



# Tata CSR Assessment Framework 2016

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## I Context

More and more companies are becoming acutely aware of changing business context attributable to factors like rapidly evolving regulatory landscape, growing resource scarcity, physical impacts from a changing climate, heightened investor scrutiny, increasingly active civil society, ever-changing consumer preferences and demands, etc. Businesses focussed primarily on profitability are finding it extremely difficult to respond to these changes, which in-turn are putting a question mark on the longevity of these businesses. To be truly sustainable, businesses need to broaden their focus to include and address all the aforementioned factors.

Sustainability as a concept is not new to the Tata group. Our group has always been at the forefront of doing business responsibly and in a manner that benefits the society at large. This is echoed in Tata group's mission '*To improve the quality of life of the communities we serve globally through longterm stakeholder value creation based on Leadership with Trust*'. Achieving this target would require a concerted effort by all the Tata companies and they will all have to lead from the front.

One key element of the concept of Sustainability is Corporate Social Responsibility (CSR). CSR is a well-known term across the world used in a variety of contexts and to convey different meanings. However, in the context of this document, CSR is taken to mean what a company does for the benefit of the community and environment beyond its fence. Essentially, CSR is anything that companies do with the profits they make, for the betterment of society. Accordingly, CSR is understood to be a sub-set of the larger concept of Sustainability, which encompasses not just what a company does with its profits but also how responsibly the company makes this profit.

Tata group has traditionally been a leader in the sphere of CSR, consciously undertaking initiatives to give back to society from its profits. However, with CSR now being mandated in India, just undertaking CSR is not going to set us apart anymore. To maintain our leadership position in CSR, Tata companies will have to think differently and adopt more sustainable and impactful ways of undertaking CSR.

## Tata Group's CSR approach and Group CSR Programmes (GCPs)

Accordingly, Tata group adopted a group level approach to CSR in 2013. The approach can be summarised in 3 key points which were adopted by the group centre & TSG in 2014.

1. Tata group's CSR programmes would be relevant to **local, national and global contexts**, keep **disadvantaged communities** as the focus, be based on globally agreed **sustainable development** principles and be implemented in **partnership** with governments, NGOs and other relevant stakeholders.
2. The group will specifically identify and execute a set of **Group CSR Programmes (GCPs)** aimed at creating **national and global impact** in improving the quality of life of the communities we serve.
3. Tata group companies will evolve their own **individual long-term CSR strategies**, which will include both participation in GCPs by providing **funds, skills and expertise of their employees** and their own initiatives.

As a part of this approach, all Tata companies, including those outside India, are expected to align themselves to at least one of the identified Group CSR Programmes (GCPs), of which skill development (Tata STRIVE) is in place and two others, Water & Sanitation and Education respectively are under discussion. Companies may select GCPs which are directly relevant to their business and geographies of operation and allocate about 40% of their CSR spend to one or more GCPs. The funds allocated by the company towards GCPs can be spent:

- a. Either directly into the company's CSR initiatives, aligned to the GCP norms (each GCP will have certain minimum standards and norms developed by TSG which will need to be followed by the companies aligning to the GCP) or
- b. Given out as a financial contribution directly to the GCPs

Apart from adopting and rolling out the GCPs, there is a pressing need for an in-depth assessment of the CSR processes, initiatives and performance of companies and identify areas of improvement to evolve continuously. While a framework for assessment and continuous improvement was already available to Tata companies in the form of the Tata CS Protocol, with a new CSR approach adopted by the group and the changed regulatory framework in India, a need was felt to develop a revised protocol or framework. This led to the development of this CSR assessment framework for use by Tata companies.

## II Introduction to the CSR Assessment Framework

### Objective

This framework has been developed with the objective of enabling Tata group companies to assess the maturity of their own CSR related practices, processes and initiatives. This maturity self-assessment tool will help Tata companies to:

1. Recognise & understand key elements of CSR
2. Monitor their CSR journey over time
3. Identify areas of improvement to achieve a leadership position in CSR

### Brief description of the framework

The framework assesses maturity on 6 key dimensions viz.

1. Governance, Oversight and Communication
2. Strategic Direction
3. Implementation, Review Mechanism & Performance Measurement
4. Human Resources
5. Volunteering
6. Results

On each of the dimensions, the maturity is assessed by seeking information on some key aspects. Based on the responses received for the questions, a maturity level is assigned ranging from 1 to 5. 1 indicating absence of a process, practice or initiative and 5 indicating the most mature state, which every company should aspire to reach.

### How to use the framework

A company wishing to use the framework can set up a cross-functional team for the purpose of self-assessment.

#### Formation of the assessment team

- This assessment team could include employees from CSR, Strategy, HR, Legal, Marketing, Operations and Procurement/ SupplyChain teams.
- The team could even have external representation in the form of experts from the development sector or representatives from non-profit partners.

### Developing a common understanding of the framework

- This team can then collectively go through the framework in a one day discussion or workshop to fully understand the different dimensions of the framework and the rating criteria.
- A TSG team member can be invited for the discussion / workshop.
- Wherever there are areas of ambiguity about application or interpretation, the team should collectively arrive at a common understanding, which should be formally recorded in the assessment document, under assumptions.

### Application of framework

- Once the team has developed a common understanding of administering the framework, the team can be divided into 2 or 3 sub-groups, with each group undertaking the assessment by applying the framework at a company level.
  - The groups should go through the available documentation on CSR strategy and projects. Please refer to Annexure II for an indicative list of documents
  - The groups may also choose to visit certain projects to get a better understanding of the projects, systems and processes on the ground
- Wherever the groups are required to meet certain teams / functions / colleagues to seek inputs for the assessment, the team could go together.
- However, the sub-groups should maintain separate ratings.

### Arriving at a maturity rating for the company

- Once all sub-groups complete the assessment exercise, they should meet together to discuss the ratings for each of the dimensions and unanimously arrive at a final rating.
- Where there is significant difference in the ratings, the sub-groups should present their rationale for the rating given by them.
- The team should then collaboratively arrive at a common rating, acceptable to all sub-groups.

### Results of assessment and next steps

- Based on the final ratings for all 6 dimensions, the team can identify the various areas for improvement.

- Areas where the rating is below 3 can be prioritised as immediate improvement areas.
- Areas with rating of 3 and above can be taken up at a later stage, as per the ability of the company.
- Areas/ processes with rating of 5, may be considered as case studies for the Group companies.

The most frequent rating between 1 and 5 can be used as a broad indication of the overall maturity of the company. The overall maturity level for the company can be interpreted as follows:

**Level 1:** The Company is focused only on business and adopts measures to increase profits, sometimes even at the cost of community and environment. It actively resists regulation & other pressures for CSR.

**Level 2:** The Company manages its liabilities by obeying the law and applicable regulations, but CSR is treated as a cost, which is to be minimised. The company does not have a real CSR vision and undertakes ad-hoc activities to meet minimum industry standards/ community expectations.

**Level 3:** The Company realises the need to be socially responsible and adopts measures to behave responsibly towards its immediate community and environment.

