

PRINCIPLE 1**Ethics, Transparency and Accountability**

The Tata Code of Conduct (TCOC) is an integral part of the Company's value system. With globalisation of operations, the Tata Code of Conduct was revised in 2008 and amendments, based on engagements with diverse global partners, were made in specific clauses to incorporate global business issues.

The document is made available to all stakeholders of the Company through its website as well as in print. It is shared extensively and repeatedly with employees, vendors, suppliers, contractors and their workmen through workshops, programmes and event-based communication. The Company has put in place the necessary structures and processes, to implement and improve ethical standards and practices in the organization. All new recruits are provided an overview of the Tata Code of Conduct. Tata Communications has adopted a formal organisational structure to deploy the Code. The process of its implementation in the Company has been designated as the Management of Business Ethics (MBE).

The Managing Director and Group Chief Executive Officer is also Tata Communications Chief Ethics Officer and is responsible for the implementation of the Code of Conduct. A designated Ethics Counsellor reports directly to the Managing Director and assists in managing the MBE process. The Counsellor also has access to the Board of Directors of the Company. The Ethics Counsellor is, in turn, supported by Departmental Ethics Coordinators. Through all communication, the Managing Director exhorts all stakeholders to comply with the TCOC.

Compliance to TCOC is a condition of service for all employees at Tata Communications. All officers must supply declarations and compliance undertakings, at the time of joining. To internalize the code of conduct and sustain the momentum, the Company conducts employee seminars, compliance training and ethics awareness workshops at frequent intervals. During the course of last year, the Company ran a major campaign to get all employees re-certified for the Tata Code of Conduct. All the officials of the Company are provided training on compliance with the Foreign Corrupt Practices Act (FCPA) of the US and UK Bribery Act with which the Company must comply by virtue of its US listing. The Company understands that a strong commitment to ethics is critical to the long term success of business and believes that any success not achieved ethically is no success at all. In order to inculcate the ethical value system deep into the minds of the employees, the Company has launched a Web Based Training Module on the Tata Code of Conduct available to all its employees globally. It has helped to create a better understanding and awareness about our value system among our global workforce.

Compliance structure

Various systems and processes have been developed and implemented in Tata Communications to ensure the implementation. These include Anti-corruption Policy, Gift and Entertainment Policy, Travel Hosting Policy, Whistle Blower Policy, Insider Trading Policy, Due Diligence Policy. Tata Communications has a zero tolerance policy towards corruption and unethical behaviour and has, therefore, taken specific action to implement anti-corruption measures.



BUSINESS RESPONSIBILITY STATEMENT

Concerns raised regarding the involvement of its employees and business partners in any act of bribery or corruption are thoroughly investigated and punitive as well as preventive action is taken. Non-compliance by vendors leads to severe consequences, including blacklisting. Similarly for employees, punitive action is taken, including termination of employment.

A handwritten signature in blue ink, appearing to read 'Vinod Kumar', is positioned above a horizontal line.

**VINOD KUMAR
MANAGING DIRECTOR &
GROUP CEO**

PRINCIPLE 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Our Commitment

Tata Communications is committed to conduct its business in an environmentally responsible manner. This commitment is consistent with the corporate objectives of the company and is essential to sustainable development.

Our Objective

To truly give back, Tata Communications believes we must also work toward "taking less." The Company is moving ahead with the following Objective;

- Reducing our own footprint
- Influencing our customers and suppliers to encourage them to reduce their footprints
- Engaging with our employees to help reduce their personal footprints

Vision

In consonance with the Tata Group's initiatives on the Greening front the Company has imbibed the Group's vision and strives to:

- be the benchmark in their segment of industry on the carbon footprint, for their plants and operations.
- engage actively in climate change advocacy and the shaping of regulations in different business sectors.

The Company accordingly has been incorporating 'green' perspective in all key organizational processes.

Our Initiatives

We took an aggressive target and reduced our Carbon Foot print in a major way as follows:

- In FY 2012 we bought ~15 Million units of wind power and achieved reduction of 12600 MT of carbon.
- In FY 2013 we bought ~24 Million units of wind power and achieved ~20160 MT of carbon reduction.

