



Wiring Change

Corporate Sustainability at Tata Steel
Global Wires – India Operations

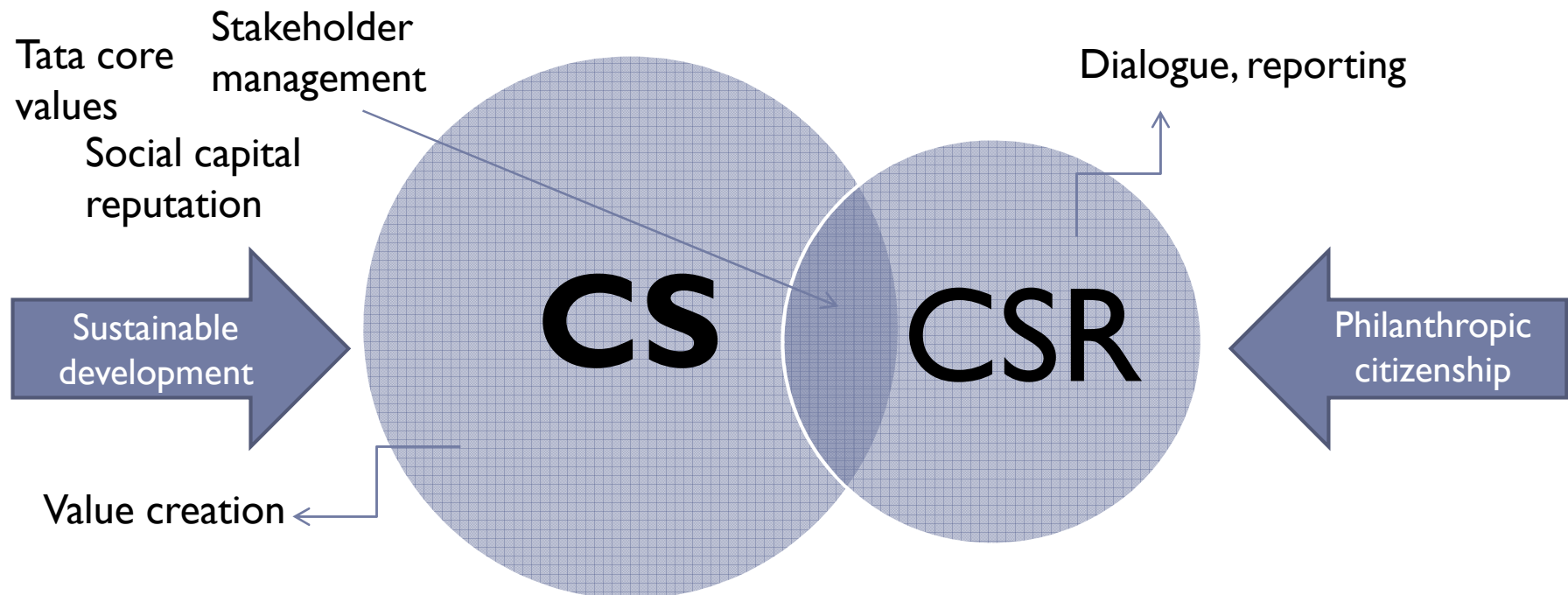
Amanda Feldman

26 August 2010

Tata Steel Global Wires Corporate Sustainability Policy

Tata Steel will volunteer its resources, to the extent it can reasonably afford, to sustain and improve a healthy and prosperous environment and to improve the quality of life of the people of the areas in which it operates.

How is Tata Steel Wires Division trying to achieve that vision?



