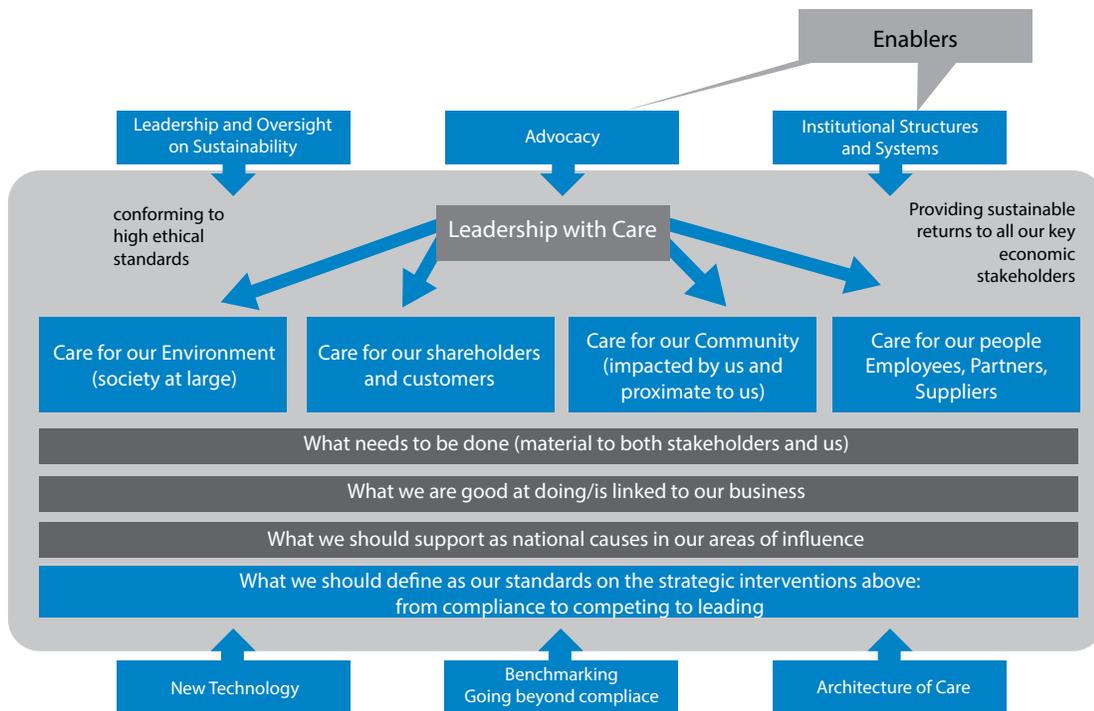


## BUSINESS RESPONSIBILITY REPORT: 2015-16

### Introduction

The Tata Power Company Limited (Tata Power), India's largest integrated player and private power producer, accomplished 100 years of operations with its consistent focus on responsible growth. The Company is a pioneer in leadership in technology adoption and care towards all its stakeholders. The major businesses of the Company are in Generation, Transmission, Distribution-cum-Retail, Power Trading, Power Services, Coal Mines and Logistics, Strategic Engineering for defense applications, Solar Photovoltaic (PV) manufacturing and associated project management services (Engineering, Procurement, and Construction). As of 31<sup>st</sup> March 2016, the Company had an operational generation capacity of 9183.98 MW based on various fuel sources- thermal (coal, gas and oil), hydroelectric power, renewable energy (wind and solar PV) and waste heat recovery. The Company (including its subsidiaries) had 19.04% of its capacity (in MW terms) in clean and green sources (Hydro, Wind, Solar and Waste Heat Recovery).

The Company embodies the Tata Group's philosophy of building a strong Sustainable business that is firmly rooted in the concept of Leadership with Care. Tata Power has instituted 'Care' as one of the core values which entrust Care for Environment, Care for Community, Care for Customers, and Care for People, i.e. employees, shareholders, suppliers, partners, etc. in its Sustainability model. The aim is to strengthen structures and processes for environmental performance, stronger engagement with community, customers and employees, by using enablers like new technology, benchmarking and going beyond compliance in key operational parameters.