Way Forward

Tata Group efforts

Tata group embarked on its climate change journey in July 2008, with the formation of the Centre of Excellence (CoE) in Tata Quality Management Services (TQMS), a centrally administered organisation that draws on the experience and expertise of senior Tata leaders. In order to gain experience on various issues related to climate change (listed below),



collaboration and engagement is undertaken with institutes (such as IISC and IITB), forward-thinking companies and global organisations (such as UNEP / UN Global Compact Caring for Climate Initiative). The themes, in general, include:

- Evolving knowledge on climate science
- Collaborative projects on sustainability (greening Bombay House, electric vehicle systems, green townships, improvements in telecom processes, etc.)
- Generating knowledge and sharing best practices for evolving a strategic tool for climate change
- Exploring technical solutions for a low-carbon economy

The group is also part of the Prime Minister's Committee of Low Carbon Strategies for India chaired by Dr. Kirit Parikh, and it also leads the sub-committee on the transport sector.

Tata Communications Way Forward

The Company is supporting Tata Group initiative and will continue to measure its own Carbon Footprint which is also published quarterly in-house and shared at the Group level with various Tata Group companies. Our other planned initiatives are:

- Our global energy saving initiatives includes energy efficiency at Tata Comm buildings, fresh cooling in our data centers, business travel substitution etc.
- On supply chain side we will build consciousness to incorporate the international emission criteria as an integral part of its RFP's.
- Deploy energy efficient equipment.
- Utilize Wind power/alternate energy to the extent viable

Our products and initiatives are also aimed to enable our customers worldwide to leverage our communications solutions to reduce their own company's carbon footprint. Not being in the BTS/mobile tower segment our power needs are different and hence the energy efficiencies targeted would also be different. As a responsible corporate as also part of Tata Group Company we are committed to bringing efficiencies in our Greening efforts.



**VINOD KUMAR
MANAGING DIRECTOR &
GROUP CEO**

PRINCIPLE 3

Employee Welfare

Right to freedom of association and collective bargaining

Tata Communications Limited respects the right of employees to exercise freedom of association and collective bargaining. Employees' unions are present and encouraged. All non-officers in India are represented by Employees' Union. Challenges faced are discussed with the Employees' Union at scheduled meetings.

Joint Consultation is done for issues related to production, productivity, quality, safety, welfare, training, (excluding issues of collective bargaining and individual grievances).

Equal opportunity employer

Tata Communications Limited recognises and values the differences in employee 'backgrounds and skills' and promotes equal access to employment and supply opportunities without discrimination. Any alleged violation of the equal opportunity policies is investigated and, if found valid, acted upon.

Promoting a just and fair workplace

The Company recognises and values the differences in employee 'backgrounds and skills' and promotes equal access to employment and supply opportunities without discrimination. Any alleged violation of the equal opportunity policies is investigated and, if found valid, acted upon.

The level of salaries of all employees – except, the Executive category in India – are defined and determined by periodic collective bargaining or wage arrangements. The Company complies strictly with rules and regulations stipulated by local governments on minimum wages paid to employees.

Encouraging work-life balance for employees

At Tata Communications Limited the requirement of work-life balance is recognised and promoted. The Company's leave policy is tuned towards employees having a healthy work-life balance.

Other Employee Welfare Initiatives

Some other employee initiatives cover aspects related to housing, medical care, education, culture and counselling. The Management is responsible for training and supervising employees on safe procedures and health care, providing information on safety hazards and providing safety appliances.

Rewarded for Excellence

Tata Communications Limited has a Reward and Recognition program for its employees in order to recognize and reward significant and valuable contributions by any employee.

Offering a harassment-free workplace to all Tata Communications Limited aims to have a discrimination-free workplace. Guidance on a harassment-free workplace is taken from the



BUSINESS RESPONSIBILITY STATEMENT

Tata Code of Conduct and the Company's Human Resource, Sexual Harassment and Affirmative Action Policies.

A handwritten signature in blue ink, appearing to read 'Vinod Kumar', is positioned above a horizontal line.

**VINOD KUMAR
MANAGING DIRECTOR &
GROUP CEO**

PRINCIPLE 4

Stakeholder Engagement - Businesses should respect the interests of, and be responsive towards, all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

Tata Communications believes in creating a roster of shared values for the organization's eco-system comprising of its employees, customers and communities at large. This belief is expected to lead to an equitable upliftment of all the communities in geographies TCL operates in.

