further strengthened with the adoption of the Tata Code of Conduct (TCoC), Tata Business Excellence Model, Tata Code for Prevention of Insider Trading and Code of Corporate Disclosure Policies. The Company, through its Board and Committees, endeavours to bring the highest governing standards for the benefit of its stakeholders. The Company has adopted the Tata Code of Conduct for all the employees of the Company including the Whole-time Directors. The Board had also approved a Code of Conduct for Non-Executive Directors. The Code of Conduct for the employees as well as Non-Executive Directors is posted on the Company's website. Further, all the Board members and senior management personnel of the Company as on 31st March, 2014 have affirmed compliance with the respective Code of Conduct. A declaration to this effect signed by the Managing Director forms part of the Annual Report.

Determining the Composition of the Board

The Board has a Nomination and Remuneration Committee which makes recommendations to the Board for composition of the Board. The Composition and Terms of Reference of the Nomination and Remuneration Committee is given on Page 75 of the Annual Report.

Internal Codes for Sustainability

As mentioned above the corporate governance philosophy of the Company has been further strengthened with the adoption of the Tata Code of Conduct, Tata Business Excellence Model, Tata Code for Prevention of Insider

Trading and Code of Corporate Disclosure Policies. All the Codes are strictly implemented and any violation of the same is reported to the Authorities. TCoC is applicable to:

- each and every director and employee of Tata Company;
- each and every subsidiary including their executive directors and employees;
- all the third parties representing a Tata Company (consultants, agents, sales representatives, distributors, independent contractors, etc).

The Company continues to monitor "Green Manufacturing Index" on targets on energy and water consumption, waste recycle and use of renewable energy. The Company continues to be a "Responsible Care" Logo holding company granted by the Indian Chemical Council.

Board oversight on Sustainability Performance

The Audit Committee and CSR, Safety and Sustainability Committee of the Board specifically reviews and oversees the identification and management of economic, environmental, and social performance, including relevant risks and opportunities, adherence or compliance with internationally agreed standards, codes of conduct, and principles every quarter.

For more details, please also refer the 'Corporate Governance Report' forming part of the Annual Report of the Company for the year ended 31st March, 2014.

ECONOMIC PERFORMANCE

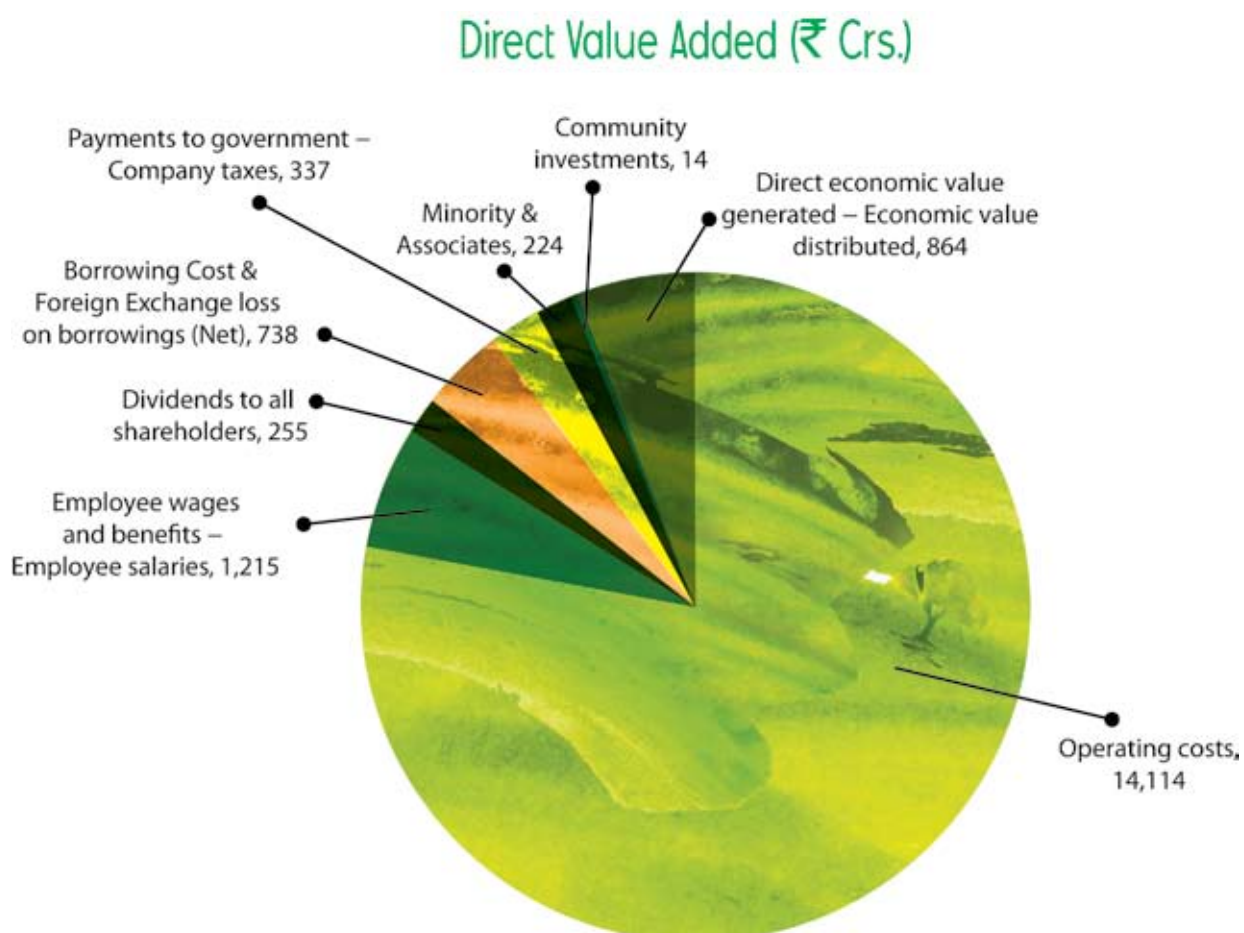
IN THE YEAR 2013-14 TOTAL TURNOVER INCREASED
BY ₹ 1,164 CRS. FROM ₹14,571 CRS. IN
2012-13 TO ₹ 15,735 CRS. THIS REPRESENTS
A 7.4% GROWTH OVER THE PREVIOUS YEAR.



Finance and Value Based Management

In the year 2013-14 total turnover increased by ₹ 1,164 crs. from ₹ 14,571 crs. in 2012-13 to ₹ 15,735 crs. This represents a 7.4% growth over the previous year.

The Direct Economic Value generated in the year 2013-14 was ₹ 16,033 crs.



[EC 1 1] [EC 2] [EC 3] [EC 4]



Profit Before Taxes

Compared with the previous year, profit before taxes and exceptional items fell to ₹ 901 crs. in 2013-14 from ₹ 1,582.90 crs. in the previous year.

The PBT after exceptional items was ₹ 518.89 crs. in 2013-14 compared to ₹ 913.03 in the previous year. The ROCE for the year was 1.29%.

Earnings Per Share

The Earnings per share (basic) was ₹ (40.51) in 2013-14 compared to ₹ 15.72 in the previous year.

Appropriation of Profit

In the year 2013-14 TCL achieved a profit after tax of ₹ (1,032) crs. (a drop from ₹ 400 crs. in the PY). At the Board Meeting held on 30th May 2014, the Board of Directors recommended a dividend payment of ₹ 10 per qualifying share. The total dividend payable (including dividend

tax) on qualifying shares for the financial year 2013-14 will amount to ₹ 294 crs.

Balance Sheet Structure

In the year 2013-14 our total assets decreased by ₹ 29 crs.

Net Cash

Cash and cash equivalents balance decreased to ₹ 1,753 crs. at March 2014 from ₹ 1,841.35 crs. in the previous year.

Statement of Cash Flows

Cash from operating activities was at ₹ 2,338.08 crs. during 2013-14 on release in funds from trade and other receivables and trade payables, other liabilities and provisions.

In 2013-14, net cash generated from investing activities was ₹ (471.23) crs. and ₹ (1,864.60) crs. was used in financing activities.

Employee Benefits

Our employees are covered through various employee benefit plans that include: Provident fund, pension schemes, gratuity, superannuation and family benefit schemes, etc. Total contribution to provident fund and other funds was ₹ 95.35 crs. Total contribution to group insurance scheme was ₹ 0.03 crs. Total sum of ₹ 2,429.32 crs. was accrued towards subsidies for the fertiliser business.

Wages to be offered to an employee are mentioned in respective State minimum wage notification under the *Minimum Wage Act 1948*. 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 an expense of ₹ 1,214.53 crs. was incurred over payments and provision for employees, an increase of 7% over the previous year.

[EC 1 1] [EC 2] [EC 3] [EC 4]



Local Supplier and Employment

The organisation has a diverse workforce and is an equal opportunity employer. There is no specific practice of the preference for local residents in the management cadre. However, efforts are made to recruit from across the country especially from underrepresented communities e.g. the northeastern part of India.

Same principle of equal opportunity is applicable for the selection of suppliers and vendors irrespective of the fact whether they are local or not. In this case the local supplier is the one where there are no transnational payments involved. All vendors are selected

based on vendor selection and qualification process. Key selection criteria are conformation to legal and regulatory compliance, cost and quality of supplies, OEM suppliers, ISO certification, etc.

In all cases preference is given to suppliers from the neighbourhood, all other things being equal. As an added push for Sustainability, we have recently released the Sustainability Guidelines for our suppliers. Going ahead we will be putting in processes for self-assessment of suppliers based on the guidelines.

Government Subsidy

In the year 2012-13 a total sum of ₹ 2,429.32 crs. was accrued towards subsidies for the fertiliser business.

Indirect Impact

Besides giving direct employment, we also provide indirect opportunities for employment and livelihood generation, both through our contractors and vendors and also through the various community development initiatives. Further details of community development programmes are available in the community investments section.

The total community investments for infrastructure and other support services done were ₹ 14.358 crs.

[EC 1] [EC 2] [EC 3] [EC 4] [EC 6] [EC 7]



SAFETY

SAFETY IS ONE OF OUR CORE VALUES AT TATA CHEMICALS. WITH AN ETHOS OF CONTINUAL IMPROVEMENTS, WE ARE STRIVING TO ACHIEVE TARGET ZERO HARM – ZERO HARM TO PEOPLE, ZERO HARM TO ASSET AND ZERO HARM TO ENVIRONMENT.



Safety is one of our core values at Tata Chemicals. With an ethos of continual improvements, we are striving to achieve Target ZERO HARM – Zero Harm to People, Zero Harm to Asset and Zero Harm to Environment.

The senior leadership plays a critical role in encouraging positive attitudes towards safety and helps in creating an environment that fosters a safety culture, by charting the direction, establishing clear and transparent policies like SHE Policy, Cardinal Rules of Safety, TataChem Golden Rules of Safety, etc. For exclusive oversight on SHE & Sustainability aspect, the Company has formed a Board level Committee – Safety, Health, Environment & Sustainability (SHES) Committee (now known as CSR, Safety & Sustainability Committee). The Board provides



valuable direction and guidance to the management to ensure that SHES implications are duly addressed in all new strategic initiatives, budgets, audit actions and improvement plans.

Voluntary standards like OHSAS 18001, Responsible Care, British Safety Council guidelines, AIChE-CCPS Guidelines help us ensure continual improvement in the SHE performance. Our fertiliser

manufacturing sites were awarded the Sword of Honor by the British Safety Council in the past. The Haldia and Mithapur unit are planning for recertification in 2014-15 with 5-star rating for Health and Safety Management system.



[LA 5] [LA 6] [LA 7] [LA 8]

TCL ensures conscious effort for an active engagement of workforce in promoting safety and achieving a safe and healthy work environment.



individuals and teams associated with safety improvements like cross functional teams – daily safety observation teams, internal cross site auditing team; review teams - Steering Committees, Executive Committees, ISO/ OHSAS/Food Safety Auditors, GHK & 5-S review teams; subject matter experts on safety working for developing and deploying health and safety related management systems, etc. We are trying to encourage employee participation in improving health and safety aspects at an individual and/or at the team level.

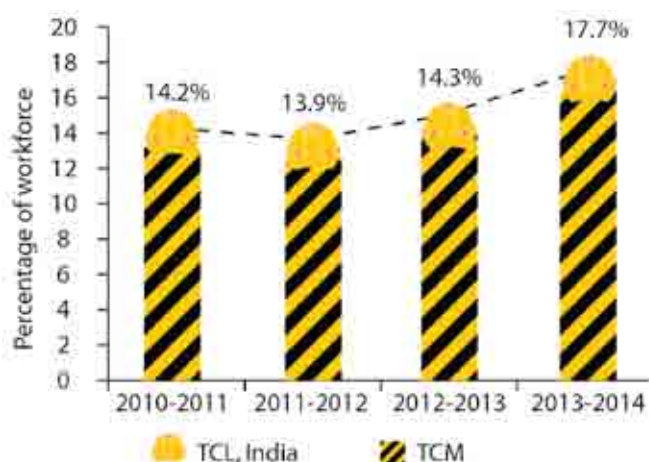
Our safety culture empowers our employees to speak up for safety improvements. We have, over the years, witnessed a transformation from the traditional approach of safety being associated with safety managers to a model of collective ownership with individual empowerment and accountability. Senior managers seek to demonstrate effective safety and health leadership from line functions and have integrated the same with their day to day responsibilities. TCL ensures conscious effort for an active engagement of workforce in promoting safety and achieving a safe and healthy work environment. Statutory and voluntary joint safety committees are formed which operate at different levels in the organisation to better understand the safety issues and facilitate the implementation of good practices to adopt the culture of safety for a better workplace. Some of the indicative topics dealt with by such committees are correct safety hazards, evaluating the accident investigations, review of unsafe conditions and its corrective-preventive measures, discussions

related to good practices, action plan for implementation of good practices, innovative ideas for improvement of safety, health hygiene and wellness, health and safety related complaints and disputes, etc. These committees meet periodically to further work on agendas related to health and safety.

The graph indicates the percentage of the total workforce represented in formal joint management-worker health and safety committees. Apart from committees with joint representations, there are several

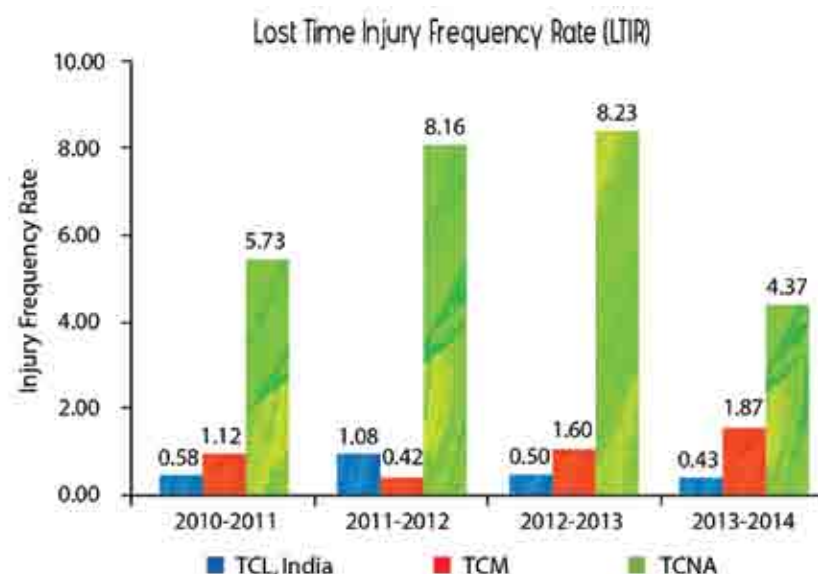
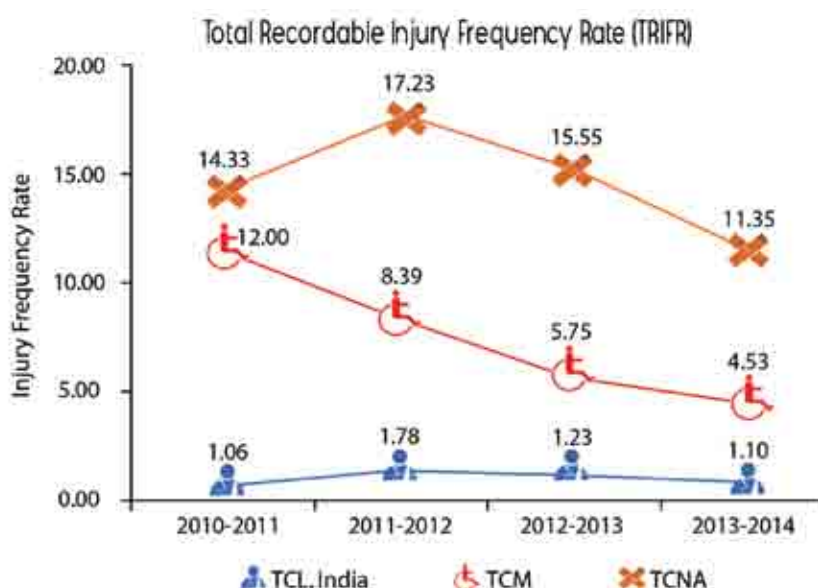


