

It's all about *Life*

SUSTAINABILITY REPORT 2012-2013



SUSTAINABILITY REPORT 2012-2013

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About The Report

This is the fourth report that is being put in the public domain by Tata Chemicals. This report covers the period 2012-2013 and is limited to India Operations. Tata Chemicals' global operations and subsidiaries are in the process of preparing their own sustainability reports. As the process matures in all the subsidiaries we will be including the information into one report in a phased manner.

This report has been prepared using the Global Reporting Initiatives guidelines (GRI-G3.1) as per application level A. We have engaged KPMG for providing independent assurance. We have been reporting every two years, however, from this year onwards we plan to report our progress every year.

Additional information on our products, processes, philosophy and approach is available on our official website:

www.tatachemicals.com

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

All information is derived from official Tata Chemicals Limited documents.



MD's Statement

Sustainability & climate change mitigation strategies are embedded into the operations at Tata Chemicals, driving holistic growth & building stronger relationships with its stakeholders. Our sustainability policy continues to guide us in this endeavour.

We have continued our focus on rural energy providing non-conventional sources of energy such as solar power lamps and lights including streetlights, energy efficient chulahs commonly known as cooking stoves and many other appliances to the rural community.

Sustainability is of prime importance to Tata Chemicals and we have continuously endeavoured to improve our performance on various aspects of sustainability. It gives me immense pleasure to present the Sustainability Report 2012-13 that provides details about our performance on Sustainability during the year.

Sustainability & Climate Change mitigation strategies are embedded into the operations at Tata Chemicals, driving holistic growth & building stronger relationships with its stakeholders. Our Sustainability policy continues to guide us in this endeavour.

Our Sustainability Strategy focuses 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. This year, as TCL begins its transformation journey to become a consumer facing specialty chemicals company, the choices continue to be low carbon, non natural resource dependent businesses. Our priority continues to be "Sustainability".

In our effort to ensure that green processes produce a large proportion of our portfolio of offerings and that we have sustainable supply chains; we have initiated an assessment of "Externalities". This is a responsible "stakeholder value-addition" performance framework which will help us redefine organizational performance calibrated with the value additions in human capital, social capital & natural capital in its operations across the supply chain. It is comprehensive, 360 degree assessment of 'stakeholder value creation'. We intend to develop valuations models for

social capital externalities based on our social interventions - community development projects, human capital externalities based on human capital creation - training for developing human capital for nation building, and natural capital externalities based on economic valuation of major impacts over lifecycle approach for business decision making.

Sustainability programs are driven at the board level by the MD under the supervision of the board through Safety, Health, Environment and Sustainability 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 company is a signatory to Responsible Care, a voluntary global initiative of the Chemical industry that demonstrates commitment and actions for safety, health and environmental management.

The Company's other major achievements include being recognized at different forums for Business Excellence, Responsible Care, Safety Management Systems, Environmental Sustainability, Corporate Social Responsibility and Corporate Communications.

The Company follows "Target Zero Injury" and "Cardinal rules of safety" and has improved its safety performance over the years to compare with the leading chemicals corporations in the world. However the fatality at our Haldia plant in the year 2012-13 has been a setback and has led to renewed emphasis on safety. Risk assessment in daily management of safety and systems are being modified to provide multiple layers of protection. Our engagement with DuPont Safety is being enhanced to further build and strengthen capability of our personnel on Process Safety Management.

We strongly believe that people are central to company's transformation and growth agenda and a crucial enabler in its journey of becoming a truly responsible global citizen. In order to attract and retain talent, and invest in our employees a number of initiatives have been launched. Appropriate Rewards & Recognition schemes, opportunities for learning & growth, wellness and employee care measures, employee-friendly HR policies and practices are being deployed across the Company. During the year, the Internal Job Posting Programme was rebranded and re-launched to offer wider opportunities for employees. A well-defined risk mitigation programme is in place to address HR related risks. The employees are encouraged to live the vision and values adopted by the Company and develop themselves as good corporate citizens. Integrity and ethical conduct is recognized and rewarded. During the year, a Global Engagement Survey was carried out and based on the findings action plans are being put in place to enhance the engagement levels in the years ahead.

Social Responsibility has been the basic premise of the existence of Tata Group for over a century. Tata Chemicals, Corporate Social Responsibility programs incorporate benchmark practices & are now adopted by others within and outside the Group. The company continues to ensure its commitment towards CSR with the establishment of the Tata Chemicals Society for Rural Development (TCSR), Uday, Okhai, Tata Chemicals Golden Jubilee foundation & the practice of Affirmative Action across the organization.

Over the past year under natural resource conservation, we worked on water conservation and drinking water programs. We saw the completion of a key irrigation project "Gomti Dam Channel"; this helped 103 farmers irrigate 628 acres of land. Other projects included a total of 2168 small water harvesting structures, 239 medium structures covering approx. 7295 acres of land. Another significant program was the land reclamation initiative that has till

date made fertile 1814.25 acres of land. We have continued our focus on rural energy providing non-conventional sources of energy to the rural community such as solar power lamps/lights including streetlights, energy efficient chulahs/cook stoves etc.

Under nature conservation we have continued to support the scientific study and conservation campaign for saving the largest fish in the world, the gentle “whale shark”. We have progressed well on the coral reef conservation and restoration project, providing an opportunity for scientists to try out different methodologies for restoration of coral reefs. We have promoted eco-clubs in the rural areas so as to make our future citizens more sensitive to environment conservation. The Govt. of Gujarat judged all three programs as a best practice under the “good environmental practice of Gujarat” program. Over and above this we also focused on afforestation i.e. mangrove plantation and have till date planted 3,99,000 mangroves at Mithapur and Sundarban.

We have also targeted building of sustainable livelihoods both on-farm and off-farm. Last year, under on-farm programs covering both agriculture and animal husbandry, we have supported more than 4000 farmers through training and other growth programs. Skill building and entrepreneurship development programs covered 1800 youth and women. Our program Okhai – Centre for Empowerment supported more than 500 women and its sales crossed Rs. 100 lakh. We continue to support our communities through our hospitals and educational institutions.

We also focus on economically and socially backward communities under our affirmative action program providing them support under the four E's: Education, Employment, Employability and Entrepreneurship.

Life Cycle Assessment (LCA) Study for key products, Carbon Footprint (CFP) and Water Footprint (WFP) Assessment for all sites were taken up. Based on these assessments we derived targets and strategy for climate change and water management. Our Mission Jal program is the strategy for addressing water footprint outcomes through the value chain.

We also focus on economically and socially backward communities under our affirmative action program providing them support under the four E's: Education, Employment, Employability and Entrepreneurship.

Our employees participate in community development programs volunteering their skills, expertise and time towards achievement of difficult social goals under the banner “HOPE”.

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

R Mukundan
Managing Director
Tata Chemicals Limited



It's all about
Life

About Tata Chemicals Limited

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

The scope of this report is however limited to the India operations only. The subsidiaries are in process of releasing their individual sustainability reports.

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.

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 fertilizers and through its subsidiaries Rallis India and Metahelix Life Sciences it has a strong position in the crop protection and seeds business respectively. TCL is also a pioneer in the customized fertilizer segment and a leading supplier of farm services and speciality products.

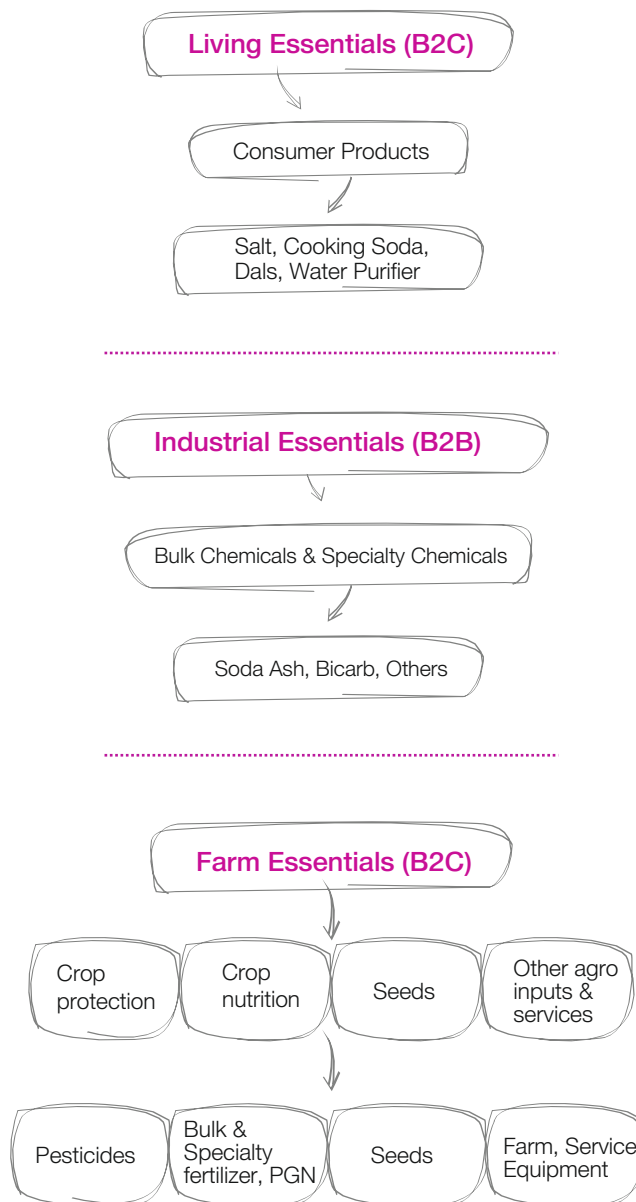
The Tata Chemicals Innovation Centre is home to world class R&D capabilities in the emerging areas of nanotechnology and biotechnology. The company's Centre for Agri-Solutions and Technology provides advice on farming solutions and crop nutrition practices. The Company's joint venture with Temasek Life Sciences Laboratory Ltd. Singapore (JOiL) is to develop jathropa seedlings to enable bio diesel capability.

Corporate Sustainability: Tata Chemicals' Society for Rural Development (TCSR) nurtures rural populations in and around the facilities, and

helps people achieve self-sufficiency in natural resource management, livelihood support through self-help groups and the building of health and education infrastructure. The company is a signatory to Responsible Care, a voluntary global initiative of the chemical industry that demonstrates commitment to safety, health and environmental issues.

Tata Chemicals Organisation Structure

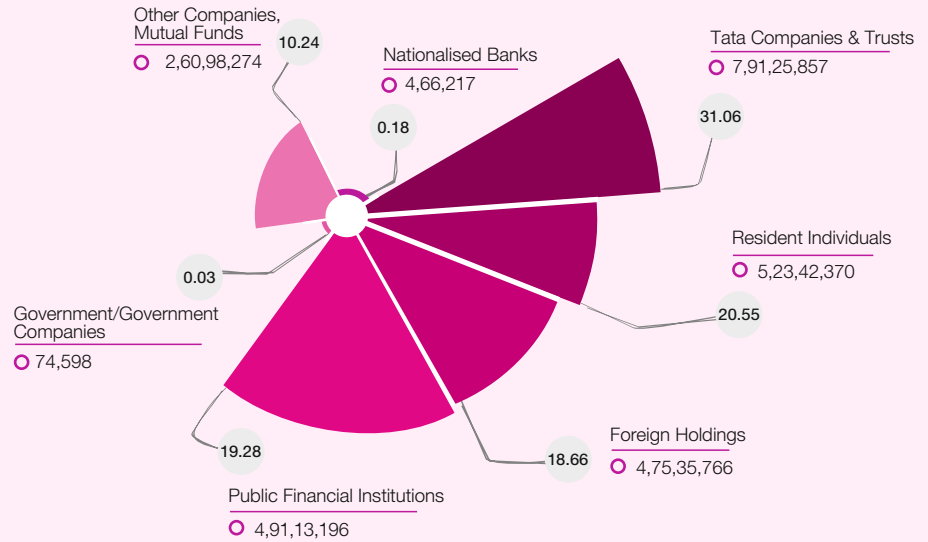
(Table – Businesses and products slide, World map with locations)



Category of Shareholding as on March 31, 2013

Nature & Ownership

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



Category of Shareholding

○ No. of Shares

Total No. of Shares **25,47,56,278**

Distribution of Shareholding as on March 31, 2013

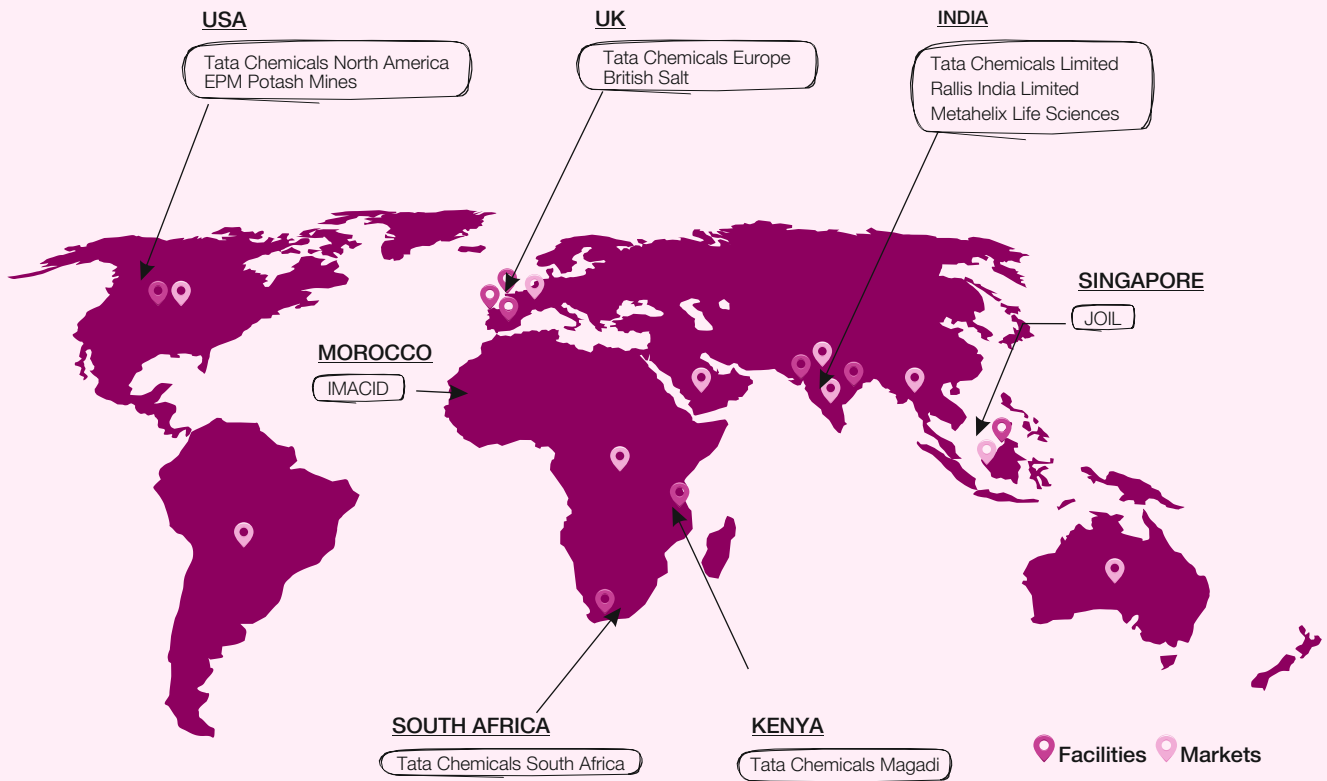
Sr. No.	Range of Holding	No. of Shares	Amount (₹)	% to Capital	No. of Shareholders	% to Shareholders
1	1 TO 500	1,98,46,130	19,84,61,300.00	7.79	177240	89.5
2	501 TO 1000	83,34,607	8,33,46,070.00	3.27	11166	5.64
3	1001 TO 2000	78,41,020	7,84,10,200.00	3.08	5462	2.76
4	2001 TO 3000	42,02,916	4,20,29,160.00	1.65	1691	0.85
5	3001 TO 4000	25,97,045	2,59,70,450.00	1.02	734	0.37
6	4001 TO 5000	20,70,654	2,07,06,540.00	0.81	453	0.23
7	5001 TO 10000	54,63,133	5,46,31,330.00	2.15	781	0.39
8	Above 10000	20,44,00,773	204,40,07,730.00	80.23	510	0.26
	TOTAL	25,47,56,278	254,75,62,780	100	198037	100

As on March 31, 2013, total number of employees in India standalone is 3118.