Currently there are 4 special initiatives TCL has undertaken for the upliftment of disadvantaged and marginalized communities in and around its larger operations. The initiatives are as under:

- a) TCL has undertaken a long term project with Entrepreneurship Development of India, with an objective to train and develop potential small time Entrepreneurs with Entrepreneurship abilities. The programme basically aims at professionally training the identified 90 disadvantaged entrepreneurs from Pune, impart them with 2 months customized Entrepreneurship Development Programme in the area of Communications, help and support them for two years to undergo the process of establishing and running business, with an end result of ensure established Business Enterprises. The programme will not only positively impact the trained entrepreneurs, but also generate employment and impact many more lives. Pune being one of TCL's largest operations the project impacts many of its marginalized and deserving stakeholders.
- b) TCL has undertaken a short term project with NIIT Foundation in Delhi, which happens to be TCL's one of Business operations. Through the project TCL imparts life skills training to 125 disadvantaged and vulnerable youth to enhance their employability skills. The project aims at training in the field of IT and ensuring employment in the organized or unorganized sectors to all the beneficiaries trained.
- c) TCL has partnered with various academic Institutes in the field of Engineering to provide scholarships to meet their educational and livelihood requirements. All these students belong to extremely poor socio-economic background. The students supported through scholarships and other life skills programmes are one of our major current and future stakeholders.
- d) TCL has partnered with Stree Mukti Sanghatana a Non-for-Profit organization made up of women rag-pickers for managing the entire waste-disposal Management in all TCL's Mumbai offices. This is reflection of our commitment towards being socially and environmentally responsible. TCL is strongly committed towards connecting the dots and building up the entire eco-system comprising of all its stakeholders. TCL regularly and actively engages its employees in all its community development initiatives in and around its operations as a part of Employees Volunteering programme.

The Company plans to commission a specialized organization in near future to map its stakeholders from vulnerable and disadvantaged and marginalized section. Presently the



Company has identified through baseline surveys some of the disadvantaged and marginalized stakeholders in and around its larger operations in India.

A handwritten signature in blue ink, appearing to read 'Vinod Kumar', is positioned above a horizontal line.

**VINOD KUMAR
MANAGING DIRECTOR &
GROUP CEO**

PRINCIPLE 5

Human Rights - Businesses should respect and promote human rights

Tata Communications Limited provides equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality and different ability status. To ensure diversity of its workforce, the Company exercises positive discrimination in favour of socially disadvantaged communities provided potential employees fulfill its merit-based criteria. These systems and processes are monitored for compliance and subject to continuous improvement.

All employees of the Company have access to the Ethics Counsellor. They are free to raise rights-based issues through forums for two-way communication, participative management and joint consultations. A special forum for women's empowerment has been created to address issues related to women and to support them as professionals.

To raise awareness, all recruits of the Company must certify that they understand and accept the Tata Code of Conduct. The Company ensures that no persons below the age of 18 years may be engaged by contractors, suppliers or vendors at any point, within or outside the Company premises, and in the event of discovery of such a case, liabilities for suitable remediation and ensuring well-being of the child would accrue to the defaulting party.



**VINOD KUMAR
MANAGING DIRECTOR &
GROUP CEO**

PRINCIPLE 6

Business should respect, protect, and make efforts to restore the environment

Our Commitment

Tata Communications is committed to conduct its business in an environmentally responsible manner. This commitment is consistent with the corporate objectives of the company and is essential to sustainable development.

Our Objective

To truly give back, Tata Communications believes we must also work toward "taking less." The Company is moving ahead with the following Objective;

- Reducing our own footprint
- Influencing our customers and suppliers to encourage them to reduce their footprints
- Engaging with our employees to help reduce their personal footprints

Vision

In consonance with the Tata Group's initiatives on the Greening front the Company has imbibed the Group's vision and strives to:

- be the benchmark in their segment of industry on the carbon footprint, for their plants and operations.
- engage actively in climate change advocacy and the shaping of regulations in different business sectors.

The Company accordingly has been incorporating 'green' perspective in all key organizational processes.

Our Initiatives

We took an aggressive target and reduced our Carbon Foot print in a major way as follows:

- In FY 2012 we bought ~15 Million units of wind power and achieved reduction of 12600 MT of carbon.
- In FY 2013 we bought ~24 Million units of wind power and achieved ~20160 MT of carbon reduction.