**Fig. Tata Power Sustainability Model**

The vision of the Company is **“To be the most admired and responsible integrated Power Company with international footprint, delivering sustainable value to all stakeholders.”** The company's vision is supported by the strong Governance which has considered **SACRED** values for Tata Power,

- **Safety** - Safety is a core value over which no business objective can have a higher priority
- **Agility** - Speed, Responsiveness and being Proactive, achieved through Collaboration and Empowering Employees
- **Care** - Care for Stakeholders - Environment, Customers & Shareholders – both existing and potential, Community and People (employees and partners)
- **Respect** - Treat all stakeholders with respect and dignity
- **Ethics** - Achieve the most admired standards of Ethics, through Integrity and mutual Trust
- **Diligence** - Do everything (set direction, deploy actions, analyze, review, plan and mitigate risks etc.) with a thoroughness that delivers quality and Excellence – in all areas, and especially in Operations, Execution and Growth

The compliance to statutory requirements is of utmost importance at Tata Power and this Business Responsibility Report (BRR) is one of the examples of being a responsible company.

**Section A: General Information about the Company**

<b>1.</b>	<b>Corporate Identity Number (CIN) of the Company</b>	L28920MH1919PLC000567
<b>2.</b>	<b>Name of the Company</b>	The Tata Power Company Limited
<b>3.</b>	<b>Registered address</b>	Bombay House, 24, Homi Mody Street, Mumbai – 400 001
<b>4.</b>	<b>Website</b>	www.tatapower.com
<b>5.</b>	<b>E-mail id</b>	sustainability.reporting@tatapower.com
<b>6.</b>	<b>Financial Year reported</b>	2015-16

**7. Sector(s) that the Company is engaged in (industrial activity code-wise)**

ITC code	Description
NA	Power
NA	Electronic Products
NA	Technical Services

**8. List three key products/services that the Company manufactures/provides (as in balance sheet)**

- Generation, transmission and distribution of electricity
- Electronic Products
- Technical Services

**9. Total number of locations where business activity is undertaken by the Company**

- i. Number of International Locations (Provide details of major 5)  
South Africa, Singapore, Georgia, Zambia, Vietnam
- ii. Number of National Locations: Tata Power has 36 locations. The operational status as on 31<sup>st</sup> March 2016 are given below:

State	No. of Project locations	Hydros	Wind	Solar	Thermal	Transmission	Distribution
Maharashtra	17	3	8	3	1	1	1
Jharkhand	3				2		1
Delhi	4			1	1	1	1
Gujarat	5		3	1	1		
Karnataka	2		1		1		

ASAC. The SAC’s role is to challenge the organisation’s strategies on sustainability issues and also guide Tata Power to formulate improved approaches. The frequency of CSR Committee and SAC meetings is quarterly and the management enacts on the inputs provided by them.



**Fig. Sustainability governance structure**

**Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Yes, Tata Power publishes Sustainability Report in accordance with Global Reporting Initiative (GRI) annually. This recent Sustainability Report is based on the GRI G4 guidelines, and is titled 'A Century of Invisible Goodness' which can be viewed at; <http://www.tatapower.com/sustainability/sustainability-communications.aspx>.

**Section E: Principle-wise performance**

**Principle 1**

**1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**

Being a Tata Group company, Tata Power abides by the Tata Code of Conduct (TCoC), which was first formally articulated in 1998, refreshed in 2015 and unveiled by the Group Chairman on 29<sup>th</sup> July 2015 for adaptation by the Group companies. The TCoC is a comprehensive document with an ethical road map for Tata employees, companies, including third parties representing/dealing with Tata Power, thus covering 100% of its operations through trainings and modules. TCoC consists of 25 clauses, including Financial Reporting, National Interests, Political Non-Alignment, Health, Safety and Environment, Corporate Citizenship, Ethical Conduct, anti-corruption to name a few.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

Stakeholder	Received in FY 15-16	Satisfactorily resolved by the management (%)
Employees	89	96
Vendor	Nil	Nil
Company	Nil	Nil
Investor	39	90
Society	Nil	Nil

**Principle 2**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Tata Power is into the business of Generation, Transmission and Distribution of electricity. The element of 'Care' is embedded for environment, shareholders, community, and people including employees, partners and suppliers.