“Our consolidated shareholder funds for the reporting period as on 31st March 2012 and 31st March 2013 were Rs. 6,336.27 Crs and Rs. 6,413.56 Crs, while shareholder funds for standalone Indian operations were Rs. 4,935.51

Crs and Rs. 5,307.32 Crs respectively. Total consolidated sources of funds amounted to Rs.13,946.89 Crs as on 31st March 2012 and Rs.15,487.07 Crs as on 31st March 2013, while sources of funds for India operations were Rs. 8,391.27 Crs and Rs.9,148.39 Crs respectively.”

Tata Chemicals Group At A Glance



Registered Office:

Tata Chemicals Limited

Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001

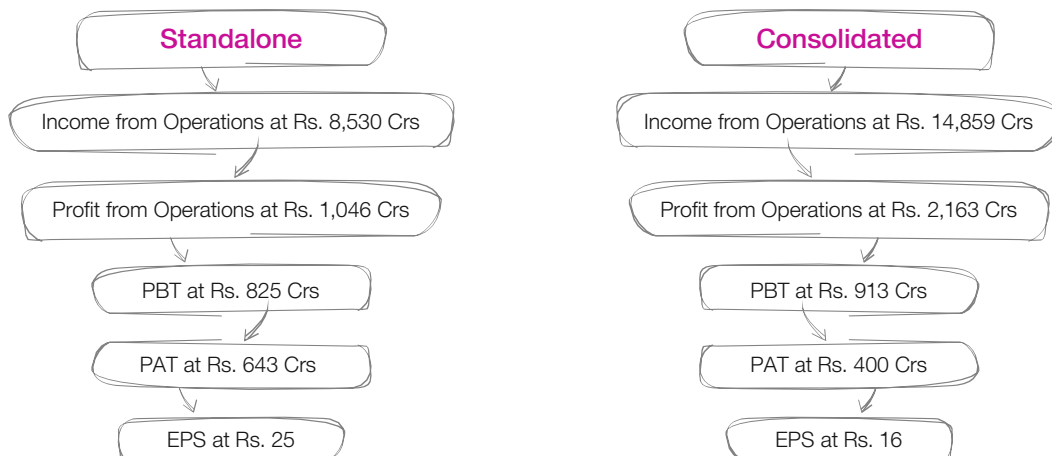
Tel: (022) 6665 8282 Fax: (022) 6665 8143 / 44

Write to: Mr. S. G. Choudhary, Chief Technology and Sustainability Officer.

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corporate_communications@tatachemicals.com

FY12-13 Standalone & Consolidated Financial





Sustainability @ Tata Chemicals

We are committed to Tata Group Philosophy of returning to society what we earn. We consciously and innovatively ensure how we can sustain our leadership in all aspects of business to return better values 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 integral part of business strategy, all efforts are made to deploy the strategy innovatively and has resulted in improved revenues & profits. Right from company's growth strategies, merger and acquisitions, to various operational excellence initiatives at site level and safety, health, human resource development at individual level are contributing to the revenue & profit growth. Some of the examples such as the cement production from solid waste and fly ash utilization at Mithapur, sale of phosphor-gypsum at Haldia, introduction of customized fertilizer is adding to the revenues. This has been further strengthened by our Innovation Centre products like Tata Swach Water Purifier.

The first step of TCL's seven-step strategy planning process includes analyzing Economic, Social & Environmental changes that may impact TCL and this includes summarizing 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.

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 Organization/associations, Complaints management, helpdesk, Conferences
	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 & 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, intranet, 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

TCL is a diverse organization and its business lines are organized 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 faced by Tata Chemicals are:

- 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 Of Government Policy
- Energy/Raw Material Security And Cost
- Increased Expectations From Stakeholders And Community

Operational excellence, access to low cost raw materials, our strong corporate brand and ability to build strong product brands (Tata TKS, Paras), robust customer engagement process & relationship and market leadership in key markets and products are our key strategic advantages that help us effectively address our challenges.

Enterprise Risk Management framework at TCL covers all business units, subsidiary operations and includes risk identification, measurement & control and reporting & review. This ensures that major business risks & opportunities are given due importance in the overall organizational governance. It helps to drive the sustainability strategy & actions while considering all aspects including leadership, headcount & skill-sets, facilities, plant & machinery which are material to achieve business objectives. This includes the sustainability objectives as per the enterprise BSC.

We have adopted the precautionary principle in our approach so as to ensure that we are sensitive to all sustainability concerns both short and long term.

Risks are identified in a combination of bottom-up and top-down exercise for each business and finally at the enterprise level. External inputs from reputed publications are also factored into the risk identification and prioritization exercise. Risks are prioritized using the Risk Impact Rating and owners are assigned for mitigation planning. The mitigation plans are arrived at considering the internal/external driving factors behind the risk and consists of steps to be taken in short term, medium term and long term as applicable.

Enterprise risks are reviewed in detail by the Management committee and by the Audit Committee of the Board periodically. Risk owners present status updates on their mitigation plans to the Audit Committee

Key Risks	Opportunities & risk mitigation actions
Continued Recessionary Pressures & increasingly volatile macroeconomic environment (Linked to the sustainability challenge regarding global demand destruction & double dip recession): Though markets & economies have begun to recover from the unprecedented turmoil witnessed in the 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 is also focusing to build on consumer centric and speciality chemicals business over long term as part of its strategy, which may position the company better to withstand the cyclical headwinds in commodity businesses.
Financial Risks (Linked to protecting the financials of the company from fluctuations in currency rates): This risk came to the fore in the recent scenario of depreciation of INR Vs USD. Volatility is now considered to be the new normal.	TCL has elaborate Treasury policy to see that foreign exchange exposures are within prescribed limits and the use of foreign exchange forward contracts is resorted to judiciously. We have a separate Risk Management Committee which monitors & helps mitigate our currency and interest rate risks.
Energy/Raw Material Security and Cost: (Linked to the sustainability challenge of securitization 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 Tata chemicals in areas of operation): As Tata chemicals is becoming a leaner organization, its capacity to provide new employment opportunities has reduced, leading to a mismatch with the 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.
People and Talent (Linked to the sustainability challenge of attracting and retaining of right skill sets for the operations and growth plans): Attracting and retaining talented employees is core to our success.	TCL has over the years embarked on several "people initiatives" to enhance the environment and help employees achieve their personal and professional goals. Work life balance is consciously perused. TCL's performance – appraisal systems are well integrated to our business objectives and help bring out the best in individuals. Investment in employees through training are constantly made to ensure we equip our employees for challenges in their roles. The efforts to strengthen township infrastructure and amenities are also a step towards making the sites more attractive for people to move to.
Safety and Environment related risks (Linked to the changes in climatic conditions (erratic rainfall) affecting 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 focusing on social and environmental issues. Towards this, the Company has set very exacting standards in safety, ethics and environmental management. The Company continues to recognize the importance of safety and environmental issues in our operations and have established comprehensive indicators to track performance in these areas. TCL values the safety of our employees and constantly raise 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 program specifically targets environment conservation. Introduction of Lupa bulkers is a pioneering step in Indian soda ash industry towards green supply chain by reducing usage of plastic packaging bags and reducing carbon footprint.

TCL's innovation centre in Pune focuses on emerging areas of nanotechnology and biotechnology to provide us means to be a green organization.

Sustainability involves triple bottom line approach and sustainability focus area involves Environment & Climate Change, Operation &

Waste Reduction, Technology & Innovation, Safety and Community Development aspects.

Based on the materiality assessment done in the year 2010 and the internal assessment of stakeholder needs we continue to work on the seven sustainability drivers.

The organization is further strengthening its materiality assessment by establishing an online process for tracking materiality concern more actively.

Cross-cutting Issues: Governance And Reporting

Materiality Mapping		
Material Issues	Sub-Issues	Key Focus Area To Address Material Issues
Human Capital	Workforce Health & Safety, Employee Engagement	Workforce Health & Safety, Employee Engagement, Training & Communication
Social Capital	Community Development Benefit Sharing, Social Investment	Collaborative Partnerships - Sustainable Development practices
	Affirmative Action	Enabling and empowering communities
Natural Capital & Environment	Resource Consumption Water Consumption, Energy Consumption	Monitoring & Measurement, Water Footprint Assessment, Green Manufacturing, Sustainable Investment
	Waste Management Solid Waste, Hazardous Waste, Spills & contamination, Liquid Discharges, Air Emissions	
	Product Stewardship	Life Cycle Assessment
	Climate Change And GHG Emissions	Carbon Footprint Assessment, CDM, Use of renewable, Sustainable Investment
Supply Chain	Health, Safety And Working Environment	Training, Technical & Financial Support
	Supply Chain Sustainability	Life Cycle Assessment, Product Stewardship

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 table given ahead. 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 Measure	KPI	Target	Achievement 2012-13	Key Action Taken 2012-13
Human Capital				
Create an environment that fosters employee well-being, achievement, innovation, learning, teamwork and ensures safety & health and minimises attrition rates				
Employee Health & Safety, Process & Workplace Safety	TRIFR/LTIR (No. per million man-hrs)	0 / 0	1.23/0.50	Formation of Safety, Health & Environment Sustainability committee of Board, behaviour based safety, Long term asset management plan, PLVP / incentives linked to safety performance
	Fatality (No.)	0	1	
	Occupational Diseases (No.)	0	0	
Employee Engagement	Employee Engagement	New --	69%	Overall - 7.1% Management - 11.3%
	Attrition Rate			
Training & Communication	Training adherence as per TNI	75%	82%	Introduced e-learning platforms, strengthened training need identification, Communication on TataChem Golden Safety Rules (Safety Almanac) Launch of Safety Mascot "BEE Safe"
	Training days per employee	--	4.5	
	Safety training	2.01	2.01	
Social Capital				
Investments in sustainable & "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 & impact				
Sustainable Development practices	Tata Corporate Sustainability Protocol Index	850	783	Additional focus on rural energy, Enhanced engagement process and impact assessment of programs
	Community Satisfaction Index	> 4	3.98	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.
Natural Capital and Environment: Product Stewardship				
To understand and work for minimizing 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 Agrarian model completed LCA for fertilizers and also completed LCA of most of chemicals. Started cost analysis for various impacts related to Urea on pilot scale
Natural Capital and Environment: 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				
Climate Change	Emission Intensity (MT of GHG per MT of products) - reduction by 2020 over the baseline of 2008	20% by 2020	Emission Intensity - 0.686 8.7% reduction in emission intensity for fertilizer business	3 CDM projects registered and 44,942 MT Certified Emission Reductions (CERs) earned so far. Wind power is used for Mithapur township supply. Installation of solar geysers in township at Babrala. Supported Tata Power for installing and commissioning of 25 MW Solar PV Power plant at Mithapur. Biomass in the form of rice husk, peanut shell is incorporated along with coal at Haldia.
Natural Capital and Environment: Sustainable Manufacturing				
(1) Reduce specific energy/water consumption to below comparable global benchmarks & best achieved in the past (2) Reduce				

Focus Area & Key Measure	KPI	Target	Achievement 2012-13	Key Action Taken 2012-13
water & 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 & safe disposal				
Sustainable Manufacturing	Green Manufacturing Index (%)	5	1.7	<ol style="list-style-type: none"> 1) Urea production - benchmark amongst Indian fertilizer 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 3000 rural households for Tata Swach which does not require electricity or running water for its operations. 3) Water footprint assessment for Blue, Green and Grey water footprint and sustainability assessment for use of shared water resources. Rain water harvesting projects at all 3 sites. Continued watershed development and management programs at Mithapur. 4) Salt pans at Mithapur, limestone mining at Ranavav, Urea plant at Babrala, DAP/NPK fertilizers at Haldia are zero process solid waste facility. Valid permissions for reutilizing hazardous waste are granted by CPCB. 100% utilization of Fly ash. Soda Ash effluent solids consumption in cement has reached the level of 36.14%. Lowest SO2 emission from sulphuric acid plants. 5) Reutilization of about 95% primary packaging (salt). Reduction in packaging waste (salt) 10% (FY-11-12 0.41%). Introduction of German designed Lupa Bulklers for transportation of soda ash.
Supply Chain Sustainability				
Establish social & environment standards (covering safety, working conditions, skill, well-being, GHG and other emissions, water/energy consumption) for supply chain (material and services etc.) Ensure compliance amongst key suppliers				
Supply chain Sustainability	RC 14001 certification for Babrala and Haldia. Development of supplier sustainability code. Sustainability focusing Joint Business Development Plan with customer. SHE reviews of CFAs. Water footprint of supply chain from secondary data sources			
Sustainability Investment				
Investment in renewable material, energy, low carbon products, water, agribusiness & green chemistry, safety, health, environment, employee welfare initiatives				
Sustainability Investments	Rs. 69 Cr which is 15% of total capital investment Rs. 9 Cr towards community investments			
Governance: Reporting on Sustainability				
Reporting on Sustainability: Transparent communication of performance to internal/external stakeholders				
Governance: Reporting on Sustainability	External – Annual Report, TCSR Report, Bi-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

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 entered into 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(l) (C)

(ii) across all the companies in which he 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 & non statutory committees of Board and its term of reference as on March 31, 2013 is shown in annexure: As of now all the Board Members are male and the Company does not have any female director or Minority Director.

The Board structure as on March 31, 2013 was as under:

Category of Directors	Number of Directors	Percentage to the Board
Executive (including Managing Director)	2	18%
Independent, Non-Executive	6	55%
Non-Independent, Non-Executive (Including Chairman)	3	27%

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.

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 2012-13). The various committees of 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.
- 2) **Remuneration Committee:** The role of the Remuneration Committee (non-statutory) is to review market practices and to decide on remuneration packages applicable to the Managing Director and the Executive Director & CFO and retirement benefits to be paid to them under the Retirement Benefit Guidelines approved by the Board. During the course of its review, the Committee also decides on the commission of the Directors and/or other incentives payable, taking into account the individual's performance as well as that of the Company.
- 3) **Shareholders'/Investors' Grievance Committee:** The shareholders'/investors' grievance committee specifically ensures redressing of investor's/stockholders complaints and requests.
- 4) **Executive Committee of the Board:** The Executive Committee of the Board (non-statutory) review business strategy, long term financial projections & cash flow, capital and revenue expenditure, acquisition/divestments and business restructuring proposals, senior management succession planning.
- 5) **Nomination Committee:** The Nomination Committee (non-statutory) ensures the right composition of the Board and its Committees. The selection of Governance Board members is done by the nomination committee based on criteria related to the specific requirement of expertise, independence and execution.

- 6) **Ethics and Compliance Committee:** The Ethics and Compliance Committee (Non-Statutory) set forth policies relating to and oversee the implementation of the Insider Code and decide penal action for violation of the Regulations/the Code if any.
- 7) **Safety, Health, Environment and Sustainability Committee:** The Safety, Health, Environment and Sustainability (SHES) Committee of the Board (non-statutory) was constituted on March 27, 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.

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 victimization 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, 1956 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 simple majority and (2) Special Resolutions which are required to be passed by 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 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 Board, Remuneration Committee ("Committee")

considers the performance of the Company, the current trends in the industry, their experience, past performance and other relevant factors. The Board/Committee regularly keep 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 Rs. 20,000 for every Meeting of the Board or the Committee attended (except for Shareholders'/Investors' Grievance Committee, Ethics and Compliance Committee and Nomination Committee where the sitting fee is Rs. 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 69th Annual General Meeting of the Company held on August 4, 2008, 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.