Other Initiatives

The company is concerned about the energy efficiency and continuously updates its Power Usage Effectiveness (PUE) data which is an indication of efficiency of its data centers. The same is reviewed and monitored as Carbon Footprint (CFP) reduction plan by the Board. As a company it is actively engaged in securing and investing in renewable energy resources and



as of FY 13, the total quantum of energy procured from renewable sources is 23 M units which is 11% of its annual energy bill.

We are also an ISO 14000 compliant organization with regular audits and all our processes are aligned with respect to the safe disposal of wastes and all our emission are within the limits prescribed by the Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB).

Way Forward

Tata Group efforts

Tata group embarked on its climate change journey in July 2008, with the formation of the Centre of Excellence (CoE) in Tata Quality Management Services (TQMS), a centrally administered organisation that draws on the experience and expertise of senior Tata leaders. In order to gain experience on various issues related to climate change (listed below), collaboration and engagement is undertaken with institutes (such as IISC and IITB), forward-thinking companies and global organisations (such as UNEP / UN Global Compact Caring for Climate Initiative). The themes, in general, include:

- Evolving knowledge on climate science
- Collaborative projects on sustainability (greening Bombay House, electric vehicle systems, green townships, improvements in telecom processes, etc.)
- Generating knowledge and sharing best practices for evolving a strategic tool for climate change
- Exploring technical solutions for a low-carbon economy

The group is also part of the Prime Minister's Committee of Low Carbon Strategies for India chaired by Dr Kirit Parikh, and it also leads the sub-committee on the transport sector.

Tata Communications Way Forward

The Company is supporting Tata Group initiative and will continue to measure its own Carbon Footprint which is also published quarterly in-house and shared at the Group level with various Tata Group companies. Our other planned initiatives are

- Our global energy saving initiatives include energy efficiency at Tata Comm buildings, fresh cooling in our data centers, business travel substitution etc.
- On supply chain side we will build consciousness to incorporate the international emission criteria as an integral part of its RFP's.
- Deploy energy efficient equipment.
- Utilize Wind power/alternate energy to the extent viable

Our products and initiatives are also aimed to enable our customers worldwide to leverage our communications solutions to reduce their own company's carbon footprint. Not being in the BTS/mobile tower segment our power needs are different and hence the energy



efficiencies targeted would also be different. As a responsible corporate as also part of Tata Group Company we are committed to bringing efficiencies in our Greening efforts.

The Company has strategies and green initiatives to address the global environment issues. The Company is in the process of publishing CFP for its operations and shall be on public domain by Q3 of FY 14 with CDP- Carbon Disclosure Project. The link shall be provided thereafter. The Company's efforts to restore the environment cover the Company and also extend to the group and associates like suppliers and contractors.



**VINOD KUMAR
MANAGING DIRECTOR &
GROUP CEO**

PRINCIPLE 7

Policy Advocacy - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Tata Communications Limited participates in the stakeholder consultations with the Department of Telecom, Government of India, Telecom Regulatory Authority of India including interactions between industry associations like FICCI, ISPAI and relevant Ministries (Department of Telecom, Department of Information Technology, Ministry of Home Affairs) to support long term policy formulation in the Telecom sector as well to deal with the critical operational/business issues being consulted upon by the relevant Authorities.

In order to bring transparency in its decision making process, the Telecom Regulatory Authority of India has evolved a consultative process wherein on important issues pertaining to Telecom sector, Consultation Papers are issued by it eliciting response from the stakeholders including Tata Communications Ltd. The Consultation Paper post the response from all the stakeholders is followed by an Open House discussion wherein all the stakeholders put forward their views on the issued involved in the consultation. Tata Communications Ltd. participates in all such consultation processes which are relevant to its line of business and put forth its view in a fair and transparent manner.

Tata Communications Ltd. also gives its inputs to the Government as and when the same is called for. We participated in the DoT consultation process for the formulation of new Telecom Policy which was finally unveiled by the Government in the year 2012.

Tata Communications Ltd. performs the function of policy advocacy in a transparent and responsible manner while engaging with all the Authorities and while doing so it takes into account both its Corporate as well as the larger national interest.



**VINOD KUMAR
MANAGING DIRECTOR &
GROUP CEO**

PRINCIPLE – 8**Businesses should support inclusive growth and equitable development**

Tata Communications annually allocates 2 crores to Community development projects. The Company believes in creating a roster of shared values for the organization's eco-system comprising of its employees, customers and communities at large. This belief is expected to lead to an equitable upliftment of all the communities in geographies TCL operates in.