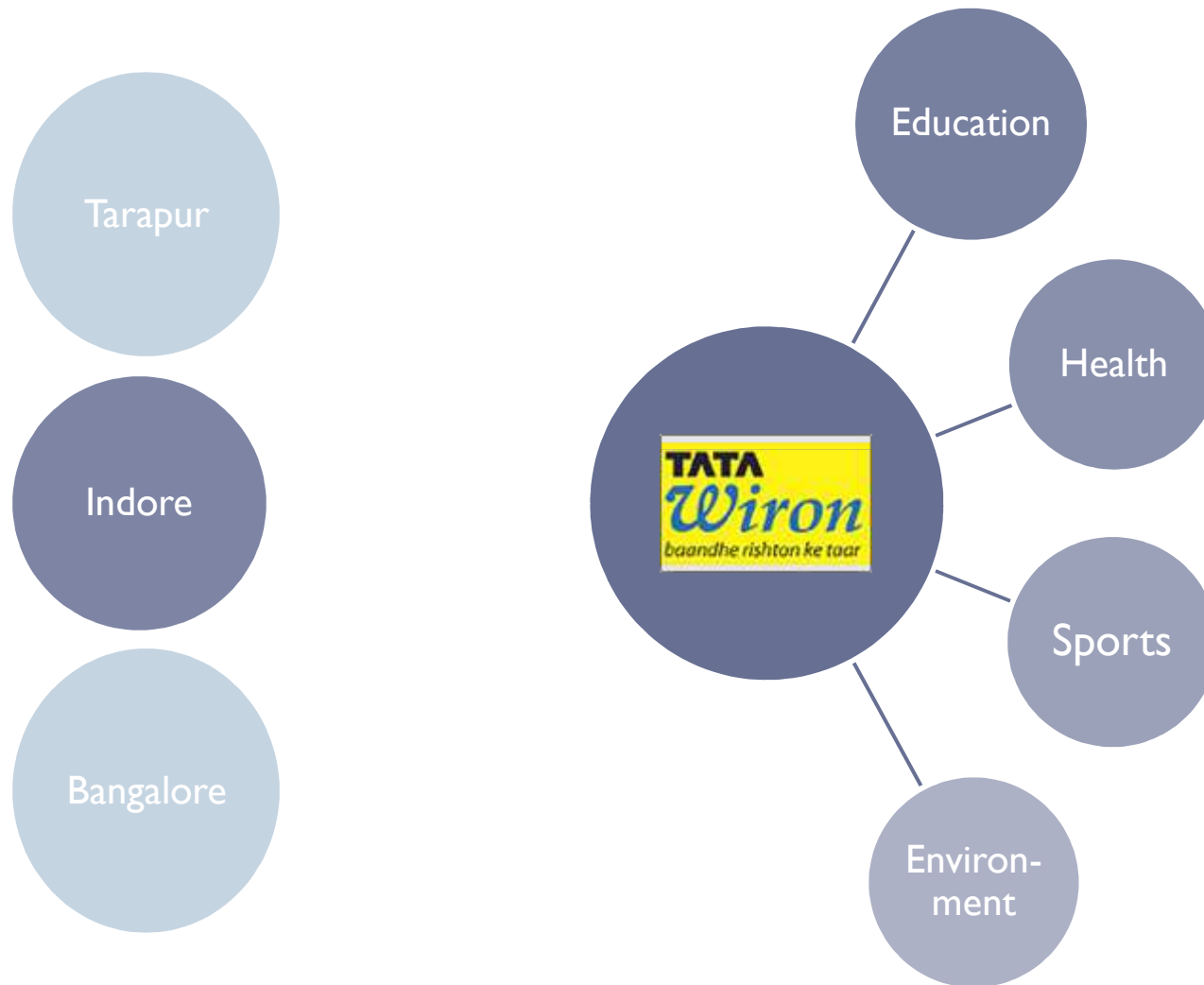
Corporate sustainability focuses on long-term economic and social stakeholder expectations by optimizing their sustainability and by participating in networks with public and private organizations that can provide capacity for the world's sustainable development.

Corporate Social Responsibility extends legal requirements promoting ethics, philanthropy and social reporting to satisfy stakeholder concerns.