Avoiding Conflict Of Interest

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. The Company, through its Board and Committees, endeavours to strike and deliver 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 (as per Clause 49 of the Listing Agreement) have affirmed compliance with the respective Code of Conduct. A declaration to this effect signed by the Managing Director (CEO) forms part of the Annual Report.

Determining the Composition of the Board

The Board has a Nomination Committee which makes recommendations to the Board for composition of the Board. The Composition and Terms of Reference of the Nomination Committee is given on Page No 57 & 58 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 (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 strike and deliver the highest governing standards for the benefit of its stakeholders. All the Codes are strictly implemented and any violation of the same is reported to the Authorities. TCoC is applicable to each and every Tata company's directors and employees; 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 focus on improving work place safety continues to be top priority in all operations. All sites in India are certified to OHSAS 18001, ISO 14001 and BSC 5 Star Safety Rating. The Babrala and Haldia operations are certified to Responsible Care RC 14001. Additionally BSC 5 Star rating for Environmental Sustainability and BSC 5 Star rating for Environmental Management is achieved by Babrala and Haldia respectively. The Company has complied with environmental

consent conditions at all its locations. 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 Indian Chemical Council.

Board Oversight On Sustainability Performance

The Audit Committee and the SHES Committees of the Board specifically review and oversee 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.

Board Of Directors

★ Mr. Cyrus P. Mistry
(Chairman)

★ Mr. R. Gopalakrishnan
(Vice Chairman)

★ Mr. Nusli N. Wadia

★ Mr. Prasad R. Menon

★ Mr. Nasser Munjee

★ Dr. Yoginder K. Alagh

★ Dr. Vijay L. Kelkar

★ Mr. E. A. Kshirsagar

★ Dr. Y. S. P. Thorat

★ Mr. R. Mukundan
(Managing Director)

★ Mr. P. K. Ghose
(Executive Director & CFO)

Audit Committee

Mr. Nasser Munjee
(Chairman)
Mr. R. Gopalakrishnan
Dr. Yoginder K. Alagh
Mr. Eknath A. Kshirsagar

Executive Committee of the Board (ECOB) (Non-Statutory)

Mr. Cyrus P. Mistry
(Chairman)
Mr. R. Gopalakrishnan
Mr. Nusli N. Wadia
Mr. Prasad R. Menon
Dr. Yoginder K. Alagh
Mr. R. Mukundan
Mr. P. K. Ghose

Shareholders/Investors Grievance Committee

Dr. Yoginder K. Alagh
(Chairman)
Mr. R. Mukundan

Remuneration Committee

Mr. Nusli N. Wadia
(Chairman)
Mr. Cyrus P. Mistry
Mr. R. Gopalakrishnan
Mr. Nasser Munjee

Nomination Committee (Non-Statutory)

Dr. Yoginder K. Alagh
(Chairman)
Mr. Cyrus P. Mistry
Mr. R. Gopalakrishnan

Ethics & Compliance Committee (Non-Statutory)

Dr. Yoginder K. Alagh
(Chairman)
Mr. R. Mukundan

Safety Health Environment and Sustainability Committee (SHES) (Non-Statutory)

Mr. Prasad R. Menon
(Chairman)
Mr. Nasser Munjee
Dr. Y. S. P. Thorat
Mr. R. Mukundan

★ Executive Director

★ Non-Independent, Non-Executive Director

★ Independent & Non-Executive Director

Board of Director - Governance Structure



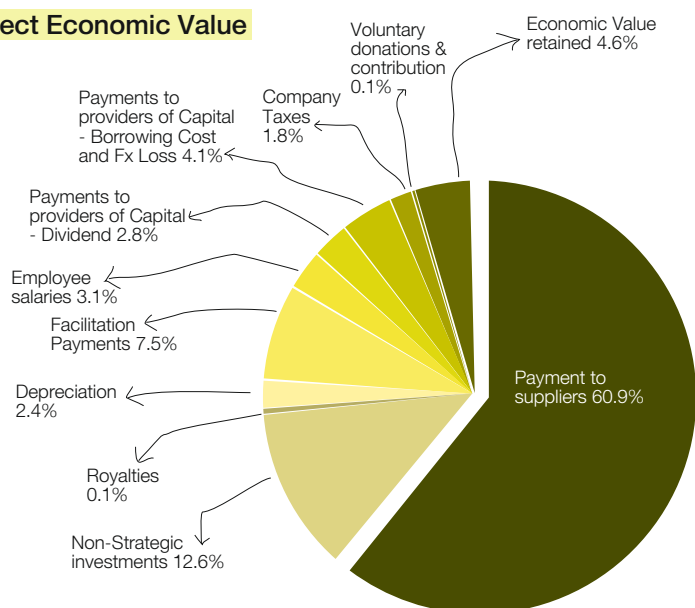
Economic Performance

The overall economic performance of Tata Chemicals for the financial year 2012-13 is discussed here as under.

Finance and Value Based Management

In the year 2012-13 total income (excl. non-operating income) increased by Rs. 528 crs from Rs. 7913 crs in 2011-12 to Rs. 8,441 crs. This represents a 6.7% growth over the previous year. The Direct Economic Value generated in the year 2012-13 was Rs. 8,943 crores.

Direct Economic Value



Profit Before Taxes

Compared with the previous year, profit before taxes increased by Rs. 97 crores to Rs. 994 crores in 2012-13. Beside this, the return on capital employed was 17.8% in FY 2012-13.

Earnings Per Share

The Earnings per share (basic) in 2012-13 was Rs. 25.25 in 2012-13 compared to Rs. 23.03 in the previous year.

Appropriation of Profit

In the year 2012-13 TCL achieved a profit after tax of Rs. 643.32 crores (increase by 9.7% as compared to PY). At the Board Meeting held on 27th May 2013, the Board of Directors recommended a dividend payment of Rs. 10 per qualifying share. The total dividend payable (including dividend tax) on qualifying shares for the financial year 2012-13 will amount to Rs. 294 crores.

Balance Sheet Structure

In the year 2012-13 our total assets increased by Rs. 306 crores.

- Trade accounts receivable increased by Rs. 994 crores in the year. On March 13 end receivables was Rs. 2485 crores (as compared to PY of Rs. 1490 crores). The increase was primarily on account of Government subsidy outstanding which have gone up by Rs. 586 crores.
- Non-current investment came down to Rs. 3962 crores in 2012-13 as compared to Rs. 4614 in 2011-12.
- On liability side, long term borrowings came down to Rs. 1073 crores from Rs. 2202 crores in the previous year.
- However, short term borrowings increased to Rs. 1,384 crores in 2012-13 compared to Rs. 257 crores in 2011-12. Subsidy receivable at Rs. 1753 crores as on 31st March 2013 as compared to Rs. 1,167 crores in March 2012.

Net Cash

Cash and cash equivalents balance increased to Rs. 1092 crores in March 2013 from Rs. 892 crores in the previous years.

Statement of Cash Flows

Cash from operating activities was at Rs. 298 crores during 2012-13 on account of a significant increase in the trade receivable cycle.

In 2012-13, net cash generated from investing activities was Rs. 819 crores and Rs. 321 crores was used in financing activities.

Employee Benefits

Our employees are covered through various employee benefit plans that include: provident fund, pension schemes, gratuity, superannuation, family benefit scheme etc. Total contribution to Provident fund and other funds was Rs.13.60 crores. Other benefits provided are detailed in the Employee Investment section.

Wages to be offered to an employee are mentioned in respective State Factory Rules". We have fixed minimum entry level wage as the full time wage offered to an employee in the lowest permanent employee category. During the year Rs. 274 crores were incurred over payments and provision for employees, an increase of 14% over the previous year.

Local Supplier and Employment

The Organization has a diverse workforce and is an equal opportunity employer. There is no specific practice for the preference of local residents in the management cadre. However, efforts are made to recruit from across the country especially from underrepresented communities e.g. the northeast part of India. Same principle of equal opportunity is applicable for the selection of suppliers and vendors irrespective of local or not. In this case 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 & 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 Rs. 2421 crores was accrued towards subsidies for the fertilizer 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 programs are available in the community investments section.



Safety

Safety is one of our core values at Tata Chemicals and we are committed to continually improve the safety performance by targeting “Zero injury”, through world class safety practices related to behaviour safety and process safety. Our safety culture empowers our employees to speak up for safety improvements. In 2013-14, we will be broadening the “Zero Injury” approach as “Target Zero” with an emphasis on creating a zero (injury) mindset and zero harm.

TCL also has a Board level Committee called the SHES Committee (Safety, Health, and Environment & Sustainability) to provide oversight and provide valuable direction and guidance to the Management to ensure that SHE&S implications are duly addressed in all new strategic initiatives, budgets, audit actions and improvement plans. The senior leadership plays a critical role in encouraging positive attitudes

towards safety and help in creating an environment that fosters safety culture, by setting the direction, establishing clear and transparent policies like SHE Policy Corporate Sustainability, Responsible Care, Cardinal Rules of Safety, TataChem Golden Rules of Safety etc.



**Integrated Approach to Safety Culture
Target ZERO (Zero Mindset/Zero Harm)**

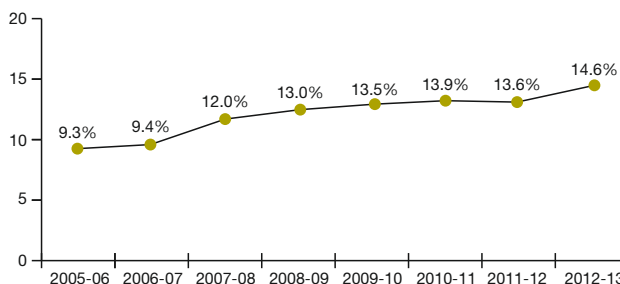
Formal Joint Management for Safety

We have, over the years, witnessed a transformation from 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. Safety performance is linked with individual Performance Linked Variable Pay/ incentives. TCL ensures conscious effort for an active engagement of workforce in promoting safety and achieving safe and healthy work environment.

Formal committees like works/central safety committee, plant/department safety committee, canteen committee and wellness committees are formed, which operate at different levels in the organization and are joint forums of Management & Non-management employees with inclusion of contract workmen, to better understand the safety issues and facilitate the implementation of good practices and to adopt the culture of safety for a better workplace. Few of the indicative topics dealt by such committees are correct safety hazards identification, evaluation and 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 journey of inclusiveness with an increase in percentage of the total workforce represented in formal joint management-worker health & safety committees for all the 3 locations of Tata Chemicals, which is 14.6% for the year 2012-13.

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



Apart from committees having joint representations, there are several 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&S-S review teams; subject matter experts on safety working for developing and deploying health & safety related management system etc. We are trying to encourage employee participation in improving health and safety performance and are targeting to achieve 100% participation of employees at individual and/or team level.

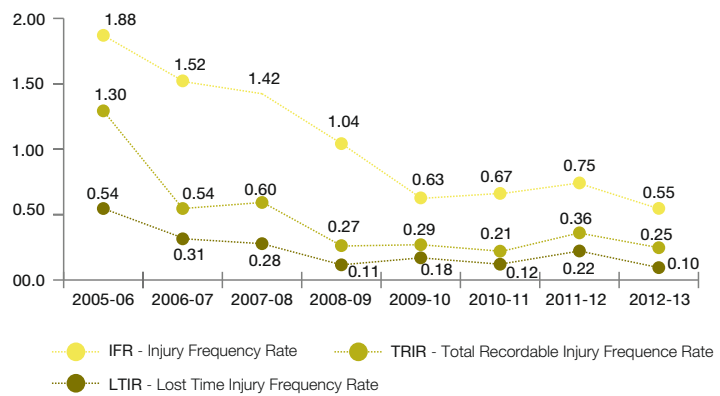
Injury, Occupational Diseases, Lost Days And Absenteeism And Work Related Fatalities

Safety requirements implemented at site are in line with Chemical and Fertiliser industry standards, driven by our well-articulated Safety, Health & Environment policy Integrated Management System. We have learnt and adopted good practices from Du-Pont, Responsible Care, British Safety Council, Robert W. Campbell and deployed the same in our organization. Cyclical performance in injury statistics and fatalities at our Mithapur and Haldia plant in last few years is a major area of concern and introspection. We have decided to broaden our Zero Injury approach to "Target Zero" – zero (injury) mindset and zero harm with renewed focus on workforce training and capability building program, and organizational communication, to strengthen our safety practices like: behavioural based safety, cardinal rules and its consequences management system, golden rules of safety for high risk activities, process safety management, asset integrity and reliability central maintenance practices, contractor safety management, management of change, audits & inspections etc.

To monitor and track our health and safety performance in line with Long Term Sustainability

Plan and sustainability targets, we have identified appropriate lead and lag indicators like injury - number of First Aid Cases (FAC)/Medical Treatment Cases (MTC)/Restricted Work Cases (RWC)/Lost Time Incidents (LTI) and injury frequency rates – LTIR, TRIR, IFR, accident free man hours, reporting of near-misses and Behaviour Based Safety observations & its closure, SHE training man days, employees covered under health check-ups and Employee Health Index, etc. The reports, records, and notification of workplace accidents, are in line with the prevailing national laws (The Factories' Act and Rules), which are in line with the ILO Code of practice.

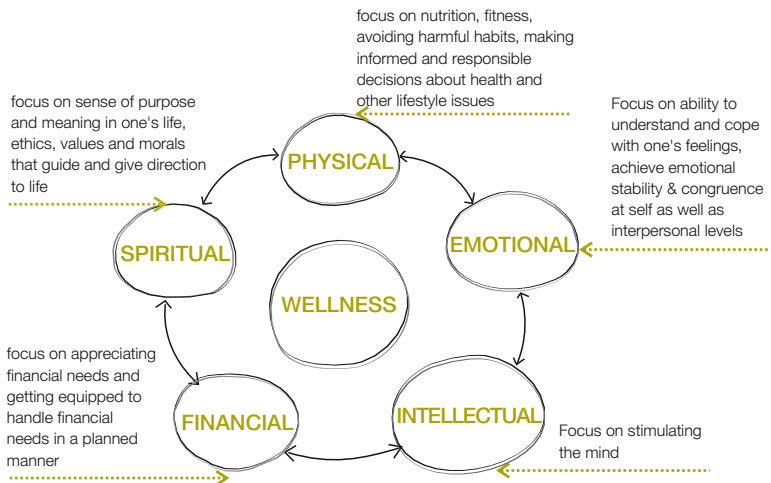
Injury Rate (No. per 2.0 Lakh Man-hrs)



In 2012-13 we had one fatality at Haldia related to asset integrity issue. However, there is an overall reduction in accident frequency rates (including contractor incidents). IFR (LWC+MTC+RWC+FAC) has reduced by almost 71% and TRIR & LTIR have reduced by 81% in the last 7-years. There are no recorded occupational diseases and occupational diseases rate is 0.

Education, Training, Counselling And Prevention Of Diseases

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



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

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

Ergonomic surveys are conducted from time to time for issues like work place lighting and safe working postures. Action plans are finalized 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 well-being.

Medical facilities are ensured at all the sites and we also have tie ups with other hospitals for specialized medical facilities. The employees and their families are reimbursed for medical health treatments. Since 2009-10 Wellness Initiative has been launched for employee and employee families as well as the community.

Health And Safety In Formal Agreements With Trade Unions

Locations where trade unions are present there is formal agreement between management and trade unions covering safety & health topics. It includes the topics like personal protective equipment, joint management-employee health and safety committees, participation of worker representatives in health and safety inspections, audits, and accident investigations, training and education, complaints mechanism, right to refuse unsafe work, etc. The agreement also includes topics such as compliance with "The Factories' Act and Rules", which is in line with the ILO guidelines along with, arrangements or structures for resolving problems, and commitments regarding targets, performance standards and level of practice.





Environment

Environmental sustainability principles in overall operations and planning are an integral part of organizational 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.

Resource Conservation

Major raw materials used by the organization are Natural gas, Limestone, Sea salt, Ammonia, Phosphoric acid, Potassium chloride, Rock phosphate and Sulphur for the manufacture of our wide product range.