**Generation:** At all generating stations Safety, Occupational Health of the employees (permanent/ contract) is considered important. Tata Power's Strategic Intent 2022 has considered achieving 20-25% generation portfolio from non-GHG sources to reduce impact on the environment. Further, all thermal stations of Tata Power are IMS compliant.

**Transmission:** Tata Power conducts Ghar Ghar Me Jan Jagruti Abhiyan to create safety awareness amongst public staying below the overhead lines. Employees visit different locations under high voltage Transmission Lines and create safety awareness among the community at large.

**Distribution:** To substantiate execution excellence with quality, safety & environmental care for the benefit of business and key stakeholders including customers, Tata Power distribution projects received IMS certification. Additionally, various initiatives like safety audits, Club Enerji, Demand side management programs, Be Green create awareness to customers on energy efficiency & its conservation, safety, carbon footprint etc.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

**i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

There are various initiatives such as ash utilization, reduction of specific water consumption & auxiliary power consumption, zero discharge, rain water harvesting, energy conservation, utilization of scrap etc. The Company has achieved substantial reduction in water as well as auxiliary power consumption compared to previous year at some locations. At Tata Power, energy efficiency is a way of managing and limiting the increase in energy consumption. As a utility company, the operations are more energy efficient if it generates more units for the same energy input, or maintains the quantity of units generated for less energy input. The energy consumption arises from the consumption of fuel for generation (direct consumption).

**ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Based on market survey and scientific load research several initiatives are implemented in Demand Side Management (DSM) schemes. This includes Appliance Exchange program, Energy audits and Peak load shifting program. These initiatives have led to significant saving from customer base. Domestic Efficient Lighting Program (DELP) has been launched for residential consumers. Being implemented by M/s. EESL, a union Govt. undertaking, the DELP Program promotes the penetration of the LED Bulbs in the residential sector. Tata Power also operationalized the Net Metering arrangement for the Rooftop Solar PV system at the premises of a consumer. It is expected to provide a major boost to the promotion of solar energy by the end consumer.

Tata Power launched the 'Be Green' initiative to unify all consumers in the green movement. Through this initiative, the company intend to motivate consumers to associate with and contribute to ensuring a greener and sustainable planet. Also, through its unique program on energy and resource conservation, Tata Power Club Enerji, is spearheaded with the involvement of school children. Club Enerji has reached 500 schools across India, sensitized more than 11.6 million citizens and saved more than 17.25 million units till date. This saving is equivalent to saving 17000 tons of CO<sub>2</sub>. 1337 Mini Clubs are formed all over India under the Club Enerji initiative.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

Yes, Sustainability is extended to suppliers/vendors through the Responsible Supply Chain Management (RSCM) Policy. It lays down the requirements on various aspects of sustainability such as ethics & compliance, bribery & corruption, Human Rights, Health & Safety and environment protection. Continuous sensitization and assessment of Suppliers/vendors and contractors are also carried out on the RSCM aspects and accordingly corrective action is suggested to ensure conformance to the policy.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, the Company has taken several steps to procure goods and services from local and small vendors with special focus on weaker section community like Scheduled Caste (SC) and Scheduled Tribe (ST). Under its Affirmative Action Program, the company has been training these communities on business skills, facilitating to get financial assistance even providing financial support for starting their business venture. The company not only procures materials from these entrepreneurs but also supports to connect these entrepreneurs with other companies to scale up their business. These entrepreneurs make their livelihood also creates employment for more SC/ST community in their venture. The company has procured goods and services worth ₹ 17.65 crore business from 36 SC/ST Vendors during the current financial year. The company has also invested ₹ 139 lakh to promote 240 SC/ST entrepreneurs from the local community to start their individual/ community enterprises.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Yes, the ash generated from thermal power stations is the major waste. Tata Power's endeavour is to utilize 100% Fly Ash at all locations and initiatives are in place to utilize the bottom ash as well. The waste/used oil which comes under the Hazardous waste category and e-waste is disposed off through authorized recyclers. Other wastes such as steel, wood are reused internally.