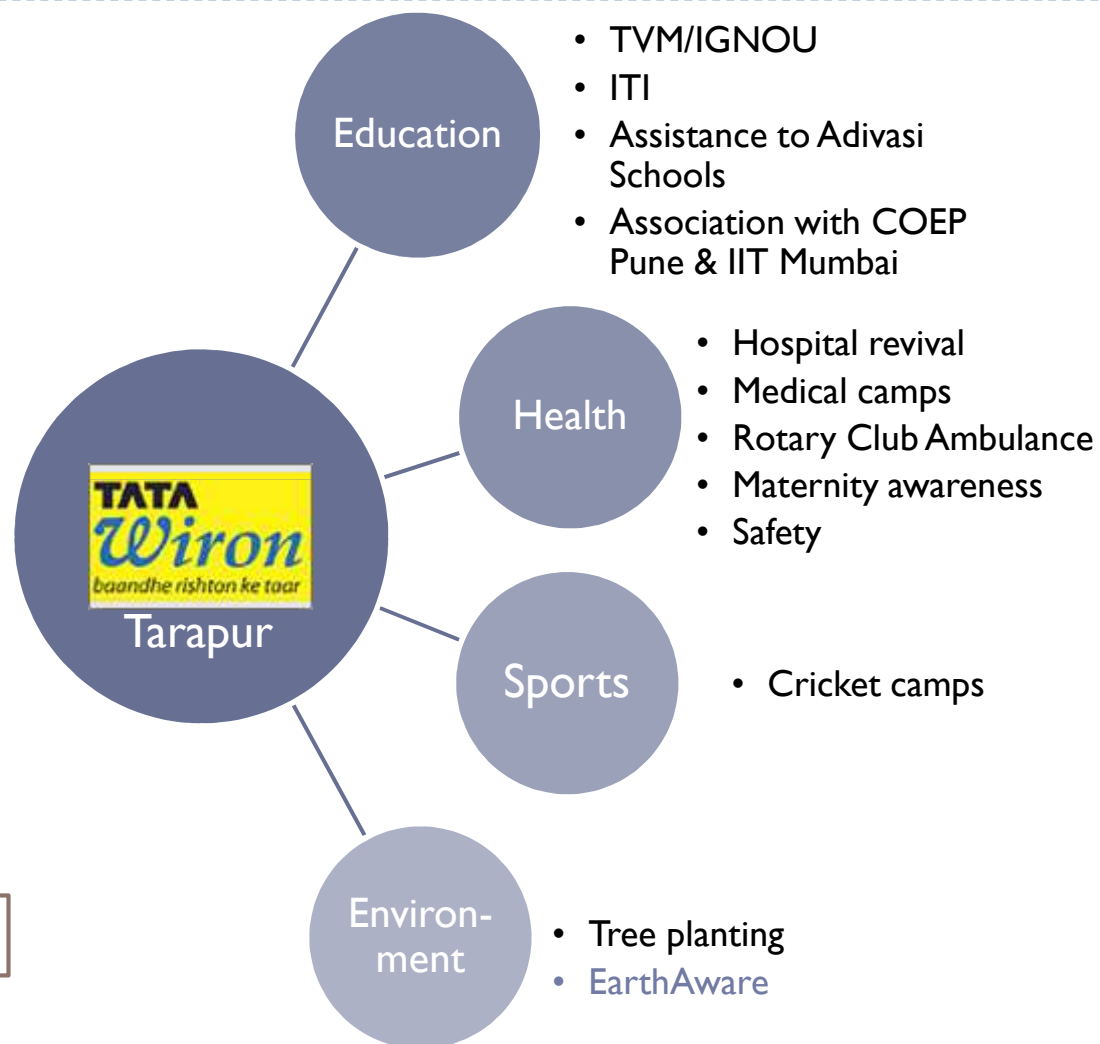
Corporate Sustainability (CS)

- ▶ **Corporate Sustainability** is integral to value-creation in our businesses through the enhancement of human, natural and social capital *complementing* their financial growth in order to give the enterprise an enduring future and also help create and serve a larger purpose, at all times. It facilitates accountability to all stakeholders as a systemic practice.
 - ▶ Page 24 of TBEM 2008 Manual
- ▶ Sources:
 - ▶ Brundtland Commission Report – *Our Common Future*
 - ▶ World Commission on Environment and Development
 - ▶ Triple Bottom Line - John Elkington - business goals are inseparable from the environments in which they operate
- ▶ Sustainability of Business v. Sustainability of Community