Our basic philosophy is a focus on effective integration of resource optimization, use of alternative sources and maximization of “recycle and reuse” through continuous improvement and innovation. In this context, we have initiated various operational excellence programs that include periodic technical audits (operational efficiency, Energy, Water) 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 in 2012-13 we have replaced 69% of virgin chemical grade limestone with recycled materials like limestone fines, fly ash, effluent solids. Within the last 5 years, we have improved material recycling by around 10% in the cement plant. A lot of pioneering innovative works 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, 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.

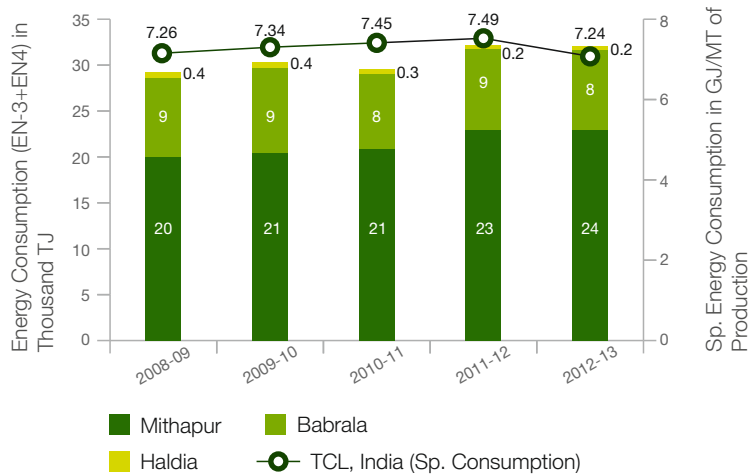
The process solid waste generated at Haldia is completely reused/recycled within the plant. Many innovations are tried out in Haldia to improve productivity and recyclability of waste material. 100% of phospho-gypsum generated is sold as by-product. The Sulphur sludge generated in Sulphuric acid manufacturing 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. Utilization of molten Sulphur, a neighbouring refinery by-product is sourced through specially designed steam jacketed tankers directly. Utilization of molten Sulphur reduces equivalent quantity of imported Sulphur from Middle East countries.

Energy & Water Conservation

Along with material conservation, energy and water conservation are also of prime importance for future sustainability, which results in the need to improve efficiencies in operations. Direct and indirect sources of energy for various manufacturing processes include pet coke, coal, natural gas, naphtha, furnace oil, diesel, coking coke and grid power, etc. (CE-01).

CE-01 Energy Consumption (EN-3+EN4)



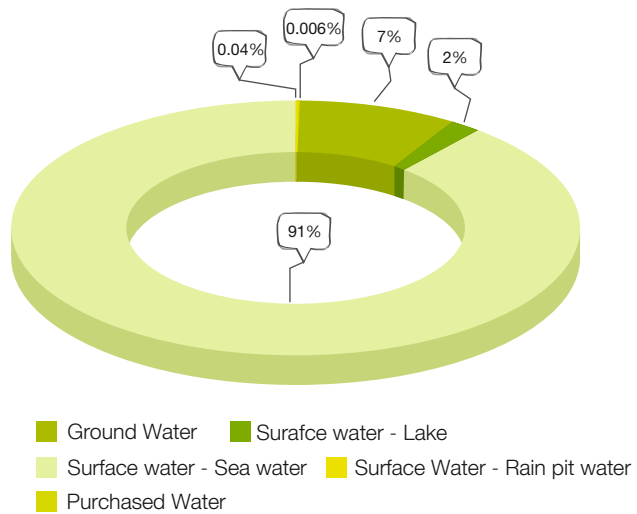
The fertilizer production at Babrala and cement production at Mithapur fall under a newly initiated scheme: Perform, Achieve & Trade (PAT) scheme. This is aimed at improving energy efficiency of energy intensive industries in India under section 14 of the Energy Conservation Act. Baseline has been established and targets identified for each associated industries as per past performance. According to the PAT baseline study, the fertilizer 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 14-15 and will be conducted in March-15. We have identified energy efficiency improvement projects to achieve the same. Both the plants have 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 of sulphuric acid plants. At all the three locations we have implemented various energy efficiency improvement projects like installation of variable frequency drives, power saving devices, energy efficient lighting to name a few.

We ensure all new electrical purchases are energy efficient. We also focus on reliability centred maintenance practices and have a long term asset management plan to ensure energy conservation. Through our various energy conservation programs we have achieved around 465 TJ total energy savings over a period of last 5 years which is 0.30% of total energy consumption during the period. Though manufacturing of Chemicals & Fertilizers are energy intensive processes and primarily depend on the non-renewable energy sources, we have initiated use

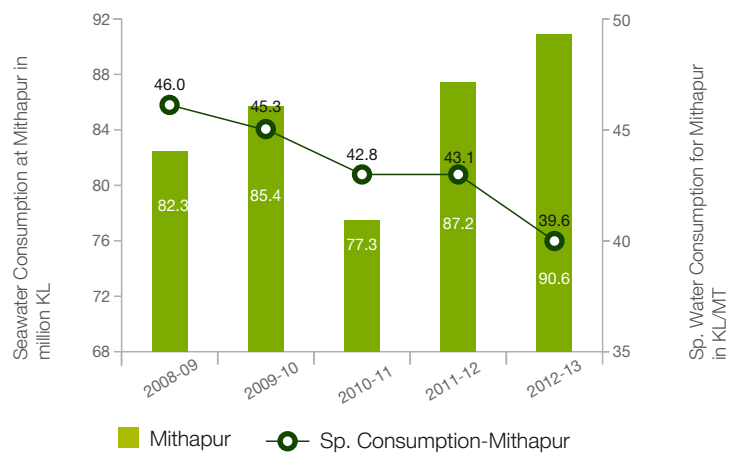
of renewables by utilizing solar energy & wind power at Mithapur, solar heaters for domestic water heating at Babrala and biomass incorporation along with coal gasifier at Haldia, which has resulted in sourcing of around 28.9 TJ of energy from renewable sources including biomass in last 5 years.

Water is a key natural resource and is gaining prime importance from scarcity/availability – quantitative and pollution – qualitative point of view throughout the world. In 2012-13 we carried out a detailed Water Footprint and Sustainability Assessment as per the Water Footprint Network-Netherlands methodology. Direct product water footprint and site water footprints were established for Blue, Green and Grey Water. We have also attempted to carry out supply chain - indirect water footprint using data from secondary sources as available in public domain. Under sustainability assessment, water being a local issue, we are trying to ensure sustainable use of this shared resource. At Mithapur, we have eliminated ground water use through various means of internal generations of freshwater and use of seawater. In fact, for Mithapur, major source of water is seawater contributing to on an average 98% of external withdrawal for Mithapur location, which reflects as overall contribution of 91% for TCL, India. External dependency for Mithapur freshwater is mostly met through a rainfed Lake. (The actual average contribution for past 5 years from external water sources for TCL, India is given in CE-02). The initiatives to ensure water sustainability in watershed and community are detailed in the Community Support section.

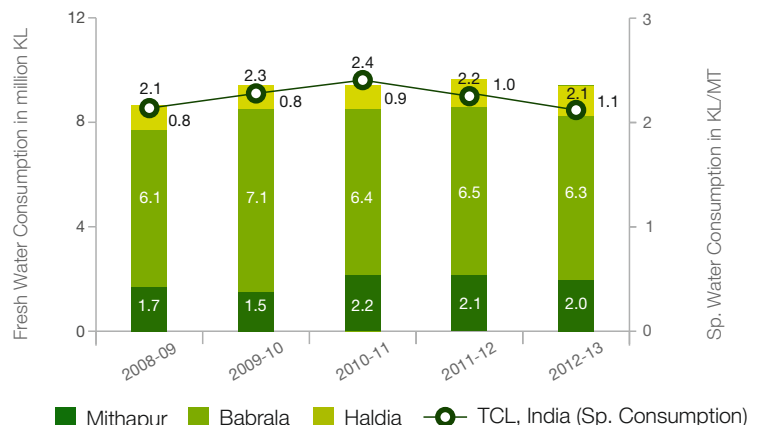
CE-02 Average Contribution of External Water Sources in Total Water Withdrawal



CE-03 Seawater Consumption at Mithapur (EN-8)



CE-04 Freshwater Consumption (EN-8)



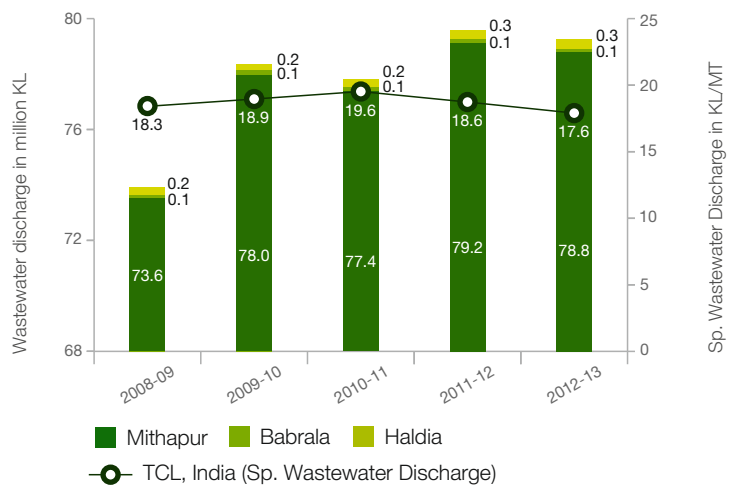
Waste Management

Waste management has become a part of the plant operations and disposal of various types of wastes have been done as per the protocols documented in ISO system in line with the prevailing regulatory requirement.

Emissions to Air: Emission to air comprise of particulates, SO_x, NO_x, NH₃, fluoride and particulate matter. The average specific emissions are about 1.11 kg per ton of production for last 5 years. All the sites are equipped with appropriate air pollution control system.

Wastewater Discharge: With respect to 2008-09, we have reduced our specific wastewater discharge by 2.7%. In the area of waste water recycling and reuse, we have pioneered recycling of water by integrating various manufacturing operations; recycle of condensate as boiler feed water at Mithapur & Babrala, using treated effluent containing nutrients for horticulture at Babrala and the use of regeneration streams in scrubbers at Haldia, etc. The ratio of effluent generation to grey water footprint is 1:0.45. Treated effluent quality in final discharge has been maintained well below the statutory norms at all manufacturing sites.

CE-05 Wastewater Discharge (EN-21)



Solid Waste: Under waste to wealth initiative we have installed cement plant at Mithapur which consumes almost 66% of solid waste generated in manufacturing of soda ash and other products within the Mithapur complex. We manage our hazardous wastes by proper collection, handling, storage and disposal to registered recyclers or authorized TSD (Treatment, Storage & Disposal Facility) to ensure they are disposed off safely. Adequate financial resources are provided for treatment and disposal of wastes, treatment for emissions, and insurance costs.

A cumulative expenditure of Rs. 2431 million in last 5 years was accounted across the three locations and was spent towards environmental protection.

Responding To Climate Change Concerns

Tata Chemicals' sustainable enterprise strategy has always focused on green technologies and uses clean development mechanisms. Tata Chemicals has embarked upon a climate change policy that includes mapping carbon footprint and creating an abatement strategy for sustainable manufacturing. It has adapted its businesses to become energy-efficient and use less water, and is innovating with new chemicals and fertilizer products and agri-services for carbon conscious growth.

In absence of mandated carbon emission cuts, a company can choose from several options for

voluntary/certified emission reduction targets. TCL chose 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 goal of 20% reduction in emission intensity by 2020, and to achieve it drew up 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. The carbon abatement measures were chosen on the basis of the techno-commercial feasibility of implementation, maturity and availability of technologies and the magnitude of emissions reduction. We actively monitor our existing products and services and also invest in developing climate friendly new products through innovation and research. We have also explored CDM opportunities and have registered projects for GHG reductions with UNFCCC.

Climate Change Framework for Strategy Development, Deployment and Review

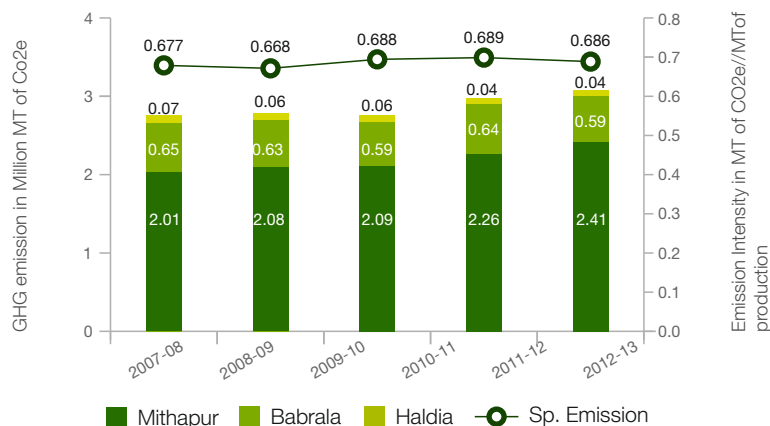
- Board Level Safety, Health, Environment & Sustainability (SHES) committee to review performance and sustainable investments.
- Corporate Sustainability Steering Group to monitor and review the plans.
- Chief Technology & Sustainability Officer with the help of climate change champions and sustainability stewards ensures that implementation is cascaded across the company's manufacturing units and supply chains and track progress on carbon abatement measures through a carbon-focused dashboard with the help of key performance indicators.
- In order to make climate change and sustainability part of the organizational 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

We have managed to reduce 32508 MT of GHG emissions in last 5 years through our energy efficiency and process emission reduction initiative. At fertilizer manufacturing facilities Babrala and Haldia, we have reduced emission intensity by 8.7% with respect to our baseline performance of 2007-08. While at Mithapur it has increased by 1.8% but we have plans to reduce it by 2020.

Conservation of Biodiversity

Tata Chemicals owns about 318 sq. km area and out of which 0.35 sq. km area at Mithapur has been categorized under Marine National Park (MNP) and forests. In Mithapur plant, brine is transferred through pipeline, which passes through MNP, and treated effluent is discharged into sea through an open channel. We conduct EIA studies to assess the impacts of its operation on nearby biodiversity and surrounding environment. The findings of study illustrates that no significant negative impact has been observed on the native flora and fauna. While operating in harsh ecological conditions/semi-

CE-06 GHG Emission (EN-16)



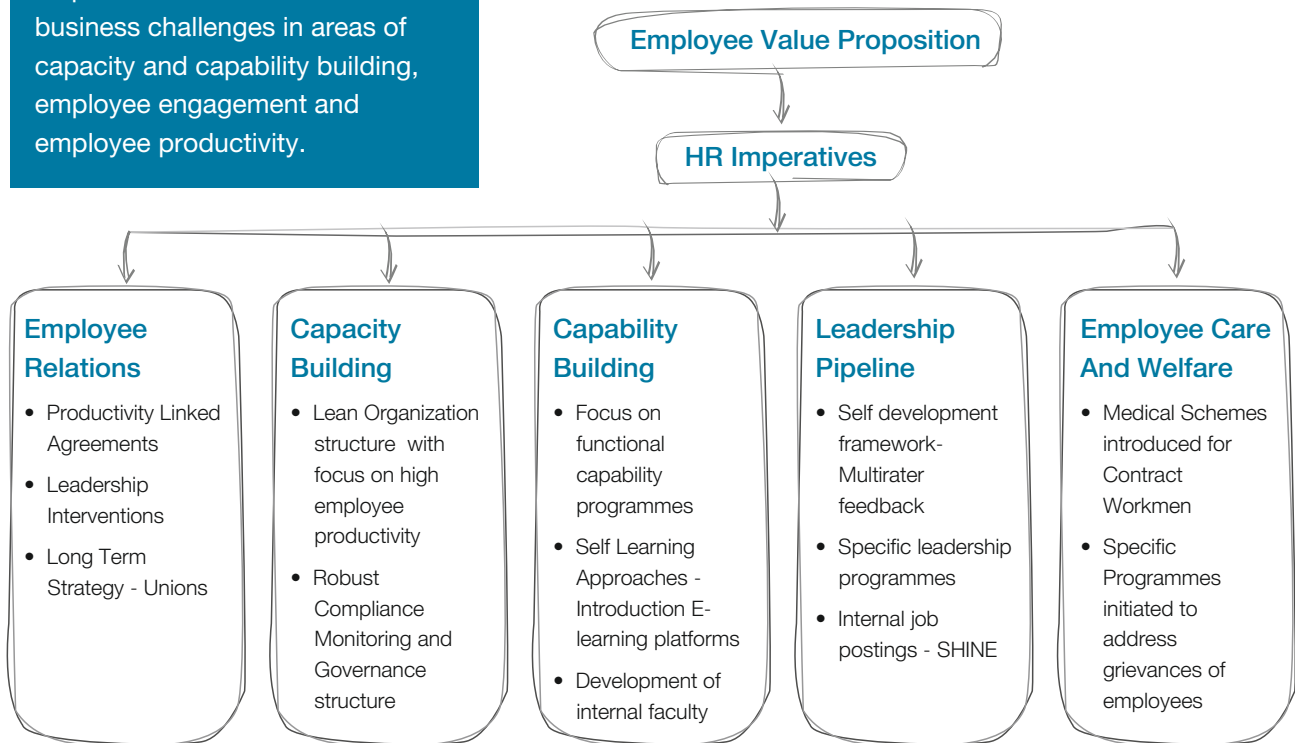
Product Stewardship

All our sites are certified for integrated management system and aspect-impact assessment is carried out as per ISO 14001:2004 standard for our operations and services. Our fertilizer manufacturing units are also certified for RC 14001:2008 and potential negative impacts in 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 to 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 by using secondary data base or publically available data. Going forward, based on LCA results, in 2013-14 we will be studying natural capital externalities and cost impact of our Urea production at our Babrala Site.