**Level 4:** The Company believes CSR can help create shared value and undertakes strategic CSR, aligned to core competencies

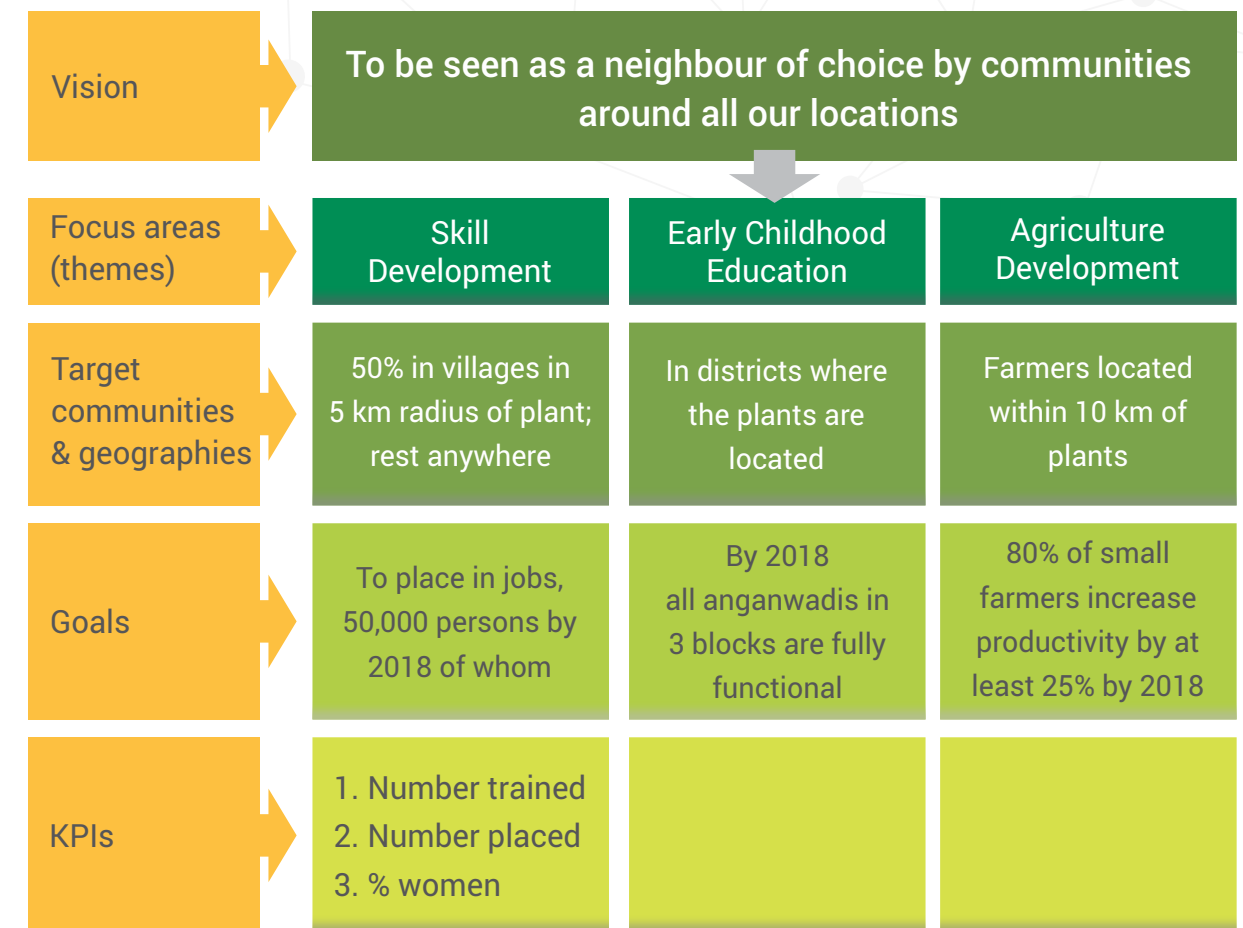
**Level 5:** The Company is driven by a passionate commitment to improve the company, society and the environment. CSR is considered a core function of the company's business operations. In some cases, the Company may even transform its business model to address social and environmental issues and meet the needs of the bottom of the pyramid.

### Common terminology used in the framework

1. CSR Vision
2. Focus areas of work (themes like education, health etc.)
3. Target communities and geographies
4. Goals and
5. Associated KPIs to be tracked to assess progress towards the goals

To help understand these terms better, an illustrative skeleton of a typical CSR strategy is given below.

Figure1: Outline of a CSR strategy [Illustrative]



**CSR Vision:** A broad vision of the company which guides every CSR activity they undertake. For instance, Aditya Birla Group's CSR vision is "To actively contribute to the social and economic development of the communities in which we operate. In doing so, build a better, sustainable way of life for the weaker sections of society and raise the country's human development index"

**CSR Strategy:** CSR Strategy is the overall strategic objective of the organisation, detailing what it wants to achieve through its CSR and the approach it will adopt to achieve the same. It is a guiding document, which is continuously evolving based on changing internal and external environment and learnings of the company through its CSR journey. For Indian companies, the 'CSR policy' required to be developed as per Section 135 of the Companies' Act, 2013 would broadly be aligned to the CSR Strategy. While the CSR policy may be an annual document (or may have an annually updated component in the form of the annual plan), a CSR strategy has a 3-5 year time frame.

**CSR Focus Areas:** Focus areas are the broad themes that a company identifies as a part of its CSR strategy development, and undertakes CSR in, areas such as education, health, environment etc. For Indian companies, focus areas can be mapped to the list of activities specified in Schedule VII of Section 135. Under each focus areas, a company may have one or more CSR initiatives (programmes / projects / interventions etc.) which are defined with the help of a target community & geography, specific goal and KPIs

**Target communities & geographies:** Target communities are the intended beneficiaries of a CSR initiative. Target communities could be

- Gender based – women, children, etc.
- Identity based – tribals, religious minorities, etc.
- Age group based – infants, school children, adults, etc.
- Occupation based – farmers, commercial sex workers, ragpickers, etc.
- Disability – Visually challenged, hearing impaired, etc.
- Any other basis – displaced persons, migrants, etc.

Geographies define where the CSR initiative and / or the target communities will be located based on a rationale.

**Goals:** Each CSR initiative under a focus area is defined by a goal. A goal clearly states the purpose of the CSR initiative and by when is it to be achieved. Examples of goals can be

- XX number of youth have a job or have set up their own business by year YYYY
- All anganwadis in 3 blocks of District xxxx will be fully functional by year YYYY
- XX% of small farmers in the target area will see increased productivity by at least PP% by year YYYY

**KPIs:** KPIs or key performance indicators are indicators that are tracked to assess achievement of the goals

- Skill Development: Number trained, Number placed, % women, % disabled, etc.
- Early Childcare & Education: Number of anganwadis covered, Number of anganwadis fully functional (need to define what “fully functional” means), etc.
- Agriculture: Number of small landholders baselined and covered by the programme, Productivity increase ranges, etc.

