

MAPLE LEAF RACE - 2006

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Corporate social responsibility

"Every company has a special continuing responsibility towards the people of the area in which it is located. The company should spare its engineers, doctors, managers to advise the people of the villages and supervise new development undertaken by co-operative effort between them and the company."

- JRD Tata (1969)

"I do believe that we in the Group have held a view and held a sense of purpose that our Companies are not in existence just to run our business and to make profit- and that we are responsible and good corporate citizens over and above our normal operations. By that, I mean that we play a part in the community and we shoulder community responsibility as part of social responsibility of our nation. And, these responsibilities are not to be confused with employee welfare, but they go beyond our own employees and in fact concentrate on the contribution to the community and to the nation."

- Ratan N Tata (1996)

The above quotes succinctly illustrate the Tata ethos, and summarise the guidelines laid down by Tata Steel's Founder, Jamsetji Nusserwanji Tata. A facet of the Founder's remarkable breadth of conception was his recognition that corporate social responsibility was fundamental to India's drive for industrialisation, one of his defining tenets being, 'the wealth which comes from the people must as far as possible go back to the people'. In adhering to the Founder's dreams, the **Steel Company pioneered the concept of corporate social responsibility**. The tradition initiated by J.N. Tata was crystallised by his sons and their successors into an enduring commitment encompassing multifarious social activities; the quality and diversity of which have come to be recognised as the benchmark of good corporate citizenship.

Commitment to its social responsibilities and obligations to the community are enshrined in company's policies, which states emphatically that the Company would be "mindful of its social responsibilities to its consumers, employees, shareholders, society and the local community".

Criteria for successful program

1. Environmental Leadership
2. Health & Safety
3. Supply Chain Interface
4. Public conduct/ interaction with community & society for capturing their concerns
5. Product Stewardship
6. Education of Safety, Health & Environment Education.

Corporate Sustainability Management System

Consistent with the founder's philosophy, the company embodies its social responsibility in the Vision 2007. In establishing sustainable development and industry leadership in public responsibility and corporate citizenship, Tata Steel has adopted the framework of Corporate Sustainability Management System (CSMS).

Tata Steel is one of the first companies in India to adopt triple bottom line performance (Economic, Environmental, and Societal) reporting in its Corporate Sustainability Report.

This facilitates the company's efforts to proactively manage concerns and address the needs beyond compliance to norms. The company goals of ensuring safety, improved quality of life and environmental sustainability is cascaded down the organisation through the deployment of the Environmental, Health & Safety Policy and incorporated in the business practices as identified in the BSC (Balanced Score Card) at various levels of the organisation and performance contracts of the individual officers.

A Corporate Citizenship Committee chaired by the MD meets regularly to address societal issues and concerns gathered from various engagement processes and legal requirements. Legal department and corporate audit identify the new statutory and legal requirement and ensures its compliance across the company.

Table -A describes the risks/impacts along with details like stakeholders' affected, regulatory requirements, performance measures, and targets. Before every Board meeting MD submits a report to the Board confirming 100% compliance to all statutory requirements.

Criteria	Stakeholder affected	Impact/risk	Practices/ Process	Key Measures	Targets	Strategic action plans supported
Environmental Leadership	Environment, Community & Society, Government, NGOs	Pollution, Global Warming, Resource Usage, Ecological unbalance, legal non-compliance	EMS ISO-14001	Compliance to Norms	100%	Improve the quality of life
Health & Safety	Employee & Contractors	Health care and safety, legal non-compliance, disaster management	EMS ISO-14001 & OHSMS – OHSAS 18001, Crisis Management under Town Divisions	Compliance to Norms & documented system requirements	100%	Quality of life, environmental, safety & health sustainability
Supply Chain Interface	Suppliers	Ethical values	MOU, COC, SA 8000	Spread of COC	-	Partnership
Public conduct/ interaction with community & society for capturing their concerns	Community & Society, NGOs, Citizens of Jamshedpur	Income generation, un-employment, social unrest, health & hygiene, education	Communication forums e.g. Senior Citizens forum, joint community meeting, Hospital visiting committee,; Interface with community during TFA cadet selection, life line express venue; Education excellence award	No. of meetings Positive Media coverage	Once in quarter	Improve the quality of life, partnership with society and social license to operate
Product Stewardship	Customer, Society	Product usage and disposal	LCA	Analyse results through LCA software	Cradle to gate	Environmental sustainability
Education of Safety, Health & Environment Education	Employees, Community & Society	Health & environment care and safety consciousness	Structured training programme under ISO-14001 & OHSAS-18001 and Awareness Programme	No. of programmes	As per plan	Quality of life and EHS sustainability