Percentage of the total workforce represented in joint management - worker health and safety committees in TCL, India



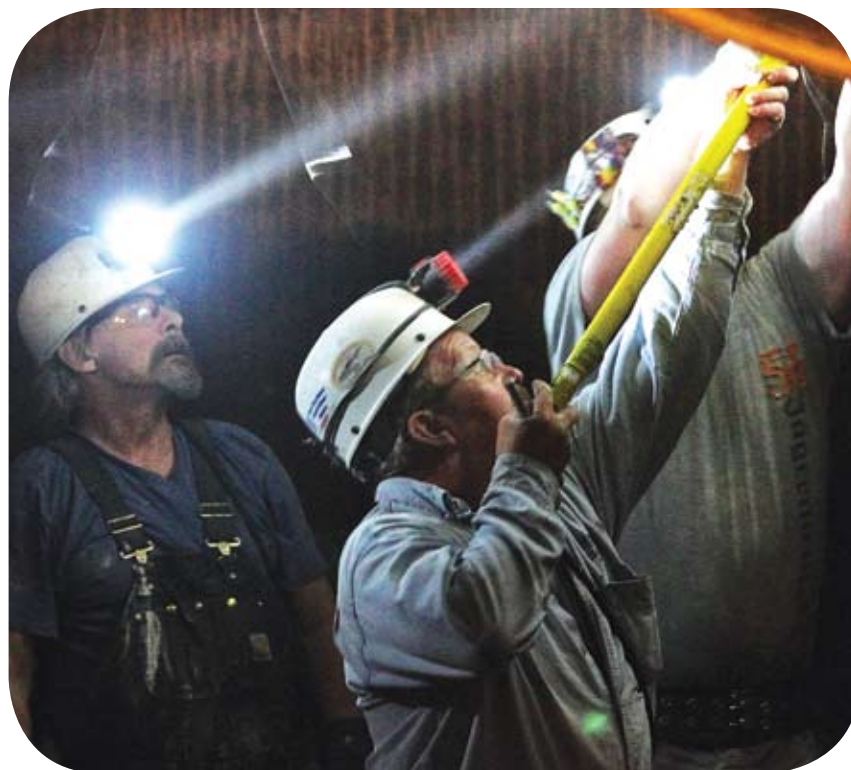
The safety requirements implemented at site are in line with the Chemical and Fertiliser industry standards, driven by the well-articulated Safety, Health & Environment policy. The overall Tata Chemicals Global Safety injury statistics have been indicating cyclical performance at individual sites and the fatalities in the past years have necessitated some introspection. We have broadened our Zero Injury approach to “Target Zero Harm – Zero Harm to People, Asset and Environment” with renewed focus on workforce training and capability building programmes, organisational communication, additional focus on high risk activities, initiation of process safety management, asset integrity and reliability centred maintenance practices, etc.

To monitor and track our health and safety performance the reporting system of workplace accidents is in line with the prevailing national laws, which are in line with the ILO Code of practice. The injury frequency rates reported below are expressed as number of injuries per million man-hrs and is inclusive of the workforce on contract.



The high hazard areas are classified at all locations. Employees are specially trained to deal with associated hazards and there is an effort to reduce the risk to as low as practicable by adopting all possible means of risk reduction measures. The additional periodic medical-checkup tailored as per work area hazards of people working in high hazard areas is ensured for early identification of risk of occupational diseases. Eye tests for the drivers and VDU users, audiometry tests for working in high noise areas and PF tests for employees working in dusty areas are done. Ergonomic surveys are conducted from time to time for issues like workplace lighting and safe working postures, etc. Action plans are finalised based on the survey finding and are tracked and reviewed for effective closure. Training and workshops on "Positive Health Options," yoga classes, stress management, first-aid, etc., are conducted to make employees aware of better approaches to good health and wellbeing.

Medical facilities are ensured at all the sites and we also have a tie up



with other hospitals for specialised medical facilities. The employees and their families are reimbursed for medical health treatment.

None of the TCL's site have workers with high incidence or high risk of diseases related to their occupation.



[LA 5] [LA 6] [LA 7] [LA 8]





At locations where trade unions are present, there is a formal agreement between management and trade unions covering safety and health topics. It includes topics like personal protective equipment, joint management-employee health and safety

committees, participation of worker representatives in health and safety inspections, audits, accident investigations, training and education, complaints mechanism, right to refuse unsafe work, etc. The agreement also includes topics such as compliance

with local and national regulations which is in line with the ILO guidelines, arrangements or structures for resolving problems, and commitments regarding targets, performance standards or level of practice, etc.

[LA 5] [LA 6] [LA 7] [LA 8]



ENVIRONMENT

WE TRY AND ENSURE THAT ALL EMPLOYEES AND ASSOCIATES UNDERSTAND THEIR RESPONSIBILITIES TOWARDS PROTECTION OF ENVIRONMENT AND SUSTAINABLE BUSINESS WITH APPROPRIATE TRAINING AND SUPPORT



Environment Sustainability principles are the integral part of organisational strategy. We try and ensure that all employees and associates understand their responsibilities towards protection of environment and sustainable business with appropriate training and support, thus proving one of our core competencies – Operational Excellence.



Environment Management

The Company has identified what it terms the FEW areas of focus – food and fuel, energy and environment and water and wellness. In order to meet the strategic objective of growing new businesses, TCL is supported by the IC, CAT and Rallis R&D. These units collaborate with companies and research institutes and aid in the development of a

pipeline of innovative products with sound business rationale. Energy efficient operations are a key to short-term and long-term strategic plans to reduce GHG emissions. Capital investments for development and incorporation of new technologies are part of our short-term and long-term strategic plans. Tata Chemicals have developed Abatement levers to mitigate climate change risks which is an integral part of their business strategy.

Short-Term Strategy (Annual):

- Improve energy efficiency as per PAT target as well as internal business target
- Increase recycle ratio
- Shift from naphtha to gas
- Solar powered geysers
- Waste to value addition

Long-Term Strategy (3-5 Years):

- Fuel shift from coal to biomass in a phased manner
- Biomass-based captive power plant
- Green packaging solution
- Green building

Our basic philosophy is a focus on effective integration of resource optimisation, use of alternative sources and maximisation of "recycle and reuse" through continuous improvement and innovation.



Resource Conservation

Major raw materials used by the organisation (Refer Annexure EN 1) are Natural gas, Limestone, Raw Brine, Solar salt, Bittern, Phosphoric acid, Potassium chloride, Rock phosphate, Ammonia, Sulphur & Packing Material (HDPE bags) for the manufacture of our wide product range. These products are purchased from external suppliers.

Our basic philosophy is a focus on effective integration of resource optimisation, use of alternative sources and maximisation of “recycle and reuse” through continuous improvement and innovation. In this context, we have initiated various operational excellence programmes that include periodic technical audits and initiatives like Benchmarking and Lean Six Sigma across the enterprise.

Our cement plant at Mithapur is a unique waste to wealth initiative in which we have replaced 73.39% of virgin chemical grade limestone with recycled material like limestone fines, fly ash, effluent solids for FY 2013-14. A lot of pioneering innovative work in terms of effluent management and separating soda ash solids has



been carried out at our Mithapur plant. Our soda ash filtration system is the first of its kind. Most manufacturers across the world discharge these wastes into the sea/rivers or store them in settling ponds. At Mithapur, a significant amount of solid wastes are filtered out of the wastewater using “Larox” filters and the solid wastes i.e., ESF cake is mixed with fly ash to make cement.

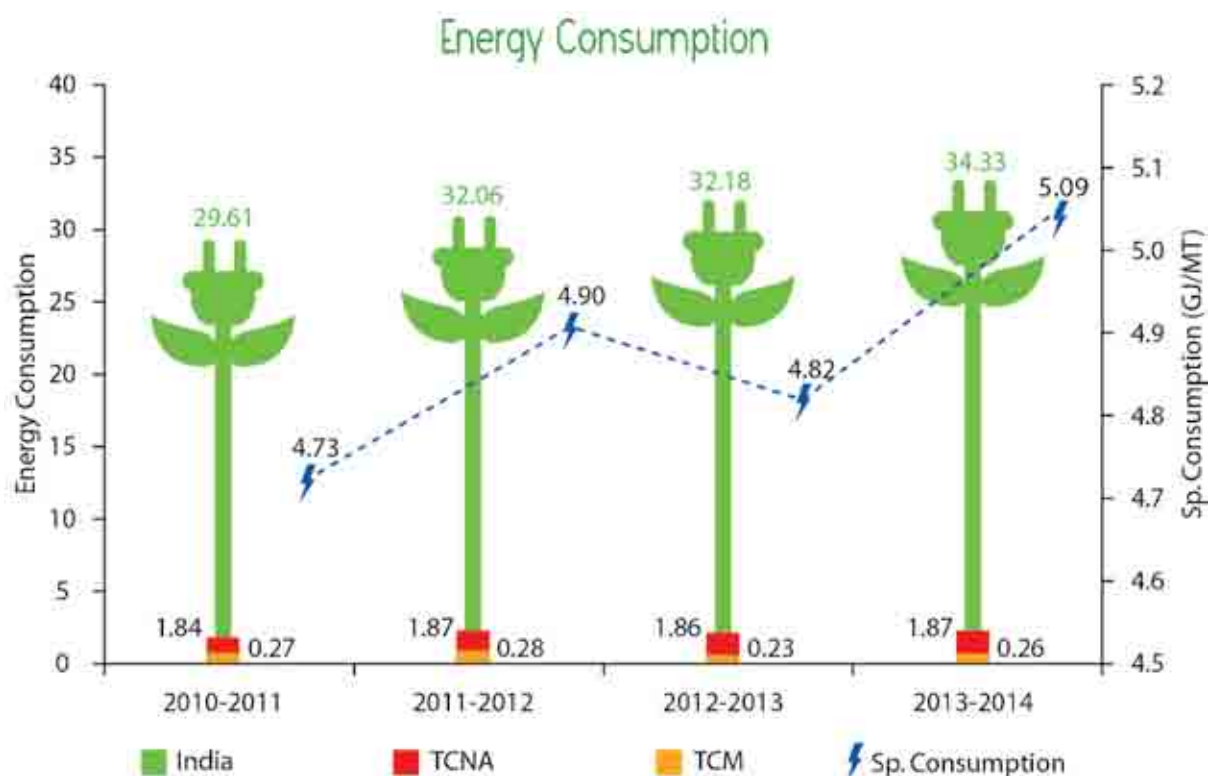
The process solid waste generated at Haldia is completely reused/ recycled within the plant. Many innovations are tried out in Haldia to improve productivity and recyclability of waste material. 100% of phospho-gypsum generated is sold as a by-product. The sulphur sludge generated in sulphuric acid manufacturing is used as filler in Single Super Phosphate. This reduces virgin material consumption of silver sand, as well as, provides additional nutrient to plants as elemental sulphur. Utilisation of molten sulphur, a neighbouring refinery by-product is sourced through specially designed steam jacketed tankers directly. Utilisation of molten sulphur reduces an equivalent quantity of imported sulphur from Middle East countries.

Energy Management and Conservation

Energy management and conservation is of prime importance for TCL's sustainability. Major non-renewable sources of energy for various manufacturing processes include coal, natural gas, high speed diesel, furnace oil, pet coke, grid electricity, etc.

The Company's natural soda ash operations are located at the Green River Basin, Wyoming, USA, (which houses the world's largest deposits of trona), and Magadi, Kenya. The presence of natural soda ash enables the Company to have a low energy intensity and low environmental footprint. High energy intensity is seen in Mithapur, India and Northwich, UK sites due to the synthetic soda ash and sodium bicarbonate manufacturing.

The Company has addressed high energy costs issues at Magadi to improve the overall health of the industrial chemicals business. These initiatives are expected to result in a reduction in energy and fixed costs, better cash flows and debt reduction, all of which should result in long-term value creation for its stakeholders.



The specific energy consumption of the Urea manufacturing facility at the Babrala, India improved during the year to 5.203 GCal/tonnes as against 5.218 GCal/tonnes, aided by a lesser number of interruptions. The Babrala plant also won the prestigious CII - Efficient Energy Management Award.

The fertiliser production at Babrala, India and cement production at Mithapur, India fall under a scheme: Perform, Achieve & Trade (PAT) scheme. This is aimed at improving energy efficiency of energy intensive industries in India under section 14 of the Energy Conservation Act. According to the report 'Indian Fertiliser Scenario 2013' by Ministry of Chemicals and Fertilisers, Government of India, the fertiliser plant at Babrala is one of the most energy efficient Urea plants in the country. First assessment for target compliance will be due in FY 2014-15 and will be conducted in March-15. Both the plants have an efficient co-gen

facility for energy production. Mithapur has fuel mix flexibility and more than 40% of energy is generated using pet-coke, a by-product of nearby refineries. Haldia is a comparatively lower energy footprint plant and electricity is mainly purchased through the Grid. A waste heat recovery 1 MW capacity TG facility helps recover waste heat from sulphuric acid plants.

TCL has also increased its trade investments in cumulative redeemable preference shares of Bio Energy Venture - 1 (Mauritius) Pvt. Ltd. on account of the merger of Homefield International Pvt. Ltd. with the Company.

Some of the energy conservation measures taken are:

- Usage of tailing waste in kiln raw mix to reduce specific heat consumption and to increase waste solid utilisation
- Use of grinding aid in cement mill to improve cement

throughput resulting in reduction of specific power consumption

- Use of bulkers and higher rail co-efficient for product transportation
- Installation of flash vessel and its bypass system for heat recovery
- Energy efficient IE 3 based premium efficiency motor installation as standard practice in all projects
- Induction lamp (40 Watt) installation in place of 125W HPMV lamp
- Installation of variable frequency drives
- TG overhauled to utilise unused steam for generating electricity
- Installation of LED Lights
- Installation of casale trays in Urea reactor to improve conversion efficiency and to reduce steam consumption
- Installation of solar geysers in new houses of township to

reduce electricity consumption and utilise renewable energy source

- Cleaning ammonia plant primary reformer waste heat recovery coils, Fire heater exit coils and GV section air coolers to improve heat transfer equipment effectiveness

Due to above measures for reduction of energy consumption, there have been impacts like reduction in specific consumption of steam, reduction of power consumption, reduction of fuel consumption, reduction in greenhouse gas emissions and increased utilisation of renewable power, which consequently impacted the cost of production.

Water Management

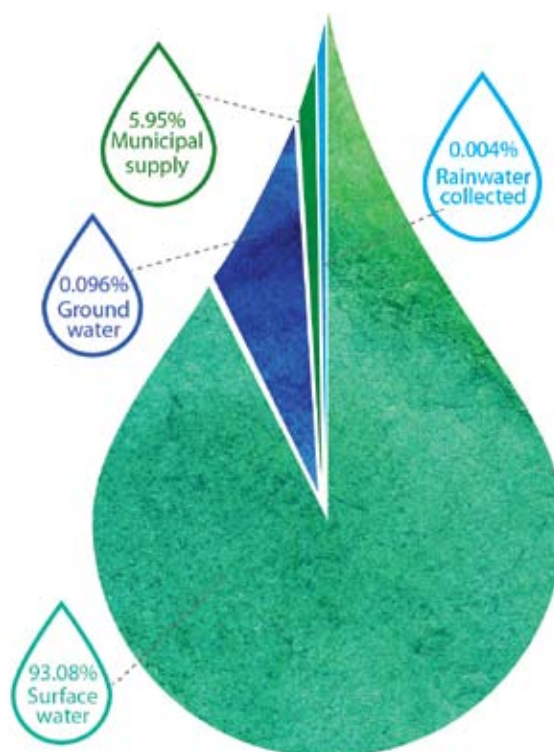
Water is an important natural resource. TCL has carried out a detailed Water Footprint and Sustainability Assessment as per the Water Footprint Network – Netherland methodology. Direct product Water Footprint and site Water Footprints were established for Blue, Green and Grey Water. We have also attempted to carry out a supply chain – indirect water footprint using data from secondary sources as available in the public domain to understand the pattern. An internal study shows that the Urea manufacturing site at Babrala is a benchmark facility amongst Indian fertiliser manufacturing industries for specific water consumption at 5.24 KL/MT of Urea produced. Ground water is 5.99% of the total water withdrawn. Total ground water withdrawal shows a decreasing trend with Babrala and Haldia as major withdrawers and Mithapur eventually withdrawing zero KLs.