**Principle 3**

1.	<b>Please indicate the Total number of employees</b>	Total number of employees are 3478 as on March 31, 2016
2.	<b>Please indicate the Total number of employees hired on temporary/ contractual/ casual basis</b>	The total contractual workforce is 8353 as on March 31, 2016
3.	<b>Please indicate the Number of permanent women employees</b>	Total number of permanent women employees are 318 as on March 31,2016
4.	<b>Please indicate the Number of permanent employees with disabilities</b>	Total number of permanent employees with disabilities are 5 employees as on March 31,2016
5.	<b>Do you have an employee association that is recognized by management?</b>	Yes, there is an employee association that is recognized by the management
6.	<b>What percentage of your permanent employees is members of this recognized employee association?</b>	29% are union employees (1026) out of 3478 of the total permanent employees of Tata Power are members of employee unions.

**7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
Child labour/ forced labour/ involuntary labour	0	0
Sexual harassment	2	0
Discriminatory employment	0	0

**8. What safety & skill up-gradation training was provided in the last year?**

Permanent Employees (includes women employees and employees with disabilities)	
Safety Induction Training	Nil Manhours
Safety Capability Training	9132 Manhours
Technical Training	Nil Manhours
Casual/Temporary/Contractual Employees	
Safety Induction Training	Nil Manhours
Safety Capability Training	14496 Manhours

**Principle 4**

**1. Has the company mapped its internal and external stakeholders?**

Yes, Tata Power conducted a comprehensive Stakeholder engagement exercise in 2015 which mapped internal and external stakeholders in a structured manner. The company is carrying out engagements with investors, employees, customers, suppliers, community etc. with a periodic frequency.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

The Company has identified SC/ST Communities under its Affirmative Action Policy across all its neighbourhood and beyond. Besides this, the Company is also working with women and marginalized children with a purpose of mainstreaming them

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?**

Tata Power works with the marginalized and disadvantaged communities which include, tribal villages, vulnerable children who are in great need of care, protection & improvement in quality of life. The initiatives focus on 5Es - Education, Employability, Employment, Entrepreneurship & Essential amenities. The initiatives are in addition to the initiatives under the 5 thrust areas of CR program. Some major AA program details are below;

- Promoted 240 community entrepreneurs ventures like fly ash brick making, poultry farming, garment manufacturing, etc. with an investment of ₹ 139 lakhs, which helped to increase their family income upto ₹ 60,000 to 80,000 per year
- Outsourced ₹ 17.65 crore of products and services from 36 vendors / contractors
- Providing technical and monetary support for various agricultural interventions to enhance the income of about 727 SC/ST farmers
- Supporting 731 SC/ST persons across various Industrial Training Institutes (ITIs), skill development programs
- Building a full-fledged hostel for outstation SC/ST youths of Industrial Training Institutes (ITIs) at Mulshi
- Enabling access to computer education and spoken education to 2,422 SC/ST students across locations
- Providing scholarships to 53 SC/ST students amounting ₹ 13.17 lakh
- Extra / night coaching classes benefitting about 318 SC/ST students appearing class X and XII board examination
- Facilitating access to basic essential amenities like safe drinking water, healthcare, solar lights etc. to over 41,000 SC/ST population across locations
- Obtaining 953 caste certificate at Hydros and Jawhar. The process of obtaining certificate is going on for SC/ST community across divisions

Apart from the above, the company also undertakes several initiatives to engage with other disadvantaged sections of the company:

**Health:** In order to address the menace of TB, Tata Power joined hands with TISS and Global Fund to work jointly on TB Control in Mumbai (M Ward) which accounts for 10% of TB cases in Mumbai.