Table - A

Tata Steel also anticipates the future impacts of products and services through various measures as shown in Table - B.

Stakeholder	Proactive Measures
Environment	REIA, EIA for new projects, carrying capacity study, LCA, EMS (ISO-14001).
Community & Society	Development and maintenance of infrastructure to take care of civic amenities, health care, education, family initiatives, etc.
Customer	Customer need survey, customer interaction, R&D for product and process design.
Suppliers & Contractors	Strategic sourcing vendor evaluation, integration of EMS with Supply Chain. SA 8000 Implementation
Shareholders	Investment decision for higher ROI, diversification to improve EVA.
Media Global Community	Transparency thru' press conferences, performance reporting etc. Triple bottom line reporting, SA 8000 Implementation
Employees	Infrastructure for environment, health and safety, OHSAS-18001 implementation, SA 8000 Implementation, green cross movement, open communication channel with top management (e.g. MD Online QC, Suggestion Management, KM, Hotmail, JDCs etc.)

Table - B

Appropriate preventive actions and design changes are brought about to address such concerns proactively. As an example, before introduction of a new product, R&D conducts thorough tests to ensure it is safe for use. Before starting a new project Environmental Impact Assessment is carried out and proper rehabilitation plan is prepared in consultation with concerned stakeholders

As a proactive measure, to anticipate future trend in the business, Tata Steel has joined several National / International Organizations who have established guidelines to address sustainability issues in business e.g., Member of UN- Global Compact, Global Reporting Initiative, TERI CORE – BCSD etc.

The senior leadership is in constant touch with the communities through various fora, such as senior citizens meet, Tribal Welfare Committee, joint community meet and informal forums to understand the needs and expectations. Tata Steel is the first Indian Company to undergo a voluntary Social Audit. This is now institutionalized and conducted every ten years by eminent & independent auditors whose feedback is used for improving social performance.

Based on the learning from various engagement processes the following quality of life parameters have been identified for organizational involvement – Health Care, Education, Training for gainful employment, Promotion of Economic Growth in Urban and Rural areas, Development and Maintenance of Civic amenities, Promotion of Art and Culture, Encouraging Sports and Adventure as a way of life, Environment management beyond mere compliance and Relief during natural calamities. Tata Steel identifies key communities mainly from the 50km radius in Jamshedpur and 30km radius in out locations. To improve the effectiveness of the process further, to support and strengthen key communities, Tata Steel collaborates with various NGOs and other voluntary organizations. The area partnership with these organizations is shown in Table – C

Organizations/NGOs	Area of Partnership
The Global Business Council HIV/AIDS London	(i) Preventive & Promotional activities (ii) Curative & rehabilitative activities (iii) Adopt East/West Singhbhum for conducting AIDS awareness.
The Global Compact of the United Nations	To promote good corporate practices in the areas of (i) Human Rights (ii) Labour (iii) Environment
IISI Brussels, Ministry of Environment Forests New Delhi	Life Cycle Assessment for Steel Sector.
UNIDO, Confederation of Indian Industry	Water pricing for resource conservation
FPIA, USA	Adolescent Reproductive Health Project called SAHAS.
CARE International, USA	To promote safe motherhood and infancy to reduce IMR and child mortality rate to less than 5 years of age (CMR <5) in 162 villages.
UNICEF	WATSAN (Water and Sanitation Project), which will cover 100 villages.
Sir Ratan Tata Trust	Rehabilitation and reconstruction work for the Orissa Cyclone victims.
The Calcutta Samaritans	Running of a De-Addiction Centre at Baridih.
CII/CIDA	Implementation of Corporate Sustainability Management System