## CSR Assessment Framework





## Governance and oversight

### 1. Governance and oversight

Governance and oversight over CSR strategy and performance, leadership commitment and contribution to organisation culture building, communication of CSR performance including reporting

Questions to be asked:

#### Governance and oversight

- 1.1. What role does the leadership play in overseeing CSR? How often does CSR get discussed at a leadership level? Do leaders demonstrate CSR thinking while making business decisions?
- 1.2. What is the organisation structure for CSR function? Is there a position of Chief CSR officer? Whom does he/she report to and what is the constitution of the CSR team? What is the level of interaction of the CSR function with other business functions like Sustainability, HSE, Strategy, Supply chain etc.?
- 1.3. How is the company complying with the laws of the land with regard to CSR? In case, of non-compliance, what was the reason and how is the reason being addressed?<sup>1</sup>
- 1.4. How does your company leverage CSR experience / learnings to contribute to shaping up of public policy in your region or country?

#### Communication & disclosure

- 1.5. How do leaders (CEO / Chairperson / Heads of businesses) communicate the CSR vision, goals and performance across the workforce and among other key stakeholders?
- 1.6. Apart from disclosure required by law (BRR, Section 135 etc.), is the company reporting its annual CSR performance? How comprehensive is the report in terms of coverage and depth? To what extent is CSR discussed in the annual report of the company?

Note

<sup>1</sup> This question can be skipped if the region does not have a regulation governing CSR



## Strategic direction

## 2. Strategic direction

CSR strategy, vision and focus areas, alignment to GCPs, CSR initiatives aligned to strategy, annual CSR plan, risk management.

### Questions to be asked:

- 2.1. Does the organisation have a long term CSR strategy which outlines the over-arching CSR vision of the company, key themes to be adopted (focus areas), target communities, and goals to be achieved under each CSR initiative with well-defined KPIs? What was the process for developing the strategy and identifying focus areas? Is the CSR strategy aligned to the organisation's core competencies / key strengths?
- 2.2. Is the CSR strategy aligned to the identified CSR themes at a group level (GCPs) i.e. Skill development, Water & Sanitation and Education?<sup>2</sup>
- 2.3. Are there clearly defined CSR initiatives under each theme / focus area adopted by the company? Based on the assessment of the company's CSR initiatives, how aligned does the assessor believe the initiatives are to the local community and environmental needs as well as national priorities?<sup>3</sup>
- 2.4. Is there an annual CSR action plan aligned to the CSR strategy and backed by appropriate budget, resources, implementation modes<sup>4</sup> and timelines?

### Note

- 2** Alignment to Group CSR themes implies that the total spend of the company on Skill development, Water & Sanitation and Education initiatives is  $\geq$  40% of the total CSR spend of the company. This could be through own interventions and/or through monetary and knowledge contributions to GCPs.
- 3** A clearly defined CSR initiative will include clearly defined / identified 1) Target communities and geography 2) Goals and KPIs based on a Baseline and Needs Assessment exercise 3) Modalities of execution and utilisation of funds 4) Implementation schedule 5) Monitoring and reporting mechanism. Initiatives are broken up into annual targets and activities to be implemented sequentially on a yearly basis. Initiatives will have an exit plan and some element of sustainability.
- 4** Implementation mode defines 1) How the company will organise itself for the purpose of CSR i.e. as an in-house CSR function and/ or a Foundation, Trust or Society 2) What will be the company's role in a CSR initiative - grant making, knowledge inputs, material/ equipment donation, direct implementation, overseeing implementation by a partner.



**Risk Management:**

- 2.5. How does the company deal with impact on the community and environment, when it is setting up or closing down its operations? Does the company take appropriate actions to mitigate / minimise the adverse impacts? Does a formal process exist to ensure this?<sup>5</sup>
- 2.6. Has the organisation undertaken a proper assessment (by third party if necessary) of Social/Environmental (outside the fence) risks arising out of its operations and CSR initiatives? Who tracks these risks? Are there mitigation strategies in place? How frequently are these risks and strategies reviewed? Is the process integrated with the company's ERM system?



Implementation, review mechanism  
& performance measurement

Note

<sup>5</sup> The company ensures appropriate resettlement and rehabilitation of communities who have been displaced owing to its business operations. The company undertakes projects to ensure that habitats are protected and restored. The company has got strategies, current actions, and future plans for managing impacts on biodiversity, if any.

### 3. Implementation, review mechanism & performance measurement

Implementation, tracking and monitoring progress, evaluating social / environmental impact, continuous improvement & benchmarking

#### Questions to be asked:

- 3.1. For CSR initiatives being executed through partners
  - 3.1.1. What is the process for due-diligence of CSR partners (such as needs assessment agencies, implementation agencies, monitoring and tracking agencies, impact assessment agencies) and evaluation of grant proposals? Is the performance of CSR partners evaluated and rated? Does it feedback into the system?
  - 3.1.2. What is the process of monitoring & evaluation of initiatives executed through partners?
- 3.2. Are KPIs & targets defined at the design stage of the CSR initiative? Are the CSR initiatives being undertaken by the company regularly tracked and monitored? Does the company have a process for tracking and monitoring the progress and impact of CSR initiatives at a company level? Is the CSR performance periodically reviewed with reference to the annual plan?
- 3.3. Apart from tracking achievement of targets and expected outcomes, does the company undertake an assessment of the social/ economic/ environmental impact of its (key/ significant) CSR projects?
- 3.4. How is the company ensuring continuous learning and improvement of CSR practices? Does the company collect best practices information and benchmark itself on CSR?



Human resources

## 4. Human resources

Capability building of own and partners' resource persons

Questions to be asked:

- 4.1. Is building CSR capacity a routine activity? How frequently are the training needs for building / enhancing professional, organisational & managerial competence and capacities in CSR assessed?
- 4.2. How does the company support the capability and capacity building of its CSR partners' employees / staff?<sup>6</sup>
- 4.3. Are new recruits made aware of the CSR strategy and initiatives of the company during induction? Are they sensitised to the CSR connect with business and the role that they can play? Does the company have a process by which both new hires, trainees and others get an opportunity to contribute to CSR initiatives through short term projects/ deputations?



Volunteering

Note

<sup>6</sup> Basic capability building of the partners' resource persons (Use of MS Office applications, document writing, English speaking etc.) could be done through structured skill-based volunteering initiatives

## 5. Volunteering

Formal volunteering policy and programme, top leadership involvement, volunteer recognition, tracking and reporting, alignment to group programme (Tata Engage).

- 5.1. Does the company have a formal volunteering policy / programme / scheme to facilitate employee volunteering? Does the policy clearly state the facets of support provided<sup>7</sup> to volunteers? Is the policy inclusive – uniformly applicable to all employees? Is it helping promote a culture of volunteering?
- 5.2. Does the leadership in the company set an example by themselves participating in volunteering activities? What is the level of engagement of leaders?
- 5.3. How does the company recognise the contributions of its volunteers?
- 5.4. How does the company log, validate and report its volunteering performance?
- 5.5. How does the company participate in Tata Engage initiatives (TVW, ProEngage & EngagePlus)?



Results

Note

<sup>7</sup> Providing clarity on support offered – It is not being suggested that the company should give official time off, provide insurance etc. to volunteers, but being stressed that the company must provide clarity on these aspects by explicitly stating so in the policy: Volunteering is to be done after office hours, not during; Volunteer is not covered by insurance; Volunteers won't be reimbursed for travel etc.