River is a source of water for TCNA operations and Mithapur, India is a major source of water as seawater. Both sites withdraw 93.08% of their water requirement from surface water bodies. Mithapur, India site has also eliminated ground water use through various means of internal generation of freshwater and use of seawater.

Under Sustainability Assessment, water being a local issue, we are trying to ensure sustainable use of this shared resource.

Fresh water usage intensity of production for TCL, India has reduced from 0.47 KL/MT to 0.05 KL/MT.



Water withdrawal by source (EN-8)

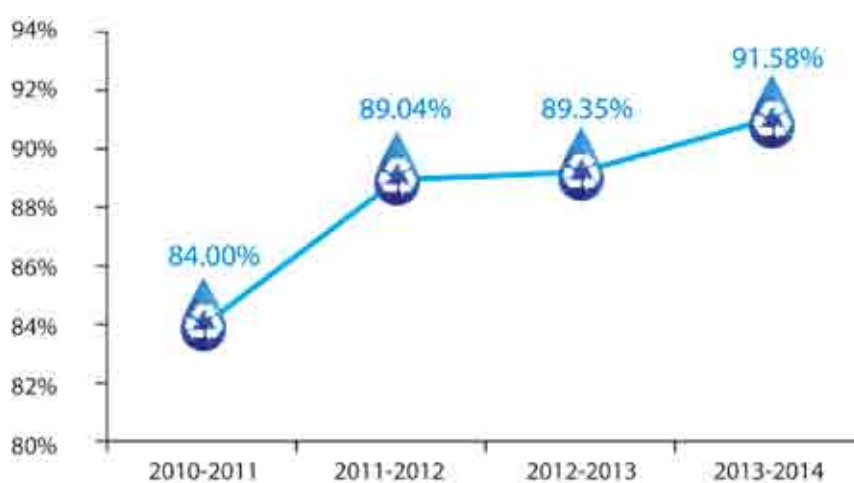
Along with water reduction initiatives for its manufacturing, TCL also supports the indirect water management and reduction initiatives. The Centre for Agri-solutions and Technology (CAT) has been set up for the development of innovative crop nutrition solutions. It is equipped with a state-of-the-art Crop Nutrition Lab that has all the necessary analytical facilities required for soil, crop, fertiliser, manure and water. CAT is recognised by the Department of Scientific and Industrial Research, Ministry of Science and Technology and Government of India, for its research capabilities. The initiatives to ensure Water Sustainability in watershed and community are detailed in the Community Support section.

The Company has started CDP Water reporting from FY 2012-13. TCL, India also won the I.C.C. award for Water Resource Management in the Chemical Industry.

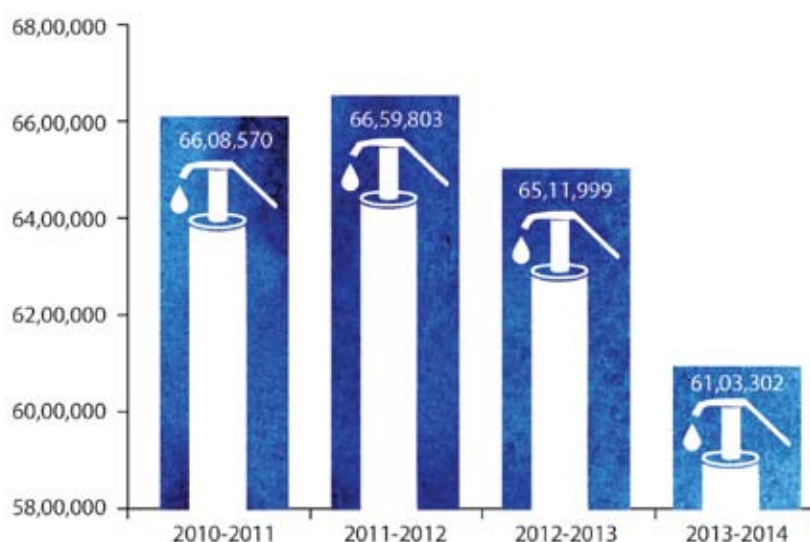


TCL evaluated the effects of water quality and quantity for its growth strategy and has taken the following initiatives to ensure it:

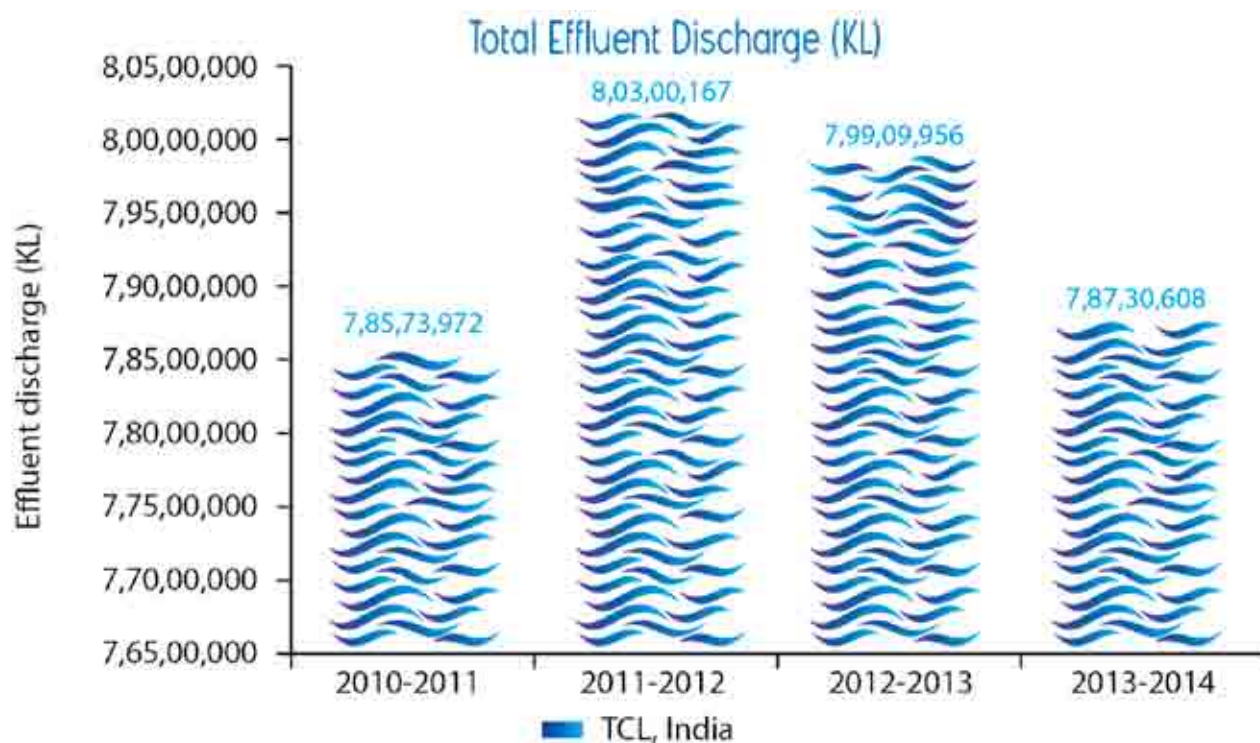
1. Estimate baseline for supply chain footprint. Engage with potential supply chain partners for future Sustainability
2. Product/Process-wise water footprint accounting to identify areas of improvement for reducing Footprint (Operational + Overhead)



Water Recycled and Reused (%)



Ground Water Withdrawal (KL)



3. Regional water withdrawal Sustainability as per the catchment area and work with communities for sustainable management of local watersheds
4. Sustainable alternatives for water resource management for growth of businesses and include them in a strategic due diligence process for M&A, and organic and inorganic growth plans

operations; recycling 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, etc. Around 91% of water withdrawn is reused and recycled for various purposes prior to discharge. The treated effluent quality of the final discharge has been maintained well below the statutory norms at all manufacturing sites.

to ensure that they are disposed off safely. Adequate financial resources are provided for treatment and disposal of wastes, treatment for emissions, and insurance costs.

Effluent discharge of 2,40,000 m³ in the ocean at Mithapur, India is not significant compared to 73,000 km³ of ocean water, thus biodiversity value of this water body and related habitats is not affected by the organisation's discharges of water and runoff. (Ref Annexure EN 26)

Waste Management

TCL follows all waste management protocols documented in the ISO system in line with the prevailing regulatory requirement.

Effluent Discharge

Since 2011-12, we have reduced our effluent discharge by 1.95%. In the area of waste water recycling and reuse, we have pioneered recycling of water by integrating various manufacturing

Solid Waste

The cement plant at Mithapur, India is a waste to wealth initiative, which consumes almost 73.39% of solid waste generated from manufacturing of soda ash and other products within the Mithapur complex. We manage our hazardous wastes by proper collection, handling, storage and disposal to authorised TSDF (Treatment, Storage & Disposal Facility) or registered recyclers

Expenditure of ₹ 737.3 million in FY 2013-14 was accounted for towards environmental protection across locations (Ref Annexure EN 31).

Emissions

Emissions at TCL comprise of GHG, Particulate Matter, SO_x, NO_x, NH₃ and Fluoride. The average specific air emissions are about 2.15 kg per ton of production for the last

4 years. All the sites are equipped with appropriate air pollution control systems. Our Haldia facility is a benchmark plant in Indian sulphuric acid manufacturing plants and as per the IFA emission benchmarking survey our emission value is one of the lowest amongst the top 10 fertiliser industries worldwide. In 2013-14 SO₂ emissions at Haldia were around 79.61 MT and 0.393 kg/MT of H₂SO₄ produced. None of the operations of TCL have ODS (Ozone Depleting Substances) emissions.

TCL, India, TCM and TCNA contributed in reducing specific emissions by 1.23% and absolute emission by 0.302% from the previous year which is a clear effort of key business decisions like annual energy efficiency target, waste reduction target, Lean Six Sigma projects, engagement with key suppliers, emphasis on bulker movement, increase of rail co-efficient for transportation, etc.



Responding to Climate Change Concerns

Tata Chemicals' sustainable enterprise strategy has always focussed on green technologies and uses clean development mechanisms. Tata Chemicals has adopted the Climate Change policy issued by the Tata Group, which includes mapping carbon footprint and creating an abatement strategy for sustainable manufacturing. TCL's strategy includes: identifying opportunities for carbon abatement, investing in low carbon growth and tapping into opportunities presented

by the emerging low carbon technologies. It has identified abatement levers, low carbon growth opportunities and carbon offset opportunities towards that end. The carbon abatement measures are chosen on the basis of the techno-commercial feasibility of implementation, maturity and availability of technologies and the magnitude of emissions reduction. It has also adapted its businesses to become energy-efficient, use less water and is also innovating with new chemicals and fertiliser products and agri-services for carbon conscious growth.



We have in place processes that help transcend mere compliance, ensuring that we continuously improve to manage and address

risks including those arising out of climate change. Reduction in the Carbon Footprint has been defined as an objective in enterprise BSC (Balance Score Card) with targets for Green Manufacturing Index and CO₂ emissions. The improvement projects focus on specific energy consumption, emission reduction, water consumption reduction, etc., which not only helps reduce the carbon footprint but also reduces costs.



In the absence of mandated carbon emission cuts, TCL has chosen a path, which balances the imperatives of growth, while ensuring measurable action on climate change; it leads to a carbon-managed future. We have taken up the goal of 20% reduction in emission intensity by 2020 and to achieve it, we





have drawn a three-pronged strategy, which includes: identifying opportunities for carbon abatement, investing in low carbon growth and tapping into opportunities presented by the emerging low carbon technologies. We actively monitor our existing products and services, and also invest in developing new climate friendly products through innovation and research. We have also explored CDM opportunities and have registered projects for GHG reductions with UNFCCC.

Technology upgradation helped us become the benchmark for energy efficient operations. These benchmark operations have gained the company a brand value and financial benefits. Most of our operations globally have efficient steam and power co-gen systems, which have improved

over the years. We are moving to a coal and natural gas fuel mix to reduce carbon intensity of the products. They are expected to deliver this project in 2017-18. We are also addressing energy efficiency issues directly by waste reduction initiatives and novel technological advances which offer the prospect of utilising low grade heat, further enhancing energy efficiency and reducing GHG emissions.

The Carbon Disclosure Project (CDP) is an international, not-for-profit organisation providing a global system for companies and cities to measure, disclose, manage, and share vital environment-related information. It works to transform the way the world does business to mitigate the effects of climate change and protect our natural resources.

TCL is responding to CDP since FY 2008-09 for climate change and is consistently maintaining its position under the Carbon Disclosure Leadership Index (CDLI) since FY 2010-11.

Climate Change Framework for Strategy Development, Deployment and Review

Board Level Safety, Health, Environment & Sustainability (SHES) committee to review performance and sustainable investments. Corporate Sustainability Steering Group monitors and review the plans.

The progress is tracked on carbon abatement measures through a carbon-focussed dashboard with the help of key performance indicators. In order to make

climate change and sustainability part of the organisational DNA, sustainability and specifically climate change has been incorporated into the Company's long-term strategic planning process.

Similarly, a green manufacturing index for existing operations and a green filter have been embedded within the capital approval, supplier evaluation and mergers and acquisition processes to ensure that sustainability considerations are a part of all business decisions.

Product Stewardship

Our fertiliser manufacturing units are also certified for RC 14001:2008 and potential negative impacts in the supply chain are addressed through Responsible Care initiative at all 3 locations. Emergency preparedness plans are in place to mitigate impacts of any mishap that may occur during transportation of hazardous chemicals. As per the Materiality Map, under our long-term strategy plan we are committed to carry out Life Cycle Assessment of all our major products by 2015. This will help us assess and understand impacts associated with our products. We have completed Life Cycle Assessment, Carbon Footprint and Water Footprint Assessment for most of our major products for "Cradle to Gate out" phase. Where necessary, "Cradle to Gate in" assessment has been done using a secondary data base or publically available data.

Conservation of Biodiversity

Tata Chemicals owns about 318 sq. km area and out of which



0.39 sq. km area at Mithapur has been categorised under Marine National Park (MNP) and forests. In the Mithapur plant, brine is transferred through a pipeline, which passes through MNP and treated effluent is discharged into sea through an open channel. We conducted EIA studies to assess the impacts of its operation on nearby biodiversity and surrounding environment. The findings of the study illustrates that no significant negative 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 Babrala site, TCL has restored the ecological balance in the surrounding habitats by converting wastelands into a greenbelt. Our commitment towards continual improvement is triggering new programmes such as grassland development, mangrove conservation and regeneration at West coast near Mithapur and at East Coast for the Aila affected region of Sundarban near Haldia. For preserving the biodiversity of Okhamandal we conducted a biodiversity reserve

plantation project, implemented with the support of employee volunteers, which seeks to preserve indigenous vegetation. Under the project, 90 acres were afforested with 12 native species of vegetation. We have initiated the process for biodiversity mapping and are improving the same at the Babrala township area. We continue to support species conservation efforts through the Dharti Ko Arpan programmes detailed in the community support section. Our salt works provide a safe habitat for a number of migratory aquatic birds, who use this space to roost and breed. We continue to be good hosts to them.

Eleven miles from TCNA's Green River plant, down a dusty dirt track that leads onto the high plateau of Sweetwater County work commenced in August on a new ventilation shaft. Sinking shafts is by its nature a hazardous activity. Land, archaeological, historical and wildlife surveys have been undertaken. Because the new shaft is on land that is a natural habitat for sage grouse and migratory antelope, the Wyoming Game



and Fish Department has been consulted. The extractor fans at the top of the shaft have been orientated so as not to disturb sage grouse breeding grounds nearby.

The Charakla saltworks of Tata Chemicals is spread over an area of around 30,000 acres and produces solar salt, brine and gypsum for use at the Mithapur

soda ash, salt and cement plants. These saltworks form a large man-made wetland which sustains a diverse waterfowl population – both native and migratory. The presence of 121 species of birds has been recorded at the Charakla saltworks over the period of time and this site is the only active nesting site for the Caspian Terns (*Hydroprogne caspia*) in the country.

There are no invasive species, pests and pathogens introduced by the Company. However, there has been rampant spread of an invasive plant species called the Gando Baval (*Prosopis juliflora*), which has invaded most of the grasslands in the Mithapur region and is now spreading at the cost of the native flora. TCL has undertaken an ex-situ attempt for conservation of the native flora by raising a 150 acre botanical reserve at Mithapur. The reserve has an exclusive 30 acre plantation of the endangered Gugal (*Commiphora wightii*) plant.

No specific study has been undertaken by TCL to check the impact on biodiversity due to reduction of species.

The Great Indian Bustard (*Ardeotis nigriceps*) and the Lesser Florican (*Sypheotides indica*) were to be found in the Okhamandal region, where the Mithapur chemical plant is located, until the late 1980s. However, because of the disappearance of their grassland habitats due to the rampant

[EN 11] [EN 12] [EN 14]



spread of the Gando Baval (*Prosopisjuliflora*) bush, these birds have not been sighted for more than 20 years now.