Organizations/NGOs	Area of Partnership
CII, FICCI, ASSOCHAM, ICC	Market and business related issues.
Government of Jharkhand	JSACS for AIDS awareness; JEP for education, irrigation projects
Packard Foundation	Adolescent Reproductive Health.
National Commission on Population	Population Sterilisation
DRDA	Watershed and social mobilisation

Table -C

The social efforts are directed by an articulated social policy. The Social Services & Family Initiatives and the Community Development & Social Welfare & Sports departments manage the company's social initiatives. The Town Division develops and manages all the civic amenities like roads, buildings, water supply, power supply, parks & gardens, sanitation, public health etc. for the Jamshedpur town. The medical services manage the Tata Main Hospital and the associated dispensaries. The details of the social activities of the company are listed in Table - D.

Types	Communities Impacted	Organization Support	Objectives/Achievements of Interventions
Health Care	Citizens of Jamshedpur	740bed hospital with specialized burn care unit; Allied hospitals 9 dispensaries; Cancer hospital with MRI 1 Blood Bank; 2 De-addiction centers 5 Homeopathic Clinics; Public Health Services, Quality drinking water	Improved health of citizens of Jamshedpur Provide improved health care facilities; Improved quality of drinking water; AIDS awareness training, Member of Global coalition on AIDS
	Rural communities in & around operations	Outreach services through mobile & community clinics; Family welfare programs; Tuberculosis eradication, Immunization Services; Safe drinking water; Low cost sanitation; Disability management	To prevent spread of diseases & improve health of the communities in order to build their capabilities. More than 7000 TB cases cured; 1050 tube wells provided; Life-line express hosted 7 times; Infant mortality rates brought down from 96 to 56/1000 in Patamda block
Educational support	School children in Jamshedpur	Millennium Scholarships / VG Gopal scholarships for meritorious students / Financial assistance to SC / ST meritorious students; Coaching for entry into administrative / technical services / computer education; Build & Manage infrastructure; More than 200 libraries in areas across our operations / Internship training – MBA/Engg./Med.; Dr. JJ Irani Education Excellence award based on Malcolm Balrige education criteria	Improve the quality of education to create inbuilt capabilities in communities. Improve the quality of education in the schools of Jamshedpur – This will help in creating a source of well trained employee base for us & our suppliers in the long-term; Manage 8 high schools/7 primary schools / 1 intermediate college / 312 rural schools assisted / 171 Balwadis run in rural areas
	Pre-school children in 60 villages in Jharkhand & Orissa SC / ST students		
Training for Gainful Employment	Urban & Per-urban population of Jamshedpur. Rural communities residing near our operations	Trade apprentice coaching & training at SNTI; Training of rural women population on specific trades; Computer Education; Traditional Birth attendant training for rural girls; Networking with Govt. & non-govt. training institutes	Increase employment opportunities for youth & raise standard of livnig. PM's trophy prize money to be used in setting up a Polytechnic at JSR; Networking partners: Rastriya Karigar Panchayat/Indo-Danish tool room, Ramkrishna Mission
Promoting Economic Growth	Business; Community ; Rural Population	Infrastructure development in Jamshedpur /Adityapur.; Development / support of local vendors; Procurement from social organizations; Agriculture extension / skill up gradation; Micro-financing – Women Focused; Providing Market linkages	Improve the economic condition of the vicinity.; Procurement from local supplier; Procurement from social organizations; Organizing Gram shree mela & other exhibitions
Sports & Adventure	Citizens of Jsr.; Rural Talents Nation	Setting up of sports infrastructure- ; 3 state of the art stadiums at Jsr & 3 our-locations ; 8 training centres & academies; Flying Club / Horse-riding school / Rock climbing / river rafting / parasailing .; Corporate sponsorship of sporting events	Provide infrastructure to promote sports & inculcate spirit of adventure in citizens of Jamshdepur 14 – Gold / 8 Silver / 9 Bronze medals won in national events in 2002-03; Sponsorship of events at Jsr – Archery / football / cricket / chess / badminton / handball / athletics / Olympics for mentally retarded etc.