Overview of Thrust Areas

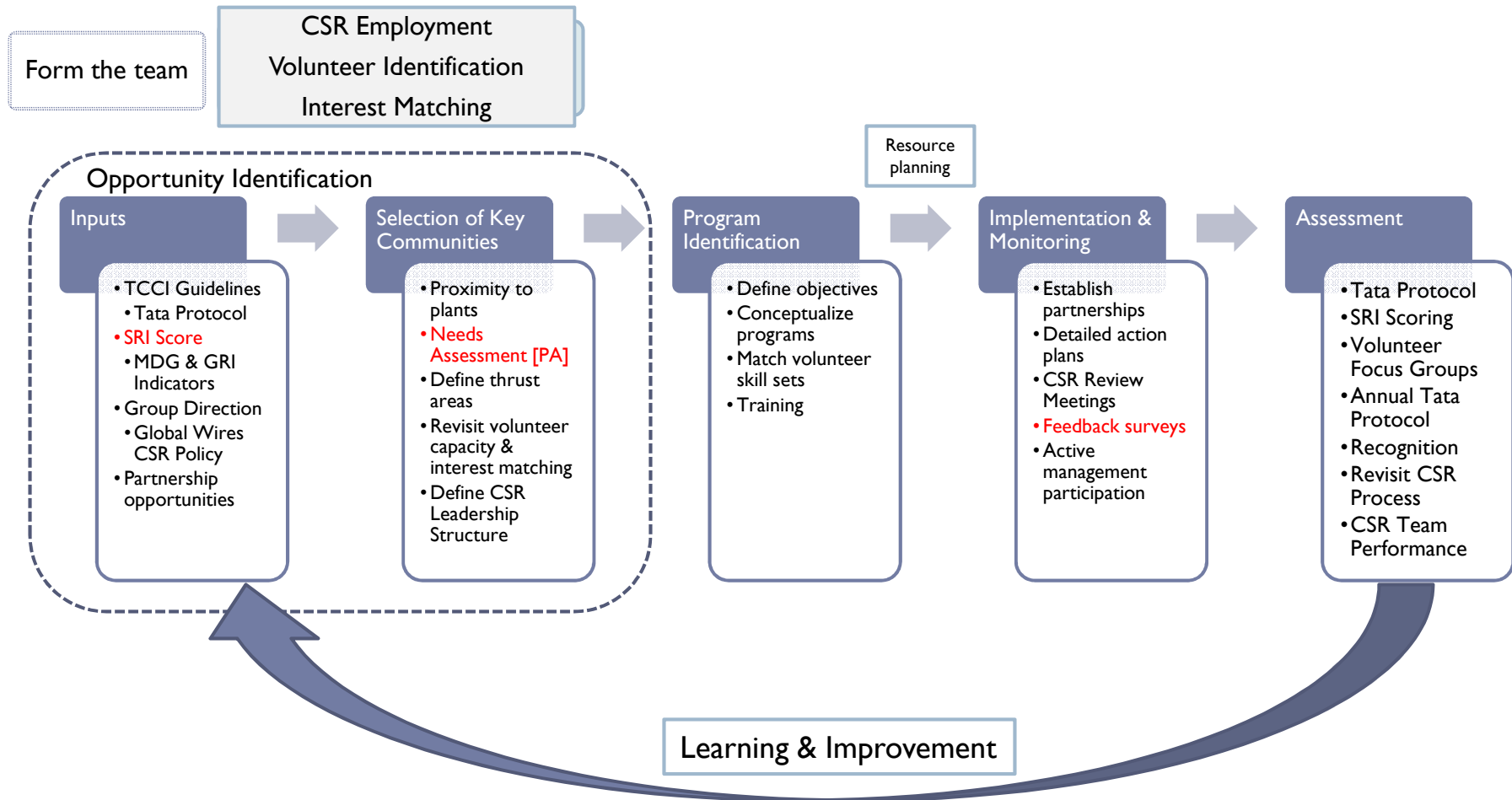


Tarapur



TISWISH

Proposed CSR Process



Introduction to Tata Protocol – CSR Index

▶ Social Responsibility on Three Levels

▶ **System**

- ▶ Leadership Commitment & Involvement
- ▶ Management Structure & Deployment
- ▶ Strategy Development & Action Plan
- ▶ Review Mechanisms, Process Documentation, Reporting, Communication and Awareness

▶ **People**

- ▶ Selection of Key Employees
- ▶ Volunteers

▶ **Programs**

- ▶ Risk Management
- ▶ Serving communities based on need
- ▶ Building Sustainable Livelihoods
- ▶ Encouraging Social & Novel Entrepreneurships

“We can’t trust that a good intention of the past will be carried on in the future without processes to ensure that employees and executives carry through on this pledge and “walk the talk.”