The conversion of grassland habitats into scrubland due to the rampant spread of the Gando Baval (*Prosopisjuliflora*) bush has also resulted in deterioration of the local biodiversity – both flora and fauna. While flora species like the Gugal (*Commiphorawightii*)



and fauna species like the Indian Wolf (*Canis lupus*) have become “Endangered species”; the avi-fauna species like the Great Indian Bustards (*Ardeotisnigriceps*) and the Lesser Florican (*Sypheotidesindica*) are not to be found in the region any more.

The rise of the sea level due to climate change has intensified the coastal erosion problem and altered the sand dune contours at the marine turtle nesting beaches in the Okhamandal region. The

gently undulating sand dune slopes have been eroded due to strong waves and at many locations they now feature steep inclines which the turtles are unable to negotiate to reach their nesting site. This is bound to adversely affect the population growth of the endangered Olive Ridley (*LepidochelysOlivacea*) and the Green Turtles (*Cheloniamydas*) in the years to come.

[EN 11] [EN 12] [EN 14]



EMPLOYEE INVESTMENTS

THE ORGANISATION HAS ENSURED THAT TCL VALUES, ETHICS AND DIMENSIONS OF CARE AND WELFARE ARE INCORPORATED IN OUR HR POLICIES, AND PROCESSES AND NURTURED THROUGH OUR PRACTICES.



During 2013-14 Tata Chemicals has worked on both Human Resources related operational and strategic issues to ably support the organisation in achieving its business objectives and strategic plans for the future. These measures range from structured responses to external and internal

business challenges in areas of capacity, and capability building, employee engagement and organisational work environment. These areas being the key people imperatives for TCL, what strengthens the deployments of all key processes is a strong foundation of business ethics

and integrity. Therefore, the organisation has ensured that TCL values, ethics and dimensions of care, and welfare are incorporated in our HR policies and processes and nurtured through our practices.



Over the years, TCL has built a unique culture characterised by TCL Shared Values and embodied in our Cultural Pillars. Once every three years we revisit our Cultural Pillars to review its continuing suitability. It is this culture that serves as a glue and

unifying force for our diverse businesses across geographies. Our culture, along with other enabling systems, is aligned to TCL's business objectives and inspires innovation, open communication, flexibility and seamless knowledge.

The vision that TCL has set for itself requires that everyone in the system, is aligned to TCL's culture and carries this forward into the areas they handle. The organisation is working towards ensuring that Core TCL Shared Values are internalised by all our employees.



Capacity & Capability Building

The Company launched 'SHINE' (Seamlessly Harnessing Internal Expertise) a year ago to promote talent and retain expertise within it. This initiative is also gaining strength. In FY 2013-14, 20% positions were filled in through SHINE and 20% through employee referrals.



Employee Segment	Levers of engagement
Managers	- Career development and growth
Scientists	- Professional growth and empowerment to experiment - Recognition
Officers	- Role clarity - Friendly HR policies and employee-centric initiatives - Opportunities for learning and career growth
Field Staff	- Skill enhancement - Recognition - Friendly HR policies and practices
Workmen/Bargainable	- Clear instructions and ergonomic workplace facilities - Fair and transparent administrative practices - Employee-centric policies and interventions
Contract Labour	- Workplace tools and tackles - Regular dialogue with company managers to resolve work-related issues

A large number of our workforce will superannuate over the next five years from most of our manufacturing sites. A comprehensive talent acquisition and skill development plan to induct skilled workforce and restructure the work systems is underway at Mithapur and Haldia.

A structured e-induction module - 'inCEPT'-was commissioned to facilitate effective and speedy assimilation of newcomers into TCL. It is available to all recruits globally on the Company intranet.

The knowledge management portal on the social space of the Company has been redesigned to contribute towards enhanced learning and sharing opportunities for its employees. The Company's learning and development efforts are being directed towards sharpening of core competitive advantages – operational excellence and customer centricity.

Several learning initiatives are being made available to the employees across the organisation to build or enhance role-critical competencies through functional, behavioural and leadership training in these areas. These include Jagruti – for the front-line field force in agribusiness,

Technical Capability programmes at manufacturing sites, On-the-job projects by Management Development Programme (MDP) and extensive focus on safety awareness initiatives. The MDP has been redesigned to incorporate relevant inputs to equip people in handling future challenges.



During the fiscal year the Company initiated 88 unique programmes with 13,207 workdays of training, including the flagship MDP programme. We have partnered with Skill Soft, an e-learning platform to make available 24x7 learning to our employees. In addition to this, our existing partnership with "Harvard Manage Mentor" is also being used extensively by employees. Employees have welcomed these practices as they found self-paced learning and continuous access to learning resources empowering. The focus in the coming years will be on deploying e-learning modules for general induction and functional training.



We launched the Katalyst Programme in 2013-14 to develop and deploy internal faculty for programmes like AMT, safety, sustainability, MBE, LSS, technical training, etc. Besides saving cost on external facilitators, this initiative also acts as a great motivator for internal talent. As many as 143 training sessions have been conducted across the country by the internal faculty. Other initiatives included nominating for quality training programmes at Tata Management Training Centre (TMTc).

Average hours of training per year per employee are 28.16. Gender and category wise segregation for the same has been implemented starting from FY 2014-15. Around 1,425 nos. of internal and external programmes for skills management and lifelong learning were conducted that aimed to upgrade employee skills. Funding support for external training and education was ₹ 2.37 crores.





694 employees received around 3,344 hours of formal training on the organisation's human rights policies or procedures concerning aspects of human rights that are relevant to operations. Approximately 22.29% of employees underwent training.

The Company's leadership commitment to deploy Lean Six Sigma and Operational Excellence has helped drive employee productivity and large scale process improvements across geographies.

Steps (Systematic Enhancement of Performance Systems), was an experiential learning workshop

designed for all appraisers, as a refresher on various aspects of the appraisal process. The HR facilitators included modules like role plays, case studies and group learning methods to help participants learn more about conducting effective performance reviews and have meaningful feedback conversations. This workshop also gave appraisers an overview of the online PMS module. More than 85% of the appraisers across TCL, India were covered in this workshop. Conducted across different locations, these workshops are important initiatives in the journey of process enhancement and effectiveness. Critical positions and

key talent have been identified. Structured IDPs have been created for 70% of the talent pool.

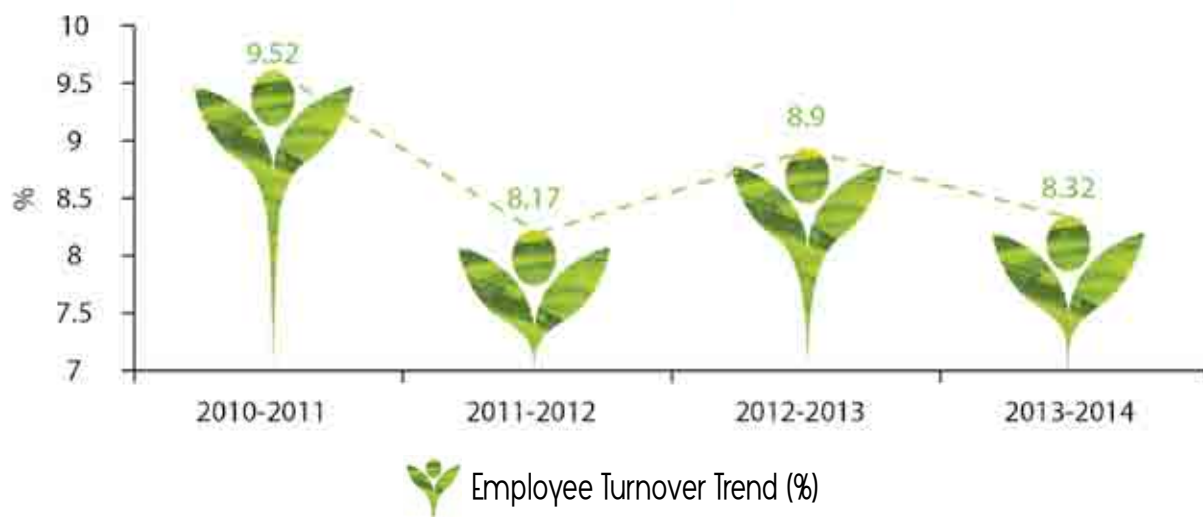
The leadership acknowledges the need to equip our workforce with current and future competency requirements arising from our business plans and external environment.

Employee Relations & Engagement

TCL continued to enjoy the support of unionised workforce across all its units throughout the year. Harmonious and cordial relations between both parties ensure that issues, if any, are being resolved amicably.



The productivity at Haldia was not affected due to any labour-related issues despite a volatile and politically turbulent environment throughout the year. Our tradition of entering into productivity-



linked settlements with unions has ensured that the industrial relations climate is conducive for stable operations. Concerns raised by the contract labour at Babrala were proactively addressed to obviate any adverse impact on operations and to seamlessly manage the transition to a new contractor. We have recognised unions of workmen at Mithapur and Haldia.

TCL conducts its annual engagement survey – X'prESS. It aims to seek feedback and comments from employees on variety of issues across multiple dimensions of work environment.



During the ensuing year new settlements are due at Haldia/ Mithapur and the management team is working on a clear long-term strategy to derive the maximum benefit for all and close the negotiations in a smooth manner. The Company has a set of employee-friendly policies which we review every year to ensure these policies are contemporary and aligned to our values. In India – the employee medical insurance cover has been enhanced to ₹ 3 lakh. Additional coverage options of ₹ 2 lakhs or ₹ 4 lakhs has also been extended on co-share basis.

The Company rolled out the Suraksha Scheme for contract workmen. 'We Care' at Haldia and 'HR Clinic' at Babrala where programmes that helped address employee issues and grievances, and also enhance employee engagement were organised. A Group Gratuity Scheme has been initiated for contract

workmen at Mithapur. Ensuring a safe working environment for our workforce continued to be an area of focus as we launched many interventions like audits, training, rewards, recognitions, and process/ design improvements.

All Indian facilities at TCL have been certified under ISO 9001:2000, ISO 14001:2004 and OHSAS 18001. TCM is certified under ISO 9001:2000. In our journey towards rendering world-class SHE excellence, we derive approaches and measures from Du-Pont, and British Safety Council 5 Star Models

A Rewards & Recognition framework that was launched last year, adapted as 'STARS' (Special Thanks and Recognition Scheme) at Babrala and as 'E-Spark' in Mithapur to recognise employees for their contribution and upholding TCL values has been implemented and is working well. Employee Turnover rate for TCL, India is 8.32, TCNA is 5.25 and TCM is 15.48.



MyTCLWorld, TCL's award winning intranet is a one stop shop for employee interaction, sharing of ideas; companies' mission, vision

values, etc., and also serves as an internal social media platform. It is a web based intranet and is accessed globally by all employees of TCL. It also houses a dedicated portal for knowledge sharing – Kconnect, where employees share best practices, functional stories, etc., across locations. The Global IOU Most Admired Knowledge Enterprise (MAKE) panel ranked Tata Chemicals in the top position for its ability to maximise intellectual capital.



Organisational Work Environment

As part of the Tata Group guidelines on affirmative actions, we have sponsored FAEA scholarships for four students of the socially and economically backward community. TCL is in discussions with the Director of Training at Haldia to chart out an action plan to implement affirmative actions and to improve inclusive growth.





The Company values diversity of thought, inclusion, varied backgrounds and global experiences, which collectively help it succeed in the long run. TCL has drawn up an integrated action plan to promote diversity and affirmative action, in line with the Tata Group's LEAD programme. Diversity of experience 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.

As per the Company's recruitment policy, applicants are not discriminated on the basis of gender, race, caste, religion, social status or physical disability.

In FY 2013-14 women constituted 4% of the employee population. As a way forward, we will be consciously encouraging the hiring of a higher percentage of female employees both on direct rolls and third party rolls at our factory sites and non-manufacturing sites. Ethics month, POSH (Prevention of

sexual harassment), fire and safety training, affirmative action awareness session, road safety are other important programmes that are conducted. Other than these, training programmes like fire and safety training, mock drills, first aid and road shows are conducted specifically for the security personnel

Our policies on Prevention of Sexual Harassment at the workplace and Clause 4 of Tata Code of Conduct (TCOC) ensure non-discrimination of employees and a safe and secure work environment.

The Management of Business Ethics (MBE) process which details processes to raise incidents/ concerns on violations of Code of Conduct is widely communicated among employees and ODSCE.

A Sexual Harassment (SH) redressal mechanism has been established which includes a redressal committee chaired by the senior most women employee. The committee this year reviewed and updated the policy to make it more robust.

Most of the management cadre employee and employees that are in direct contact with employees such as HR, personnel, security etc., have participated in gender sensitisation workshops. Refresher training is also taken up regularly.

Way Forward

For FY 2014-15, the focus of the HR team is to design and deploy a slew of initiatives that will focus on drivers for employee engagement.

We have detailed the list of initiatives planned:



HR Objective	Key Initiatives
Plan and build capacities and structures to align with business strategy	<ol style="list-style-type: none"> 1. Review manpower nos. and structure w.r.t. cost efficiencies 2. Review contract labour plan and deployment at sites 3. Study the plant structure and prepare a plan with no contract workmen in core operations
Build employee capability to enable high performance	<ol style="list-style-type: none"> 4. Review and build competency dictionary for all positions as per a common standardised process 5. Preparation of IDPs for 100% identified positions as per framework defined 6. Action plan for top 3-5 engagement issues in the respective location/SBU
Deploy initiatives to enhance employee engagement	<ol style="list-style-type: none"> 7. Explore options for enhancing Rewards & Recognition schemes
Enhance the HR operational efficiency	<ol style="list-style-type: none"> 8. Completion of functional maturity diagnostic for HR

Employee Benefits

Below are the heads under which benefits are provided to full-time employees

Education

Subsidised tuition fees for wards studying in TCDav schools at manufacturing sites and education allowance and scholarships for wards studying beyond the 12th standard outside the campus.

Welfare

The Company has a set of employee-friendly policies which we review every year to ensure that these policies are contemporary and aligned to our values. Some of the welfare schemes are interest free loans/ car subsidies, subsidised rate of interest on housing loan, leave travel assistance, professional education assistance, sabbatical leave, relocation assistance, employment of relatives - employee wards scheme, transfer policy - inter and intragroup,

laptop scheme, parental leave for females, special leave for infant care (flexi work from home), wellness initiatives, rewards and recognition including long service and good service award, medical scheme and annual medical scheme, uniform scheme, etc.

The social security policies include super annuation, medical assistance, family benefit scheme, life insurance, retirement provision, subsidised electricity at townships, subsidised canteen facility, etc.

A Performance Linked Variable Pay (PLVP) management system has

been established for management and non-management levels which assesses the performance of employees for annual incentives.

TCL provides the facility of parental leave to its female employees. 128 female employees were entitled for the same this year. Out of these 2 employees took this leave and 1 female returned to work after the leave ended. Sixteen employees are still employed 12 months after their return to work after their parental leave ended. Thus return to work rate is 50%.



COMMUNITY SUPPORT

ALL THE COMMUNITY DEVELOPMENT INTERVENTIONS FALL UNDER THE BIGGER UMBRELLA OF SUSTAINABILITY. THE VISION OF TCRD “DEVELOPMENT THAT ENABLES SUSTAINABILITY AND COMMUNITY EMPOWERMENT” DRIVES ALL ITS DEVELOPMENT INTERVENTIONS.



Community development at Tata Chemicals is an important driver for its business growth and it extends well beyond compliance. The establishment of the Tata Chemicals Society for Rural Development (TCSRSD) emphasises the company's commitment in this regard. The society works to protect and nurture the rural population around TCL's facilities, and helps people achieve self-sufficiency in natural resource management, provides livelihood support and helps in improving the quality of life by providing health, education and infrastructure support.



All the community development interventions fall under the bigger umbrella of sustainability. The vision of TCSRSD *"Development that enables sustainability and community empowerment"* drives all its development interventions. It also takes into account location specific and business specific concerns, and requirements while implementing the community development initiatives.



An integrated and participatory approach followed by TCSRSD, ensures that the community members become the real managers and owners, and work towards their own development and that of the society at large. To assess the impact of their community development interventions, TCSRSD conducts the community satisfaction survey every year. This helps TCSRSD build a stronger foundation for an inclusive society.

The Company's development interventions are divided into four inter-related components, namely **Creating a sustainable resource base** through natural resource management, promotion of alternate sources of energy and environment conservation programmes, **Building a sustainable livelihood**

through both farm and nonfarm based livelihood programmes; **Empowerment** by strengthening Community Based Organisations (CBOs) such as Self Help Groups (SHGs), User groups, Pani Samities, Bhoomisudhar committees, etc.; **Improving quality of life** through health, education and infrastructure support programmes.