Currently there are 4 special initiatives TCL has undertaken for the upliftment of disadvantaged and marginalized communities in and around its larger operations. The initiatives are as under:

- a) Entrepreneurship: TCL has undertaken a long term project with Entrepreneurship Development of India in 2012-14, with an objective to train and develop potential small time Entrepreneurs with Entrepreneurship abilities. The programme basically aims at professionally training the identified 90 disadvantaged entrepreneurs from Pune, impart them with 2 months customized Entrepreneurship Development Programme in the area of Communications, help and support them for two years to undergo the process of establishing and running business, with an end result of ensure established Business Enterprises. The programme will not only positively impact the trained entrepreneurs, but also generate employment and impact many more lives. Pune being one of TCL's largest operations the project impacts many of its marginalized and deserving stakeholders.
- b) Education and Life Skills development: TCL has undertaken short term projects in 2011-12 and 2012-13 with NIIT Foundation in Delhi, which happens to be TCL's one of Business operations. Through the project TCL imparts life skills training to 125 disadvantaged and vulnerable youth to enhance their employability skills. The project aims at training in the field of IT and ensuring employment in the organized or unorganized sectors to all the beneficiaries trained.
- c) Education: TCL has partnered in 2011-12 and 2012-13 with various academic Institutes in the field of Engineering to provide scholarships to meet their educational and livelihood requirements. The scholarships are also provided to students from weaker sections through Foundation for Academic excellence and Access. All these students belong to extremely poor socio-economic background. The students supported through scholarships and other life skills programmes are one of our major current and future stakeholders.
- d) Social Development & Environment concerns: TCL has partnered with "Stree Mukti Sanghatana" a Non-for-Profit organization made up of women rag-pickers for managing the entire waste-disposal Management in all TCL's Mumbai offices. This is reflection of our commitment towards being socially and environmentally responsible. TCL is strongly committed towards connecting the dots and building up the entire eco-system comprising of all its stakeholders. TCL regularly engages its employees in all its community development initiatives as a part of Employees Volunteering programme.
- e) Healthcare support – TCL has supported TATA Medical center, Hospital in Kolkata in increasing the number of Beds for poor and needy cancer affected patients in the year



2012-13.

- f) Social Consciousness and Employees Volunteering: TCL supported over 500 households in 2012-13 by way of providing solar lamps. These houses are located in very difficult terrains and have no access to infrastructure and electricity. The solar lamps have been useful in improving the living conditions of the existing communities and have increased the performance of students in the schools.

TCL employees have been actively engaged in various socially responsible initiatives annually. The employees volunteer since 2011 in cleaning Beaches post Ganesh immersion annually. Employees have been the ambassadors of community development in TCL.

TCL community development projects are based on the model of community ownership. Majority of the long term projects are envisaged, identified and executed with a delivery model which is later adopted by the community. The Entrepreneurship development programme for the weaker sections of entrepreneurs and the life skills development programmes for the youth are self-sustainable projects. The students' scholarships programme aims at making the students independent and capable of earning decent livelihood.

The programmes/projects are undertaken by external NGOs and other organizations. The impact assessment are conducted by the implementing partners and shared with Tata Communications Limited.



**VINOD KUMAR
MANAGING DIRECTOR &
GROUP CEO**

PRINCIPLE 9

Value to customers - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Customer Value Creation

At TCL, value creation is the process of going beyond meeting the customer's basic needs. This is done by understanding the customer, through inputs and observations.

Value Creation Process at TCL

The process of value creation at TCL is based on five key actions.

- Customer need identification through a number of active listening and learning mechanisms.
- Analyses and prioritisation requirements
- Evaluation of 'potential value for customers' and feasibility checks.
- Implementation of pilot projects through cross-functional teams.
- Monitoring of projects.

New value propositions are being created for small and medium consumers (SMEs).

Serving the overall well-being of society

TCL products and services meet all necessary national and global regulations, standards and guidelines. Health and safety considerations strongly influence new product development. Being in the Telecom sector and servicing clients worldwide, TCL's products and services not only meet the Indian regulations but also that of foreign regulations.



**VINOD KUMAR
MANAGING DIRECTOR &
GROUP CEO**