**Education:** Magic Bus Program is aimed at mainstreaming children and youths for better life through life skill education

**Women Empowerment:** Various income generation initiatives and micro-credit programs with bank linkages has helped augment additional family income

**Sanitation:** Targeting poor families and convergence under Government Scheme for low cost toilet making and positive behavior change resulting in reduced morbidity levels. Also initiated Public Sanitation Complex with Sulabh International as a Model Complex on Public Private Partnership basis at Deonar, Mumbai.

### Principle 5

**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Tata Power respects Human Rights and has developed a dedicated Policy on Human Rights. This policy is aligned with the UN Human Rights Declaration, International Labour Organisation (ILO) fundamental conventions and other fundamental labour principles. Through the policy, Tata Power ensure conformance to fundamental labour principles including the prohibition of child labour, forced labour, freedom of association and protection from discrimination in all its operations by imparting relevant training and aligning the conduct of its employees.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No complaints on Human Rights were received during this year.

### Principle 6

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

Tata Power has a dedicated Environment policy along with policies on Energy conservation, Sustainability, E-waste management etc. These policies aim to achieve business excellence in environment protection, occupational health and safety. The Environment policy encourages the company to conserve resources, reduce environmental impact and seeks to enhance the awareness among employees and make business decision aiding sustainability. The division/joint ventures have developed their own policies taking essence from the Company policy. However, the policy on RSCM has environment protection as one of its criteria applicable to all its vendors, contractors and service providers.

**2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, as a responsible company, Tata Power addresses global long term challenges such as climate change and diminishing resources in a socially, ecologically and economically responsible manner. As per the company's strategic intent, Tata Power aims to generate 20-25% of its generating capacity from Non-Green House Gases (GHG) Sources like hydro, solar, wind, waste heat recovery, etc. Hyperlink for the web page: <http://www.tatapower.com/combat-climate-change.aspx>

**3. Does the company identify and assess potential environmental risks?**

Yes, environment risks are identified in the risk matrix and discussed in the annual review meeting of the Audit committees of directors. Once risks are identified, steps are taken to measure and mitigate these risks through the Management System approach.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

Yes, the company have Clean Development Mechanism (CDM) projects registered with United Nations Framework Convention on Climate Change (UNFCCC). Tata Power currently has five of its renewable projects registered under the CDM program by UNFCCC. These projects include Wind projects at Gadag, Karnataka, Khandke, Maharashtra, Samana and NewGen Saurashtra in Gujarat. The Company also has Mithapur Solar project registered under CDM. In FY 2015-16, volume of 1,15,249 Carbon Credits (CERs) were traded from these projects combined. The gross revenue generated from such sale is ~ ₹ 10.66 crore.

**5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Tata Power has a specific policy, timelines and targets for adoption of renewable energy and deployment of cleaner technologies. The company's Mission is "Being the Lead Adopter of Technology with a spirit of pioneering and calculated risk taking" enables adoption of advanced / disruptive technologies as well as develop some products and technological processes (value added fly ash products, Blending of coal, network management / restoration techniques in T & D, etc.) through a structured short / Medium & Long term technological roadmap.

The company has a dedicated group Clean Tech & Applied research to develop value added products from the solid waste i.e. ash which is generated from the thermal power plants. Some of the examples include making bricks, plaster from bottom ash and using fly ash in ultrathin white topping roads and replacement of sand by bottom ash. The company has increased the efficiencies of solar photovoltaic panels (13% to 16.8%) and also doing cutting edge research with the involvement of internal R&D Unit for power electronics to a full scale research and manufacturing hub in Bangalore dedicated to the defense sector. Hyperlink for the web page: <http://www.tatapower.com/sustainability/new-technologies.aspx>

**6. Are the emissions/wastes generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, Tata Power is in compliance with the prescribed permissible limits as per Central Pollution Control Board (CPCB) /State Pollution Control Board (SPCB) for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal. Compliance reports/statements are submitted to SPCB as well as Regional office, Ministry of Environment, Forest & Climate Change (MoEFCC) regularly, as applicable.