Our CSR programmes continue to engage with and support our key communities both directly, and indirectly through the various organisations that we support.



Key among them is Tata Chemicals Society for Rural Development, Uday Foundation, Okhai - Centre for Empowerment and Tata Chemicals Golden Jubilee Foundation and Magadi Soda Foundation.



There is a special focus on the socially and economically backward communities, the women empowerment, and the farming community.

Creating a sustainable resource base

Conservation and sustainable management of resources has always been high on TCL's CSR agenda. It encompasses three main components which are Natural Resource Management (NRM), promotion of alternate source of energy and nature conservation programmes.

The NRM Programme (NRM) encompasses programmes on integrated water management, land development and salinity ingress mitigation. The integrated water management programme is being implemented at the Dwarka taluka of Gujarat because of the scarcity of water for both drinking and irrigation in this area. We are working on harvesting rain water by constructing check dams, farm ponds, farm bunds and well recharging. The salinity ingress mitigation programme includes the constructing of bhandara in the coastal area of Gujarat.



Till now, we have created 252 medium and 2,229 small water harvesting structures in 36 villages leading to a harvest of approximately 270.75 million cubic feet of water. In Kenya, our water supply programmes to rural communities including institutions such as health facilities and schools in a predominantly semi-arid area benefit over 20,000 people. The basic process of water harvesting and watershed management has been completed in many areas. Our current focus is now on optimising the use of water by promoting water saving technologies like drip irrigation and sprinklers, and laser land levelling under "Mission Jal" programme.

The land reclamation project at Babrala also falls under the umbrella of Mission Jal programme as this too helps in reducing the use of water and energy and in increasing the fertility of land. Soil salinity being the most serious agricultural problem in Badaun district, its reclamation is considered essential towards poverty alleviation. So far, we have been able to reclaim 1,847.5 acres of Usar land. We have

been able to enhance and sustain productivity of the land. Laser land levelling has been done in 371.4 acres of land. Both these processes have provided a model for integrated and holistic development at the village level with a focus on agriculture and soil fertility improvement.

Under the environment conservation programme (*Dharti Ko Aarpan*), we have been involved in various environmental conservation activities, some of them in partnership with institutions of excellence. Many of these activities have been very successful; projects such as the "Save the Whale Shark campaign" have been flagship projects under the species conservation programme. It has not only helped create awareness for conservation of this endangered fish, but has also brought recognition to



TCL's efforts at various national as well as international forums. TCL seeks to continue with these initiatives under the umbrella of creating sustainability for the entire coastal ecosystem in the region. TCL recognises the need to develop and implement an integrated coastal zone management approach for the area as a whole, involving various stakeholders, including Government departments with whom they are already cooperating at a more substantive level.

Efforts have been made to make *Dharti Ko Aarpan* (Giving back to Mother Earth) programme an integrated programme by bringing the ongoing awareness programme together with the conservation and greening up effort. Eco club programme under the aegis of environment conservation and awareness programme has helped to reach out to more than 5,000 students, teachers and rural women. A wide range of activities like bird race, tree plantation, beach cleaning drives, coral reef visit, flora identification have been organised during the year.

Several pilot projects have been undertaken under the rural energy programme. This includes solar power generator at Babrala, bio-gas at Haldia and promotion of energy efficient cooking stoves at all the three locations. Till now, 1,224 cooking stoves have been constructed contributing to fuel efficiency.

Creating a sustainable livelihood

The sustainable livelihood development programme provides the means of support/



subsistence by securing and improving the lives of the rural poor through various interventions which enable them to increase their income. Various interventions both farm based and non-farm based have been taken up at all the three locations. Farm based encompasses animal husbandry, pond management, fisheries and agriculture growth interventions while the non-farm based interventions includes programmes like UDAAN (The Rural Entrepreneurship Development Program- REDP), *Badhte Kadam* (The Employable

Skill Development Program), OKHAI (The Handicraft promotion program) and Uday Foundation (The Rural BPO).

Agriculture growth programme intervention encompasses promotion of modern agricultural practices, technologies and equipment, crop diversification, seed production, promotion of drought resistant high yield crops, etc. This initiative has touched the lives of 5,507 farmers during the past one year.

The animal husbandry development programme aims



at improving the household income by improving the breed of the cattle through an artificial insemination project and extension of Murrah buffaloes and bulls. So far, 9,594 cattle have been provided the artificial insemination services and 807 Murrah buffaloes and bulls have been purchased. Healthcare services like providing vaccination to animals and door step treatment have also helped in improving the health of the cattle. Till date 2,98,249 have been vaccinated.



The pond management programme was initiated with the objective of increasing the household income by rearing of fish not just for household consumption but also for a commercial purpose. Ponds being an integral part of every household in Haldia, West Bengal, we started imparting training



on scientific methods of pond management to the community and also by supporting them with both backward and forward linkages. So far, 3,184 women have been trained on scientific methods of pond management.

The UDAAN programme strives to develop entrepreneurship qualities in rural youth and guide them adeptly to engage themselves in productive enterprises. The objective of UDAAN is to create self and local employment, especially for the low/moderate income category, and build a sustainable local economy. The project provides business training, technical training, market linkage and loan linkage with financial institutions. So far, 2,945 youth have been trained under this project.

The team at Magadi has worked tirelessly for the local community for many years to enhance the skills of young people. Here is a snapshot of the impact of those projects. TCM initiated an employment policy to build capacity in the local community across skilled and non-skilled jobs. The Company has reserved all the non-skilled jobs for the local community in its salt

operations and 75 percent in its soda ash operations. It also provides driving and operational skills training. A ground-breaking Community Skills Upgrade Program was introduced in 2006. The Company recruited its first batch of 18 local community graduates for a year-long on-the-job-training programme. This year 25 students joined the programme. TCM also provides attachments for local students, allowing them to further build on their skills.

The *Badhte Kadam* programme is a step forward, it addresses specific employable needs by providing access to employable skills for securing decent employment and improving their economic status. *Badhte Kadam* programme has helped provide the key elements in achieving employability. This year, 7,649 rural youth received vocational training under this programme.

Handicrafts has been identified as a promising means of creating livelihood for hundreds of women in Okhamandal as the women are endowed with the talent and traditional skills to make exquisite handicrafts in the typical Okhamandal style. The OKHAI Centre for empowerment plays a



pioneering role in promoting this craft. It has made a fundamental difference to the lives of rural women by empowering them through production, marketing and branding of the rural handicrafts. It has not only helped the women become wage earners, but also promotes traditional crafts of the region. Total sale of OKHAI this year was ₹ 114.34 lakhs.

The Uday Foundation, a rural BPO has been set as a separate trust with the objective of creating productive employment for the educated/trained/capable/qualified rural and semi urban/urban masses by improving their existing skills and introducing new skills through proper training. The local jobs have encouraged people to stay and work within their villages rather than move to the cities in search for jobs. Uday Foundation has generated employment for the rural youth staying in the surrounding communities around the TCL facility at Mithapur as well as Babrala. Uday Foundation has been a big motivator for inspiring the young girls to pursue higher studies, especially the young girls who otherwise would not have enrolled themselves for higher education. It generated employment for 182 youth this year.

Empowerment

TCSR from its inception, follows a participatory approach towards community development. Enabling and empowering communities is vital to the success of the programmes and forms the basis of all the project designs. TCSR, through its focussed interventions and participatory approach ensures that the community members become the real managers and owners, and work towards their own development and that of the society at large. All interventions aimed at the community necessitate the involvement of the local community from the

planning phase to the ultimate ownership of the initiative at the phase out phase. It ensures this by establishment and participation of Community based Organisations (CBOs) in almost all its programmes. The process starts with mobilising community support through awareness building activities. Village-level committees are formed and participation of women along with people from the marginalised sections is ensured in all the activities.

Institutionalisation and strengthening of the community-based organisations like



Pani Samiti, village level watershed committees, user groups, SHGs and gram sabha are given utmost importance. Continuous capacity building programmes and exposure visits were organised to ensure that the village based committees are able to fulfil their roles properly. Capacity building programmes such as leadership building, management of finances, project implementation and exposure/awareness visits ensure that the community is able to realise its potential.

The company supports micro enterprise development by creating a cooperative society jointly with the community. The Magadi Multipurpose Cooperative

Society has more than 1,000 local community members. The township receives cleaning, transport and maintenance services from the co-operative. To sustain these achievements, the Magadi Soda Foundation was set up in 2009. The Foundation has gathered support from like-minded development partners. The Equity Bank Group has trained more than 100 people from the surrounding community in financial management. The Foundation has also partnered with a local NGO, the Kenya Community Development Foundation, to provide additional scholarships to the local community in Magadi.

Technical support is provided to ensure long-term sustainability of projects. Village Action plans are made with community participation by following participatory rural appraisals. Technical and economic feasibility of the projects are assessed and shared with the community. The contribution structure is chalked out involving all the parties involved in the development process. On completion of the projects, information about the project is disclosed to all by displaying and providing the information in public places. To do away with the high level of dependency of the rural poor for credit on non-institutional/ informal financing system, TCSR facilitated formation of Self-help groups (SHGs). At TCSR, SHGs have grown from strength to strength over the years. With the formation of women's SHGs, the women are achieving both social and physical mobility. It has empowered women to exercise their choice and has been able to mobilise a considerable quantum of credit with continuous and repeated support from formal financing institutions. Financing through SHGs has resulted in improvement in asset status and increase in family income. There has been a substantial decline in the debt burden of the poor families due to the services of SHGs. The intervention has made a significant change in the behaviour to save. It has also become the beacon for all the other programmes implemented by TCSR. Till date, 457 SHGs have been formed and been linked to financial institutions.





Improving quality of life

Health

Healthcare has always been one of the thrust areas of TCSR. Focussing on the improvement in health of the community members continues to be an important part of the overall strategy for the socio-economic development of the community. This year too, special focus has been given to the awareness programmes on health and hygiene and in organising health camps.

Company provides preventive and curative healthcare services to the local community. This initiative has been successful in reaching many people. The projects include mother and child health programme under the name of *Swasth Aagan*, eye camps (Vision 2020), HIV/AIDS, malnutrition awareness programmes. Other initiatives have also been initiated to improve the sanitation and hygiene for the local people.

TCNA joined hands with United Way wherein funds amounting to US\$ 100,000 were raised through employee generosity. Helping Hands is a United Way

activity where volunteers help senior and disabled persons in the community with projects such as major home repairs that the individuals are unable to afford, and is too costly for them to contract to companies.

Education

Education is an important indicator of the overall development of the community in the emerging knowledge economy. Primary education is one of the millennium development goals. Our education programme is called *Shiksha Maitreyi* and under its umbrella

several programmes have been initiated to improve the level of education in the area. The projects include providing scholarship under *Desh Ko Aarpan* programme, mainstreaming of girl education (school dropouts), adult education, Bal Utsav, infrastructure support to schools and coaching classes for entrance exams.

In some of the geographies we operate, education has been identified as the key to empowering the youth and significantly improving livelihoods. In Kenya alone we helped over 1,500 children access primary and secondary education in a year through various forms of school support and bursaries. We also helped about 30,000 members of rural communities' access health services.

Under *Shiksha Maitreyi* programme we are supporting the education of girls by partnering with SNDT University, Mumbai. Under the said project we provide complete support to girls to complete their education from SNDT University. This year, 305 girls enrolled themselves for this programme. We have also



partnered with LIC to promote government scholarship for students from Std. 9 -12. We are also working on imparting training on innovative methods of teaching. Use of methods like role-plays, storytelling, discussions and games in teaching various subjects are demonstrated. For the education of the children belonging to the migrant community, Learning and Migration Programme (LAMP) was initiated last year. The programme has been implemented in six districts of Gujarat, covering 3,733 migrant worker children.

We also participate in "First Books" where our employees take out time to read to elementary school children and TCNA donates books to the schools and libraries. We also support the local food bank.

CSR is a continuous process of building long-term value. It ensures compliance with regulatory requirements. It has helped to generate good relations with local community and stronger customer loyalty.

All the programmes have contributed to an increase in the community satisfaction index which is assessed once in a year. The company has enjoyed the success by acting collectively to address the challenges and initiate action to face the future.



Relief Programmes

Uttarakhand flood relief

Tata Chemicals has always been very responsive to any disaster, which hits the country. During the Uttarakhand floods, TCL was one of the first companies to come forward to support the victims of the disaster. By providing 5,000 Tata Swach water purifiers manufactured by the Company, it ensured safe drinking water to all those who were affected by the tragedy. Apart from this, a team of six volunteers including a doctor from its Babrala plant assisted the government in relief activities at Rudraprayag, one of the badly affected areas. Material like food packets, clothes, hygiene kits, etc., were also donated by the families of TCL employees to Goonj – an NGO working for the relief and rehabilitation of the victims of disaster.

Volunteering

The Tata Chemicals HOPE programme under the aegis of Tata Engage, a group employee volunteering programme has helped increase a sense of social responsibility and nurtured a spirit of participation in employees across TCL offices and manufacturing sites. The employees and their families got together to make a notable difference to the lives of community members by participating in activities like Bal Utsav, book reading, safe drinking water and hygiene awareness campaigns, tree plantation, etc.



Higher education for science and chemistry

Tata Chemicals, in collaboration with the Confederation of Indian Industry (CII) and the Association of Chemistry Teachers (ACT) felicitates and recognises exemplary individuals involved in the teaching of chemistry and its allied components at its nationwide annual initiative 'Best Chemistry Teacher Award'.

In line with TCL's leading role in recognising exceptional individuals from the chemical engineering teaching fraternity, TCL has donated ₹ 3.5 crores as endowment fund to the Institute of Chemical Technology (ICT) to help set up an endowment chair – Tata Chemicals Darbari Seth Distinguished Professor of Chemical Engineering.

TCL also runs an interactive website on chemistry and science – 'Human Touch of Chemistry' which makes chemistry learning more fun and interesting for children and chemistry enthusiasts. The site is set up in line with TCL's mission of Serving Society through Science.

Community Satisfaction

TCL carries out Tata Group level internal assessment - Corporate



Sustainability Protocol Index (CSPI) where the organisation is mapped on a 1000 point scale of Systems, People & Programme response. TCL score for FY 2013-14 is 606. TCL also conducts the Community Satisfaction Survey (CSS) for communities around its

operations in India. The overall CSS score for FY 2013-14 is 4.14 (Mithapur - 3.81, Babrala - 4.13, Haldia - 4.49).

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

[SO 1] [SO 2]



PRODUCT RESPONSIBILITY

TATA CHEMICALS OPERATES IN THREE DISTINCT SECTORS OF LIFE - LIVING, INDUSTRY AND FARM ESSENTIALS.



Tata Chemicals operates in three distinct sectors of LIFE- Living, Industry and Farm essentials. Products offered in the living essential portfolio include Tata Salt and its variants (Tata Salt Lite, Tata Salt Flavoritz), IShakti salt, Tata Swach (water purifier) and Tata Ishakti unpolished dals.

The industry essential portfolio includes Soda Ash, Sodium Bicarbonate, Chlor-Caustic and other marine chemicals and the farm essential offerings include Tata Paras (Urea, DAP, NPK) and other agri services.

Product Information

Product information about the physical dimensions chemical compositions/nutritional information/nutrient content is provided through our product labels/Pack declaration catalogues and advertising messages in mass media such as TV, print publications, radio and social media. Round the clock information of our products is available on the Company's and brand's website, and at the call



centre. All packages, both retail/bulk contains 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. Wherever applicable specific certification requirements of regulatory authorities and some markets like ISI, FSSAI, Halal, etc., are provided on the product labels and/or catalogues.



[G4 4] [PR 3] [PR 4] [PR 5]

Advertising

TCL believes in advertising its products and improving its 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 are under the control of the Ethic Counsellor (UC).



There have been no cases of non-adherence of regulations.

Product Stewardship

As a part of Responsible Care we have adopted the Product Stewardship Code with the purpose of making 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 processes and adopting safe practices for handling products.

In other words, product stewardship is driven by the entire life cycle of the 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.

The plant at Mithapur and all packing centres of Tata Salt are HACCP (Hazard Analysis at Critical Control Point) certified. Tata Salt is one of the first salt brands in the country to be HACCP certified till the last leg of distribution, making it the most hygienic salt available in India.

As a Sustainability initiative reusable primary outer bags have been introduced by the salt team wherein the finished product – packed in pet poly pouches of 1kg – is repacked in the used primary bag, thus reducing overall usage of HDPE (polymer) and making the outer packaging more environment friendly through reusability.

We are continuously working on reducing packaging through innovative solutions like jumbo bags and enhanced use of bulkers especially in soda ash. We have

started moving bromine in bulk form in ISO tankers and have also started using bulkers for moving fly ash in bulkers.