Civic Amenities	Citizens of Jamshedpur	Development & maintenance of civic amenities; Maintenance of 524 KMs of roads; 35.5 M gallons of water supplied daily ; 17 large & small parks maintained; Emergency Fire Services	To build a town and provide improved quality of life ; Children/s entertainment park; Zoological Garden; Club houses in all residential complexes; Interstate Bus terminus; Maintenance of Markets.
Promoting Art & Culture	Local Communities	Establishment of tribal culture centre Jamshedpur school of arts Corporate sponsorship to traditional & contemporary cultural events	To preserve the local tribal cultural heritage and promote art & culture. Chau Mohoutsav, Jhunur; Film Festival, Art in industry
Professional society Membership	SPPE, St. John's Ambulance Brigade, BIS, JMA, AIWC, IIM, XLRI, CII, FICCI, ASSOCHAM, ICC	Tata Steel's leadership team contributes to nation building by taking on leadership roles in CII, IIM, XLRI etc. Corporate sponsorship & Associations. Centre for Excellence created for the much needed business transaction facility.	To strengthen communities by building associations.
Tata Relief Committee	Communities affected by disasters	Tata Relief Committee instituted 1998 – 156 houses / community centres for MP earthquake; 2001 – Construction of houses & schools for Orissa cyclone victims; 2002 – Reconstruction of 20 schools at Rupar in Gujrat, Distribution of medicines during Gujrat riots. etc.	To respond & alleviate large scale suffering of people owing to natural calamities.

Table – D

A new comprehensive CSR index initiative launched this year is Corporate Social Responsibility(CSR). It is a BE facilitated collaborative working in small-groups with office of Dy. MD Corporate Services and all of the Company's CSR agencies in developing a framework around the UN Millennium Developmental Goals (UNMDG) to create a comprehensive CSR Index representing company's diverse initiatives. See Table - E.

CSR Index	Weightage
Developmental Goals (UNMDG);	= 70%
Health	= 15%
Education	= 15%
Employment	= 25%
Environment	= 15%
Business Process Accountability Composite Index	= 30%
Management of Business	= 5%
Ethics (MBE) Assurance	= 10%
CSR Assurance	= 5%
SA 8000 Index	= 5%
Community Perception Survey	= 5%
Employee Volunteerism	= 5%
Total	= 100%

Table - E

Corporate Social Responsibility in Supply Chain(Inbound) :

Tata Steel pays special attention towards CSR in Supply Chain functions. Suppliers as a stockholders had a risk/impact on ethical values and environmental & social accountability. For implementing these Tata Steel follows following practices / process.

1. Code of Conduct (COC) :

The Tata House represents more than a century of ethical conduct of business in a wide array of markets and commercial activities in India and abroad. The Tata name invokes trust among customers, employees, shareholders and the community. This is a precious heritage, unique in India, and will not only have to be preserved but also enriched by formalising the high standards of behavior expected from our employees in the year to come.