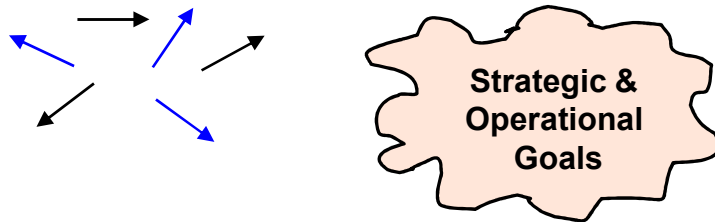
(Sunil Bhaskaran, Ethics Week 2010)

Protocol Methodology

- ▶ Detailed questionnaire reviewed for compatibility with TSWD by AA, AF and CS
- ▶ Interviews with PRR, RK, SV, KW, BP, RS, SS, SB, PU
- ▶ Consultation: Rishi Pathania – Tata Chemicals, Mithapur
- ▶ Scoring and modification
- ▶ Gap analysis
- ▶ Action Plan

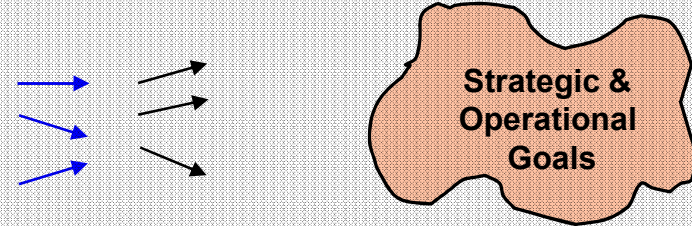
Tata Protocol – Where Does TSWD Stand?

(1) Reacting to Problems out of Human Consideration & Concern



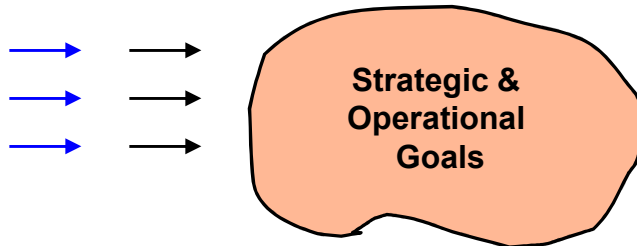
Operations are characterized by activities rather than by processes, and they are largely responsive to immediate needs or problems.

(2) Early Systematic Approach focused on Human Achievement



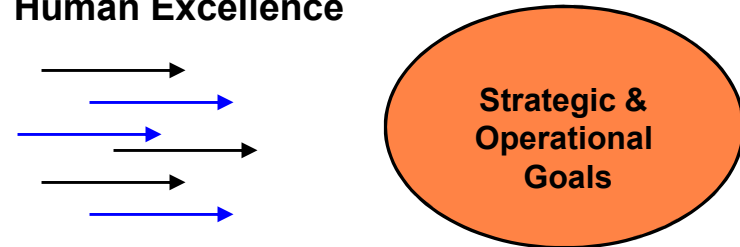
The organization is at the beginning stages of conducting operations by processes with repeatability, evaluation and improvement, and some coordination among stakeholders.

(3) Approach Aligned to Human Development



Operations are characterized by processes that are repeatable and regularly evaluated for improvement, with learnings shared and with co-ordination among stakeholders.

(4) Integrated Approaches towards Human Excellence



Operations are characterized by processes that are repeatable & regularly evaluated for change & improvement in collaboration with other affected stakeholders. Efficiencies across stakeholders are sought and achieved.

Breaking Down the Protocol

▶ System Processes:

▶ Leadership Commitment and Involvement

- ▶ Explicit commitment, assessments, non-financial goals.