Employee Investments

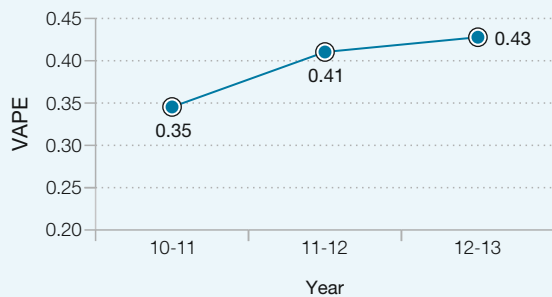
During 2012-13 Tata Chemicals has worked on human resource related operational and strategic issues to ably support the organization in achieving its business objectives and strategic plans for the future. These measures range from structured responses to external and internal business challenges in areas of capacity and capability building, employee engagement and employee productivity.



The above 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 organization 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.

Value Added Per Employee

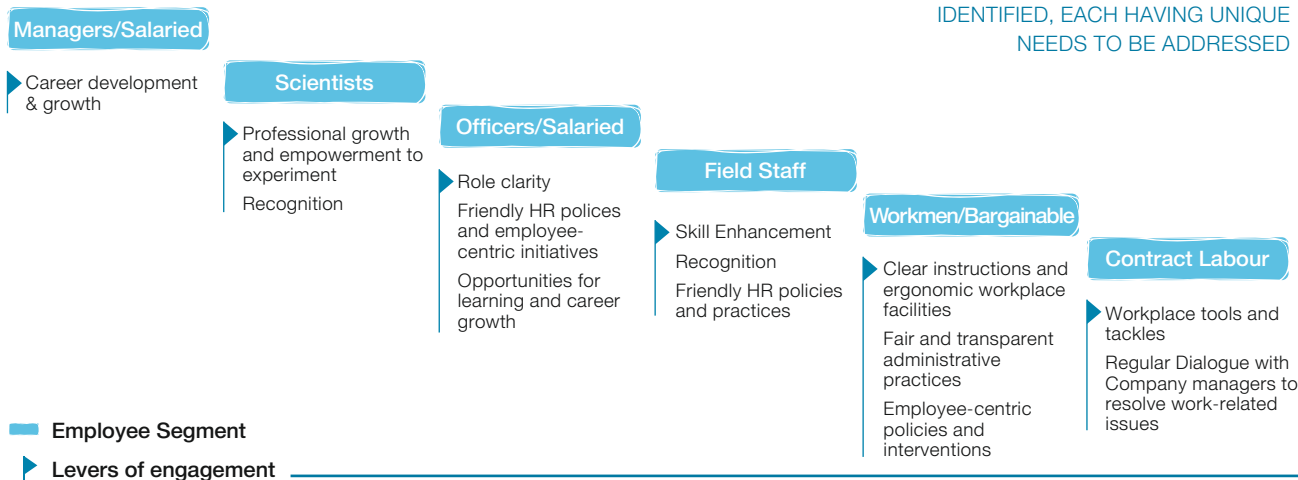


% Attrition



The basis of computing the attrition rate has been changed to consider only voluntary separations. The separations that occur on grounds of superannuation, disciplinary grounds etc. have not been considered in the computation as the plans to retain talent are designed to address voluntary separations only. The revised computation gives a realistic picture of the actual voluntary separations that are in the range of 8-9% over the past 3 years. There is zero attrition in the workmen category and hence they have been excluded in the calculations.

THERE ARE 7 EMPLOYEE SEGMENTS IDENTIFIED, EACH HAVING UNIQUE NEEDS TO BE ADDRESSED



Over the years, TCL has built a unique TCL culture characterized by TCL Shared Values and embodied in our Cultural Pillars. Every three years we revisit our Cultural Pillars to review its continuing suitability. It is this culture that serves as 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 organization is working towards ensuring that Core TCL Shared Values are internalized by all our employees.

Our segment wise requirements and expectations of the workforce have been identified and are described in Table EE 0.

Employee Relations

TCL continued to enjoy the support of unionized workforce across all its units throughout the year. Harmonious and cordial relations between both parties ensure that issues, if any, are being resolved amicably. Settlements/Agreements have been renewed with unloading workmen at Haldia. 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 recognized unions of workmen at Mithapur and Haldia covering 44.06% of employees. 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.

A major organization restructuring exercise- Project Energize- was undertaken to restructure the corporate shared service functions. The restructuring is in progress and on completion will deploy leaner processes, enhance operational efficiencies and reduce fixed costs. The leadership acknowledges the need to equip our workforce with current and future competency requirements arising from our business plans and external environment. Consequently we have redesigned our flagship "Management Development Program" to incorporate customised modules on innovation, new product development, sustainability, Lean Six Sigma, and Social Media thus aligning it to current and future business challenges.

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.

Capability Building

In light of expected erosion in skill base due to the expected natural attrition through retirements at most of our sites, we have embarked on a major Functional Capability Building exercise which aims at developing technical excellence amongst the younger workforce.

Besides these customised learning interventions like "Oonchi Udaan" & "Jagruti" for the field force in Crop Nutrition & Agri Business (Farm essentials), "Parivartan" for workmen in Chemicals, Fundamentals of Finance for CFAs & Distributors from CPB etc. were conducted.

This year we have commissioned e-learning practices in a small way by subscribing to "Harvard Managementor" courses for managers, and propose to partner with "Skill Soft" next year to extend e-learning environment to our employees across the globe. Employees have welcomed the practice as it is found to be an enabling self-paced learning process and provides continuous access to learning material. The focus in the coming years will be on deploying e-learning modules for general induction and functional training.

Another area of focus has been the development and deployment of Internal Faculty for programmes like AMT, Safety, Sustainability, MBE, LSS, Technical training etc. which not only saves costs but also acts as a great motivator for internal talent handling these subjects.

Leadership Pipeline

As in the past we continued to invest in developing a healthy pipeline of leaders to handle our current and future businesses. The entire senior executives across all geographies were covered under the Multi-rater feedback programme which is a key initiative in self development and leading teams. During the year the leadership teams at all the international geographies went through the Multi Rater Workshops.

Other initiatives included nominating for quality training programs at Tata Management Training Centre (TMTC) programmes, Aspiring Leadership programme in TCE, Cornerstone Performance Management in TCNA, cross BU/Cross geography deputations, and job rotations. The Internal Job Posting programme was launched as "SHINE" – and as a result of this we could service most of the requirements for new businesses /geographies through our internal pipeline – many positions for different locations , and new markets for non-regulated agri products etc. were filled through internal resources.

In order to tap, attract, and engage talent at our manufacturing sites a slew of initiatives like designing of fast track growth scheme (EGS) for technical personnel, modernization of township infrastructure, plant facilities and job rotations, deputations, growth opportunities, financial compensation etc. are being deployed.

Employee Care And welfare

The company has a set of employee-friendly people 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 Rs. 3 lakh. An additional coverage of Rs. 2 lakh has also been extended on co-share basis. The Company is rolling out the Suraksha Scheme for contract workmen from FY 2013-14.

'We Care' at Haldia and 'HR Clinic' at Babrala were programmes that helped address employee issues and grievances and also enhance employee engagement.

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

A Rewards & Recognition framework was launched this year, adapted as 'STARS' (Special Thanks and Recognition Scheme) at Babrala and as 'E-Spark' in Mithapur to recognize employees for their contribution and upholding TCL Values.

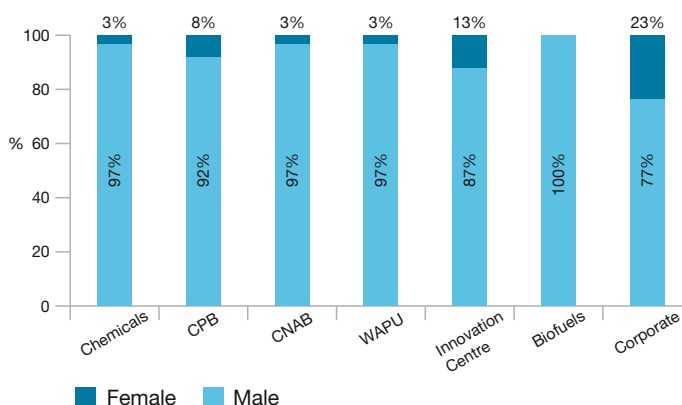
Diversity And Human Rights

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 to improve inclusive growth.

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.

We keep visiting colleges in tribal areas and other remote locations e.g. the North Eastern part of India as part of Affirmative Action during our Campus Program. This ensures that the Enterprise has a diverse workforce; employment at management levels depends on national/regional search while for jobs at non management level the search does not generally go beyond local areas.

As per the company's recruitment policy, applicants are not discriminated on the basis of gender, race, caste, religion, social status or physical disability. During the year, the organization has employed 5 female candidates on permanent as well as on training basis. As a way forward, we will be consciously encouraging more percentage of female employees to be hired both on direct rolls and third party rolls at our factory sites and non-manufacturing sites.



Following Are The List Of Programmes Covering Human Rights Issues

TCoC, Oorja - theme on ethics, prevention of sexual harassment - awareness, fire & safety training, affirmative action awareness session, GRI certified training course, companies Act 1956, training & capacity building workshop on sustainability reporting. Other than these, training programmes like fire & safety training, mock drills, first aid and road shows are conducted specifically for the security personnel.

Incidents of Discrimination

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.

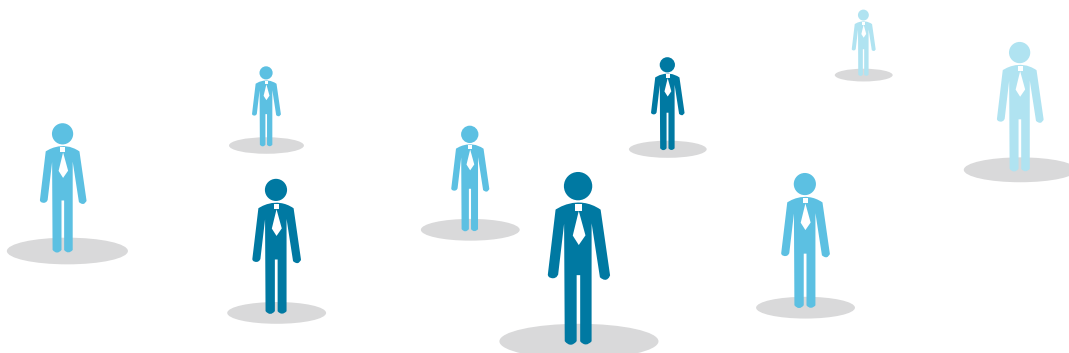
A sexual harassment (SH) redressal mechanism has been established which includes a redressal committee chaired by the senior most women employee. The committee this year reviewed and updated the policy to make it even more robust.

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 sensitization workshops. Refresher training is also taken up regularly.

Way Forward

For FY 2013-14, 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.

Sr. No.	Action Plan	Monitoring Measure
①	Improvement of township - infrastructure - residential facilities, clubs and other amenities	Capex - Expense incurred over 3 years on township up-gradation
②	Improvements in Medical Facilities at townships	As per detailed plan for improving Mithapur Hospital
③	Explore introduction of LTIP for selective roles/employees to attract and retain talent. Introduce aggressive PLVP for officers to contain turnover.	% Attrition from selected roles
④	Revamp Long Service Awards for employees at sites	% of employees awarded annually
⑤	Preference for filling in positions internally to provide job rotation and growth opportunities within sites	% positions filled in internally
⑥	Identify and roll out interventions for identified individuals to equip them with competencies required for future business plans	No: of employees covered
⑦	Work with local education institutions to meet future manpower/skill requirements from nearby locations	% recruitments from identified catchment
⑧	Launch Technical EGS for fast track growth of talented technical employees at mfg sites	% adherence to growth plans of successful candidates
⑨	Analyze profiles of 'Leavers ' and 'Stayers ' to study patterns that could provide insight into causes	Action plan suggesting changes in our hiring, and retention strategies
⑩	Formal review with new employees after 30, 60, 90 days of joining	% Employees leaving within 1 year of joining
⑪	Gather and analyze feedback on the hiring process from the new joinees as well as from those who declined the offer.	No: of E & I in the hiring process based on findings
⑫	Increased personal interaction with employees to know them better, understand their needs and keep them abreast of Orgnl. issues	EES score on Communication





Community Support

Tata Chemicals strongly believes in a cohesive, inclusive and integrated society in which all individuals have equal access to opportunities for personal growth and inclusive economic growth.

At Tata Chemicals, community development is an important driver for its business growth and it extends well beyond compliance. The organization has established four trusts viz. Tata Chemicals Society for Rural Development (TCSRDR), OKHAI – Centre for Empowerment, Uday and Golden Jubilee Foundation to help implement the community support programs.

All the community development interventions fall under the bigger umbrella of sustainability. The vision of TCSRDR “Development that enables sustainability and community empowerment” drives almost 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 is followed, which 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, every year we undertake a community satisfaction survey. This helps us build a stronger foundation for an inclusive society.

The company's development interventions are divided into four inter-related components, namely Creating Sustainable resource base through natural resource management, promotion of alternate source of energy and environment conservation programs, Building sustainable livelihood through both farm and nonfarm based livelihood program; Empowerment by strengthening Community Based Organizations (CBOs) such as SHGs, User groups, Pani Samities, Bhomi sudhar committees etc; Improving quality of life through Health, Education and Infrastructure support program. Uday and Okhai provide focused support on building livelihoods and facilitating empowerment. The Golden Jubilee foundation specifically works on improving the quality of life through education and health care interventions.

CREATING SUSTAINABLE RESOURCE BASE

Conservation and sustainable management of resources has always been high on TCL CSR agenda. It encompasses three main components which are natural resource management, promotion of alternate source of energy and nature conservation programs.

Natural Resource Management

Natural resource management programs across location focus on building the capacity of the local community towards better management of the natural resources. TCL, by ensuring long term sustainability of the natural resource, helps in raising the socio-economic status of the local community around its facilities.