## 6. Results

Extent of Disclosure and Performance against Group KPIs and against its own CSR goals and KPIs

| Category                       | Issue                      | KPI  | Unit  | Plan / Target | Actual |
|--------------------------------|----------------------------|--|---|---------------|--------|
| Governance, Systems, Processes | Advisory Council oversight | Existence of a leadership committee for overseeing CSR               | Board level discussion (at least 1/year)                |               |        |
|                                | Reporting                  | Reporting using globally recognised framework                        | CSR/Sustainability report                               |               |        |
|                                | Compliance                 | For Indian companies: CSR spend at 2% of average PAT of last 3 years | Rs. Crore   |               |        |
| Community                      | CSR Programme              | Total coverage by Group CSR programmes                               | Reach in Nos  |               |        |
|                                | CSR Spends                 | CSR spends on central themes   | % of CSR budget allocated to Education, Skill and Water |               |        |
|                                | Volunteering               | Volunteering   | Hours per capita  |               |        |



## Evaluation matrix



# 1. Governance & oversight

| Criteria  | 1  | 2  |
|---|--|--|
| 1.1. What role does the leadership play in overseeing CSR? How often does CSR get discussed at a leadership level? Do leaders demonstrate CSR thinking while making business decisions? | Leadership has little or no involvement in CSR. CSR team undertakes CSR and reports to Sustainability / CSR head   | Leadership involvement is at early stages. Key leaders take interest in understanding more about CSR, but consider it as an activity separate from business  |
| 1.2. What is the organisation structure for CSR function? Is there a position of Chief CSR officer? Whom does he/she report to and what is the constitution of the CSR team?            | CSR is not a separate function / team. CSR is add-on responsibility of Admin / HR / Corporate Communications team  | CSR is a separate function and team. Position of CSR head exists. CSR Head could be responsible for another function as well, but a dedicated CSR team exists. CSR Head reports to a level lower than CEO (like HR Head) |
| 1.3. How is the company complying with the laws of the land with regard to CSR? In case, of non-compliance, what was the reason and how is the reason being addressed?                  |  |  |
| International Operations: Please answer this question only if there is a regulation / law around CSR in the geography of operation  | Non compliant, but is taking actions to eliminate the causes of non-compliance and/ or prevent their re-occurrence | Compliant to the law, but strictly in the letter of the law. The spirit is missing e.g will try to avoid spending on CSR by identifying loopholes in the law   |

| 3  | 4   | 5   |
|--|---|---|
| A leadership committee exists to oversee CSR. The committee is involved in CSR strategy formulation, annual planning and regular progress monitoring                               | A leadership committee exists to oversee CSR. Committee is involved in strategy formulation, annual planning and regular progress monitoring.<br><br>leaders demonstrate CSR thinking. CSR thinking influences some business decisions such as affirmative action during HR recruitment, Supplier/Partners selection etc  | A leadership committee exists to oversee CSR. Committee is involved in strategy formulation, annual planning and regular progress monitoring. If the committee is not a Board level committee, it shares progress on CSR with the Board, periodically<br><br>leaders demonstrate significant CSR thinking. They consider CSR vital for business and a means of creating shared value for business and society. CSR thinking is prevalent in key business decisions such as new product/ service development (with focus on BOP), geographic expansion (and associated social and environmental impact) etc. |
| CSR is a separate function and team. Position of CSR head exists. CSR Head reports directly to CEO and is involved in business strategy meetings                                   | CSR is a part of the sustainability function. CSO looks after both Social and Environmental aspects. Position of CSR head exists. CSR Head reports directly to CSO and CSO reports directly to CEO. In smaller organizations, CSO and team may be directly responsible for CSR and Environment, without having a CSR head | CSR is a part of the sustainability function. CSR Head reports to CSO who reports to CEO. Sustainability (including CSR) and business strategy are synonymous. It starts at the top, and driven through the entire organisation from the top. Sustainability team works with all relevant functions - HSE, Supply Chain, HR, Strategy, CSR  |
|  |   |   |
| Compliant in the true spirit of the law. E.g. if there is unclarity on whether the company is required to do something or not, will choose to do it; will err on the positive side | Compliant and evidence of going beyond compliance   | Compliant and evidence of going beyond compliance. Requires value chain partners to be compliant with the law as well. Encourages industry & peers to be compliant  |

**Notes on 1.1** The leadership Committee could be a Committee of the Board or a Management Committee or a Multi-department Committee of leaders (CXOs and Business Heads)

**Notes on 1.3** This question can be skipped if the region does not have a regulation governing CSR



## Governance & oversight

| Criteria  | 1  | 2  |
|---|--|--|
| Indian Operations: Do you have a CSR obligation under Section 135 of the Companies Act, 2013 of the Parliament of India? If so, are you complying with the requirements of the Act? If not please state in which areas and the reasons for non-compliance     | Non compliant - Any of the following missing: CSR committee of the board, CSR Policy, Reporting on CSR spend in Annual report. Is taking actions to eliminate the causes of non-compliance with CSR Rules and/or prevent their re-occurrence | Compliant, but has not spent 2%. Reasons for underspending are not sound / not available   |
| 1.4. How does your company leverage CSR experience / learnings to contribute to shaping up of public policy in your region or country?  | No interaction with Policy makers  | Company interacts with local regulators for compliance purpose   |
| 1.5. How do leaders [CEO / Chairperson / Heads of businesses] communicate CSR vision, goals and performance across workforce and among other key stakeholders?  | No communication   | Leaders talk about CSR sometimes but somewhat unlinked from the business. No CSR communication plan is in place  |
| 1.6. Apart from disclosure required by law (BRR, Section 135 etc.), is the company reporting its annual CSR performance? How comprehensive is the report in terms of coverage and depth? To what extent is CSR discussed in the annual report of the company? | The company does not produce an annual CSR report. CSR performance is not covered adequately in the Annual report either   | Independent CSR / Corporate Responsibility Report not published but CSR performance is covered in Annual Report briefly<br>OR<br>Independent CSR / Corporate Responsibility Report is published but is not comprehensive and touches upon select dimensions of the company's CSR / is not published regularly (every year) |