SCORE: 58%

▶ Management Structure and Deployment

- ▶ Corporate Head of CSR, cross-functional team

SCORE: 46%

▶ Strategy Development and Action Plan

- ▶ Inclusion in Strategic Plan & ABP, three to five year perspective

SCORE: 47%

▶ Review Mechanism, Process Documentation and Reporting, Communication and Awareness

- ▶ Periodic review, regular communication

SCORE: 14%

Breaking Down the Protocol

- ▶ People Processes:

- ▶ Selection of Key Employees

SCORE: 11%

- ▶ Identify, select, position and train CSR facilitators.

- ▶ Volunteer Scheme

SCORE: 43%

- ▶ Scheme to encourage volunteering, two-way communication system

- ▶ Why?

- ▶ “Positioning the right people is important to build credibility and continuity, and is part of the brand assurance/deliverable. CSR functions are treated at part with all other functions, more as integral rather than separate/add-on work.”

Breaking Down the Protocol

- ▶ Program Processes:

- ▶ Risk Management

SCORE: 62%

- ▶ Social/Environmental impact, processes on sustainability

- ▶ Serving communities based on needs

SCORE: 46%

- ▶ Necessary capacities

- ▶ Building Sustainable Livelihoods

SCORE: 33%

- ▶ Strengthen potential capacities

- ▶ Encouraging Social & Novel Entrepreneurships

SCORE: 36%

- ▶ Existing charity-driven initiatives → sustainable ventures

Scoring Band

▶ Band 2 [30-60%]

- ▶ The Company demonstrates significant conceptual clarity on CSR initiatives, and these evolve out of corporate expertise, skills, technology, organizational capabilities and various competencies that typical companies extend to the underprivileged. There are basic systems for environmental management and complete compliance to the regulation. There is presence of a proper deployment mechanism that meets regularly and is in the early stages of evolving a 3-5 years strategy on CSR. There are early signs of developing human development goals and other measures, which link routine CSR activities to the overall Organizational purpose of improving the quality of life. However, there is no evidence of as systematic approach of enlisting business risks arising out of social and environmental factors and addressing them. CEO and Senior Leaders do provide an annual path on CSR although a deeper level of involvement is not evidence across the organization. The status of deployment is still desirable across the organization.
- ▶ The overall focus is to integrate CSR systems with employee participation, volunteering and high degree of engagement/heightened levels of passion.

Benchmarking: Tata Chemicals

As outlined in visit
report 26.7.10

- ▶ Importance of partnerships
- ▶ Eco-Clubs
- ▶ Participatory Rural Appraisals (PRA)
 - ▶ Participatory Appraisals
- ▶ Volunteer feedback, incentives & RR
 - ▶ Volunteer Policy
- ▶ Quarterly Senior Management Meetings with Community Leaders
 - ▶ Quarterly assessment of action plan progress
- ▶ In-House Fundraising Efforts
 - ▶ Concept Paper – Dharti/Desh Ko Arpan
- ▶ Social Responsibility Index – GRI, MDG, HDI
 - ▶ Assess priorities on SRI
- ▶ Tata Chemicals Society for Rural Development (TCSRSD)
 - ▶ Implementing arm of CSR department – Independent NGO

Benchmarking: Tata Steel

As outlined in visit
report 3.8.10

- ▶ **Center-oriented CSR**
 - ▶ Classes on sustainable livelihood, sports, language and skills
 - ▶ Participatory charges
- ▶ **Camp Schools**
 - ▶ Girl-child bridge courses to prepare for mainstream schools (7-12 y/o)
- ▶ **LifeLine Express**
 - ▶ **Ambulance Mobile Medical Clinic**
- ▶ **Implementing Arms**
 - ▶ Tata Steel Rural Development Society (TSRDS), Tribal Culture Society (TCS), Tata Steel Family Initiative Foundation (TSFIF Trust)

Indore / Pithampur

As outlined in visit
report 10.8.10

- ▶ **Learnings Network:**
 - ▶ Bridgestone
 - ▶ FlexiTuff
 - ▶ V.E. Commercial Ltd.
 - ▶ PEB Lloyd Steel
 - ▶ Rosyblue
 - ▶ Bharat Petroleum
 - ▶ L&T Cases, ECC
 - ▶ Mahle
 - ▶ Mahindra Tubulars
 - ▶ Cipla Pharmaceuticals
 - ▶ Pinnacle Industries Ltd.
 - ▶ Piramal Healthcare
 - ▶ Pratibha Syntex Pvt. Ltd.
- ▶ **Rotary Club partnership opportunity**
 - ▶ Eye Clinic
 - ▶ School for Visually Impaired



Wire Division's Community

- ▶ In and around the areas in which we operate:
 - ▶ Tarapur, Indore, Bangalore, Jamshedpur
- ▶ Boisar:



[Link to GoogleMap](#)

Tarapur Vidya Mandir

- ▶ **Key Objective:**

- ▶ Provide quality education to local youth.