Water Management and Conservation

Water has been identified as a key natural resource that needs to be conserved and managed, particularly in Okhamandal region at Mithapur because the main area of concern here is the stress on availability of water for drinking and irrigation. This region is one of the drought prone regions of the country and also, because of the proximity to the sea and high runoff and slow soil retention rate, the productivity of this region is very low.

In order to address these issues a number of programs have been taken up. The main program this year was the Gomati Dam irrigation channel renovation that helped improved the lives of 103 farmers. It helped irrigate 628 acres of their land as a result of which they can now grow crops in all the three seasons. The success of this project lies in the partnership between TCSRDR, Sir Ratan Tata Trust, Irrigation dept, Jamnagar District and the community. To further conserve water, 3 small and 3 medium size structures were constructed and renovated this year. Till date, 7295 acres has been irrigated through the water harvesting structures and approximately 258mcft of rain water harvesting potential has been created. Water saving techniques like sprinklers and drip system were also installed by 171 farmers during the year, helping to irrigate 804 acres of land in 25 villages of Okhamandal taluka.

Also, in the vicinity of the Babrala- fertiliser plant, development of natural resources has always been a priority as majority of the population is dependent on agriculture and animal husbandry in the region. Agriculture growth programs such as land development, improving agriculture practices and animal husbandry are also aligned with the company's core Agri-business. Reclaiming of saline (USAR) land and making it productive for agriculture use through land reclamation process has helped in reclaiming 1814.25 acres of the USAR land. It has resulted in the increase of income of approximately Rs 5.40 crores per annum for 1382 farmers from 46 villages of the area.

At Haldia, since ponds are an integral part of all households, the focus has always been on making the ponds a source of earning by adopting scientific methods of managing the ponds.

Interventions on agriculture, animal husbandry and pond management are detailed under the farm based livelihood programs.





Promotion Of Alternate Source Of Energy

TCSRSD continued its endeavor to promote alternate source of energy esp. solar energy. 48 households are being supported by the solar power generator at Babrala installed last year. The bio gas plant which was piloted at Babrala first and was replicated at Haldia last year saw two more takers this year. Energy efficient stoves continued to get good response from local communities at Mithapur and Haldia.

Biogas Plant

Seeing the success of 46 bio gas plants constructed at Babrala, Haldia too replicated it in its community last year. Till date, four bio gas plants have been constructed. Households who availed the facility were satisfied as it easily helped them to cook food for a family of five twice a day and also reduced the consumption of biomass fuel wood.



Energy Efficient Cooking Stoves

Energy efficient cooking stoves, across the three locations continued to fulfill the energy needs of rural communities. It has been well accepted by the people as it has helped in reducing the consumption of solid fuels including biomass fuels wood, dung, and agricultural residues, coal etc. and so has the health-damaging pollutants emitted through traditional stoves. So far, 310 have been installed at Mithapur and 686 at Haldia. This improved stove technology that is fuel efficient and smokeless have also been introduced at Haldia primary schools where mid day meal for children is cooked. At Babrala, 8 "Astra" cooking stoves for domestic use and one for the commercial use, designed by IISc, Bangalore were constructed. Mason training and user group training formed the basis of installing the Astra cooking stove at Babrala.

Solar Street Light

40 solar street lights were installed at Babrala Township with support from Uttar Pradesh Non Conventional Energy Development Agency (UPNEDA). Local people and municipality have been given the responsibility to maintain the same. At Mithapur too, 6 solar street lights were provided. To further promote solar energy as an alternate source of energy, 11 households at Babrala were provided LED based solar lights.



Alternate Source of Energy

Description	2010-11	2011-12	2012-13	Cumulative
Distribution of Solar Lights (Babrala)	25	0	11	36
Distribution of Solar Street Lights				
- Babrala	0	0	40	40
- Mithapur	0	0	6	29
No. of biogas plants constructed (Haldia)	0	2	2	4
No. of solar fencing equipment installed (Mithapur)	0	20	70	90
No. of energy efficient cooking stoves installed	205	461	339	1005
- Haldia	0	356	330	686
- Mithapur	205	105	0	310
- Babrala	0	0	9	9

Nature Conservation (Dharti Ko Aarpan)

The company has 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 "Save the Whale Shark campaign" at Mithapur have not only helped create awareness for conservation of this highly endangered fish, but has also brought recognition to Tata Chemicals' (TCL) efforts. We have continued to support these initiatives under the umbrella of creating sustainability for the entire coastal ecosystem in the region. Other activities like mangroves plantation continues to play an important role in filtering land run-off and controlling coastal erosion; and also regulate flooding and act as a sink for absorbing pollutants brought down by the rivers. At Mithapur, we have planted 2, 75,400 mangroves saplings. At Sundarban (South 24 Pargana), where there was huge destruction of property due to the Aila storm in May 2009, TCSRSD, along with Tagore Society of Rural Development started mangrove plantation. 1, 25,000 mangroves in Rangabelia block of South 24 Pargana have been planted under this joint project. The process has also been supported by Grow-trees.

Awareness about the different varieties of mangroves planted in the coastal area and its importance was created among the school children through the Eco club activities held at Mithapur and Haldia. The ECO Club Program, along with the indigenous flora plantation program, has also been selected as one of the "Good Environmental Practice of Gujarat". The annual ECO Fair program was organized in March. More than 110 students and 40 teachers from 22 rural ECO Club schools participated and presented information on their village ecosystems and biodiversity through models, charts, posters, photographs and write-ups. The students were encouraged and assisted by more than 120 TCL employee volunteers from 24 departments and their family members, in collection, compilation and presentation of biodiversity data and establishment of village biodiversity registers. Work on monitoring of the coral reef biodiversity continued with support of Wildlife Trust of India and the Gujarat State Forest Department. A female Dugong (Dugong dugon) were recorded for the first time at the Mithapur reef. The presence of these creatures is a strong indicator of the good health of the Mithapur coral reef. Many conservation efforts to conserve the whale shark were organized through the year.

CREATING SUSTAINABLE LIVELIHOODS

A key community support requirement is poverty reduction and improving the lives of rural poor through creation of sustainable livelihood options. Various interventions which enable them to increase their income and create employability have been taken up at all the three locations. These interventions encompass both farm and non-farm based livelihood program.

Promotion of rural handicraft through Okhai centre for empowerment along with Uday Foundation- a rural BPO helped in creating employability, entrepreneurship and employment for the rural youth.

Farm Based Livelihood Programs

We have facilitated farm based livelihood program in all the three locations. Under this we have been promoting dairy farming, agriculture growth programs, animal husbandry and pond management. All these initiatives have helped to improve the community's economic as well as social status.

Agriculture Development Program

Agriculture growth program at Babrala follows three pronged strategy- crop diversification, building capacity of farmers and promotion of new modern agricultural systems and technology such as intercropping, laser levelling, promoting low cost equipment like bullock harrow, bullock seed drill, tractor seed drills, sugarcane planters, seed storage bins, spray machines to the farmers. Over 4000 farmers have benefitted from this program. So far, inter cropping has been done on 363.01 acres. Laser levelling was also introduced to enable complete levelling of the plots using computerised equipment for equal spread of water for proper irrigation. The process helped in reducing the cost of diesel used for irrigation, subsequently, reducing the cost of cultivation and increased production. Altogether, 250 acres of farmer plots has been levelled.

At Mithapur, 11 net houses were constructed with the support of Horticulture dept. Net house technology, helped farmers grow vegetables by using less water. It also resulted in increasing their farm income by approx. 20%. Along with Sir Ratan Tata Trust, a project on "Promotion of sustainable and diversified farming system in Gujarat" was initiated in 4 villages of Okhamandal. Training on scientific method of farming was provided along with demonstration of special variety of wheat which utilizes less water. Demonstration of mulching technique for water melon was also done under the same program. Solar Jhatka fencing, group fencing, seed production were some of the other activities carried out at Mithapur. They all helped in reducing the agriculture cost and increasing income of farmers. The Farmer's production groups formed at Mithapur have been linked with ATMA (Agriculture Technology Management Agency) for building their capacity and knowledge about latest agriculture techniques. So far, 13 farmer's group have been formed..

Pond Management Program

This year we provided training in scientific method of pond management to 323 women. We also provided good variety of fingerlings, lime, potassium permanganate, mustard oil cake etc. for the purpose. To promote ornamental fish culture, we helped in constructing the tanks, and in monitoring the growth of fishes. We have also been extensively involved in providing market linkage for ornamental fishes and have successfully linked the women group with the Howrah fish market leading to sale of Rs.1 Lakh worth of fishes since the inception of the program.

Animal Husbandry Program

Animal husbandry development is a big source of income for the people of Babrala. We have been helping the cattle owners by providing quality services for better milk production. This program is one of the most popular among the community as it directly helps to improve their income. The services provided under this program are advisory services, animal health check up at the door step by para-vets (pashu palak mitra) and vaccination, breed improvement and provision of balance nutrition for animal growth. Recently opened Artificial Insemination centre has been a big success as it has provided services to around 3939 animals in the region.

Non Farm Based Livelihood Programs

Among the non-farm based initiatives, vocational skill development programs and rural entrepreneurship development program were given the prime focus.

Vocational Skill Development Program

The aim of the program is to increase employment opportunities for the youth by providing them skill training of their interest. Vocational training in all the three locations is provided for various trades depending on the market demand and employment prospects in the area. At Babrala, training on sewing cum stitching

specially for girls, typing and shorthand in English and Hindi, mobile repairing, computers, beautician courses, Tally accounting, AC and refrigerator repairing are all provided at the Vocational Training Centre at the Village House. Laptop repairing was added this year because of the demand in the area.

In partnership with L&T, Construction Skills Training Institutes (CSTI) at Anupama in U.P, TCSRSD provided construction skill training to 114 youth this year. After completion of the training, these students were placed at the L&T sub contractors.

At Haldia, multiple skill development training programs have been initiated as per the need and changing environment of the area like tailoring, nursing and hospitality, electrical repairing, computer application and mobile repairing for the rural youth and women. The training is being organized at Jan Shikshan Sansthan under the aegis of adult literacy program. It helped people acquire skills required either for their self employment or for getting employment in other small and medium business units. Till date, 718 have been trained in the above mentioned program.

At Mithapur too, in partnership with various institutions of excellence, vocation training program have been provided to the local youth. 45 days technical training of electrician and welder was provided to 140 youth at Rishi weldtech – Baroda. 70 girls completed three months training with Dalit Shakti Kendra and 35 students were given hospitality training in partnership with Indian Hotels (Taj).



Entrepreneurship Awareness Camps (EACs)

In partnership with Entrepreneurship Development Institute of India (EDII), Ahmedabad, Gujarat under DST-NIMAT, EAC camps have been organised both at Babrala and Haldia. Through these camps, awareness about various facets of entrepreneurship as an alternative career option is created among faculty and students of science and technology courses.

Rural Entrepreneurship Development Program (REDP)

REDP focuses on enhancing the entrepreneurship qualities and skills among the target community especially the socially backward communities so that they either initiate their own productive venture or become part of the group (cluster) enterprise.

At Haldia, the women who learnt various trades such as jute craft, rexene bags, sanitary napkins, clay beads and kantha work are either self-employed or have become part of the group cluster. TCSRSD supports these women by finding market linkages for their products so that they become financially independent.

At Babrala, enterprise development through SHGs is the main motive to achieve sustainability. Some of the group enterprises formed at Babrala are production of incense sticks, honey, paper plates and envelopes and sanitary pads. For these activities common producer's groups have been formed and developed so that the production, marketing and sales can be carried by the SHGs themselves.

At Mithapur, 8 clusters such as bandhani, rexene, paper product, bead, block printing, jute, tailoring have been formed to enhance women income. Some of the cluster products like bandhani, jute, block printing, bead products are sold through Okhai outlets and the rest of the products are sold at the local market. The sales of each of these clusters have increased remarkably.

Uday Foundation

Rural BPO at both the locations i.e. Babrala and Mithapur continued to provide employment opportunities to the 155 youth. At Mithapur, UDAY Foundation delivers a wide range of low-end to high-end services. Currently, 30 people are employed at Babrala center, which is linked with a new partner "Rural Shores". Uday is turning out to be a good stepping stone for the rural youth of the regions.

Handicraft Promotion Program

Okhai continues its march of fulfilling its vision of being a brand that symbolizes empowerment of rural/semi urban women by creating a sustainable business of handicraft. Along with Saurashtra handicrafts, the traditional art of Karjobi and jute craft of Haldia are all being promoted. The members of Self Help Group's (SHGs) are involved in handicrafts production. In order to achieve its vision a number of steps have been taken to help improve both the back end i.e. the process of production of rural goods and the front end i.e. marketing, sales and branding. Okhai has also undertaken job work for major domestic and international brands. All this has helped to get women artisans enough work for the entire year, thus fulfilling the Okhai vision. Through this initiative earning of 470 women artisans have increased. Production has steadily increased through sustained efforts and better planning. Sales for the year 2012-13 were Rs.106 lakh.

EMPOWERMENT

All interventions aimed at the community necessitate the involvement of local community from initiation to ultimate ownership of the initiative as people participation is vital to the success of the programs, and it forms the basis of all project design. It ensures this by establishment and participation of Community based Organization (CBOs) in almost all its programs. Institutionalization and strengthening of the CBOs like Pani Samithi, village level watershed committees, user groups, SHGs and gram sabha is given utmost importance.

This year too, TCSRSD developed community based organization (CBO) empowerment index to assess the level of CBOs in terms of various parameters. Appropriate capacity building training programs and exposure visits were organised throughout the year at all the three locations. It helped in filling the gap and in strengthening the CBOs/SHGs. In all the meetings, CBOs were encouraged

and motivated to fulfil their responsibility and perform their role by maintaining transparency and accountability.

Self help groups provided financial support to all their members whenever they required it. At Babrala, 200 Self Help Groups have been developed with the support of SGSY schemes and now NABARD. These SHGs have formed a cluster by the name of "Sevarthi Sangh". This cluster has been registered as a society and is actively taking care of the marketing of the rural products produced by the group enterprise.

IMPROVING QUALITY OF LIFE

At all the three locations, we have been working towards improving quality of life through health care interventions, promotion of education for all, infrastructure support programs. Social security program which is being carried out for the past three years at Babrala has also helped to meet the same objective.

Health Care Intervention

Improving health of the rural community continues to be an important part of the overall strategy of community engagement and support. We address the issue of health by adopting sector wide approach encompassing sanitation and hygiene, nutrition and safe drinking water as basic determinants for good health. We also advocate greater convergence with the social program related to the up-liftment of the rural community. Along with the community support, TCSRDR has been facilitating government run health program in the rural communities like Janani Suraksha Yojna especially targeting women and child health. Additionally, it also worked on creating awareness about HIV-AIDS among the truckers, migrant labourers, villagers etc. both at Babrala & Haldia.

Medical facilities like mobile health clinic and community health centre at Babrala village house have been provided because of the lack of professional doctors in the villages. These medical facilities provided have helped people to get the right treatment at the right time and through a qualified doctor. Apart from these curative services, preventive health care facilities were provided by organising health camps and awareness sessions.

Blood donation and eye camps were organised at Babrala and Haldia locations. During the camps people with vision problems were provided with spectacle and medicine and people identified with cataract were provided cataract operation in the eye hospital.

For the first time at Haldia, anaemia identification camp was organised in two Government girls' high schools. 400 girls were tested for anaemia. Post check up, an awareness camp was to make them aware of the causes of anaemia, its treatment and the preventive measures. The girls were provided Iron Folic Acid Tablets and also de-worming tablets after counselling session with their parents.

An ambitious project on malnourishment has been conceptualized by TCSRDR Haldia to tackle the current most disturbing issue of our country i.e., malnourishment among children. In the first phase of the project, it has already trained 87 Aganwadi workers. For sustaining their effort to control malnourishment, TCSRDR has involved village panchayat members and also the members of government health functionaries.

The company continued to provide health care services to the community at subsidized rates through the Mithapur Hospital.