| 3  | 4   | 5   |
|--|---|---|
| Compliant, and has spent 2% or has spent less than 2% due to legitimate reasons like funds too large to deploy without proper structure, CSR initiative requires funding at a later stage etc. Unspent funds have been earmarked for CSR spend for future years  | Compliant and has spent more than 2%  | Compliant and has spent more than 2%. CSR spend is not guided by legal requirement, but the needs of the community and company's ability to spend. Requires value chain partners to be compliant with the law as well. Encourages industry & peers to be compliant  |
| Company provides its view to industry consortium on social/ CSR related issues when asked  | Company actively participates in shaping of regulations at sector level   | Company proactively participates in shaping of regulations at region/ country level (such as NSDC etc.), and leads the advocacy.  |
| Leaders discuss CSR achievements in detail. Performance is shared with the workforce. CSR communication is planned, but no documented plan in place  | Leaders' statement discusses both achievements, under performance and measures to mitigate the latter. Performance is shared with workforce and community. Documented CSR communication plan exists   | Leaders' statement discusses both achievements, under performance and how this has influenced/impacted core business. Performance is shared with workforce, community and channel partners, investors and other key stakeholders. Documented CSR communication plan exists, and followed fully. Company provides an opportunity for the internal and external stakeholders for their suggestions on different CSR initiatives and has well developed process on two way communication       |
| Independent Sustainability Report is published. It covers governance, social and environmental aspects in detail. Report is comprehensive in terms of its coverage of CSR activities of the company and transparent in communicating performance. Performance parameters & key extracts from the independent report are also included in the Annual report | Independent Sustainability Report is published. It covers governance, social and environmental aspects in detail. Report is comprehensive in terms of its coverage of CSR activities of the company and transparent in communicating performance. Performance parameters & key extracts from the independent report are also included in the Annual report. Directors' Report in the Annual Report also discusses CSR performance | Independent Sustainability Report is published, aligned to globally recognized framework (GRI, IR, SASB). It covers governance, social and environmental aspects in detail. Report is comprehensive in terms of its coverage of CSR activities of the company and transparent in communicating performance. Performance parameters & key extracts from the independent report are also included in the Annual report. Directors' Report in the Annual Report also discusses CSR performance |



## 2. Strategic direction

| Criteria  | 1   | 2   |
|---|---|---|
| 2.1. Does the organisation have a long term CSR strategy which outlines the overarching CSR vision of the company, key themes to be adopted (focus areas), target communities, and goals to be achieved under each CSR initiative with well-defined KPIs? What was the process for developing the strategy and identifying focus areas? Is the CSR strategy aligned to the organisation's core competencies/ key strengths? | Formal CSR strategy does not exist. Focus areas are not identified or identified but are large in number and diverse  | Formal CSR strategy does not exist. Broad focus areas identified and initiatives exist around identified focus areas. Process of identification of focus areas is not clear. Alignment to business is unclear |
| 2.2. Is the CSR strategy aligned to the identified CSR themes at a group level (GCPs) i.e. Skill development, Water & Sanitation and Education?   | No alignment  | Alignment exists, but is incidental. 40% of CSR budget being spent on GCP themes  |
| 2.3. Are there clearly defined CSR initiatives under each theme/ focus area adopted by the company? Based on the assessment of the company's CSR initiatives, how aligned does the assessor believe the initiatives are to the local community and environmental needs as well as national priorities?  | Initiatives are not clearly defined, with absence of long term view and objectives. Multiple small projects, which appear ad-hoc in nature. No or minimal alignment with local needs OR alignment with perceived needs, without needs assessment or community interaction | Initiatives under few focus areas are well defined with clearly defined objectives and a long term view. CSR initiatives serve the basic and immediate needs of the community & environment                   |

| 3  | 4   | 5   |
|--|---|---|
| Formal CSR strategy exists, outlining the CSR vision of the company, key themes or focus areas, target communities and broad CSR initiatives in the focus areas and goals to be achieved along with KPIs to be tracked. Strategy developed by undertaking a SWOT analysis to identify opportunities and leverage core competence/ key strengths while also understanding potential threats and risks. Community inputs taken through a dip-stick community interaction.  | Formal CSR strategy exists, outlining the CSR vision of the company, key themes or focus areas, target communities and broad CSR initiatives in the focus areas and goals to be achieved along with KPIs to be tracked. Strategy developed by undertaking a SWOT analysis to identify opportunities and leverage core competence/ key strengths while also understanding potential threats and risks. Community inputs taken through a formal/ in-depth needs assessment  | Formal CSR strategy exists, outlining the CSR vision of the company, key themes or focus areas, target communities and broad CSR initiatives in the focus areas and goals to be achieved along with KPIs to be tracked. Strategy developed by undertaking a SWOT analysis to identify opportunities and leverage core competence/ key strengths while also understanding potential threats and risks. Community inputs taken through a formal/ in-depth needs assessment. Inputs from other key stakeholders like channel partners, employees etc. also flow into strategy.   |
| Active alignment to relevant Group CSR themes. And at least 40% of CSR budget being spent on GCP themes  | Active alignment to relevant Group CSR themes. And at least 40% of CSR budget being spent on GCP themes. Direct contribution to some of the GCPs through financial and/ or knowledge inputs and/ or implementation support  | Active alignment to relevant Group CSR themes. More than 40% of CSR budget being spent on GCP themes. Direct contribution to more than one of the GCPs through financial and/ or knowledge inputs and/ or implementation support  |
| Initiatives under most focus areas are well defined with clearly defined objectives and a long term view. initiatives are built to last and leverage partnerships with institutions close to the ground (community organisations, NGOs, companies -within and outside the Tata group and government: local, state and central). CSR initiatives are aimed at improving the overall quality of life of the community & environment, including human capital - skills, abilities, health, education etc. and built capital - buildings, parks, playgrounds, infrastructure, and information etc. | Initiatives under all focus areas are well defined with clearly defined objectives and a long term view. Initiatives are built to last and leverage partnerships with institutions close to the ground (community organisations, NGOs, companies - within and outside the Tata group and government: local, state and central). CSR initiatives are aimed at improving the overall quality of life of the community & environment, and address human and built capital. CSR initiatives also focus on addressing the beauty and life-affirming qualities of nature that are important to the community such as rivers, lakes, strengthening of local ecosystem, historical monuments etc. | Initiatives under all focus areas are well defined with clearly defined objectives and a long term view. Initiatives are developed with inputs from local communities. Initiatives are long-term, high impact and built to last (sustainable post exit). Initiatives leverage partnerships with institutions close to the ground (community organisations, NGOs, companies - within and outside the Tata group and government: local, state and central). CSR initiatives are aimed at improving the overall quality of life of the community & environment, from a long term point of view. CSR initiatives also focus on addressing the beauty and life-affirming qualities of nature that are important to the community. The company also makes efforts to locally complement and support the development priorities at local and national levels |



## Strategic direction

| Criteria  | 1  | 2  |
|---|--|--|
| 2.4. Is there an annual CSR action plan aligned to the CSR strategy and backed by appropriate budget, resources, implementation modes and timelines ?   | There is no evidence of an Annual CSR plan   | Broad Annual CSR plan exists, but not detailed adequately  |
| 2.5. How does the company deal with impact on the community and environment when it is setting up or closing down its operations? Does the company take appropriate actions to mitigate/ minimise the adverse impacts? Does a formal process exist to ensure this?  | No such process of evaluating adverse impacts of setting up/ closing down operations on community and environment exists. No or minimal efforts are made to minimise impact OR efforts are ad-hoc and done to safeguard against bad press/ resistance from community | Environmental and social impact evaluated at the time of setting up/ closing down a business. Efforts are made to minimise impact of setting up business. No formal, written process exists. |
| 2.6. Has the organisation undertaken a proper assessment (by third party if necessary) of Social / Environmental (outside the fence) risks arising out of its operations and CSR initiatives?<br><br>Who tracks these risks? Are there mitigation strategies in place? How frequently are these risks and strategies reviewed? Is the process integrated with the company's ERM system? | No assessment done   | Assessment done informally by the CSR team.<br><br>Identified risks are being informally tracked by CSR team. No mitigation strategies in place  |