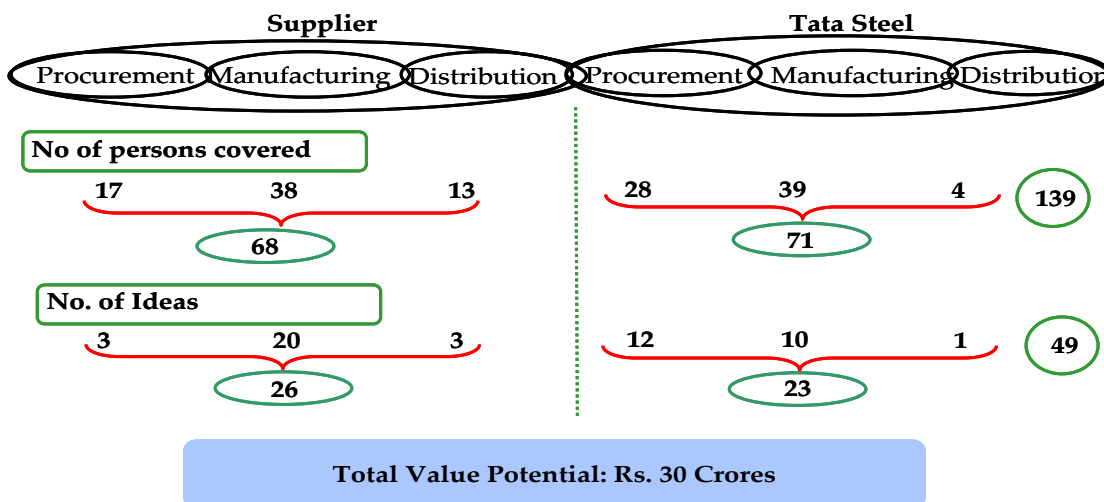
A well formulated COC document provides guideline for performing wide array of markets and commercial activities in India and abroad ethically. We have a well defined policies for following : National interest, financial reporting and records, competitions, gifts and donations, health , safety and environment, corporate citizenship etc.

2. Memorandum of understanding (MOU) :

Tata Steel is having MOU's with key suppliers regarding long term business partnership, adhering to Tata Steel's environmental and social responsiveness norms.

Tata Steel's procurement division gives priority to local vendors and social organizations (like sonary community, All India Womens Conference etc) in terms of business volume.

3. Supplier Value Management : Tata Steel initiated Supplier Value Management (SVM) Program to develop value creating partnerships with key suppliers. The program has been designed to create value by leveraging knowledge and resources in the entire value chain. The same has been completed with 8 suppliers and a value potential of Rs.30 crore has been unlocked through 49 ideas as shown in figure below.



4. SA 8000 :

AIMS of SA 8000 in sourcing.

- Increase social responsiveness among Management, Employees & Suppliers of goods and services

NORMS

1. No Child Labour
2. No Forced Labour
3. Health & Safety.
4. Freedom of Association & Collective Bargaining
5. No Discrimination
6. Fair Disciplinary Practices
7. Working Hours
8. Remuneration as per rules
9. Management Systems

ACTIONS :

- 100 % of our suppliers are complying to SA 8000 norms . For Vendor registration and doing business with Tata Steel this is one of the compulsory requirement.
- Periodic audit is done for SA 8000 compliance .

Achievements :

Tata Steel is the only Indian company to have been invited to join the United Nations sponsored Global Compact for Corporate for Corporate Social Responsibility as one of the twelve founder members. The prestigious Global Business Coalition Award for Business Excellence in the Community was conferred upon Tata Steel in recognition of its pioneering work in the field of HIV/AIDS awareness. The Tata Steel managed city of Jamshedpur was chosen to participate in the UN Global Compact Cities Pilot Programme along with five other cities from around the world.

Tata Steel is the first Indian company to undergo a voluntary Social Audit. This is now institutionalized and conducted every ten years by eminent and independent auditors whose feedback is used for improving social performance.

Tata Steel is the first corporate house in the country to promote the Excellence in Education Programme based on Baldrige Model. An award titled “Dr. Jamshed. J. Irani Award for Excellence in Education” has been instituted for the schools demonstrating excellence in quality of education. The award carries a citation and cash prize of Rs. 5.0 lakhs.

Conclusion :

Corporate social responsibility at Tata Steel is not a peripheral activity; it is a key business process.

Shouldering corporate social responsibility is not only helping the society but it helps in the development of the organization and the nation as a whole.