Education

Education is increasingly becoming the primary determinant of overall development in the emerging knowledge economy. Education is an important tool for the overall development of the community. Since a long time, we have been tackling the issue of low quality of education by introducing innovative ways of teaching and training the teachers on the same. We have also worked arduously towards the enrolment of children in schools. TCL also supports formal schools at the locations that not only provide quality education to its employees but also to the children from the nearby community. Approximately, 60% children studying in these schools are from the community.

TCL has been providing scholarship under "Desh Ko Arpan" program to support deserving and meritorious children. In Mithapur, 95 scholarships were awarded to support higher education. At Babrala, under Jan Bima Yojana 144 students availed the scholarship. Under the Desh Ko Arpan program, TCL has partnered with America India Foundation and the Govt. of Gujarat to provide hostels and improved schooling to children of migrating families especially the people working in the salt works.

Education for girls through SNTD distance learning course is in its full swing. At present, 305 girls are enrolled in this course. They have also started doing vocational training in tailoring and beauty culture.

Adult Education program at Babrala in Gunnaur region has helped in curbing the school dropout rate especially of girls as the women coming for adult education have realized the importance of education. 400 women and girls have started to read, write and calculate. At Mithapur too, the adult education classes were organised with the same aim. 327 women have been enrolled in the program.

AROHAN, a Bal Utsav at Haldia, was first of its kind. It was organised with the support of nine high schools of Haldia. There were various inter-school competitions organised with the aim to provide a platform for the students to present their talent and skills and improve in the process.

Under its infrastructure development program, it has been supporting village school infrastructure at Babrala as well as in Mithapur.

Infrastructure Development Programs

TCSRSD since its inception has given importance to infrastructure development program as they are essential for the overall development of the community. These projects, that are based on community need and requests not only helps in improving the standard of living of the rural population but also helps in establishing and maintaining relationships with the rural communities for undertaking other community development initiatives. During the current year construction of brick pavement tracks was completed in 11 villages. This year, the focus has been shifted from new construction to repairing. Till date, 36.5 running KMs of brick paved tracks have been constructed in 11 villages at Babrala. Construction of these roads has helped in connecting the rural roads to main roads and has also helped the residents have better access for their produce to the main market. Construction of school boundary wall, installation of grills, gates for the primary school at Haldia has helped in maintaining the school cleanliness and security especially of the girls. Construction of drainage channel and 186 individual toilets for better sanitation in the village has been a big help to the villagers of surrounding area. Drinking water tap connection to 3140 households has been a blessing for 23 Okhamnadal villages.

Social Security

This activity aims to connect the rural poor with different social security schemes of the Govt. like Jan Shree Bima of Life Insurance Corporation. This scheme is for the rural and urban poor persons staying below the poverty line and for the persons who are marginally above the poverty line belonging to an identified occupational group. Under the same scheme poor parents can get scholarship for education of their children. More than 3000 rural poor and 300 students studying have been covered in this scheme with claims up to Rs. 15, 00, 000 through death claims and scholarships.

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

In order to assess the impact of the programs we conduct assessments through Corporate Sustainability Protocol Index and community satisfaction surveys along with in depth third party impact assessments. In the coming year we will also be conducting social capital externality valuation through an external party, GIST.

SO-1- CSI and CSP scores (2012-13)

Year- 2012-13	Haldia	Mithapur	Babrala	Average of all the location
CS score	756.8	823	770	783
CSI score	4.34	3.57	3.98	3.97



Product Responsibility

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 (Lite, i-shakti), Tata Swach (water purifier) and Tata i-shakti 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 and/or chemical compositions, /nutritional information/nutrient content is provided through our product labels/Pack declaration and/or catalogues. Round the clock information of our products is available on company'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. Where ever applicable specific certification requirements of regulatory authorities and some markets like ISI, FSSAI, Halal etc. are provided on the product labels and/or catalogues.

Advertising

TCL believes in advertising its products and improving market image on its own merits without encroaching on others by any unethical means. We engage only reputed advertising agencies that are members of ASCI and hence all our advertising is as per codes prescribed by ASCI. Procedure to be followed and adherence to applicable standards codes is under the control of Ethics counsellor. 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 to make health, safety and environmental protection an integral part of designing,

manufacturing, distributing, using, recycling and disposing of products. Product safety encompasses selection of safe raw material, use of safe process and adopting safe practices for handling products. In other words, product stewardship is driven by 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 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 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 thru' reusability.

We are continuously working on reducing packaging through innovative solutions like jumbo bags and enhanced use of bulkers especially in Soda Ash. This year, we have added 5 bulkers 5 Lupa bulkers and total volume handled is close to 5192 M.T in 2012-13. This initiative will reduce and if possible eliminate consumption of HDPE/PP bags leading to reduction of Co2 emission.

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

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

After selection, suppliers' SHE management practices are re-evaluated by site visit and interaction at shop floor to ascertain whether they are practicing and following SHE practices as stated in Supplier Performance Rating Check List. This enables in gap identification and further improving their management system. Our expertise and experience are also shared with them for dealing with SHE issues related to their operation and practices. Supply chain member is involved in training and awareness to 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 taken up the assessment of supplier/partners on sustainability criteria that include governance, safety, health, environment and social inclusiveness. This process has also led TCL to establish supplier sustainability guidelines that will be launched in the coming year.

Transportation is the critical aspect of distribution safety, which depends on selection of right transport and route. Knowledge and awareness of transporter on product safety & their role in case of emergency plays a vital role in accident management. Regular checks, training programs ensure the safe distribution of product. All suppliers and vendors are advised to provide MSDS along with all materials and chemicals for complete information and use of right PPE while handling unwanted emergency. MSDS boards for bulk fertilizers have also been provided to dealers so as to create & promote safe handling, storage & use of fertilizers

Every year in the month of December/January advance training for those drivers carrying hazardous chemicals truck/tankers is undertaken and 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 every quarter to workmen involved in loading Bromine. Safety Department also conducts on floor mock drills for employees, contractors, loading & packaging workmen to check their preparedness during emergency. Job Safety Analysis (JSA) card is also issued for CC/ Marine chemicals both in English & Gujarati language.

Incidents related to product spills, transport accident, bad product & packaging quality are tracked and assessed by supply chain and field staff. Suppliers & Distributors Meet platform is used to express the company's expectation from distributors, suppliers and transporters. This forum is used for proving all relevant information & training on handling, storage, transportation and distribution of product as and when required. No significant spills were reported this year.

Customer requirement and company's image is determined primarily through Customer Satisfaction Surveys for each customer group, customer contact programs, e-customer care, customer feedback captured by our "Chemconnect" call centre, senior leaderships visit, annual distributors 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 delights the customers. Their feedbacks and complains gives an opportunity for improvement. Avalon Consulting and IMRS (Integrated Marketing & Research Services), IMRB conducts customer satisfaction studies, on quarterly/half yearly/annual basis, for TCL covering all Indian territories and international markets where it exports. We also track Brand Equity index through Brand Track studies conducted by Nielsen to measure brand loyalty amongst 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 industry chemicals.

A written undertaking is given to all customers about non-disclosure of their responses received for CSI surveys. 100% primary data with respect to customers is on ERP (SAP in form of master data), which is fully secured and no unauthorized access is available to anyone. Changing/creating options are given only to key authorized individuals. We do not share or sell this information except if required under any regulations but after the consent from the concerned person. As such there is no standard

procedure to monitor the compliance with legal statutes but for voluntary codes our approach is to maintain brand equity index, monitoring GRP at the time of campaigns. Market studies like monthly retail audit by Nielsen or by IMRB Household panel. Detailed analysis of CSI findings is carried out to serve the customers better and determine the future and expected need of the customers.

The voice of customer (VOC) i.e. Customer feedback/suggestion/perception is gathered from various sources like regular customer visit of sales team, Feel the Pulse (customer visits of non-marketing team), Communication meetings, QFD, CSI, Customer Circles DART reports, COO Club Meets etc. are integrated on regular basis to serve as inputs for current & future products, services & customer support.

A web enabled Customer Care system (CCS) has been deployed to effectively manage all customer complaints. Customers of industry essential are provided with 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 of resolving the complaints has been added on CCS recently which helps in early resolution of complaints. 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 has been provided for providing access to farmers & enable them to register complaints, suggestions or inquire about our products/services. Farm essential business and Living essentials and its stakeholders have benefited with the deployment of various modes of engagements as shown in 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, Higheryield
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

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



Disclosure Of Management Approach

Overarching Approach

Tata Chemicals has established a number of policies, processes and procedures to drive economic, environmental and social sustainability within the organization. Foremost among all is our Corporate Sustainability Policy, which is an overarching policy that guides us at all levels for promoting and supporting sustainability programs. 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 organizations 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 organization.
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 2012- 2013 for a detailed discussion on 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 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 a 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 programs 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 approach towards Safety Health and Environment (SHE) and climate change mitigation are guided by SHE policies that are 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. All our sites are ISO 14001 (Environment Management Systems) and OHSAS 18001 certified and some of the sites are going through ISRS rating on safety. 'SHE' is reviewed at all levels within the organization starting from the Board to individual departments. Compliance to the Risks Management Programs' is monitored at all levels.

As a part of our continuous improvement cycle, the manufacturing divisions establish goals and objectives, under Environment Management Programs (EMPs), to improve their environmental performance. These EMPs are reviewed regularly at the Plant, Business and Corporate Reviews and are integrated in Enterprise Balance Score Card along with review by Environment committees and Safety Committee that are presided over by Site Heads with representation at all levels. We have taken up key sustainability goals targeting waste, energy and water management that target 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.

Labour Practices and Decent Work Indicators

We consider employees as key stakeholders and we have put in place systems and forums through which employees at all levels can provide feedback to the organization. Our focus is to not only improve the current skills but also to build skills for future requirement. Training plays a vital role in enhancing efficiency, productivity and performance of our employees. Programs such as Management Development Program, Supervisory Development Program, Operators Certification Program, Employee Growth Scheme and Achievement Orientation are some of the initiatives deployed across the organization that provide customized training to achieve higher skills and build capacity for future leadership and succession planning. In the organization all the employees whether directly employed by company or through contract are considered as workforce with no differentiation in the workplace practices related to safety, health and environment.

Our manufacturing sites are OHSAS 18001- Occupational Health and Safety Management certified. As a part of our continuous improvement cycle, the manufacturing sites establish goals and objectives; under Occupational Health & Safety Management 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. This is also reviewed periodically by the Management committee. Ergonomic study and health checks are regularly conducted.

Human Rights Indicators

Tata Chemicals has consistently worked towards strengthening the governance and legal compliance systems with regular reviews to identify gaps and improvement. 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.

Society Indicators

Tata Chemicals has always stood by the community around. Aligned with the goals and vision of the management, our social initiatives programs are guided by a "Community Development Policy". The key focus is on integrated community development through a participatory approach with an emphasis on sustainability and capacity building of the community. The process of engagement with the community starts with the identification of key community, their needs and prioritizing interventions. The prioritized 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 programs to address them. Programs 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 health care, education and infrastructure. We share our resources with the neighbouring communities, providing them subsidized medical & health care,

building infrastructure such as roads, schools, health care centres to name a few. We have established the Tata Chemicals Society for Rural Development (TCSRSD) for implementing Community Development interventions. We have special programs 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.

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 minimize health safety and environmental impact of our products across the supply chain. Furthermore, our Innovation Centre is focused on developing greener and safer products and alternatives. We adhere to all Indian laws related to marketing communications, including advertising, promotion, and sponsorship. We are in the process of releasing the supplier sustainability guidelines to help our suppliers and partners align themselves to robust sustainability processes.



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The Company has won many awards during the year some of which are listed below.

Awards And Recognitions

Excellence

- Tata Chemicals win an award at the CII's National Level LSS competition
- Rallis India wins the CII Exim Bank BE Award
- Tata Swach wins the CII Design Excellence Award 2012

Corporate Sustainability and SHE

- Tata Chemicals retains the highly recognized Responsible Care Certification
- Tata Chemicals awarded the FE - EVI Green Business Leaders Award 2012
- Tata Chemicals bags the CNBC Asia's India CSR Award
 - Tata Chemicals awarded 'Sustainability Plus' – the World's first Corporate Sustainability label by CII
- Tata Chemicals wins the prestigious CII - ITC Sustainability Award
- Tata Chemicals recognized in the Carbon Disclosure Leadership Index in Carbon Disclosure Project 2012
- Tata Chemicals Mithapur wins three awards at the Gujarat State Level Safety Awards

Communications

- Tata Chemicals wins 5 Awards at the 52nd Annual ABCI Awards

Innovation

- TCL IC wins at the Titan Innovation Bazaar

Product

- Tata Swach voted by consumers as the "Product of the Year- 2012"
- Tata Chemicals wins two awards at the prestigious FICCI Water Awards 2012
- Tata Salt the 6th most trusted brand by ET Brand Equity Survey
- Tata i-Shakti Pulses voted as Product of the year 2013





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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 2012-13 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 2012 to 31 March 2013 based on Global Reporting Initiative's (GRI) G3.1 Guidelines and other relevant sustainability guidelines or initiatives. The data and information for the Report was sourced from TCL's operations at Babrala, Haldia and Mithapur along with the Corporate Office in Mumbai and Noida, and Research Centre in Pune.

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 sites at Babrala, Haldia and Mithapur.
- 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 G3.1 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 judgements, 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.

KPMG, an Indian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International") a Swiss entity.

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 requirements of GRI G3.1 guidelines on sustainability reporting and principles under AA1000APS 2008 as follows:

- The data and information presented in the Report for the reporting period are fairly stated, in all material aspects, and as per reporting principles, well within accepted margins of error and along with appropriate presentation of underlying assumptions and techniques.
- 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 in line with the Principle of Inclusivity (AA1000APS 2008).
- TCL adopted a structured materiality assessment process and linked it with stakeholder needs, in line with the Principle of Materiality (AA1000APS 2008). Human Capital, Social Capital, Natural Capital & Environment and Supply Chain have been identified as material issues. These are further divided in to sub-issues and key focus areas along with appropriate performance targets.
- 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, in line with the Principle of Responsiveness (AA1000APS 2008).