Currently we have 7 bulkers for soda ash, one ISO tanker for Bromine and are using transporters' bulkers for moving fly ash. All put together, we moved 5,192 M.T in 2012-13 and 12,634 MT in 2013-14 in bulk form. This initiative will reduce and if possible eliminate consumption of HDPE/PP bags leading to reduction of CO₂ emission, apart from helping automation both in our plant and at customer locations.



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

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





After selection, suppliers' SHE management practices are re-evaluated by site visits and interaction at the shop floor to ascertain whether they are practicing and following SHE practices as stated in Supplier Performance Rating Check List. This enables in gap identification and further improving their management systems. Our expertise and experience are also shared with them for dealing with SHE issues related to their operations and practices.

The supply chain member is involved in training and creating awareness among the concerned stakeholders on handling, storage, transportation and distribution.

As a new initiative to promote even greater supplier partner participation in sustainability initiatives TCL has established Supplier Sustainability Guidelines. As a part of the same, a Supplier Sustainability Self-Assessment Tool is developed which assesses suppliers/partners on the criteria of Sustainability that includes

Governance, Safety, Health, Labour Practices, Human Rights, Impacts on Environment and Society. 40% of key suppliers have been assessed at Mithapur, India site. Other locations will progressively start implementing the same.

Transportation is the critical aspect of distribution safety, which depends on selection of the right form of transport and route. TCL also participates in all Sustainability initiatives of the customers where TCL is invited to participate for knowledge sharing, active involvement in development of codes, etc., or for declarations etc.



Knowledge and awareness of the transporter on product safety and their role in case of emergency plays a vital role in accident management. Regular checks, training programmes ensure the safe distribution of the 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 emergencies. MSDS boards for bulk fertilisers have also been provided to dealers so as to create and promote safe handling, storage and use of fertilisers.

Every year in the month of December/January advance training for those drivers carrying hazardous chemicals in trucks/ tankers is undertaken and a TREM card is provided to all those truck/ tanker drivers. To further enhance safety we have established the Emergency Chlorine Helpline – a dedicated 24X7 phone line set up to extend help during any chlorine-related emergency.

Training by the safety department is also provided after every quarter to workmen involved in loading bromine. The safety department also conducts on floor mock drills for employees, contractors, loading and packaging workmen to check their preparedness during

emergencies. Job Safety Analysis (JSA) card is also issued for CC/ Marine Chemicals both in English and Gujarati.

Incidents related to product spills, transport accident, bad product and packaging quality are tracked, and assessed by supply chain and field staff.

Suppliers and distributors meet platform is used to express the Company's expectation from distributors, suppliers and transporters. This forum is used for providing all relevant information and training on handling, storage, transportation, and distribution of products as and when required. No significant spills were reported this year.

The customer requirement and the Company's image is determined primarily through customer satisfaction surveys for each customer group, customer contact programmes, e-customer care, customer feedback captured by our "Chemconnect" call centre, senior leaderships visits, annual distributor's conference, COO's club and customer care system, and other listening and learning posts. Kano model helps us in identifying parameters, which dissatisfy, satisfy and delight the customer. Their feedback and complaints provide an opportunity for improvement.



Avalon Consulting and IMRS (Integrated Marketing & Research Services), IMRB conduct customer satisfaction studies, on quarterly/ half yearly/annual basis, for TCL covering all Indian territories and the international markets where it exports.

We also track brand equity index through brand track studies conducted by Nielsen to measure brand loyalty among end consumers for salt, and farmers for crop nutrition range. We also conduct a dissatisfaction survey once in two years through Avalon Consulting for our chemical industry.

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 the form of master data), which is fully secured and no unauthorised access is available to anyone.

Changing/creating options are given only to key authorised individuals. We do not share or sell this information except if required under any regulation but after the consent from the concerned person. As such there is no standard procedure to monitor 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 Nielsen or by IMRB Household panel are conducted on a regular basis. Detailed analysis of CSI findings is carried out to serve the customers in a better way and determine the future and expected need of the customers. The Voice of the Customer (VOC) i.e., Customer feedback/

suggestion/perception is gathered from various sources like regular customer visits by the sales team, Feel the Pulse (customer visits by the sales team), Communication meetings, QFD, CSI, Customer Circles DART reports, COO Club Meets, etc., and are integrated on a regular basis to serve as inputs for current and future products, services and customer support.

SBU	Consumer Satisfaction (%)
Chemicals	82
WAPU	47
CPB	75.4
CNAB	79

A web enabled Customer Care System (CCS) has been deployed to effectively manage all customer complaints. Customers of industry essentials are provided with a separate and unique user ID and password for logging of complaints on CCS.

Consumers are also provided the contact numbers/e-mail id/ address of the customer care cell/ Chem Connect on the packs/ bags. This web enablement of the system helps to reduce the complaint handling time and ensures expeditious closure of complaints.

A facility of delegation for resolving the complaints has been added on CCS recently which helps in early resolution of complaints. The customer can also view the detailed resolution and can give their feedback on the system. If the resolution is not in line with customer satisfaction, the complaint is rebooked for further action to help in customer involvement and enhancing engagement levels.

A toll-free number is provided to enable access to farmers for registering complaints, suggestions or inquire about our products/services.

All consumer products are registered with the FSSAI and adhere to all the requirements under it. Farm essential business, Living essential business, Industry

essential business and their stakeholders have benefitted with the deployment of various modes of engagements as shown in the table below:

Stakeholder [by priority]	Engagement			Benefits* to	
	Method	Mode	Frequency	Business	Stakeholder
Farmer	Soil testing	Soil sample collection	Twice a year	Launch of new products	Improved yield & quality of produce
	Education	Information packs/			Safe & optimum use of product
		Training	As per promotional plan	Loyalty of farmers	Safe & optimum use of product, Higher yield
Dealers & Retailers	Safe use of products	Training	Twice a year	Ensuring sustainable & safe use	Safety
	Safe use of products	Display board at POS	Once a year	Ensuring sustainable & safe use	Safety
	Education				
Customer and End Users	Purity Test	Demo	Continuous on media and monthly at market place	Increased loyalty amongst users	Health
		Visual media		New/non user conversion	Assurance on quality and purity
	Social media engagement	Posts & responses on social networking sites	As per campaign plan & on a query basis	Increased loyalty among consumers & buzz around the brand	Assurance on brand, emotional connect and query resolution
Global, Key Accounts	Mutual discussions and formal interactions	Key account workshop	Once a year	Increase wallet share	Engagement in customer initiatives, supply and service assurance
Regional Accounts	Product, service info, transaction	Distributors, call centre	As required	Business continuity	Service assurance
Distributors	Conference, training	Interactions, training	One a year	Loyalty, support for new products	Knowledge, increased business

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

GENERIC DISCLOSURE OF MANAGEMENT APPROACH

TATA CHEMICALS HAS ESTABLISHED A NUMBER OF POLICIES, PROCESSES AND PROCEDURES TO DRIVE ECONOMIC, ENVIRONMENTAL AND SOCIAL SUSTAINABILITY WITHIN THE ORGANISATION.



Overarching Approach

Tata Chemicals has established a number of policies, processes and procedures to drive Economic, Environmental and Social Sustainability within the organisation. Foremost among them is our Corporate Sustainability Policy, which is an overarching policy that guides us at all levels for promoting and supporting Sustainability programmes. We ensure good governance through various mechanisms that include:

1. Management of Business Ethics process (MBE process)
2. Enterprise Wide Risk Management process (EWRM process)
3. Systems and controls across the organisations that are led by our Board of Directors
4. Adoption of the "Tata Business Excellence Model" (TBEM), a Tata Group wide system to drive excellence within the organisation
5. The Enterprise Process Model (EPM) that maps all the processes across the enterprise
6. ISO 9000, ISO 14001, OHSAS 18001, Responsible Care

Economic Indicators

Please refer to the "Report of Directors and Management discussion and analysis" section of the report and accounts

2013-14 for a detailed discussion on the company's market standing and the context described in the discussion on business environment, opportunities and challenges, pertaining to the company's business. Various committees of the Board of Directors effectively supervise the financial reporting, risk management, short-term and long-term business planning and Sustainability.

Our integrated financial accounting system has in-built controls with both internal and external audits that are periodically reviewed by the audit mechanism, which ensures reliable and effective financial reporting, control and compliance. An independent audit and risk management department reports directly to the board committee to ensure clean, and transparent operations.

We run and sponsor capacity, capability, skill building and market linkage programmes for communities around our areas of manufacturing facilities so that they promote sustainable livelihoods. Clear and transparent contracts with our partners ensure that livelihood creation extends much beyond our immediate neighbourhood. We are working with our customers under the joint business development plan to address issues arising out of Sustainability concerns.

Environmental Indicators

The approaches towards SHE and climate change mitigation are guided by SHE policies both at the corporate and site level, and the climate change policy. This along with our commitment to Responsible Care, World Safety Declaration and various global and national industry forums helps us drive initiatives across the enterprise.

We have adopted some world class practices such as "DuPont Safety Way" and the British Safety Council Five Star Audit for Safety and Environment Sustainability.

'SHE' is reviewed at all levels within the organisation starting from the Board to individual departments. Compliance with the Risks Management Programmes' is monitored at all levels. As a part of our continuous improvement cycle, the manufacturing divisions establish goals and objectives, under Environment Management Programmes (EMPs), to improve their environmental performance.

These EMPs are reviewed regularly at the plant, business and corporate reviews and are integrated in the Enterprise Balance Score Card along with a review by Environment Committees and Safety Committees that are presided over by site heads with representation at all levels. We have taken

[EC1 1] [EC 2] [EC 3] [EC 4] [EC 6] [EC 7] [EN 15] [EN 16] [EN 17] [EN 18] [EN 20] [EN 21] [EN 29]



up key Sustainability goals targeting waste, energy and water management both within and beyond the fence.

We work with the Tata Group's climate change cell to take up projects on measurement, tracking and improving on carbon emissions and water footprint. We take up the Carbon Footprint measurement exercise to understand our Carbon Footprint and possible impact along with creation of mitigation strategies. We have initiated the process of Water Footprinting.

Labour Practices and Decent Work Indicators

Employees being the key stakeholders, we have initiated a number of mechanisms to address the employees and also gather feedback at various levels. As a part of our capability building process, a slew of interventions have been initiated with a focus to improve productivity of the workforce and also to build future competencies of the workforce aligned to business needs.

Programmes such as Management Development Programme, Supervisory Development Programme, Operators Certification Programme, Employee Growth Scheme and Achievement Orientation are some of the initiatives deployed across the organisation that provide customised training to achieve higher skills, and build capacity for future leadership and succession planning. TCL internally conducts

improvement and benchmarking convention called Beep – a search for successfully implemented industry best practices.

In the organisation all the employees whether directly employed by the 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 and Safety Management certified. As a part of our continuous improvement cycle, the manufacturing sites establish goals and objectives; under Occupational Health & Safety Management and this is also cascaded to the departments with specific departmental goals to improve safety performance.

The Safety Committee that is presided by site heads and Head of Departments review Safety and Occupational Health. Safety is also a key performance indicator and is reviewed periodically by the Management Committee. Ergonomic studies and health checks are regularly conducted.

Matters related to organisation's operational changes, minimum notice periods for the same, health and safety topics, etc., form a very important part of formal collective agreements with trade unions.

Human Rights Indicators

Ethics is a very important aspect of the culture and focussed

communication on ethics is practiced every year for creating awareness amongst employees and sensitising them to the ethical framework in the organisation. We have been consistently working towards processes and practices that strengthen the governance and legal compliance systems.

We have an open work environment with clearly articulated policies for ensuring transparency and non-discrimination. Systems ensuring equal opportunity and capturing concerns are in place, which have a direct line of sight at the group level through the Tata Code of Conduct.

A prevention of sexual harassment at workplace policy along with a redressal mechanism that is chaired by a woman employee is also in place to ensure a safe work environment and gender equity. We have adopted the policies of SA8000.

We support "fundamental human rights" in all our operational activities and comply with the law of the land.

There have been no incidents of discrimination and violations involving rights of indigenous people. All TCL operations have been subject to human rights reviews or human rights impact assessments.

Society Indicators

Tata Chemicals has always stood by the community around.

Aligned with the goals and vision of the management, our social initiative programmes are guided by a “Community Development Policy”. The key focus is on integrated community development through a participatory approach with an emphasis on Sustainability and capacity building of the community.

The process of engagement with the community starts with the identification of the key community, their needs and prioritising interventions. The prioritised needs are translated into appropriate development/ support interventions to meet the requirements of the community. Proactive mapping of needs, understanding the growth sectors have helped us put in place appropriate programmes to address them.

Programmes include key areas of management of natural resources, creation of sustainable livelihoods, empowerment and capacity building of the communities, improving the quality of life through support for healthcare, education and infrastructure.

We share our resources with the neighbouring communities, providing them subsidised medical and healthcare, building infrastructure such as roads, schools, healthcare centres to name a few. We have established the Tata Chemicals Society for

Rural Development (TCSRSD) for implementing community development interventions.

We have special programmes such as *Desh Ko Arpan* that targets education and *Dharti Ko Arpan* that targets environment and species conservation. We have established the Affirmative Action Policy so as to promote inclusive growth especially for the socially and economically backward communities.

We continue to promote an ethical work environment, providing training for facilitators, discussing and creating awareness about ethical dilemmas.

100% of TCL, India and TCM operations have implemented local community engagement and development programmes. None of the TCL's operations have significant actual or potential negative impacts on local communities. All TCL operations are assessed for risks related to corruption and the significant risks identified.

TCL does not provide any direct or indirect financial and in-kind political contributions, by country and recipient/beneficiary. There is no anti-competitive, abuse of dominant position or unfair trade practices case pending against the company. No grievances about environmental and human rights impacts have been filed through formal grievance mechanisms.

Product Responsibility Indicators

We have adopted the “Responsible Care” Principles and have integrated them into our processes. The Product Stewardship Code under Responsible Care drives our effort to minimise health safety and environmental impact of our products across the supply chain.

Furthermore, our Innovation Centre is focussed on developing greener and safer products and alternatives. We adhere to all Indian laws related to marketing communications, including advertising, promotion and sponsorship.

Health and Safety impacts for all TCL products are assessed for improvements. TCL does not sell any banned or disputed products. There are no incidents of non-compliance with regulations and voluntary codes concerning - health and safety impacts of products and services, product and service information and labelling, marketing communications, advertising, promotions and sponsorships.

Also there have been no monetary significant fines and non-monetary sanctions for non-compliance with environmental, and other laws and regulations concerning the provision and use of TCL's products and services.

GRI CONTENT INDEX

IN ACCORDANCE - CORE

General Standard Disclosures

General Standard Disclosure	Page	Reference to External Assurance
Strategy and Analysis		
G4-1	3	✓
Organisational Profile		
G4-2	8, 17	✓
G4-3	7, 8, 9, 10, 11	✓
G4-4		✓
G4-5		✓
G4-6		✓
G4-7		✓

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General Standard Disclosure	Page	Reference to External Assurance
G4-8	7, 8, 9, 10, 11	✓
G4-9		✓
G4-10	86, 87, 88, 89	✓
G4-11	9	✓
G4-12	10	✓
G4-13	10	✓
G4-14	11	✓
G4-15	11	✓
G4-16	11	✓
Identified Material Aspects and Boundaries		
G4-17	11	✓
G4-18	13, 14	✓
G4-19	16	✓
G4-20	16	✓
G4-21	16	✓
G4-22	i	✓
G4-23	i	✓
Stakeholder Engagement		
G4-24	18	✓
G4-25		✓
G4-26		✓
G4-27	18	✓
Report Profile		
G4-28	i	✓
G4-29		✓
G4-30		✓
G4-31		✓
G4-32	76, 77, 78, 79	✓
G4-33	i, 80, 81	✓
Governance		
G4-34	23, 24, 25	✓
Ethics and Integrity		
G4-56	24, 92, 93	✓

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Specific Standard Disclosures

Material Aspects	DMA and Indicators	Page	Reference to External Assurance
Economic Performance	EC 1, EC 2, EC 3, EC 4	9, 10, 11, 27, 28, 29, 73, 84	Annual Report
Market Presence	EC 6	29, 73	Annual Report
Indirect Economic Impacts	EC 7	29, 73	✓
Materials	EN 1, EN 2	38, 82, 83	✓
Energy	EN 3, EN 5	38, 39, 83	✓
Water	EN 8, EN 9, EN 10	40, 41, 42, 84	✓
Biodiversity	EN 11, EN 12, EN 14	45, 46, 47, 84	✓
Emissions	EN 15, EN 16, EN 17, EN 18, EN 20, EN 21	43, 44, 45, 73, 84, 85	✓
Effluents and Wastes	EN 22, EN 23, EN 24, EN 25, EN 26	42, 85	✓
Product and Services	EN 27	45	✓
Compliance	EN 29	73, 74	✓
Overall	EN 31	85	✓
Supplier Environment Assessment	EN 32, EN 33	69	✓
Environmental Grievance Mechanism	EN 34	75	✓
Employment	LA 1, LA 2, LA 3	9, 50, 55, 86	✓
Labour/Management Relations	LA 4	74	✓
Occupational Health and Safety	LA 5, LA 6, LA 7, LA 8	31, 32, 33, 34, 35, 94, 95	✓
Training and Education	LA 9, LA 10, LA 11	51, 88	✓
Diversity and Equal Opportunity	LA 12	23, 24, 25, 54, 86	✓

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Material Aspects	DMA and Indicators	Page	Reference to External Assurance
Supplier Assessment for Labour Practices	LA 14, LA 15	69	✓
Customer Health and Safety	PR 1, PR 2	75	✓
Product and Service Labelling	PR 3, PR 4, PR 5	67, 70, 75	✓
Marketing Communications	PR 6, PR 7	68, 75	✓
Compliance	SO 8	75	✓
Supplier Assessment for Impacts on Society	SO 9, SO 10	69	✓
Investment	HR 2	52	✓
Non-discrimination	HR 3	74	✓
Indigenous Rights	HR 8	75	✓
Assessment	HR 9	75	✓
Supplier Human Rights Assessment	HR 10, HR 11	69	✓
Human Rights Grievance Mechanisms	HR 12	75	✓

[G4 32]



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INDEPENDENT ASSURANCE STATEMENT

To the Management of Tata Chemicals Limited

KPMG was engaged by Tata Chemicals Limited (TCL) to provide assurance on its Sustainability Report ('the Report') for the financial year 2013-14 in line with the "Limited Assurance" requirements of ISAE 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information by International Federation of Accountants' (IFAC) International Standard for Assurance Engagements and "Type 2, Moderate Level" assurance requirements of AA1000 Assurance Standard 2008 by AccountAbility.