| 3  | 4   | 5  |
|--|---|--|
| Annual CSR plan exists, aligned to CSR policy/ strategy, with appropriate detail on targets, resources, budgets and timelines  | Annual CSR plan exists, aligned to CSR policy/strategy, with appropriate detail on targets, resources, budgets and timelines. Plan also includes review mechanism   | Annual CSR plan exists, aligned to CSR policy/ strategy, with appropriate detail on targets, resources, budgets and timelines. Plan also includes review mechanism and opportunity for mid-year course correction/ change in plan  |
| Environmental and social impact evaluated at the time of setting up/ closing down a business. Efforts are made to minimise adverse impacts of the same. A formal, written process, in compliance with regulatory requirements (of land acquisition etc.) exists.   | Environmental and social impact evaluated at the time of setting up/ closing down a business. Efforts are made to minimise adverse impacts of the same. A formal, written process, which goes beyond compliance with regulatory requirements (of land acquisition etc.) exists. e.g. a compensation package based on actual needs and impact rather than as advised by the law. Skills of the CSR team are used to understand community concerns at the time of entering/ exiting | Environmental and social impact evaluated at the time of setting up a business. Efforts are made to change business decisions/ operational practices that have a negative impact on community and environment, in order to altogether avoid adverse impact, rather than attempting to minimise it. E.g. if a company chooses to use a different site because flora & fauna will be less impacted. A formal, written process, which goes beyond compliance with regulatory requirements (of land acquisition etc.) exists. Skills of the CSR team are used to understand community concerns at the time of entering/ exiting. |
| Assessment done formally by the CSR team with inputs from all stakeholders - community, government, channel partners etc.<br><br>Identified risks are being formally tracked by CSR team. Frequency of tracking in adequate. Inputs provided to Business team (Risk Management/ Strategy team) from time to time. Mitigation strategies in place | Assessment done formally by a cross-functional team with inputs from all stakeholders - community, government, channel partners etc.<br><br>Identified risks are being formally tracked by Business team (Risk Management/ Business Strategy team) in collaboration with CSR team. Frequency of tracking is adequate. Mitigation strategies in place and are reviewed periodically  | Assessment done formally by a cross-functional team, validated by an independent third party<br><br>Identified risks are being formally tracked by Business team (Risk Management/ Business Strategy team) in collaboration with CSR team. Frequency of tracking in adequate. Social and environmental risk identification, assessment and mitigation are part of the company's ERM.   |

### Notes on 2.2

Alignment to Group CSR themes implies that the total spend of the company on Skill development, Water and Sanitation and Education initiatives is >= 40% of the total CSR spend of the company. This could be through own interventions and/ or through monetary or knowledge contributions to GCPs

### Notes on 2.3

A clearly defined CSR initiative will include clearly defined/ identified 1) Beneficiary group and geography 2) Goals, KPIs & targets based on a Baseline and Needs Assessment exercise 3) Modalities of execution and utilization of funds 4) Implementation schedule 5) Monitoring and reporting mechanism. Initiatives are broken up into annual targets and activities to be implemented sequentially on a yearly basis. Initiatives have an exit plan and some element of sustainability

### Notes on 2.4

Implementation mode defines 1) How the company will organise itself for the purpose of CSR i.e. as an in-house CSR function and / or a Foundation, Trust or Society 2) What will be the company's role in a CSR initiative - grant making, knowledge inputs, material / equipment donation, direct implementation, overseeing implementation by a partner

### Notes on 2.5

The company ensures appropriate resettlement and rehabilitation of communities who have been displaced owing to their business operations. The company undertakes projects to ensure that habitats are protected and restored. The company has got strategies, current actions, and future plans for managing impacts on biodiversity, if any



### 3: Implementation, review mechanism & performance measurement

| Criteria   | 1  | 2   |
|--|--|---|
| <b>For CSR initiatives being executed through partners</b>   |  |   |
| 3.1.1 What is the process for due-diligence of CSR partners - needs assessment agencies, implementation agencies, monitoring and tracking agencies, impact assessment agencies etc. and evaluation of grant proposals? Is the performance on CSR partners evaluated and rated? Does it feedback into the system?   | No formal process exists   | A broad checklist exists for some of the aspects. No evidence that it is being followed   |
| 3.1.2 What is the process of monitoring & evaluation of initiatives executed through partners?   | Scope of partnership is defined at a broad level. MoU not available. Low level of involvement of company's team in the implementation. Company tracks progress only through reports submitted by implementation partner. | Scope is defined at a broad level. MoU is not available/ not well defined. CSR team goes to the field sometimes to assess progress, but largely tracks progress through reports submitted by NGO partner.   |
| 3.2. Are KPIs & targets defined at the design stage of the CSR project? Are the CSR projects being undertaken by the company regularly tracked and monitored? Does the company have a process for tracking and monitoring the progress and impact of CSR initiatives at a company level? Is the CSR performance periodically reviewed with reference to the annual plan? | KPIs and targets missing/ not well defined. Tracking is irregular. No MIS exists. Periodic performance reviews missing   | KPIs and targets are well defined. Are decided post the roll-out of the project. Are formally tracked. MIS is offline. Data maintained locally in disparate formats across locations. Historical data difficult to get. Performance reviewed periodically as per governance structure. Evidence of corrective actions taken on OFIs and issues raised missing |

| 3   | 4  | 5   |
|---|--|---|
|   |  |   |
| Broad checklists exist for majority of the aspects. Evidence of checklists being followed   | Formal written processes for due-diligence of CSR partners and grant proposals. Evidence of process being consistently followed. Due-diligence done by internal teams. Performance of partners evaluated and rated.  | Formal written processes for due-diligence of CSR partners and grant proposals. Evidence of process being consistently followed. Third party inputs sought at the time of due-diligence/ due-diligence done with the help of external entity. Performance of partners evaluated and rated and feeds back into the system/ future decision making (including authenticity of partners' claims regarding implementation)  |
| Scope is well defined and basic MoU signed. CSR team goes to the field regularly to assess progress. However, implementation partner is viewed as a service provider and left to deal with issues/ challenges in implementation. Lack of joint ownership of project. Feedback from community is absent  | Scope is well defined and formal MoU signed. CSR team goes to the field regularly to assess progress. Implementation partner is viewed as a co-owner and CSR team resolves issues jointly with partner. Feedback from community is absent  | Joint meeting of CSR team and partner to finalise scope. Formal MoU signed outlining deliverables, milestones, payment schedule, project management, review dates etc. Feedback is taken from community and implementation partners during implementation and necessary grievance redressal is done. CSR team visits project sites regularly to review progress. Company and implementation partner have a joint ownership and solve problems collaboratively   |
| KPIs and targets are well defined. Are decided at the time of project design. Are formally tracked. MIS is offline. Data maintained locally in common formats across locations. Data consolidated at company level once a year. Historical data difficult to get. Performance reviewed periodically as per governance structure. Specific OFIs and issues identified. | KPIs and targets are well defined. Are decided at the time of project design. Are formally tracked and re-evaluated based on interim performance. MIS is offline. Data maintained locally in common formats/templates across locations. Data consolidated at company level every quarter. Historical data is maintained properly and available easily. Performance reviewed periodically as per governance structure. Specific OFIs and issues identified. | KPIs and targets are well defined. Are decided at the time of project design. Are formally tracked by a third party and re-evaluated based on interim performance. MIS is real time, with consolidated company level data available at any point in time. Allows creation of trend reports, analyze impacts, beneficiary reach, spends, budgets etc. Historical data is easily available. Performance reviewed periodically as per governance structure. Specific OFIs and issues identified. Evidence of OFIs / issues being closed in a timely manner |