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 behavior. 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
Technical Director
KPMG
10 October 2013





Annexure

ECONOMIC

EC1: Direct Economic Value Generated & Distributed

Component		2008-09	2009-10	2010-11	2011-12	2012-13
Direct Economic Value generated						
a) Revenues	Net sales	8,362	5,412	6,225	7,913	8,441
	Revenues from financial investments + Operating Income	132	257	216	355	473
	Sales of fixed assets	1	0	2	12	29
DEV generated		8,494	5,670	6,443	8,280	8,943
Economic Value Distributed						
b) Operating Costs	Payment to suppliers	6,357	3,428	4,318	6,005	5,445
	Non-Strategic investments	497	553	482	220	1,125
	Royalties	3	1	4	6	12
	Depreciation	131	187	204	225	214
	Facilitation Payments	361	391	462	519	668
	Subtotal	7,349	4,560	5,471	6,975	7,465
c) Employee wages & benefits	Employee salaries	199	205	207	240	274
d) Payments to providers of Capital	Dividends to all shareholders	212	219	255	255	255
	Borrowing Cost & Foreign Exchange loss on borrowings (Net)	284	314	202	295	371
e) Payment to the government	Company Taxes	293	218	228	248	157
f) Community Investments	Voluntary donations & contribution *	2	3	5	6	9
EV Distributed		8,339.05	5,518.05	6,366.92	8,018	8,529
Economic Value retained						
DEV generated-EV Distributed		155	151	76	262	414

* Community investments have been recast to include contribution to TCL's CSR arm TCSRDR

EC3: Pension, super annuation & PF

Nature of payments	2008-09	2009-10	2010-11	2011-12	2012-13
Company's Contribution to Provident Fund – Singapore	0.01	-	-	0.00	0.00
Company's Contribution to Provident Fund	4.49	4.95	5.51	6.24	6.67
Company's Contr. to Employees Pension Scheme-1995	2.22	2.17	2.08	1.92	1.89
Company's Contribution to Superannuation Fund	3.40	3.01	2.34	3.47	2.92
Company's Contribution to Pension Fund	0.01	0.01	0.25	0.32	0.31
Company's Contribution to Gratuity Fund	0.17	4.22	5.50	6.33	1.08
Company 's Contribution to LIC Gratuity Scheme (Ins. Premi)	-	-	-	0.15	0.73
Sum Total	10.30	14.36	15.68	18.42	13.60

EC4: Govt. subsidy

	2008-09	2009-10	2010-11	2011-12	2012-13
Subsidy Income	4683.6	2059.7	2,376.73	2,841	2,421

- Note - FY13 includes Rs. 9.85 crores received as Government Grant for a SoP Project
- Government/Government Companies hold 74598 shares (0.03% of total shareholding) in Tata Chemicals Ltd as on March 31,2013

ENVIRONMENT

EN1: Material used by weight or volume

Parameter	Unit	2008-09	2009-10	2010-11	2011-12	2012-13
Ammonia	MT	90785	94470	90545	101192	81820
Natural Gas	SM3	367515192	489634280	461580000	481072249	452134164
Naptha	MT	20977	342	0	389	0
Phos acid (purchased only)	MT	182139	192615	179235	188537	151829
Potassium Chloride (MOP)	MT	169912	170558	158071	138035	105926
Rock Phosphate	MT	151656	88679	122808	118772	162424
Sea salt as NaCl	MT	1881956	1979503	1853160	1744970	1757070
Total Lime stone	MT	1738191	1678523	1663469	1786128	1845280
Soda Ash / CRS	MT	31867	13900	10625	937	852
Sulphur	MT	59817	45403	57468	64607	73356
Packaging Material	No.	65213888	70223352	67523829	72529437	74908952
Lubricating Oil	KL	241	220	278	242	240

EN2: Percentage of materials used that are recycled input materials

Parameter	Unit	2008-09	2009-10	2010-11	2011-12	2012-13
Lime stone replaced	%	63.30	67.56	63.68	66.33	69.63
Sulphur Sludge	%	31.36	20.50	10.90	22.68	21.48

EN3: Direct energy consumption by primary energy source

Parameter	Unit	2008-09	2009-10	2010-11	2011-12	2012-13
Total Energy (Direct)	TJ	29102	30241	29442	31911	32036

EN4: Indirect energy consumption by primary source

Parameter	Unit	2008-09	2009-10	2010-11	2011-12	2012-13
Total Energy (In-Direct) from Grid	TJ	169	155	160	141	131
Total Energy (In-Direct) from renewable sources (Wind and Solar)	TJ	2	6	6	6	6

EN5: Energy saved due to conservation and efficiency improvements

Parameter	Unit	2008-09	2009-10	2010-11	2011-12	2012-13
En-Con	TJ	175	202	6	32	49

EN8: Total water withdrawal by source

Parameter	Unit	2008-09	2009-10	2010-11	2011-12	2012-13
Ground Water	KL	6277567	7170169	6608570	6659803	6511999
Surface water - lake	KL	1664383	1470093	2139627	2049034	1902117
Surface water - Sea Water	KL	82250889	85378825	77283138	87174684	90619226
Surface Water - (rain pit Water)	KL	0	3203	2238	5011	17624
Purchased Water - (Mithapur + Ranavav)	KL	17286	13737	24641	56339	67701
Other - Public Health Engineering (Municipal Supply)	KL	642677	729843	739602	840146	869506
Total Water withdrawal	KL	90852802	94765870	86797816	96785017	99988173

EN10: Percentage and total volume of water recycled and reused

Parameter	Unit	2008-09	2009-10	2010-11	2011-12	2012-13
Total Water recycled	KL	83201590	86006485	76877998	86833549	89973567
% water recycled	%	92%	91%	89%	90%	90%

EN11: Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high bio-diversity value outside protected areas

Parameter	Unit	2008-09	2009-10	2010-11	2011-12	2012-13
Land owned	sq km	95.48	95.48	95.48	95.19	95.48
Land leased (Mithapur + Ranavav)	sq km	66.17	75.41	75.41	75.41	75.41
Land managed in protected areas	sq km	0.39	0.39	0.39	0.39	0.35

EN16: Total direct and indirect green-house gas emissions by weight

Parameter	Unit	2008-09	2009-10	2010-11	2011-12	2012-13
Total Direct & Indirect Emission	MT	2729457	2767209	2734275	2946748	3046684

EN17: Other relevant indirect green-house gas emissions by weight

Parameter	Unit	2008-09	2009-10	2010-11	2011-12	2012-13
Total other relevant indirect emission	MT	85360	86152	91908	88823	89202

EN18: Initiatives to reduce greenhouse gas emissions and reductions achieved

Parameter	Unit	2008-09	2009-10	2010-11	2011-12	2012-13
GHG Reductions	MT	9927	11621	476	3550	6935

EN20: NOx, SOx, and other significant air emissions by type and weight

Parameter	Unit	2008-09	2009-10	2010-11	2011-12	2012-13
SPM	MT	1754	1758	1859	2206	2209
SO _x (including acid mist from hal)	MT	1317	1237	1276	1572	1820
NO _x	MT	1423	1188	1259	1310	1212
NH ₃	MT	716	808	777	873	703
Total Fluorides	MT	45	49	48	57	47

EN21: Total water discharge by quality and destination

Parameter	Unit	2008-09	2009-10	2010-11	2011-12	2012-13
Quantity	KL	73865739	78249404	77775600	79498184	79167678
Ammonical Nitrogen / NH ₃	MT	252	268	245	179	174
TSS	MT	13545	16230	15731	13910	12391
BOD	MT	3.54	2.44	3.81	3.57	4.08
Phosphate	MT	0.16	0.13	0.24	0.32	0.30
Fluoride	MT	0.35	0.39	0.42	0.31	0.20

EN22: Total weight of waste by type and disposal method

Parameter	Unit	2008-09	2009-10	2010-11	2011-12	2012-13
Total Waste	MT	661295	598465	615038	825747	800653
Non hazardous Waste	MT	660910	598234	614558	825074	800313
Hazardous Waste	MT	378	224	474	665	334
Biomedical Waste	MT	5	5	5	5	6
Other Waste	MT	3	2	1	3	1

EN30: Total environmental protection expenditures and investments by type

Parameter	Unit	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Expenditure	Rs.	27,50,56,042	41,89,08,398	61,72,97,027	46,70,49,256	65,30,42,661

SOCIAL

LA1: Total workforce by employment type, employment contract, and region, broken down by gender

Cadre	2010-11	2011-12	2012-13
Management	895	943	886
Officer	643	674	689
Non Management	1588	1486	1385
Trainee	40	73	152
Total	3166	3176	3112

SBU	Management	Officer	Non Management	Trainee
Chemicals	303	297	1155	83
CPB	72	3	0	0
CNAB	365	352	217	47
WAPU	25	9	0	0
Innovation Centre	36	8	1	2
Biofuels	3	2	0	0
Corporate	82	18	12	20
Total	886	689	1385	152

SBU	Female (Nos.)	Male (Nos.)	Total (Nos.)	Female (%)	Male (%)
Chemicals	63	1775	1838	3%	97%
CPB	6	69	75	8%	92%
CNAB	27	954	981	3%	97%
WAPU	1	33	34	3%	97%
Innovation Centre	6	41	47	13%	87%
Biofuels	0	5	5	0%	100%
Corporate	31	101	132	23%	77%
Total	134	2978	3112		

LA2: Total number and rate of new employee hires and employee turnover by age group, gender

Age Cluster	New Hire		Separation	
	Male	Female	Male	Female
Below 30	117	4	69	7
Between 31-50	41	1	75	2
Above 50	0	0	65	3
Total	158	5	209	12

LA10: Average hours of training per year per employee by gender, and by employee category (2012-13).

Cadre	Total Training (Manhours)	Total Strength (Nos.)	Avg hrs of Training/Employee
Management	54151	886	61.12
Officer	23523	689	34.14
Non-Management	22508	1385	16.25
Trainee	11661	152	76.72
Retainers	32	12	2.67
Third Party	9008	887	10.16
Contract workmen	78812	4368	18.04

Cadre	Total Training (Manhours)		Total Strength (Nos.)		Avg hrs of Training/Employee	
	Male	Female	Male	Female	Male	Female
Management	49393	4758	838	48	58.94	99.13
Officer	23032	491	661	28	34.84	17.54
Non Management	22252	256	1335	50	16.67	5.12
Trainee	11046	615	144	8	76.71	76.88
Retainers	32	0	10	2	3.20	0.00
Third Party	8916	92	864	23	10.32	4.00
Contract workmen	78747	65	4307	61	18.28	1.07

LA6: Representation in joint safety & health management

Parameter	2008-09	2009-10	2010-11	2011-12	2012-13
Percentage of the total workforce represented in formal joint management-worker health and safety committees	13.0%	13.5%	13.9%	13.6%	14.6%

LA7: Rates of injury, occupational diseases, lost days and absenteeism & total number of work related fatalities

Parameter	Unit	2008-09	2009-10	2010-11	2011-12	2012-13
Fatalities	No.	0	1 (at Mithapur)	0	3 (2 at Mithapur & 1 at Haldia)	1 (at Haldia)
Injury Rate (TRI+FAC)	No. of Injuries per 2.0 Lakhs man-hr	1.04	0.63	0.67	0.75	0.55
Total Recordable Injury Rate (TRIR)	No. of Injuries per 2.0 Lakhs man-hr	0.27	0.29	0.21	0.36	0.25
Lost Time Injury Frequency Rate (LTIR)	No. of Injuries per 2.0 Lakhs man-hr	0.11	0.18	0.12	0.22	0.10
Lost Day Rate (For lost time accidents the lost days counting starts the day after the accident and days are counted as per calendar days)	No. of Lostdays per 2.0 Lakhs man-hr	7	72	4	176	60
Absentee Rate (Absentee days are recorded only for Haldia Non Management category of worker and calculated absentee day rate is with respect to total no. of workforce days worked for Haldia)	No. of absent days per 2.0 Lakhs mandays worked	1230	1140	1231	907	495
Occupational Disease Rate	No. of Cases per 2.0 Lakhs man-hr	0	0	0	0	0

LA8: Education, training, counselling, prevention, & risk control programs in place to assist workforce members, their families, or community members regarding serious diseases

Parameter	Unit	2008-09	2009-10	2010-11	2011-12	2012-13
No. of workers with high risk of specific diseases	No.	0	0	0	0	0
Assistance programs						
Location	Program Recipients	Education/ Training	Counselling	Prevention/ Risk Control	Treatment	
MITHAPUR	Workers	Yes	Yes	Yes	Yes	
	Workers' Family	Yes	Yes	Yes	Yes	
	Community Members	Yes	Yes	Yes	Yes	
BABRALA	Workers	Yes	Yes	Yes	Yes	
	Workers' Family	Yes	Yes	Yes	Yes	
	Community Members	Yes	Yes	Yes	Yes	
HALDIA	Workers	Yes	Yes	Yes	Yes*	
	Workers' Family	Yes	Yes	Yes	Yes*	
	Community Members	Yes	Yes	Yes	No	

*Facility is not in the company premises reimbursement is provided after submission of bills

HR3: Programs covering Human rights

Sr. No	List of training programmes covering Human Rights Issues	Participant type
1	Affirmative Action Awareness session	Emp.
2	Companies Act 1956	Manager
3	Fire & Safety Training	All
4	Gender sensitization and Prevention of Sexual harassment at work place	Permanent/ contract
5	GRI Certified Training Course	Manager
6	Information security	Permanent employees
7	Oorja - Theme on Ethics	All
8	POSH awareness	All
9	TCoC	All
10	Training & Capacity Building Workshop on Sustainability Reporting	Manager

HR5: Grievance redressal forums

Sr. No	List of Forums where employee can raise their grievances
1	Apex Quality Council meetings by invitees
2	Business Review Meetings/Strategic Business council meetings
3	CMC meetings by invitees
4	Communication meets with senior leaders/Plant Round by Sr. Leadership/HR Team
5	Connect - for third party employees
6	Departmental/ monthly/weekly Meetings & review
7	Directly to HR SPOC/Leadership
8	Employee communication (Shop Floor/Auditorium)
9	Focus Group Discussions with different segments of employees
10	Grievance Cell - by filling up forms/Grievance Redressal System for Workmen
11	Suggestion Schemes
12	HR Clinics in shop floor/ HR connect/We Care
14	Inorganica: Annual meet of Chemicals Non Site
18	Pulse Workshops for improving employee engagement
21	Spandan: Bi-annual meet of Consumer Product Business/Regional Sales conferences

HR6: Action taken for mitigating risk of child labour

Sr. No	List of operations which have threat of inclusion of Child Labour	Actions taken to mitigate this problem
1	Bagging	Contract has a clause of SA 8000 compliances , TCoC
2	Canteen for Contract Labour	Regular Checking
3	Guest House Contract	Contract has a clause of SA 8000 compliances , TCoC
4	Horticulture	Contract has a clause of SA 8000 compliances , TCoC
5	Security	Contract has a clause of SA 8000 compliances , TCoC

HR8:

Sr. No	List of training programmes for Security Personnel covering Human Rights Issues
1	Fire & Safety Training
2	First Aid
3	Information security
4	Mock Drill
5	Road Show
6	TCoC

Note: Human rights issues include code of conduct, diversity, legal rights, security practices, campaigns where awareness were made on these issues

HR9:

One case on violation of process of selection of vendor was registered under TCoC. Status: Resolved

SO1: CSI and CSP scores (2012-13)

Year- 2012-13	Haldia	Mithapur	Babrala	Average of all the location
Corporate Sustainability Protocol Index score	756.8	823	770	783
Community Satisfaction score	4.34	3.57	3.98	3.97

Details of project information is available on our website www.tcsrd.org

TCL is in the process of conducting social capital externality valuation through an external party, GIST.

SO2:

All SBUs and corporate shared services inclu. Innovation centre were analyzed this year for risks related to corruption.

So3 100% of employees trained in organization's anti-corruption policies and procedures.

SO4:

Actions taken in response to incidents of corruption.

Actions ranging from termination of employment and systemic corrective and preventive actions to avoid recurrence.

Parameter	Unit	2008-09	2009-10	2010-11	2011-12	2012-13
No of incidents reported on corruption	Nos.	0	1			0
Actions taken in response to incidents of corruption	Dismissal	0	1	2	4	0
	Contract not renewed	0	0			0

SO6:

Total Value of cash/in-kind contribution to political parties: Nil

SO7:

Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes: Nil

SO8:

Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations: Nil

PR2,4,7,8:

Parameter	Unit	2008-09	2009-10	2010-11	2011-12	2012-13
Number of incidents of non-compliance with regulations & voluntary codes concerning health & safety impacts of products & services, by type of outcomes	Nos.	None	None	None	None	None
Number of incidents of non-compliance with regulations & voluntary codes concerning product & service information & labelling, by type of outcomes	Nos.	None	None	None	None	None
Total number of incidents of non-compliance with regulations & voluntary codes concerning to marketing communications, including advertising, promotion, and sponsorship	Nos.	None	None	None	None	None
Total number of substantiated complaints regarding breaches of customer privacy & losses of customer data	Nos.	None	None	None	None	None
Value of Significant fines	Nos.	None	None	None	None	None



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 scalable 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 20⁰⁹

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

GRI Application Levels

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

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

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

Report Application Level	C	C+	B	B+	A	A+ ✓	
Standard Disclosures	G3 Profile Disclosures 	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures 	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators 	Report on a minimum of 10 Performance Indicators, including at least one from each of Economic, Social and Environmental.	Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human Rights, Labor, Society Product Responsibility.	Report on each core G3 and Sector Supplement Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.			

Sector supplement in final version

To know more about GRI please visit www.globalreporting.org

Abbreviations

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

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



Feedback Form For Sustainability Report 2012-13

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 & 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 & areas to be covered in the next report:

Name: _____

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Organisation: _____

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

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