Scope of assurance

The assurance has been provided for the sustainability data and information presented by TCL in its Report. Our scope of assurance included data and information for the period 01 April 2013 to 31 March 2014 based on Global Reporting Initiative's (GRI) G4 'in accordance' – Core Guidelines and other relevant sustainability guidelines or initiatives. The indicators assured are highlighted in the GRI content index of this report.

Work performed

Our work included the following procedures involving a range of evidence-gathering activities as explained below:

- Assessment and review of materiality and stakeholder engagement framework deployed at TCL.
- Review of sustainability governance framework at TCL.
- Interaction with TCL's senior management.
- Verification visits to TCL's manufacturing sites at Babrala, Haldia and Mithapur, offices at Mumbai, Noida and Pune (research centre). Video conferencing with Magadi, Kenya site.
- Review of systems deployed for collection, collation and analysis of sustainability data and information on annual basis.
- Interviews with TCL's personnel responsible for managing above-mentioned systems.
- Evaluating the Report's content to ascertain its application level as per the criterion mentioned in the Global Reporting Initiative's G4 Guidelines.
- Testing on a sample basis, the evidence supporting the data and information including interactions with sample set of stakeholders across operations.
- Review of the Report to ensure that there is no misrepresentation of disclosures as per scope of assurance and our findings.
- To assess if TCL has engaged with relevant stakeholders while developing and achieving an accountable and strategic response to sustainability.
- To assess if the Report includes material information required by TCS's significant stakeholders to be able to make informed judgments, decisions and/or actions
- To assess if TCL has appropriately responded to stakeholder concerns in line with its internal/external policies/ standards and adequately communicated these in the Report.

Our procedures selected depend on our judgment, including the assessment of the risks of material misstatements of selected performance indicators and disclosures and our assessment of the internal controls relevant to the company's preparation and presentation of the sustainability information in the Report. Our procedures were designed to gather sufficient appropriate evidence to determine that the selected performance information is not materially misstated. The Observations and opportunities for improvement identified at the sites are reported to TCL's management as part of our management report. These do not, however, affect our conclusions regarding the Report and they are consistent with the management action plans.

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Limitations and exclusions

Our assurance process was subject to the following limitations and exclusions:

- Verification of data or information related to TCL's financial performance, sourced from its audited annual reports
- Verification of any statement indicating intention, opinion, belief and/or aspiration by TCL.

Conclusion

Based on the 'work performed' in line with the 'Scope of assurance', 'Limitations and exclusions', nothing has come to our attention for us to not believe that Report meets the 'in accordance' –Core option requirements of GRI G4 guidelines on sustainability reporting and principles under AA1000APS 2008 as follows:

- Principle of Inclusivity, TCL has engaged with its significant stakeholders through formal and informal channels and the feedback of the same has been used in defining the contents of the Report.
- Principle of Materiality, TCL materiality assessment process, needs to be improved to identify material aspects in supply chain as per G4 guidelines. Though a few supply chain sustainability is identified as a material issue, TCL will need to put adequate process in place to identify, prioritise and address material aspects in supply chain with appropriate performance targets.
- Principle of Responsiveness, TCL has responded to issues raised by its stakeholders at the corporate and local levels through existing policies, management systems and a stakeholder dialogue mechanism based on a partnership approach.
- The data and information presented in the Report needs improvement in all material aspects and as per reporting principles, for the new entities included in FY 2013-14 for appropriate presentation of underlying assumptions and techniques.

Independence

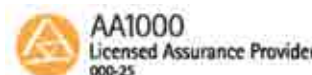
Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence.

Responsibilities

Our responsibility is to express our conclusions in relation to the assurance scope listed above. We conducted our engagement with a multidisciplinary team including specialists in ISAE 3000, AA1000AS (2008), stakeholder engagement, auditing environmental, social and economic information and with experience in similar engagements. TCL is responsible for developing the Report contents. TCL is also responsible for identification of material sustainability issues, establishing and maintaining appropriate performance management and internal control systems and derivation of performance data reported.

This assurance statement is made solely to TCL in accordance with the terms of our engagement. Our work has been undertaken so that we might state to TCL those matters we have been engaged for. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than TCL for our work, for this statement, or for the conclusions we have reached. By reading this statement, the readers agree and accept to the limitations and disclaimers mentioned above.

Santhosh Jayaram
Director
KPMG
15 November 2014



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ANNEXURE

Specific Standard Disclosures - Indicators

Economic

Aspect – Economic Performance

GRI Code	Parameter	Unit	2010-11	2011-12	2012-13	2013-14
EC1	Direct Economic Value Generated					
	a) Revenues	₹ Crores	11,156.34	14,011.08	15,128.8	16,033.415
	Economic Value Distributed					
	a) Operating costs	₹ Crores	8,377.946	10,608.369	11,916.370	14,114.400
	b) Employee wages and benefits - Employee salaries	₹ Crores	846.46	992.8	1,125.62	1,214.534
	c) Payments to providers of capital					
	Dividends to all shareholders	₹ Crores	254.760	254.760	254.760	254.760
	Borrowing cost and foreign exchange loss on borrowings (Net)	₹ Crores	350.86	511.34	631.16	737.765
	d) Payments to government - Company taxes	₹ Crores	316.25	408.42	351.017	337.282
	Minority and Associates	₹ Crores	192.57	201.92	210.11	224.339
	e) Community investments	₹ Crores	9.064	6.461	8.740	14.359
	Economic Value Retained					
	Direct economic value generated - Economic value distributed	₹ Crores	808.430	1,027.010	631.023	-864.023

Environment

Aspect – Materials

Parameter	Unit	2010-11	2011-12	2012-13	2013-14
EN 1 – Materials used by weight or volume					
Non-renewable materials					
Limestone	MT	16,63,469	17,86,128	18,45,280	17,55,459
Raw Brine for MUW	MT	24,14,189	29,79,370	41,94,506	43,29,083
Solar salt	MT	18,53,160	17,44,970	17,57,070	17,07,328
Bittern	MT	15,78,392	15,39,304	19,64,740	26,89,625
Potassium Iodate	MT	48	52	53	50

[EN 1] [EN 2]

Parameter	Unit	2010-11	2011-12	2012-13	2013-14
Sodium Sulphide	MT	12	8	11	10
Natural Gas	SM3	46,15,80,000	48,10,72,249	45,21,34,164	45,28,88,736
Naptha	MT	0	389	0	0
Phosphoric acid (purchased only)	MT	1,79,235	1,88,537	1,51,829	1,76,789
Potassium Chloride (MOP)	MT	1,58,071	1,38,035	1,05,926	1,17,509
Rock Phosphate	MT	1,22,808	1,18,772	1,62,424	1,75,607
Soda Ash/CRS	MT	10,625	937	852	859
Sulphur	MT	57,468	64,607	73,356	67,420
Ammonia liquid	MT	90,545	1,01,192	81,820	92,437
Packaging material	No.	6,75,23,829	7,25,29,437	7,49,08,952	7,64,83,867
Trona	MT	56,16,951	56,27,819	54,82,465	51,50,326
Lubricating oil	KL	278	281	265	296
EN 2 – Percentage of materials used that are recycled input materials					
Limestone as recycled input	%	63.68	66.33	69.63	73.39
Sulphur sludge	%	10.90	22.68	21.48	12.28
Sodium Carbonate	%	0.70	9.70	9.70	16.80

Aspect – Energy

Parameter	Unit	2010-11	2011-12	2012-13	2013-14
EN 3 – Energy Consumption Within the Organisation					
Total energy from fuels (Non-renewable)	TJ	31,177	33,672	33,759	35,953
Total energy from purchased electricity (Non-renewable)	TJ	531.86	532.51	494.11	497.03
Total energy from renewable sources	TJ	5.69	5.68	6.37	5.47
Total energy consumption	TJ	31,715	34,211	34,259	36,455
EN 5 – Energy intensity organisation-specific metric (the ratio denominator) chosen to calculate the ratio – production volume					
Product intensity (by Energy consumption within the organisation)	TJ/MT	0.005	0.005	0.005	0.005
Total production	MT	68,42,746	71,09,490	72,28,904	72,53,038

Aspect – Water

Parameter	Unit	2010-11	2011-12	2012-13	2013-14
EN 8 – Total water withdrawal by source					
Surface water - lake + river + oceans	KL	8,48,20,324	9,50,40,277	9,81,00,902	9,54,11,330
Ground Water	KL	66,08,570	66,59,803	65,11,999	61,03,302
Rainwater collected directly and stored by the organisation	KL	2,238	5,011	17,624	3,611
Municipal water supplies or other water utilities	KL	7,64,243	8,96,485	9,37,207	9,82,412
Total Water withdrawal	KL	9,21,95,375	10,26,01,576	10,55,67,732	10,25,00,655
EN 10 – Percentage and total volume of water recycled and reused					
Total volume of water recycled and reused	KL	7,69,16,182	9,08,00,237	9,37,69,629	9,33,01,040
Percentage of total water recycled and reused	%	83%	88%	89%	91%

Aspect – Biodiversity

Parameter	Unit	2010-11	2011-12	2012-13	2013-14
EN 11 – Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas					
Land owned	sq km	95.479	95.186	95.480	95.480
Land leased (Mithapur + Ranavav)	sq km	75.410	75.410	75.410	75.410
Land managed in protected areas	sq km	0.391	0.391	0.350	0.350

Aspect – Emissions

Parameter	Unit	2010-11	2011-12	2012-13	2013-14
EN 15 – Direct Green House Gas (GHG) emissions (Scope-1)					
Total Direct Emission (Scope-1)	MT of CO ₂ e	45,67,638	46,19,711	47,16,991	47,14,153
EN 16 – Energy Indirect Green House Gas (GHG) emissions (Scope-2)					
Total Indirect Emission (Scope-2)	MT of CO ₂ e	69,314	65,340	71,881	61,036
EN 17 – Other Indirect Green House Gas (GHG) emissions (Scope-3)					
Total Other Indirect Emission (Scope-3)	MT of CO ₂ e	1,07,188	1,08,549	1,08,338	1,07,344
EN 18 – Green House Gas (GHG) emissions Intensity					
Emissions Intensity by production (Scope-1 + Scope-2)	TJ/MT	0.693	0.674	0.677	0.673
Emissions Intensity by production (Scope-3)	TJ/MT	0.016	0.015	0.015	0.015

[EC 1] [EC 2] [EC 3] [EC 4] [EN 8] [EN 9] [EN 10] [EN 11] [EN 12] [EN 14] [EN 15] [EN 16] [EN 17] [EN 18] [EN 20] [EN 21]

Parameter	Unit	2010-11	2011-12	2012-13	2013-14
EN 21 – Nox, Sox and other significant air emissions					
Total particulate matter	MT	3,504	3,788	3,795	3,901
Total SOx	MT	6,042	7,197	6,927	6,045
NOx	MT	3,936	3,997	4,174	4,105
Total NH3	MT	777	873	703	767
Fluoride	MT	47.96	56.99	46.56	49.39

Aspect – Effluents and Wastes

Parameter	Unit	2010-11	2011-12	2012-13	2013-14
EN 22 – Total water discharge by quality and destination					
Total effluent discharge	KL	7,85,73,972	8,03,00,167	7,99,09,956	7,87,30,608
Total Suspended Solids	MT	309	231	225	272
Biological Oxygen Demand (BOD)	MT	3.56	3.15	3.75	3.18
Ammonical Nitrogen/NH ₃	MT	23.29	22.29	23.43	22.91
EN 23 – Total weight of Waste by Type and Disposal method					
Non hazardous Waste	MT	6,13,232	8,25,213	7,99,870	7,13,434
Hazardous Waste	MT	479	670	328	98
Biomedical Waste	MT	5	5	6	5
Other Waste	MT	1	3	1	35
Total Waste	MT	6,13,717	8,25,890	8,00,204	7,13,561
EN 25 – Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the basel convention² Annex i, ii, iii and viii, and percentage of transported waste shipped internationally					
TCNA	MT	0.608	0	0	0.404

Aspect – Overall

Parameter	Unit	2010-11	2011-12	2012-13	2013-14
EN 31 – Total environmental protection expenditures and investments by type					
Revenue Expenditure	₹	61,77,16,905	46,78,17,012	65,39,73,921	73,72,99,209

[EN 15] [EN 16] [EN 17] [EN 18] [EN 20] [EN 21] [EN 22] [EN 23] [EN 24] [EN 25] [EN 26] [EN 31]

LA 1 – Total number and rates of new employee hires and employee turnover by age group, gender, and region							
Category		Sub-Category	Total Employees	New Hires	Turnover	Turnover Rate	Contract Employees
Total			4,219	241	374	8.865	5,647
Age (yrs)	India	29	577	114	69	11.958	
		30 – 50	1,240	59	82	6.613	
		Over 50	1,296	3	108	8.333	
	Mithapur	29	271	11	17	6.273	
		30 – 50	513	99	24	4.678	
		Over 50	1,012	2	81	8.004	
	Babrara	29	183	49	40	21.858	
		30 – 50	181	3	21	11.602	
		Over 50	36	0	1	2.778	
	Haldia	29	52	7	0	0.000	
		30 – 50	155	2	5	3.226	
		Over 50	159	1	0	0.000	
	TCM	29	63	18	14	22.222	
		30 – 50	385	18	48	12.468	
		Over 50	101	1	23	22.772	
	TCNA	29	52			0.000	
		30 – 50	263			0.000	
		Over 50	256			0.000	
Gender	India	Male	2,985	172	243	8.141	
		Female	128	4	16	12.500	
	Mithapur	Male	1,738	108	116	6.674	
		Female	58	4	6	10.345	
	Babrara	Male	385	50	59	15.325	
		Female	15	2	3	20.000	
	Haldia	Male	358	9	4	1.117	
		Female	8	1	1	12.500	
	TCM	Male	494	21	71	14.372	
		Female	55	16	14	25.455	
	TCNA	Male	522			0.000	
		Female	49			0.000	
Region	India		3,113	176	259	8.320	4,450
	Mithapur		1,796	112	122	6.793	2,370
	Babrara		400	52	62	15.500	1,027
	Haldia		366	10	5	1.366	1,053
	TCNA		571	28	30	5.254	0
	TCM		549	37	85	15.483	1,197

Aspect – Occupational Health and Safety

Parameter	Unit	2010-11	2011-12	2012-13	2013-14
LA 5 – Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes					
% of Workforce represented in formal joint Health & Safety Committees - TCL, India	%	14%	13.9%	14.3%	17.7%
% of Workforce represented in formal joint Health & Safety Committees - TCM	%	N.A.	12.0%	12.0%	14.7%

Aspect – Occupational Health and Safety

Parameter	Unit	2010-11	2011-12	2012-13	2013-14
LA 6 – Type of injury and rates of injury, occupational diseases, lost days, and absenteeism and total number of work related fatalities, by region and by gender					
Type of Injuries - TCL, India					
Work Related Fatalities	No.	0	3	1	0
Total Lost Time Injury (LWC)	No.	12	23	11	9
Total Recordable Injury (LWC+RWC+MTC)	No.	22	38	27	23
Total Injury (FAC+MTC+RWC+LWC)	No.	70	80	60	52
Type of Injuries - TCM, TCNA					
Work Related Fatalities	No.	0	3	1	0
Total Lost Time Injury (LWC)	No.	21	33	25	21
Total Recordable Injury (LWC+RWC+MTC)	No.	69	77	62	53
Total Injury (FAC+MTC+RWC+LWC)	No.	261	248	230	242
Injury Frequency Rates - TCL, India					
Total Injury Frequency Rate (TIFR) - TCL, India	No./Mn Man-hrs	3.37	3.75	2.74	3.04
Total Recordable Injury Frequency Rate (TRIFR)	No./Mn Man-hrs	1.06	1.78	1.23	1.35
Lost Time Injury Frequency Rate (LTIR)	No./Mn Man-hrs	0.58	1.08	0.50	0.53
Injury Frequency Rates - TCM, TCNA					
Total Injury Frequency Rate (TIFR) - TCL, India	No./Mn Man-hrs	10.66	10.00	8.81	11.00
Total Recordable Injury Frequency Rate (TRIFR)	No./Mn Man-hrs	2.82	3.10	2.37	2.41
Lost Time Injury Frequency Rate (LTIR)	No./Mn Man-hrs	0.86	1.33	0.96	0.95
Occupational Disease Rate - TCL, India	No./Mn Man-hrs	0	0	0	0
Occupational Disease Rate - TCM	No./Mn Man-hrs	0	0	0	0
Lost Day Rate - TCL, India	Lost days/Mn Man-hrs	15	881	302	29
Lost Day Rate - TCM	Lost days/Mn Man-hrs	19	761	262	73
Absenteeism Rate - TCL, India	Days Absent/mandays worked	0.0011	0.0010	0.0005	0.0008
Absenteeism Rate - TCM	Days Absent/mandays worked	N.A.	N.A.	N.A.	N.A.