## Implementation, review mechanism & performance measurement

| Criteria   | 1   | 2   |
|--|---|---|
| 3.3 Apart from tracking achievement of targets and expected outcomes, does the company undertake an assessment of the social / economic / environmental impact of its (key/ significant) CSR projects? | Social / economic / environmental impact of CSR projects not assessed                       | Social and environmental impact assessed internally for some of the initiatives                             |
| 3.4 How is the company ensuring continuous learning and improvement of CSR practices. Does the company collect best practices information and benchmark itself on CSR?                                 | No formal process of learning and continuous improvement exists. No attempt of benchmarking | Employees are encouraged to learn and benchmark internally with other functions around few operational KPIs |

| 3  | 4   | 5   |
|--|---|---|
| Social and environmental impact assessed internally for all large value initiatives  | Social and environmental impact assessed by external agency for all large value initiatives   | Social, economic and environmental impact assessed by external agency. Overall benefits of CSR projects measured in terms of business results, wherever possible  |
| CSR operational team collects and analyses case studies and best practices and adopts suitable best practices across industry. It occasionally undertakes benchmarking of key CSR related performance indicators | CSR operational team collects and analyses case studies and best practices and adopts suitable best practices across industry. It undertakes benchmarking of key CSR related performance indicators on a yearly basis. CSR leadership team visits other local and international CSR projects and actively participates in platforms for exchange of ideas and learning. | CSR leadership as well as the operational team visits other local and international CSR projects, collects and analyses case studies and best practices and adopts suitable best practices. Both actively participate in platforms for exchange of ideas and learning. CSR team undertakes benchmarking of key CSR related performance indicators on a yearly basis. Company directly or indirectly is involved in research work of current social issues and future social challenges. It provides a platform for others to learn about innovative solutions adopted for overcoming social challenges. |







## 4. Human resources

| Criteria   | 1  | 2  |
|--|--|--|
| 4.1. Is building CSR capacity a routine activity? How frequently are the training needs for building/ enhancing professional, organisational & managerial competence and capacities in CSR assessed?   | CSR capacity building is not a routine function. Assessment for CSR training needs is not a formal process   | CSR capacity building is done only for the CSR team. Process for assessing training needs is ad-hoc  |
| 4.2. How does the company support the capability and capacity building of its CSR partners' employees/ staff?  | Company does not do it   | Done, if requested by CSR partner  |
| 4.3 Are new recruits made aware of the CSR strategy and initiatives of the company during induction? Are they sensitised to the CSR connect with business and the role that they can play? Does the company have a process by which both new hires, trainees and others have an opportunity to contribute in CSR initiatives through short term projects/ deputations? | New recruits are not made aware of company's CSR vision and strategy. No sensitisation is done at the time of training. No formal process for allowing new hires/ trainees to undertake CSR projects/ deputations. Such requests are discouraged | CSR initiatives of the company are showcased during the induction process. But the connect between their role and CSR is not discussed. No formal process for allowing new hires/ trainees to undertake CSR projects/ deputations. However, such requests are considered |

| 3  | 4   | 5  |
|--|---|--|
| CSR capacity building is done for the CSR team. Formal process for assessing training needs exists. Training needs assessment done annually  | CSR capacity building is done for the CSR team. Formal process for assessing training needs of CSR team exists. Training needs assessment done annually. CSR sensitization for leadership done occasionally   | CSR capacity building is done for the CSR team. Formal process for assessing training needs of CSR team exists. Training needs assessment done annually. CSR sensitization is done across the organization and relevant stakeholders to reinforce link between CSR and business. Robust formal process exists for assessing sensitization needs across different levels in the organization            |
| Proactively offers capability building support to CSR partners by proactively including the same in its CSR budget/ encouraging the partners to include capability building costs in the proposal  | Proactively offers capability building support to CSR partners by proactively including the same in its CSR budget/ encouraging the partners to include capability building costs in the proposal. Invites partners' resources to capability building workshops organised for own CSR team            | In addition to capability building support, gets involved in the overall strategy, sustainability and growth of the CSR partners and provides necessary advise and support   |
| CSR Vision and Strategy of the company are discussed during the induction process, elaborating the CSR connect with company's business. CSR performance is showcased. Interested new hires/ trainees are taken for a residential field visit to one of the CSR projects of the company. No formal process for allowing new hires/ trainees to undertake CSR projects/ deputations. However, such requests are considered | CSR Vision and Strategy of the company are discussed during the induction process, elaborating the CSR connect with company's business. CSR performance is showcased. A formal process by which new hires, trainees can contribute to CSR initiatives through short term projects/ deputations exists | CSR Vision and Strategy of the company are discussed during the induction process, elaborating the CSR connect with the company's business. The role that they can play, as individual employees, in supporting CSR is highlighted. A formal process by which new hires, trainees can contribute to CSR initiatives through short terms projects/ deputations exists and is also open to all employees |

### Notes on 4.2

Basic capability building of the NGO (Use of MS office applications, document writing, english speaking etc.) could be done through structured skill-based volunteering initiatives



## 5. Volunteering

| Criteria  | 1  | 2   |
|---|--|---|
| 5.1. Does the company have a formal volunteering policy/programme/scheme to facilitate employee volunteering? Does the policy clearly state the facets of support provided to volunteers? Is the policy inclusive – uniformly applicable to all employees? Is it helping promote a culture of volunteering? | No formal programme / policy on volunteering.                        | No formal programme / policy on volunteering. However, the organisation is supportive of employees who wish to volunteer and sometimes may give company time off/other forms of support |
| 5.2. Does the leadership in the company set an example by themselves participating in volunteering activities? What is the level of engagement of leaders?  | Leaders have no or minimal participation in volunteering initiatives | Some leaders participate in volunteering activities upon request of CSR team. Level of engagement is low (inaugural address, ribbon cutting type of engagements)                        |
| 5.3. How does the company recognise the contributions of its volunteers?  | No recognition scheme exists   | Significant volunteering efforts are recognised, but there is no formal scheme  |