**7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Tata Power had received four notices (One notice for Trombay plant while three notices for Jojobera plant.) All of them are resolved and none of them is pending.

**Principle 7**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with**

The Company is member of various trade and chamber associations. The major ones are:

- Confederation of India Industries (CII)
- Association of Power Producers (APP)
- Indian Electrical and Electronics Manufacturers' Association (IEEMA)

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, others)**

Tata Power doesn't engage in any form of lobbying activities. Advocacy policy is in place to enhance competitiveness, effectiveness and positively contribute to the development of the Power sector. The Broad areas under the purview of Advocacy policy are, Energy Security, Governance and Administration, Enhancing competition and transparency in power sector, structural changes for facilitating capacity addition, overcoming coal related challenges, electricity distribution reforms and promotion of renewable energy.

**Principle 8**

**1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

There are programs aimed at providing inclusive growth opportunities. The Fly Ash Brick making units established in Jojobera and garment making unit at Hydros have incorporated of both effective use of fly ash into value proposition creating economic benefit to the community at large. The market linkage establishment has further led to improved confidence among community who are now the Agents of Change.

**2. Are the programs/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?**

Tata Power has a CR division dedicated for CSR activities at the Corporate level and at each station level a dedicated CR teams are in place to plan, implement, monitor and review various community development initiatives/programs. Further, Tata Power

Community Development Trust (TPCDT), a registered trust implements projects related to energy and water. Tata Power partners with NGOs and Government organizations to leverage synergies in delivering community development initiatives. Encouragement is given to employees to volunteer for cause of choice in pre-defined aspects that are aligned to community development initiatives.

**3. Have you done any impact assessment of your initiative?**

The Company has developed a scientific process of measuring Social Performance using Community Engagement Index at Location level. Besides this, flagship programs effectiveness is also measured along with Social Return on Investments which was undertaken for first time this year.

**4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

As on 31<sup>st</sup> March 2016, the company has spent ₹ 28 crore on various community development projects under 5 thrust areas.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The process of community engagement begins right from business development stage, to projects and operations stage. The Socio-economic study and baselines form the basis for identification of prioritized needs followed by program planning with help of external experts. This process is reviewed once every 3-5 years with the objective of going back to community. This year, while company implemented programs with prior community consultation through our teams, Company has also set itself on path of revisiting community needs for the future Social Aspiration of Each Location as envisaged by Senior Leadership. Hence the planning is based on community consultation based feedback of existing programs as per the stage followed by annual evaluations of programs and partners inputs with a collective approach.

**Principle 9**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

As on 31<sup>st</sup> March, 2016, 0.07% of the customer complaints/ consumer cases are pending.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks(additional information)**

Tata Power is in the business of generating, transmitting and distributing of electricity. As electricity being the product, it requires utmost safety in handling and precautions while using, Tata Power has displayed safety signage at prominent locations including the substations and Customer Relations Centres. In addition, the Company is also creating safety awareness among consumers through its website.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so**

There are no cases pending with regard to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour as on 31<sup>st</sup> March, 2016.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

Customer Satisfaction Surveys are key indicator parameters to measure customer satisfaction and dissatisfaction levels. These surveys are conducted on a quarterly basis across all segments i.e. commercial, industrial and residential consumers and are face to face interaction with 5 point rating scale. The findings of the report guide us to understand the key improvement areas which are shared with the concerned departments and accordingly the necessary action is taken based on the key findings. Overall Customer Satisfaction Assessment total (CSAT) score in percentage for FY 2015-16 is given below:

Customer	Satisfaction (%)
Residential	85
Industrial	80
Commercial	79