Parameter				
LA 11 – Percentage of employees receiving regular performance and career development reviews by gender, and by employee category				
Category / Gender	Management	Officers	Non-Management	Contractual Workforce
Male	30.95	26.87	0	0
Female	44.53	21.09	0	0

Aspect – Diversity and Equal Opportunity

Parameter				
LA 12 – Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity				
Composition of Governance bodies				
Board of directors				
Gender	Age Group (yrs)			Minority groups
	Under 30	30 – 50	Over 50	
Male	0	2	8	0
Female	0	0	0	0
Executive Committee				
Gender	Age Group (yrs)			Minority groups
	Under 30	30 – 50	Over 50	
Male	0	4	8	0
Female	0	0	0	0
Breakdown of Employees by level				
Management				
Gender	Age Group (yrs)			Minority groups
	Under 30	30 – 50	Over 50	
Male	194	567	163	0
Female	21	33	3	0
Officer				
Gender	Age Group (yrs)			Minority groups
	Under 30	30 – 50	Over 50	
Male	352	318	132	0
Female	10	14	3	0
Non-Management				
Gender	Age Group (yrs)			Minority groups
	Under 30	30 – 50	Over 50	
Male	0	297	962	0
Female	0	11	33	0

Parameter				
Breakdown of Employees by Function				
Engineering				
Gender	Age Group (yrs)			Minority groups
	Under 30	30 – 50	Over 50	
Male	233	300	432	0
Female	10	0	3	0
Sales & Marketing				
Gender	Age Group (yrs)			Minority groups
	Under 30	30 – 50	Over 50	
Male	198	282	474	0
Female	6	3	4	0
Production				
Gender	Age Group (yrs)			Minority groups
	Under 30	30 – 50	Over 50	
Male	63	229	36	0
Female	6	8	0	0
Scientists				
Gender	Age Group (yrs)			Minority groups
	Under 30	30 – 50	Over 50	
Male	4	24	2	0
Female	0	1	0	0
Support Services				
Gender	Age Group (yrs)			Minority groups
	Under 30	30 – 50	Over 50	
Male	48	347	313	0
Female	9	46	32	0

Aspect – Anti-Corruption

Parameter
SO 4 – Communication and training on anti-corruption policies and procedures
100% governance body members, employees and business partners have been communicated about the organisation's anti-corruption policies and procedures. 100% governance body members and employees received training on anti-corruption.
SO 5 – Confirmed incidents of corruption and actions taken
2 incidences of employees raising claims for amounts higher than expense incurred and once case where employee issued excess of consumables to contractor for a share in sale proceeds of the same. Services of employees in the 3 cases were terminated. No incidents related to corruption happened with business partners. There is no legal case regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases.

Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk
(Ref Annexure EN 14)

Sr.no	Common Name	Scientific name	Type	IUCN Red List
1	Eurasian Spoonbill	Platalealeucorodia	Bird	Least concern
2	Darter	Anhinga melanogaster	Bird	Near threatened
3	Painted Stork	Mycteria leucocephala	Bird	Near threatened
4	Black-necked Stork	Ephippiorhynchus asiaticus	Bird	Near threatened
5	Oriental White Ibis	Threskiornis melanocephalus	Bird	Near threatened
6	Lesser Flamingo	Phoeniconaias minor	Bird	Near threatened
7	Dalmatian Pelican	Pelecanus crispus	Bird	Vulnerable
8	Asiatic Lion	Panthera leo	Mammal	Vulnerable
9	Whale shark	Rhincodon typus	Shark	Vulnerable
10	Gugal	Commiphora wightii	Shrub	Endangered*
11	-	Montipora hispida	Coral	Least concern
12	-	Montipora monasteriata	Coral	Least concern
13	-	Montipora foliosa	Coral	Near threatened
14	-	Montipora turgescens	Coral	Least concern
15	-	Montipora venosa	Coral	Near threatened
16	-	Siderastrea savigniana	Coral	Near threatened
17	-	Coscinaraea monile	Coral	Least concern
18	-	Pseudosiderastrea tayami	Coral	Near threatened
19	-	Goniopora planulata	Coral	Vulnerable
20	-	Goniopora minor	Coral	Near threatened
21	-	Porites lutea	Coral	Least concern
22	-	Porites lichen	Coral	Least concern
23	-	Porites compressa	Coral	Least concern
24	-	Plesiastrea versipora	Coral	Least concern
25	-	Favia fava	Coral	Least concern
26	-	Favia pallida	Coral	Least concern
27	-	Favia speciosa	Coral	Least concern
28	-	Goniastrea pectinata	Coral	Least concern
29	-	Platygyrasinensis	Coral	Least concern
30	-	Hydnophora exesa	Coral	Near threatened
31	-	Cyphastrea serailia	Coral	Least concern
32	-	Acanthastrea hillae	Coral	Near threatened
33	-	Symphyllia radians	Coral	Least concern
34	-	Turbinaria peltata	Coral	Vulnerable
35	-	Turbinaria mesenterina	Coral	Vulnerable
36	-	Tubastrea aurea	Coral	-
37	-	Psammocora digitata	Coral	Near threatened

Note: Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges which deals with Corporate Governance, the definition of Independent is as under:

The expression 'independent director' shall mean a non-executive director of the company who:

- i. apart from receiving director's remuneration, does not have any material pecuniary relationships or transactions with the company, its promoters, its directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the director;
- ii. is not related to promoters or persons occupying management positions at the board level or at one level below the board;
- iii. has not been an executive of the company in the immediately preceding three financial years;
- iv. is not a partner or an executive or was not partner or an executive during the preceding three years, of any of the following:
 - a) The statutory audit firm or the internal audit firm that is associated with the company, and
 - b) The legal firm(s) and consulting firm(s) that have a material association with the company.
- v. is not a material supplier, service provider or customer or a lessor or lessee of the company, which

may affect independence of the director;

vi. is not a substantial shareholder of the company i.e., owning two percent or more of the block of voting shares.

vii. is not less than 21 years of age.

a) As per Section 149(6) of Companies Act, 2013, Independent Director in relation to company, means a Director other than managing director or a whole-time director or a nominee director, who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;

(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

c) Who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

d) None of whose relatives has or had a pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

e) Who, neither himself nor any of his relatives-

(i) holds or has held the position of key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietary or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of -

a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary, associate company; or

b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent. Or more of the gross turnover of such firm;

(iii) holds together with his relatives two percent. Or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five percent. Or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent. Or more of the total voting power of the company; or

f) Who possesses such other qualifications as may be prescribed.



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

Managing Director



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

Managing Director



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

Date: 21st May 2009

Managing Director



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

Managing Director



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



Affirmative Action Policy

Tata Chemicals Limited abides by the Tata Group Affirmative Action Policy and commits to the following:

- Tata Chemicals Limited believes in social equity
- The company adheres to the principle of equal opportunity, irrespective of caste, whether in recruitment or career advancement within the organization
- The company is also committed to directly conducting or supporting initiatives to ensure an equal footing for socially and economically disadvantaged sections in the country at large, and specifically the Scheduled Caste and Scheduled Tribe communities.
- Towards the ultimate goal of enhancing their employability and entrepreneurship abilities, Tata Chemicals Limited is committed to creating and promoting access to quality education and technical skills and competencies for members of the SC/ST communities. Further, to speedily enable these communities overcome the social discrimination that has prevented them from realizing their potential as productive members of society, Tata Chemicals Limited will assist members from these communities for employment opportunities and as business associates, provided everything else (merit for employment; cost and quality for business associates) is equal.

TATA CHEMICALS LIMITED

Date: February 14, 2011

Managing Director



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 20th 09

Managing Director



TATA CHEMICALS LIMITED

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

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

Managing Director

ABBREVIATIONS

ADAPT	Action for Downturn Alleviation of Profit in Turbulent Times	CoRE	Corporate Roundtable on Development of Strategies for the Environment and Sustainable Development	FAEA	Foundation for Academic Excellence and Access
AGM	Annual General Body Meeting			FAI	Fertiliser Association of India
AIChE	American Institute of Chemical Engineers	CPB	Consumer Products Business	FICCI	Federation of Indian Chambers of Commerce and Industry
AMAI	Alkali Manufacturers' Association of India	CPCB	Central Pollution Control Board	FSSAI	Food Safety and Standards Authority of India
AMT	Achievement Motivation Training	CRDP	Customer Relationship Development Programme	GET	Graduate Engineer Trainee
APC	Apex Policy Committee	CRS	Crushed Refined Soda	GHG	Greenhouse Gas
AQC	Apex Quality Council	CTC	Carbon Tetra Chloride	GRI	Global Reporting Initiative
ASCI	Advertising Standards Council of India	CS	Corporate Sustainability	GRIMCO	Gujarat Rural Industries Marketing Cooperative
BCSD	Business Council for Sustainable Development	CSI	Community / Customer Satisfaction Index	HACCP	Hazard Analysis Critical Control Points
BELP	Business Excellence Leaders Programme	CSPI	Corporate Sustainability Protocol Index	HAZOP	Hazard and Operability Study
BPO	Business Process Outsourcing	CSR	Corporate Social Responsibility	HDPE	High Density Poly Ethylene
BSC	Balance Score Card	CSSGM	Corporate Sustainability Steering Group Meeting	HIRA	Hazard Identification and Risk Analysis
BSC	British Safety Council	DAP	Di-Ammonium Phosphate	HOPE	Harnessing Opportunities for People Empowerment
CAT	Centre for Agriculture & Technology	EGA	Employee Growth Scheme	IC	Innovation Centre
CCEMC	Corporate Capital Expenditure Management Committee	EIA	Environmental Impact Assessment	ICRISAT	International Crop Research Institute for Semi-Arid Tropics
CCS	Customer Care System	EPM	Enterprise Process model	ICSI	Internal Customer Satisfaction Index
CDM	Clean Development Mechanism	EMP	Environment Management Programme	IFA	International Fertiliser Industry Association
CDP	Carbon Disclosure Project	ERP	Enterprise Resource Planning	IGNOU	Indira Gandhi National Open University
CFA	Carry Forward Agency	ESF	Effluent Solid Filtrate	ILO	International Labour Organisation
CFO	Chief Financial Officer	ETP	Effluent Treatment Plant	ISO	International Organisation for Standardisation
CFT	Cross Functional Team	EXCOM	Executive Committee		
CII	Confederation of Indian Industry	JMC	Joint Management-Worker Health & Safety Committee		
CO₂e	Carbon Dioxide Equivalent	FAC	First Aid Case		
CoP	Community of Practices				

ISI	Indian Standards Institute	PIPE	Personal and Inter Personal Effectiveness	SRTT	Sir Ratan Tata Trust
JMC	Joint Management Committee	PF	Pulmonary Function	SS	Support Services
JV	Joint Venture	PFI	Population Foundation of India	SSP	Single Super Phosphate
KAM	Key Account Management	PHE	Public Health Engineering	SSERC	Sweet Sorghum Ethanol Research Consortium
KSS	Knowledge Sharing Sessions	PIPE	Personal & Interpersonal Effectiveness	STPP	Sodium Tri-Poly Phosphate
LCA	Life Cycle Assessment	PMS	Performance Management System	TBEM	Tata Business Excellence Model
LTIR	Lost Time Injury (Frequency) Rate	POSH	Prevention Of Sexual Harassment	TCDV	Tata Chemicals Dayanand Anglo-Vedic
LTS	Long Term Settlement	PPC	Portland Pozzolana Cement	TCL	Tata Chemicals Limited
LTSP	Long Term Strategic Plan	PPE	Personal Protective Equipment	TCOC	Tata Code of Conduct
LWC	Lost Work Day Case	PSI	Professional Service Industries	TCSR	Tata Chemicals Society for Rural Development
MBE	Management of Business Ethics	QFD	Quality Function Deployment	TERI	The Energy Research Institute
MD	Managing Director	RC	Responsible Care	TJ	Terra Joule
MDP	Management Development Programme	RCA	Root Cause Analysis	TKN	Total K-jeldhal Nitrogen
MNP	Marine National Park	RWC	Restricted Work Case	TKS	Tata Kisan Sansar
MOP	Muriate of Potash	SA	Social Accountability	TLP	Tata Leadership Practices
MOU	Memorandum Of Understanding	SAM	Soda Ash, Magadi	TQMS	Tata Quality Management Services
MSDS	Material Safety Data Sheet	SBU	Strategic Business Unit	TRIR	Total Recordable Injury (Frequency) Rate
MT	Metric Tonne	SDM	Strategy Deployment Mechanism	TSDF	Treatment, Storage & Disposal Facility
MT	Management Trainee	SDP	Supervisor Development Programme	UK	United Kingdom
MTC	Medical Treatment Case	SDTT	Sir Dorabji Tata Trust	UN	United Nations
NABARD	National Bank for Agriculture & Rural Development	SHE	Safety, Health and Environment	UNFCCC	United Nations Framework Convention on Climate Change
NFC	Neutral Filter Cake	SHES	Safety, Health, Environment and Sustainability	UNGC	United Nations Global Compact
NGO	Non-Government Organisation	SHG	Self Help Group	US	United States
NRM	Natural Resource Management	SLA	Service Level Agreement	USA	United States of America
OD	Ozone Depletion	Sp.	Specific	VDU	Visual Display Unit
ODS	Ozone Depleting Substances	SPCB	State Pollution Control Board	VFD	Variable Frequency Drive
ODSE	Other Directly Supervised Employees	SPL	Standard Performance Level	VOC	Voice of Customer
OHI	Occupational Health Index	SPM	Suspended Particulate Matter	WASMO	Water and Sanitation Management Organisation
OHSAS	Occupational Health and Safety Advisory Services	SPOC	Single Point of Contact	WPRM	Weekly Performance Review Meeting
OPD	Out Patient Department	SRM	Supply chain Relationship Management	YOY	Year on Year



FEEDBACK FORM FOR SUSTAINABILITY REPORT 2013-14

We hope you enjoyed the opportunity to learn about us and now we want to hear what you have to say. We value your suggestions to improve our performance.

1. Meeting your information requirements pertaining to Economic, Social and Environment:

☐ Excellent ☐ Very Good ☐ Good ☐ Average ☐ Poor

2. Openness and transparency in providing information about material issues in the report:

☐ Excellent ☐ Very Good ☐ Good ☐ Average ☐ Poor

3. Clarity and ease of understanding:

☐ Excellent ☐ Very Good ☐ Good ☐ Average ☐ Poor

4. Presentation, Design and Layout:

☐ Excellent ☐ Very Good ☐ Good ☐ Average ☐ Poor

5. Suggest any other material issues and areas to be covered in the next report

Name:

Designation:

Organisation:

Contact Address:

Email:

Please email your feedback at sustainability@tatachemicals.com or write to:

Ms. Alka Talwar

Head Sustainability & Corporate Communications

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