- ▶ **Facilities**

- ▶ Well-equipped computer lab & modern science labs.
 - ▶ Library and playing grounds.

- ▶ **Shining Outcomes**

- ▶ Consistent achievement of 99% results at SSC level.
 - ▶ Indira Gandhi National Open University chapter with over 200 students.
 - ▶ Introduction of Tata Steel Education Excellence Model



American Education Trends

- ▶ Extremely variable across states
- ▶ 7 hour schooldays + after-school activities
- ▶ 25-30 students per class
 - ▶ 1/30 [.03] instead of 1.3/70 [.018]
- ▶ Divided according to skill – elected honors classes
- ▶ Separated:
 - ▶ Kindergarten [5-6 y/o] – preschool not mandatory
 - ▶ Primary [1-4th]
 - ▶ Remain in one classroom throughout day, except for gym, library, music, art
 - ▶ One textbook for each subject per student; loaned each year
 - ▶ Secondary [5-8th]
 - ▶ High School [9-12th]
 - ▶ Science, Mathematics, Social Sciences, English, Physical Education [required]
 - ▶ Electives & advanced placement courses – computers, athletics, performing arts, foreign languages
- ▶ Admission to public schools based on residency.
- ▶ Community/Technical Colleges – 2 year programs
- ▶ College/University – 4 year programs
- ▶ Field Trips

TVM SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> ✓ Follows State Board Curriculum (SSC) – Maharashtra. ✓ Introduction of Tata Steel Education Excellence Model. ✓ Established association and reputation within the area. ✓ Experienced and motivated teachers. 	<ul style="list-style-type: none"> ✚ Little access to funds and resources beyond tuition. ✚ Little interaction beyond Principal between Trustees and staff. ✚ Inadequate infrastructure. ✚ No R&R of teachers and staff.
Opportunities	Threats
<ul style="list-style-type: none"> ✚ Eco-Club – student initiative to complement environmental studies module and encourage company mentoring. ✚ R&R in retirement and through performance incentives. ✚ Improve infrastructure for present and future. ✚ More interaction, including systematic meetings, between company and school. 	<ul style="list-style-type: none"> ➤ Low teacher morale. ➤ No institutional grievance process. ➤ Salary dissatisfaction and perceived non-competitiveness, affecting attrition and efficiency over past ten years. ➤ Over-enrollment, threatening educational excellence and infrastructure capacity.

EarthAware Brief

- ▶ Aim: The EarthAware initiative seeks to foster youth discussion and exchange about nature conservation and sustainability, while increasing awareness about the local environment, climate change and green advocacy.
- ▶ Departmental mentoring
- ▶ Complementing TVM Environmental Studies Module
- ▶ Monthly meetings
- ▶ Replicable model



Cricket Coaching Camp

▶ Key Objectives:

- ▶ Increase skill and ability of local youth in cricket by providing training opportunities.
- ▶ Facilitate better employment opportunities.

▶ Shining Outcomes

▶ Employment Opportunities

- ▶ 8 male players, trained in our facilities, benefited by earning employment in various other companies due to cricketing skill.
- ▶ 20 players were given preference at Tata Steel for employment.

▶ Women Empowerment

- ▶ 3 members of the women cricket team were employed by Indian Railways based on their cricketing skill.
- ▶ 4 women members of the Tata Steel camp play on Mumbai cricket team (one on Reserves for India).