| 3  | 4  | 5   |
|--|--|---|
| Formal volunteering programme/ policy exists to encourage employees to give back to society. However, programme is not structured and policy lacks clarity on support & resources provided by company to volunteers      | Strong formal volunteering programme / policy exists - Clear programme structure, details of company support offered - time off, reimbursement of travel costs, volunteer recognition scheme, insurance cover etc. However, implementation is weak as the culture of volunteering is not strong. Certain employee groups are discouraged from volunteering - poor performers, customer service support functions, contract/ temporary employees etc. | Strong formal volunteering programme/ policy exists - Clear programme structure, details of company support offered - time off, reimbursement of travel costs, volunteer recognition scheme, insurance cover etc.* Volunteering opportunities are linked to the CSR initiatives, as far as possible. A stated code of conduct exists for volunteers. Programme and policy strongly implemented, a strong culture of volunteering exists. There is evidence that supervisors encourage their team members to volunteer. All employees are encouraged to volunteer, irrespective of nature of employment, team, performance etc. Volunteering opportunities are linked to CSR initiatives |
| Most leaders actively participate in volunteering activities during key volunteering initiatives (like TVW). Level of engagement is high (Mentoring, coaching sessions for youth, beach cleanup, Charity Walk/ Run etc.) | Most leaders actively participate in volunteering activities during key volunteering initiatives (like TVW). They also encourage all employees to volunteer through inspiring messages   | Leaders actively drive volunteering by adopting ambitious targets around volunteering and encouraging volunteering throughout the year. They personally undertake regular volunteering engagements  |
| Significant volunteering efforts are recognised by the CSR team through a formal recognition scheme. Immediate supervisor and team not involved  | Significant volunteering efforts are recognised by the CSR team through a formal recognition scheme. Immediate supervisor and team are intimated and felicitate/ recognise the volunteer's contribution in team meetings   | Significant volunteering efforts are recognised by the CSR team through a formal recognition scheme. Immediate supervisor and team are intimated and felicitate/ recognise the volunteer's contribution in team meetings. Exceptional volunteering efforts are recognised on a company level platform (like annual day)   |

### Notes on 5.1

Providing clarity on support offered – It is not being suggested that the company should give official time off, provide insurance etc. to volunteer, but stressing that the company must provide clarity on these things by explicitly stating in the policy volunteering is to be done after office hours, not during; volunteer is not covered by insurance; volunteers won't be reimbursed for travel etc.

# Volunteering

| Criteria   | 1                 | 2  |
|--|-------------------|--|
| 5.4. How does the company log, validate and report its volunteering performance?               | No process exists | Volunteering activities are recorded, but volunteering hours are not tracked   |
| 5.5 How does the company participate in Tata Engage initiatives (TVW, ProEngage & EngagePlus)? | No                | Yes, Only in TVW and ProEngage. However, no process to ensure ProEngage volunteers are provided adequate support and recognition from immediate supervisor and team. |



| 3   | 4  | 5  |
|---|--|--|
| Volunteering activities are recorded. Volunteering hours are tracked by CSR team based on participation (a count done by the volunteering activity co-ordinator during the activity). Details of participants not available | Volunteering activities are recorded. Volunteering hours are tracked by CSR team based through a formal sign-up & attendance process. Details of participants like name, email ID, employee ID, etc. are available   | Volunteering activities are recorded. Volunteering hours are tracked by CSR team based on a formal sign-up & attendance process. Details of participants like name, email ID, employee ID, etc. are available. Collation of volunteering hours is done in real time and a dashboard is available highlighting hours logged at a company level. Efforts are made to assess the impact of volunteering initiatives |
| Yes, Only in TVW and ProEngage. ProEngage volunteers are encouraged by immediate supervisor and recognised by the company for their efforts. Company gives 2 working days off in a quarter to ProEngage volunteers          | Yes, in all three formats. ProEngage volunteers are encouraged by immediate supervisor and recognised by the company for their efforts. Company gives 2 working days off in a quarter to ProEngage volunteers. However, no formal process to ensure safe return and re-fitment of Engage+ volunteers | Tata Engage is formally integrated into the written volunteering policy of the company. Complete support and recognition is provided to volunteers participating in ProEngage and Engage+ (2 working days off per quarter for ProEngage and safe return and refitment for Engage+)   |

## 6. Results

| Criteria   | 1                       | 2   |
|--|-------------------------|---|
| 6.1. Extent of disclosures of performance on critical parameters | No information provided | Performance information provided only for key projects                    |
| 6.2. Performance against target                                  | No information provided | Challenges that have impacted performance discussed only in general terms |
| 6.3. Discussion on variances between targets and performance     | Not discussed at all    | Covered in very general terms   |

| 3   | 4  | 5  |
|---|--|--|
| Performance information provided for all projects, but not along all KPIs identified for the projects             | Performance across all projects and all identified KPIs provided   | Performance across all projects and all identified KPIs provided plus new KPIs identified for some projects  |
| Specific challenges impacting performance have been identified but no discussion on what was done to address them | Specific challenges identified, classified in controllable and uncontrollable and information provided on how these were addressed | Additionally, the report describes what is proposed to be done to overcome these challenges - especially the controllable ones - in the coming years |
| Variance analysis done for key projects but and reasons provided for gap  | All variances - positive and negative - identified, analyzed, discussed for all projects   | All variances - positive and negative - identified, analyzed, discussed for all projects and lessons identified and corrective actions outlined      |

## Annexure I

### 10 Core Principles of CSR for Tata companies

1. **Beyond compliance:** While all CSR interventions shall fully comply with the relevant laws of the land in which they operate, they will strive to meet core needs, even if it is beyond what is mandated.
2. **Impactful:** Interventions will focus on impact on communities and to this end, all companies will work collaboratively and synergistically on a set of agreed Tata group CSR Programmes (GCPs).
3. **Linked to business:** While community benefits will have to be paramount and clearly defined, all companies may also seek business benefits and leverage their core competencies while undertaking CSR activities.
4. **Relevant to national and local contexts:** The CSR initiatives must be closely aligned with and relevant to the local and national contexts in which the company is located.
5. **Sustainable development principles:** All CSR interventions will follow sustainable development principles – they will factor social, human rights and environmental impacts in their design and execution.
6. **Participative and bottom-up:** Communities must be central to the interventions and they must be actively involved in identifying the issues to be addressed and in the management and monitoring of the interventions.
7. **Focused on the disadvantaged:** Special care must be taken to ensure that the needs of the most disadvantaged in the community – in terms of gender, ethnicity, disability and occupation – are addressed.
8. **Strategic and built to last:** By design, all CSR initiatives shall ensure that communities can sustain them on their own, beyond the involvement of the Tata group. Hence, the initiatives must be part of a long-term CSR strategy.
9. **Partnerships:** All CSR interventions will be done in partnership with institutions that are close to the ground – community organisations, NGOs, companies (within and outside the Tata group) and government: local, state and central.
10. **Opportunities for Volunteering:** The CSR initiatives will be designed to provide a range of volunteering opportunities for Tata employees.

## Annexure II

### List of reference documents for the Assessment Team

1. CSR / Sustainability report of the company
2. CSR policy of the company, as per Section 135 of companies' Act (Applicable only for India operations)
3. CSR Strategy document of the company / Annual CSR plan
4. Any internal documents, highlighting the CSR efforts / Programmes and performance

#### References:

- TCCI: CS Protocol, 1997
- MCA: Section 135 of Companies Act, Schedule VII and associated notifications and circulars
- Tata Chemicals: Corporate Sustainability Protocol Index -2013
- DPE: Guidelines on Corporate Social Responsibility & Sustainability for Central Public Sector Enterprises, 2013
- TBEM Reference Guide





Leadership with Trust

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