Education

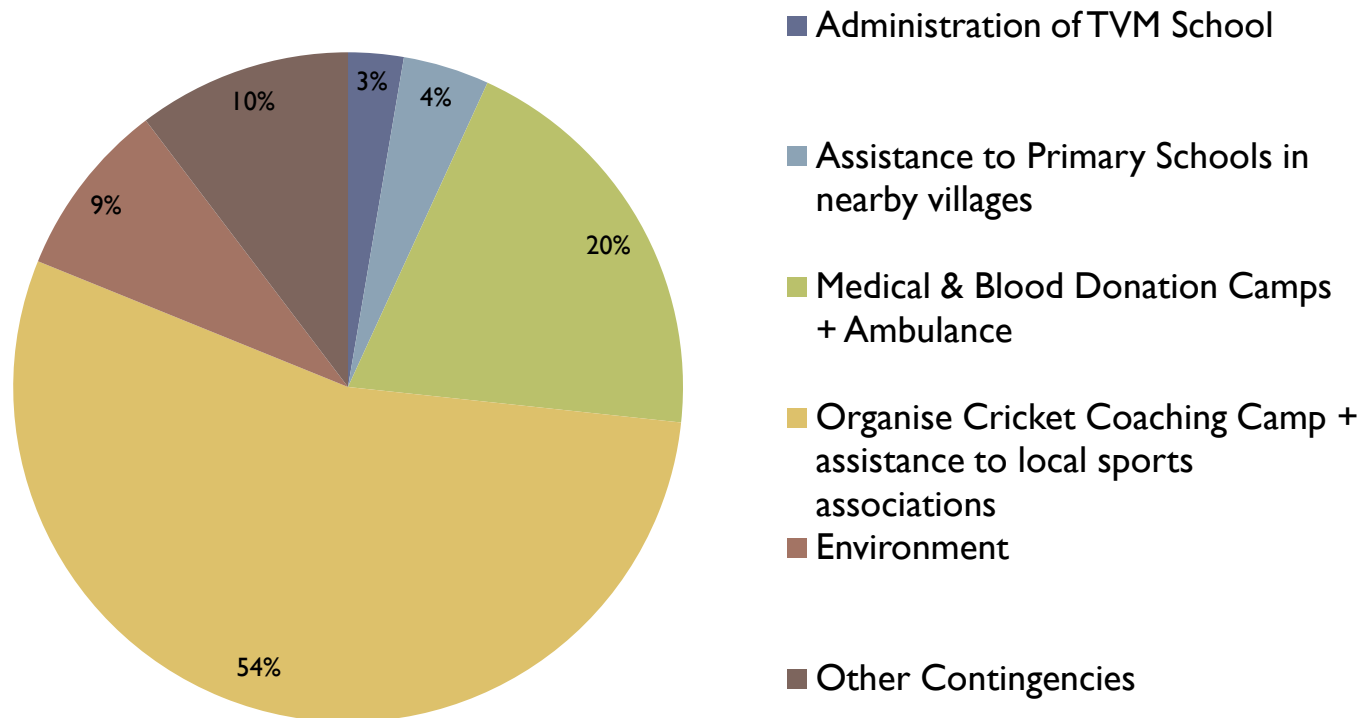
- ▶ Assistance to local Adivasi Schools
 - ▶ Donations of notebooks, uniforms, furniture, green boards
- ▶ Employment-Related Training
 - ▶ Safety education
 - ▶ Apprenticeships to ITI technical students



Resource Allocation



% CSR Budget



Action Planning

- ▶ **Green:** pending - actionable
- ▶ **Yellow:** in the short-term
- ▶ **Red:** in the long-term
- ▶ Prioritization
- ▶ Responsibility
- ▶ Target Dates

- ▶ See attached Action Plan spreadsheet.

Further Inputs

All shared learnings can be found on
CDs left at Borivli.

- ▶ Tata CSR Protocol: spreadsheet, gap analysis and action plan
- ▶ Participatory Appraisal Template
- ▶ Community Engagement group specifications
- ▶ Social Responsibility Index (SRI) Template
- ▶ Project Brief – EarthAware Club
- ▶ Prospective social enterprise proposal [ongoing involvement]
- ▶ Volunteer Feedback Survey Template
- ▶ Presentations on TVM, Cricket Coaching Camp, Tata Steel Global Wires CSR
- ▶ Visit Reports: TSGW (Indore), Chemicals (Mithapur), Power (Bombay), Steel (Jamshedpur) including shared learnings from each benchmark company
- ▶ Plus more...